

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Eighteenth Legislature

November 24, 1977.

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

INTRODUCTION OF GUESTS

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, it is my privilege to introduce, this afternoon, to this Assembly, the leader of a government from another member of the Commonwealth. May I introduce to the hon. members, the Premier of the State of Western Australia, Sir Charles Court, OBE who is sitting just behind the rail.

HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — Sir Charles is visiting Regina to attend the conference of the Royal Agricultural Society of the Commonwealth which begins in Regina today. It is hoped that he will also be able to stay for the opening of the Western Agribition which officially opens, as we know, on Saturday.

The purpose of Sir Charles' visit is to present to the delegates of the convention of the Royal Agricultural Society of the Commonwealth, the merits of Western Australia as a site for the 1979 conference of the Society. He's performing a task similar to that which I performed two years ago when I went to Wales as a part of the Saskatchewan delegation and extended an invitation to the Society to hold their conference here in Regina.

I wish Sir Charles equal success with the success which we enjoyed.

The members I think, will know generally about Western Australia. Western Australia and Saskatchewan have a good many things in common. It's a state even larger than ours, four times the size of ours, about one million square miles to our quarter of a million square miles. They are both western portions of a larger nation. They have similar economies based upon grain, livestock, oil, gas, and hard rock minerals. We both have some knowledge of the feeling of being regarded as a source of raw materials for the eastern industrial region which outnumbers us both in population and political strength, so I suspect we would have many feelings in common with Sir Charles. I suspect some of the political speeches about the iniquities of the east would be equally applicable.

Mr. Speaker, on behalf of all members of our Legislature and the people of Saskatchewan, allow me to extend to you, Sir Charles, our warmest welcome, and allow me to ask you to carry back our greetings to the Cabinet and to the Legislature of Western Australia.

HON. MEMBERS: — Hear, hear!

MR. E.C. MALONE (Regina Lakeview): — Mr. Speaker, I hope you will permit me to join with the Premier in welcoming Sir Charles to the Saskatchewan Legislature. I can't help but reflect sir, that in view of the recent developments in this country and in this province in the last day or so, and in view of the absence of the Attorney General, that I

thought the Premier was going to introduce you to us as his new constitutional advisor. However, I guess that is not to be the case. But, Sir Charles, may we wish you a very warm stay in Saskatchewan. I hope you will find your stay here to be most enjoyable and interesting, and that you will learn something from the people of Saskatchewan while you are here.

HON. MEMBERS: — Hear, hear!

MR. R.L. COLLVER (Nipawin): — Mr. Speaker, I would like to join with the leaders of the other two parties in welcoming Sir Charles to the province of Saskatchewan. It is our understanding that it is not quite as chilly in Western Australia as it is here today and we hope our weather will be stimulating, and as stimulating as the meetings that he is going to attend, and probably take back to Western Australia with him when he returns home.

WELCOME TO STUDENTS

MR. W.H. STODALKA (Maple Creek): — I would like to welcome a group of students, Mr. Speaker, from the Gull Lake High School. They are seated up in your own gallery. I think many members of this Legislature will be acquainted with the Gull Lake High School over the years. They have the reputation of having one of the best football teams in the province of Saskatchewan, and I would like to welcome them and their teacher, Mr. Ralph Eliasson and Mr. Gerry Elmslic and I hope to meet with you later.

HON. MEMBERS: — Hear, hear!

MR. G.N. WIPF (Prince Albert-Duck Lake): — Mr. Speaker, I would like to introduce to you and through you to this Assembly, a group of 100 Grade Eight students in the east gallery with their teachers and chaperones, Mrs. St. Amand, Mr. April, Mr. Hildebrand, and Mr. Hornish. I would also like to introduce a very special friend of mine, Marie Anne Blyer at the back with her mother. And I'll be meeting these students at 3:00 o'clock this afternoon. I hope your stay here is informative and educational, and we'll meet with you at 3:00 o'clock. Thank you.

HON. MEMBERS: — Hear, hear!

MR. J. WIEBE (Morse): — Mr. Speaker, I would like to take this opportunity to join with my colleague from Maple Creek in welcoming the students from Gull Lake. Mr. Stodalka and I share the town of Gull Lake in that the town of Gull Lake is located in the Maple Creek constituency and the Gull Lake nuisance ground is located in the Morse constituency.

HON. MEMBERS: — Hear, hear!

MR. WIEBE: — So, Mr. Speaker, it is with a great deal of pleasure that I welcome those students living within the town of Gull Lake as well as welcoming those students living east of the Gull Lake nuisance ground. Welcome to the Legislature.

HON. MEMBERS: — Hear, hear!

QUESTIONS

CIGOL

MR. MALONE: — Mr. Speaker, I would like to direct a question to the Premier in view of the CIGOL decision of yesterday. In view of the fact that the implications of this decision go far beyond the oil industry in Saskatchewan, indeed, some experts say it will affect the potash reserve tax, and some go so far as to say it will affect provincial resource taxation across this province. In view of these implications, Mr. Premier, are you prepared to take the initiative at this time to have a conference called of first ministers with the federal government to determine once and for all, the taxation system that is to be developed for the future taxation have not only resources in this province but resources across the Dominion of Canada.

MR. BLAKENEY: — Mr. Speaker, I think all hon. members would want the government to give the most careful consideration to the judgments rendered by the Supreme Court of Canada before reaching any conclusions, that is in fact what is being done. Our lawyers are studying the judgments with a good deal of care. They have not yet given us any definitive opinions. The possibility of seeking co-operation from other premiers is certainly being considered, but I think it cannot be the subject of any firm decisions until we know not only whether the decision by the Supreme Court will affect our own law, which we now know, but whether it would similarly or in some adverse way affect the laws in force in other provinces. If such is the case certainly we will be consulting the governments of other provinces to see what their reaction to the judgment is.

MR. MALONE: — Supplementary question, Mr. Speaker. At the present time, again to the Premier, Mr. Speaker, are you prepared to attempt to commence negotiations with the oil industry with a view to see if some possible compromise can be worked out to extricate ourselves from the difficult situation that we are in that will be beneficial to the people of Saskatchewan. And as the member for Nipawin correctly pointed out this would be very difficult because of the Supreme Court decision. But the Premier and the government do have certain weapons, that is the future development of oil in this province, whether it is to be done by the nationalization route or some other route. Bearing in mind that you do have an arsenal of weapons still, are you prepared to commence negotiations with the oil industry to see if some compromise can be reached without the necessity of further legislation?

MR. BLAKENEY: — Mr. Speaker, I believe it is premature to indicate that there will be negotiations. It is not however premature to indicate that we do not rule out the prospect of negotiations, by no means do we rule that out. We do, however, take the position that the first duty of our government is to use such reasonable avenues as are open to it to preserve for the people of Saskatchewan the revenue which was collected when our resource was removed from this province. And we, therefore, start with the proposition that we wish to retain the money we have collected. We believe that the people of Saskatchewan wish us to retain the money that was collected. We believe that they regard it as payment for the resource. We believe they would take the position that the oil companies got the oil and we got the money, and if they give back the oil we should give back the money. But if they don't give back the oil, we shouldn't give back the money. I think that that will be their relatively simple analysis.

I am not at all sure that the cogency of that analysis will be fully accepted by the courts, but nonetheless we start from that position and we do not intend to move from it until it is clear from an analysis of the judgments that we have to move from it.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Mr. Speaker, is the Premier now telling us that notwithstanding the Supreme Court decision that this government is going to refuse to obey the law of the land and pay back money; and secondly, would the Premier give this House the assurance that this government will not take any steps to nationalize the oil industry or the potash industry, or any other industries, without at least attempting to meet with the representatives of those industries to see if some compromise cannot be worked out?

MR. BLAKENEY: — Mr. Speaker, there is no difficulty in giving the hon. member assurance that there will be no stampede to nationalization. That is certainly not a likely contingency at this time. I do, however, want to make the point that we are studying our position. We are studying it to determine what we think is in the best interests of the people of Saskatchewan, and we do not intend to give away any options at this time, more particularly we do not intend to commit ourselves not to take this, or step (a) or step (b) or step (c) which may be adverse to the oil companies, just because hon. members who are clearly seeking information on behalf of the oil companies ask us to do so.

SOME HON. MEMBERS: — Hear, hear!

MR. COLLVER: — Mr. Speaker, let me first pre-empt to say that I am shocked and dismayed that the leader of the Liberal . . .

(An interjection of some hon. members calling for order.)

Mr. Speaker, we will start again. Today the acting Prime Minister stated in response to a question in Parliament that, on behalf of the Government of Canada, that they would consider refunding the income taxes that they would receive on the \$500 million that would have to be repayable, or approximately \$250 million to the government of Saskatchewan as an ex gratia act, therefore, will your government now formally demand that if all else fails, the government of Canada should commit to such an act, as expressing good faith in the unity of Canada and as a baseline of protection and insurance for the people of Saskatchewan in case the other measures you are suggesting are unsuccessful?

MR. BLAKENEY: — Mr. Speaker, obviously we will accept any assurances coming from anywhere if they are accompanied by offers to pay us money. If the federal government has indeed indicated and I have not seen the report, that it will pay us \$250 million, then let me assure all hon. members that we will be more than willing to accept the \$250 million.

Let me say that I do not believe that the oil companies under the current tax structure would pay corporate income taxes of approximately 50 per cent on the gross amount that they might receive or anything resembling approximately 50 per cent in federal taxes. So I do not know whether the federal authority whom he quoted indicated that the figure would be \$250 million or 50 per cent. If he indicated either, we are delighted to hear it and will be awaiting for the developments.

MR. COLLVER: — Supplementary question, Mr. Speaker, and I am pleased to hear that the Premier has an open mind on this and would in fact, I gather, be prepared, if the government is prepared to give that kind of assurance, to formally request such an assurance for the people of Saskatchewan. However, even though Prime Minister Trudeau indicated yesterday his personal lack of concern for western Canada by walking out when the question of CIGOL was raised in parliament, would your government not agree that because the government of Canada assisted the province of Quebec in the light of huge cost over-runs for Expo and the Olympics, that they must now ensure that the Saskatchewan people are no less protected if they are serious about national unity?

MR. BLAKENEY: — Mr. Speaker, I think it is not incumbent upon me to indicate what steps the federal government must take to exhibit its concern for national unity. I do not wish to reject the hon. member's suggestion, it is too early to accept suggestions, or reject suggestions, that is the point I am trying to make. We have an not had opportunity

to study the judgments and ascertain what the options are. Allow me to say that we are willing to consider any and all options and willing to commit ourselves to none at the moment.

MR. COLLVER: — Would the Premier not agree that the delays that he is talking about in terms of looking at judgments and worrying about the legal aspects of this case are not delaying the decision, the final decision, on behalf of the people of Saskatchewan, concerning the people of Saskatchewan, worrying the people of Saskatchewan and bringing about the very economic malaise, as a result of this indecision, that the Premier has stated earlier he didn't want to have?

MR. BLAKENEY: — Mr. Speaker, the Leader of the Conservative Party is not inordinately quick at detecting economic malaise. We got the judgment yesterday morning at 10:00 a.m. It is, I suppose, appreciated by the people of Saskatchewan, they became informed on it some time towards last evening and then only by press reports. I got my copies of the judgment on my desk at 10:00 a.m. this morning. The suggestion in that interval of time, economic malaise has settled upon our province, and accordingly action must be taken now and immediately before even the legal advice which we were urged to get yesterday is, I think, not a credible suggestion.

TAX COLLECTION - BILL NO. 42

MR. C.P. MacDONALD (Indian Head-Wolseley): — I would like to direct this question to the Minister of Mineral Resources in the absence of the Minister of Finance.

The Premier used the word economic malaise. Would the minister indicate now that the decision of the Supreme Court of Canada has been handed down, that certain sections of Bill 42 of the tax collection portions are now declared unconstitutional? Has his department, or the Department of Finance, instructed their officials no longer to collect the tax on a daily basis, which is something in the neighborhood of \$400,000 a day, or \$10 million a month and because I am certain that those oil companies that have been paying it under protest will no longer be paying for it now that it is illegal and declared unconstitutional and certainly that is a degree of economic malaise; \$10 million a month or \$400 or a half a million dollars a day, can the minister tell me if the government is no longer collecting that?

MR. BLAKENEY: — I may be able to assist the hon. member. This is one of the items which is under consideration. It will I think be recalled by members of the House that the taxes which were attacked in the judgment, that is the royalty surcharge and the mineral income tax are no longer collected in that form. About a year ago they were combined into a new royalty structure, a new combined royalty structure which superseded those older taxes and we do not know whether the logic of the judgment applies equally to the new royalty structure and we, therefore, do not know now whether or not the new royalty structure can be similarly put in jeopardy.

MR. MacDONALD: — Supplementary. Could the Premier in the absence of the Minister of Finance, tell the House and the people of Saskatchewan what impact it is going to have on the current budget because you have now written two cheques that have bounced, one of something over \$300 million to the potash industry out of the Energy Fund and another \$19 million cheque, \$30 million a year taken into general revenues. What, in fact, is this decision of the Supreme Court of Canada to have on this year's Budget on the accumulated surplus of the NDP government and what will it mean now in addition to the deficit that is already being predicted and what horrifying implication

does it have on tax increases for next year?

MR. BLAKENEY: — I think to answer all of those questions would take rather more time than I think I would be allowed by the rules. A look at the budget will indicate that very little money in this year's revenue is due to come from either of the taxes which was attacked, that is the mineral income tax or the royalty surcharge. Nothing is included in this year's revenue statement from either of those taxes except a payment of \$35 million from the Energy and Resource Development Fund. Certainly that payment can be met because there are funds in the Energy and Resource Department Fund. Whether or not those funds would be pre-empted in order to make repayments to the oil industry will depend clearly on whether or not all of those repayments need to be made, what pace, and I point out that as of now all we have is the CIGOL decision and the CIGOL decision is talking about \$3 or \$4 million and that is not going to affect our Budget. We can reasonably anticipate other legal actions, obviously, but we do not have to pay them now because there are not going to be any judgments or writs of execution with respect to legal action which haven't yet been commenced. We are not required to make any rapid payments other than if we deal with the CIGOL matter and if we paid it totally and in full, \$3 or \$4 million. So there is no need for urgent action. However, there is a need to consider what possible implications that decision has and full implications cannot be assessed at this time until we know how many people will make a claim, what amounts they will claim and whether or not we will be required at some unanticipated future time to make full or partial repayments.

MR. MacDONALD: — I have one other question to the Premier and I hope that the solution is not to go hat in hand to Ottawa as the Leader of the Conservative Party has indicated. We have always been able to look after our own problems in Saskatchewan but as the Premier knows Imperial Oil has a case and I believe it is approximately something in the neighborhood of \$40 million. Scurry Rainbow, I think, is paying the taxes under protest and so forth, and I think that this could readily — the government could have a readily or very quickly an obligation to pay out huge sums of money, not only in the original taxes but in the interest rates. Could the Premier indicate, have you made any contingency plans first of all, for example, to borrow large sums of money because the money has already been paid out to the potash industry and so forth in order to pay that back, to resell the potash industry again perhaps, or is he considering dramatic, drastic cuts in services and cuts in programs in Saskatchewan if these kinds of necessities are required?

MR. BLAKENEY: — May I advise the hon. member that to answer his last question first, we are not considering any drastic cuts. We do not believe that they will be necessary. Our current services are financed by current revenues which include only very modest sums coming from either of the taxes under attack.

Secondly, we do not have any contingency plans that I am prepared to announce to this House concerning proposed borrowings, proposed disposition of assets acquired whether in potash or uranium or heavy oil or natural gas or any of the other assets which have been acquired by expenditure of sums from the Energy and Resource development fund.

May I say again, we have closed no options but we are not prepared to foreclose any of them in answer to the hon. member's questions until we have fully considered our options. May I say that that includes the possibility of resisting payments to the oil companies and any other steps which may be reasonably open to us to assure the people of Saskatchewan that we retained those funds.

MR. COLLVER: — Mr. Speaker, that's twice now that the Premier of Saskatchewan has announced to this Assembly that the CIGOL decision yesterday is some three to four million dollars. Is the Premier not aware that the decision applies not only to CIGOL but to NORCEN and the . . .

MR. SPEAKER: — Order, order!

MR. COLLVER: — . . . total of the decision is closer to \$9 million?

MR. SPEAKER: — Order, order. Next question.

MR. R.H. BAILEY (Rosetown-Elrose): — I direct my question to the Minister for Municipal Affairs.

In light of yesterday's decision which was brought down and obviously affects the revenue of the province a great deal, as Minister of Municipal Affairs will this change your current plans for revenue sharing with the municipalities in Saskatchewan?

HON. G. MacMURCHY (Minister of Municipal Affairs): — No, we plan to proceed with the meetings set up with both the urban municipalities and the rural municipalities to start, I think it is the week after next, starting the week of the 5th of December.

MR. BAILEY: — Supplementary, Mr. Speaker, does the minister then have available the plans..have they been formally announced on the revenue sharing, and also in that same respect would the minister, as Minister of Municipal Affairs tell this Assembly of any of the projects which were tentatively announced..will they have to be cancelled because of the decision of the Supreme Court yesterday?

MR. MacMURCHY: — No, the whole issue, Mr. Speaker, of revenue sharing is under discussion and that's the reason for the meetings that are coming up. The firm plan is not yet in place and it shouldn't be in place until the discussions are complete.

MR. BAILEY: — Perhaps this could be directed not only to the Minister of Municipal Affairs but to anyone, but it seems that it is now the opportune time, Mr. Minister, all ministers, for what the Premier said, most drastic cuts, and I emphasize the word drastic, that it might be the opportune time for this government to put a freeze on civil servants and perhaps possibly future purchases of the government. Could the Minister of Municipal Affairs in his department tell us if that would be the case?

MR. MacMURCHY: — Mr. Speaker, the Department of Municipal Affairs has been very watchful of its staff component and will continue to be so.

CIGOL

MR. E.F.A. MERCHANT (Wascana): — A question to the Premier. The Premier has indicated that he does not think there is any urgent need to act. Would the Premier not agree with me that with Bill 42 and some provisions have been struck down, the regulations that were brought in by your Minister of Mineral Resources may very well be suspect. With the changes that were brought in a year ago, and the money, still in jeopardy you should be acting immediately and at a minimum allowing the oil companies to pay the money under protest as you did not allow the potash companies to pay money under protest in the AMOK case?

MR. BLAKENEY: — Mr. Speaker, I don't think I need to respond to the hon. member's question which, as usual, imported a good number of statements of fact which I am not prepared at this time to debate with him.

I agree with him that action is desirable to ascertain what the legal position is. That action is being taken. We gathered together a group of lawyers last night. They are studying the judgment, commencing last evening. I think that any action prior to their rendering advice to us would be premature and not the sort of action which is likely to produce the best results for the government or the people.

MR. MERCHANT: — Supplementary, Mr. Speaker. The Premier said yesterday that he was not prepared to concede that Saskatchewan has exhausted the powers given to it. The two suggestions that have been made in this House are the possibility of retroactive legislation and the possibility of expropriating the oil industry or parts of it. Would the Premier indicate whether there are some other plans, some different plans which may be possible since I think all members would agree that the Premier chooses his words carefully and to say 'other powers' would seem to indicate that something beyond those two things are contemplated as a solution to this mess?

MR. BLAKENEY: — Mr. Speaker, the supposed solutions that the hon. member says were suggested in this House were not suggested by me, and were not suggested on behalf of the government. So we are not suggesting retroactive legislation. We are not suggesting nationalization. We are not suggesting negotiation and we are not suggesting applying to the government of Canada. We are suggesting looking at all of the options and then making up our minds and, accordingly, I am not prepared at this time to indicate whether those four, or any other possible options are likely either to be adopted or ruled out.

MR. MERCHANT: — Final supplementary, Mr. Speaker. I asked the Premier why the press conference which was discussed, by some in the media and was mentioned by one radio station, that was supposed to have taken place this morning at 10:00 a.m. did not proceed and why he . . .

MR. SPEAKER: — Order! We will proceed to the next order of business.

QUESTION OF PRIVILEGE

IMPUTATION OF FALSE MOTIVES

MR. MALONE: — Mr. Speaker, before the orders of the day I have a point of personal privilege I want to raise with you and with this Assembly. In the last reply to my questions of today the Premier, in my view, made an imputation of false motives in his innuendo towards me that I was here in this House representing interests outside the House and seeking information for them only. That, of course, Mr. Speaker, is false. I deny such allegation. I find that it is unseemly of the Premier to make such allegation and is not in character with him. I ask him to withdraw it unconditionally.

MR. SPEAKER: — Order! I am surprised that the member did not raise the subject at the time that it occurred.

MR. MERCHANT: — On a point of order.

MR. SPEAKER: — Order! Order! On points of order may I take this opportunity to remind the member for Wascana who is speaking from his seat, rather than his feet. I will tell the member for Lakeview that that is a point of privilege and the member should have raised it immediately. I will take the matter under consideration and report back to the House at a later time.

MR. MALONE: — Mr. Speaker, on the point that you have just raised. We have had numerous occasions in question period where there has been points of privilege, points of order and you ..

MR. SPEAKER: — Order!

ADJOURNED DEBATE

ADDRESS-IN-REPLY

The Assembly resumed the adjourned debate on the proposed motion of Mr. N. Lusney (Pelly) and the proposed amendment thereto moved by Mr. E.C. Malone (Leader of the Liberal Opposition) for an Address-in-Reply.

MR. MERCHANT: — Mr. Speaker, I tried to raise the point of order a moment ago. I did not at that time want to delay the proceedings of the House. Four bills that I introduced have been stood improperly.

MR. SPEAKER: — Order! What is the member's point of order.

MR. MERCHANT: — Bills 9, 10, 11 and 12 are my bills stood by the member. I have tried on three occasions to raise the point of order and on three occasions, Mr. Speaker, acting out as the pitch he learns from his leader . . .

MR. SPEAKER: — Order! I will ask the members of the House to do two things at this time. I will ask the member for Wascana to withdraw the statement, the personal statement that he made about the Chair.

MR. MERCHANT: — I withdraw.

MR. SPEAKER: — I will ask the House to give us approval to return to the point of order that was made by the member for Wascana with regard to bills number 9, 10, 11 and 12.

MR. MERCHANT: — Out of deference to the Premier, I ask leave to stand bills number 9, 10, 11 and 12.

SOME HON. MEMBERS: — Hear, hear!

HON. A.E. BLAKENEY: — Mr. Speaker, I thank the hon. member for Wascana for his courtesy in that regard. I apologize for having unintentionally usurped his role. I have noted some comments by the member for Lakeview which were interpreted by him as a personal reflection upon him. I wish to withdraw any imputation of improper action on his part and I would like to make that clear to the House.

I want to pick up my remarks that I made on Tuesday, last. I want to congratulate again the mover and seconder, the hon. member for Pelly, Mr. Norman Lusney and the hon. member for Meadow Lake, Mr. Gordon McNeill. I indicated that I'd felt that they had done a very creditable job in moving and seconding the Address-in-Reply to the Speech from the Throne and I say that again because I think the job was quite outstanding. It reflects very favorably both on the individual members and on the constituencies they serve.

This afternoon I want to address a few remarks to the House. I will talk about what has been done by our government but primarily I want to talk about the future, about the great opportunities opening for our province and its people and about the problems we face. On Tuesday, I answered some of the criticisms levelled at our government about the past, today I want to talk about the future and what it holds for all of us.

Now I see a great future for our province. Let me try to tell you why I believe we have a great future in store for us. First, we have a people who are resourceful and energetic. Our people have many, many ideas and they work hard and that is a strong base to build on. Second, we have an enormously rich economic base in the vast stretches of farm land farmed by over 70,000 independent farmers. In the years ahead that will be an ever richer resource. The population of the world is now four billion people. By the year 1999 or the year 2000, less than 25 years from now, that number will not be 4 billion but 7.5 billion. These billions must be fed and will be fed and we in Saskatchewan will have a part to play and in so doing we will have an increasingly secure base on which to build an economy.

Not only do we have good people, rich farm land but we are rich in minerals, particularly those that can be used to produce energy. When I go outside Saskatchewan and outside Canada and describe to them Saskatchewan and what we have, I am met with looks of disbelief and envy. We have one million people and when I tell them we have oil, not vast amounts, but much more conventional oil than we use and great potential in heavy oil; when I say we have natural gas, again not vast amounts, but quite a bit; when I say we have hydro power, rivers with unused hydro potential, not Niagara Falls, but quite a respectable potential; when I say we have uranium, admittedly uranium is a mineral with a question in its future but if it is used it will provide a major source of economic strength for our province; when I recite this list — oil, gas, coal, hydro, uranium — all five that we have in this province, my listeners marvel, as well they might, as this list holds great promise for our province.

Fourth, we have other mineral wealth; potash, base metals, just as our farm land will help feed millions of new mouths, so will our potash, 40 per cent of the world's known reserves serve to help other nations to feed themselves. One can't help but be excited about our prospects, our opportunity to fulfill our dreams and our expectations. And if we're to have Saskatchewan take its rightful place in Canada in the world, we really need little more than courage and confidence in ourselves. Let us set out with courage as did our forefathers when they broke these vast plains. We want a Saskatchewan where our farms are owned and operated by Saskatchewan people, not by a few farmers each with hundreds of quarters sections, but rather hundreds of farmers each with a few quarter sections. We want a Saskatchewan where our mineral wealth is

controlled by our people. There can be private ownership, public ownership, co-operative ownership — the pattern doesn't matter so much so long as we effectively control our own destiny. We want to see Saskatchewan people have the full opportunity to achieve unhampered by the bonds of absentee ownership, either on farm land or resources and we want this solid economic base so that we can make a good living, yes, but also so that we can make a good life because I believe in Saskatchewan there is something unique.

In spite of the harsh climate, people like to live in Saskatchewan and we like to live here because we're neighbors and because we have a rare opportunity to make life richer and fuller for ourselves and for our children. Ours is not a province of millions, not a huge impersonal society, but rather a society still small enough so that people can work together, feel part of their community, feel that they together can enjoy a life rich in material things and rich, too, in those other things so important to a happy and a satisfying life. We have it here if we but have confidence that we ourselves can do it, that we ourselves can build.

Let me first put our province in the national context. I am troubled, and I am sure we're all troubled about the sad state of the Canadian economy. We in Saskatchewan have so far been spared the recession which they're suffering in many other parts of Canada. But we cannot escape totally and it's going to require the best efforts of all of us to see if we can provide jobs and opportunity for our people in the year ahead. And I know that we will want all of the assistance we can get from the private sector, from other organizations and local governments and from our provincial government. But the year ahead not only has those economic perils which I referred to at some length on Tuesday, but it has other perils for our country, Canada. Let me spend a few moments talking about national unity.

Just over a year ago, the Parti Quebecois government of Rene Levesque was elected in Quebec. This launched a debate in that province and all across Canada about the future of this country. On October 20, 1977, on behalf of the government of Saskatchewan, I presented a brief to the Task Force on Canadian unity in which I pointed out that in many ways, particularly in the areas of transportation and resource policy, the West has been treated like a colony by the powerful economic interests in central Canada. And I may say that is even more true now than I thought it was when I expressed that view on October 20th.

Like Quebec, we have legitimate grievances against the way that insensitive federal governments of all political stripes have interpreted the bargain of confederation. Unlike the government of Quebec, however, we have always known that we are Canadians first and westerners second. We know that a strong federal government can help to protect us from the uncertainties of a boom and bust prairie economy. We believe that the potential benefits of confederation far outweigh the sacrifices.

As westerners, it is also clear to us that in the short-run we would face few economic problems if Quebec separated from Canada. Quebec does not trade on a large scale with western Canada. Many things that we buy from Quebec, such as textiles, we would buy cheaper on the world market if the federal government would relax the import restrictions designed to help Quebec industries. Without Quebec, the West would be a larger part indeed of the Canada that remained and we might be able to negotiate better terms from the rest of Canada than we now enjoy. I say that, not to hold out those as rather tempting alternatives but rather to point out that when Saskatchewan people talk about believing in Canada they are not talking pocketbooks, through their but they are

talking through their hearts. I do not believe there are vast economic advantages to Saskatchewan but I believe that, quite apart from that, Saskatchewan people are very dedicated to Canada. And as the government representing the people of Saskatchewan, we propose in the months ahead not only to bargain and bargain hard, and where appropriate to act and act decisively, to redress or economic grievance, we intend also to assert our belief in the united Canada. And we're going to do that because Canada is not merely an economic union. Our country is a country like no other in the world and we love it and we want it to survive and we believe it can survive. I believe that the people of Saskatchewan are willing to compromise and make sacrifices in order to preserve this nation because we believe that the idea of Canada is worth defending. To be Canadian is to be assured of a certain level of economic security and that's important. Freedom from fear, freedom from want for all citizens must remain the goal of any civilized country. But to be Canadian means much more than that. It means much more than economic security, it's also to be part of a humane and tolerant political tradition which has permitted a great diversity of peoples, with different cultures and beliefs, to live and work together in a common cause. We should not lightly abandon this unique experiment we call Canada.

There is another important factor that we in Saskatchewan recognize. The people of Saskatchewan come from a great variety of cultural and ethnic backgrounds, from native Indians to Germans, to Ukrainians to Icelandic peoples alike. We have a society built upon tolerance and co-operation. We know such a society can work in Saskatchewan and we believe it can work in Canada as well. The months ahead will require all of us that we think clearly of what this country means to us. There are bound to be negotiations and those negotiations will require some sacrifices as well as some gains. Canadians everywhere must ask themselves what confederation means to them and what they are prepared to do to preserve it. What price are we in Saskatchewan willing to pay to preserve confederation. The price will not be measured in dollars. It is measured in tolerance in our degree of willingness to try to understand the issues, particularly as put by people outside of our province. I believe that Canada will survive as a nation, and that we will emerge from this debate stronger and more united. I believe the people of Quebec, like the people of Saskatchewan, can exert greater control over their own affairs and do it without leaving Canada, and I believe that we can achieve this control without destroying the legitimate power of the federal government.

To achieve this, we surely will have to make it possible for French speaking people in Quebec to feel at home in our national institutions, from our banks to our trade unions, to our federal provincial conference. With a genuine spirit of accommodation, I believe we can make this possible without major constitutional changes. Rather, the changes must be made in the many institutions by which we manage our affairs, and more fundamentally, in the hearts and minds of all Canadians. In the troubled and exciting times that lie ahead, I believe that Saskatchewan has a key role to play. We belong to neither of the founding nations. We have learned that in an atmosphere of mutual respect a multi-cultural society can survive and flourish.

Mr. Speaker, I pledge our government, on behalf of the people of Saskatchewan, to work for a Canada strong and united from sea to sea.

HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — Let me turn now to our province and its future. In the Saskatchewan I would like to see in the future, we will continue to have many smaller

communities, making the decisions they think are best for them. One of the proudest records of our government has been its policy of support for the smaller centres of this province for local autonomy. We believe very strongly that when the provincial government collects money which belongs to all the people of the province, such as resource revenue, some part of that money should be returned to local government. And we believe also that much of that money should have no strings attached to it. If local government is to have real autonomy it must have the power to make real decisions and the money to pay for those decisions.

Let me review briefly, some of the steps we have taken to strengthen communities in this province. In 1971 when we took office, local municipalities received no unconditional grants at all. All the money they received from the provincial government was for particular programs. It wasn't much and it was all for designated programs. In 1974 we began a system of unconditional grants for urban governments. We started with \$10 per capita and have gradually increased that to \$22 per capita this year. That's more than \$14 million which Saskatchewan urban municipalities are free to spend as they wish and they decide. That is autonomy. Added to that, we will this year be paying nearly \$8 million in equalization grants to urban and rural local governments, and nearly \$7 million in police grants. These of course, are annual operating grants totalling in the order of \$28 million, those that I have mentioned compared with less than \$2 million when we assumed office. And I say these are the operating grants. We have also found other ways to share our resources, ways which help local communities and stimulate the economy.

The most dramatic example is the Community Capital Fund, a special grant of \$75 per person to be spent between 1974 and 1979. This amounted to \$47 million. Since then, since we set it up in 1974 the population has increased and no doubt we will even be adding to that amount. Now this money is for capital projects, but otherwise it is unconditional. That means that local communities can decide for themselves what they want to build.

Let me give you some examples: The town of Alameda decided to use its Community Capital Fund money to replace its entire water distribution system. In Canora, a large part of the money was used for street paving. In Porcupine Plain the first priority was a storm sewer system. In Kamsack, the Community Capital Fund made it possible to construct an artificial ice plant. In Foam Lake, a new office and library complex. I could go on and describe similar projects all across this province, but all of these projects have three things in common. They've improved the quality of life in their communities, they've provided jobs for Saskatchewan people, and they have been the projects the local people wanted most and decided upon.

Let me describe what the fund has done for Regina. Many of us will know of the large projects which have been financed by the Community Capital Fund — the Agridome, the Lawson Aquatic Centre, the new City Hall, the new Police Station. But the fund has made a number of smaller scale, neighborhood projects possible. Among these, the Douglas Park Track, the Murray Balfour indoor rink, the Clarence Mahon indoor rink. The fund has also contributed to the Rotary Senior Citizens' Centre on Elphinstone Street to the development of the downtown Scarth Street Mall, to the extension of the Transit Garage. The decision to proceed with these projects was made by the citizens of Regina through their civic government. The province simply gave them the means to do the job.

In the effort to improve the quality of Saskatchewan people even more, we this year

added another capital grant, the Recreational and Cultural Facilities Grant. This one is \$25 per capita to help build arenas, curling rinks, libraries, community halls, pools, all across this province. And this idea that we should help local people to help themselves has run through our policies in all departments. Department of Highways has a couple of projects called Open Roads and Operation Main Street. Open Roads upgraded and oiled the access roads for all communities with a population of more than 100, and provided permanent maintenance for these roads. In the five years from '71 to 1976, it provided better access to 311 small communities, average population, 176. Operation Main Street provided 70 per cent of the cost of paving the main streets of communities with a population of more than 50. In all, 386 communities with a combined population of 115,000.

Now these programs, Operation Open Roads, Operation Main Street, the rink in Leask — these aren't very visible in Regina or Saskatoon but they are part of our commitment to rural Saskatchewan. You will note that these projects with mainstreet in Rabbit Lake or the grant for the municipal building in Wawota or the agridome in Regina provide for people in small centres and large, north, south, east and west. When I think of those grants I don't see them as so many dollars helping so many councils, although dollars are important and councils are important. I see them as roads and rinks and parks and halls that provide health, recreation and enjoyment for tens of thousands of Saskatchewan people, young and old.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — And that is what government is for, to help people live together and get the most out of life, get the most in true satisfaction.

In the field of education we have ended the pupil-teacher ratio, done away with the board by board budgeting that used to be the order of the day. We are paying operating grants now by a set formula, with no restrictions on how the money is spent. The school boards set the budget, they can run a low budget school system and keep their taxes down, they can run a high budget school system and raise the extra amount locally. It's up to them, we have boards choosing each route. Once again, we believe in trusting local people to make the right decision for their community.

Now we know it's common enough to talk about local autonomy, nothing is easier but we believe we have put it into action to a greater extent than any previous government in Saskatchewan, to a greater extent than any other government in Canada, and we are proud of that.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — We believe the strength of Saskatchewan is in its smaller centres; we believe that rural Saskatchewan, small town Saskatchewan, offers a unique way of life which we all have a duty to preserve.

Almost all our cities and towns and villages have gone ahead in the last few years, improvements have been great and local people are to be commended but I believe more is possible in the future. In the Saskatchewan that I see in the future, our local governments will be involving more and more of their citizens and working with them to build an even better Saskatchewan. The basis of that continued growth and continued

prosperity will be agriculture. It's true now that our economy is based upon agriculture and will continue to be true in the future. We have many other opportunities and I have tried to touch upon them but farming will continue to be our basic industry. Our rich soil is our greatest natural resource and makes Saskatchewan one of the world's best grain and cattle producing areas.

When we took office, Saskatchewan farmers were in deep trouble, our farm population was only 45 per cent of what it had been 25 years earlier. Now there were many causes for this decline, the aging population of farmers, indeed the average age of permit book holders at that time was 56 years. One of the things which caused this was the growing cost of land and machinery, another was high and rising interest rates. I believe that the government of that day, perhaps unwittingly encouraged this decline by cutting back services in rural Saskatchewan. They and the Conservative Party then and now, have worked against my vision of what rural Saskatchewan should be. They permitted the buying up of large blocks of land by absentee landlords; these moves undermined the family farm in Saskatchewan. The advocates of big business farming say that they are defending efficiency and private enterprise. I believe that they are honest and sincere when they say that that's the best way to farm but I believe their policies would undermine and eventually destroy a rewarding and profitable way of life for many thousands of people. I believe their policies are wrong for Saskatchewan.

Mr. Speaker, this government believes that the family farm is good for people and good for the economy. Our policy has been to protect the family farm by helping young farmers get started on the land, by helping to provide some security of income for all farmers and by keeping Saskatchewan land in the hands of Saskatchewan people.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — This is just not idle talk. We have put into effect the Land Bank, Farm Start, The Farm Ownership Act, the Hog Marketing Commission, the Prairie Agriculture Machinery Institute, a greatly expanded program of crop insurance, all moves designed to strengthen the family farm. We have improved grid roads; we have fought to keep rural rail lines and local grainhandling facilities, most recently we have done this through strong support for the Hall Commission recommendations. Most of the actions we have taken and I'll outline them again, Land Bank, Farm Start, the Hog Marketing Commission, The Farm Ownership Act, have been against the determined opposition of both the Liberal Party and the Conservative Party. I believe they are sincere in their opposition. I believe they are wrong because I believe that we should be strengthening the family farm.

A favorite target of those who oppose these approaches has been the Land Bank. I think this has been the prime target because it has been successful and it has shown up the fact that other methods of getting young people on the land have not been successful. I invite anyone to tell me what other methods for getting young people on the land have been anywhere nearly as successful as Land Bank, either elsewhere in Canada or in Saskatchewan previous to the Land Bank's program. To date the Land Bank has helped nearly 2,000 farmers get land, nearly a quarter of this came of leases from father to son, another about that amount was with young farmers who had no previous experience in farming. The idea of allowing a man, an older man to sell his land to the Land Bank and to have his son get the land and farm it, surely that's what we want to see. We would like certainly to see fathers be able to hand over their land to their sons without the intervention of the Land Bank; we don't want to be there unless we have to be there.

Surely, it is good that old people can retire in dignity and with cash and that young people can start farming. Land Bank makes that possible for many where it was not possible before.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — And in spite of what critics say, that is good for Saskatchewan. A quarter of the Land Bank leases went to young farmers who own no land; these are new farmers, who almost certainly would not have been on the land without Land Bank. One of the most encouraging figures is the average age of Land Bank lessees, just over 30 years. By making it possible for young people to become successful farmers, we're building the future health of rural Saskatchewan, building Saskatchewan based upon family farms. People who live in the country know this, for every Land Bank lease we have available, we have five people who want to be lessees. This is a success story for everyone except the opponents of Land Bank, and I think many of these opponents of Land Bank are unfair critics. I believe that some of them attack Land Bank because it is proving that they have been wrong about rural Saskatchewan. Not many years ago there were many people in rural Saskatchewan and it was detailed in many reports, one remembers the task force on agriculture, and I don't ascribe that to anyone except that that was the philosophy held at that time; these people believed there was no place in Saskatchewan for the smaller farmer; that he could not survive. That's what these people believed, many of them still believed it, they were wrong, and they are wrong.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — Just a few years ago the Liberal Party promised low interest long term loans, and they didn't live up to that promise. In seven years of government, they did not lend one dollar to allow one young farmer to buy one acre of land. Whatever they are now saying, whatever all the critics of Land Bank are saying, I believe they would not put anything in its place; I believe they would leave young men to get their money, either through the Farm Credit Corporation or through the mortgage companies and the banks. They did that before, they do that in other parts of Canada I believe that is their policy; I am not saying they hold that view without sincerity. I believe they are wrong. Whatever they say, I believe that they'll still want to leave the transfer of land in the hands of the banks and the mortgage companies as they did before. Mr. Speaker, that is not good enough. In the Saskatchewan that I want to see, young people will be treated better than that, young people will have the opportunity to get on the land and start farming.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — Each Conservative I talk to has a somewhat different policy about what he proposes but I think the Conservative candidate in Pelly gave us his stamp of approval — he expressed his criticisms of the Land Bank in public; he threatened as the other people did to say that he would do away with it but at the same time he was just putting the final touches on his own lease from the Land Bank. Now he knew that Land Bank was a good deal, he was right, he knows that Land Bank is a good deal and more and more people in rural Saskatchewan know that the Land Bank is a good deal for young farmers. Now we hope that many young farmers who have Land Bank leases will buy their land. This will allow us to get some more money to buy more land and eventually to sell it and to place more and more young people into farming. Because our vision of this province is a Saskatchewan with a large number of viable family farms supporting communities, giving strength and vitality to a way of life second to none in

the whole world.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — We recognize that if we are to have this family farm based economy that I speak of, land is not the only problem, so we have FarmStart which provides loans and grants to assist livestock producers and others who want to diversify and who were short of capital. More than \$75 million has been advanced in loans and grants to these young farmers. This does not include payments of special aid to beef producers of which there were many, many millions.

More than a quarter of all the FarmStart loans are to farmers who haven't managed their own farms. Another more than a quarter are to young farmers who have been in farming two years or less. Now these are risky loans. I want to emphasize that. We are taking a chance on these young men and young women, a greater chance than the banks or the mortgage companies would take because we believe that the establishing or expanding of livestock production strengthens rural Saskatchewan. Now we will have failures, we know that, but we will have many, many more successes. We have confidence in our farmers. We know that in the livestock industry as in all farming there will be good years and bad years. We think it is the government's business to do its part to support livestock production and to see that farmers are not forced to leave the land. We want a diversified agriculture based not only on wheat, not only on other field crops but on livestock and intensive farming as well.

I believe farmers need protection from other uncertainties, from the uncertainties of weather and market. The federal grain income stabilization plan will, I believe, be a great help. It has some weaknesses but it is far better than no plan and I want to give credit to the federal government for introducing that plan.

We as a provincial government have moved through crop insurance. A few years ago crop insurance was a tiny program, just \$15 million in coverage in 1971. In 1977 the coverage was not \$15 million but \$700 million and that provides a major measure of stability for many Saskatchewan farmers.

It is our policy to help farmers stay on the land, but to do that we have got to be sure that there is land on which they can stay, land which is owned here in Saskatchewan. That is why we introduced the Farm Ownership Act in 1974 and why we are introducing tough new amendments at this session. Now again that act was opposed by people who believe as a matter of principle that government should not interfere in the free transfer of land as a commodity. That is their view, I respect their view, I do not agree with it. We propose to limit non-resident land holdings to 160 acres. We will provide an effective way to monitor non-resident and corporate purchases.

All of this is necessary because we have found that non-resident investors and speculators have continued to buy Saskatchewan farm land. There was recently a large purchase of land up at Cupar in the name of a syndicate headed by a Toronto law firm. To protect rural Saskatchewan purchases like that must be limited and sharply limited and, Mr. Speaker, they will be limited.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — The new rules are the result of a year of discussion between our Minister of Agriculture and virtually every farm organization in this province. Good,

solid consultation. We think that the rules will protect Saskatchewan farmers and further strengthen the most important industry in our province.

Now, Mr. Speaker, there are other dangers from which our farm economy suffers. One is the possibility of wholesale rail line abandonment. Everyone in Saskatchewan is familiar with the proposal by the railway companies to abandon thousands of miles of branch railway lines. Most people are aware of the detailed study of this problem conducted by Chief Justice Emmett Hall and his Commission. Most people are aware too of the outstanding job done by people all across this province in rallying support for keeping their branch lines. I want through you, Mr. Speaker, to commend all those people in rural Saskatchewan who rallied to their communities, appeared before the Hall Commission to defend their community and their branch line.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — The Hall report is a good report. Our government supports its approach and, with only a few exceptions, supports its recommendations. I believe it is vital for our future that this province express its firm support for the Hall Report.

As the Speech from the Throne indicates, we are disturbed at increasing evidence that the report is being sidetracked. That spells danger and could spell disaster for rural Saskatchewan. Our vision of rural Saskatchewan is one where we will still have many branch lines, serving many communities and many delivery points — a rural Saskatchewan where a farmer can operate his farm, haul his own grain to an elevator within reasonable distance and where he is known. And that rural Saskatchewan is under attack.

I want to tell you where our party stands. We stand against wholesale rail line abandonment, we stand for a rural Saskatchewan whose farmers are served not by 20 inland terminals but rather by elevators at hundreds of delivery points on many branch lines. That is the rural Saskatchewan we want to see.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — I want to turn now to a closely related issue. In the Speech from the Throne was expressed our concern about the future of the Wheat Board. And we are concerned. There is one move after another taking place undermining the Wheat Board. The federal government feed grain policy, providing for off-board marketing is the foot in the door. We are now seeing what amounts to an open quota for off-board marketings, at least for some farmers, while marketings through the boards are subject to quota. Certainly that is the effect of the rules. And there are rumors that there will be even more inducements for off-board marketing. There are rumors that a deficiency payment will be paid on off-board grain and, if so, that will be a dagger aimed at the vitals of the Wheat Board.

The Conservative Party is certainly opposed to marketing through the Canadian Wheat Board, if one can agree with the statements of its federal leader and a leading MP and farm critic, who have consistently talked about turning over Canadian grain to foreign multinationals to sell in competition with the Wheat Board. And provincially, Conservative spokesmen have equally consistently praised the open market and criticized orderly marketing through the Wheat Board.

Farmers are going to have to make some choices. They will need to ask themselves

whether or not they are better off with their own Wheat Board. Our vision of Saskatchewan, certainly my vision of Saskatchewan, Mr. Speaker, does not include a province whose farmers are at the mercy of the Winnipeg Commodity Exchange or the international grain companies. The Saskatchewan I want to see is one where farmers have firm protection of orderly marketing through the Canadian Wheat Board.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — I know that in this we differ from the opposition parties, particularly the Conservative Party and there is nothing wrong with having a difference of view with the other parties. I know that the Conservative Party believes in the open marketing of grain. Our party does not. I think it is only fair that we tell Saskatchewan people where we stand. I do so now. Our party supports orderly marketing through the Canadian Wheat Board.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — Before I leave agriculture, I want to refer to an event this week and next which serves not only to remind us of the distinguished place which Saskatchewan now holds in the world farming community but also holds forth the promise of an even brighter future. We are honored to be co-host with Jamaica of the eighth biennial conference of the Royal Agricultural Society of the Commonwealth.

This society was founded just 20 years ago in 1957 by ten commonwealth countries gathering together at the English Royal Show. Since then the Royal Agricultural Society of the Commonwealth has done a fine job of assisting those members of the Commonwealth with large farm populations. It has assisted in the promotion of agricultural education particularly in developing countries. It has also provided a great deal of practical help in such matters as import and export regulations and in the exchange of trained agricultural specialists between countries.

Membership in the Royal Agriculture Society of the Commonwealth consists of agricultural societies in the member countries and there are a good number now, many more than the ten who started. Canada has two such members — The Royal Society of Toronto, which sponsors the Royal Winter Fair and the Canadian Western Agribition. In 1975 I went with the Canadian Western Agribition delegation to the Commonwealth Royal Agricultural Society meeting in Wales, to extend Saskatchewan's invitation for this meeting. The Society has never met in Canada until today. When I was in Wales delegates were enthusiastic about this chance to visit Saskatchewan, which they considered to be one of the most agricultural areas in the Commonwealth. In particular, they were pleased to have a chance to see Agribition because the reputation of this show is becoming worldwide.

Mr. Speaker, I think all members of this House will want to extend a special welcome to the distinguished list of delegates from all over the world, and in particular to the president of the Royal Society of the Commonwealth, His Royal Highness, the Duke of Edinburgh.

HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — We are especially honored that in the midst of all the pressures of

Jubilee year, Prince Philip has chosen to come to Regina for this conference. And I attended this morning on the podium with him at the opening of the conference. I know that he has a deep and abiding interest in the worldwide problems of agriculture. I know he and all the other delegates will find their stay in Saskatchewan both interesting and profitable.

This conference also provides a level of international recognition for Agribition which should make us all proud. I can recall speaking at the opening of the first Agribition, just six years ago, in 1971. Those who took part in that event were full of enthusiasm and optimism, but I think no one, even of them, predicted the rapid and overwhelming success which Agribition has enjoyed.

These people had courage, they took risks and they now see success. I have spoken of Agribition in this House each year, recording the spectacular growth of this great show. And each year I have paid tribute to the part played in the birth of Agribition by my predecessor, the Hon. Ross Thatcher, and I do so again today.

Our government has continued the support that we gave at the outset to Agribition. Gradually support has come from other sources, other western governments, governments of other western provinces and now the federal government. And I know we are all proud the Canadian Western Agribition is now a show of international distinction — the largest livestock show in Canada and among the largest in the world.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — Here as elsewhere, we can look to the years ahead with confidence in the knowledge that our future is even brighter than our past.

Agriculture is the basic source of our wealth and our opportunities in the year ahead, but there are other sources. Our mineral wealth is vast, and during the past few years its development has been impressive.

We, clearly, are in a dispute concerning the right of our province and perhaps other provinces to tax mineral production. The judgment rendered by the Supreme Court of Canada yesterday will need the most careful study to determine the basis of the decision and what remedial steps should be taken and by whom. I am not in a position to comment on that decision in detail at this time, but as announced in the Speech from the Throne, we propose, as a government, to consider with care all steps open to us to ensure that the windfall profits received by the oil companies as a result of the sharp increase in oil prices since 1973 will come in large part to the owners of that resource — the people of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — But, Mr. Speaker, whatever the taxation picture may be, whatever the problems, temporary or otherwise which may be involved in sorting out that picture, the development picture of mineral production in this province is bright now and will be even brighter in the future.

The value of mineral production has increased substantially each year since our government took office. In 1976 it will be more than double the 1971 figure. Last year the value of metal production increased by two and one-half times. More tons of Saskatchewan potash were produced in the fertilizer year '76-'77 than ever before.

And, Mr. Speaker, this calendar year —1977, will be the first year in the history of our province in which our total mineral production will exceed \$1 billion.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — In oil and gas 1977 has been an encouraging year of operations for the Saskatchewan oil industry. Production is up. It may reach 60 million barrels by year end, and that will be our highest level since 1974.

Drilling activity has made a substantial recovery. Whether one looks at the number of wells drilled, or the footage drilled, or drilling expenditures, 1977 is up 100 per cent over 1976. We anticipate that, for the full year, the total will be 525 wells, compared with about half that number last year.

For the most part, the renewed activity in oil has been divided between the medium crude areas in the southwest and the heavy crude areas centred on Lloydminster.

Sask Oil, our Crown corporation, has been a very active participant. Since April 1, the Crown corporation has been the driller or partner in 48 wells. The thriving state of the industry is best demonstrated by the results of the October oil and gas land sales. Bids totalled \$7.6 million — far surpassing the previous high of some time ago of just under \$6 million. Sask Oil was one of the successful bidders, but the highest bidder was Husky, and among the other were Imperial, Shell, Francana, and several newcomers.

It is significant that the highest interest and highest prices were in the Lloydminster heavy oil area. There are probably 10 billion barrels of heavy oil in Saskatchewan alone. Some estimates go as high as 20 billion barrels. Unfortunately, present technology allows us to recover only a small proportion of that amount. But as Canada's supplies of lighter crude decline, and they are declining each year, in Alberta, in Saskatchewan, in all other producing provinces. This vast resource of heavy oil becomes more and more valuable. In the medium and long term prospects for Saskatchewan's heavy oil are promising indeed, and I'm sure the Minister of Mineral Resources will say more about this in a later debate.

Let me add only that Sask Oil is a joint venture participant in a pilot project to increase the proportion of this heavy oil that is recovered and we anticipate that Sask Oil will be a major partner in future developments in heavy oil.

Northern mineral exploration, hard rock exploration and development is also having a very good year, and it is the Crown corporation SMDC (Saskatchewan Mining and Development Corporation) which is leading the way.

Mr. Speaker, our joint venture program is working very well. I say this particularly for the benefit of the member for Regina Wascana (Mr. Merchant) who, in this House last year, or April 11 of this year indeed, said, and I quote:

The public and the private sector cannot work closely together .. whenever the public sector moves into the private preserve of private enterprise, private enterprise invests elsewhere.

This is a pessimistic view and it was not justified by the facts, Mr. Speaker, private

enterprise is investing in mineral exploration in Saskatchewan at a very satisfactory rate indeed — and in partnership with a public company, SMDC.

My words are also for the attention of the member for Estevan (Mr. Larter) who spoke in the April 11 debate as well. And he said, speaking for the Conservative opposition:

We, too, are against joint ventures . . . I believe this project will have a negative growth effect.

That was his belief, and he was wrong.

Mr. Speaker, the Conservative Party may be against joint ventures, but the mining companies are not. Joint venture exploration in northern Saskatchewan this year will total about \$15 million, with the major share of this coming from the private sector. In addition, SMDC will spend \$4.5 million exploring its own claims. I ask anybody in this province to tell me where else in Canada hard rock exploration will approach \$20 million this year. I say that nowhere in Canada are exploration prospects for hard rock better than in Saskatchewan now.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — SMDC has over 75 joint ventures in various stages of progress. Some 45 of these are voluntary joint ventures, undertaken outside the Crown Equity Participation Program.

Mr. Speaker, I believe the private sector has an important role in resource development. But I am also convinced, and convinced by history that the public interest will not be served well by leaving all the important development decisions in the hands of the large mining corporations.

We look to the joint venture as an important tool in resource management. As laid out in our northern mineral policy, we believe it has a number of advantages both for government and the private sector.

From the government point of view it allows the government to channel investment directly into those ventures which contribute to regional development. And that's important for our future. It permits the government to have a more direct role in mineral development decisions which affect broad or economic and social goals. What mining companies do has great consequence for the communities in which they operate. We'd like to know about expansions, we'd like to know about shut-downs. We wouldn't want a mine to make a decision to lay off hundreds of workers and that decision to be made without our having any notice of it, or any part in making it.

Joint ventures impose a discipline on government decisions through the obligation to earn a respectable rate of return on public investment. We're partners with the industry. We must therefore recognize their problems and that's good. Joint ventures change the perception of government's role as an investor of last resort and many people think that government shouldn't get into business except when some company needs to be bailed out in order to save jobs. Now, we don't agree with that. With joint ventures the government may get in on the ground floor and may even have a winner once in a while. If government is to pick up much of the tab for the losers, and that is the role of government, almost inevitably, it should have a chance to be in at the beginning. And surely this is only fair. And finally, joint ventures are the most direct way to increase

Canadian ownership and reduce foreign ownership in the resource field.

Now, from the point of view of the private sector, joint ventures have some advantages. They provide a new approach to financing, a new source of capital. They put the decision on government participation at the front end before large sums are committed and they assure that whatever taxes and regulations the government may impose, will be done with the full knowledge of their effect on the operations and the profitability of the industry.

Mr. Speaker, this kind of resource management is the path for the future in mining. In launching this approach, the Saskatchewan Mining Development Corporation has had an auspicious beginning, and bids fair to have a bright future for us and for Saskatchewan in the years ahead.

Much of the mining interest in Northern Saskatchewan, Mr. Speaker, centres on uranium. I want today to express on behalf of the government our appreciation to Mr. Justice Bayda and his associate board members for their exhaustive inquiry into the pros and cons of uranium mining conducted over the past few months. We look forward to receiving the report of the Cluff Lake Board of Inquiry later this winter.

Mr. Speaker, this has been an eventful year for potash. When I rose to enter this debate last year, the Potash Corporation of Saskatchewan had just become a potash producer with the acquisition of PCS Cory, formerly Duval. In April, the corporation began operating its second mine, at Rocanville. And just over two weeks ago PCS added its third mine, at Lanigan. Mr. Speaker, on that date, November 1st, PCS became North America's largest supplier of potash to the fertilizer industry. Its head office, I remind you, is not in Texas, not in Europe, not in South Africa, but in Saskatoon. I do not intend to review in detail the background of our entry as a government into the potash industry. But let me mention two main purposes. First we wanted to guarantee a fair and lasting return to the people of Saskatchewan from their potash resources.

May I say, Mr. Speaker, that if the decision of the Supreme Court of Canada affects the potash industry, then our purchase of the three mines was an even shrewder purchase than might have otherwise been the case because we clearly have eliminated a possible claim by those three mines and have done as I say here, guaranteed a fair and lasting return to the people of Saskatchewan from their potash resource.

Mr. Speaker, PCS is paying all of its provincial taxes including its prorationing fees on time as they fall due and no other potash producer is doing that. Second, we wanted to guarantee an orderly expansion of the industry to keep pace with growing world demand and maintain the province's position as leading world supplier. Mr. Speaker, the Potash Corporation has expansions underway at Cory and Rocanville, the first of which will come on stream in 1979 when Cory's capacity will be increased by 30 per cent and Rocanville expansion will be in two phases, with the timing of the second phase still to be approved. We expect that, by 1981, the production capability of Rocanville will be two-thirds greater than it is today.

I want to pay tribute to the people who have made all this possible. I include in that tribute, of course, the Board and its chairman, the Provincial Secretary, and the PCS management. They have had a busy two years. But I also want to extend my particular appreciation to the workers and the mine management who have made possible a

smooth transition to new ownership and who maintained and improved their productivity in the process.

Let me talk for a moment about mine workers in a larger context. I was shocked, and I am sure that most of you were shocked when the International Nickel Company dropped its bombshell on Sudbury and Thompson recently — 3,500 workers to be laid off. That's a terrible blow to those communities, but it's a disaster for the workers and their families. Here is a company which was once regarded as a Canadian company in the days when Canada dominated the nickel market. Its shares were widely held in Canada, and it was regarded as a national accomplishment. But something happened when that company became public and went on the stock market. And INCO was transformed into a typical multinational, a corporation with a world view of its opportunities and of its responsibilities. I am sure those opposite, particularly the Conservative Opposition Leader will applaud that transformation. Money and profits have no nationality in the corporate world and in his judgment multinational should make its decisions on a world view of its opportunities and its responsibilities and I'm sure given that view which corresponds with INCO's, the decision to lay off 3,500 Canadians workers was a rational decision. Metal markets are bad and INCO has developed cheaper sources of supply in Guatemala and Indonesia, where wage rates and taxes are lower. The irony for Canadian people is that our money, ours as taxpayers, yours Mr. Speaker, helped developed those new mines that we are now using, i.e. INCO is now using to displace Canadian workers.

In direct aid INCO has received loans of some \$75 million at subsidized interest rates from the Export Development Corporation. Under our federal tax system INCO has a cumulative total of about \$378 million in deferred income tax — an interest free loan which may never have to be paid. And under Mr. MacDonald's budget this year recently confirmed by Mr. Chretien, INCO qualifies for an additional \$10 million in tax concessions.

Now what does this say to us? Well, first of all it emphasizes once again that most multinational corporations by their very nature have limited loyalties to the countries which host their economic activity. It is only accidental when their corporate objectives coincide with national objectives. But second and most important it says that we must be wary about how governments invest the public's money including tax concessions, grants and other devices in multinational enterprises. I submit that Canadian investment of this kind in INCO has yielded little in long term benefits. Mr. Speaker, let me contrast transformation of INCO from a Canadian company to a multinational with what is happening in the potash industry in Saskatchewan.

Until a year ago, Saskatchewan potash industry was owned entirely by multinationals like INCO. Most operating companies were multinational subsidiaries. Not one head office was located in Saskatchewan, few in Canada. In total, 85 per cent of the productive capacity was foreign owned. Today the head office of North America's largest potash supplier is located in Saskatoon. We have reduced foreign ownership from 85 per cent to 60 per cent, and with that there is a proportionate reduction in the possibility of INCO-like decisions falling on the heads of Saskatchewan workers. I'm not saying that there will never be lay-offs in potash; given the nature of the industry there will almost certainly be lay-offs at some time. What I am saying is this, Mr. Speaker, and let me make this point clearly and loudly. For PCS there will never be a decision to lay off workers because it is more profitable to mine potash in Guatemala or Indonesia. PCS will never act like INCO because its responsibility is to the people of Saskatchewan. Which brings me to the curious proposal of the Leader of the Conservative Opposition.

Insofar as his proposal is understandable, it seems that he wants to dispose of the assets of the potash corporation by giving away the shares. Presumably, control of the corporation would be up for grabs in the stock market. Presumably, his intent is to transform PCS from a Crown corporation into a private joint stock company.

Oh, I know he says that the majority of shares would have to be owned in Saskatchewan, but if they are to be openly traded how can this be assured. What do I do with my shares when I move from Saskatchewan and what happens, to ask another question, to the province's liability when the shares are passed out. If he has answers to these very fundamental questions he certainly hasn't revealed them and he owes it to the people of Saskatchewan to publish a pro forma of balance sheet of what the company would look like under his regime and a set of share transfer restrictions saying how he proposes to keep it within Saskatchewan controls. What he proposes is indeed obscure but let the people of this province take note, down the trail what the member for Nipawin wants is the very circumstances which lead to a sell-out of Saskatchewan resources.

I am not saying that he will want that in the first instance, I am saying that once the shares become traded they will sooner or later end up in the hands of the multinationals. We know that he will deny this but we have seen it happen in the province before. I remember Farmers' Mutual, an oil company owned by farmers in south eastern Saskatchewan, very widely held the shares and I know who owns them now. They were all bought up by the multinationals, one by one and it is now no longer owned by the people of Saskatchewan. If he is successful there may well be another INCO at the end of our potash trail and that indeed would be a tragedy for the people of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — Let me quickly summarize where we are and where we are going in potash. Our acquisition policy has reached a halfway point. Negotiations are underway with the owners of the Allan potash mine and PCS is in the process of evaluating the AMAX property near Esterhazy. I do not know at this stage whether these negotiations will be successful. But whether these particular negotiations are successful or not we propose to pursue our policy of acquiring by purchase, joint venture, expansion or construction or otherwise 50 per cent or more of the productive capacity of the Saskatchewan potash industry.

Mr. Speaker, I have every hope that we will complete the acquisition phase of our potash policy successfully and before many months are passed.

I have not touched on other resources, coal, copper, nickel, zinc, undeveloped hydro and others. By any standards our resource future is bright. I believe the people of Saskatchewan can look forward with confidence to a future based upon our rich resources and their development for the benefit of the people of Saskatchewan.

On Tuesday, I talked about using our wealth to keep our health care the best in North American and if I know the people of Saskatchewan that will continue to be one of their top priorities. And I believe it should be.

I talked about improvements in education and here I know we all believe that much can be done. Our schools are good schools but teachers, parents and school boards will all agree that we can do better. I hope that in the future we do not draw back from this challenge, the challenge to build a system which permits diversity and yet is committed

to passing on to our children the value so important to preserving our unique Saskatchewan way of life.

This is not only a challenge to the schools but for the universities, the community colleges, the media as well. It is an exciting challenge for the future.

Let me turn to say a word about working people and what I see as their place in the future of Saskatchewan. There is growing up in this province a generation with no memory and no knowledge of the way it used to be for working people. Some people take for granted the right of public services and other workers to form unions, to bargain for better wages and working conditions. Some people take for granted a minimum wage of \$3.00 an hour or better. Some people believe that it just happened that in Saskatchewan we have a workers' compensation system and an occupational health and safety system that are the envy of working people everywhere and models for reformers in other provinces and countries. They forget that all these things and many more just didn't happen. They came as a result and only as a result of the efforts of working people and the friends of working people.

There are opponents of the rights of working people, these opponents wish to restrict unreasonably the rights of working people to set a price on the labor that they sell while not restricting the rights of others to set their own prices on what they sell. These opponents of working people are the same people who oppose farm marketing boards and the efforts of farmers to get a reasonable price for what they sell.

We see further progress in the years ahead for working people, more protection for sick and injured workmen, better provisions for retirement and working with employers to make the work place a more satisfying place to be. Most employers don't dispute that, they are apprehensive of course, we are all apprehensive about change and so are governments. But I believe that there are great opportunities for improvements that will benefit not only workers and their trade unions but employers and the public as well. That, too, is a challenge for the future.

I have not dealt, Mr. Speaker, in detail with small business or the growth in manufacturing. We have worked hard and with some success to work with our businessmen, both manufacturers and others. My idea of Saskatchewan's future includes many small Saskatchewan businessmen who have businesses owned and operated here in Saskatchewan by Saskatchewan people. Not every business must be locally owned. Far from it. But most people will agree that the local businessman is a key man in the civic life of many Saskatchewan communities. They are good citizens and we hope to see them prosper and thrive. The Speech from the Throne outlines the plan of the Minister of Industry to seek further help from the businessmen in planning our programs.

In secondary industry we see agricultural and resource processing, manufacturing for the farm and prairie market and steel manufacturing as particularly promising in the years ahead.

Mr. Speaker, I had intended to dwell upon one or two points but I know my colleagues will be joining in this debate. I have sketched my view of what Saskatchewan can become. I believe that Saskatchewan is a good place to live. Our people make it that way. But it can be a better place to live if we are prepared to control our own destiny and build our own future. If we rely on others to direct our affairs we will not achieve our great potential. But if we have the courage to be masters of our own destiny, to be

captains of our own fate then that bright future is ours to seize and to enjoy.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — Because I believe that the parties opposite are calling for timid policies to turn back the clock and because I believe they have not advanced constructive ideas for the future and because I believe they do not share a vision of the bright future which Saskatchewan people are building and can build in this great province of ours, I will oppose the amendment and support the motion.

SOME HON. MEMBERS: — Hear, hear!

MR. R.L. COLLVER (Leader of the Conservative Opposition): — Mr. Speaker, it is a real pleasure today to rise in this debate of the Address-in-Reply and respond perhaps to just one or two of the suggestions made by the previous speaker.

He suggests today a number of items again that the Progressive Conservative Party presumably believes in. I would like to suggest to you, Mr. Speaker, that what the Premier has done and is doing is obeying a very old precept that has brought about a great deal of damage to every society in which it has been tried. He started with his party's convention just recently and he stood before his party faithful and he said that Progressive Conservatives in Saskatchewan are the enemies. They are your enemies, they say. And the members opposite respond positively to that suggestion. The suggestion, Mr. Speaker, by any Premier, by any responsible leader in this province that any citizen that he presumably and purportedly is trying to represent in a free and democratic country is an enemy, is the falsest kind of leadership that could be provided. To lead people one needs to include them, not exclude them as enemies. Mr. Speaker, that was the start of the campaign or the start of what we call the propaganda machine campaign, the big hate campaign, and it started actually in the by-election in Saskatoon-Sutherland by the party of the members opposite. The unlimited untruth is what the Premier believes in, the unlimited untruth, and then tell it often enough so that the people believe it. Others states have tried that, other leaders have tried that — called some portion of the population enemies, and then tell an untruth enough times so that the people believe in fact, that they are enemies, and then go to the people and say, 'we are your saviours'.

Let me provide to you, Mr. Speaker, a few examples of the untruths perpetrated outside of the Assembly by the Premier, and perpetrated inside the Assembly by him today. He says today the PC policy with regards to potash industries that the government of Saskatchewan has got us into, and primarily to the detriment, wasted \$375 odd million dollars of the people's money for used holes in the ground that didn't buy one new job. He says today, that by distributing the shares of those mines to the people of Saskatchewan so that they can have real ownership, and that is the ability to sell if they so desired, their share, or to buy more, Mr. Premier, or to buy more — that's real ownership. State ownership as the Premier has suggested on many occasions, is what his party believes in and what he believes in — state ownership. Then take all of the laws of the province, put all the power in the hands of the Lieutenant-Governor in Council, in other words, the Premier. And so in effect, what he believes in, is the Premier's ownership. That's what he believes in terms of resources. And then his judgments are supposedly going to be the best judgments for the people of Saskatchewan as was evidenced yesterday by the wonderful judgment shown by our premier in attacking the oil industry as he did, in comparison with a neighboring province that also has oil resources, and sat down and negotiated first, then came up

with some legislation.

In his speech which he gave to his Party's convention, Mr. Speaker, which was reasonably similar except for the 'enemies of the people' portion, as a matter of fact, some portions were word for word. I would have thought that between then and now one might have had a new projection, a new thought, he goes into the one statement that I think pertains to the economy, that I think is the understatement of the year. He says, 'we must expect some levelling off in our phenomenal rate of growth'. Yesterday the Supreme Court of Canada certainly told the Premier that there was going to be a considerable levelling off of the phenomenal rate of growth. Here's the big lie — in this very Chamber — I'm sorry, I withdraw that. The big untruth. In this very Chamber, Mr. Speaker, we have stated as follows: "the Progressive Conservative Party supports crowrates, the Conservative Party does not believe that all rail lines should be abandoned in Saskatchewan. The Progressive Conservative Party supports the Canadian Wheat Board". Yes sir, and so it does federally as well. Listen to this, Mr. Speaker. In this very Chamber, here's what the propaganda machine starts at his convention. "Inland terminals", he says, "an end to the crowrate, rail line abandonment, an end to the Land Bank and Farm Start, undermining of our Canadian Wheat Board. You will find Liberals and Tories supporting all of these things", and I say to you, Mr. Speaker, that is untrue. The Progressive Conservative Party — oh, Liberal and Tories — oh, we're mincing with words, are we? Well, let's go on a little farther into this wondrous . . . Here's a statement he made there and this doesn't pertain to unlimited untruth. This is just wonderful statement in the light of yesterday's decision.

"When they co-operated we have been happy to leave the operations in private hands. When they refuse," speaking about corporations, "to co-operate or to recognize our legal and constitutional rights", he says . . . Sir, you had lots of constitutional rights stated out yesterday. As was the case, he says, with potash multinationals, and now I suppose he'll say is the case with the oil industry as well. "We had no hesitation about moving in to assert the right of Saskatchewan", but he didn't mean the right of Saskatchewan. "We had no hesitation about moving in and taking them over." threatening a takeover and that's it. This is what you're going to take, take it or leave it .

And here's another wonderful statement. "If Saskatchewan's resource policy was applied right across Canada, there would have been no shocking scenes like the recently announced INCO layoffs in Sudbury." Now, can you imagine Saskatchewan's resource policy is going to make a difference in the international nickel market throughout the world. It is going to increase the resource policy of Saskatchewan. It is going to be able to increase the demand for nickel which has been falling substantially for a year and a half. It is going to . . . the resource policy . . . the fact that the government of Saskatchewan is going to pass a law that is going to be tested in the courts, that is going to be examined in the courts from top to bottom, even though it has been warned against it. And they're going to pass a law that is going to make a difference in the international market for nickel. Certainly, certainly that's true. And then today he suggests today, he suggests today, that because of the Saskatchewan resource policy the layoffs in the potash industry are not going . He implies — sure, there may be layoffs in the future. I was just going to say the layoffs in Intercontinental Packers in which the government has been involved, the layoffs in Sask Minerals in which the government of Saskatchewan has been directly involved, the layoff of hundreds, literally hundreds of small timber producers in the northern part of Saskatchewan who no longer have a livelihood because of the introduction of policies of the government of Saskatchewan. Layoffs, the Premier implies, won't occur with the government of Saskatchewan — even if, even if the demand for that product falls. Because that's what

he says about INCO. INCO won't happen if only our resource policies had been implemented. And here's one, Mr. Speaker, that's a real dandy. The Premier suggests in his little talk to his convention, Mr. Speaker, in his statement that he made to his convention, he says, referring to the Progressive Conservatives, "in the Legislature they have called for deterrent fees of \$10 a day." Did you hear that, Mr. Speaker? I want to repeat what he said to his convention. "In the Legislature," he said, "they have called for deterrent fees of \$10 a day." I ask the Premier of Saskatchewan now if he will rise in this House and repeat that statement in the House — that very statement. Well, I don't know if I'll lose my place. I'm asking the Premier if he will rise and repeat in this Legislature that statement — in the Legislature they, the Tories, have called for deterrent fees of \$10 a day. Will you repeat that statement, Mr. Premier?

Mr. Speaker, may I be permitted to ask the previous speaker a question?

MR. SPEAKER: — No.

MR. COLLVER: — All right, then I ask the Premier this question. Is he prepared to make that statement in this Legislature any time, and I challenge him to do so, and will be asking him that question tomorrow, to rise in this Legislature and make that identical statement in this House, and to provide his evidence.

Second, . . .

MR. BLAKENEY: — That's why we have a new Hansard. The other one was doctored.

MR. COLLVER: — Oh yes, I'm sure it was! In addition, Mr. Speaker, since the old one was doctored, sayeth the Premier, then we'll say to him, he says 'they' referring to the Progressive Conservatives, would slash by 2/3 the benefits under our drug program. I say to the Premier, tomorrow will he rise and make that statement in this Legislature, that identical statement, "They the Tories would slash by two-thirds the benefits under our new drug program." I suggest to you, Mr. Speaker, that the Premier will not rise in this Legislature and be able to provide evidence to that effect. I suggest, Mr. Speaker, that that will not occur and that kind of statement will continue to be made. I would like to just mention a few more because I hope that there are still some representatives of SUMA left. Here is an item quoting the Premier from the Prince Albert Herald of October 19, 1977, while the PCs are saying, "You should not collect resource royalties." I say to the Premier of Saskatchewan, will he rise in this Legislature and say and prove that the PCs have ever said, "You should not collect resource royalties." I'm quoting from the PA daily Herald.

Here's an interesting section, Mr. Speaker, in light of what was said today by the Premier:

In 1977 the Premier said, \$375 million in royalties were collected (referring to resource royalties, \$375 million) of that he said, two-thirds or \$250 million in 1977 is funnelled into the communities for the construction of such essentials as schools, hospitals and highways.

Yet today in question period I recall the Premier being asked the very question by the members to my right, "What effect would the decision have that was made yesterday (the CIGOL decision) on the government expenditures?" His reply in this Legislature was that very little, almost none of that money goes into revenues that affect the kinds of things that affect the people of Saskatchewan (implied by a very careful choice of

words) didn't go into a revenue budget. Of course in the PA Herald at his meeting in St. Louis, he can say that the resource revenue went into the construction of such essentials as schools, hospitals and highways. When asked the same question here he couldn't possibly resort to that, he had to be very careful and precise about his words in a legalistic fashion. Oh yes.

MR. BLAKENEY: — That is scrupulously correct, that statement!

MR. COLLVER: — Sure, it's scrupulously correct, it's scrupulously correct! But of course, Mr. Speaker, the intent of the question and the intent of the statement was: what did the decision yesterday have to do in terms of the problems that it was going to make the people of Saskatchewan face? The Premier, if he was a responsible Premier, would start to outline in detail for the people so he could calm them down. He heard today a few of the comments in an open line program of what people think of that decision and his government's management; he's going to hear more and more over the coming weeks and months but it's the people who want to know where you stand and you are saying you are going to stall on that decision.

Mr. Speaker, as well he says, the Premier said, "The PCs denounced provincially owned potash mines," that's what he said, quote, from the PA Daily Herald. Well when we say government owned potash mines, there's quite a difference between that and provincially owned potash mines. I challenge the Speaker to stand in his place tomorrow and say that the PCs have ever said they object to provincially owned potash mines! I suggest that he do that because that's the statement he makes in St. Louis.

Oh yes, here's another one, quote from St. Louis, which includes the gentlemen to my right. While the two opposition parties believe, quote, "The future of Saskatchewan should be decided by people with money." I am just wondering if the Premier has ever heard any member of the Liberal Party or of the Progressive Conservative Party make that statement? Yet he makes it as a statement. Mr. Speaker, he goes on to say in this article a great many things, he says, "The PCs say the land should go to the highest bidder," that's not true. Premier Blakeney said, "Are opposed to the program, because it's so successful." No Progressive Conservative has ever said that. He's quoting, he's saying that that's what they believe. One could go on and on on that one article alone, Mr. Speaker. But the most surprising thing that the Premier said today, the most surprising thing, and I want to ask every member of this Legislature to remember this, the Premier said today that we should provide for them and the people of Saskatchewan a pro forma balance sheet indicating what PCS (Potash Corporation of Saskatchewan) would look like if our proposals were put into effect. I say to the Premier and I say to the people of Saskatchewan, how about letting the people of Saskatchewan see a balance sheet that's in any way up to date and current, pro forma or otherwise, for PCS which none of us have yet seen. And furthermore, every member of this Legislature during discussion on potash nationalization asked the Premier across, with hundreds of employees in his accounting department, hundreds of employees in his Treasury Department that he could have used to prepare such a statement, asked him continually, "Before you take action, before you commit the people of Saskatchewan, let's have a pro forma balance sheet." Did we get such a pro forma balance sheet? No we did not. Did we get anything like what the corporation would look like? No we did not, that was going to be left to the regulations. Eventually, the Premier said that you can investigate this particular aspect of it, but we can't possibly have a pro forma balance sheet. "How can you expect me," I recall him saying, "How can you expect us to provide you with a pro forma balance sheet when we don't have any figures?" Yet he would commit hundreds of millions of dollars of the people of Saskatchewan's money

to something that he didn't have the figures on. Now today he says to the Progressive Conservatives, who do not have hundreds of accounting staff, who do not have hundreds of Treasury staff to be able to investigate these matters; and where the Premier and his Cabinet know full well that no one in the opposition ever gets a chance to investigate it through the Crown Corporations Committee because so many things are hidden and because of the Legislation passed last year that allows the Finance Minister to juggle from fund to fund, to juggle from agency to agency, no one can possibly determine if those financial statements are reasonable. Now he says that we should provide a pro forma balance sheet. Of all the nonsense I have ever heard, that's the most nonsensical that I have ever heard of in my life.

Mr. Speaker, tomorrow I hope the Premier will be here, because tomorrow I intend at the beginning of my address to outline for him and for the people of Saskatchewan, precisely the Progressive Conservative Policy pertaining to those mines that you have acquired and got us into, precisely what we see as the long-term future of that organization, and precisely how we will go about setting it up once we are elected in 1979. That being the case, Mr. Speaker, I would ask that we call it 5:00.

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