

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Eighteenth Legislature

November 25, 1977.

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

WELCOME TO STUDENTS

MR. M.J. KOSKIE (Quill Lakes): — Mr. Speaker, through you and to the House I would like to introduce at this time a group of Grade Eleven and Twelve students from the Lanigan High School. They are seated in the Speaker's Gallery and they are accompanied by their teacher, Mr. Horner. I would like to welcome them to the Assembly. I hope that they will gain some knowledge of the functioning of the Legislature and I wish them a safe trip back to Lanigan and I will be meeting with you later this morning.

HON. MEMBERS: Hear, hear!

MR. E. ANDERSON (Shaunavon): — I would like to introduce to you and through you to the House a group of students in the Speaker's Gallery from Consul, Saskatchewan. The teacher with them is Mr. Riddols; the bus driver is Mr. Nelson, who is my nephew. They have driven 300 miles. I hope that they have an interesting time in the Legislature and I will meet you after the question period down in the lobby.

HON. MEMBERS: Hear, hear!

QUESTIONS

CIGOL CASE — ATTORNEY GENERAL'S STATEMENT

MR. E.C. MALONE (Leader of the Liberal Opposition): — Mr. Speaker, I just want to bring to your attention and the Assembly's attention that the Attorney General this morning gave a significant statement to the press about the CIGOL decision and the intentions of the government. I assume, Mr. Speaker, that the Attorney General will be rising under the time allotted for ministerial statements to repeat that statement to the House as he has already given it to the press. I am wondering if in view of that, Mr. Speaker, with the consent of the House and with yourself that we move firstly to ministerial statements, take the statement from the Attorney General and then go to oral questions after that so that we can use that period of time to deal with the statement of the Attorney General.

MR. SPEAKER: — Order! The usual procedure is to go to oral questions and ministerial statements afterwards. Oral Questions.

MR. R.L. COLLVER (Leader of the Conservative Opposition): — Mr. Speaker, I would address a question to the Premier.

This morning the Attorney General outlined for the press the proposed legislation dealing with the decision of the Supreme Court which would be introduced in the Legislature next week. Undoubtedly the announced legislation contains retroactive provisions and therefore will be attacked by the oil industry. In order to protect the people of Saskatchewan from further delay in knowing the precise financial position of

your government, will your government give assurance to this Legislature today that before this legislation is allowed to continue or before they will submit the legislation to the courts under the Constitutional Questions Validity Act before further huge potential liabilities build up on the Saskatchewan people.

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, I don't think I understand the hon. member's question. I heard all the words but I still didn't understand the point that he sought to get across. I do not know how submitting any legislation to the Court of Appeal with respect to its constitutional validity could stop liabilities from building up unless we cease collecting under Bill 42 in the meantime. Now I want to assure all hon. members that in our judgement the Saskatchewan people are entitled to a fair return from the oil taken in the past and now being taken. Accordingly we do not propose to cease collecting royalties for a year or a year and a half while the courts consider the constitutional validity of another package of resource taxation. The member for Wascana intervenes four to six months. May I say that the last time it took three and a half years and I very much doubt whether we are going to get anything in four to six months. I think it is sheer fantasy to suggest we will get an answer from the Supreme Court of Canada in four to six months on a constitutional reference.

MR. COLLVER: — Mr. Speaker, undoubtedly the Premier has in fact understood the question because he gave a partial answer to my supplementary question. Will you give this Legislature your assurance today that oil revenues collected under this new act will be placed in a special trust fund not to be spent for any purpose until and unless it is shown to be constitutional by the Supreme Court?

MR. BLAKENEY: — Mr. Speaker, we will give no such assurance. It is not for our government to give assurances as to how the Legislature will dispose of funds two or three years hence, nor do we propose to give any such assurances. We are of the view that we are entitled to a fair royalty and we do not propose to freeze funds for a very lengthy period of time in order to anticipate an unfavorable decision from the courts which we don't think will be forthcoming.

MR. COLLVER: — The Premier obviously is not prepared to allow the people of Saskatchewan the protection of not knowing precisely where the government is going because these things will undoubtedly be attacked in the courts. Also undoubtedly, your Attorney General announced this morning that he believed that the province could legislate out of this situation . . .

SOME HON. MEMBER: — Question, question.

MR. COLLVER: — I would like to state my case if you don't mind . . . yes, I understand and I'm entitled to a pre-empt.

He announced this morning that he could legislate out. In the opinion of most senior councils, the only way that the province could possibly legislate out of this situation is to have provisions for expropriation in the act, so therefore, undoubtedly, your announced act will contain provisions for expropriation. Would you not agree that before you spend all of your money, all of the money as you have suggested you are going to do, and before you pass expropriation legislation in this Legislature, that the people of Saskatchewan are entitled to a voice in such a serious matter, and that therefore, you should call an immediate general election to test the views of the people of Saskatchewan before such serious matters are raised?

MR. BLAKENEY: — Mr. Speaker, the question proceeds upon a hypothesis which is far from being established — is in no sense established. He indicates what will be in the legislation, draws many, many pictures about what will happen if the legislation is in the form which he outlines. The Attorney General has indicated that the form of the legislation will be known to the Legislature next week. It seems totally fruitless, and incidentally, totally out of order to me to answer questions about the hypothetical content of a bill which is going to come down next week.

MR. E.F.A. MERCHANT (Regina Wascana): — Would the Premier indicate how the government intends to handle the situation which will probably arise, that companies will withhold current taxes, holding the taxes against the debt which the province now owes to those companies?

MR. BLAKENEY: — Mr. Speaker, the province does not owe debts to companies except CIGOL. The province does not owe anybody \$500 million, or \$400 million, or \$100 million, or \$50 million, or \$10 million. And the proposition that somehow taxes are going to be withheld against debts is simply not the case. There may well be claims and counter claims, and these will be dealt with in due course. But there is certainly no debt owing, certainly no debt which has been reduced to judgment, or has been reduced to an identifiable claim, acknowledged on both sides, and that's the normal definition of a debt. Accordingly, all I can say is that the point raised by the hon. member is hypothetical and will be dealt with if it arises, and if it arises, government policy will be announced in due course.

ATTORNEY GENERAL'S STATEMENT TO PRESS

MR. E.C. MALONE (Regina-Lakeview): — Mr. Speaker, I would like to direct a question to the Premier in connection with the statement of the Attorney General today to the press. I notice in the statement, Mr. Premier, that reference is made to a fair return to the people of Saskatchewan from the oil companies for the oil that has already been used. Is it the government's position that a fair return to the people of Saskatchewan is the 100 per cent of the windfall profits, so-called, or is this a change in the intention of the government to collect somewhat less than 100 per cent of the windfall profit and still have a fair return to the people of this province?

MR. BLAKENEY: — Mr. Speaker, we believed that Bill 42 set a fair rate of return. Certainly all of the profits of the oil industries since that time have indicated that it certainly was not unfair, since their returns on activity have increased and not decreased since that time, and I hardly can think of a single oil company that has had a decrease in profits since the introduction of Bill 42, and I can think of dozens that have had significant increases. Accordingly, it is difficult to argue that Bill 42 imposed an unfair levy. We take the position that the levy under Bill 42 was fair and reasonable. Accordingly we start from the proposition that we propose to retain the funds collected under Bill 42.

MR. MALONE: — Mr. Speaker, I think we noticed that the Premier said that you start from that proposition. But is it the intention of the government, once starting from that proposition, to perhaps move away from that proposition in due course in order to settle the situation?

MR. BLAKENEY: — The government has made no decision to move from that position, and if the government changes its position in the future, it will be announced to this House.

MR. MALONE: — The Leader Post last night, Mr. Premier, carried a story of an interview with an official of the CIGOL corporation and in that interview was the suggestion that the CIGOL corporation was prepared to deal with the government on a fair basis to see if some compromise could not be arrived at from the situation we are now facing. My question to the Premier at this time then, Mr. Speaker, has the government had any communication with CIGOL, do you intend on establishing communication as a result of this announcement to deal on a basis that is fair to CIGOL and to the people of Saskatchewan to end this situation?

MR. BLAKENEY: — We, I think know the view of members opposite as to what is fair because they believe that the regular royalty was fair and that we should be collecting no royalty surcharge because that is what the members opposite voted to repeal Bill 42 in the last House and that would have been the effect of it and it is a little difficult to argue out that vote, which is nicely recorded. Members now are saying that it is right, Mr. Speaker, that we collect not one penny in royalty surcharge and not one penny in mineral income tax. That is what they say is right, we do not agree that that is right and we propose to get a fair return.

SOME HON. MEMBERS: Hear, hear!

MR. COLLVER: — On a point of privilege.

MR. SPEAKER: — What's the point of privilege. What is the point?

MR. COLLVER: — Members opposite and the vote on repealing Bill 42. I know that he was only referring to the Liberal party in this instance and not to the Progressive Conservatives.

FUTURE REVENUES FROM PRESENT FUND

MR. J.G. LANE: — Mr. Speaker, Mr. Premier, you have indicated that you reject out of hand the suggestion that the future revenues from your new proposed legislation be put in a trust fund. Will the Premier not admit that the failure to place such funds in a trust fund and not be used for general expenditures should that legislation be ruled unconstitutional, puts the province in a much graver financial position. Should it be ruled unconstitutional down the road, in other words, we have those funds to pay back if the new legislation is ruled unconstitutional, plus the existing revenues and in fact the financial implications are compounded by your refusal to set the monies aside in case of the risk.

MR. SPEAKER: — Order, I believe the member's request to be in the category of hypothetical and I would take the next question.

CONSTITUTIONAL QUESTIONS ACT

MR. S.J. CAMERON: — A question to the Premier and it is a serious question. I have not in the past understood your aversion to using the provisions of the Constitutional Questions Act. What I ask you is this. If you bring forward legislation which was intimated by the Attorney General this morning and that legislation and the normal course of the tax, three or four years down the road is ruled unconstitutional, which is a possibility of the circumstances, the situation you described today as grave, would at that stage be utterly chaotic for the province. Now, you could avoid a portion of that by taking the bill before it is proclaimed, referring it directly and simply to the Court of Appeal for its opinion which is appealable to the Supreme Court of Canada and at minimum we could save two years in that respect.

My question, given that background, is why do you have this aversion to referring the proposal that you proposed to bring forward under the Constitutional Questions Act, so that we could get some ready and fairly quick response on the constitutional question?

MR. BLAKENEY: — Note, Mr. Speaker, what the hon. member asks. Why don't we use the Constitutional Questions Act. I understand that and why do not we refer the bill to the Court of Appeal before it is proclaimed. Now please note that. His proposal is that

we go for a year or a year and a half, whatever it would take, either collecting no royalties from the oil companies or alternatively relying on the current Bill 42 which has been shown to be defective. He then is essentially arguing that for that period of time, we have no valid legislation in place to collect royalties from the oil companies. Now that is a proposition our government is unwilling to accept. We believe Bill 42 to be valid. We have good grounds for believing that. We had certainly every judge in who looked at it in Saskatchewan believe that and counsel generally across Canada would have believed that I think before the Supreme Court decision. We have seen a major change in the direction of the law. All right, our job now surely is to attempt to put into place, as quickly as possible, valid legislation which will recapture for the people of Saskatchewan, the fair return for our oil. Maybe that legislation should be presented to the Court of Appeal for consideration. That's an arguable point. What is not arguable, is that it should not be put into place and that we should give — in any case, even if turns out to be valid — the oil companies a year and a half, or what ever it turns out to be, freedom from paying fair royalties. That may be your policy, it is certainly not ours.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — In my judgment, our proper obligation is to get into place legislation which we believe to be valid as rapidly as possible.

SOME HON. MEMBERS: Hear, hear!

MR. CAMERON: — Mr. Speaker, supplementary. Would the Premier not agree with this: if in fact the legislation you propose is proclaimed, you collect taxes under it; then three or four years down the road that legislation is ruled unconstitutional, you have then collected and spent the money in the second round in the same way you spent it in the last three or four years. That then compounds the problem. That's why I suggested to you if you agree with that, that perhaps before proclamation the bill be referred. Let me ask you by way of particular supplementary — you can appreciate our legitimate concern about the constitutional validity of new legislation, the serious concern there. Are you prepared to give us the assurance that you will consider having the Assembly, the Legislative Assembly empanel the kind of constitutional commission we have spoke of so that the Legislature can refer your draft legislation to that panel to draw some constitutional opinion in the Legislature that comes independent of that which comes from the Attorney General's Department? Which opinion, you have to admit, was bad advice in respect to the original Bill 42?

MR. BLAKENEY: — Obviously in the event, it proved to be bad advice. I felt it was good advice and certainly during the Court of Queen's Bench it was fully justified, before the Court of Appeal at 5 - 0, it looked like pretty good advice then. It looked like pretty good advice, because the government of Quebec supported it, the government of Manitoba supported it, the government of Alberta supported it and only the government of Canada opposed it.

AN HON. MEMBER: — And CIGOL.

MR. BLAKENEY: — And CIGOL, of course, and as it turned out, the Supreme Court. I am surprised that the hon. members do not acknowledge that the decision represents a significant change in the jurisprudence in Canada. I am surprised that that is not acknowledged. We are having urged upon us, the need for ministerial responsibility, that I think was yesterday's position of the members opposite and now the proposition that there be a legislative committee to look into the constitutionality. Certainly the

legislation will be before us very promptly, the new legislation. You may then offer any advice; we, for our part, are prepared to accept any advice or views that we can get, but it must be genuinely put forward as legal advice and not as attempting to score political points. I think the hon. member for Regina South (Mr. Cameron) will understand the difficulty when he is asking us to take advice of a commission or a committee, and it is now being urged by his seatmates and others, that we have already had advice last time. If it's going to be of the calibre of the advice last time, shouted from the seats and benches, without . . . then, I think there are very grave reasons for not accepting it. If he has a proposition for getting another judicial point of view or another legal point of view, fine, we will look at any proposition which gives us another source of advice.

MR. CAMERON: — My last supplementary to the Premier is: If — you aren't prepared to give us the assurance that you would refer the bill under The Constitutional Questions Act prior to proclamation, can you give us the assurance that you will consider referring the bill directly to the Court of Appeal under The Constitutional Questions Act, immediately after proclamation?

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — That at least is a proposition which has some reason and sense to it. The previous one, I thought, was just irresponsible. I am not in a position to give the member the assurance that it will be done. I will freely give him the assurance that we will consider that among other alternatives.

MR. J.G. LANE (Qu'Appelle): — Mr. Premier, the member for Regina South has raised the matter and the question of the quality or the competence of the advice and the advice taken. Would the Premier then be prepared to consider a public or judicial enquiry into the handling of the situation to date by the government with power to subpoena cabinet ministers to make sure that the error is not compounded and the blunder is not compounded?

MR. SPEAKER: — Order, order! I will take the next question. The member for Thunder Creek.

INCREASE IN DEFICIT FOR THE YEAR

MR. W.C. THATCHER (Thunder Creek): — Mr. Speaker, a question to the Minister of Finance. Mr. Minister, as the people in British Columbia found out with the ascendancy of a new government and the bill was presented to them; and as the people of Manitoba have found out with also an ascendancy of a new government that they are facing, instead of, anticipated \$32 million deficit a it is more like \$225 million deficit; my question Mr. Minister is, in light of the events of the past couple of days and despite your assurance of a couple of days ago that we were proceeding on stream to a deficit of only \$40 million, as you predicted, do you still hold to that? Are we still going to have just a deficit of \$40 million or are we, in fact, looking at something of the magnitude of Manitoba where it is maybe seven or eight times as large?

HON. W.E. SMISHEK (Minister of Finance): — Mr. Speaker, again for the benefit of the hon. member, what I said the other day, that our revenues from the federal government on the income tax look as if they will be somewhat less; it's the wrong calculations that were made and I am not blaming the federal government -. There were some economic factors and our returns from income tax are going to be less but there are going to be other revenues that are going to be more. I still believe that our estimates that we

submitted last year, approximately to be true, and that our deficit will be in the order of \$40 million as we set out in the Budget on March 10 of this year.

MR. THATCHER: — Mr. Minister, in light of the judgment in the CIGOL case — your department has I am sure now had an opportunity to see the judgment — have your departmental officials been instructed to commence repayment procedures to the specifics of this judgment, and if so, what would be the source of funds as these repayments are made?

MR. SMISHEK: — The answer is no, they have not been instructed. We have not got any claim for any payments.

MR. SPEAKER: — I will take a final supplementary, the member for Saskatoon-Sutherland.

MR. H.W. LANE (Saskatoon-Sutherland): — Will the Minister of Finance, before the next round of legal negotiations and legal battles commence, urge George Taylor to incorporate so that we can all buy shares in the deal.

MR. SPEAKER: — Order, order!

FORTHCOMING LEGISLATION

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, I would like to direct a question to the Attorney General about the forthcoming legislation. The Premier has indicated that the taxes will continue to be collected. It would, therefore, appear that two or three weeks are not any great sense of urgency, or even a month. In 1973 one of the great difficulties was that the government brought in the bill and steam-rolled it through in the fall session, despite the arguments and the appeals of the opposition and the public. We have found ourselves in a very grave position as a result. Would the Minister indicate whether or not he would be willing to table the bill, then give an opportunity for perusal and discussion among the public, as the purpose of the fall session always was intended, and then call an early session in January to finalize and pass the bill after everybody has an opportunity to peruse it, after we have an opportunity to discuss its constitutionality with some good advice that we can find and seek? The government itself may well have an opportunity to discuss this constitutionality. Would the Minister agree to follow that pattern instead of making the terrible, terrible mistake he made in 1973?

HON. R. ROMANOW (Attorney General): — Well, Mr. Speaker, I can only say that I certainly would consider the matter but I say that there is nothing which rushes the opposition with respect to the consideration of any legislation at any time that it is tabled. It has always had the opportunity to adjourn debates, to consider the legislation in detail, Committee of the Whole, to do whatever is necessary to get itself acquainted both legally as to the economic and other implications of the legislation. So while I don't want to dismiss the suggestion of the hon. member out of hand at this time, I would just simply indicate that I do not accept his assumption that somehow by introducing the legislation and hoping for its passage at this current session of the Session, we are unfairly limiting the right of opposition members to speak.

STATEMENT

CIGOL CASE

HON. R. ROMANOW (Saskatoon-Riverdale): — Mr. Speaker, with the government's legal advisers, I now have had an opportunity to review the Supreme Court's decision in the CIGOL case. The decision poses some problems that are serious, but are by no means beyond our power to remedy. We will be proceeding, next week, to announce in the Legislature, what first steps will be taken.

Let me comment first, on some of the broader issues raised by this decision. First, it could have serious repercussions for every province in Canada which produces and exports minerals or other resources. Why? Because the decision appears to say that it is beyond the powers of the province to determine what it will receive for its resources sold in the export market. Let me quote from the majority opinion:

Provincial legislative authority does not extend to fixing the price to be charged or received in respect to the sale of goods in the export market.

Bill 42 tried to capture the windfall profits of Saskatchewan oil, a valuable, depleting, non-renewable resource for the people of the province of Saskatchewan. The court has held that the taxes imposed by Bill 42 effectively fixed prices of Saskatchewan oil crossing provincial boundaries. It also held, the mineral income tax and the royalty surcharge were not direct taxes as we understood them to be, but indirect taxes which under our constitution, may be levied only by the federal government. In the Saskatchewan Court of Appeals and Queen's Bench Court, the six judges who heard the CIGOL case, were unanimous in their views that the taxes in Bill 42 were direct taxes, and thus, constitutional. They were unanimous that Bill 42 did not infringe on the federal trade and commerce jurisdiction. Two of the Supreme Court judges agreed. This means that of the fifteen judges in all, eight ruled in Saskatchewan's favor, seven against.

I cite this, not in any sense to question the Supreme Court ruling, but to demonstrate that we had solid grounds to believe that Bill 42 was constitutionally valid. This decision is not one which falls neatly into place among the historical rulings which have shaped our understanding of the division of powers under the British North America Act. It creates new uncertainties. It appears to add to centralist powers of the federal government, and to diminish the powers of the provinces.

I am sure that other provinces are examining the decision with extreme care. It has been suggested by some, that we should have patterned our oil royalties after Alberta. Why didn't we? Basically for two reasons. Firstly, we had a substantially different situation. In Alberta, all but a small amount of oil production is from Crown reserves. This greatly simplified the royalty situation in Alberta. In 1973 when we passed Bill 42 in Saskatchewan, just over half of our production came from Crown reserves, as opposed to the Alberta situation. This presented different taxing problems. Secondly, even if we could have adopted the Alberta scheme, the return to the people of the province would have been only half of what we collected under Bill 42. Saskatchewan people would have been out \$250 million dollars. That was not acceptable to us.

Now, Mr. Speaker, with respect to the immediate future, we are faced with two problems.

First, we must design appropriate legislation to protect our revenues. We restate the

government's position, namely, that it would be completely unfair for the oil companies to exploit our oil without paying a fair return to the people of the province of Saskatchewan. The oil companies have already made handsome profits from Saskatchewan oil, even after paying full taxes levied under Bill 42. It is neither fair, nor just, that they should be handed yet another half billion dollars, and we assure the people that legislation will be introduced next week to achieve the province's objective.

The second problem is to design a taxation formula for oil that is constitutional in the eyes of the Supreme Court. I won't go into the legal complexities of this problem except to say that the constitutional division of taxing powers, that is the kind of taxes each level of government can levy, presents difficulties in the 1970s, that the Fathers of Confederation did not foresee. More than a year ago, Premier Blakeney proposed that it is time to amend the British North America Act, to allow the provinces the right to indirect taxation of their resources. It is time for the provinces and the federal government to sit down together and clear up the legal difficulties and thereby guarantee the provinces effective control of their resources, a control we believed the constitution guaranteed.

An amendment to the constitution is not, however, likely to be made quickly enough to solve our immediate problems. Therefore, we will move in the Legislature next week to put in place the remedies I spoke of earlier. I can assure you, Mr. Speaker, and the members of this House and the people of the province of Saskatchewan, that:

(1) We do not intend to permit as guided by the Supreme Court decision the oil companies to avoid paying a fair return to our people for the oil the companies have already used.

(2) We intend to introduce legislation which will ensure that Saskatchewan residents will continue to receive a full and fair return for their oil in the future.

(3) We will continue to press for the provinces constitutional right to control our resources in the interest of Saskatchewan people.

Finally, I must condemn the attitude of some in Ottawa and Regina towards the decision. An attitude which I can only describe as calculated hysteria for political purposes. It was only one case, Mr. Speaker, it was, Mr. Speaker . . .

MR. SPEAKER: — I must take this opportunity to remind the Attorney General that he has been improperly in order up to this point but I believe that the statement must be brief, factual and specific. Order! A debate cannot take place since there is no motion before the House. The last two or three words of the Attorney General were debatable. Order!

MR. ROMANOW: — The opposition that insisted and refused to waive the procedure that I should read the statement that I delivered to the press. Now, Mr. Speaker, if you are saying that I cannot make a comment about what I believe has been this improper approach, then I am going to abide by the ruling but it is the central aspect of the statement which I made outside the House which I purported to make inside the House. Mr. Speaker, I only have one more sentence to go with it and that is to simply say this: that the government does not diminish the seriousness of the precedent, notwithstanding the remark I made earlier, but I am saying to the people of Saskatchewan and to the Legislature that what is required at this time, is careful and thoughtful consideration of all options available to the province. Thank you.

MR. COLLVER: — Mr. Speaker, in replying to the statement just made by the Attorney General, let me say first and let me emphasize first, that although the precedent established by the Supreme Court appears to be on the surface a very serious precedent, let me say that what is at issue here is not, as the Attorney General seems to suggest, is not a constitutional question per se but improperly and poorly drafted legislation by the government of Saskatchewan.

MR. SPEAKER: — I am going to take this opportunity to remind the member for Nipawin that no debate is before the House, there is no motion before the House therefore, he must not be debating the issue. His response must be relevant, brief, to the statement that was made.

MR. COLLVER: — I will abide by your ruling but I am presenting the other side to the statement that was made and the statement that was made implies that the constitutional question is the most serious issue of all and in this particular instance we believe that since the legislation in the province of Alberta was not attacked, but the legislation in the province of Saskatchewan was attacked, that it is improperly designed legislation that is at issue here.

MR. SPEAKER: — I am not precluding the member for Nipawin from talking about the constitutional aspects of this legislation, or the minister's statement. I'm just saying that the member for Nipawin cannot start to debate the issue now. He can put forward the position of his group in this House and that's what the Attorney General did, except for about three words which I found to be debatable.

MR. COLLVER: — Mr. Speaker, I certainly abide by your ruling. Let me go on to say that the statement by the Attorney General made in this Legislature today is inconsistent with, and I hope this is not debate, I'm merely pointing out that on the one side of page four of his submission, he said that it is neither just nor fair that they the oil companies should be handed another half billion dollars and on the last page, page 5, he says it was only one case involving less than \$5 million. I hope that pointing out that inconsistency of the ministerial statement is not debatable.

Mr. Speaker, what we in the Progressive Conservative party believe is, that the province of Saskatchewan should get a just and fair return on its oil resources just as mentioned by the Attorney General. We also believe that the government of the province of Saskatchewan should not have to repay hundreds of millions of dollars to the oil industry because of the improperly drafted legislation that has now been ruled on by the Supreme Court of Canada. We believe that the province of Saskatchewan cannot afford to pay for that improperly drafted legislation and, therefore, the people shouldn't be required to pay for a blunder.

Mr. Speaker, we believe that at this point in time, as a result of this blunder, and we say as a result of the blunder, we are now faced with the unfortunate prospect of having relatively few choices. We have seen the government of Saskatchewan involve us in other areas of confrontation and it appears that we are going into another area of confrontation as a direct result of the Attorney General's statements of this morning. We believe and have been informed by senior legal counsel in the province of Saskatchewan, that any and outside, that any attempt to make retroactive legislation in the province of Saskatchewan will be attacked by the oil industry and will further delay the actual ruling that we have heard from the Supreme Court of Canada.

We have heard the Premier this morning announce that he was not prepared to consider a trust fund to be established after the proclamation of his new act, not prepared to consider a trust fund to put the monies into, so that we would not be further in the hole and that he is only prepared to consider a submission of this proposed act under the Constitutional Committee Questions Act, which would shorten the time element that would be required to find out whether the Supreme Court considers the new act to be constitutional or not. We believe Mr. Speaker, that there are other options open to the government of Saskatchewan at this time, very limited we agree, but other options which could, in fact, help to resolve the situation without further delaying the solution to the problems we are facing today and finally in conclusion, Mr. Speaker, we believe that the suggestion by the Premier and by the Attorney General that the province of Saskatchewan can solve this problem through its legislation but that it will take at least a year and a half in the words of the Premier this morning, is irresponsibility of the first order. We believe that within the next year and a half or by the time that this act is proclaimed and submitted according to the Attorney General, there will be a new election on the people of Saskatchewan; a new general election and this is precisely what is intended by the Attorney General's statement this morning, namely to delay the decision that the government of Saskatchewan delay the decision as it relates to the people of the last election . . .

MR. SPEAKER: — Order! I'll take the next statement, the member from Lakeview.

MR. MALONE: — Mr. Speaker, thank you very much. Let me begin, Mr. Speaker, by saying that we in the Liberal party believe that this matter is of such a serious nature and of such a significant concern to the people of Saskatchewan that it should not be approached on a strictly partisan political basis. But what our duty here today is, and in future days, is to attempt to define a device to extricate ourselves from the mess and the serious situation that we are in and was caused by the passage of Bill 42 in 1973.

The Attorney General in his statement has raised a number of matters, Mr. Speaker, which I would like to dwell on for a few moments if I may, and I am sure you will show me the same courtesy as you did the other two speakers in letting me perhaps go on a little longer than is usually normal.

Let me say to begin with, Mr. Speaker, that one of the things that we are concerned with in the Liberal Party is that we do not proceed with haste. Bill 42 in 1973 was passed in haste, in our view. The government of the day at that time indicated they needed the legislation to attend a conference of first ministers on energy in Ottawa and felt that they had to be armed with the provisions of the bill to go to that conference. Accordingly, the bill was passed quickly, notwithstanding our objections and our warnings at the time that this should not be done. What we urge on the government at this time is that we give cool, rational consideration to the suggestions by the government when the bill is finally present and indeed if it is necessary to have the bill referred into January or later before passing we would ask the government to do this. My understanding of the situation, Mr. Speaker, is this, that it won't be until some time early or late in January that the government will be confronted with an actual position of having to pay a judgment by CIGOL if they go that far. There is no need for the legislation to be passed quickly because the legislation is going to be retroactive. The government is going to be able to collect the taxes that will be accruing from now until the legislation is passed, if the legislation of course is valid. So there is no reason for haste, indeed, the reason is just entirely the opposite, that we should be going as deliberately and slowly as is necessary to make sure that the actions taken by the government are indeed correct.

Let me say as well, Mr. Speaker, that the comments by the Attorney General indicate a willingness to take our suggestion that we have made in this House and which I have made outside the House in months past, that there be a first minister's conference called to discuss the whole field of resource taxation. This is something that we have urged upon the government for some time and we indeed are very grateful today to see that the government has followed our advice in this regard because the CIGOL decision, of course, involves much more than simply the oil industry in this province. It involves resource taxation by provinces right across this country. The whole matter for the future cannot be cleared up in this Legislature by one piece of retroactive legislation but indeed will require legislation likely by the federal government in Ottawa and all provincial governments to ensure that in the near future and in the future that we have a situation where resource developers know what tax they have to pay, to whom they have to pay it and under what circumstances. We welcome the government's initiative in this regard.

Let me say as well, Mr. Speaker, and I am somewhat repeating what I said earlier, we have an indication from the CIGOL company as a result of a story in last night's Leader Post that they are prepared to negotiate. They are prepared to sit down with the government and determine if there is any compromise that can be made, always bearing in mind that we must protect the interests of the people of Saskatchewan in this regard. I would urge once again this course of action on the government, and indeed we should be doing this as well as considering the legislation that is going to be presented by the government members or some device to get ourselves out of this situation that has been created.

Mr. Speaker, I think that the government should be moving in a way, as I have indicated, that is with deliberation, giving all of us an opportunity to study the legislation and indeed that the suggestions made by the member for Regina South (Mr. Cameron) that the legislation once presented and once passed can be referred to the Court of Appeal for consideration as to whether it is constitutional or not, and indeed refer it further if necessary to the Supreme Court of Canada for the same type of advice. It would be very difficult for us, Mr. Speaker, in the Liberal Party to support any legislation unless we get these definite assurances from the government that such developments will take place and that they will act in accordance with these wishes.

We are determined, Mr. Speaker, in the Liberal Party to do everything possible to protect the rights of the people of Saskatchewan, to get this mess settled once and for all and to clear the air so that we can get on with the other important business of this Legislature. We in the Liberal Party are prepared to co-operate in any meaningful way that we can, Mr. Speaker, to protect the rights of the people of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. MALONE: — We only ask the government and members to our left, the Conservative Party, to not play politics with this and to come up with some meaningful devices that will accomplish this goal. I am sorry Mr. Speaker . . .

MR. SPEAKER: — The member is doing fine up to this point and I wish he could bring his statement to a close.

MR. MALONE: — Let me just say in conclusion that I notice the reference in the statement by the Attorney General that the government is now seeking a fair return for

the people of Saskatchewan from the oil that has been used to date and from the oil that will be used in the future. This has always been our position Mr. Speaker. I sense by the choice of those words that the government is changing its position and that it will be demanding somewhat less than 100 per cent of the windfall profits that have accrued, both from the oil that has been produced in the past and oil that is produced in the future. We look forward, Mr. Speaker, to seeing what type of legislation, what type of royalties the government is going to introduce in this regard and I can assure you, Mr. Speaker, that the members of the Liberal Party will be doing their utmost to protect the rights of the people of Saskatchewan to get their fair share and fair return from the profits that accrue from this very great resource.

SOME HON. MEMBERS: Hear, hear!

ADDRESS-IN-REPLY

THE ASSEMBLY RESUMED THE ADJOURNED DEBATE ON THE PROPOSED MOTION OF MR. LUSNEY (PELLEY) AND THE PROPOSED AMENDMENT THERETO BY MR. MALONE (REGINA LAKEVIEW) FOR AN ADDRESS-IN-REPLY.

HON. J.R. MESSER (Minister of Mineral Resources): — Again, Mr. Speaker, the members of this Legislative Assembly have watched an incredible performance put on by opposition members. Mr. Speaker, we saw this morning the opposition of the province of Saskatchewan, the members of the Liberal and Conservative Parties, demand that the Attorney General make a statement to this Legislative Assembly, a statement that he released to the news media this morning and then in the process of making that statement because they do not, at least some of them do not, agree with the content of that statement, undertake to bring him to order in suggesting that he is undertaking to be argumentative. There were some members that sit to your left, for the advice of the member for Wascana (Mr. Merchant) who were suggesting that the Attorney General, a minister of the Crown, who they had demanded make that statement to the House which he was not intending on doing, was in effect after he undertook to make that statement, was doing something that was not in order.

It is interesting to note, also, Mr. Speaker, that both Leaders of the Liberals and the Conservatives in commenting on that statement, had to, in both instances, be brought to order, in regard to the length of time that they were taking in responding to the statement of the Attorney General.

I think it is also interesting to note, Mr. Speaker, that both, and I begin with the member for Lakeview, the Leader of the Liberal Party, undertaking to now indicate to the people of Saskatchewan that we don't want to proceed with haste, we want to be cool and rational. "There is no reason for haste," he says. Now Mr. Speaker, I want the people of Saskatchewan to know what their attitude was yesterday and the day before, Wednesday and Thursday in this House, when with great urgency both he and the member for Nipawin, the Leader of the Conservative Party, demanded that we have a priority of debate in this House so we could undertake to resolve this matter, a matter which the government had just been informed of several hours before, without any kind of detail in relation to what the decision of the Supreme Court was.

Mr. Speaker, I am sure that the citizens of Saskatchewan will be interested in why we

now, all of a sudden, have a turnaround from an opposition who two days ago couldn't have the matter settled quickly enough, now they want to undertake to act in a cool, rational and a way of no haste.

SOME HON. MEMBERS: Hear, hear!

MR. MESSER: — Now, Mr. Speaker, let me tell you why they want to do that. They want to take time, they want to have the government refer any corrective legislation or measures to The Constitution of Validities Act so that one year or perhaps 18 months or even greater may pass before this matter can be finally resolved so that the citizens of Saskatchewan will be deprived of those millions of dollars that should be legitimately accruing to them. And the only reason, Mr. Speaker, that they make that proposal is in support of the oil companies.

Now, Mr. Speaker, it is with some extreme pleasure that I have the opportunity of entering this debate because it will give me an opportunity to tell the members just a few of the exciting things that are happening in our province. The exciting things that are happening, Mr. Speaker, because of the strong commitment of the Blakeney government to making Saskatchewan even better.

This government has been innovative and because of those innovative policies, communities, both rural and urban, are flourishing as never before. I am particularly proud of the work that we have done to revitalize rural Saskatchewan. Not only to slow but in many cases to eliminate the rural decay and depopulation we faced during those seven long, lean years under the Thatcher administration.

I could choose almost any constituency as an example of how are innovative policies have helped the province but as the member for Kelsey-Tisdale, I would like to use my own constituency to illustrate my point. Our record in Kelsey-Tisdale, Mr. Speaker, is proof that we are and always have been committed to the revitalization of rural Saskatchewan, committed to enhancing and strengthening the very foundation on which this province was built. Over the past six years significant progress has been made in upgrading the primary road network in all of northeastern Saskatchewan.

Industrial development has flourished ahead in Kelsey-Tisdale. As a result of continued industrial growth in the town of Hudson Bay the Saskatchewan Housing Corporation recently undertook to construct 25 homes in that community. Completion of the new provincial airport and water bomber base in Hudson Bay is now nearing completion and will provide a tremendous boost to the town.

Mr. Speaker, it is obvious that the present provincial government's record of achievement in my constituency is one that would be the envy of any government. But I think it is important to remember, Mr. Speaker, that one could look at any part of Saskatchewan and find the same record of achievement. That in itself is a record. It is certainly a change from the policy of political patronage practised by the previous administration. This government is and always has been committed to the revitalization of rural Saskatchewan's committed to enhancing and strengthening the very foundation on which this province is built.

An important part of our government's policy of rural revitalization is the policy of decentralization. Many smaller communities across the province have benefited considerably. Our decentralization policy has created a substantial number of jobs and new spending in smaller communities, in addition to bringing vital government

services closer to the people that they serve.

For a number of years now the Department of Northern Saskatchewan has been based in La Ronge. There are a multitude of Crown corporations, agencies and departments that have been centralizing their operations into smaller communities. The Water Supply Board is now located in Watrous; the Prairie Agriculture Machine Institute is in Humboldt; SGIO will establish a claim centre in Tisdale. Estevan, Melfort, Melville, Moosomin, Wynyard, Meadow Lake, all have regional offices of the Highway Traffic Board. Many other departments and agencies have a similar record. Look at the number of provincial Crown corporations, agencies and departments that have established offices in Prince Albert. The regional office of the Alcoholism Commission, the Department of Tourism and Renewable Resources Planning office, the regional co-ordinator's office of CORE Services, the Special Business Assistance branch of the Department of Industry and Commerce, the Criminal Justice branch of the Department of the Attorney General, the regional office of the Department of Education, the regional office of the Department of Culture and Youth, not to mention the head office of Saskatchewan Forest Products. The list is long, Mr. Speaker, but it is just a small example of the things that a committed government can do and is doing now for Saskatchewan.

Mr. Speaker, there is a challenge facing our government and we have stood up to that challenge and we are winning. The reason we are winning, Mr. Speaker, is that we have initiated policies for the development of resources in this province and those policies are allowing us to serve the needs and the demands of the people who live in this province.

SOME HON. MEMBERS: Hear, hear!

MR. MESSER: — If I may, Mr. Speaker, I would like to speak now about the government's resource development policy. We have heard over the past three or four years and especially in the past couple of days a variety of attack on our policy, despite the fact that it was that very policy that managed to secure future energy supplies and countless benefits for the people of Saskatchewan. The NDP government of this province has had the courage to move ahead with a far-sighted development plan in the face of constant howls from the opposition. Now the criticism is centred on Bill 42 which the government introduced to ensure that Saskatchewan people would gain their fair share from the rapidly increasing price of crude oil. Through it we taxed companies developing our mineral resources and secured some of their windfall profits for the people of Saskatchewan. The mechanism now requires our close consideration but our provincial right to mineral resources is unchanged. We retained that right and we will not let it go!

SOME HON. MEMBERS: Hear, hear!

MR. MESSER: — We will not, Mr. Speaker, despite what the weak-kneed member Lakeview, the Leader of the Liberal Party and his power hungry corporates in Ottawa may wish us to do. And we will not let go because the people of this province have already seen just some of the benefits that result directly or indirectly from resource taxation. Increased grants to schools and municipalities, improved health care, capital works projects and long-term investment in other resource industries like potash that will ensure for the future. The people of this province should not have to be deprived of that half billion dollars or, more importantly, of their right to that money.

If the Liberals and Conservatives have had their way the people of this province the people of this province would never have known that they had that right.

SOME HON. MEMBERS: Hear, hear!

MR. MESSER: — Mr. Speaker, they do have that right and in 1973 when the price of oil skyrocketed from \$2.80 per barrel to \$6.50 per barrel, we decided that the province asserted that right. We thought at the time and we still think that it was grossly unfair that the full \$200 million that resulted from the increase at that time should be channelled out of the province to the multinational oil companies. It is not as though, Mr. Speaker, that the oil companies weren't already making handsome profits. Maybe Texaco only scraped by with Canadian profits in 1973 of \$55 million but Gulf Oil snatched up \$100 million; Shell of Canada \$112 million; Imperial \$228 million in profits. And those profits, Mr. Speaker, were in the year 1972-73, the year we introduced Bill 42.

SOME HON. MEMBERS: Hear, hear!

MR. MESSER: — If we hadn't taken a stand the people of this province would have never seen that money but we did take a stand and we asserted our right to keep some of those millions of dollars in Saskatchewan and more importantly working for Saskatchewan people. We chose, Mr. Speaker, a mechanism that our advisors said was sound. In the last couple of days we have heard a variety of attacks on those mechanisms and on the Attorney General. But I say to you, Mr. Speaker, that we chose our advisors carefully, the Attorney General chose his advisors carefully and that he, in turn, gave us sound legal advice. I remind the members opposite who disagree with that, that the Attorney General and the government were supported in our position first by Mr. Justice Hughes of the Court of Queen's Bench and then by Chief Justice Culliton of the Court of Appeal, not to mention two judges of the Supreme Court. I also suggest, Mr. Speaker, that the people of Saskatchewan, those who count most, agree and support the action that the provincial government took in the introduction of Bill 42. At the same time, Mr. Speaker, the provinces of Alberta and Manitoba and the province of Quebec supported our cause. Now, of course, the member for Nipawin thinks that we ought to have chosen a taxation system like Alberta's. But he neglects to point out or he isn't knowledgeable enough to know that if we had adopted the Alberta legislation we would have lost 50 per cent of our revenues. Alberta doesn't have to concern itself with low producing wells. Their wells produce 110 barrels per day on average compared to our 27, besides that Alberta's oil rest for the most part on Crown land and is therefore subject to a royalty. But in Saskatchewan a significant per cent, 40 per cent, prior to Bill 42, of all production was on freehold land.

Those were problems we had to address ourselves to, Mr. Speaker. If we had gone the Alberta route we would have deprived the people of this province of nearly \$250 million. It is foolish, it is foolish, and I can think of no better word, Mr. Speaker, to suggest that that was the right course of action. The member for Nipawin's logic seems to be, Alberta has an oil industry, and we have an oil industry, so why not do the same as Alberta? I say to you, Mr. Speaker, that is a foolhardy and irresponsible way to run a government. Irresponsible, Mr. Speaker.

I would like to raise another point, the member for Nipawin, the Leader of the Conservative Party, and the member for Lakeview, the Leader of the Liberal Party, have raised. They say that we're supposed to talk to the oil companies. Well, Mr. Speaker, we

do talk to the oil companies, and those discussions are bearing fruit in many ways. But the members opposite say that we're supposed to go to the oil companies hat in hand and ask them what they would like to contribute to the provincial coffers. Now, I realize that the members opposite, of the Conservative and Liberal Party are quite accustomed to talking and asking the oil companies what they would like to contribute to Liberal and Conservative Party coffers, but I leave that aside. I say we should do this because the multinationals as we all know, after making their various donations, are a little strapped for funds, and we wouldn't want to be unfair to those poor, struggling corporations, and that has to be the attitude of the members who sit to your left, Mr. Speaker. They're telling us to forget about the \$145 million profit that Shell Oil made in Canada in 1975, or Gulf Oil's \$175 million, or even Imperial Oil's \$250 million. Forget about all of that. Those poor multinationals are having a hard time making a go of it; they are having a hard time making ends meet, so why don't you just ask them what they would like to pay in taxes, as far as the province of Saskatchewan is concerned.

Now, Mr. Speaker, that's an insult to us, and it's an insult to the people of this province. I know that the members opposite are puppets bound largely by multinational corporations, but I say to you, I say to you, Mr. Speaker that . . .

MR. MALONE: — Mr. Speaker, on a point of order. I think the member opposite is impugning a course of conduct on the members of this party, the Liberal Party, that is incorrect, and I ask him to withdraw it.

MR. SPEAKER: — Order, order! These charges about who is controlling .. order! The charges that are made from time to time across this Chamber about who is controlling and influencing different parties in this province or elsewhere in other jurisdictions, are made constantly. I don't like them. It seems that this Chamber has indulged in them for years and I don't think that's going to change. I think the member for Lakeview is attempting to make a debating point, and I ask the minister to carry on with his speech.

HON. MEMBERS: Hear, hear!

MR. MESSER: — I'm sure, Mr. Speaker, that the member for Lakeview or some of his colleagues will undertake to also take part in this debate, and I would like to hear them explain any other position, other than the one that I have advocated in this Legislative Assembly, and that is that the Liberal Party and the Conservative Party are nothing more than mere puppets of the multinational . . . Mr. Speaker, the people of Saskatchewan have listened to representatives of those parties in all areas of development, represented time after time, the companies rather than the best interests of the people of Saskatchewan. And I suggest to you, Mr. Speaker, that it is not only in this Legislative Assembly that call the Liberals and the Conservatives puppets of the multinationals, but the people of Saskatchewan know them and call them puppets of the multinational corporations. And I say to you, Mr. Speaker, that the Blakeney government never has been and never will be dictated to by any multinational corporation. We will never, we will never let those corporations tell us how to run our province, Mr. Speaker, never.

Now, Mr. Speaker, before I turn to other matters, I would like to remind members of some of the other benefits that this province has seen because of our oil and gas legislation. When we introduced Bill 42, there were several things that we intended to accomplish, and we have achieved these goals.

1. We had to assure a fair economic return to the people of Saskatchewan. The \$500 million in the Energy and Resource Development Fund is proof that we have achieved that goal, Mr. Speaker.
2. We had to assure good conservation practices and maximum recovery of minerals, and we're doing that.
3. We had to assure maximum employment of Saskatchewan residents in the exploration and development of resources. Last year's statistics show that we have achieved that.
4. We had to assure a favorable climate for future exploration and development. I am pleased to report, Mr. Speaker, drilling activity has risen to over 500 wells this year. Through a system of royalty rebates, producing companies can earn a portion of royalties paid by investing that money rather, further in provincial exploration. This policy together with our announcement that future oil price increases will be shared 45 - 55 with producers, has help spur a renewed interest in oil exploration. Mr. Speaker, the pace of oil exploration in Saskatchewan in 1977 to date has more than doubled the comparable rate in 1976. In the week ending November 10, 1977, 513 wells have been drilled compared to only 237 for the same period a year ago. In short, Mr. Speaker, our resource policies have generated increased activity. At the same time they have provided funds to secure the future for the people of this province. While we may have to change the mechanism for securing these funds, we will never change our policy to return a fair share of the profit from resources to the people of Saskatchewan.

Now, Mr. Speaker, I want to turn now to a closer examination of one major segment of the oil industry in Saskatchewan — heavy crude. Growing attention to the heavy oil segment of the oil and gas industry is the main target of a renewed exploration interest which we see occurring in our province and the neighboring province of Alberta.

It is the hope that increased recovery rates have spurred the high level of interest in the heavy oil sector.

Mr. Speaker, while the Opposition members continue their laments about how unfair the province of Saskatchewan was to resource companies, the government was busy taking positive action to insure further development of our heavy oil industry. We now have the prospect that with only a ten per cent greater recovery rate Saskatchewan's proven oil reserves will double. In the 1976 year we negotiated with the National Energy Board to successfully increase the volume of heavy oil exports which would be allowed to go to the United States, an interim step to allow utilization of heavy Saskatchewan crude oil. That, since the United States has facilities, we argued, should utilize the heavy crude. A larger portion of the total export should be allocated to heavy crude. Also in 1976 we entered into an agreement with the federal government by which made available \$16.2 million for methods of heavy oil extraction. Some of the new technologies being tested in various part of the province hold hopes of increasing recovery rates for heavy crude by 25 to 30 per cent. This, Mr. Speaker, is an example of the positive action being taken by the Blakeney government. Nowhere is the difference in the approach to resource development as clear as it is in the question of location of the proposed heavy oil upgrading plant in the Lloydminster area.

We've been very direct and open in our negotiations for revised royalty structures. We feel that new cost sharing agreements with the producers as well as our other royalty rebates for exploration will allow a fair and reasonable return to the producing

companies. We have indicated a willingness to enter into a joint venture with the private sector as well as other governments to provide the necessary environment to the building of an upgrading facility. We have stated that our large volume of heavy oil reserves is an essential consideration in locating the plant on the Saskatchewan side of Lloydminster. Other interests involved are now advancing that proposal in Alberta. We will not be easily deterred in our plans for an upgrading facility, benefits and with it jobs and other.

Mr. Speaker, our position ultimately supports the best interest of Saskatchewan people. It is a position far different from that of either of the opposition parties who are manipulated by those so-called free enterprise corporations. It is a position that neither of them would have the intestinal strength to adopt. Mr. Speaker, we said throughout the Potash debate of 1975, that our resource policies were consistent. Our foremost goal was to maximize returns from resources for Saskatchewan people. Here, as in the case of potash, Mr. Speaker, our policy remains consistent.

The government of Saskatchewan has also undertaken action with regard to possible development of uranium and base metals in northern Saskatchewan. Through a program of joint ventures and exploration the Blakeney government has ensured equity participation and new mineral development in northern Saskatchewan. The Saskatchewan Mining Development Corporation was a vehicle for participation and mineral exploration when northern Saskatchewan was established in 1974. To date, the corporation has 50 per cent in two proven uranium deposits and is involved in nearly 100 separate exploration projects in northern Saskatchewan, many of them joint ventures. The Prospectors and Developers Association recently said, that only any initial doubts that they had about the presence of Saskatchewan Mining Development Corporation have been dispelled. And now they view the corporation as, "An opportune development."

Mr. Speaker, here is another example of the consistent application of the province's goal to that ensure a proper return for the people of the province is providing over the long term a sound sensible resource development policy.

Mr. Speaker, in the past you have heard figures quoted which indicate the tremendous increase in resource revenues in comparison with resource revenues realized under the former Liberal administration. Those figures, I believe, bear repeating. In 1971, \$37 million in resource revenues realized under the Liberal government. In 1975-76 fiscal year, \$339 million were realized, and there exists ever increasing potential for greater revenues.

Some time ago, Premier Blakeney referred to our resource development fund as being a source of capital investment in the province's future. The opposition criticizes our government for investing this money in the province's future. The Leader of the Conservative Party says it should be used now to build roads, or hospitals or to improve parks or develop new programs. That would only provide short term gain. Using the money now to provide services would be one way to employment. But let me illustrate for you the kind of benefits which can be derived by investing the money in other revenue producing resources and development plans. Let me use the Saskatchewan Development Mining Corporation as an example. Saskatchewan Development Mining Corporation has used money borrowed from the Energy Resource Development Fund and has used it for exploration in northern Saskatchewan. Should the province of Saskatchewan decide to expand mining of its uranium reserves within 15 years, over \$3 billion could be returned to the people of Saskatchewan through only one of those

projects in which the Saskatchewan Mining Development Corporation holds an equity interest.

Mr. Speaker, Saskatchewan is fortunate to have a broad base of energy resources within its boundaries. While we do not have a large share of conventional oil and gas, our resources of coal and heavy oil will stand us in good stead in the coming years. There is existing and potential hydro power; and potash and potential uranium to provide us with resources which could be sold abroad to provide much needed capital for further developing a strong and viable Saskatchewan economy.

Saskatchewan's energy and resource development policy is aimed not only at maximizing returns from the export of resources, but also more importantly, at providing needed resources for Saskatchewan people. This is particularly true in the case of oil and gas where the efforts of Saskatchewan Power Corporation and Saskoil have resulted in maintaining an adequate supply of natural gas and electricity at rates which compare very favorably with those in other parts of not only Canada, but North America as well. Only the Alberta companies have lower rates than Saskatchewan Power Corporation and even then, only in Calgary and Edmonton. Despite this, the member for Nipawin, the Leader of the Conservative Party who is about to rise to his feet and speak in this debate spouts the same typical Conservative policy. He says, hold rates artificially low today, so that we can enjoy additional money to be spent in other ways. Don't worry about tomorrow.

Mr. Speaker, the Saskatchewan Power Corporation doesn't operate that way, neither does Saskoil, neither does the Saskatchewan Mining Development Corporation, or for that matter the Department of Mineral Resources. In fact, Mr. Speaker, the government of Saskatchewan doesn't operate that way. We don't plan our development program on a live for today attitude, instead we develop consistent resource policies to ensure that there will be new energy sources, new resource development and new jobs for the people of this province. We are proud that we are providing for Saskatchewan today and we are even more proud, Mr. Speaker, to be providing for the future. The people of Saskatchewan support this Throne Speech, I support this Throne Speech.

SOME HON. MEMBERS: Hear, hear!

MR. R.L. COLLVER (Leader of the Conservative Party): — Mr. Speaker, it is a great pleasure for me to rise in this debate and to express my concerns and the Progressive Conservative Party's concerns about the future of the province of Saskatchewan.

Since 1975, the people of Saskatchewan have had no direct voice on serious and far-reaching moves made by the NDP government and primarily by the NDP Cabinet. Let me just cite a few examples of what has occurred since 1975. First of all, there was a bill introduced without any mandate at all, for the nationalization and expropriation of the potash industry in Saskatchewan, and further, the expenditure of hundreds of millions of dollars to buy these used holes in the ground, without any additional jobs, without any additional benefit to the people of Saskatchewan. There has been the mismanagement — and that's an understatement — of SEDCO, Sask Forest Products, and a great many other organizations and Crown corporations that are involved in the competitive sector and the involvement directly of the government of Saskatchewan in the competitive sector without any mandate from the people of Saskatchewan.

We have seen the government impose compulsory wearing of seat belts without any vote at all by the people of Saskatchewan, without any indication that that's the way

they felt was the best way to go in terms of Safety '77. We have seen the government's failure to back up their law enforcement officials, time and time again, especially as it relates to the correctional centres. We have seen the minister responsible for the correctional centres throw off a riot in Prince Albert as a meaningless thing, because it only involved \$1,500 worth of damage. The failure to back up these law enforcement officials, which in turn created, Mr. Speaker, decreased morale on the part of law enforcement officials right across our province. Accordingly in the last number of months, we have seen a dramatic increase in the crime rate in our province, a dramatic increase, because the government opposite refused to recognize that they must back up the men that work for them.

We have seen corrupt management in northern Saskatchewan, evidence of it on a daily basis. We have seen continued extraordinary growth in the bureaucracy, primarily through the appointment of political hacks, over the back of fine career civil servants; political hacks brought in from British Columbia, brought in from Manitoba and men and women with years of service with the civil service, laid off in order to achieve these spurious ends.

We have seen cutbacks, Mr. Speaker, in hospital services, with corresponding lengthy waiting lists for needed surgery. The most recent I heard of was yesterday, a man in Davidson who has been on the waiting list for eight and one half months, to achieve a prostate operation at St. Paul's Hospital in Saskatoon, and cannot get into the hospital to have that needed surgery. We can give example, after example of that.

AN HON. MEMBER: — Name the doctor?

MR. COLLVER: — Be happy to, his doctor is Dr. Estey, who is the specialist in that field in St. Paul's Hospital.

Mr. Speaker, we have seen since 1975 continued and unabated centralization of power in this government and in the Cabinet and primarily in the office of the Premier, to the detriment of local people.

Yesterday, we see a Supreme Court decision that places the very financial future, the financial basis of the province of Saskatchewan in extreme jeopardy. Now today, we see that the Attorney General is going to continue the kind of confrontation politics that the government opposite has been involved in for the last two and half to three years to the detriment of the people of Saskatchewan.

Mr. Speaker, these are only a few examples of the kinds of things that people have not had an opportunity to voice their opinion on. People today are entitled to a direct voice in their affairs before the NDP commits the people of Saskatchewan to any further mismanagement, to any further involvement and encroachment in private business, to the detriment of the people's interest; to any further encroachment and any further development in terms of confrontation with industry and with resource organizations, to the delay of decision that have to be made now as it relates to the future of Saskatchewan. People are entitled to this direct voice before the NDP goes one step further. Therefore, Mr. Speaker, on behalf of the Progressive Conservative Party, and on behalf of the people of Saskatchewan, I say to the government of Saskatchewan today, that as a result of all of this and most specifically, as a result of your proposed continued confrontation to call an immediate provincial general election to either

receive a mandate for continuation of these policies or to achieve a new government dedicated to a more common sense approach. That, Mr. Speaker, we feel is an entitlement to the people of Saskatchewan. They are entitled to vote either for or against you, the government of Saskatchewan, before you go ahead and commit us to any further confrontation and any further jeopardy of our future and the future of our children and our grandchildren.

Mr. Speaker, yesterday before closing the debate, before taking my place, I mentioned that the Premier of Saskatchewan had called the Progressive Conservatives in Saskatchewan enemies and that it was not incumbent upon any premier or any representative of the people to call any other such segment of the population enemies, that that was exactly the reason why this government continues to confront and play confrontation politics with everyone, that no one should be the enemy of the Premier or the enemy of members of the Legislature, no matter what kind of political beliefs they may have or philosophy they may have. They may hold different views but it is incumbent upon the Premier of Saskatchewan to represent all of the people all of the time and not to classify them as enemies.

I also mentioned yesterday, Mr. Speaker, that it is the present government's intention, obviously, to misrepresent to the people of Saskatchewan the policies and views of the Progressive Conservative Party and we have seen it time and again. I would just like to reiterate today some of the items that have been misrepresented by the members opposite in their constituencies and tell you what the Progressive Conservative Party stands for.

First of all, the minister earlier today said that we suggested the province of Saskatchewan should have, in 1973, adopted the Alberta legislation. That is untrue. What we said was that the province of Saskatchewan should have in 1973, adopted the Alberta approach, which was to sit down with the industry and work out the best possible methods that would not be attacked. Furthermore he suggested that somehow if the Alberta legislation were applied in Saskatchewan that \$250 million would be lost to the people of Saskatchewan. That, of course, is absolute nonsense. The minister himself said that because Saskatchewan has lower productive wells, these wells needed to be taken into account and they could have been, even adopting this legislation, similar to that of the province of Alberta and that would have meant a very, very, small reduction, Mr. Speaker, in the return to the people of Saskatchewan. The Progressive Conservative Party of Saskatchewan believes further in the maintenance of crowrates, that these are sacrosanct and the government of Canada must not change them. The Progressive Conservative Party believes, Mr. Speaker, that the Canadian Wheat Board acts in the best interest of the farmers in Saskatchewan and that we should not jeopardize the position of the Canadian Wheat Board ever. The Progressive Party, Mr. Speaker, has come out four square behind the Hall Commission Report and have suggested (both in our submission to the Hall Commission and in fact recently when Mr. Justice Hall himself said that the Canadian government was not implementing his recommendations) that the Hall Commission Report does contain solutions for the province of Saskatchewan and should be implemented immediately by the government of Saskatchewan or by the government of Canada. Mr. Speaker, at no time have we said that deterrent fees were an answer in Saskatchewan to our medicare problems or to our hospital problems, at no time. As a matter of fact it was the Progressive Conservative Party that has called for an abolishment of deterrent fees in the present Pharmicare program and the adoption of a more realistic and common sense approach like that used in the province of Manitoba, introduced by the government there.

Mr. Speaker, the challenge facing the Progressive Conservatives in our province is great, the challenge first of all to become the government of Saskatchewan and the challenge beyond to provide the kind of government which, as I have said before, has a heart but uses its head, a kind of government which serves everyone equally and fairly and a government which is neither controlled by big labor or big business but is controlled by each individual at the local level, a government which will tap our natural wealth as well as the spirit of our people so that in harmony we can prosper and we can grow, a government which will guide Saskatchewan and arise to take her proper place in this great confederation of provinces called Canada but most importantly, a government which will nourish and protect our fundamental freedoms, individual freedoms, so that we may pass these along to our children as we move into the 1980s. That is our challenge and that challenge we will succeed if we work together.

Mr. Speaker, one of the questions most asked of me is, first of all, what would you do with the government's potash mines, the potash mines that the government of Saskatchewan has got us into? Well let me say first of all, that we do not believe that the government of Saskatchewan should have taken \$375 million or whatever and invested it in these used holes in the ground in the first place. We believe the government of Saskatchewan had the right to tax 100 per cent of profits if it so desires. Why invest the people of Saskatchewan's money to achieve questionable profits when you can control the mine totally if you so desire through your taxation system and through your regulatory system? So the government of Saskatchewan should not have got us into this state in the first place. But unfortunately, Mr. Speaker, the government of Saskatchewan did get us into this problem. We now have the mines in the government of Saskatchewan's name. We spelled out at the time of the nationalization of the potash industry, or the bill that came through, Bill 1 and 2, why we felt the government should not get in. But having got in, we would now like to express what we would do with those mines that the government has got us into.

Now we don't believe the policy of the Liberal Party is at all workable, Mr. Speaker. Liberals say to sell them back, sell the mines back and if we can't sell them back, sell them to the people of Saskatchewan. Mr. Speaker, that presents two very serious problems. First of all in order to sell anything, you must have a buyer. To get a buyer for three potash mines worth over \$300 million takes time. People are not lined up waiting with hundreds of millions of dollars to buy the potash mines. And as a result, Mr. Speaker, who would be running the mines while you are waiting to sell them — the government of Saskatchewan, exactly the organization that we don't believe should be running the mines and should be involved in this competitive sector.

Secondly, if you are going to sell them back, you have to decide on the price. Well, what is the price, Mr. Speaker? The price is what a willing buyer is prepared to pay the government of Saskatchewan for the mines at that time and if the NDP paid \$125 million for a mine and the best price that you could get from a multinational corporation was \$75 million at the time that you wanted to sell it, that's the top price you would get. If you were to sell it to those multinationals the people of the province of Saskatchewan would immediately say that you had rewarded the multinational corporations with \$50 million. And I don't care how often you go across the province telling people the NDP paid too much, quite frankly, the people would believe that you rewarded the multinationals with \$50 million and hand the NDP a gilt-edge issue to get back into office the very next election.

Mr. Speaker, we believe that the solution is to create an organization in the private

sector, an organization whose shares trade on the open market, an organization into which the assets and in fact the borrowings that the government of Saskatchewan borrowed to buy the mines would be placed, an organization in which the shares, as I say, are trading on the market places of our country, just like any other organization in the private sector. We then believe that there should be restrictions placed within the articles of association of that organization, such that:

1. The head office would always remain in Saskatchewan.
2. That the vast majority of the board of directors would be Saskatchewan residents.
3. That no one person or group or multinational corporation or cabal could obtain more than 2 per cent of the shares eventually.
4. That at least a majority of the shares are held in the province of Saskatchewan for all time.

This can be done by posing to the trust company carrying the shares that they may not sell any more shares than that outside the province, or may not allow any shares to go outside the province.

Mr. Speaker, we believe then the shares should be transferred to the voters of the province of Saskatchewan because if they paid for them, you are just double taxing them. They've already paid for these potash mines through their taxes. They might as well own the mines in reality. The voters of Saskatchewan would then own these shares. They would be entitled to do what they want with them. Those people, those individuals, who wish to retain ownership in the potash mines could keep their shares. If they thought it was a great investment they could buy more. If they thought it wasn't such a good investment they could sell them. Mr. Speaker, we believe in that way real ownership would vest in the people of Saskatchewan. We believe that the organization would remain a Saskatchewan corporation and we believe that the people of Saskatchewan would then in fact rather than just in name, own the potash mines. Furthermore, Mr. Speaker, we believe that through their vote on the shares, they could elect directors of the potash industry that knew best how to run the potash industry, not elect representatives as they do now, who must endure trial run potash mines and also, and also, try to run the government of Saskatchewan to the detriment of both, to the benefit of neither. Mr. Speaker, we believe that in that way, most of the organizations in the competitive sector, which the NDP have involved us in, could be transferred to the people of Saskatchewan and those individuals who then would own the shares could in fact exercise real ownership.

Mr. Speaker, I would like to say a few brief words about the Nipawin constituency and the wonderful people who live there. I believe that it is a constituency which truly exemplifies this province in the spirit of our people. It is an area of diversity, mixing farming, tourism, small businesses and some industry, some that is collapsing as a result of the policies of the members opposite. With a lot less than a little help from this government, the people of the Nipawin region have built up a great tourist business. The Nipawin pike festival is an annual event which attracts sports fishermen and their families from all over North America but due to the unfortunate policies of the present government in the presentation of their maps, the presentation of their documents through their Department of Tourism, this tremendous event in Nipawin has been placed in jeopardy. The people in Nipawin have used nature to their advantage. The damming of the Saskatchewan river for the Squaw Rapids hydro project some years

ago made it a reservoir of some 46 miles and 10 miles wide at its widest point. That reservoir is Tobin Lake, home of the Nipawin pike festival and home of some of the best fishing in North America.

Mr. Speaker, the oilseed industry is vital to the Nipawin constituency. There's a seed crushing plant in the town of Nipawin and a high percentage of the grass grown in that area are the grains which are used by that plant. My constituents are hopeful that this government will succeed in conjunction with me in all efforts to push a reluctant federal government towards implementing the recommendations of the Hall Commission as they relate to this vital industry. The people in my constituency look forward to the day when the oil-seed industry in Saskatchewan is allowed to compete fairly with that of Eastern Canada and not be placed in jeopardy as it is now by the construction of the plant in Windsor, Ontario.

Like most of Saskatchewan, the Nipawin constituency is composed of people who work hard for what they earn and over the years in the true spirit of Saskatchewan, they have learned to live and to work together, co-operating with one another while retaining a deep respect for the rights of each individual. The people of Saskatchewan want and expect their government to act in a similar manner. Now many people in our province fear that some of our great institutions in Saskatchewan have been weakened by this government and it remains an almost unanimous support for our essential Crown corporations. Few Saskatchewan citizens would seriously doubt the value of the Saskatchewan Power Corporation, Sask Tel or SGIO. Virtually everyone in our province knows the benefits of these vital services. They don't need slick advertising and expensive advertising to tell them about the benefits of those corporations and they don't need to be over charged for these vital services to pay for other less vital, less essential government services. The other schemes I refer to, Mr. Speaker, are the new breed of Crown corporations, the new breed this government is trying to adapt into the family of essential services. I refer to SEDCO, Saskoil, Sask Forest Project Products and the Potash Corporation of Saskatchewan. It is these Crown corporations, Mr. Speaker, that need the advertising, although none of their products are used in Saskatchewan. They need it because the vast majority of Saskatchewan citizens see little very good in them for the people of Saskatchewan. Mr. Speaker, past performance indicates that the vast majority of the citizens of the province of Saskatchewan are correct and that this new breed of Crown corporations has accomplished little else but to eat up the tax dollars of our Saskatchewan citizens.

Mr. Speaker, the other day I heard the Leader of the Liberal Party in his Address-in-Reply to the Throne Speech and I gathered he made from what I heard and read, he made pretty much eight points, he commented on eight particular examples; law and order, loath of bureaucracy, Indians and Metis, inflation, national unity. He left out, Mr. Speaker, those of the five that he included, he left out any discussion of the Hall Commission Report. He left out any discussion of the express office closures by the Canadian National Railway and he left out any discussion of the policy and the implementation of that policy by the present federal government as it relates to bilingualism and biculturalism.

Mr. Speaker, let me just mention — without question, I couldn't imagine any Liberal in Saskatchewan wanting to talk about those issues. The greatest single cause of the diminishment of law and order is our present government in Ottawa, our Liberal government. The greatest percentage of growth in the civil service in our country in the

last nine years was created by Liberals in Ottawa. The greatest cause of inflation, Mr. Speaker, inflation, Liberals invented the term. The Liberals in Ottawa are the biggest single cause of inflation, the policies of Trudeau, without any question are absolutely responsible for inflation in our country.

Now, Mr. Speaker, with regards to the treatment of our Indian and Metis people in the province of Saskatchewan, the federal government, the government in Ottawa is responsible under our constitution, responsible for the Indian people of our province. It is they who passed the necessary policies for the reserves in our province. It is they who passed the necessary policies for the Indians in our province and the Liberal government in Ottawa has failed in 40 of the last 45 years to come to grips with one single issue, one single problem facing the Indians and Metis of our province and, as a matter of fact, why any Liberal in the province of Saskatchewan would talk about that particular situation, as a Liberal, when in fact the head of the FSI in Saskatchewan has come out four square behind the NDP and the recent announcement has said the NDP government is terrific, the NDP government is wonderful. They didn't say the Liberal government in Ottawa was terrific. What they said was that Liberals don't know how to handle the problems facing the Indian and Metis. Mr. Speaker, I suggest to the Minister of Industry that he come up north and campaign in the two reserves in my constituency, see how well the NDP did there last time and do there next time.

Mr. Speaker, any Liberal that leaves out mention of the Hall Commission and the implementation of the recommendations of the Hall Commission in Saskatchewan, has got to be irresponsible. The Hall Commission report was designed after years of study to try to come to grips with the transportation problems facing the province of Saskatchewan. Well for what it is worth the members to my right to say the Hall Commission report wasn't based on years of study, I suggest they look at some of the briefs that had been submitted to the Hall Commission report that had been studied for years and Mr. Justice Hall was able to make full use of it.

Mr. Speaker, one of the more serious aspects facing the province today, as an immediate measure, is the fact that the Canadian National Railway has stated, not only to their employees, but to others that they are going to close the express offices in the province of Saskatchewan to the detriment, Mr. Speaker, of many, many small towns who have to use the Canadian National Railway express office as a means of getting goods to their community. Mr. Speaker, that is unacceptable to the people, that's unacceptable to the small towns, and the Liberals in Ottawa must ensure that the Canadian National Railway stands up for its obligations under its mandate, it's federal mandate, until and unless, Mr. Speaker, other arrangements are made to those communities that are totally dependent on the Canadian National Express offices.

Mr. Speaker, in a multicultural society in Saskatchewan, in which the implementation of bilingualism has been rejected throughout the province of Saskatchewan it's being done by the present government in Ottawa. In our multilingual and multicultural province where people in Kamsack have enough difficulty with English, let alone a second language, and another language, Mr. Speaker, we believe where people in other parts of the province of Saskatchewan, many of them first generation Canadians, who have difficulty acquiring the language of our province — and for them to be told that somehow the present implementation of the bilingual policy by Ottawa is going to be continued, this is unacceptable to them and unacceptable to the people of Saskatchewan. For any Liberal in the province of Saskatchewan to fail to mention where they stand on that important issue, on the important issue of the implementation of the bilingual laws, as it relates to the province of Saskatchewan, is irresponsibility to

say the least.

Mr. Speaker, only one province in all of Canada has declined in population since 1939. As a matter of fact, only one jurisdictional area in North America has declined in population since 1939 and that's the province of Saskatchewan. Mr. Speaker, in a province as blessed with natural resources as ours, this is indeed a tragedy. In the Progressive Conservative Party we believe that there can and will be a great future for Saskatchewan within this Confederation. Carefully nourished and allowing the private sector to develop and investment in the private sector to develop, the development of our natural resources can result in unparalleled prosperity to the people of Saskatchewan; not managed as suggested by members opposite and by the government, not managed and mismanaged the way they have done with our resources for the last six years, but most significantly in the last two and a half years, but nourished and encouraged we can have unparalleled prosperity. I have said many times, Mr. Speaker, that there are hundreds of countries in this world that are not blessed with half of the natural wealth that is in the province of Saskatchewan. With common sense, with courage and with compassion we can build a better life for all of our citizens; but compassion without common sense, means that there are no resources to provide the compassion for. To implement the compassion without common sense, Mr. Speaker, we are faced with a half billion dollar decision against us; we are faced with continued deficits to the tune including this year's projected deficit of \$200 million or \$200 for every man, woman and child in Saskatchewan in the last three and one half years.

MR. ROLFES: — Look at Ontario!

MR. COLLVER: — Mr. Speaker, does the member for Saskatoon Buena Vista desire to rise to his feet and speak in this debate? When he does, please come in, until then, please Mr. Speaker, I would appreciate it if he wouldn't speak from his seat.

Mr. Speaker, we can see the day ahead when a Progressive Conservative government is able to use the natural wealth to build new, better equipped hospitals, so that people don't stand in line; to use our natural wealth to ensure that those hospitals are staffed so that people don't stand in line; to build new and better schools, to use our natural wealth to obtain the kinds of schools that are going to be needed for the 1980s and beyond. New highways and new roads, Mr. Speaker, not used holes in the ground; not used up oil wells; not capped gas wells, but new highways and new roads for the benefit of the people. Better facilities for the elderly, Mr. Speaker. For example, in the town of Davidson, we see a direct need for Level IV care. People have asked time and again of this government to provide the facilities for Level IV care, that there aren't any facilities available, yet the government continues to ignore their legitimate demands. We can and will provide social programs in Saskatchewan that the rest of Canada will envy, but will do so with common sense so that our compassion can become a reality, not place it in jeopardy as has the present government.

Mr. Speaker, we believe that with all of this, there will be jobs and opportunities for the young people here at home where our children want to stay.

Mr. Speaker, I believe that the outline that I have given earlier of what we would do with the potash mines that the government has got us into, is a better solution than selling or trying to auction or sell the mines back to the people because of the time delays that would occur. Mr. Speaker, our reference to improve the potash industry would not stop there. As I mentioned earlier, Saskatchewan has an almost incalculable supply of

potash. A PC government of Saskatchewan would give potash companies some hope that building new mines was not going to be a fruitless venture.

We would use private capital to the benefit of the people of Saskatchewan, because the people of Saskatchewan do not have enough capital to develop the resources in order to provide the social benefits that the people of Saskatchewan need. We can't possibly meet our capital needs over the coming years, can't possibly, we must have private sector capital, including the private sector capital that is developed right here in the province of Saskatchewan. Where is it being invested today? In Alberta, in the United States, outside the province of Saskatchewan. Mr. Speaker, the greatest waste in the province of Saskatchewan is the fact that private sector capital is not being used because this government discourages it. Much the same situation exists, with all deference to the Minister of Industry's statistical data today with regard to the oil industry.

Mr. Speaker, since that time, since 1975, the volume of oil production and natural gas production in this province has dropped consecutively each year. Crude oil dropped steadily from 89 million barrels in 1970 to 56 million barrels last year. The number of oil wells completed from 476 in 1970 to 146 last year. In fact the total number of oil and gas wells completed in 1976 was the fewest in 25 years. The number of drilling licenses issued in 1970 was 1,006; last year 275, down consecutively each year that this government has been in office. Mr. Speaker, with the decision yesterday and the fact that the government of Saskatchewan appears to be going to continue its confrontation with the oil industry, and since this year has not yet concluded, I suggest that the statistical data for this year is highly suspect and highly incomplete. All of this, Mr. Speaker, during the years that the price of oil and gas has skyrocketed and responsible governments are encouraging more exploration and more recovery right across Canada, but primarily in Alberta and British Columbia. Purely, this government has not met its obligations to the people of Saskatchewan or to our fellow Canadians. While estimates for 1977 looked better than last year as projected by the minister this morning, the government has got a long way to go just to restore the oil industry to the level it was at when the NDP government first took it over in 1971. We are most fortunate that the world prices of oil and gas have risen so dramatically in terms of our natural resources, less fortunate perhaps when it comes to paying for the costs of gas and gasoline products. That is why this government always talks in dollars when it talks about the provinces oil industry, never in the amount of production, always in dollars because we have had dramatic inflation. As with the potash industry the real failure of this government lies not only with what is but what could have been. Had this government been able to simply maintain the oil industry, Mr. Speaker, the benefits to the people of Saskatchewan and our economy would have been huge. As a matter of fact had this government really been able to maintain the oil industry that it inherited in 1970, then perhaps the statistic or data that they reported this morning about the \$500 million that is in total jeopardy may have been used up with the increased economic benefit and more besides to the people of Saskatchewan. But no, not only has the economy been placed in jeopardy but on top of that the \$500 million has been placed in jeopardy.

Mr. Speaker, proper and common sense management of of resource industries could have put this province in a position of long term economic strength years ago. It could have made this province nothing short of wealthy and yet last evening we hear on the television that we are going to become a 'have not' province.

Mr. Speaker, the future of this province belongs to the people of Saskatchewan but the

only possible way that the people of Saskatchewan can benefit from the future is to allow them the fundamental right to individualistic action. It is not incumbent upon the government of Saskatchewan to continue centralizing power to the detriment of local government, to continue centralizing power to the detriment of individuals, as is the case and has been the case in the last six years. Mr. Speaker, the people of this province want freedom, the people of this province want the ability to run their own affairs. They do not want to be told by a planner in a Regina or a planner in Ottawa or a board of directors in New York, or a board of directors anywhere else in the world, they want no part of their string pulled by any of those. What they want, Mr. Speaker, is the right they inherited from their forefathers to stand as individuals and to make individual decisions and individual choices. But if the taxation levels continue to grow as they have in Saskatchewan where now they are the highest in Canada, where a bigger and bigger chunk of their money goes to the government of Saskatchewan and to other governments, this diminishes totally the amount of freedom that they can enjoy as individuals because it is discretionary income they have to spend quite simply doesn't allow them any choice of freedom. Furthermore, the regulatory powers of all the agencies of government that have been forced upon them in the last 15 years but even more strongly in the last six, have brought about a situation in which very little individual choice is left to the individual citizen of our province.

Mr. Speaker, this trend must be discontinued. This trend towards ever increasing power of government and ever decreasing power of the individual must end and must end now. Only a Progressive Conservative government in the province of Saskatchewan will bring about the changes needed to see this individualism restored once again and the very essence of our society give to us by our forefathers brought forward once again in the province of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. E.F.A. MERCHANT (Regina Wascana): — Mr. Speaker, I wasn't going to begin in this way but having heard the earlier remarks from the members for Kelsey-Tisdale and Nipawin I would like to say a few words about the Wascana constituency.

It is bounded on the west by Collver's house, in the south by rich people and in the north by a dirty old slough and a bunch of NDPers. And I just wanted to put it on the map because members over the years have been so kind to identify their seats for me.

I, Mr. Speaker, act as the opposition spokesman for two departments, Mineral Resources and Labour, and I will be addressing my comments to those two departments. One might have expected that the policies of this government would be as different regarding those departments as the subject matter. In fact there is an interesting, binding tie. It is that those two departments are the departments in which the government is most obvious about its political biases. Those two departments, Mr. Speaker, are united in the sense of the wrong wrought upon the people of Saskatchewan because of the biases of the NDP members in power. Through the lack of achievement and the dangerous directions taken on behalf of Saskatchewan people by the Minister of Labour and the Minister of Mineral Resources we have in those departments the folly of NDP thinking best demonstrated. The initiatives in Labour have been a bit of a mixed bag. There it's in large part a lack of initiative which has set the government down the wrong course. In Mineral Resources, however, the government on all big decisions has been absolutely consistent, they have been wrong every time.

The most recent turn of events, Mr. Speaker, was the CIGOL decision but that is only a symptom of the errors. In a moment I will set my view of the future of the oil situation in the position of our caucus when we face the cure which I am sure this government will introduce.

Before I do that let me for a moment discuss the potash situation. The government is losing politically on that issue. I have spent a lot of time in the last two years talking to people all over the province. First I spent eight months travelling Saskatchewan, assisting my leader in getting a good crowd out for his acceptance speech, and recently I have been spending a great deal of time with a charming group of people who live on the east side of Regina. I have been going out every night with a group of people, five nights a week and frequently weekends, since about the beginning of July. And I can tell you in the NDP that if you think that your curious logic over potash is selling, it's not. You face the same political problem with potash that you faced over the Land Bank between 1971 and 1975. The facts of the situation aside you are losing on the issue politically. I don't want to restate the obvious about potash but I do want to draw some comparisons between the errors in resource taxation regarding the potash and the oil industries.

In both industries a too greedy approach has driven development has driven development from Saskatchewan. Exploration continues in the United States and elsewhere, in New Brunswick, and what we are seeing is industry being driven from this province. You are killing the goose that could have gone on producing gold for the Saskatchewan taxpayers. In both industries the Attorney General led you into a disastrous law suit, one that you lost on Wednesday and the other you are in the process of losing. In both industries the government took the advice of the biggest gambler in legal history. No lawyer would recommend to a client that he take a \$580 million gamble in the oil industry. No lawyer would recommend that the government proceed with takeovers and about \$400 million gamble in the other if that legislation is struck down. But no lawyer when he lost those two massive gambles would advise his client to go on raising the stakes. No lawyer but the layer imposed upon the Saskatchewan people by Allan Blakeney would still have his client after those two colossal blunders so perhaps we can understand why this lawyer goes on making the mistakes that he does.

In both industries one mistake seems to drive the NDP to the next. The only difference is the progression of errors is more fully developed in potash than in oil. Both industries have followed the same pattern. First, the government over taxed. Now if you start with a bias that every businessman is a slob, if you believe you know more than businessmen, if you believe that anyone who makes a profit from the owner of the corner store to the president of Argus Corporation is no brighter or no more useful in business than you are, if you season that combination with a sort of basic business ignorance, you will conclude as did this government that they can gouge every nickel out of the potash and oil industries and the industries will accept it and go on spending in Saskatchewan developing jobs. You can reach that conclusion if you are not very bright or deliberately very narrow in your understanding of the business community. That was the first step, gouge the two industries.

The second step was trusting the legal advice of the man who drew the legislation to tax the two industries, to trust him when he drew the law and then trust him when he sought to defend it.

The third step, at least in the potash industry, and I am afraid we'll reach it in oil as well,

was to take over the industry rather than face a loss in the courts. I don't think that government really wanted to be potash owners, it became a question of covering their tracks. If this government didn't put its political future ahead of Saskatchewan's economic future, they would have mitigated the risk to Saskatchewan taxpayers. Instead, they upped the ante by delaying the conclusion of the oil case and by needless investment of money in the potash industry that could have been effectively controlled through taxation. We are almost all the way down the road of folly in the potash industry and halfway in oil. I believe that if this government is re-elected they will expropriate most of the oil industry between 1979 and '83. I'm driven to that belief because I can find no logical explanation for the apparent decision to pass retroactive legislation which I gather will be introduced next week. The advice that I receive can't be that much better than the advice received by the government. We are told that it is, at best, unlikely that retroactive legislation will be upheld. It's not the retroactivity that will make the legislation bad but the courts will see the legislation as nothing more than an attempt to avoid the decision handed down on Wednesday. The analogous situation is that of the Social Credit party and the funny money cases which went to the Supreme Court from the province of Alberta. The courts were not prepared to allow a patch and repair program to correct the errors of the Alberta government in those cases. The courts wouldn't allow the Alberta government, after the fact, to do what they had struck down in earlier cases. At best, the retroactive legislation has an offside chance of success, but the debt will continue to rise at a dramatically increasing rate. The judgment awards interest until payment is received. They will give interest to other claimants in the same manner so that each day the debt goes up by the interest on \$580 million. The taxes collected, currently, were brought in without legislation, and brought in pursuant to Bill 42. It is very likely that both taxes will be struck down as was most of Bill 42. We have the only lawyer in the world who having lost the first \$580 million, would still have his client and still have a client dumb enough to believe his advice to up the stakes and bet on drawing to an inside straight.

Paying is almost out of the question. Negotiating a reasonable settlement is what everybody else would do but apparently out of the question for this government. That's because they always put their political neck ahead of the welfare of the province. That leaves the solution of expropriation now or later, and they haven't taken that step because they are afraid of the political results and they don't have enough committed NDPers to take over so widely a dispersed industry as that of oil. As one NDP planner explained to me over a year ago their expropriation is the likely long-term solution; expropriation legislation can't be brought in now because it may not work now, so the government will proclaim retroactive legislation, gain for the government a political delay and the planning time to gear up for the takeover. The similarity between the industries is that in neither is the government planning ahead but they are instead being pushed. They remind me of a little spring-like toy that used to be the craze about 20 years ago — you put it at the top of the stairs and the top came down and then the coils rattled down one step to the next in a descending momentum. It was called "slinky", that's right, I couldn't remember the name. And as you got to one step, the top of it would flip over and go to the next step, and the top really didn't know why it was being pushed over; all it knew was that it was descending ever further into the mire. It, like this government, is being driven down, driven from one step to the next.

Now, Mr. Speaker, if you cut away the rhetoric of the oil debate in 1973 and the rhetoric of the potash debate two years ago, you find our real objection in both debates was that the rate of tax was too high. We believe that taxing 80 or 90 per cent of the tax but keeping a vibrant, expanding industry was better than 100 per cent with the destruction of jobs in the communities. In both industries, history is proving us right.

The potash industry is leaving Saskatchewan; the oil industry left, although it is coming back now to some extent because the strangulation levels of tax in Bill 42 have been eased. The pathetic thing is that we are now visited with the worst of both worlds — the NDP has succeeded in getting rid of jobs in production of oil from '73 to '77 and they don't have their tax dollars either.

The Minister of Mineral Resources said a few days ago that if the Liberals had been in power, we would only have had about one-half of the tax that they had under Bill 42. He repeated it again; he's wrong. We would have had 80 or 90 per cent of the tax. But even if 50 per cent is the right number, what have you got? You've got nothing. As a matter of fact what you've got is worse than nothing. Saskatchewan people would be happier with \$280 million than a \$580 million debt. Nobody could have done worse, and all the snivelling and rhetoric in the world — that's what we heard from the Minister of Mineral Resources this morning — all the snivelling in the world isn't going to change the dismal picture of incompetence that the Saskatchewan people now see.

Where do we go from here? Likely . . . we know that; we gathered as much, and we had that inkling when you spoke.

Well, Mr. Deputy Speaker, first I think there should be some acceptance by the government of where we are. You know, the Minister of Mineral Resources, as I listened to him and as I have listened to the Premier and the Attorney General, I get the impression that they think the case went their way. The Premier and the Attorney General keep saying that we believe that Bill 42 is constitutional .. is constitutional. The tense is always in the present. They want to ignore that so badly. They wake up every morning and pray that they weren't wrong. The gravity of the mess caused by their lousy government is so serious that they can't even get it through their thick heads that they lost and they were wrong. When over the weekend it finally starts to sink in that you've lost, where are we going to go — like the retroactive legislation in the short-term and long-term expropriation; it will be retro legislation with some other kind of short-term solution.

The question becomes, what will Liberal members do when that corrective legislation is proposed? Now, I'll tell you. Let's talk about that.

HON. E.L. TCHORZEWSKI (Minister of Health): — Did you talk to Ted about that?

MR. MERCHANT: — Yes, I did. Our decision about support of the legislation will, in a large part, depend on whether or not we think the legislation will be struck down in the courts. We care — we care whether it's constitutional. We care whether you make the gravity of the situation worse with more bad law. Now we take that decision for two reasons. First, we don't want to encourage Saskatchewan people to join the NDP and the Minister of Mineral Resources in a fool's paradise. We don't want Saskatchewan taxpayers to believe that the problem, as the Premier says, is a three to five million dollar piddling judgment, or that the problem has been solved by some form of legislation which will in turn, itself, be struck down by the courts. Second, because more bad legislation will only compound the problem with the interest and the mounting tax, we want to ensure that the legislation will be tested as quickly as possible in the courts. We will be called upon to vote before that test is made. Who will then aid us to decide about validity? No one in his right mind except perhaps Allan Blakeney would go on believing our Attorney General with his opinions about validity. He's been absolutely wrong twice and we don't propose on behalf of the Saskatchewan people to believe him and allow him to be wrong again. We want better assurances than his and who can blame us.

We, therefore, ask for two things. First, that the government, before passage, refers whatever that legislation may be, to a group of constitutional experts for their individual opinions. Since the Attorney General's choice of experts is highly questionable, we attach as a condition that the two opposition leaders be given input into the selection of those experts, and that copies of those opinions from each be given to the two opposition leaders upon their pledging to keep the opinions in absolute confidence. I'm sure .. oh, the member laughs. Nonetheless, you have better reason to trust the members here and their assurances than we have to trust your opinions about law.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — Second, we attach as a condition that we receive the absolute guarantee from the government that immediately upon passage of legislation it will be referred to the Court of Appeal under The Constitutional Questions Act to be dealt with by our court and presumably to be dealt with expeditiously by the Supreme Court of Canada.

That process will not make bad law into good, but it will ensure that the stakes don't continue to rise for the three or four years that it takes a case to wind its way through the trial process.

Now as the Premier doesn't know, because he never really practised law, a trial involves evidence, transcripts, pre trial motions, a trial takes a very much longer period of time to wend its way through the courts. They are all slow, trials take a very long time, we can avoid all of that with a constitutional reference.

Now why would the government refuse to give those assurances. There can only be one reason and that would be that they are afraid that their remedy is in fact unconstitutional. The only reason for refusing to give those assurances would be that the cure is not really a cure at all but rather a delay, a delay for political reasons while they clue up for the real remedy, if you can call it that, expropriation after the 1979 election. A delay while they get through the next election duping the people of Saskatchewan as they have duped their own backbench, into thinking that they are in control of the resource policies of Saskatchewan and they can remedy their most grievous errors in the potash and oil industries. The absence of those conditions, Mr. Speaker, will make Liberal support highly unlikely. That is what we will suggest when the legislation is before us. If those assurances are not forthcoming I will ask hon. members to think back to my words on this date and ask whether in fact the Attorney General has not again duped and tricked this House or at least NDP members into thinking he is in control of resource taxation introducing law which will be held valid by the courts.

Now what else did the Minister of Mineral Resources say a few moments ago. He referred in part to the court reference because he is already gearing up the argument to try to keep Saskatchewan people from knowing for sure whether the cure is a cure or not. He said, "We want to finally resolve the CIGOL matter with the legislation," this legislation you'll propose next week. He said, "If we send it to the courts it might be months or years before it's resolved. We are not going to refer the legislation to the Court of Appeal." We don't want that court reference to be sure that we are in fact solving the problem and not solving the problem in fantasy. If the NDP refuse that

reference it will be because they expect that the legislation will not be upheld and it will be because they are prepared on behalf of the Saskatchewan people to compound their first serious gamble with now another serious gamble for their own political hides.

The minister also said, "Oh, things are good in my department. The pace of oil exploration has more than doubled since 1976. Five hundred wells in 1977, more than doubled 1976." Now that is like being the brightest kid in the slow learners of the Grade Three class. Less than half of the Liberal years, 1,254 wells in the last Liberal year. An average of over 1,000 wells in the Liberal years. In our worst years from 1964 to 1971 we drilled almost 300 wells more than 500, but just the 500 that the minister is so proud of. But then, Mr. Speaker, I would expect that minister to be proud of an NDP success because the NDP's best is usually just slightly beneath our worst.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — Now, Mr. Speaker, the second department for which I have direct caucus responsibility is the Ministry of Labour. I will restrict my comments to three areas related to labor in this portion of my remarks. One of my colleagues says, "Where is he?" I can understand him not being in the House, Mr. Speaker, after such a serious error as came to light on Wednesday I expect the ministers don't think anything else will ever be discussed in this House until this government goes under.

Three areas, Mr. Speaker, they address themselves to the government's failure to provide an atmosphere of fairness and justice to individual members of trade unions. Secondly, the government's regressive example in entering into the Cory Potash Mine union contract which by not containing a no strike, no lockout provision encourages a lack of union responsibility for its actions. It really passes the operation of the Cory Mine to the Steel Workers of America. And thirdly, the government's refusal to improve the legal atmosphere surrounding the Labour Relations Board and to discourage the needless and expensive legal wrangling which goes on in that board.

With reference to the last matter I will be suggesting that we follow the British Columbia and Nova Scotian lead and begin to take field votes. That's a lead which is designed to make certain that union certification is in fact the real wishes of the workers. These are matters that I will place before the House in a similar wording in a private member's motion. Through the vehicle of that motion I hope to compel the government to explain its views in these three areas. The House is entitled to an answer from the government regarding these changes in the approach of the government to organized labor.

The first area of concern has to do with the need for a more democratized approach to the collective bargaining process. While trade unions in many cases work to the advantage of the individual trade unionist, the rights of the individual trade unionist are in many cases trampled upon by big international unions. It is becoming increasingly apparent to working men that though their interests are by and large the same as their trade union their interests are not inclusively those of the trade union. They need protection from the monopolistic absolute power of those unions. Most basic rights are frequently trampled upon by big, multinational unions, including union strength ahead of fairness to individual workers, freedom can be and frequently is lost. Trade unionists should be guaranteed the right to counsel. That can only happen through legislation. Almost all trade union constitutions prohibit a trade unionist from obtaining legal counsel at any time even when facing a potential loss of livelihood because the union member is about to be disciplined which might include expulsion

from the union. As examples of this rule, prohibition against contracting lawyers, exists in a variety of union constitutions. I, for example, was looking at the constitution of Electricians and Boilermakers over the weekend, the loss of union membership means loss of employment, union hearings therefore are crucial. A prohibition against bringing in legal counsel before union hearings, and against even consulting with a lawyer is a very serious removal of rights. We consider the right to counsel to be basic to freedom, yet union members are deprived of that right. Many union disputes involve factious petty arguments with union organizers and interjurisdictional conflicts. I don't think it is fair to say to a union member over his future livelihood that he can't even consult with a solicitor.

Another example of the lack of protection of the individual trade unionist is that union constitutions almost always make it a serious offence, and therefore, one that jeopardizes employment to resort to the courts for redress of an injustice done by a union. They also make it a serious offence to urge any union member to take action in a court of law against the union or against one of its officers.

As another example of the way the union works to thwart the law, most constitutions include some reference to working for a decertification; The Trade Union Act allows for decertification. This House has said that if the majority of workers want to be decertified, they have that right. This House has said that if a majority of trade unionists want to change unions, they have that right. They are given freedom of choice to change their union or to decide to no longer be represented by a union. Nonetheless, virtually all union constitutions make it a serious offence and one for which they can lose their livelihood for advocating or attempting to bring about a withdrawal from the current trade union, or for creating or attempting to create dissatisfaction against members of the trade union or for participating in any gathering or meeting advocating cessation from the union. Most trade union constitutions even make it an offence to have knowledge of a violation. If a trade unionist knows that someone else is violating the constitution and doesn't lay charges, he is an offender of his constitution. I am not sure that even the communist states go that far, although, I recall that kind of reference in Brave New World and in Hitler's youth. If we are going to be fair to the rank and file union member, and we have to give them some protection from their own trade unions which are ordinarily American dominated. It's not a question of weakening or strengthening the union. It's a question of fairness to the worker and I believe it won't have a weakening effect on the trade union. It will tend to return the power of the union to local Saskatchewan people rather than allow the domination to remain outside of this province in this country. It will compel trade union leaders to pay more attention to the democratic rights of their members. This is not the first time that I have asked the Minister of Labour to change our labor legislation to protect rank and file members. In the past he has given to this the Legislature the naive answer that he doesn't propose to interfere with the internal workings of the union. I remain to be convinced that the Minister of Labour is as stupid as he claims to be with that answer. It may be possible to convince me that he's that stupid but at this point it appears more likely to me that he has chosen to side with his friends, the trade union organizers against the rank and file people in this province.

Most members of trade unions are there because it is a condition of employment. They might or might not support the union if they had a choice. It is because they are compelled to be members that they deserve all the more the protection of law from union excesses. The people of Saskatchewan deserve a more democratized trade union and the right to protection from lack of fairness.

The secondary area of comments deals with the examples set by the government in entering into the Cory Potash Mine Union contract. The contract is regressive in that it encourages walkouts which have happened at a more frequent rate. It encourages stupid wildcats and union malcontents. Employee management relations must to some extent be an adversary system. We assume within our system that management will try to do the best it can for its owners and union leadership will try to do the best it can for its union members. People looking objectively at government, know that a province or a country is not as effective running a business as private enterprise. Part of the reason is that an added stress is placed upon union workers for a government owner. Private owners ask that profits be maximized. A government owner hopes that profits will be maximized with no loss of voters' support and it is even a greater problem if the government party has bias about economic questions and the mistake made by this government in the negotiation of their labor contract to PCS Cory is a classic example of the problem that arises with an NDP government when they become involved in business.

The director of Sask Potash in charge of industrial relations is Don Ching; his biases are well known. What you may not know is that the man on the front line, the industrial relations guy doing the negotiation for Sask Potash, the man in charge of our proprietary interests as owners of those mines is Gary Simmons, he was formerly the national representative of the communications worker. The communications worker are a particular aggressive trade union. Our rep is a guy none other than a guy right out of the trade union movement. The contract at Cory with the United Steel Workers does not include as a result a standard no-strike no walkout clause. The contract specifically chooses to make the union not responsible should they walk off the job. The standard right of management to take action against the union for an improper strike has been replaced by a disciplinary clause. But it is not even a disciplinary clause that gives the right to discipline to management. It's a disciplinary clause which gives the union the right to suspend the employment of an employee that participates in a work stoppage without just cause and that just cause is to be decided by the union. PF Notwithstanding meeting other people from other potash companies and other management associates, the government is continuing to set this leave with no-strike no walkout clauses. The significance of the removal of the clause is tremendous. Sask Tel has followed that lead, so has the IPSCO agreement at the urging of this government. If the government intends to remove this clause from all Crown corporations and government contracts, the ramifications will be crucial. The reasons advanced by Sask Potash are ludicrous, the results will be horrendous. One can ask why have a contract at all? The reason for a contract is to have industrial peace for a specific time at a known cost. With the removal of the no-strike clause there is no purpose in having the contract. The contract binds management but doesn't bind the union. If some point down the road the union is dissatisfied with the contract, the union simply refuses to have workers to go to work until a new contract is negotiated. Difficulties have arisen already with the situation. There again as I have mentioned, stupid walkouts at PCS Cory. OCAW walked out on Alwinsall earlier this summer because they didn't like the washroom facilities.

If this government has problems with OCAW walking out over washrooms and dirty toilets, imagine the problems that you are visiting upon the next government when you are defeated. The NDP almost in a determined way are placing a political tool in the hands of the union management which will cost mine owners and the people of Saskatchewan very dearly.

Mr. Speaker, as I have said, all of my comments deal with the problem of the worker

because the employee is hurt as well. The government in advocating its management rights have taken from the employee any right of appeal if disciplined by the union. The employee becomes absolutely dependent upon the union for management and the union is all powerful. Potash producers, the others now find themselves faced with demands with the same kind of clause. If they refuse Steel Workers' of America from their American jurisdictional leadership, would probably perpetuate a extended strike upon them if Sask Potash continues to produce.

Another question becomes, who is running PCS Cory? The steel workers, the executive or the management on behalf of us the people of Saskatchewan. The last strike at PCS Cory was over management discipline. It was illegal. The government condemned the strike but took no action against the union, did nothing. Did the people buy those potash mines, or did the big unions? Ray Stephens of the United Steel Workers of America has said to a number of people that the clause was a payoff for not going against the government over the anti-inflation board policy. Regardless of the reason, we now have a society where people are being rewarded, not for what they do, not so much for what they produce, but how effectively they can pressure the economy and into that system, this NDP government interjects this further passage of power, not the working man but to their friends the trade union leaders.

The first area that I discussed was the government's refusal to protect the worker from powerful international union management. The second area, the government has conceded power to the international union management which is already too strong encouraging the same demands by other unions and advocating its responsibilities to workers.

In the third area, I would like to discuss the refusal of the government to discourage needless and expensive legal wrangling before the Labour Relations Board and the need for the government to reduce the discussionary powers of the Labour Relations Board, thus reducing the uncertainties faced by individuals, by unions and by employees. One of the basic problems is the lack of faith by the employer that his employees really wanted the trade union. The problem is a credibility gap and flows from the process of certification. The court support system causes abuses and whether or not those abuses in fact exist or just perceived to exist, does not really matter. The employer enters into his first negotiations with massive skepticism about the real power of the trade union; massive skepticism about the real support in the work place of that trade union. It is that lack of confidence in the real support of the trade union which causes so many employers to force the union into a strike situation. Employers psychologically requires a demonstration that a union has confidence in the work place. It is that same skepticism about real union support which causes employers to test matters before the Labour Relations Board and test matters before the courts. Most important is that same skepticism which results in the hard feelings which frequently lasts for years after certification. I hope that the government will give to this House its position on establishing some sort of field vote as has Nova Scotia and British Columbia. Both take secret ballots in the field under the auspices of the Labour Relations Board. In Nova Scotia, they don't always count the ballot, but it's there, that field vote, it's available to them if they lack support in the cards that are filed by the union when certification is requested. The field vote is taken as soon as the question of certification arises. The system in those two provinces has gone a long way to assist the Labour Relations Board to resolve difficult problems regarding support. It goes a long way to satisfy the employer that the trade union is indeed wanted by the workers. A field vote ends all the old wives' tales that I hear from my colleagues particularly, about employees voting when they were half drunk, or employees not understanding what

they were voting for, or employees changing their minds. Those are the problems of lack of confidence that we hear and you perhaps hear as well from employers. Certifications, other than those given voluntarily by employers should be based on a secret ballot; that would end the need for the time consuming and cumbersome procedures to establish evidence of membership support, presumably required, it would do much to end the initial legal wrangling.

Secondly, by cutting down on the number of discretionary powers of the board, we would cut down the litigation which causes hard feelings and expands. This change would diminish hard feelings, which lawyers within the Labour Relations Board adversary system inadvertently encourage. Codification of picketing rules for all parties and more automatic imposition of penalties for breaches of the law, or breaches of collective agreements would also reduce that legal wrangling before the board and stop unions and management alike from using the Labour Relations Board as an instrument of negotiations and a gadfly to bite at each other. You people wonder why you are losing support in the co-op movement, you wonder why co-op leaders are angry with you. Well, one need look no further than at the atrocious performance of the Retail and Wholesale Workers in the consistent harassment of the co-op movement in Saskatchewan, than to know that we have to reduce the abuse and misuse of the Labour Relations Board. Those are the three areas to which I address myself and about which I expect response from the government.

I hope the response will be thoughtful and not the song and dance about how the old line parties are out to get the working man. That's garbage, so is the bit about how the NDP stands for the little man. Don't tote out the tommyrot about the aim of the trade union movement is to maintain industrial peace, and for that reason we do not think there should be any changes — that line is almost worse than deception.

The Minister of Mineral Resources talked today about Liberals and Conservatives being puppets of big international companies. That's not the case. There is one thing that appears even closer to the truth than that, and that is that your government — if there are puppets in this House, and if those strings are tied — your government are puppets of the trade union leadership. These questions ask you to decide whether you want to serve working men and women or whether you want to serve union leaders.

Three questions are put simply: is the first priority justice to the individual trade union member or protection for trade union management? (Interjection — about Hamilton Berger . . .)

2. Are you encouraging management to hand over control completely (I'm just remembering who Hamilton Berger is and in this case Perry Mason is a woman, Marjorie Gerwing.) Where was I? Mr. Speaker, I suppose it all comes to one question. Does the government stand with the working man and the taxpayers of Saskatchewan, or does the government stand with big international trade union management instead?

SOME HON. MEMBERS: Hear, hear!

MR. D.H. LANGE (Bengough-Milestone): — Mr. Speaker, I may have a few words to say on this issue, and I beg leave to adjourn debate.

Debate adjourned.

The Assembly adjourned at 12:55 o'clock p.m.