

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session — Eighteenth Legislature**

**November 23, 1977.**

The Assembly met at 2:00 o'clock p.m.  
On the Orders of the Day.

**INTRODUCTION OF GUESTS**

**MR. W.J.G. ALLEN (Regina Rosemont):** — Mr. Speaker, I should like to introduce a group of guests that we have today from the Wascana Institute. I believe they are seated in the Speaker's Gallery. I would like to welcome you to the Legislature this afternoon. I hope that their stay here will be pleasant and informative. I look forward to meeting with them after the question period and I ask all members to welcome them to the Legislature this afternoon.

**QUESTIONS**

**CIGOL CASE**

**MR. R.L. COLLVER (Leader of the Conservative Opposition):** — Mr. Speaker, I would address my question to the Premier. Mr. Premier, as a result of the decision today by the Supreme Court of Canada with reference to the Cigol case and the decision against the law of Saskatchewan, what contingency plans does your government have to ensure that the people of Saskatchewan do not have to repay the hundreds of millions of dollars that may be repayable as a result of this decision?

**HON. A.E. BLAKENEY (Premier):** — Mr. Speaker, obviously the government has considered the possibility of an adverse decision. What plans the government may have to meet that eventuality cannot now be disclosed; the judgement is not in hand. We just have a few words of the decision. We do not know the reasons for the judgement. We do not know in any detail what the judges held and accordingly we are not able to state at this time without studying the judgement and considering its implications with some care, what further steps should now be recommended to this Legislature or otherwise acted upon by the government of Saskatchewan.

**MR. COLLVER:** — Supplementary question, Mr. Speaker. Would the Premier not agree that as a result of this adverse decision, that any attempt by the government of the province of Saskatchewan, to rectify the situation retroactively, will be attacked by the oil industry and the major companies as attempting to do indirectly that which you can't do directly, and, therefore, you should make immediate plans to ask the government of Canada to pass Legislation that enables the government of Saskatchewan to collect a tax similar to that collected in Alberta, which has not been attacked as being unconstitutional.

**MR. BLAKENEY:** — Mr. Speaker, while I am perhaps prepared to agree with the hon. member that any move by the government of Saskatchewan of whatever kind, is likely to be attacked by the oil industry, I am not prepared to concede that the Legislative jurisdiction of the government of Saskatchewan does not permit taxation of the oil industry, in substantially the way we did. Clearly there may be need for change. We will see what the judgement says, but I am not now prepared to concede that Saskatchewan has exhausted the powers given to it by the constitution and accordingly, I am not

prepared to concede that we should be calling upon the federal government at this time to take any action which may, or may not, be needed. We will see what the legislative jurisdiction of Saskatchewan is able to do.

**MR. COLLVER:** — Would the Premier not agree that first of all that any attempt by the government at this time will be attacked. The point of my supplementary question is, they will be attacked, and the Premier agreed to that. That means further indecision, further time delays so that down the road we may have to repay the money anyway and would the government of Saskatchewan not be farther ahead to get this settled once and for all.

My further supplementary question is this: has the Premier first of all sat down in any meaningful way in the last few months anticipating a decision from the Supreme Court of Canada with the oil industry to work out the possibilities for future negotiations and to work out the possibility for legislation that the oil industry can live with and that they will not attack constitutionally as they have not done in the province of Alberta? That's first.

Secondly, has the Premier in any possible way during any such negotiations prior to the decision being given — because any negotiations now would be like operating with a gun at your head has the Premier in any meaningful way at all, have any agreement at all amongst the oil industry that any kind of legislation that they may pass would be acceptable, and not attacked as unconstitutional for future taxation?

**MR. BLAKENEY:** — Mr. Speaker, there are, of course, many, many assumptions in the hon. member's question. One assumption is that the legislation in Alberta will not be subsequently attacked, the fact that it has not been attacked is hardly relevant if it is likely to be attacked in the future, it's hardly, therefore, necessarily a model. We will see what the judgment says and be able to make judgments therefore as to whether any province in Canada has the legislative power to tax resources companies in the way that was sought to be taxed by our government, by the government of Alberta, by the government of British Columbia. I think no one can indicate with any clarity what ought to be done without careful study of the judgment.

With respect to the other question, we have had discussions with the oil industry concerning the revision of the royalty regulations, we met with them and arrived at what was a mutually satisfactory arrangement, subject, I think, to the oil industry reserving its rights to challenge that arrangement if the Cigol case went adverse to the government. That is the current state and I believe that I have nothing further to advise the House on that as to the likely reaction of the oil industry in the face of Cigol.

**MR. E.C. MALONE (Leader of the Liberal Opposition):** — Mr. Speaker, a question to the Premier. In view of the provision in the judgment today handed down in the Cigol case, that the government will be directed to repay Cigol the amount of money that it has paid in taxation under Bill 42, together with the interest that has accrued on that money and in view of the fact notwithstanding what legislation or what moves the government takes between now and future dates, that it's highly likely that Cigol in due course will be presenting to the Minister of Finance a judgment directing that the government of Saskatchewan pay to it a certain amount of money which is as yet been undetermined. What is the government's intention in connection with this court order from the highest court in the land? Does the government intend on following the direction of the Supreme Court of Canada insofar as moneys being payable to Cigol?

**MR. BLAKENEY:** — Mr. Speaker, I think it is clearly premature for me to say what reaction the government is going to have to a judgment which I, for my part, have not seen, and I suspect that nobody in this House has seen. The judgment runs to many dozens of pages, and I would be very surprised if the hon. member has a copy of all the judgments; if he has, I would be even more surprised if he has studied them, and I would be still further surprised if he has applied any significant amount of legal acumen to them, because I don't know whom he will have consulted.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — So, accordingly I think it is clearly premature for me to indicate any future course of action by the government of Saskatchewan. All I can say is, that government policy will be announced in due course.

**MR. MALONE:** — A supplementary question, Mr. Speaker. Is the government prepared to say at this time, approximately how much money in your view would be owing to Cigol as a result of this decision, together with interest, and furthermore the amount of money that approximately would be owing to other companies within the oil industry, should they decide to press their claim for judgment?

**MR. BLAKENEY:** — Firstly, the Cigol figure I don't have before me. I can assure the House that it's under \$5 million and significantly under \$5 million. The other amount is clearly hypothetical. I have no idea which, or how many or in what terms other companies may decide to launch legal actions. I would not be able to speculate on the amount which may be claimed in the course of future legal actions not yet commenced.

**MR. MALONE:** — Mr. Speaker, let me approach the matter in a different way then, is the Premier in a position to tell this House today, approximately, how much money has been collected in taxes, pursuant to the provisions of Bill 42 since it was passed in 1973. I see the Minister of Finance rising, whether he would care to answer it, it doesn't matter to me.

**MR. BLAKENEY:** — I think the Minister of Finance has the figures that were collected under the mineral income tax and the figures which were collected under the royalty surcharge which, as we understand the judgment, are the ones which have been put into question.

**MR. MALONE:** — How much?

**MR. BLAKENEY:** — I am just speaking from memory now but I will let the Minister of Finance stand up after me. I think the figure for mineral income tax is about \$125 million and the figure for royalty surcharge would be about \$340 million at a guess.

**HON. MR. W.E. SMISHEK (Minister of Finance):** — For the period January 1st of 1974 to November 1st, 1977, our preliminary estimates would indicate that under mineral income tax \$126,870,000; the royalty surcharge \$321,459,000.

**MR. H.W. LANE (Saskatoon-Sutherland):** — A question to the Premier. Prior to the depression the federal Liberal Party had a policy. I believe if I understand history correctly, of laissez-faire in terms of regional economic disparities and since about 1940 since the advent of the Rowell Sirois Report I believe under Louis St. Laurent there was an adoption of policy that common citizenship . . .

**MR. SPEAKER:** — Order! I'll take the next question. Final Supplementary.

**MR. R.A. LARTER (Estevan):** — Mr. Speaker, a question to the Premier. Is it the intention of the government to continue collecting revenues under the provision of Bill 42?

**MR. BLAKENEY:** — Mr. Speaker, we have made no decision to discontinue collecting revenues.

**MR. CAMERON:** — Mr. Speaker, a question to the Premier, and unless his memory is as bad as the advice he gets from his Attorney General, he will remember that there is on the statute books of this province an act called the Constitutional Questions Act, which permits a government to refer to the constitutional validity of a proposed act to the Court of Appeal directly to get a judgment in advance of collecting any tax. My question to you is why did you not when Bill 42 was passed and before you collected tax refer the Bill to the Court of Appeal for a judgment which you could have got in 1974 before you collected a penny of tax instead of waiting until 1977 when you are now indebted for some \$500 million?

**MR. BLAKENEY:** — Mr. Speaker, I think the answer to that is reasonably clear. First, we believe Bill 42 to be the law of the land. We believe it to be constitutionally sound, so indeed did the Queen's Bench of Saskatchewan believe it to be constitutionally sound, so indeed did the Court of Appeal in Saskatchewan to whom you would have had us refer the thing believed it to be constitutionally sound, five judges for and no judges against. It has now gone to the Supreme Court and seven judges apparently have found against it and two for it. In fact eight Superior Court judges have held that the law was constitutional. Seven Superior Court judges have found that the law was unconstitutional. We clearly have the wrong seven but I think it is clear that this was far from a case where there were reasonable grounds to believe that the law was unconstitutional. We believed, as did the Court of Queen's Bench and the Court of Appeals, unanimously, that the law was valid. We believe that when an analysis of the judgments is made it will be seen that the law is — that the judgments in effect break new ground. We are yet to see that but in our judgement, in my opinion, that will be the case and accordingly I make no apology for not anticipating the judgment of the Supreme Court of Canada. I believe that the law was what the Court of Appeal of Saskatchewan unanimously thought it was.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. CAMERON:** — Would be Premier not agree with me that the very purpose of the Constitutional Questions Act which is an act passed by this Legislature is to permit governments when they are passing pieces of legislation that they have some concern about, they clearly had some concern about the constitutional validity of this one, to give it directly over to the Court of Appeal for some quick decision on whether it is constitutional, which is appealable immediately to the Supreme Court and you can get an immediate judgement from the Supreme Court. Is it not a fact that you could have referred this legislation to the Court of Appeal in Saskatchewan directly and then to the Supreme Court of Canada and had a judgment within a year of the time the bill was passed and before you collected any taxes, is that not a fact?

**MR. BLAKENEY:** — Mr. Speaker, I do not acknowledge that to be a fact. Clearly it could have been referred to the Court of Appeal. I had no knowledge of how long the Court of Appeal would have taken to deal with the matter. It then could have been appealed to

the Supreme Court of Canada. I had no knowledge as to how long the Supreme Court of Canada would have taken to deal with the matter, and I think the hon. member is presuming something which I certainly do not know when he suggests that the whole process could have been concluded within one year.

**MR. H.W. LANE:** — To the Premier, my first question is this. It is the stated policy of the federal government since their Rowell Sirois Report that the matter of citizenship gives you the right to equality in Canada. Will you now give this Assembly your assurance that you will go to the Prime Minister of Canada, admit that you bungled, and say, 'Look, you bailed out Quebec on the Expo matter, you bailed out Quebec on the Olympics, bail us out because we've bungled'? They can do it, they have the authority. Will you do that?

**MR. BLAKENEY:** — No, Mr. Speaker.

**MR. E.F.A. MERCHANT (Regina Wascana):** — Along the same lines, Mr. Speaker. I suggest to the Premier that there are now three alternatives for the government — pay, pass retroactive legislation . . . He has three alternatives — pay, pass retroactive legislation, or expropriate the assets of the companies including the judgements and the monies that are due, for any price that you like. Are you considering a course of expropriation, does your government consider that that would be held valid, and finally, Mr. Speaker, can you give some indication of where this course of bungling will lead us? How far will the government and the province of Saskatchewan be driven from one mistake to another, now being driven perhaps into expropriation?

**MR. BLAKENEY:** — Mr. Speaker, I think all hon. members will recognize that the hon. member's question asks me to give a legal opinion as to whether I think a hypothetical future course of action would be found valid by the Supreme Court. I think all hon. members know that is a totally improper question, and I don't intend to answer it.

**MR. MERCHANT:** — Mr. Speaker, I then ask the Premier, the Premier who has taken the advice of the lawyer sitting beside him, and a lawyer himself, taken the advice and tumbled the province of Saskatchewan into a \$500 million error, the greatest error in the history of free government . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. R.H. BAILEY (Rosetown-Elrose):** — I would like to present to the Premier, certainly a question which he cannot consider as hypothetical. The decision which was handed down this morning, Mr. Premier, and even when you have had the time to deal with it, undoubtedly was a very serious blow to your government. Will you be considering the decision as a challenge to your government, both in its business arrangements and its philosophy, and therefore resort to going to the people in the near future to have a mandate with a general election.

**MR. BLAKENEY:** — Mr. Speaker, the hon. member for Rosetown-Elrose puts forth a very tempting alternative. But I indicated earlier that I would be announcing the future policy of the government when we have had an opportunity to examine the judgements. I said that 15 minutes ago; it will not come as a surprise to the hon. members that in the interval I have not had an opportunity to examine the judgements and accordingly all I can say is that the government's policy will be announced in due course.

**MR. BAILEY:** — Mr. Premier, if and when that decision obviously will be made by the Cabinet, would you consider the possibility of allowing this Assembly and those of us who sit opposite to you, to be able to have an opportunity in this Assembly, to have considerable debate on the actions of the government while this Session is still operating?

**MR. BLAKENEY:** — Mr. Speaker, the judgement will be public property — is public property, and will presumably be available in a day or so to all hon. members, or they can make arrangements to secure it. All hon. members are free to put on the order paper, a resolution which would permit the fullest possible debate of the provisions of the judgment and possible options open to the government, and it may well be that future moves by the government and I'm merely speculating, will offer further alternatives and further opportunities for debate, and I can therefore assure the hon. member that the procedures of the House will provide him and all hon. members with opportunities to debate the judgement and make such suggestions as they think are appropriate in the circumstances.

**MR. C.P. MacDONALD (Indian Head-Wolseley):** — Mr. Speaker, I would like to direct a question to the Premier. Is it the intention of the Premier to bring about changes in his Cabinet as the result of the responsibility of the legal advice that he received, which has brought the province perhaps on the verge of bankruptcy and the biggest single mistake that any government in the history of Canada (of the world perhaps, free world that I know) has ever made . . . Is it the intention of the Premier . . .

**MR. SPEAKER:** — Order! I think the hon. member is opening up far too wide an area of debate.

**MR. MacDONALD:** — . . . I'll get to the question. Is the Premier considering requesting the resignation of his Attorney General?

**MR. BLAKENEY:** — No, I am not considering requesting the resignation of . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — . . . I am soliciting still further advice from the Attorney General on what should be done in light of the Cigol decision. I don't want to make light of the Cigol decision, it's a very serious matter. We are taking counsel, we are clearly getting legal advice, not only from the Attorney General, but also from the Chief Law Officers of the Crown and from some legal advisors who are outside the government service. We are hopeful that we will get their best advice as to what courses of action are open to the government of Saskatchewan and their advice as to which ones have the best chance to be successful in preserving the right of Saskatchewan people to develop their resources for the benefit of Saskatchewan people now and in the future.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacDONALD:** — Mr. Speaker, I am glad that the Premier has indicated that he is seeking outside advice. Would the Premier give us the assurance that before any decision is made to accept the advice of his legal advisor, that he will go to the best constitutional experts in the country in order to determine whether or not we are not only going to have the problem in the past, but that we will be assured as best as

possible, that we will not be projecting the problem into the future. As I say I have no confidence in the Attorney General or the legal advice you have. Will you give us the assurance you will seek the best constitutional advice in the country before you propound the mistake?

**MR. BLAKENEY:** — Mr. Speaker, I think we have very good advisors; one is always at a loss to know whether one has the best constitutional advisors. Certainly when we were proceeding through the Court of Queen's Bench and the Court of Appeal, judging from the track record, we had every reason to believe we were doing very well indeed. Since who is the best constitutional advisor is indicated primarily by the results and not by reputation, we believe that we have top people, whether or not they will be able to ascertain the likely decision of courts in the future, only time will tell.

**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, a question to the Premier. (I won't digress to say that the second biggest mistake was endorsing the Attorney General.) The case may well have very serious ramifications for our potash industry as well. The risk to the province is great, and I don't think the Premier would indicate that it's not a potentially great risk. Would the Premier give to this Assembly and the people of Saskatchewan the assurance that until his position is established he will discuss no further any potential or future purchases of potash industries and that he will hold these in abeyance, pending assessment of this decision and the risk embarked upon by the people, until the public has had a chance to debate the matter and until the public knows full well the risks that are being taken?

**MR. BLAKENEY:** — Mr. Speaker, I am unable to give the member that assurance, because if there are problems in the potash industry and if there are problems with individual potash mines, I can name you three mines where there are no problems. I can name you three mines where the legal problems have been resolved, totally and completely. That is, the Duval Mine, the Rocanville Mine and the Lanigan Mine.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — And accordingly if there are difficulties, there are three mines with respect to which there are no difficulties. It would be our judgment that we wish in retrospect that there were not three but more mines, in which we have no similar difficulties.

**SOME HON. MEMBERS:** — Hear, hear!

### PRIORITY OF DEBATE

**MR. R.L. COLLVER (Leader of the Conservative Opposition):** — Mr. Speaker, before the orders of the day, under Rule 17(5), I rise to move a matter of definite urgent public importance and I hand herewith to the Speaker, a statement of the matter as required under Rule 17(5), as follows:

As a result of the declaration today of the Supreme Court of Canada, the provisions of Bill 42 are *ultra vires* of the provincial jurisdiction, the people could be required to rebate to the oil industry a sum approximating half a billion dollars. The people of Saskatchewan should not be required to repay this money to the oil industry. Any attempt by the government of Saskatchewan to rectify retroactively this extremely urgent matter, will be attacked by the oil industry as an attempt to do indirectly, that which cannot

be done directly.

**MR. SPEAKER:** — I say to the members, two notices were received in the clerk's office this morning regarding a priority of debate under Rule 17. The first notice was received at 10:05 a.m. from the hon. member for Nipawin and the second at 10:08 a.m. for which I thank the hon. members.

I refer all hon. members to Rule 17(3) which states:

Notices for motion for priority of debate to discuss a matter of urgent public importance shall be recognized in the order in which such notices were received by the clerk.

The notice received from the hon. member for Nipawin must be considered first. I have reviewed this notice very carefully, with public importance, urgency and provincial jurisdiction considerations in mind. I believe this matter is important enough for the Assembly if it wishes, to set aside its agenda in order to debate this topic. Has the hon. member leave to proceed.

**HON. MEMBERS:** Agreed.

**MR. SPEAKER:** — I am proceeding under the rules as found on page 14 of our rule book, and I would ask those members who support the motion to rise. The member may proceed.

**MR. COLLVER:** — Thank you, Mr. Speaker. I would presume that the members opposite, in not rising on this matter of urgent public importance, don't believe that it is urgent in any way that the people of Saskatchewan may be required to rebate to the oil industry close to half a billion dollars, or approximately, \$2,000 for every family in Saskatchewan, five hundred dollars for every man, woman, and child. Close to \$2,000 per family, of every family in the province of Saskatchewan! I would presume that you did not rise because you don't believe that it is urgent. That the Supreme Court of Canada has decided today that the warnings given to you in 1973, that the provisions under your Bill 42 would be attacked, and I say that the warnings that were given to you, were given to you primarily by members to my right. And they warned you, time after time in Hansard, that these provisions could be attacked by the oil industry. And I say to the Premier of the province of Saskatchewan, today, that he did not heed those warnings first. He did not consult with the Premier of the province of Alberta, obviously, or he would have come up with legislation that would not have been attacked as being unconstitutional because the Act in Alberta is not attacked. The people of the province of Alberta are enjoying the benefits today without attack as being unconstitutional. The lack of legislation in the province of Alberta obtained for the people of the province of Alberta, the benefits, the windfall profits, if you want, of the oil companies because of the dramatic increase in the price of oil that occurred back in 1973. As a matter of fact, in the Premier's own words, and I would like to just quote from his statement made on December 13, 1973, in this Legislature:

Mr. Speaker, this bill, not a bill, not a bill similar to Alberta, not royalty charges similar to Alberta, this bill, acts to give control of all oil resources to the people of Saskatchewan. (Some control we've got today, Mr. Speaker). It acts to defend against the federal government attack on our rights to control our own resources. This bill, not like the one in the province of Alberta, this bill, it acts to provide money for more exploration, and more research.



And where have the hundreds of millions of dollar gone — to buy huge holes in the ground; huge holes in the ground, and now it is repayable. It acts to conserve, for the people of Saskatchewan . . . Mr. Speaker, I would them to hear this . . . it acts to conserve (these are the Premier's words — not mine), it acts to conserve for the people of Saskatchewan the large windfall profits which would otherwise go to the international oil companies or to the federal government. At the same time this was happening the province of Alberta was establishing legislation after negotiation with the oil industry, that obtained the maximum benefit for the people of the province of Alberta from those windfall profits, and today they are not repayable. Today, they are not refundable to the oil industry, the very people that the Premier said he was attempting to conserve the money from. Most important of all the Premier said that it acts to (I am talking about this bill) this bill that has now been declared unconstitutional — this bill, most important of all, acts to allow us to conserve for future generations in Saskatchewan our precious (it says previous, but I think it intended precious) and depleting oil resources.

As of today, no such conservation is possible, and the members opposite smirk. The members opposite think it is funny that they have got the people of Saskatchewan into a position whereby it is possible that they will have to refund to the oil companies \$500 for every man, woman and child in the province. Mr. Speaker, that situation is unacceptable to the people of the province of Saskatchewan.

The people of this province do not intend to see your government continue mismanaging all of the resources of our province, and stand in line and wait to get into hospitals. They don't want to hear personal attacks on people when we are dealing with important public matters. This Legislative Chamber is to discuss important public matters and Mr. Speaker has ruled that this is an urgent public matter and the people of Saskatchewan will take note of any comments made of personal abuse by the members opposite because they are afraid to discuss the real issue. The real issue here, Mr. Speaker, the real issue is whether the government of the province of Saskatchewan should be involved in business at all.

**MR. MESSER:** — Where is the money, where is the money Dick?

**MR. COLLVER:** — The money, unfortunately, Mr. Speaker, it is now unknown whether it has to be repaid to the oil industry. We say the people of Saskatchewan should not bear the brunt of this mistake by the Premier and the Attorney General. Mr. Blakeney's blunders must not be allowed to cause the people of Saskatchewan to suffer.

We feel that the people of Saskatchewan are entitled to, and deserve, a fair and reasonable and equitable share of the windfall profits that the oil companies have received over the past number of years. We believe that legislation along the lines of Alberta, after negotiation with the industry, would have achieved the vast majority of the half a billion dollars that is now in jeopardy as a result of Blakeney's blunder. And the people of Saskatchewan are asked by this government to bear the brunt.

The Premier says today, in answer to the questions, he says that we don't have contingency plans, contingency plans we are not prepared to announce because we haven't seen the judgment. I would like to inform the Premier that a contingency plan depends on whatever the judgment might say. We have several options and what the Premier was asked today was what options are open to the government of Saskatchewan? What options are being considered by the government of Saskatchewan, in the event, as he well knew and admitted on many occasions of the

possibility that this judgment would go against the people of Saskatchewan, as it has? Today he is not even prepared to own up, the day of the judgment, he is not even prepared to announce to the people what possibilities there are, what potentials there are. Now his Attorney General has said on many occasions, and the Premier has said himself on two or three occasions that we will pass retroactive legislation, that's what he said. He said that we will pass retroactive legislation because the oil industry must not be allowed to get away with the windfall profits. We agree, the oil industry must not be allowed to get away with the windfall profits.

(Laughter from the Attorney General.)

**MR. COLLVER:** — And the Attorney General laughs.

Interjection of furor.

**MR. COLLVER:** — Mr. Speaker, Mr. Speaker, if we might have order here.

**MR. SPEAKER:** — Order, order. Order, order! If we can — I might at this time ask the members to keep order so that debate can be heard. I might remind the members in the gallery that we require order in the galleries, too.

**MR. COLLVER:** — Mr. Speaker, I repeat, Mr. Speaker, it is not incumbent upon . . . Mr. Speaker, when we have order I would like to proceed. Continued lack of ability to listen when they are wrong is the reason that this government is not going to last much longer.

On a very black day in Saskatchewan history, the members opposite laugh and shout and hoot and yell across this Chamber instead of being reasonable and debating the issues. And the basic and fundamental issue here is whether this government, the government opposite, should be involved in these business ventures when evidence of mismanagement of every single area that they touched is at hand. Mismanagement — Intercontinental Packers, the minister admitted yesterday is close — it is in financial troubles, that's what he said — in financial troubles. Sask Timber Board loses year after year after year. The oil revenues are now in jeopardy because of a Supreme Court decision.

We are informed that the Potash Company of Saskatchewan's production, compared to its supposed share of the market, is down. Yet the other organizations in the industry are enjoying increased sales.

SEDCO has business failures, year after year. Hundreds of people have been put out of work in Meadow Lake as a result of the government's involvement in that particular door plant and door industry.

The fact of the matter is, Mr. Speaker, this government should not be involved in business . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COLLVER:** — and when we in the Progressive Conservative Party say that we do not believe that the oil companies should gain the windfall profits, it is not incumbent upon any member of this Legislature to doubt our word. We say on the record, we say today, for the benefit of the Attorney General who laughs and for the benefit of the

Premier who bungles, we say today, we do not believe that the oil industry should get these windfall profits, just as the Progressive Conservative Party in Alberta did not wish the oil industry in the province of Alberta to secure all of the windfall profits in 1973.

**MR. KOSKIE:** — What about New Brunswick?

**MR. COLLVER:** — And the member at the back for Quill Lakes suggests New Brunswick. I didn't hear that they had found oil in New Brunswick. For the benefit of the member, if they do, that would be wonderful for New Brunswick.

Mr. Speaker, the fact of the matter is we must come up today on this urgent matter, we must come up today with, at the very least, some contingency plans, at the very least, some knowledge of the direction that the government of Saskatchewan intends to take in the forthcoming days, weeks and months, because what that decision will be is going to determine the future of the province of Saskatchewan for many years to come. No matter what government sits opposite (and I can assure the members it won't be the NDP), the decision by the Supreme Court of Canada today indicating the inability of your government to negotiate with industry, to come up with reasonable laws, to come up with laws that are not going to be attacked (like the government of the province of Alberta did), millions of dollars worth of surpluses in Alberta as a result of their reasonable approach. Millions of dollars in legal costs attributed already to the government of Saskatchewan, which have gone, that money is spent. The millions of dollars that have had to be spent for the Attorney General's time, and Mr. George Taylor's time and all of the other lawyer's time on your side, plus, and I am not certain of this, whether you were awarded costs . . .

**AN HON. MEMBER:** — No costs.

**MR. COLLVER:** — No costs either way . . . Cost to the government . . . against the government. So there we are, not only your own legal time but the costs of all the lawyers on the other side and the costs of the Supreme Court have to be added. Millions of dollars gone, disappeared, because your government was not prepared to sit down, obtain good legislation to obtain the windfall profits, make the oil companies squeal like the government of Alberta did, but not attack, squeal but not attack . . . oh yes they did, make the oil companies pinch but not attack. And that's good negotiation.

Now the leader of the party to my right today said "The time has come for negotiation, not legislation". Well, my only answer to that is, the time for negotiation, as it relates to past taxes, has long since gone by. Unfortunately, to try and negotiate with an oil industry now that you owe almost half a billion dollars to, and have been told by the Supreme Court of Canada that you owe half a billion dollars to, in the long run, if they all apply, means that you would negotiate with a gun to your head, and what possible negotiating position is that to put the government of Saskatchewan in, and the representatives of the people of Saskatchewan?

We do not believe in addition that it is possible for the government of Saskatchewan, no matter what legal technicalities they try and come up with, we do not believe that it is possible for the government of Saskatchewan to enact any legislation retroactively in relation to the half a billion dollars, that is not going to be attacked by the oil industry as an attempt to do indirectly that which you could not do directly. The Premier, as a lawyer of some reputation, knows that. He knows that another three or four or five years

in court, as a result of attempts by the NDP government to rectify that which it couldn't do to start with, and that's to develop good legislation, and get the maximum benefits for the people as they did in Alberta. He knows full well that any further attempts by his Attorney General to come up with some tricky way of passing retroactive legislation is going to be questioned, is going to be questioned without doubt. I might cite, just for the sake of the record and for the sake of the Premier. (I am not a lawyer so I asked one of our caucus to draw these cases out), but I draw these to your attention, Mr. Premier, just so that you might look them up, pertaining to retroactive legislation.

The Attorney General of Ontario on reciprocal insurers, 1924 - AC 329 PC.

Here is one where they tried again and failed in re the Insurance Act of Canada, 1932, AC 41 PC. They got shot down again.

Mr. Speaker, the problem here is that the government opposite just will not listen to reason and will not use common sense.

In the first place, its involvement directly in the business area has disabled it from being good government. By spending all of your time worrying about Supreme Court cases, cases wherein the legislation is constitutional — potash mines and the acquisition thereof; timber boards and the takeover thereof; DNS and the control of all the people of the North; Intercontinental Packers; all of these various areas the government gets into — Land Bank, shortening the leases. All of these various areas, and the very areas that the people of Saskatchewan expect you to do well, the very areas that the people of Saskatchewan expect you to govern and govern well, such as the provision of good health care and hospitals that don't have long waiting lists; such as roads that people can drive on without ruining their cars (and I suggest that the Premier or the Attorney General drive into some parts of northern Saskatchewan), and all of the other areas of government. Also civil rights, such as the provision and the exercise of good judgment as it relates to the proper execution of laws and making sure that criminals are not treated better than other people in the society, than the citizens.

These are areas, Mr. Speaker, that the people of Saskatchewan expect the NDP to do and not fool around with all of these areas of business in which they shouldn't be involved in the first place. Had you done that I believe, had the Premier stuck to his mandate, I believe that perhaps the Premier might have, in attempting to come to grips with the tremendous windfall profits that had been achieved, or was about to be achieved by the oil industry in Canada, as a result of the increase in world price, I believe the Premier might have taken the time and the effort and the energy to discuss with the Premier of Alberta and other experts in Alberta, and the oil industry itself, what kind of legislation would be reasonable for Saskatchewan. What kind of legislation would the oil industry, although not wanting to pay because nobody wants to pay extra tax, the oil industry could live with and would be prepared not to attack, as they did in Alberta. He might have taken the time to do that. That answer is, obviously, he did not.

He obviously knew better than all the people who had been involved in the oil industry, all of the people who had been involved as producers. He knew better than all of those people in the province of Alberta, where the vast majority of the experts in the oil industry are located. All those people in Alberta knew about how to enact legislation that would be reasonable. He and his government knew better. They would enact this legislation against the advice of everyone. Then they would say to the people of Saskatchewan, in 1975, when this issue came before the people and during the general election of 1975 (and I think every member of this Legislature will remember

it), when questioned by members of the Opposition the Premier said, there's no chance, this oil law is right, we've secured the best interests of the people, we've acquired this money for the people of Saskatchewan, it's ours now and look at the joys that we have produced from it. Look at the benefits that we have produced from it. We have a fund that we can now draw out to buy potash mines, not to what it was stated in the original statement that he made to this Assembly, that was the reason for Bill 42. Oh no! Not provide for research and development in energy, oh no! We've got this fund that we can build up and go out and buy the potash mines with it and because no decision and the Premier knew it, no final decision would be coming down for some years. He could get away with that with the people of Saskatchewan in 1975 but I say to the Premier, Mr. Speaker, he will not get away with it now. The people of this province won't buy that kind of story now. They won't buy the fact that you said before, this legislation will get us a maximum benefit because the Supreme Court of Canada has decided that your law is ultra vires of the constitution. It has not decided that the Alberta government's law is ultra vires of the constitution. As a matter of fact the Deputy Premier of the province of Alberta stated just this morning that they do not believe at any time that theirs will be tested or (interjection) . . . well that's fine they have had five or six years of theirs Mr. Attorney General, and we have had five or six years of ours and six years later or five years later we see the results of the NDP law and we see the results of the Progressive Conservative law. Theirs the people are getting the benefits, yours the people's benefits are in jeopardy.

Now, we think that because the government of the province of Saskatchewan, if it attempts to pass retroactive legislation, that it will be tested, argued before the courts and that it will cause further upheaval in the industry, further unnecessary upheaval and we believe that right now, Mr. Speaker, immediately, we should approach the federal government, now, to bail out the people of Saskatchewan so that they, the people of Saskatchewan do not have to repay this money.

**MR. CAMERON:** — Let's start with the resignation of that bunch over there.

**MR. COLLVER:** — That might be a good step forward. The suggestion of the member for Regina South that the members opposite resign and go to the people on this issue. We would very much like to see that happen now. As a matter of fact we believe that it is your duty having been called into question once so hard as you have on this issue especially, that you should go to the people now and ask the people of Saskatchewan whether they want any further, any more of the kind of centralization of power that you put forward on the people and the kind of mismanagement and the kind of legal hassles that you have got us into and the kind of problems which you have got us into now. We think the people of Saskatchewan are entitled now to vote on whether or not the present government of Saskatchewan is the government that they want or whether they want a government that is rational, reasonable, negotiates and obtains the maximum benefits that are not put under attack and that the social benefits can be provided for people who really need them, which is not now happening as the members opposite well know.

Mr. Speaker, we believe that the government of Canada will have no option but then to allow the people of Saskatchewan to retain the biggest portion of the half a billion dollars along the lines as though the companies had been paying in accordance with a similar kind of law to that in the province of Alberta. We believe that the biggest bulk of that moneys, the federal government will have no option but to allow the government of Saskatchewan to retain that money so that the people don't have to repay it. After all the federal government bailed out the government of Quebec when it came to Expo; after

all the government of Canada bailed out the government of Quebec when it came to the Olympics with Loto Canada. We say that the government of Canada has a duty, a responsibility, to protect the people of Saskatchewan from the blunders of the government opposite. We believe that the government of Canada not only has this responsibility but will take this responsibility. After all they are talking about Canadian unity, they are talking about unity of the provinces from coast to coast and there is no way that the government of Canada can help the people of Quebec on the one hand from the blunders of their government just because it was Liberal and not help the people of Saskatchewan because of the blunder of the government of Saskatchewan. We believe, Mr. Speaker, that the government of Canada would have no option, and we believe that this Assembly should immediately request that the government of Canada pass enabling legislation allowing the government of Saskatchewan to collect from the oil industry royalties and taxes along the lines of those charged in the province of Alberta for the past number of years. Then we believe that the government of Saskatchewan now must sit down with the experts in the oil industry in Alberta, who obviously know how to draw legislation better than you, and with the oil industry themselves for future laws, not done in the past, for future laws we think you should sit down with the industry and work out legislation that will work for the benefit of all of the people of Saskatchewan as the legislation has in Alberta. We think those steps have got to be taken now. You cannot negotiate with the industry for the back taxes with a gun at your head. That is unacceptable I am sure to any reasonable person in this Assembly. But you can certainly sit down with the industry as to the future plans of this government, as to the future legislation of this government and come up with legislation that (a) the industry won't attack, that (b) will gain the maximum benefit of the windfall profits for the people and (c) that is reasonable for all, rather than as you have now stubbornly made autocratic and dictatorial decisions from your Treasury Benches without any consultation, without any approval of anyone in the province including the people. And if you are not prepared to do that now then we suggest that you go to the people of Saskatchewan now and put the issue before them and say to the people of Saskatchewan, do you want this kind of government or do you want this other option, or do you want the option that says, we want the maximum benefit for the people from the windfall profits. At the same time we don't want to involve the people of Saskatchewan in the kinds of expenditures of millions of dollars on legal cases as has been the case with this. We don't want to involve the people of Saskatchewan in the potentiality of having to refund moneys to the oil industry who don't need the money. We do. To refund the moneys when the companies are quite prepared to pay a reasonable level of taxation as was designed in the province of Alberta.

Now we think that is a course of action that can be taken now and we believe that course of action must be commenced today. The Premier's suggestion that he's got to wait to read the judgment when members to my right have a copy, we have a copy.

**MR. ROMANOW:** — Mr. Speaker, the hon. Leader of the Conservative Party says he has a copy. I would like him to table the copy on the floor of the House.

**MR. COLLVER:** — We have excerpts of a copy.

**MR. ROMANOW:** — Mr. Speaker, the hon. Leader of the Conservative Party says he has a copy of the judgment. I am asking him to table that judgment.

**MR. SPEAKER:** — Order! Does the member have a copy to table and is he prepared to table the copy.

**MR. COLLVER:** — Mr. Speaker, we have excerpts of the judgments and we are happy to provide the Premier with the excerpts that we have if he so desires.

**MR. ROMANOW:** — Mr. Speaker, he has misled the House because he said he had a copy of the judgment and now he says he has excerpts.

**MR. SPEAKER:** — Order! I think the member has said that he does not have a copy of the judgment but has excerpts from the judgment.

**MR. COLLVER:** — Well, the Premier's suggestion that before taking any action and I believe that the Attorney General whose responsibility — we will wait for order, Mr. Speaker.

Mr. Speaker, the Attorney General jumps on that issue of whether or not we have a copy or excerpts of a copy of the judgment in that chintzy fashion and yet he was responsible, Mr. Speaker, for the entire legal carrying on of this particular case, and I must assume that today the Attorney General must feel (he seems to feel very good — he has been laughing and shouting) and yet he has lost the biggest case of his life, on behalf of the people. Maybe that's the difference, Mr. Speaker. Maybe he doesn't care about the people. Maybe all he cares about is how he feels. Right? Maybe he doesn't care about . . . maybe he as a lawyer doesn't care that he has lost the biggest case of his life today. Mr. Speaker, it is the people of Saskatchewan who have to suffer as a result of the Attorney General's action and obvious flippant attitude in this Assembly.

Mr. Speaker, the suggestion by the Premier that he has to await the judgment before making any decision surely is facetious. Surely, because first of all by waiting for the copies of the judgment what he is saying to us here is he wants to go on with the law cases. He wants to go on with the legalities and technicalities instead of sitting down and as he supposedly has a mandate to do and govern. He wants to go on being attacked in the courts for further laws that he is going to be bringing in. He wants the people of Saskatchewan to be in jeopardy another year, another two. Why, Mr. Speaker? Because apparently he feels that if he brings in legislation that can be attacked in the court and it takes long enough we can have another election and he can then go to the people of Saskatchewan and say, look there is no final decision yet, only the Supreme Court of Canada says this act is ultra vires. But we passed this new law, and for goodness sakes we are going to win. Well the answer is, Mr. Speaker, the Premier is not going to win on that kind of an issue and he is not going to win on that kind of an attitude.

This is not the time for legal technicalities. This is not the time for trying to work out as a lawyer because the obvious evidence of your government is that the legal qualifications are not very good. This is not the time to work out as a lawyer what the technicalities are. This is a time for government, this is the time to govern as you were given a mandate by the people of Saskatchewan to do. If you have to swallow your pride, if you have to take another look at things and say 'look, we made a mistake, our autocratic legislation was wrong — the Supreme Court of Canada has declared it to be wrong.' But look next door, the province of Alberta has legislation that no one has attacked. Why don't we get the one and only level of government that can pass legislation that won't be attacked. Now having failed to negotiate as was suggested to you last year on three separate occasions by me in this very Chamber, negotiate with the oil industry, come to a conclusion and there withdraw. Last year, last year, but no,

no negotiations then. But now it is too late so let's look at the situation now.

We say, on behalf of the people of Saskatchewan, so that they can retain the maximum benefits of the half a billion dollars, we say, swallow your pride. Admit you were wrong. Look next door at the legislation that has not been attacked and then approach the government of Canada and ask them to pass enabling legislation so that Saskatchewan can retain those back taxes, because the government of Canada is the only level of government that can now pass that kind of legislation without having it attacked.

Mr. Speaker, we have to take action now. Delay is disastrous. Continued worry and fussing about technicalities is disastrous. The people of this province must not be put in jeopardy. Any further mention by the Premier of Saskatchewan that he doesn't have contingency plans and that he hasn't got things in order now an assessment of the judgment that he knew was coming down and could go against him, we think is acting against the best interests of the people of Saskatchewan.

Therefore, Mr. Speaker, I move, seconded by Mr. Lane (Qu'Appelle):

That the matter of the declaration today of the Supreme Court of Canada that the provisions of Bill 42 are ultra vires of provincial jurisdiction and as a result the people of Saskatchewan could be required to repay the oil industry a sum approximating half a billion dollars. The people of Saskatchewan should not be required to repay this money to the oil industry. Any attempt by the government of Saskatchewan to rectify retroactively this extremely urgent matter will be attacked by the oil industry as an attempt to do indirectly that which cannot be done directly, be given priority of debate under Rule 17.

**MR. SPEAKER:** — The member for Qu'Appelle.

**MR. ROMANOW:** — Mr. Speaker, on a point of order.

**MR. SPEAKER:** — Order, order! What's the point of order?

**MR. ROMANOW:** — Mr. Speaker, my point of order is that the tradition of this House has been to allow the other side at least a chance to rebuttal this argument. Now we have heard nothing but the Conservative Party's side and you propose (unless you amend your recognition as I would respectfully suggest that you do), that you've recognized the second Conservative for the balance of the air time. The Premier would like to speak, and I think it only fair that he should be given a chance to speak, Mr. Speaker.

**MR. SPEAKER:** — Order, order! All members will be allowed an opportunity to speak in this debate. It is customary in this House since I've been in it to allow the seconder of a motion to speak if he wishes. Thereafter other members will be allowed to speak.

**MR. ROMANOW:** — Just on that point of order. On private members' resolutions it has been the custom; on a priority of debate, Mr. Speaker, I do not believe that it has been the custom, I believe that on a priority of debate, keeping in mind the urgency and the importance of the debate, which Mr. Speaker himself so recognized earlier this afternoon, that the custom has been to allow the other side at least the first chance of rebuttal before the other members get in the debate, let alone the Liberal Party which has not yet been heard.



**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, you have made a decision and we thank you. The traditions have been such as you have indicated. We are disappointed in the Attorney General.

**MR. SPEAKER:** — Order, order! If the members will allow me to check something out for a moment. I don't have that much experience with priority of debate and the practice which has been followed with regard to the order in which people shall speak. I am checking the matter out. It will take a couple of minutes to find out.

The citation that I was making about the procedures of the House referred to routine proceedings that are carried on in the House. This is not a proceeding that is strictly routine and consequently I would like to check the precedence on that.

**MR. E.C. MALONE (Leader of the Liberal Party):** — Mr. Speaker, I distinctly recall you, not less than two minutes ago, recognizing the member for Qu'Appelle. Now you recognized him. That was your decision. The member got up and started to speak. Now surely you are not going to be brow-beaten by the Attorney General to allow somebody else to speak after you have made your decision. I suggest to you Mr. Speaker, that rightly or wrongly, you've made your decision and that you are not in a position to change it at this time and we should let the debate proceed.

**MR. G. LANE:** — I think your ruling has been made. If the Attorney General wants to challenge Mr. Speaker's ruling, he knows well for his years of experience, the proper procedure to do that. I don't think the Attorney General wants to challenge Mr. Speaker today, unless he wants to acknowledge right now that he does. But, Mr. Speaker, you have already made your ruling, and I would like, having been recognized, now continue with my comments as seconder of the vote.

**MR. SPEAKER:** — Order! I've asked the member to wait. I am sure that all members along with me want to make sure that this debate is carried out fairly and properly. And if the tradition has been that the other side of the House has spoken second on the motion, then I think we should observe that tradition. If in fact, the usual tradition is, as practised routinely in this House, is what has happened in this House before in priority of debate, then I would be prepared to go with that tradition.

**MR. LANE:** — Mr. Speaker, to assist you in your decision, if I may to expedite proceedings in the House, as I know Mr. Speaker would want, if he checks the priority of debate last year, on a particular matter the Liberal opposition had its mover and seconder. It's a tradition in the House, Mr. Speaker.

**MR. SPEAKER:** — Order! The most recent example that I can find of their priority of debate that took place, showed that the seconder spoke after the mover.

**MR. LANE:** — Thank you very much. It is unfortunate that the Attorney General saw fit this afternoon on this very serious occasion to attempt to breach the usual traditions of this Assembly. The rules were clear. Mr. Speaker I thank you.

**MR. SPEAKER:** — I wonder if the member may direct himself to the subject that is before the House, namely the motion.

**MR. LANE:** — Thank you, Mr. Speaker. I stand corrected. The decision of the Supreme Court today is, of course, a black day in the history of this province, a black day because

the people of this province have been embarrassed, embarrassed as people by the action of their duly elected government.

The government's attitude since 1971, has been really a gambler's expense paid holiday in Vegas, all expenses paid with someone else's money. The Premier has talked about risk for years and today, today the people of this province are finding out the price to be paid for the risk taken by the government opposite with Saskatchewan money, with the people's money of this province. The day of reckoning has come upon us that the attitude that has existed since 1971, that we can get into business, we can get into ventures, we can spend money, hundreds of millions of dollars without worrying about it. Today, the price will be paid. It is not a question I suggest to the people of this province just of whether the oil companies are going to get the money, as the Premier will indicate. I think there is a legitimate and valid question to be asked by the people of this province, and that is, how did we get into this mess in the first place? How did we get into this mess? How did we get into a situation where the people may have to pay the equivalent of \$500 for every man, woman and child back to the multi-national oil companies. Who did it? Who made the error? And I think the answer is clear that it was the government of Saskatchewan, elected in 1971 and elected again in 1975.

The question as to whether or not, or how this government got into this mess, I think the answer is clear, that this government got into this mess and into this jackpot by developing since 1971 an attitude and a belief that it knew more about business, that it knew more about business involvement than the business community, that it knew more about the oil industry than the oil industry itself that it knew more about the potash industry than the potash industry itself. And today we are finding out that this government was wrong, was seriously wrong and today the Supreme Court of Canada has told the people of Saskatchewan that you have to pay the price. This is not something, Mr. Speaker, that came about just because of the oil taxation policies of this government. We can trace, step by step, the record of this government, of bad management, poor management, bad judgement and poor judgement. We start right from 1971, Mr. Speaker. And one of the first actions taken by the government opposite was to abandon a Choiceland iron mine, costing this province tens of millions of dollars, a decision which may have prejudiced IPSCO's attempt to get a fair percentage of the Alcan pipeline work.

We had in this House yesterday, another example of bad judgement and that was the decision of the government of Saskatchewan to pay eleven millions of dollars for a 45 per cent share of Intercontinental Packers, which the Minister of Industry and Commerce indicated yesterday is having some financial difficulties a bad deal, a bad judgement, because of this government's desire to get into business.

SEDCO — daily it come out in this House, to the public, the bad business decisions of SEDCO, the decisions of SEDCO to insist on equity positions in many of its loans, decisions which too are costing the public of Saskatchewan literally millions and millions of dollars. I look at Florine Mobile Homes, Golden Acres Motel, as examples of decisions by this government. I look at Fibro Industries! I look at Meadow Lake industries, as indicative of the lack of business confidence, of the Premier and his treasury benches, and his government office. And the answer in every one of these cases by the Premier, and I suggest it will be today, that we have to take risks, that we have to take risks. We don't have to sell the farm to take risks. We don't have to make bad judgements, bad decisions to take risks. You were given a mandate not to risk the monies of this province and its resources, but to manage and govern and the Supreme

Court decision today has showed you sadly wanting in your abilities to do both, and I caution the people of this province because the Supreme Court decision today was the tip of the iceberg. The Supreme Court decision today seriously puts in jeopardy, that government's nationalization of the potash industry. It seriously placed in jeopardy, that government's taxation of the potash industry. We may well run the risk again of returning hundreds of millions of dollars to the potash industry because of comments made by the Supreme Court today. We embarked on a potash nationalization venture, the sum total of which and the results of which are, we are getting back today exactly what we got in taxation, but the mines taken over are having financial problems, sales are down, and lo and behold because of the action of the government opposite, the potash companies took the money paid to them, ran down to New Brunswick and invested that money, our money, in New Brunswick to establish a competing mine, a competing mine, which was what the Premier was told at the time of that debate would happen. I say again, Mr. Speaker, it's not just a question, as the government opposite will say, of giving the money back to the multi-national corporations. The public of this province are going to ask each and every member opposite, 'how did we get into this mess'? How did we get into this mess? How did we get into a position to risk half a billion dollars? Five hundred dollars for every man, woman and child. And that is a responsibility that the people of this province will not let you evade, and it is a responsibility that you should not be allowed to evade, as a government given a mandate not to risk but to manage and govern. The confidence of the government opposite has been questioned. We look at other examples of the inability of this government to properly and competently carry on its administration. We look at the waste of millions of dollars in the saw mills investments in the north. We look at the rampant mismanagement in the Department of Northern Saskatchewan. We look at Saskoil and the further risks there. We look too at the best times that this province has ever seen. We are taxing, we are running deficits in the best times we've ever had, deficits of hundreds of millions of dollars that the government opposite would see fit to include — the first time that the Liquor Board has been bled in many, many years of 70 millions of dollars last year, the 35 million dollars, Mr. Speaker, I am talking about confidence . . .

**MR. SPEAKER:** — Order!

I've been following the member rather closely for the last while and I find that the member is on the verge of being out of order several times because he is talking about subjects which are not related to the motion. Now, if this motion is as important as the member believes it to be, I think he should dwell strictly on the motion and get his comments out of the way so that other members can contribute their views to the subject as well. I would ask the member to get to the motion and not be on the verge of being out of order.

**MR. LANE:** — Mr. Speaker, a matter of pressing public importance today, the decision of the Supreme Court of Canada calls into question the ability of that government to competently manage the affairs of this province. I can't think of anything of more urgent public concern, and what I have attempted to do today is show that this is not a one-shot effort, that in fact the practice of risk without the ability to properly assess risk and properly manage is a long standing one that culminates today, in the decision of the Supreme Court of Canada.

**MR. SPEAKER:** — Order!

The member may have a speech that is not geared to the motion before us. I think the motion is quite specific, that it deals with the decision of the Supreme Court of Canada, Bill 42, and certain sums of money. I think the member should relate himself to that motion rather than going far afield, and I intend to try to keep the debate as close as I can on the motion before us.

**MR. LANE:** — I respect your ruling, Mr. Speaker.

The motion today states . . .

**MR. CAMERON:** — I think the hon. members are concerned about talking out the clock. I think they will get their chance in due course. I don't think that's an issue, Mr. Speaker, notwithstanding what was said.

**MR. LANE:** — The motion indicates as well the very great danger of retroactive legislation. The Attorney General as a lawyer, the Premier as a lawyer, know that it is a fundamental rule that government, once ruled against on a matter such as this cannot do indirectly that which it could not do directly. I think that the Attorney General and the Premier will be embarking on a highly risky approach with its retroactive legislation. Although one would assume that that's the normal course; it's not their money they are playing with. But retroactive legislation will mean that the potash companies and the oil companies will be battling bad government in the courts for years until the Supreme Court again is forced to make a decision. And I suggest, Mr. Speaker, that the decision of the Supreme Court will tell this government again, without presupposing the Supreme Court, that it cannot rule in the fields of interprovincial trade and indirect taxation as it did today.

I suggest to the Premier, that in fact, he will lose on court challenges with his retroactive legislation. I suggest, in opinion of my own, perhaps not an unfair one, but I suggest that the legal records of the member on his feet are considerably better than the legal records of the Attorney General that the members opposite so highly hold in esteem. I think that the Premier today must have serious reservations about the decisions made. Unfortunately today, the seal of disapproval of the management and the policies of the government office, legal policies made — I'm going to give the Premier a chance — by the Supreme Court today the province of Saskatchewan was put at risk to the tune of 500 millions of dollars. The people's money not the oil company's money was put at risk by the actions of this government. And the people of this province are going to ask the Premier, 'no more risks, we can't afford your risks, no more bad business deals, we can't afford them'. The people of this province are going to ask you to get out of business because you are not competent, to get out of the management of companies and resource industries because you're not competent, and you can't properly manage the affairs of this province. Get out of business, stay out of business and start to approach your duty of a government required to manage in a responsible, non-risky way for the people of this province, because that will be the issue, whatever you choose to call it.

I so support the motion.

**MR. BLAKENEY:** — Mr. Speaker, I want to add a few words to the debate. I will not speak at length because in my judgement the debate would better have been held when all of us had had an opportunity to assess with precision, what our situation was and when we could have made some appropriate suggestions as to what might be done and the facts are that nobody in this House, notwithstanding what any member says,

nobody in this House has read the judgment of the Supreme Court, nobody much less has had an opportunity to consider it and I am frankly surprised that anyone would call upon 61 people or 60 people representing the people of Saskatchewan on an urgent and important issue like this, take a stand and take a position without even having read the judgment of the Supreme Court of Canada.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — Surely one cannot call that a responsible attitude on the part of any member of this House. I know that the member for Nipawin was anxious to say that he did not need to hear what the court had to say, he did not need to know what the Supreme Court said, he knew without reading the judgments what the legal position was and accordingly he was in a position to recommend what legal position the government of Saskatchewan should take even though he had not seen the judgment.

I remind the House that half an hour ago or now an hour ago, I was asked as Premier whether we would take legal counsel from the best legal minds in Canada and I offered the answer that we would certainly try to do that. Then members on the other side of the House are standing up and saying before you can consult those legal minds, before you can have the benefit of their advice make up your mind now, make up your mind that no further proceedings should be taken, make up your mind that no legal proceedings are possible, make up your mind that it should be decided that we go to Ottawa and not even consider what our legal position is.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — Now I find that a difficult position for any responsible member to urge upon the government of Saskatchewan. I agree that the situation which we face is grave. I agree. I agree that it is possible that we will be called upon to refund substantial sums. I point out now that the sums directly in issue are relatively smaller, the sums are suggesting that a half a billion was dealt with by the Supreme Court, Members opposite know that is not a fact. That is not a fact. However, I acknowledge that the situation is grave, I agree that any proposal to repay the sums involved, the total sums involved is unacceptable to the people of Saskatchewan.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — Accordingly, it seems to me that we will need to address our attention to two questions. Firstly, how can we organize our affairs in the future so that Saskatchewan people will be able to develop Saskatchewan resources for the benefit of the present and future generations of Saskatchewan people. That is certainly question number one.

Question number two, is whether or not steps can be taken to deal with the precise situation dealt with by the Supreme Court and I suggest that neither of those can be effectively dealt with without knowing the grounds upon which the Supreme Court made its decision. Certainly in our judgment, in my judgment our course of action is to study those judgments, to take the best legal advice we can and to formulate a proposal which may involve a presentation of a proposal to this House once we have had an opportunity to do that.

Now the member for Nipawin indicated that I had said that we do not have contingency

plans. The member for Nipawin misrepresented my position. I said with great clarity in the question period and I invite anyone to look at the transcript that we indeed had contingency plans but that we were not going to disclose our contingency plans until we had had an opportunity to study the judgments of the Supreme Court. That is the position of the government and that is going to continue to be the position of the government.

I was distressed at some parts of the debate when the hon. member for Nipawin asks us all not to indulge in personal reflections. One is sorely tempted when discussing a legal subject to consider some personal attributes of some of the members and where they have acquired their legal knowledge. But having said that he was not going to indulge in any personal reflections, he then proceeded to indicate that in his judgment the Attorney General of this province did not care what the result of judgments were unless his own money was involved. I think that is a disreputable and discreditable thing for any member to say about the Attorney General of Saskatchewan.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — Whatever you may think of the abilities of the Attorney General, and I think a good bit of them, I think it is reprehensible for members to challenge his devotion to duty, I suggest it is no less than the devotion to duty of any other member of this House.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — The member for Nipawin made a considerable point of the fact that Alberta legislation has not yet been attacked. That is true. I do not have the same confidence that he does that legislation like the Alberta legislation may not be attacked. This, of course, depends upon a study of the legislation itself and a study more particularly of the judgment of the Supreme Court and whether or not it would reflect on such legislation. But I think it is important to note that the government of Alberta was sufficiently concerned about the legal position to intervene before the Supreme Court and argue in support of our legislation was within the legislative competence of the government of Saskatchewan. Now it may be that they were doing that for altruistic motives, that they wanted to support our government but I suspect that that was not the case. I suspect that they had some concerns about legislation in their province and in other provinces they had some concerns that if our legislation was struck down some of their legislation would be in jeopardy and that is why they intervened on our behalf and I think that is why they should have intervened on our behalf.

I think it is worthwhile to note that the government of Quebec also intervened on our behalf. The government of Quebec both under the previous Premier, Mr. Bourassa, and, as I recall it, they continued their participation under the current regime. I am not certain that any of the hearing took place after November 15 or whether they had a status after that point but certainly they took no steps to disassociate themselves from the position of the government that preceded them. And they took that position because they believe that our legislation reflects some of the points of view they wish to uphold and, accordingly, they are concerned that the Supreme Court strikes down our legislation. So we are of the view that the issues involved are issues which involve not only the government of Saskatchewan but also of all provincial governments across Canada. The extent to which they are involved I cannot state. I will not state until I have had the opportunity to study the judgement of the Supreme Court.

When we have studied that judgment we will have some decisions to make. We will not accept the advice of the member for Nipawin that we shall accept any arrangement put forward by the oil companies. We will not accept the advice which he tenders to this House which is that we should accept, he always puts it that we should sit down and agree, but another way to phrase that is be prepared to accept whatever the oil companies will agree to.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — I have no doubt that that would be the view which he would act upon if he were Premier of this province but we have a continuing duty to the people. We certainly have a duty to try to reach an agreement with the oil industry if we can. Agreed. But certainly that duty does not extend to agreeing to anything which they insist upon. I think that we must address the issue, which is a serious issue, keeping open such options as may be available to us. Members opposite seem to feel that retroactive legislation will always be struck down. That's not our view of the matter. We have recent examples where this is certainly not true. One needs only to recall the situation in Ontario short months ago when their whole anti-inflation board program was struck down by the Supreme Court. They promptly went back to the Legislature of Ontario and passed legislation which retroactively affected the contracts of employment of 100,000 people — retro employment actively affected the of 100,000 people, that legislation was made retroactive, introduced by a Conservative government, supported by the Liberal members of the Ontario Legislature, and so far as I am aware has not yet been struck down by any court. So, we should not assume necessarily that retroactive legislation will be struck down. I am glad that all hon. members or several hon. members agree that the retroactivity is not likely to be a fatal flaw.

We believe that there may well be options open, we think it is premature to consider what those options are until we have an opportunity to study them.

Just a few words, and a very few, in answer to some of the more extraneous allegations made during the course of this debate. We heard the contribution of the member for Qu'Appelle, which seemed to really take two positions.

One, that we should not be engaged in business, that we should not take risks, that we should not be a part of let us say of Intercontinental Packers, we should not take any steps to save those 1,000 jobs; we should allow Intercontinental Packs to go the way that every other packing plant has gone in this province, except Intercontinental Packers and we should not trouble ourselves if 1,000 people are no longer employed. He went on to indicate that in some way the our purchase of a potash mine from company A, let us say, Hudson Bay Mining and Smelting, caused the Potash Corporation of America to take the money, as he said, and put it in a mine in New Brunswick. The fact that we paid, not ten cents to the Potash Corporation of America, and accordingly they got not ten cents from us to put a mine in New Brunswick, does not bother the member for Qu'Appelle; the fact that the money was paid to the Duval Corporation in Texas, and a totally different company has gone to New Brunswick, does not in any way upset his trend of thought or his logical sequence. We understand why it doesn't interrupt his logic.

Two, but having been very, very critical of us for assuming risks, he then indicated that a very bad business judgment had been made on our part for not building an iron mine at Choiceland or not engaging in what surely is one of the riskiest ventures which any

government could enter into. That is the argument which he offered. I think that argument is not worthy of any further rebuttal, and accordingly I do not propose to rebut it further.

I propose simply to close by reiterating that we accept that the situation is serious, we believe that the best interests of the Saskatchewan people will be furthered by our getting the best legal advice we can and formulating from our various contingency plans, an option to put forward, very possibly involving action by this House, and that we will proceed to do that. When we have done that it will be soon enough to decide whether we are talking about legislation, whether we are talking about legislation by this House, whether we are talking about consultations with other provinces about the possible effects of this legislation on their laws, whether it is appropriate to consult the government of Canada about this issue.

This issue has been the subject of discussion at many federal-provincial conferences, at the most recent round of constitutional conferences culminating in an agreement by the ten premiers, then including Premier Bourassa in October of 1976 of appropriate changes in the Canadian constitution, all ten premiers agreed that the right of provinces to tax resources and to apply royalties on resources and to determine the level of those royalties, should clearly be given to the provinces in our constitution.

I expect that in the face of this judgment there will be concern in the minds of a number of provincial governments. I expect that appropriate action may well involve consultation with those provincial governments before we decide on any course of action. It will be clear, Mr. Speaker, from what I say that I do not think that there can be any facile answer to this question determined before 5:00 o'clock today, that the situation created by the decision of the Supreme Court requires careful study and a consideration of the issues involved, not only for ourselves but for other governments in Canada. When that has been done and we hope we will have something at least in a preliminary way before long, Mr. Speaker, you can be assured and all hon. members can be assured, that we will give a statement to this House indicating what we believe is in the best interests of the people of Saskatchewan in light of this decision.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — We believe, Mr. Speaker, that is the responsible course of action. Accordingly, I will be opposing the motion, which has an instant solution, and will be recommending to the House that they defeat the motion so that we have an opportunity to give the matter mature consideration, to consult with the legal advisors, whom we will be consulting with very promptly and to consult with any other governments who may be interested and concerned about the issue raised by the decision of the Supreme Court.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E.C. MALONE (Leader of the Liberal Opposition):** — Mr. Speaker, I would like to say a few words in connection with this resolution. I'd like to begin by saying how shocked I am to find from the Premier today and from the members opposite that they have as yet not consulted with legal advisors about this critical issue. This is something that has been on the horizon since 1973. This government has known full well that this was a possible result of their legislation. I want to quote from some of the debates in 1973, in a few moments, Mr. Speaker, to demonstrate what I say. I indeed, I intend to quote from the Premier as to his remarks in that debate as to the constitutionality of Bill



42. Before I do so, Mr. Speaker, I would like to say to the member for Nipawin that I am certainly pleased that he has now finally realized and agrees with the Liberal Party that that government shouldn't be in business, we have been talking about that for the last three years since he's been here, we have been talking about it for the last 20 years in this province.

I can't help reflecting, Mr. Speaker, on the fact where was the member for Nipawin in the potash debate? Where were his colleagues in the potash debate? The only recollection that I can have of what their contribution was at that time, was complete silence, the odd comment to newspaper reporters, the odd little meeting with the media in the corridors but nothing in this Legislature.

Mr. Speaker, I think that what we have to do at this time is to talk about a few issues and a few things that are important to the people of Saskatchewan. I think, firstly, we have to have some background as to how this mess has been caused and why we find ourselves in the serious situation we do today. Mr. Speaker, the government opposite seemed so surprised today when this news finally came down. In question period today, the Speaker looked shattered, and the Premier looked shattered, the Attorney General sat there I suspect that we could understand why they are looking so shattered because they see their socialist dream collapsing in front of them.

I would just like to go back to the debates, Mr. Speaker, of 1973. I would like to quote a couple of portions from those debates, just to indicate that this decision should have come as no surprise to this government. I would like to quote from the former member for Regina South (Mr. McLeod), now the Hon. Mr. Justice McLeod, when he advised the House this way, on December 12th of that year:

Mr. Speaker, if they were simply taking money out of the pockets of the oil companies and putting it into the Treasury, it would be a matter of taxation well within the power and perhaps well within the desired policy of the province of Saskatchewan. But that isn't what he is doing, that isn't what the minister is doing and that isn't what the government is doing. What is happening today is, that the government of Saskatchewan is putting itself into direct confrontation, and playing confrontation politics with the Dominion of Canada. Further, what is really happening is this. The Minister of Mineral Resources, and that was Mr. Thorson at the time, he's not pretending that he's entitled to do this because of the British North America Act. He has rightly said that the federal government has the right to deal with trade and commerce. He has rightly said that the province of Saskatchewan has the right to deal with mineral resources, all of its natural resources. Now what the province of Saskatchewan is attempting to do is to take away from the Dominion of Canada its rightful powers in trade and commerce by means of a trick. The province of Saskatchewan is saying that although the federal government does have for the benefit of all of Canada the right to regulate trade and commerce under the pretense of regulating natural resources. The province of Saskatchewan will take away a federal right, which the Dominion of Canada has. I can assure him that in my opinion the courts will look very carefully at this and I suggest that they might declare this ultra vires because it is simply a trick by the province of Saskatchewan to do what it ought not to do, and when in confederation it can't do if we are to have a confederation.

Mr. Speaker, let me go further. Let's get the government's attitude to this very serious question in 1973. We didn't get any ringing declarations from the Minister of Mineral Resources, at that time Mr. Thorson, at what they were doing was constitutional. Indeed, if I recall, the Attorney General didn't even enter into the debate to say whether in his opinion this act was constitutional. And what we did, we had one remark from the Premier. And you know, Mr. Speaker, know how carefully the Premier guards his words in what he says, that no time did he ever say that this legislation was constitutional, but here is what he did say:

Now we believe that the position of the province in warding off this attack will be strengthened if the province gets legal title to large blocks of Cigol oil and gas rights in the province. As I understand it, that is the position of the government of Alberta. The government of Alberta believes, you can read the statement of the hon. Mr. Lougheed and the hon. Mr. Dickie, who are the Cabinet ministers in the government of Alberta and they say that they believe that they can resist encroachment by the federal government on their powers because they have legal title to most of the oil in Alberta. Most of it comes from Crown lands and they are saying that they are not even attempting to control the oil that comes from the private lands because they doubt their power to do so. Now it is because of this, and you can read their statements as well as I, that we believe that our position would be greatly strengthened if we acquired titles of the gas and oil rights of about 25 large companies.

I suggest to you, Mr. Speaker, that in December of 1973, this government knew full well there was going to be an attack on this legislation. This government should have been prepared for that attack and indeed should never have introduced the legislation, so don't have them say to us today that they are surprised that they don't have their options ready. Indeed, they do have their options ready and they do have legislation ready to present to this Assembly because the Attorney General said a matter of weeks ago that they did.

Mr. Speaker, what we are asking for today is some advice from the government as to what those options are. The people of Saskatchewan want to know today what the intention of this government is, and it's baloney to suggest that they have to read the Supreme Court judgement before they are in a position to tell us what they intend on doing. I can tell you what the Supreme Court judgement said. It said your law was unconstitutional. It was unconstitutional because it interfered with trade and commerce and because it was an indirect tax, that's what the judgement said, and that's all what it said. So, Mr. Speaker, I suggest that those beaten people across from me know full well what they are going to do they're just not ready to make the announcement yet today because for some reason they find it is going to be very distasteful indeed when the announcement is made.

Let me just talk, Mr. Speaker, if I can about what the issues are and what the issues aren't. Firstly, there is no issue, Mr. Speaker, who is entitled to the benefit of the oil and gas production of this province, or for that matter any mineral resource production. It's the people of Saskatchewan. That's not the issue. It never was the issue in 1973, it never was the issue in the potash debate and it's not the issue now. Also, Mr. Speaker, an issue isn't the fact that one particular oil company has decided to challenge this government in the courts. This country says under its laws that any person that's aggrieved, whether it be an oil company, or whether it be a wealthy man, a poor man, a young man, a old man, has the opportunity if they feel aggrieved, to take the matter to

the courts, and that's exactly what happened here. So there should be no attacks on the oil companies for simply the fulfilling rights that they have.

The issue is not the federal government either, Mr. Speaker. The federal government is fully entitled to appear before the courts and state their position on what the constitution is and again that's exactly what they did in this case. Mr. Speaker, the issue as well is not the courts.

Once again, I was shocked to hear the Premier get up in question period today and sort of indicate that he had enough judges on his side and it was the judges down east that caused all the problems. Mr. Speaker, the Premier knows better than that, the Attorney General knows better than that. The Supreme Court is the highest court in the land and it doesn't matter what lesser courts do. When the matter comes before the Supreme Court, it is the court of final jurisdiction and final determination. It's interesting to note, Mr. Speaker, that the judgement was written by that court by a western judge.

Mr. Speaker, those are not the issues, but let me say what the issues are. The first issue, Mr. Speaker, is the competency of this government, that's the main issue, Mr. Speaker. How a government could be so incompetent to pass legislation that's going to cost the people of Saskatchewan perhaps \$500 million. That's the issue Mr. Speaker. How the Attorney General or his department or his legal advisors could come up with legislation that is so patently bad, bring it to this legislature, pass it, and then continue to go for the next few years pretending that nothing is going to happen.

Mr. Speaker, I don't think in the history of the British Commonwealth, that we have ever seen such a disastrous result from such an incompetent government and I say Mr. Speaker that they should get up in their places and acknowledge their stupidity, stupidity based on greed, and then say to this House, let's get together and see if we can find some solution to the mess that they have got us into.

Mr. Speaker, the other issue now, is what do we do to extricate ourselves from this disastrous position we're in. Well the government has indicated in the past that they're going to pass retroactive legislation. They haven't said to us what that legislation is going to be and what form it will take, quite fairly because they probably can't draft it until they see the actual judgement.

Mr. Speaker, the advice we get and I believe that it is good legal advice, not the type that the government opposite got in 1973, would seem to indicate that there is a very great danger that this retroactive legislation will be just as ultra vires, just as unconstitutional as the legislation that was struck down today by the Supreme Court of Canada. Going by the old theory I suppose, Mr. Speaker, that you can't get through the back door what you can't get through the front door. I say, Mr. Speaker, before we consider whether we will support such legislation, we want some assurances from that government. We want some assurance from that government that that legislation is going to be valid. We don't want them strictly from the Attorney General, Mr. Speaker, because this House has lost confidence in the Attorney General to properly advise it on legal matters.

What we suggest, Mr. Speaker, if the government intends on moving in this direction, that they take the option that was given to them by the member from Regina South and that they refer the matter to the Court of Appeal for a decision and if they aren't satisfied with that decision, they refer the matter further by way of appeal to the Supreme Court of Canada. We suggest something further, Mr. Speaker. We suggest that before the government gets that far, that they have a commission of lawyers who are highly

regarded in the field of constitutional law, examine the legislation, and get their opinion as to whether or not it's constitutional or not. And Mr. Speaker, unless these steps are taken, unless we have these assurances that such legislation will mean something, it will be very difficult for us indeed to give it our support. And what we ask, Mr. Speaker, of the government is surely not too much based on their past record, for it's surely not too much the opposition to ask for some assurances from people separate and apart from that government that the legislation is valid.

Now, Mr. Speaker, there has been another option open to the government and that option still remains although it becomes more difficult everyday, of course, and that's simply to make contact with the oil industry and see if there is some way we can negotiate our way out of this mess.

The member for Nipawin's comments were well taken. It's very difficult to negotiate at this stage but I say, Mr. Speaker, that this avenue must be explored. Every avenue must be explored to keep the people of Saskatchewan from having to pay back this enormous sum of money. And I suggest to the government again that they open the avenue to do this, that they make some contact, not with just Cigol, but with the entire industry to see if some common ground can't be reached, some compromise arrived at. Until the government does that, Mr. Speaker, until the government takes those steps, we can only assume that they're not interested in having this matter settled. That they're going to be determined to keep the similar legislation that has been struck down before the people of Saskatchewan and again we are going to find ourselves in just as disastrous situation two or three years from now. Indeed it will be worse, Mr. Speaker, because it won't be just a matter of paying \$500 million back, it will be a matter of paying \$1 billion back.

Mr. Speaker, as well we want some more assurances from this government that they are not going to defy the law. We want assurance from the Premier or from the Attorney General that when the Supreme Court judgment comes down and they are directed as a government to pay some money that they are not just going to ignore what the law says. I say, Mr. Speaker, that they must make some arrangement now with CIGOL to avoid getting into that position, because, Mr. Speaker, if the government of Saskatchewan is not prepared to obey the law, why should anybody else obey the law.

Mr. Speaker, things that must be done. I hope that finally it has got across to this government that the whole field of resource taxation must be re-examined and that it is not simply good enough for a provincial government to say that they are going to tax in its entirety the profits that come from resource companies. Now we know the arguments that will come from members across. They will be saying how all of the money should accrue to the people of Saskatchewan, all of the money should go to the NDP. What they fail to recognize, Mr. Speaker, is that there are other taxing authorities in this country, municipal and federal taxing authorities who have claims that are as equally legitimate as the provincial government's claims to that money. Mr. Speaker, until this whole field is cleared up by a conference of first ministers with Ottawa we are going to be plagued by these actions, we are going to be plagued by litigation until the ground rules have been re-established. I ask the members opposite, I ask the Premier and the Attorney General to take steps in this regard as soon as possible.

Mr. Speaker, the Premier in replying to the earlier remarks talked about his duty to the people of Saskatchewan, the duty that that government has. I suggest, Mr. Speaker, that their first and foremost duty is to ensure that the people of Saskatchewan are not going to have to pay back this \$500 million. In order to do that, Mr. Speaker, they are

going to have to tell us how they intend on avoiding that, they are going to have to bring something before this Legislature for the consideration of this Legislature to see if their steps are appropriate.

Mr. Speaker, we got ourselves into the problem in 1973 by acting in haste, by acting in such a way that proper was not given to the provisions of Bill 42. Time and time again speakers got up and asked the government to refer the matter to a committee, to refer the matter to anybody, but let's have some more input, let's have some more advice before the bill was proceeded with. The government refused to do so at that time. It refused to do so and we now find ourselves in a mess that we are in today. Let me say, Mr. Speaker, that that type of procedure should be followed at this time whether it be by virtue of referring legislation to the Court of Appeal or to an independent commission of experts or to the Supreme Court of Canada, or whether it be done by consultation with the federal government or with the oil industry but let's make sure, Mr. Speaker, that whatever legislation comes out of here it is going to deal with the matter properly and that we are not going to find ourselves in a position two years from now facing the same problem only in a worse situation.

Mr. Speaker, those are a few of the comments that I wish to make at this time. I just wish to repeat, Mr. Speaker, the two issues. The incompetency of that government, the incompetency of the ministers and secondly, the most significant issue of all, Mr. Speaker, is let's get ourselves out of the situation that we find ourselves in now.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E.F.A. MERCHANT (Regina Wascana):** — Mr. Speaker, I don't want to speak at any great length — that's because my throat hurts.

I suppose, Mr. Speaker, that this can only be described as a very sad day really, a sad day for this Legislature, a sadder day for the government but a sad day for the Legislature and the people of this province. It's an example though of wrong attitude about how government can be doing things.

**AN HON. MEMBER:** — Happy days.

**MR. MERCHANT:** — You know that's really the saddest thing of all about the day that we've seen here. The question period with you people smiling and laughing. Valid questions posed to your Premier asking about the accountability of a government, valid questions suggesting to the Premier that the Attorney General, if he's accountable, might well be asked to resign; questions ignored by your ministers. Now I say to the member from Saskatoon there is no way that this can become a happy day.

What you have is a sort of a pattern of incompetence and we now have to ask where will that incompetence end. The Premier in question period made light of a whole series of questions and one must really ask whether he thinks that this disaster visited upon the people of Saskatchewan is due to anyone other than his own incompetence and the incompetence of the government that you represent, Mr. Speaker. There's a half billion dollars at stake. One of my colleagues in the question period said that it was the largest mistake, probably the largest financial mistake in history. I can't think of a larger financial mistake. I can't think of a mistake that goes beyond a half a billion dollars. The Attorney General who guaranteed this legislation, that's the same Attorney General who stood in his place not long ago and guaranteed potash legislation which is also under attack, and one really has to ask, where will it end and why is this government

incapable of handling resource taxation when other governments can handle it well.

Now we are going to be asked by that same government and that same Attorney General to accept retroactive legislation. And no doubt that same brilliant Attorney General will assure us that the retroactive legislation will be upheld by the courts. It is incredible that the government in their deceit would stand in question period and say that they have given no consideration to what they are going to do, that they haven't considered retroactive legislation, they haven't considered expropriation . . .

**MR. KOSKIE:** — You were here this afternoon.

**MR. MERCHANT:** — Exactly, I was here this afternoon and I am not sure you would have understood the judgment if you had read it. I am sure your ministers have as much of the judgment as we have. It is clear, it is obvious, the legislation is being struck down for the very reason that the Liberals told your government it would be struck down in 1973, that it is indirect taxation. Now, I say to the member for Saskatoon, well you are going to be pulled out of the mire by the same people who got the people of Saskatchewan into the mire in the first place.

Now why did we say in 1973 that this was bad legislation. We said it was bad legislation. (Interjection) Exactly, exactly, that's exactly what we said in 1973 and you examined it. When you examined it we said that what would happen if you destroy the oil industry in Saskatchewan . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — Now what have you succeeded in doing, is exactly what we said. What have you now succeeded in doing? We've had no oil industry. Oh, you have loosened the thumb screws a little and some of the oil industry is coming back now but for three or four years we didn't have the jobs and we didn't have the exploration. So you destroyed the oil industry in this province and now we are not even going to keep the money. Now we are not even going to get to keep the money. Only an NDP government could visit upon the people of Saskatchewan the worst of both worlds.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — Only that Attorney General, he is the only lawyer in the world who would tell his clients, the people of Saskatchewan to gamble a half a billion dollars and he is the only lawyer in the world who will be back within a few months with a new gamble. The new gamble will be to pass retroactive legislation which he knows is highly suspect, which will put into the pot about another \$240 million a year. Now why will it be \$240 to \$250 million a year because now not only do the royalties start to run but interest runs as well. Now, of course, your members won't have read the judgment the way we will but interest will run now and interest runs on that half billion. Well — well, the Hon. Attorney General, you're not going to get into this debate — you've got a few lines — the only lawyer in the world who would do what a drunk at the gaming tables at Vegas would consider dangerous, gamble a half a billion dollars, and then when it's not going well, add about \$20 million a month to the gamble — \$500 thousand a day. Where do we go from here? Where are we off to from here? You can pay, you can pay — that wouldn't take any brains but then you people have a lot of people without brains who could handle that for us. You can pass retroactive

legislation, in fact I think that's what you're going to do even though you expect that it will be struck down, or you could expropriate. You know, I think that's where we're going. I think we're moving toward expropriation. I want to make a little prediction. You're going to pass retroactive legislation knowing that it will probably be struck down, knowing that the courts won't let you do by the side door what you can't do by the front. And why are you going to pass retroactive legislation and add to the stakes? Because you don't have the people yet, to take over the oil industry, and because know that the people of Saskatchewan, the voters of this province just wouldn't stand for that move. But that has to be your plan, because retroactive legislation won't save you. And we end up, we who watch, and the people of this province, end up viewing a government that looks like a ball being battered like some giant television pawn game from one mistake to the next. You go from one error to the next error being driven by your own mistakes. I'm not sure, you know, that you really wanted to go into the potash industry. I think you went into the potash industry because you were challenged there in the courts and all you had to sustain you was the Attorney General and his bad advice, and then when the court struck down the potash industry you thought, 'oh we don't want to get into that kind of pickle that we're in with the oil industry, we we'll expropriate there'. I believe that we're going down the same road in the oil industry and I really wonder where it will end.

In the short-term, I have two questions. First, whether this government will accept accountability of its ministers. They say, you know, 'we made a mistake'. The Premier didn't sound like that today. The Attorney General certainly doesn't sound like that. I never really know whether they are whistling in the dark, walking through a funeral garden, but they certainly don't sound like they know they made an error. They sound as though they feel there is some conspiracy that's out to get them — some giant conspiracy is out to put down this poor government. Do you believe in the accountability of government? I will be very interested to find out whether in the coming years this government looks at the question of who should be the legal adviser in Saskatchewan. And the second question, the second question is whether the Crown intends to honor the judgement. And Mr. Speaker, as members know, the Crown can't be compelled to pay. The Crown isn't exigible to a garnishee for instance. I'll be very interested in the coming weeks to know whether this government, at least has the honesty and the openness to say, 'yes, we'll honor the judgement from the highest court of the land', or whether you will do what the Attorney General is fond of doing — act out a peekin some way and hide and say, 'well, it's an eastern court, and we're not bound by that eastern court', by some curious turn of logic that says that, 'you didn't get yourselves into this mess, but somebody else got you into this mess'.

Mr. Speaker, I only want to say, at great pain incidentally, that I consider this a very sad debate, a sad situation into which you have plunged us, and I've been frankly shocked to sit here looking at a half a billion dollar debt and see you laugh and giggle and shout as though it's just — it's just something that happens over night. These things just happen. And to proceed now to keep the clock running at a half a million dollars a day.

**HON. J.R. MESSER (Kelsey-Tisdale):** — My first words this afternoon in this debate have to be words of sorrow for the member for Wascana, in his temporary, perhaps not so temporary period of decision, he is trying to scream about nothing to the members of this Legislative Assembly — about nothing, Mr. Speaker. The second words, Mr. Speaker, and I'll get to the \$500 million, my second words, Mr. Speaker, have to be in regard to the remarks made by the members to your left so far this afternoon can be interpreted as nothing less than an insult to the intelligence of the people of Saskatchewan. Mr. Speaker, they have tried to convey to the government of

Saskatchewan and the people of Saskatchewan, that the decision that has been brought down today is one that the government is not willing to interpret as an important, and in fact, urgent decision.

Mr. Speaker, the Premier, in his remarks just a half an hour or an hour ago indicated that there was urgency to the decision that was conveyed to this government this morning, and that it is of some great importance. But Mr. Speaker, that decision, as members know full well, was only conveyed to this government at 10:00 a.m. this morning. There were no details. Within about a four hour period of time, the members to your left, the Conservatives and the Liberals, demanded that this government put forward its resolution to that problem.

Now, Mr. Speaker, let's take a look at the facts. It has been over a year since the Supreme Court was instructed to involve itself in regard to this legislation. It took them over a year. The text that will accompany that decision is going to be very, very complicated to say the least. It's going to be very lengthy. And I think, Mr. Speaker, all members in this Legislative Assembly are undertaking to address themselves to a solution to that problem here today, we would do so at some extreme disadvantage. Now, Mr. Speaker, all we know at this particular point in time is that the mineral income tax and the royalty surcharge were ruled ultra vires. We don't know the logic or the thought or the reasoning behind that. Now the member for Regina South says, 'so what', and I think as a lawyer he should be concerned about what the implications were, what the Supreme Court was relating to when they passed on or made that decision. Surely the implications of that decision had a significant amount to do with working out the solution, Mr. Speaker. And only — a decision without relating to those implications would be grossly incompetent, grossly incompetent, Mr. Speaker.

Now, Mr. Speaker, the Premier also made the note, and I think it is an important note, that the decision that we are confronted with today was not a unanimous decision. The Supreme Court made that decision, but certainly the Queen's Bench in Saskatchewan was in favor. Certainly the Court of Appeal was in favor. And the members opposite say, 'so what!'. I think that is some very obvious indication of the kind of security that the province of Saskatchewan has, the optimism that the legislation would be ruled, in favor. Now, Mr. Speaker, before we can in any credible way, undertake to resolve the problem, is to await the facts so that we can rationally deal with them — so that we can rationally and intelligently deal with them. Now, Mr. Speaker, what is the situation? We've got a ruling; it's in relation to CIGOL. It does not at this moment involve hundreds of millions or half a billion dollars as the members opposite would want us to believe. It will involve at most, something in the area of three to five million dollars, perhaps more likely three million dollars. That's significant, yes, but certainly the implications that they try to convey with that decision are not yet current at this time. And it's premature to assume that they are. Now, the Leader of the Liberal opposition demands that we should have the answer now. The member for Wascana (Mr. Merchant) who just took his seat says it is an unhappy day, and he says that we have in fact destroyed the oil industry with Bill 42, the bill that has brought about this decision.

Now, Mr. Speaker, let me say that I agree with him. It is an unhappy day, an unhappy day for more than just the reasons he relates to. Let me say that we have had, I think, a significant improvement in regard to the rapport and the profile of the oil industry in the province of Saskatchewan prior to any decision of the Supreme Court.

We have, in the past year, we have in the last year, Mr. Speaker, seen some considerable acceleration in activity in the province of Saskatchewan, to the point that we have got



over a two-fold level of activity for 1977 compared to the year 1976. We have got probably the highest interest of any area in Canada in regard to the extraction of heavy crude oil.

Mr. Speaker, we have, in the last two sales of land in the province of Saskatchewan, had the highest sales and the highest level of interest ever enjoyed by the province of Saskatchewan — ever enjoyed.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MESSER:** — Mr. Speaker, we have been involved, and I think involved with a good degree of optimism, with the discussions which may lead to a heavy crude upgrading facility in Lloydminster, Saskatchewan, on the Saskatchewan side of the border, Mr. Speaker.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MESSER:** — Now, Mr. Speaker, there are yet some decisions to be made there in the final sense, but certainly we can be optimistic about what . . .

**MR. MERCHANT:** — Point of order.

**MR. SPEAKER:** — What is the point of order?

**MR. MERCHANT:** — The point of order is that the member in trying to drag out the clock and avoid anybody else speaking, is just as fair for . . . the only similarity is that he is talking about oil, talking about the heavy oil problems is just as far from the question as some of the remarks by the hon. member for Qu'Appelle.

**MR. SPEAKER:** — I sincerely wish that the member for Wascana hadn't brought up the destruction of the oil industry in the province of Saskatchewan and then I wouldn't have been in the position of allowing him to comment on your comments. Now in the future if the member for Wascana can resist the temptation to drag extraneous material into debates then I can try and keep the minister in order.

**MR. MESSER:** — That displays the intelligence of the member for Wascana to suggest that we should not be discussing at this particular point in time the development of our resources and the policy of this government in relation to oil in particular. My heavens, I don't know where he has been when he sat in this House, or where his mind was during the debate this afternoon.

The point I want to make, Mr. Speaker, the point I want to make is that during this time that the Supreme Court was considering the Bill 42 legislation in Saskatchewan they were more than anxious to accelerate their levels of activity, more than anxious, Mr. Speaker. They, in effect, I suggest to the members of this Legislature, have shown that they are prepared to come back to Saskatchewan to accelerate their level of activity under the terms and conditions of Bill 42 as they now stand.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MESSER:** — I think, Mr. Speaker, that it is also relevant that we remind ourselves why the province of Saskatchewan undertook to pass Bill 42. I think it is important to remind the people of Saskatchewan what necessitated the government to introduce

and to pass the legislation contained in Bill 42.

We know that in 1973 oil profits, or oil prices started to spiral because of circumstances beyond Saskatchewan and Canada's control. And I think that it was only credible, it was only credible for the government of Saskatchewan to undertake to introduce some measures to capture some of those spiralling profits rather than have them go entirely to the oil companies.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MESSER:** — And the members opposite know, Mr. Speaker, that the royalty and taxation system that was in place was not designed, nor did it when it was designed, foresee such dramatic increases in the prices and the profits that oil companies might accrue through the extraction of oil in this province.

The government, also, had no equity in the industry, other than the right to certain minimal royalties and taxes. At that time, Mr. Speaker, we had about one billion barrels of oil in place, known to be in place. We also knew that there were likely to be about another one billion barrels that might be extracted. In reacting to the sudden increases in oil prices, the government, I think, was careful not to lose sight of its long-term objectives with respect to not only oil but all mineral resource activity in the province. We had to do a number of things, Mr. Speaker, in Bill 42.

1. We had to assure good conservation practices and maximum recovery of minerals discovered. It addresses itself to that.
2. We had to assure a fair economic return from the resources to the people of the province. And, Mr. Speaker, it does that.
3. We had to assure maximum employment of Saskatchewan residents in the exploration and development and production of resources. And last years' statistics show that we have achieved that Mr. Speaker.
4. Provide a favorable climate for further exploration and development.

Even though the members opposite when they debated the introduction of Bill 42 that there would never be anymore oil exploration or development or extraction in the province of Saskatchewan, in fact they went beyond that and said that there would be no kind of resource development activity in the province as long as that legislation was in place, and as long as there was an NDP government in the province of Saskatchewan. Well, Mr. Speaker, the statistics speak for themselves, in the case of oil over 200 per cent of the activity of 1976.

In the case of northern mineral exploration and development, I think I can almost venture to say that there isn't another jurisdiction in the world that has the level of exploration activity as northern Saskatchewan enjoys, certainly not in the northern continents.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MESSER:** — Now, Mr. Speaker, I think we should also say that during this period of increasing prices, the federal government decided to raise the domestic price of oil from \$3.80 per barrel to \$6.50 per barrel, and that was because of the huge increases

that the OPEC countries imposed on us. This was an increase of \$2.70 a barrel. Without any action by the government of Saskatchewan virtually all of that increase would have gone to the producers, producers who are already making a tidy profit at the old price. This was an incredible amount of money, Mr. Speaker.

Saskatchewan oil production was approximately 75 million barrels a year. If we were to multiple that \$2.70 per cent increase that the federal government allowed, it comes to somewhere in the neighborhood of \$200 million, during that period of time over one-half million dollars per day. And, Mr. Speaker, had this government not undertaken to introduce Bill 42 all of that money, all of that money would have gone to the huge multinational companies.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MESSER:** — Mr. Speaker, the members opposite say the federal government imposed an export tax. And yes they did, but I want to know whether the people of Saskatchewan got any benefit from that export tax. Mr. Speaker, did we get any benefit from that export tax? In fact, it is still a dispute between not only the province of Saskatchewan but the province of Alberta as to whether that export tax was of any real benefit to the provinces, as it should have been because the resource in fact belonged to the provinces.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MESSER:** — Now Mr. Speaker, what does the leader of the Conservative Party say? What does the leader of the Conservative Party say we should do in order to resolve this problem? He says, Mr. Speaker, that we should go to the federal government, we should go to the federal government and have them bail us out. Mr. Speaker, I am sorry that the member for Nipawin, the Leader of the Conservative Party is not here now, but just let me refresh his memory as to just what happened, what the scenario of this whole dispute is. This case was first heard in the Queen's Bench Court before Mr. Justice E.N. Hughes, who dismissed the case. Cigol appealed the trial judge's judgment to the Court of Appeal for Saskatchewan. The Appeal Court unanimously affirmed the judgment of the lower court.

Now, Mr. Speaker, and again I am sorry that the member for Nipawin is not here, because his suggestion is to go to the federal government and they'll bail us out. Now, Mr. Speaker, what happened at that point in time? I think it is important that the citizens of Saskatchewan know, because at that point in time the Attorney General of Canada interfered in the Saskatchewan Court of Appeal in support of Cigol, although he had not participated at the original trial in the Queen's Bench Court. Mr. Speaker, it was at that point that the federal government of Canada, if they were showing some concern in regard to whether or not we were really going to capture a fair share of those rising prices for Saskatchewan people, intervened not on behalf of the government of Saskatchewan or the people of Saskatchewan but on behalf of Cigol, Mr. Speaker.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MESSER:** — The Liberal members say, do you know why, because they were trying to save, Mr. Speaker . . . I wonder if the member is on a point of order or whether he is just making . . .

**MR. MacDONALD:** — Would the hon. member permit a question?

**MR. SPEAKER:** — The hon. member wishes to know if the minister would accept a question.

**MR. MESSER:** — I will allow the member to ask a question at the completion of my remarks.

**MISS CLIFFORD:** — Are you afraid?

**MR. MESSER:** — No, I'm not afraid, I may be done in five minutes, who knows.

**MR. ROMANOW:** — . . . Better not provoke you . . .

**MR. MESSER:** — Yes, if they continue to provoke, I might just have to say a few more things and take another five minutes.

Now, Mr. Speaker, I think that that is of key importance. The member for Regina South (Mr. Cameron) is saying that we are taking this lightheartedly. Mr. Speaker, I hope that he listens to the point that I want to make, because certainly the people of Saskatchewan will want to know why the Attorney General of Canada at that point undertook to intervene, not in the best interests of Saskatchewan people, but in the best interests of a company which is located, at least as far as its head office is concerned, outside of the province of Saskatchewan. In other words, as the Attorney General says, they intervened on behalf of the multi-nationals, not on behalf of the people of Saskatchewan.

Now, the member for Nipawin is back again, and his solution is, to ask the federal government to bail us out. Mr. Speaker, I suggest to him, that if we were to ask the federal government to bail us out, we would lose what we have collected, we would lose those future revenues that Saskatchewan people are deserving of. Now, Mr. Speaker, I don't think it's strange that the Liberals and the Conservatives would undertake to ask the federal government to bail us out because they know full well that the federal government will assume a similar position to the positions that they assumed and debated in this Legislature when we introduced Bill 42, and that was, a position against the capturing of those spiralling profits for the people of Saskatchewan, a position which was negative to the people of Saskatchewan but one which was positive to the multi-national oil companies.

All one has to do — and the member for Biggar (Mr. Cowley) last year gave an interesting speech in regard to where the donations and the contributions come from in order to keep these political entities alive. I don't know whether they are giving any more to the parties provincially in the province of Saskatchewan, certainly not the Liberal Party, but when one looks at the list, there is quite an impressive list of oil companies. I think that is just another reason to indicate why they would choose to support the oil companies, rather than the people of Saskatchewan.

Mr. Speaker, the member for Nipawin, the Leader of the Conservative Party made another recommendation. In fact, he made the recommendation a number of times during the course of his speech this afternoon, in fact the last 20 minutes or so were beginning to get repetitious. I suggest it was only to eat up the radio time so the Premier might not be able to get on. I may be in error, but that's my own personal opinion.

Mr. Speaker, he said what we should do, what we should have done, was simply to

introduce the Alberta taxing system. Now that may appear to be a very simple resolution to the problem but I suggest to you that the Leader of the Conservative Party, the member for Nipawin knows full well that the implementation of the Alberta taxing system would seriously jeopardize the province of Saskatchewan in capturing a fair share of those profits. And he shakes his head. Let me tell him, the oil resources of Saskatchewan by comparison to Alberta are small, in fact less than 25 per cent of the production capacity of Alberta. In Alberta the average extraction level is 110 barrels a day compared to 27 in the province of Saskatchewan, over four times greater. In fact, Alberta doesn't really involve itself with the taxing system to levy taxes on wells that produce less than 30 barrels a day, because they don't have to — the member is shaking his head in the affirmative, I agree with him, and I'm glad he agrees with me, because the level of production of Alberta oil is averaged at 110 barrels per day per well. The taxing system that they have is geared to capture a revenue from high producing wells. In Saskatchewan because ours is an average of 27 barrels per day, our taxing system has to be implemented in order to capture a return with the lower producing wells. To simply implement the Alberta taxing system to Saskatchewan, would cost Saskatchewan about 50 per cent of the revenues that it is now collecting.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MESSER:** — In effect, Mr. Speaker, the revenues that the province of Saskatchewan now enjoy, if we were to undertake to introduce the Alberta system, would be 50 per cent less, 50 per cent less. If those members in using the figures of \$500 million, or half a billion dollars are correct, they would, or at least the Leader of the Conservative Party's suggestion or proposed policy would deprive the people of Saskatchewan of \$250 million.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MESSER:** — That, Mr. Speaker, is what we should be conveying to the people of Saskatchewan as the solution by the Conservative Party in the province of Saskatchewan.

Now, Mr. Speaker, there is also one very distinct difference . . .

**MR. H.W. LANE (Saskatoon-Sutherland):** — Will the hon. member permit a question?

**MR. SPEAKER:** — Will the hon. member take a question from the hon. member for Saskatoon-Sutherland? Apparently not.

**MR. MESSER:** — I will be glad to answer the question at the end of my remarks. Now, Mr. Speaker, there is one other very significant difference in Alberta from what there is in the province of Saskatchewan when we look at the taxing system that they have in that province vis-a-vis the taxing system that we have in the province of Saskatchewan. It is to accommodate the taxing of oil on freehold land. I am sure that the member for Nipawin, the Leader of the Conservative Party knows full well that in Alberta the level of production on freehold land is something less than 15 per cent, something less than 15 per cent! The level of production in the province of Saskatchewan on freehold land is something marginally over 40 per cent. Again in the province of Alberta because the level of production on freehold land is minimal by comparison to the production on Crown land, their taxing jurisdiction is one that is designed to capture its revenues from Crown land and again it is almost cavalier in regard to its attitude in regard to production on freehold land. In the province of Saskatchewan it's the opposite of that,

over 40 per cent of our production comes from freehold land; it's therefore, necessary for us to have a very distinctly different, a very distinctly different taxation system applied in Saskatchewan in order to capture the kinds of profits we should for the people of Saskatchewan from the production on that freehold land.

In total, Mr. Speaker, that means that if we simply lift the Alberta legislation and put it into Saskatchewan, we will lose at least \$250 million to the people of Saskatchewan. The Leader of the Conservative Party the member for Nipawin shakes his head in the affirmative and I interpret that to mean that that is exactly what he thinks should be done in order to resolve this dilemma that not only the government of Saskatchewan is concerned with but the people of Saskatchewan. I am quite confident that if this is conveyed to them in the manner that it should be there is no doubt, there is no doubt, Mr. Speaker, where the support of the people of Saskatchewan is going to fall and where it is going to be.

Just let me, Mr. Speaker, in closing say again that it is almost incredible to believe that the members who sit to your left would undertake to have this Legislative Assembly resolve this very significant problem in a two and one half or three hour debate this afternoon. The member suggested that, the Leader of the Liberal Party, the member for Lakeview, suggested that we had legislation to bring forward and that we should simply bring it forward. My answer to him is, we have undertaken to prepare ourselves for a judgment from the Supreme Court; any competent government would undertake to consider negative implications to a decision from the Supreme Court. We did that. The only way we could adequately bring those measures forward is to relate to the information that is conveyed with the decision from the Supreme Court.

Now, Mr. Speaker, there is one other point. I have heard a lot of remarks pertaining to the incompetency of the Attorney General of the province of Saskatchewan. Mr. Speaker, one I think has to gauge that accusation against the decisions that were made by the Queen's Bench who uphold the legislation . .

**MR. BERNTSON:** — May I call it 5:00 o'clock.

**MR. MESSER:** — About 30 seconds, Mr. Speaker.

**MR. SPEAKER:** — I'm afraid you are out of order. It being 5:00 o'clock this House now stands adjourned until 2:00 p.m. tomorrow.

The Assembly adjourned at 5:00 o'clock p.m.