

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Eighteenth Legislature

November 30, 1977.

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

WELCOME TO STUDENTS

HON. E.L. COWLEY (Biggar): — Mr. Speaker, I take great pleasure in introducing to you and through you to this House a group of students from the Harris School in my constituency who are seated in the Speaker's Gallery. They are here this afternoon to watch the proceedings and I am sure that all members of the House will do their best to provide them with a look at how our parliamentary system works.

They are accompanied by their teachers, Mr. Buehler and Mr. Hatchen. I'll be meeting with them later on after the question period for a few minutes and I hope to have an opportunity then to answer some of the questions I may not get an opportunity to answer here in the House. Thank you, Mr. Speaker.

HON. MEMBERS: Hear, hear!

MR. H.W. LANE (Saskatoon-Sutherland): — Mr. Speaker, we have with us today a group of Grade Eleven and Twelve students from Evan Hardy Collegiate which is located in my constituency and I wish to introduce them to you, Mr. Speaker, and through you to the members of this House.

Evan Hardy Collegiate is one which has won numerous awards and which has a fine record of performance by both the staff and students and I commend them to you, Mr. Speaker. I ask the members to join with me in giving them a warm welcome. I'll be meeting them later on in the rotunda and I hope their stay here is informative. Thank you, Mr. Speaker.

HON. MEMBERS: Hear, hear!

QUESTIONS

CIGOL CASE - LEGISLATION

MR. E.C. MALONE (Leader of the Liberal Opposition): — Mr. Speaker, I would like to direct a question to the acting temporary house leader, who I believe at this time is the Minister of Transport (Mr. MacMurphy), unless it has been changed overnight.

Mr. Minister, we are, of course, awaiting the legislation which we have been advised will come in Friday to patch and repair Bill 42. I am asking the minister at this time, Mr. Speaker, to give this House an assurance that the government will not seek to ram through this legislation and will permit proper time so that we can have a proper debate and what proper deliberations are necessary to consider this legislation take place.

HON. G. MacMURPHY (Minister of Municipal Affairs): — Mr. Speaker, I think in every situation in this House there is always ample time to debate. Certainly the members on this side will be prepared to debate the issue and I would hope that the members

opposite would be in the same position.

MR. MALONE: — Supplementary question, Mr. Speaker. Is it the government's intention to have this legislation passed prior to this House adjourning before Christmas?

MR. MacMURCHY:— The position of the government is that the legislation be passed before adjourning, if we are talking about the normal kind of adjourning and picking up later on in the spring. It is our hope and our intention to pass the legislation before adjournment.

MR. MALONE: — A supplementary question, Mr. Speaker. If we in the opposition determine that we require more time to examine this legislation to give it the proper deliberation that is required, will the government accede to our request and delay the passage until after Christmas in the spring session?

MR. MacMURCHY: — I'm sorry, Mr. Speaker, I wonder if the hon. member could repeat his question.

MR. MALONE: — I think the Attorney General heard it. My question is, Mr. Minister, if we in the opposition decide that we require more time to properly consider the legislation and if we request the government to put the passage of the legislation over to the spring term, whenever it commences in January or later, will the government accede to our request at that time?

MR. MacMURCHY: — Mr. Speaker, I don't think I can respond to the hypothetical question of the hon. member. I think that he is anxious to see the legislation and having seen the legislation he will have an opportunity to consider it and speak to that legislation.

REDUCTION OF INCOME TAX IN MANITOBA

MR. R.L. COLLVER (Leader of the Conservative Opposition): — Mr. Speaker, today the Manitoba government has announced a reduction in income taxes on individuals and small businesses, thereby stimulating investment in the private sector and stimulating the economy. This means Saskatchewan with not only the highest income taxes in Canada but far out of competitive step with our immediate neighbors in western Canada. In order . . .

MR. SPEAKER: — Order! Does the member have a question?

MR. COLLVER: — Yes. In order to remain competitive and to encourage investment, is your government prepared to elect similar reductions before the Budget in the spring?

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, I understand that the Manitoba government proposed to do it at the budget in the spring. The news report indicates that it will be effective January 1 but will be enacted in the spring. Our policy will be announced in due course.

MR. COLLVER: — Mr. Speaker, a supplementary. Is your government prepared to announce today in order to ensure that the competitive situation in Saskatchewan remains not totally out of step with the two neighboring provinces that a similar kind of reduction will be included in your Budget estimates in the spring as has the Manitoba

government?

MR. BLAKENEY: — Mr. Speaker, I doubt whether announcements change the competitive position and accordingly announcements will be made of government policy in due course. We see no reason now to announce what may or may not be in the provincial Budget.

MR. COLLVER: — A supplementary, Mr. Speaker. In light of his answer today in terms of the income tax reductions and the deterioration of the investment climate as a result, today in addition, you announced that some members of your caucus and your Cabinet are pressuring you to call a provincial general election. Apparently they feel the need for the people to make a decision on the proposed actions of your government. Before introducing the bill on Friday, before introducing the bill this week that he proposes to correct the actions which could seriously damage the reputation of Saskatchewan by the mere introduction of the bill and could seriously damage the investment climate further in Saskatchewan, will you consider . . .

MR. SPEAKER: — Next question.

APARTMENT VACANCY RATE

MR. G.N. PENNER (Saskatoon Eastview): — During the past week there have been a number of comments in the press regarding the increased vacancy rates for apartments. I wonder in light of that and because the minister and his predecessor earlier indicated that the supply-demand factor was really the key to the rent control legislation, what time line does the minister and his office have with regard to decontrol and taking rent controls off altogether?

HON. E.C. WHELAN (Minister of Consumer Affairs): — I believe the first reference was to the fact that there were a great number of vacancies. I'm not sure where, I'm not aware of the clippings that he is talking about. But I can tell you this, that we're doing continuous surveys and contacting all of the landlords, keeping track of Central Mortgage and Housing reports and if there is a vacancy rate such as he is suggesting, we don't agree, we don't find that situation at all.

As far as the decontrol period, if the situation develops to a point where there is a vacancy rate that will adequately house the people in need of housing, that will provide housing without any hardship to those who are in rented accommodations, then we will decontrol rentals, but at the present time that is not in prospect. We do not find the vacancy rate adequate to justify such an action.

MR. PENNER: — A supplementary to the minister. Would the minister not agree that when a large municipal government, in this case, the city of Saskatoon, is able to put a freeze on apartment block construction in a large area of the city, that it itself recognizes that the supply-demand factor has been met?

MR. WHELAN: — Well, I don't know what the city of Saskatoon is doing and I don't think that's the reason they're putting the freeze on to begin with. But certainly for a monetary situation, continuously we're doing it with the statistics that are available, with interviews we're keeping track of it and certainly there isn't a vacancy rate in Saskatoon to justify decontrol and if we did, I think we would find that most people, a great number of people would be suffering a hardship, and we don't intend to allow that.

MR. PENNER: — Mr. Speaker, final supplementary. Would the minister not recognize the fact that the construction starts for apartments in the city of Saskatoon alone this year, have been in excess of 2,000 and that the vacancy rate in the city of Saskatoon and in the city of Regina is now approaching the area of being between 3 and 5 per cent?

MR. WHELAN: — We are well aware that the housing program to this government has hit new heights this year and that there is a good construction rate in the city of Saskatoon. It has set a record and the same situation exists in the city of Regina, but we do not agree that the vacancy rate is as has been suggested.

MR. PENNER: — This requires a further supplementary if I may.

MR. SPEAKER: — Next question.

CALL GENERAL ELECTION

MR. COLLVER: — Directed to the Premier. Will you call a provincial general election before introducing the bills purporting to correct the bungling of the CIGOL case, in the light of the potential damage that has been done and will be done by those bills to Saskatchewan's reputation, to the investment climate in Saskatchewan and to your response earlier to my question of whether you would remain in competitive step as it relates to taxation in the province of Saskatchewan?

MR. BLAKENEY: — Mr. Speaker, the Attorney General has given notice of the bill in question for first reading on Friday. It seems a bit premature to call an election between now and Friday. I know many hon. members would suggest this, because they know in that way, the bill in question would not be passed and accordingly their oil companies would be free of taxation. But in the judgment of our government, our first duty is to protect the revenue, our belief that we have a right to get revenue from that oil and only secondly, do we have an obligation if it arises, to seek the opinion of the public on whether or not the broad policy is accurate.

MR. COLLVER: — Supplementary question, Mr. Speaker. Would the Premier not agree that the revenues that he might possibly derive from the new bill for 28 days which is the election writ period, is far less than the potential liability of going on with a total loss of Saskatchewan's reputation as a place for private investors to invest?

MR. BLAKENEY: — Mr. Speaker, I entertain no belief, that private investors are withdrawing their investments from Saskatchewan. I earlier, in this House, gave indication of vastly increased investment in oil, in uranium and there are significant investments in other areas. There is simply no factual basis to the proposition that investors are not investing in this province.

MR. MacDONALD: — Supplementary, if the Premier has indicated that he is not willing to go to the public for an opinion, would he accept an amendment on the oil bill, that I will move, recommending that it go to the Law Amendment Committee or public hearings or even to strike a new constitutional committee in order . . .

MR. SPEAKER: — Order, order! I will take the next question.

SEAT BELTS

MR. A.N. McMILLAN (Kindersley): — A question to the Attorney General in his capacity as the chief lawmaker in Saskatchewan. In view of the fact that the Department of Highways hasn't put up signs along highways crossing our provincial boundaries stating that seat belt use is mandatory, I would like to know if it is the intention of the government to prosecute, or are they presently prosecuting visitors to our province who quite unintentionally violate our seat belt law?

HON. R. ROMANOW (Attorney General): — Mr. Speaker, the position of the province is that violators of the law, like any law, when apprehended, are brought before the courts in the proper and just course. There may be, on occasions, reasons for the granting thereafter of a clemency application which has been made historically for years on something akin to a visitor situation being unaware and uninformed about the provisions of Saskatchewan. Personally I have not yet received any such applications. I think it would be a dangerous precedent to direct the police not to prosecute certain classes or types of people in the province of Saskatchewan.

MR. McMILLAN: — Then would the minister, in view of attempting to eliminate the sort of unnecessary surprise that some of these visitors to our province are undoubtedly in the process of getting, would the minister give this House the assurance that he will approach his Minister of Highways to see if they can't take some steps to erect highway signs informing our welcomed visitors to this province that it is mandatory in Saskatchewan to wear seat belts?

MR. ROMANOW: — Well, Mr. Speaker, I think this is a good suggestion. I will undertake to advise the Minister of Highways of the suggestion. The member will know, of course, that there have been for some time the buckle-up voluntary signs on the highways throughout the province of Saskatchewan. You are suggesting that we should specifically pinpoint that it is now mandatory and by law and I think that it is a suggestion that is worthy of further consideration and I will undertake to communicate that to the Minister of Highways.

SOME HON. MEMBERS: Hear, hear!

ANSWER TO QUESTION

HON. E. TCHORZEWSKI (Minister of Health): — Mr. Speaker, Monday last the member for Rosthern (Mr. Katzman) asked a question about the Saskatchewan Prescription Drug Plan. I said at that time that he was wrong in the suggestion that he was making and that the answer to his question was 'no', but I also indicated . . .

MR. MERCHANT: — Order, order, Mr. Speaker

MR. TCHORZEWSKI: — I am answering a question, may I do that, Mr. Speaker? I indicated, Mr. Speaker, that I would reply at greater length to his question after I had an opportunity to check into the background. Since that time I have had an opportunity to read the question in Hansard, and quite frankly I'm rather disturbed and appalled at the allegation made in the question. The question was, before I answer it, Mr. Speaker: Why is there a kickback system from the wholesalers to the government of Saskatchewan on drugs bought from the Ayerst Company? Well I want to say, Mr. Speaker, and make it very clear to this House that the Saskatchewan Prescription Drug Plan is not involved in any kickback system.

SOME HON. MEMBERS: Hear, hear!

MR. TCHORZEWSKI: — Mr. Speaker, we are not aware of any rebates paid by Ayerst to Saskatchewan wholesalers. The wholesale contract between the Minister of Health and the wholesalers forbids all rebates except for the cash discounts for prompt payment. Now the hon. member may have been referring to something which he did not quite understand in his allegation, and that is, Mr. Speaker, that ensures actually there is a method where the Drug Plan — that price reductions made by drug manufacturer in the rest of Canada also benefits the people of Saskatchewan.

If a drug manufacturer (I'm answering the question, member for Wascana) on a competitive basis is awarded a standing offer contract and then reduces his price to meet other competitive forces in the rest of Canada after the Saskatchewan formulary is printed, the reduced price to the wholesale is rebated to the Drug Plan.

Mr. Speaker, in further answer to his question, this administrative procedure was recommended to the Drug Plan by the Saskatchewan Pharmaceutical Association and the Saskatchewan based wholesalers as a means of simplifying the pharmacy billing procedure in ensuring that price reductions are captured by the Drug Plan. It ensures that the Drug Plan obtains the best possible price for drug materials.

Mr. Speaker, I challenge the member who made this smear to provide the evidence or withdraw the accusation he has . . .

MR. SPEAKER: — Order, order, order! I think it is not befitting the rules of the Question Period to issue a challenge at the end of a ministerial statement.

MR. COLLVER: — Is it not true that the Saskatchewan Drug Plan is rebated by the wholesalers for drugs bought by the hospitals at the original price, and therefore the Saskatchewan Hospital Plan is, in fact, reimbursing the Saskatchewan Drug Plan?

MR. TCHORZEWSKI: — Mr. Speaker, I am not aware of that happening. If the member for Nipawin has some evidence that the member for Rosthern does not have, I would be happy to have it so that I can pursue it further. My comment is, there are no kickbacks and that is the allegation — the kickbacks is what the problem is, and I think that the member creates a smear on people involved in the plan when he makes that allegation.

MR. SPEAKER: — Order!

QUESTION

MALTING PLANT

MR. LANE (Saskatoon-Sutherland): — Mr. Speaker, a question in absence of the Minister of Industry, to the member for Biggar. Is it not true that in regard to the Henninger Malting Plant, located in your constituency, that the major investors from Germany have now pulled out of this investment, or abandoned their participation, and that now, in fact, the people of Saskatchewan are on the hook for some \$12 to \$14 million?

HON. E.L. COWLEY (Provincial Secretary): — Mr. Speaker, I am not aware of any investors who were originally involved in the plant having withdrawn.

MR. LANE: — It was our information that Henninger Malting, Saskatchewan Ltd., and a group of German investors had in fact, been involved, and SEDCO's involvement was to the tune of some \$12 to \$14 million in participation. My question is this: If in fact, there was no pull-out by German investors from this malting operation, why are you then now negotiating with Saskatchewan Wheat Pool for the takeover of the operation?

MR. COWLEY: — I am not now negotiating for with the Saskatchewan Wheat Pool for the take-over of the operation. I can't respond to the member with respect to whether or not SEDCO is carrying on any discussions with the Saskatchewan Wheat Pool. I know there have been discussions in the past between the Wheat Pool and SEDCO and Henninger Malt, or Prairie Malt as it is now called, a Saskatchewan name, with respect to acquisition of barley which is used in the process. I will, however, take notice and respond to the member when I have had a chance to check with the officials from SEDCO.

MR. LANE (Saskatoon-Sutherland): — Final supplementary, Mr. Speaker. I see that the member for Melfort is now here. I would ask him in his capacity as Minister of Industry, is it not true, to your knowledge, that the government is now carrying on negotiations with the Wheat Pool and since the people of Saskatchewan are now saddled with this \$14 million, odd, operation that you are going to attempt to saddle it on the farmer membership of the Wheat Pool?

HON. N. VICKAR (Minister of Industry and Commerce): — Mr. Speaker, I understand that you are talking about Prairie Malt, and I have no knowledge whatsoever that we are negotiating with the Saskatchewan Wheat Pool. Prairie Malt has not given us that indication at all.

CPN CABLE

MR. MERCHANT: — Mr. Speaker, a question to the Attorney General. Has the government decided to abandon CPN and not guarantee the \$2.6 million loan? Is it not the case that the government indicated to CPN that if they got 4000 subscribers, you would guarantee the loan? They have now passed 4000 subscribers by some considerable mark — there are 6000 subscribers, and I ask the minister whether you have not now discovered that you cannot make both CPN and conventional cable operate; that you have found that you cannot function with both, and you're faced with the prospect of letting them down gradually, or cutting off their neck in one way or another?

HON. R. ROMANOW: — No, no, no, and no.

MR. MERCHANT: — Since the government had indicated some time ago that they would give an indication to CPN — CPN has been advertising that they will be on the air shortly, is the government going to shortly be deciding, and can you give to the House, an indication of when you will decide and make that information public, or is the problem that you're spending too much time with past mistakes, and can't work on the future mistakes?

MR. ROMANOW: — As soon as possible, and no.

ABANDONED RAIL LINE PROPERTY

MR. R.H. BAILEY (Rosetown-Elrose): — Mr. Speaker, I would like to direct a question to the Minister of Municipal Affairs. Yesterday, you indicated to me in question period, that it was your intention, the intention of the government to establish special planning areas for the abandoned railway property. Mr. Minister, will the establishment of such planning areas at particular sites that have now been abandoned, will the establishment of the area itself prohibit or bring to an end, negotiations that are currently going on between the railway and a private citizen? Will that negotiation for sale be brought to a standstill?

MR. MacMURCHY: — No.

MR. BAILEY: — A supplementary question, Mr. Speaker. Will the Minister, then answer this question? If the sale can be conducted at the present time, and while the property of the abandoned lines are definitely in the interests of Saskatchewan citizens, do you not think it advisable to settle the question of ownership of this property for the citizens of Saskatchewan and to proceed to do so among the three parties involved, the federal government, the railway and the government opposite.

MR. MacMURCHY: — Mr. Speaker, we would be very pleased to see the recommendations of the Hall Commission on abandoned right-of-way implemented - the position, which is very clear, that they be transferred to the provincial Crowns in each case. That's not the position of the federal government. We are in the process of negotiation and discussion with the federal government on the implementation of the report. But in the mean time, we have seen some rights of way abandoned and we felt it necessary to establish the planning areas to make sure that the land in question would be used in the best interests of the local community itself.

MR. BAILEY: — Supplementary question, Mr. Speaker. Let's say, Mr. Minister that in fact a sale is completed between the railway and an individual, will you allow the new purchaser of the railway property the right to do with that property as he sees fit?

MR. MacMURCHY: — The use of land, land use as in terms of the planning thereof, has always been a (for some time at least) power that's been in the hands of the municipalities which has been shared with the Community Planning Branch in most recent years in the Department of Municipal Affairs. There really hasn't been any change in that particular planning aspect. Rather than use single municipalities which may be along the abandoned right-of-way, we are proposing to establish a planning area and establish within that planning area a planning commission which will decide the best use of the land by planning by-laws.

APARTMENT VACANCY RATE

MR. McMILLAN: — Mr. Speaker, a question to the minister responsible for rent controls in Saskatchewan. I would like to ask the minister what percentage vacancy rate in the province of Saskatchewan would the minister think necessary before he would consider taking the initiative to disband the Rent Control Commission in Saskatchewan?

MR. WHELAN: — I think we have avoided giving a percentage rate; it will have to be fairly high in some instances. I think there is a great danger in making that kind of a commitment because the vacancy rate may exist because the rents for those apartments that are vacant are around \$400. There are many people who cannot afford to pay \$400. I think that we will constantly keep that under survey, we're doing that all

the time, we are monitoring it regularly. When we feel that those in need of rental housing can handle it without any great hardship, we will consider carefully decontrols. We have as you know, decontrolled accommodations in some areas; we have established some areas where the rental regulations are only subject to appeal. We have moved, because as someone pointed out earlier today, this year there has been record construction of accommodation. In addition, the Saskatchewan Housing Corporation is introducing policies that will make available housing for people in the lower income groups. When the situation arises where there is enough housing, and that's the answer to the problem to adequately and properly house the people of this province, then there will be decontrol.

MR. McMILLAN: — Supplementary, in view of the fact that . . .

MR. SPEAKER: — Order! Ministerial Statements.

MR. BLAKENEY: — Mr. Speaker, may I rise on a point of order?

MR. SPEAKER: — Perhaps before orders of the day.

CORRECTIONS TO DAILY HANSARD - November 25, 1977

MR. SPEAKER: — Before Orders of the Day, I have two or three items which I would like to get out of the way which I have been unable to up to this point due to other circumstances.

I want to take the opportunity to correct the record on Page 270, this is November 25, 1977 - 10:00 a.m., where I have spoken. I wish to correct the record by substituting the word 'properly' for the word 'improperly' as it exists there - page 270 and the statement will then read:

I must take this opportunity to remind the Attorney General that he has been properly in order up to this point, etc., etc.

I want to take this opportunity to apologize to the member for Wascana (Mr. Merchant). On November 24, the Hansard for 2:00 p.m., page 208, I improperly cut the member off from a point of order which was a legitimate point of order, and I have examined the record and I want to apologize to him at this time for doing that.

POINT OF ORDER ON QUESTION PERIOD

MR. E.F.A. MERCHANT (Regina Wascana): — Before the Orders of the Day, Mr. Speaker, I wonder if I could have some instruction on Question Period. I wondered why I was ceremoniously sat down last Thursday.

AN HON. MEMBER: — There was no ceremony to it though.

MR. MERCHANT: — There was quite a bit of pomp and ceremony surrounding it, we were on radio at the time. I hadn't had an opportunity to raise the question because points of order would have been on radio at any other time and I didn't want to draw attention to the fact that I had been sat down at any time.

Of greater substance, because the first question was really only for my information, I wondered really when you get to the Thursday matter, I wonder whether you had run

out of time because that was the only reason that I could think of, that question period had expired.

Secondly, I noticed in question period today that while the hon. member for Nipawin stood to ask a second question, the hon. member for Kindersley was rising to ask a first question. I am wondering whether you will so rigorously go from one party to the other, that even where a member has previously asked a question, it will mean that one party can have a second question - I encourage you that that would be a bad policy because it could mean that say, the hon. member for Prince Albert if given the leave by his party could so dominate question period that he might have three or four questions while other hon. members - if his party stood aside. I noticed that was the effect and I didn't know whether that was by inadvertence or whether that is the policy that you will be taking.

MR. SPEAKER: — With regard to the first point the member raised regarding last Thursday, I'll refresh myself as to why the member was ceremoniously sat down.

With regard to the point raised today, there was a question that intervened between the member for Nipawin and - again recognizing the member for Nipawin - the member for Saskatoon Eastview asked a question and a couple of supplementaries. My position has been that I recognize the two groups in the opposition alternately. If they have decided among themselves that one person can ask two questions in a row, that's up to them. I think that is something they would thrash out in their caucus. Now had there been another member in the third group in the House standing at the same time, I may have recognized that person rather than the member for Nipawin because the member for Nipawin had the previous question from that caucus.

MR. C.P. MacDONALD (Indian Head-Wolseley): — Rarely do I ever challenge ruling that the Chair makes. In this particular case I would like to ask why, Mr. Speaker, I was not permitted to ask a question because there was no way that you could have legitimately known whether it was a legitimate question or not because I didn't even get the sentence half finished. Then at the same time you permitted the Minister of Health to prate on like a cackling hen for 15 minutes when, Mr. Speaker, he was clearly reading and . . .

MR. SPEAKER: — Order, order! If the member would just raise one point of order at a time, I would try and deal with it. Before the member for Indian Head-Wolseley got the question out, I had determined that it was hypothetical. I'll let him in on the secret. He said, "If I were to offer an amendment to a bill which you have not submitted . . ." (Interjection of laughter.)

DIRECTING QUESTIONS TO PROPER MEMBERS

MR. BLAKENEY: — Mr. Speaker, I want to raise a narrow point of order and that is having regard to the questions directed by the hon. member for Saskatoon-Sutherland to the Provincial Secretary on a SEDCO matter. The Provincial Secretary is not the minister in charge of SEDCO. They were directed presumably on the grounds that the business in question was in the constituency of the hon. member for the Provincial Secretary and they were addressed to him as the member for Biggar. I simply want to underline the fact that that, in my judgment, is not appropriate and that the questions should be directed to the member of the Cabinet who has the jurisdiction for the particular area in question.

May I also comment in passing that any references to the hon. member for Prince Albert dominating the question period are really quite unfair. Mr. Feschuk has been very quiet and should not have any suggestion levied that he is monopolizing the time of the House.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: — I think that the Premier (Interjections) — if I may break in for a moment (Interjections of laughter.) I think the Premier's point of order is well taken. The problem is that when a member from that side of the House in effect misdirects a question to a Cabinet minister, I would hope that the minister would decline to answer it. If he directed it to a backbencher, I obviously would have risen immediately and said that he can't direct a question there but he directed it to a minister. I am in a difficult position in that I can rule it out of order and the member has lost his question or I can let the minister decline it and maybe the proper minister would pick the matter up. So I would encourage members to direct the questions to the proper target.

MR. BAILEY: — I think the point that the Premier raises is well taken, however, I think the Premier has to understand that the Minister of Industry and Trade and Commerce was not in the House at the time and that was the reason why the member for Saskatoon-Sutherland directed the question to the minister for Biggar.

MR. COLLVER: — I would just like to add to that, if I might, speaking to the point of order, for if the Premier is suggesting that if some reason the minister doesn't happen to be in the House and the question we feel is of some importance, that we should always direct the question to him as the Premier, then we would be happy to do so. It was our understanding that we were attempting to try and spread it around a little bit, spread the joy a bit. If he wants all the questions, we'll certainly give them all to them.

MR. SPEAKER: — Are there any further items on the orders of the day?

ADJOURNED DEBATE

ADDRESS-IN-REPLY

The Assembly resumed the adjourned debate on the proposed motion of Mr. N. Lusney (Pelly) for an Address-in-Reply.

HON. W.A. ROBBINS (Minister of Co-ops): — Mr. Speaker, at the conclusion of my remarks last night when I adjourned debate, I made some comments with respect to the alacrity and ease with which members of the Liberal caucus has transferred its allegiance to the Progressive Conservative caucus. I make specific reference to the member for Thunder Creek and the member for Qu'Appelle. After listening to the contribution in the debate of the member for Thunder Creek yesterday, I was interested in seeing a news item where it showed a picture of the hon. member for Thunder Creek and said, "Colin Thatcher's debate was silly." I would suggest that the word 'debate' should be deleted.

In entering the debate, Mr. Speaker, opposition members have hammered away at the idea that inflationary trends were the responsibility of the government of Saskatchewan. This is particularly true of the hon. member for Saskatoon-Eastview (Mr. Penner) who contended that the government's actions in Saskatchewan were major

factors in terms of inflationary trends. I think it quite logical, Mr. Speaker, that everyone should be concerned about inflationary trends, not only within the province but within the country and indeed around the world. If we are logical and reasonable people we must necessarily face the realities of the economic facts that exist.

Opposition members and in particular the Liberal financial critic, the hon. member for Saskatoon Eastview, attempts to for inflation pin the blame on the New Democratic Government of this province. I would ask the hon. member for Eastview to look at the facts. The facts are a matter of record. Every administration in Saskatchewan for more than three decades has exercised good fiscal responsibility. This was true of the Douglas administration, it was true of the Lloyd administration, it was true of the Thatcher administration and it is certainly true of the Blakeney administration. In their respective terms of office they recorded to this date 30 surpluses and three deficits. Mr. Speaker, the entire theory of Keynesian economics is primarily based on a rather simplistic premise that a government or a central authority should build surpluses in relatively prosperous times and in run deficits in periods of economic downturn.

The theory is, of course, Mr. Speaker, designed to level or smooth out the boom and bust tendencies in the economic cycle. Successive Saskatchewan governments have followed the Keynesian approach in their budgetary practices. If governments, particularly central governments, refrain from adhering to the Keynesian theory they are inclined to support the classical theory of economics as expounded by the Milton Freidman School of Chicago. That theory asserts that economic stability can be attained in large measure by merely controlling the money supplied. The fallacy of this approach, Mr. Speaker, is exemplified in the fact that governments in large measure have lost control of the money supplied.

People today in our society often going into debt at an excessive rate, print their own money by such means as the use of credit card facilities such as Chargex and Master Charge and that is a major factor in this country in terms of loss of control of the money supply. Consumer debt in Canada has risen in the last decade from \$5 billion to an excess of \$30 billion. The consuming public has really shunned the Keynesian approach by accumulating heavy debt in relatively prosperous times and have therefore lost their flexibility when confronted with economic downturn.

The federal government, Mr. Speaker, the central authority in this country, has followed the self same road. Mr. Speaker, when a government runs deficits and extends more than it takes in and thereby increases demands on the market place, it creates inflationary factors. By means of comparison I suggest the hon. members may well look at the comparable records of the provincial government of Saskatchewan and the federal government of Canada over a comparable period. I particularly recommend this comparison to the hon. member for Saskatoon Eastview. He should really look at the facts.

I will start with the fiscal year ending March 31st, 1957. I do that for a reason to make it comparable with the similar situation which has occurred in terms of the central authority in Ottawa. Let's look at the 21 budgets at both the provincial and federal levels since that date.

Mr. Speaker, in 1957, we had a CCF administration in this province under Premier T.C. Douglas, it was followed by the Lloyd administration up until 1964 Mr. Thatcher

took over on the Treasury Benches. In the period from 1957 to 1964 inclusive, there were six surpluses and two deficits. The deficits occurred in 1961 and 1962. These occurred after the province had suffered an extremely poor wheat crop in 1961 which averaged about six bushels per acre. I would remind the members of this House that this province was proportionately much more dependent on agriculture in 1961 than it is today and, Mr. Speaker, it is still largely dependent on the agricultural industry. It is obviously the basic industry in this province. If you look at the statistical facts in 1975 the net income to farms was \$1,471,000,000. Last year in 1976 with the biggest production of grain in our history the net income of farmers dropped to \$1,148,000,000. It dropped by \$323,000,000 in a year when our product was the highest it had ever been and the quality of that crop, Mr. Speaker, was the highest ever attained in this province. We don't suffer production failure in this province, we suffer price failure and that is common in terms of the basic industry in this province.

The six accumulated surpluses under the Douglas and Lloyd administrations, from 1957 to 1964 inclusive, totalled \$56,458,575. The two accumulated deficits totalled \$5,780,602 but the net accumulated surplus during that period was \$50,677,973.

The Thatcher administration was elected in April, 1964. That administration has seven surpluses totally \$20,917,646. According to our friends opposite, Mr. Speaker, that was a tremendously competent, efficient government. It averaged during the period about \$3 million a year in surpluses. The preceding administration averaged better than \$6 million per year in surpluses.

In 1971 the Blakeney administration, a New Democratic Government, was elected. Since 1971 there have been five surpluses and one deficit. The accumulated surpluses totalled \$121,578,586. The deficit of \$22,403,000 occurred in the fiscal year ending last March 31 and can be totally attributed, Mr. Speaker, to the \$30 million of special assistance provided to Saskatchewan beef producers. I asked the members opposite if they complained about the \$22 million deficit that occurred last March if they are opposed to the \$30 million paid out to the beef producers in grants and allowances. The accumulated surpluses less the one year deficit nets out to a figure of \$99,175,343, an average surplus in the last six years, Mr. Speaker, of \$16.5 million per budget. Strange thing, Mr. Speaker, that the so-called efficient, competent free enterprises of the Thatcher government could only achieve an average surplus of \$3 million per budget as compared with better than a \$6 million surplus average of the Douglas and Lloyd administrations which preceded it, - \$3 million compared with an average budgetary surplus of more than \$16.5 million achieved by the Blakeney administration since its election in 1971.

Now, Mr. Speaker, if we want to look at a real culprit, in terms of inflationary trends, we should look at the federal government record since 1957.

Now should we be content to look only at, or be critical of, the present Trudeau administration.

It all started in 1957 under Prime Minister J.G. Diefenbaker and Finance Minister Donald Fleming. The Pearson administration provided similar inflationary stimuli under Edgar Benson and John Turner, and the Trudeau administration's Finance Ministers of Turner, MacDonald, and Chretien are right on course.

Mr. Speaker, from 1957 to date, Saskatchewan administrations have achieved 18 surpluses and three deficits. In the same period, Mr. Speaker, federal administrations

have had 18 deficits and three surpluses for a net deficit position now totalling almost \$30 billion.

Mr. Speaker, when a government spends more than it takes in, it creates inflationary pressures in the market place.

One wonders how a Saskatchewan Liberal dare, the hon. member for Saskatoon Eastview, how he can so totally ignore the facts in relation to the inflationary trends in this country. We in Saskatchewan, Mr. Speaker, cannot insulate or isolate ourselves from the inflationary impact of those federal policies. Every truck, every combine, every automobile, most of our consumer goods come in over our borders.

Federal government financial policies have much greater inflationary impact on Saskatchewan residents than those of this government.

In addition, Mr. Speaker, successive Saskatchewan governments have exercised fiscal responsibility — successive federal governments, both Progressive Conservative and Liberal, simply have not.

The facts speak for themselves.

Mr. Speaker, I would be remiss if I did not make a few remarks concerning our resource situation and Bill 42.

Mr. Speaker, the Supreme Court majority opinion apparently concluded that the Royalty Surcharge and the Mineral Income Tax raised the price of Saskatchewan crude oil to consumers in Manitoba, Ontario, and the mid western United States.

They apparently concluded that our natural resource, crude oil, crossing interprovincial and international boundaries was affected by our tax policies — and therefore ruled this was an indirect tax which came under federal jurisdiction.

Mr. Speaker, I would contend there isn't a single shred of evidence that our tax policies affected the final price in any way. The price of crude oil in Canada is set by the federal government - which is a matter of policy, moving toward the world price. Is anyone naive enough to believe that had we levied no tax at all, the price of crude oil would be below the current world price?

The world price for decades was set by the multinational oil companies — the Seven Sisters, Mr. Speaker. I commend this book called the Seven Sisters, the great oil companies and the world they shared, to every member in this House. They would do well to read it. The Seven Sisters: Exxon, Esso as we know them in this country, Gulf, Texaco, Mobil Oil, Socal, which is termed Chevron if you look at their service stations in the United States, Shell and BP. If members would take a brief look at the history of these companies they would learn a great deal of who controls the economies of this world.

From the days of Rockefeller to Mellon to Teagle to Samuel to Detering to Drake and to Jamieson these facts clearly come out. In America, it all started with a company called Standard Oil of New Jersey. The anti-trust laws broke up that combine and it simply divided into five parts and then clanned underneath and behind the scenes, co-operated on exactly the same basis as it had operated before. Those five companies are Socony, which was the Standard Oil Company of New York, now known as Mobil

Oil, Socal, Standard Oil of California the Chevron stations, a break off from Standard Oil; Exxon, the main part of Standard Oil, and even Gulf and Texaco had close relationships with those three. Shell and Royal Dutch amalgamated in 1907 and Angolranian became Anglo-Persian and eventually BP.

Just a brief note about that, Mr. Deputy Speaker, if you look at the history you will find that Shell Oil was a British Company. Mr. Churchill, then in the government of Great Britain was concerned about the fact that the Royal Navy might lose its control of oil supplies when Shell became part of Royal Dutch Shell, a consortium with 60 per cent of it owned in Europe and 40 per cent of it own in Great Britain. That's why they were adamant that they set up an oil company initially known as Anglo-Persian late as Anglo-Iranian and eventually as British Petroleum which I ask hon. members to note is still 51 per cent owned by the British government. Of those Seven Sisters, I would argue, that only that one which incidentally is one of the smaller of the seven and has 188,000 employees, so it's not very small, did contribute last year \$400 million in our currency to the British government. These behemoths dominate the world oil scene shared now by the, countries that's agreed, but I want you to note also, Mr. Deputy Speaker, that in fact those companies exploited the middle east terribly during the years prior to the setting up of the OPEC consortium. In fact some of that oil came out of Saudi Arabia at as low a price as six cents a barrel. Most of these companies are much more powerful and much richer than national governments. They dominate the diplomacy in the world economy of the 20th century. I quote, Mr. Speaker, from the Chairman of Exxon, the world's biggest company:

We have formed an exclusive club. Between us we control 90 per cent of crude exports to world markets. We are making world history.

These are the organizations which have effectively controlled the flow of crude oil from oil well into their tankers, through their refineries to their services stations. They have acted in consort through consortium agreements. As a group they have had more impact on the lives of the rural population than any other group in history, ancient, medieval or modern. Even when they are clandestinely co-operating, Mr. Speaker, they pretend they're fighting competitively against each other. Oil men are like cats, you cannot really tell from the sound of them whether they're fighting or making love.

Mr. Speaker, our government decided we would take windfall profits from a Saskatchewan natural resource, profits which suddenly accrued due to events totally outside our borders. The wellhead prices for Saskatchewan crude in September, 1973 averaged \$2.43 a barrel. Over half that price was clear profit to the oil producers. Suddenly the price rose by some \$4.00 a barrel and, Mr. Deputy Speaker, has gone much higher. The production costs of the producing companies did not rise dramatically, Mr. Speaker. We, as representatives of Saskatchewan people, simply say those windfall profits belong to the people of Saskatchewan. Oil is a non-renewable resource. It makes eminent sense for the owners, the Saskatchewan people, to accrue substantial returns from that non-renewable resource. That is our goal, Mr. Deputy Speaker, and it is a thoroughly honorable goal and that is our intention. We intend to carry it out.

SOME HON. MEMBERS: Hear, hear!

MR. ROBBINS: — Mr. Speaker, hon. members should by this time be experiencing little difficulty in concluding that I support the main motion and I do so wholeheartedly.

SOME HON. MEMBERS: Hear, hear!

POINT OF ORDER ON FIRST READING OF A BILL

MR. W.H. STODALKA (Maple Creek): — This afternoon we had first reading of a bill on the new Education Act in the province of Saskatchewan. We still haven't got the bill here in the Legislature. It hasn't been tabled in here and yet there are people in the hallways who have been presented with that bill. Now is that proper? I am wondering about the procedure should we not have received the bill here in the Legislature before bodies outside the Legislature have been given the bill?

MR. MERCHANT: — On a point of order, Mr. Speaker. Your staff is being used to distribute and deal with the material, so that members of the Legislature are not receiving the act, though your staff is collating and sorting the material, then it is being given to the minister and the minister distributes it to the press. Now that is something that comes within your control and something should be done about it.

MR. DEPUTY SPEAKER: — I might just in reply to the point of order — until the bills have been introduced I understand they cannot be numbered and they had to be numbered then after they were introduced accordingly. That is perhaps the delay in your people receiving the bills to then. Now as for anyone outside of the place receiving them, all I can say is that I think perhaps we are prepared to look into that and check on it.

MR. MERCHANT: — Are we going to receive the bill today? The press, everybody, the STF, FSTA, everybody in Regina seems to have a copy of the bill except members of this Legislature.

AN HON. MEMBER: — He already answered you.

MR. MERCHANT: — No he didn't. Are we going to receive this bill?

MR. DEPUTY SPEAKER: — In reply, yes, I would say you will receive the bills as soon as we can get them to you.

MR. STODALKA: — . . . the unnumbered ones then, if it was proper for somebody else to get it?

MR. MERCHANT: — We don't mind.

MR. DEPUTY SPEAKER: — I can only tell you what I have stated to you and if the bill have been distributed elsewhere, we are prepared to look into that. But that is the reason for the delay right now.

The Assembly resumed the interrupted debate on the Speech from the Throne.

MR. H.W. LANE (Saskatoon-Sutherland): — Mr. Deputy Speaker, I would be remiss if I did not congratulate the mover of the motion and the seconder. I am sure that the mover will become as popular and as well-liked as the man he succeeds in this Assembly, although I am sure the member will understand my reluctance to wish him equal tenure in these Chambers with that of his successor for Pelly.

Speaking of tenure, Mr. Speaker, I would suppose that that had something to do with

the selection of the mover for this motion for the Throne Speech. It is a tradition of most caucuses, as I understand, to assign the least desirable duties to its most junior member and I am glad to see that the Premier is upholding that tradition. I am sure that most members will agree that the member for Pelly did not have much to work with in light of the contents of the Throne Speech and he did quite well, did an admirable job for what he had.

Last year when our leader predicted in his reply that the Premier wouldn't be able to find a mover this year he, of course, wasn't counting on there being a new member on that side of the House, in any case, the member for Pelly (Mr. Lusney) did a fine job in a vain attempt to brighten up one of the emptier Throne Speeches of modern times and I might add without the use of the cookie monster or other clever devices such as were employed by the member for Bengough-Milestone (Mr. Lange) last year.

I also noted, Mr. Speaker, that in keeping with the contents of the theme of the Throne Speech the mover kept his remarks short.

Mr. Deputy Speaker, I would ask your indulgence while I make just a few comments in reference to my own constituency. Last year we asked the Premier and various other Cabinet ministers about the 42nd Street Bridge, or the north Saskatoon bridge crossing as it has become known and the member for Eastview (Mr. Penner) feels that he already had covered that. I thought that we would bring it in and do a thorough job of it and show him what the PCs can do and of course he has been absolutely astounded at what can be done with a little preparation and intelligence.

When we asked these questions, of course, the Premier smiled and the Minister of Municipal Affairs said that everything was in order and the Minister of Highways adopted a posture of silence and still we have no indication that the 42nd Street Bridge in Saskatoon will be proceeding. The mayor of Saskatoon says that they are not getting any help from the provincial government and the provincial government says, yes, we are doing everything we can. So, we are hoping that sometime during this session we will have some conclusive information regarding the 42nd Street Bridge or the north Saskatoon crossing.

Saskatoon residents, of course, are concerned regarding the safety of the new institution which will be located in my constituency, an institution to house the criminally insane and they have good reason. When the Minister of Social Services gets the inmates going on one of his cross-country skiing programs they have a tendency to just keep right on going. And I understand that a number of escapes last year from those institutions have now been reclassified as hiking lessons. We will, in due course, have something further to say about the Minister of Social Services.

What concerns my constituents is that the students in the constituency of Saskatoon-Sutherland are having difficulty in locating suitable accommodation to live in. The students bring a great deal of income into that city and we were wondering if the government could help in some way, to bring initiatives to provide better housing for the students in that area.

Mr. Speaker, I listened carefully to the remarks of the member for Regina Lakeview in his first reply to the Throne Speech, as Leader of the Liberal Party, and I never realized until then how much the former member for Prince Albert-Duck Lake would be missed. I listen with great anticipation, Mr. Speaker, since the member has so often been critical

of our party and the governing party for what he likes to call 'our failure to come up with new ideas or initiatives'. Now, Mr. Deputy Speaker, the Liberal Leader is quickly becoming known in Saskatchewan as 'Mr. Xerox' because if there is a good idea that's legible, he'll copy it.

Let me just refer to the matter of zero-based budgeting. Last year, I recall distinctly, members of his party hooting about zero-based budgeting saying that, of course, the PCs didn't know what they were talking about and now he has taken it to his bosom as the Leader of the Liberal Party but, unfortunately, he still hasn't learned the correct name. He referred to it a number of times in his speech as 'zero budgeting' and of course it is zero-based budgeting, so once he gets the name in order, I'm sure he will be able to learn the rest of the niceties behind that particular fall policy.

And, of course, the Manitoba Pharmacare Program last year, the member for Eastview and the other members of that party were in direct opposition to the Pharmacare Program and at this point in time, of course, they have again taken that policy to their bosom.

On the issue of crime, Mr. Deputy Speaker, last year we sat here in the House and the member for Eastview and his colleagues - there was more of them then and there is less and less of them all the time - referred to our stance on crime, I believe, with the use of the word redneck. Of course, this year, we have heard nothing from them except about the issue of crime and another policy has been taken into their bosom. Lack of policy, lack of policy - I believe the Liberal government has only one policy and that is to build a bigger, better, faster Xerox machine and copy, as I say, whatever is legible. I listened attentively, Mr. Speaker, and with great anticipation to hear the bold new ideas from the Leader of the Liberal Party. I listened for a long time and I had to conclude that he was saving them for another speech, and I'll look forward to that.

Mr. Speaker, there were some items in the Throne Speech which we welcomed, as well a lack of some which we had hoped would be there. We hoped that our senior citizens might be given a financial boost. I couldn't help but notice that there was a resolution based on solid Progressive Conservative policy at a recent NDP convention in Saskatoon. The resolution called for senior citizen supplements to be geared to minimum wage - a long-time policy of our party. I was told this resolution was referred to the inner circles of the NDP Party, in any case, we will remain hopeful that this government will do so, both as a means to alleviate and as a means to and remove the stigma confusion surrounding present supplementary benefits. We would also hope for some action from this government regarding age discrimination and at least a study into the compulsory retirement age of 65, which some organizations enforce. We had hoped that this government might finally take some action with regard to providing senior citizens with bus passes on the STC, at least on week days, when the buses are in many instances travelling half empty at any rate.

Mr. Speaker, nowhere in the Speech from the Throne, do we hear plans to upgrade the declining state of our hospital care in Saskatchewan, that of course will be left to further deteriorate. We will have to wait until the spring budget to see if this government has heard the call of the people for more adequate hospital care and more accessibility to beds. The Progressive Conservative Party is on record and has been for years, as being strongly opposed to health premiums or any form of deterrent fee in a medical program. We hear from the members who sit opposite - one of the classic lines

that is used is, where were the PCs when medicare was being introduced. Well, I would like to refer the members opposite to the platform of the Saskatchewan Progressive Conservative Party of 1938. In this policy, Mr. Deputy Speaker, the medical care situation in the province is refer to under the heading of social service and I quote: "The Conservative Party approves the need for health insurance, state medicine and hospitalization, in order it takes to fully investigate the various forms thereof and to bring in legislation in accordance with the result of such an investigation". Now, surely, Mr. Speaker, if there is any integrity at all, on the benches opposite us, they will discontinue the half-truths and the fabrications regarding where we stand on the hospital care issue. Similarly, Mr. Deputy Speaker, we have called for the removal of the deterrent fee in the Pharmacare Program, which I have added, the Liberals have now adopted as their policy, a policy which they were directly opposed to only a few short months ago. And the member from Eastview says 'Oh', and passes a gallstone in pain. He doesn't like to hear the truth when we put it to him. We have hoped there would be an indication (well we certainly, Mr. Deputy Speaker wouldn't find it from the member for Eastview). . .

In regard to agriculture - the member brings up the hospital issue Mr. Speaker, I'm glad he brought this up. Only this morning we find that there have been further cutbacks in the hospital field. I have a member in my constituency, a constituent that phoned me and indicated to me that in hospitals, in City hospital and St. Paul's hospital, no longer can pregnant women go through a training course to familiarize themselves with the hospital; there is no longer the staff. As of this week that particular program has been cut off. Further programs are being cut off all the time.

In regard to agriculture - well the member makes a comment . . . it was, an unparliamentary comment and, therefore I would not mention anything about veterinary clinics at this particular time.

In regards to Agriculture we will be carefully scrutinizing the amendments to the Farm Ownership Act and the Farm Security Act. My colleagues and I will have much to say about these pieces of legislation as they come before the Assembly. The Progressive Conservative Party remains firm in its support of basic principles of the Hall Commission Report and commend this government for its efforts to convince a rather reluctant federal government to act upon it.

However, Mr. Speaker, we had hoped that the Throne Speech might contain some guidelines for the sale of land to present tenants of the Land Bank and we hope that this government is sincere in more than words when the first land becomes available for purchase in the new year. We would also hope that in view of the continuing decline of net farm income, our farmers might have had a reduction in the cost of farm fuel over the winter.

With regards to the provincial economy in general, Mr. Speaker, we are most disappointed. A month or two ago our finance critic called for reductions in personal income tax and sales tax to spur the economy to increase consumer's spending. I might add that we see in press releases today that the Manitoba government, in fact, has taken steps under a Conservative government to reduce the personal level of income tax. After a vicious attack, claiming that this would result in a cutting of all kinds of programs, the Minister of Finance said that he would think about it. Apparently, he didn't think long enough. We had hoped for and called for a rollback on SPC's gas and power rates to put a few more dollars into the hands of consumers as well. Obviously, we didn't get that either.

Mr. Deputy Speaker, I almost fell out of my chair when I heard the Throne Speech refer to the frustration of small businessmen over too much government regulation, particularly since this government is responsible for most of the over-regulation that exists today. And I can just imagine when that committee, that small business committee is set up, Mr. Deputy Speaker, the numbers of forms which will be sent out asking businessmen to tell why they are frustrated, accompanied by penalties for failure to fill in those forms.

With regard to local government, Mr. Speaker, we have heard much talk and very little action as it relates to provincial revenue sharing with municipal governments. The Progressive Conservative Party of Saskatchewan has been calling for such a scheme to be worked out with the SARM and SUMA for the past four years and still we hear good intentions from this government but no concrete action. In the North the same situation exists, the mammoth bureaucracy of the DNS in all its inefficiency and scandal and more hollow promises for self-government.

I would like to make a few comments directly with respect to the field of education. Our policies are clear and the central plank in our policy is with respect to local autonomy and that has been explained on numerous occasions. I would add, however, that the professional status of teachers concern us. The people of Saskatchewan are entitled to, and deserve highly motivated professionals; if this government had its way, the teachers of this province would certainly not be motivated and they would certainly not be allowed to remain professionals. The teachers of this province are desirous of maintaining their professional status and we as a Progressive Conservative Party attempt to assist them in that worthy goal.

Local control over education, and of course the members across hooted and hollered at that, they believe that if it isn't standard, if it can't be packaged and stamped in standard packages that education will of course go strictly down hill. We say that the diversity which will accrue throughout the province will add new dimensions to the field of education. There is some need for changes in the White Paper . . . (Mr. Deputy Speaker, I restrain myself from making comments, however, the member for Eastview is leaving to make the decision easy.) . . . there is certainly some need for changes in the White Paper. We say that the White Paper is a document worthy of consideration, it has been considered by various sectors involved in the business of education in Saskatchewan. We will have further comments on that legislation if it's ever brought before this House, Mr. Deputy Speaker. It appears that everyone else in Saskatchewan will be given an opportunity to deal with it and that in due course after it's hashed out and debated by the media and everyone else, perhaps it will find its way into the hands of the opposition. A very important point is though that the parents of Saskatchewan must be brought into the main stream of education in the province of Saskatchewan.

Let me refer for a moment to the Minister of Education. Here is a gentleman who sends out letters to his constituents telling them what a bad bunch of people the opposition parties are, that they take money from the large corporations. After yesterday I am wondering whether he will send to the householder confessing that he gets money from the big, bad, international liquor companies. Well, Mr. Deputy Speaker, I have here a list and in case they have forgotten I think we should remind the Minister of Education who sends out those kinds of letters, where some of the money comes that fuels the NDP; Schenley Distillers, London Winery, Hiram Walker, Gilbey of Canada Limited, The House of Seagram, Labatts Brewery, Meagers Distillery and the list goes on for thousand and thousands and how many hundreds of thousands of dollars have

those sanctimonious, self-righteous members opposite taken from the booze companies, Mr. Deputy Speaker, from the liquor companies.

To the Minister of Education, Mr. Deputy Speaker, goes the Schenley Award, and I think he should get the Schenley Award for hypocrisy because he and his party take money from the booze companies from the liquor competitor. And they take money and print and distribute brochures condemning . . .

MR. DEPUTY SPEAKER: — Order! State your point of order.

MR. BYERS: — Mr. Deputy Speaker, the hon. member has quoted an alleged list of contributors from distilleries, is he prepared to table the document along with the source?

MR. LANE (Qu'Appelle): — I'll speak to the point of order . . . table in the House of Commons. I am sure his party would be able to have it nationally. We have copies right here, we would glad to table them. I know you will be interested in reading just how much financial support you get from the 'booze' companies.

MR. LANE (Saskatoon-Sutherland): — Also that the Minister of Education as a representative of this government should have the Schenley Award for misrepresentation. He goes around this province condemning the use of liquor and drugs and all the time he wouldn't surely, Mr. Deputy Speaker, have his hands in the pockets of the big liquor companies, would he?

MR. DEPUTY SPEAKER: — Order!

MR. BYERS: — Mr. Deputy Speaker, I rose on a point of order to ask the hon. member for Saskatoon-Sutherland to table a document and the document was tabled by the member for Qu'Appelle.

MR. DEPUTY SPEAKER: — In reply to the point of order, I don't think there is any point of order being that the documents in question have been tabled. If the member for Saskatoon-Sutherland will take the taping of them under his name, that's in order.

MR. LANE (Saskatoon-Sutherland): — To the Minister of Education and the member for Arm River goes the Schenley Award for the big lie. We all know, Mr. Deputy Speaker, why the Schenley Award would be given to the Minister of Education.

As an example of this government's approach and attitude, I ask the members to look at who was appointed Minister of Education. I have a copy of the minister's speech given August 4th, 1971 in this House, and keep in mind that this is a gentleman in charge of the administration of education in this province and having the highest office in relation to teaching our children in the province of Saskatchewan. Let me quote directly from the Minister of Education, as he now is, from his speech, page 464, August 4th, 1971:

A wise man long ago said, 'like a dog who returns to his vomit is a fool who repeats his folly.' It must be clear that if there is ever again a Liberal government in this province they will tax the estates of mental patients, their speeches have told us this. They did it before and they will repeat their folly, they will return to their vomit. And those who tax mental patients will again tax cancer patients, they did it before and they will return to their vomit. What do you do with a dog that keeps returning to his vomit? Well, you can clean up

this vomit (and it goes on).

Keep in mind, members of the Assembly, and that is just a part of a lengthy speech which dealt on the topic of vomit, this is the gentleman, and I say here is an example of a gentleman who is high in the Cabinet of this government who is charged with the education of our children.

Yes it does, for once I agree with the member for Kindersley, it does make me sick. Small wonder that the member used the word 'vomit' so many times now that we find out where they're getting their money to fire their campaigns.

Yesterday I heard members of the government use this phrase: 'He who pays the piper, calls the tune.' It was only later after those speeches were given that we realized, Mr. Speaker, that they were talking about a hundred pipers, Scotch, that is. Keep in mind, Mr. Speaker, and members of this Assembly, that this is the Minister of Education who would use so glibly, the word 'vomit', and this is also a man who passes himself off as a minister of the cloth.

We will soon get another example of this government's approach when the Minister of Education gives his first speech as minister of his new department, and launches, I predict, another vicious attack, filled with rhetoric and riddled with personal attack — we know what to expect from this member. There is no doubt that the Minister of Education will on very numerous occasions in this Session maybe, will make more blunders. Could it be that a PC nominating convention in Arm River which had over 700 people there just a week ago, having something to do with the fact that the minister now feels somewhat uneasy? He realizes that he needs help, and because he realizes that he needs help Mr. Speaker, he got himself two assistants at a cost in excess of \$60,000 to the taxpayers of Saskatchewan. The first one was a new 'special assistant' and the second one was a new 'special advisor'. 'Special' because the Minister's electoral problems are special, especially severe, especially acute, and special because one of these people he hired was a defeated candidate for the minister's party. There seems to be a trend for the most recent weeks of this government, a trend to hire defeated candidates . . . Ryman, then Taylor. Oh, here's another one, Mr. Speaker, Alex Taylor at \$32,615 and for Mr. Taylor who started on December 1, 1977, Mr. Speaker, — I should draw this to the attention of the House. There were still Liberals left in those days, were there? "On December 1, 1977, he was appointed — at a salary with a specific salary range". . . it goes on to say this, "that immediately after being appointed December 1 with a specific salary, with a salary review on January 1, 1978". Now, that's very interesting — a salary review one month later. Now, I suggest that the Liquor Board employees have been fighting for months to have a salary review to have raises. And here is a man who can be hired at an exorbitant salary and have the salary raised within one month by Order in Council.

There is \$100,000, Mr. Speaker, with just a few quick examples — CIGOL — the government has made a big mistake in CIGOL. I am not aware of a more costly mistake by any government at any time, anywhere — \$500 millions; \$500 for every man, woman and child in Saskatchewan — some legacy for the people of Saskatchewan. This must be a great embarrassment to the government, first of all to spend the money on potash mines that they now find out from the Supreme Court of Canada isn't even theirs, and secondly, that the legislation should be so shoddy that it struck down on not one, count them — two grounds. Trade and Commerce — an infringement; indirect taxation. And the classic defence of all times in my years at the Court, the classic defence — I've never heard one as absurd as this. The defence is this: "We won in the

lower courts". This would be like the leader of the axis party addressing the troops in 1947 saying, "Didn't we do fine in Czechoslovakia?" I think that this is absurd. This government believes in confrontation and there is no substitute, we say, for good government and common sense, and confrontation is certainly not the substitute.

CIGOL — it will be a topic for some time. DNS — our member for Prince Albert will have more stories on that every day. Intercontinental Packers — was that another mistake? The Minister of Industry says that they are now in financial trouble. Social Services — \$2 million overspent. The Minister admitted that in the House. Potash — how long will it be before this House is informed that already we have two potash mines budgeted for \$1.00 a ton loss. Will that be the news coming forward on the potash mines? Some legacy, Mr. Speaker.

Mr. Speaker, I've extended over my time to some extent and I want to wrap it up quickly. This has been my first Throne Speech.

Some predict that this will be the last time this government will deliver a Throne Speech for some time. It was devoid of new ideas. The only new ideas in the Assembly so far have been the Progressive Conservatives adopted by the Liberals and the NDP.

People will soon want the real thing. The PCs will obviously not support the motion.

MR. P.P. MOSTOWAY (Saskatoon Centre): — Mr. Speaker, it gives me very great pleasure to speak in this Throne Speech debate. I say pleasure, because to be associated with this government, working on behalf of and for all the people of Saskatchewan, is a joy which no Liberal or Tory will ever know. I say a joy, because this government serves the people of the province; it does not serve the corporate fat cats, the speculators and bag men which one comes to associate with the two old line parties.

The hon. member mentions liquor companies. Well, I tell you one thing. I for one say, that if you can take money away from liquor companies it means less money for advertising to corrupt the people of this province, and particularly the young people of this province which is, I think, what that hon. member from Saskatoon-Sutherland really wants to see come about.

But before I go on, Mr. Speaker, I should like to congratulate the mover and the seconder of the Throne Speech. They did well, and I know they will continue to do so in the future, serving the people of their constituencies.

Mr. Speaker, I went home last weekend, shortly after the Supreme Court handed down its decision in favor of oil and mining corporations. Now, I spoke with numerous citizens in my constituency, Saskatoon Centre. At any rate I tried to get as many reactions to the decision as possible, and I asked citizens from various occupations, young and old, and citizens of different political philosophies. Now the one thing that I ascertained from these citizens is that not one red penny should be given back to the corporations. They were all unanimous in stating that we have been gouged long enough, that in no way should the citizens of this province knuckle under to these power hungry corporations and their puppets — Liberal and Tory MLA's and MPs throughout Canada. In fact, Mr. Speaker, one elderly gentleman wanted to donate quite a large sum of money to back up the provincial government in its desire to receive for Saskatchewan citizens, what they deserve, and that is all the taxes and royalties which have been collected to date, taxes and royalties on our resources. It is with this in mind,

Mr. Speaker, that I know the citizens of Saskatchewan find the Supreme Court judgment, relative to CIGOL, incomprehensible. It is incomprehensible in light of the spirit of the constitution and it is incomprehensible to the people of BC, Alberta, Manitoba and Newfoundland as expressed by the governments of those provinces . . . some of them being Conservative.

Mr. Speaker, the Supreme Court judgment is incomprehensible to the wishes of these provinces it will come out to twelve and a half million people. Now I ask you, Mr. Speaker, how can an Ottawa appointed, an Ottawa based court, rule against the expressed desires of over one half the population of Canada. And if one considers that at least 50 per cent of the citizens of the remaining province or provinces find the judgment to be incomprehensible and I believe that to be a fairly reliable estimate, one can in reality say that 18 million Canadians cannot comprehend the Supreme Court judgement. Mr. Speaker, when one considers that an old line party Attorney General in Ottawa smacked his lips with glee in helping CIGOL to file its gouging claim, when one considers that those who reside in Ottawa tend to be out of touch with reality, when one considers that this is just another case of central Canada bleeding the west for all it's worth, one can easily see that the handwriting was always on the wall and translated into reality that means that, once again, western Canada, Quebec and the Maritimes are being taken for another ride.

Mr. Speaker, I disagree with the Liberal position which would give back most of these royalties and taxes to their corporate kin. I disagree with the Conservative position which states generally speaking that we should give back as they say, only \$250 million to these gouging giants. But I can certainly understand why Conservatives and Liberals feel this way because if they forsake the people of Saskatchewan in favour of these oil and mineral corporations it will mean more millions of dollars and corporate offerings to their party coffers. A case in point, Mr. Speaker, is INCO's donation last year of approximately \$30,000 to the Tory Party. Some of which is now being used by Tories in this very House to indirectly buy votes for their true objective in Saskatchewan which is for the realization of a Tory Government which of necessity will be beholding to the multinational corporations and this at the expense of our citizens who are among the finest in Canada.

Mr. Speaker, what can one really expect of members opposite? Liberals opposite voted against Bill 42. Conservative members opposite did not vote for it. Both parties have attacked Bill 42 in this House. A bill which tried to ensure for our citizens some of the dramatic profits due to the rise in world oil and mineral prices. What can you expect of two political parties which annually receive millions of dollars in donations from their corporate brothers? What do you expect from two political parties petrified in 17th century thought who, if one considers a three dollar donation to them as being equivalent to a party membership have had these same corporations take out the equivalent of approximately 750,000 old line party memberships.

Mr. Speaker, in observing Conservative members opposite relative to the Supreme Court decision effecting the 18 million Canadians I mentioned a while ago, I truly believe Conservatives were overwhelmed with joy because they seemed to be of the opinion they can make political hay out of this situation. But, I tell you Tory members opposite, your credibility gap on this side is as wide as a Swiss mountain valley. You are not garnering the support your leader seemed to trick you into believing you would be getting. You are not getting the support on your position of protecting and speaking for

the gougers you thought you would be getting because there is more than a legal principle involved and that is the principle of fair play. The likes of which we have never seen come out of the board rooms of Eastern based corporations or the federal government whether it was Liberal or Conservative or their appointed decision makers. Mr. Speaker, I too, join these 18 million Canadians who cannot comprehend this legal judgment which translated into practical terms is a judgment for federal centralism which will do more to shatter this nation to bits than a dozen Rene Levesques.

Mr. Speaker, the political and economic structure of this country since 1867 has been such as to put central Canada in an extremely advantageous position relative to the rest of Canada. High tariff protection for the manufacturing industry has always been high on the priority list for scores of Liberal and Tory regimes which have reigned in Ottawa. On the prairies, at the turn of the century gouging corporations and their henchmen fleeced many of our citizens, some farmers paid for their land many times over. People lost their homes and while all this was going on, what did the two old line parties do? Mr. Speaker, they did absolutely nothing which is in line with their philosophy that governments should do nothing to protect the downtrodden. Mr. Speaker, the history of western Canada is such that over the years we have always been at the mercy of central Canada and gouging corporations which are based either there or in the United States. It is with this in mind, Mr. Speaker, that I say it is time for western Canada to stand up and say to central Canada and the eastern gouging corporations, "We have had enough, we will stand for no more nonsense, we have been bled long enough."

Mr. Speaker, Conservatives and Liberals are marshalled against the humane social and economic policies and programs of this government. They're on the march. Their little corporals sit across from us. Some have slithered into new positions opposite, their generals recline in the corporate board rooms of Toronto and New York scheming as to how they can further attack the people of this province with the assistance of members opposite. Mr. Speaker, here in Saskatchewan all the people have a hand in the control of our resources and the profits from them. In Sudbury and Thompson, Manitoba INCO owns the lines. The people got the shaft and now they and their kin are trying to "shift the shaft" to this province. Conservative and Liberals are saying that no social policy works, their answer is retribution. That's the action they chose. They tell us that goals will be spurred on and investments stimulated by tax cuts to corporations and the well-to-do. They say that economic benefits will "trickle down to benefit others."

Statistics Canada tells us that in 1974 only 147,384 of 281,831 corporations in Canada reported taxable income. Only one half of them paid taxes. Many of them supposedly reported losses for tax purposes. They wrote off \$9,515 million in capital cost allowances and \$2,787.3 million for exploration and development.

Where are all the jobs that they promised. When will they begin to pay their way like the rest of us? Isn't the \$12,302 million in tax write-offs welfare that we paid them? And what about those 147,000 corporations that dodged multimillions of dollars in taxes?

These same people, who allow the public purse to be picked at will by their corporate friends, say that this government should ignore its responsibility to develop policy and programs that redress the wrongs done by these "robber barons". And I say it is a shame that members opposite should support them.

As a logical consequence of this state of affairs, Mr. Speaker, I urge Liberals and Tory members opposite in joining the government of this province and the people of

Saskatchewan in demanding what is rightfully ours - a fair return via taxes and royalties from gouging corporations like Exxon which has as one of its countless subsidiaries Imperial Oil or Norcen which has as one of its many parts, CIGOL, and other corporations that could you fill a book with. And so I say to Liberal members opposite, come on and join us on this issue. It's your only hope of salvation, Liberals unless you wish to be completely decimated at the polls at the next election.

And to Tory members opposite, those members who sit in stony silence, and as of late they have even got a few smiles on their faces, I say to you, too, come on and join us, be on the side of the people of Saskatchewan in this holy crusade for justice and fair play. Forget about trying to snare more Liberals into your party, forget about your power hungry madness. Tell these gouging corporations you have seen the light, tell these same gougers that the honeymoon is over, tell them that you have finally come to your senses - although I don't know if anyone will believe that - and that you realize that you have been wrong right along, join the people of Saskatchewan along with this government in denouncing injustice.

Tories and Liberals who sit opposite, cease and desist from defending those who have bled us white in the past. The citizens of Saskatchewan are very forgiving, and I know they will consider you as being better members if you choose to follow the true path and that is the path of freedom from corporate gouging.

Mr. Speaker, on behalf of the 18,000 citizens of Saskatoon Centre, I want to say that I would sooner go to jail than see one red penny of morally right taxes and royalties. I wasn't talking about the hon. gentleman opposite, you got it balled up. I say taxes and royalties being given back to those who took so much, and to those same corporations who want to give so little back to the citizens of Saskatchewan. Legal loopholes should not be the umbrellas under which these gougers should be lurking in search of prey.

Therefore, Mr. Speaker, I commend this government on having already announced that appropriate action will be taken to safeguard what rightfully belongs to the citizens of this province.

Now I just have a few minutes left and I realize that it is not appropriate for me to comment on certain events at Prince Albert until a report has been submitted, but I will say this, Mr. Speaker, I firmly believe that much of the difficulty at Prince Albert might have been avoided if there had not been callous and deliberate intervention and interference both before the riot and during the judicial inquiry by members of the Tory party opposite.

Time and again the member for Nipawin has displayed an arrogant disregard for the law. Time and again this House and the people of Saskatchewan have been treated to the antics of the Conservative circus troupe opposite to us. While their leader juggles books and public opinion, the rest of his circus troupe cavort and clown with the lives of Saskatchewan people. The member for Moosomin blows up hot air weather balloons, no effort at all, while the member for Qu'Appelle astounds the people of Saskatchewan with his unique talent of being able to straddle a fence and keep both earbones to the ground at the same time.

But they went too far with their trickery at Prince Albert, Mr. Speaker. When the Tory Leader said he knew the tragic events in June were going to happen, and never provided any evidence, he went too far. When the member for Prince Albert-Duck Lake said he had secret tapes and didn't produce them, he went too far. When the member

for Qu'Appelle took cheap, cheap shots at guards and prisoners and anyone else in the line of fire, then refused to present the brief to the inquiry, he went too far. We know they went too far, Mr. Speaker. The people of Pelly constituency told us. The people of Pelly told us, and told that sorry lot of Tories across the way, "You went too far."

They were not concerned that the lives of guards and inmates would be endangered by heaping coals on a tense situation. They didn't care for the due process of the judicial inquiry. No, not those boys!

But their allegations and possible slander, frivolous attitude and lack of normal decency during those tense days, showed us just how hungry they are for power, at any price. And for this I say you will never be forgiven.

Mr. Speaker, in case you are not aware as to my position relative to this Throne Speech debate, I feel that I should now officially notify you that I will be supporting the motion.

SOME HON. MEMBERS: Hear, hear!

HON. W.E. SMISHEK (Minister of Finance): — Mr. Speaker, I want to begin my remarks by offering my personal congratulations to the hon. members for Pelly and Meadow Lake for the excellent job they did in moving and seconding the Address-in-Reply.

Each is a credit to this Legislature, a credit to his constituency and a credit to the New Democratic Party.

I am particularly pleased to have this opportunity to welcome to this House the new member for the constituency of Pelly. During the election campaign last summer he showed himself to be a person of deep conviction, sensitive to the needs and aspirations of the residents of Pelly, in short, an effective representative, Mr. Speaker.

Mr. Speaker, it was my intention to speak at some length on a number of topics which I am sure are of interest to the members of this House and the people of Saskatchewan. I wanted to talk briefly about the resource revenue trust fund that is proposed in the Throne Speech. I wanted to say a few words about the productivity, about the people who work for the government, for the people of Saskatchewan in public service. I wanted to say a word about decentralization which seems to be a topic that some people want to talk about. I wanted to say something about the Canadian and Saskatchewan economy and how each is performing and to make the appropriate comparison. I wanted to also say a few words about the fiscal policy of this government but time will not permit to enter into all those topics.

I want to spend a few minutes talking about a topic that is on the lips and the minds of all the people of this province and elsewhere. I want to say a few words about the Supreme Court decision in the CIGOL case. As the Minister of Finance I feel it is incumbent upon me to provide some additional facts and figures and I shall try to do this as calmly and dispassionately as I possible can, Mr. Speaker.

Before doing that I will very briefly review the history of Saskatchewan oil legislation and provide some background of the government's philosophy with respect to the development of the province's natural resources. Mr. Speaker, natural resources in Saskatchewan belong to the people of this province. The people as represented by their government are the resource owners and it is our duty as a government to see that the benefits of resource development are maximized. Under Bill 42, we took steps that the

windfall profits from the rapidly rising price of oil were captured for the benefit of the people of Saskatchewan rather than by the multinational oil companies. We introduced the royalty surcharge on Crown production and the mineral income tax on the freehold production. The royalty surcharge remained in effect until November, 1976 when it was combined with the regular Crown royalty. The mineral income tax has remained in place since its introduction.

For the period January 1 of 1974 to October 31st, 1976 the royalty surcharge brought \$321.5 million for the people of Saskatchewan. For the period January 1, 1974 to November of 1977 the mineral income tax yielded \$127 million in revenue. Under the two measures the government has received \$448.5 million to the beginning of this month. Of course, only a small portion of these revenues were paid by CIGOL, about \$3,355,000 to date. In addition a portion of the revenues, a little over \$4 million, has been collected from Saskoil which would not be part of any possible court action. The advantages of Crown corporations in the resource sector are becoming increasingly obvious, Mr. Speaker.

Whilst there has been a decision on the CIGOL case and one other company, Imperial Oil has launched a similar court action, all we can say at this time is that the largest part of our mineral income tax and royalty surcharge revenues have not been challenged in the courts, Mr. Speaker. While it is possible that the rest of the industry may follow CIGOL's lead it is premature to say whether this will in fact happen.

In summary, the largest part of the revenues collected under Bill 42 are still intact pending further possible action by the oil industry. If the oil industry thinks it can rob the people of Saskatchewan of the right of resource ownership then I say to them that they should think again, Mr. Speaker. The Saskatchewan government has collected a large amount of revenue from the oil industry under Bill 42 but it may, by no means, represent all of the oil revenues, Mr. Speaker.

Since January 1st of 1974, our regular oil royalty, our new composite oil royalty and other sources of oil revenue, such as bonus bids, have brought the government an addition \$315 million. In total we have received \$763 million in oil revenue since Bill 42 was introduced, of which \$448 million or 59 per cent can be attributed to Bill 42. Although a substantial portion of oil revenues has been subjected to court challenge, a significant portion remains free and clear of any controversy, Mr. Speaker.

I think it would be useful to relate to this Assembly that since November 1st of 1976 the bulk of the oil revenues being received by the government has not been subject to any court challenge. At that time the royalty surcharge was combined with the regular Crown royalty. This had the effect of changing the basis of our levy from a regular amount based on the difference between the two prices to a share of production and which varies with the rate of production.

Mr. Speaker, the government of Saskatchewan has collected a sizeable amount of money from the development of our natural resources, money that would otherwise go to the multinational oil companies and leave the province. It is fair to say that Saskatchewan has done a better job than any other province in Canada in ensuring the people of Saskatchewan that they benefit from resource development. While the province has done very well from its resources in recent years, the oil industry has continued to make a handsome profit, Mr. Speaker. It is a well known fact that the oil industry has been taking money out of Saskatchewan for the last 20 years. Data from the Canadian Petroleum Association shows that the oil industry has had a positive net

cash flow in Saskatchewan since 1957. This is after accounting for all operating expense, for exploration, for development expenses and for royalties.

Now in 1974, 1975 and 1976 the industries, net cash flow before income tax was \$111 million, \$103 million and \$129 million respectively, Mr. Speaker. Before 1973 many oil companies paid little, if any, income tax. After royalties became non-deductible for federal income tax in 1974, income taxes increased but the oil industry was still in a very healthy state, Mr. Speaker. In 1974 federal and provincial corporate income tax paid by the oil industry in Saskatchewan amounted to \$34.7 million and in 1975, \$48 million. Even in 1975, the year when the Saskatchewan oil industry was screaming its loudest about the oppressive levies of federal and provincial taxes, the industry had a net cash flow after all royalties and taxes of \$55 million, Mr. Speaker.

Although no tax figures are available for 1976, the rate of tax has been reduced as a result of federal income tax changes. With profits before income tax up substantially in 1976 it follows, Mr. Speaker, that after-tax profits will also have increased dramatically in that year.

Mr. Speaker, I submit that the oil industry in Saskatchewan is doing quite well, thank you. There is ample evidence from the oil industry itself that a lot of difficulties associated with the 1974-75 period have been resolved. Drilling activity is up significantly and record land sales suggest that further increases in exploratory activity will follow in the next few months.

The numbers I have cited and the increased drilling by the industry in Saskatchewan suggests that the amount of revenue that the province of Saskatchewan is receiving from oil is appropriate, I would suggest. I don't expect, Mr. Speaker, the oil industry to stop complaining about our royalties; after all, everyone likes to complain about taxes. If they weren't complaining, then I'd be a bit worried, Mr. Speaker, that we weren't getting enough from our oil. As long as there is money to be made the oil industry will be there, Mr. Speaker.

We can have a high level of public revenue from oil and still leave enough for the industry to explore, without having them laugh all the way to the bank, like they do in the province of Alberta.

The important thing for the oil industry to realize and for the general public to understand as well, Mr. Speaker, is that while the Supreme Court decision will undoubtedly affect the way we raise revenue from the production of our oil, it hasn't changed my mind one bit about the essential fairness in the level of revenues we are now receiving. Mr. Speaker, the level of public oil revenue will be determined, will be determined, Mr. Speaker, by the government and not by the oil industry and not by the Supreme Court of Canada, Mr. Speaker. While it is the prerogative of the Supreme Court to decide what form of tax is within the powers of the province according to the BNA Act, it is not their place to comment on the level of taxation and they have not done so. However, one can certainly understand what the long term effects will be on the distribution of taxing powers in this country, Mr. Speaker.

The Supreme Court ruling must be a concern to all provincial governments. They have ruled against provincial jurisdiction in an area traditionally regarded as provincial since 1930 for the prairie provinces and since confederation for the rest of Canada, Mr.

Speaker. The decision of the court forces Canadians to look more closely at the method of choosing Supreme Court judges and the restrictions in the BNA Act which prohibits provinces from levying indirect taxes, Mr. Speaker.

How is it that the federally appointed Saskatchewan Court of Appeal can vote five to zero to uphold our legislation but the court in Ottawa can overturn it seven to two? The same government appoints them. Why should there be such a difference, Mr. Speaker? Could the answer be that the federal government makes a conscious effort to appoint centralists to the highest court in the land? Could it be that the federal government wants to reshape the constitutional framework of this country with an activist court in the American style, rather than relying on elected governments, Mr. Speaker?

The time has come, I suggest, to reform . . .

MR. LANE: — To indicate that a judge is ruling in a slanted way or that he has been cultivated because of a particular bias would be a totally uncalled for and unparliamentary remark and I would ask the member to withdraw it.

MR. SPEAKER: — It certainly would, had I heard it. I was listening rather carefully and I heard no remarks in the nature of a personal attack or censure on judges or the court or the Supreme Court, so therefore, I think that the bit of information that the member has offered me is interesting but it doesn't apply here.

MR. SMISHEK: — Mr. Speaker, if I can carry on. I suggest that the time has come to reform the method of appointing Supreme Court judges by giving the provinces a direct voice in the Supreme Court appointments, to take the sole right of appointment away from the centralists in the federal government and to give the provinces a role in selecting the court that would reflect a more balanced view of the federal-provincial distribution of power, Mr. Speaker.

The constitution itself has to change to give provinces the power to level indirect taxes. We thought we had a pretty good idea about what the direct tax was and eight judges agreed with us, Mr. Speaker. Now the rules of the game have changed and the uncertainty that has been created leaves all provinces in a vulnerable position. There can be no doubt that the Supreme Court judgment can be applied in other cases now before the courts. We don't know what new cases will be brought before the courts as a result of the CIGOL decision. We don't know what the next step of the court will be to weaken provincial jurisdiction. What we do know is that the provincial governments must find it very uneasy to know that at any time someone with money and an axe to grind with the particular province, can refer it to the court in order to try to get the money repaid, under the tax law which may have been in effect for a year or five or twenty years. It's no good to say that the tax law should be ruled on by the courts before coming into effect after all, the Supreme Court took a whole year to rule on the CIGOL decision.

What is particularly galling, is the way the federal government has so actively participated in the whole series of court challenges against Saskatchewan resource legislation. It's not enough that the federal government made the royalties non-deductible in 1974. That measure almost doubled federal corporate tax revenues from Saskatchewan oil companies compared to what would have otherwise been paid.

It's not enough for the federal government to levy an export tax on Saskatchewan export oil. And, incidentally, that measure brings the federal government an average of

\$4.41 on every barrel of oil exported to the USA. From the time the federal oil export tax was levied in 1973, to the end of July, 1977, Mr. Speaker, and I'd like the hon. members to make note of that, the federal government has raised \$470 million from Saskatchewan oil exports, more than the province has raised under Bill 42, Mr. Speaker. It's not enough that the federal government invaded the gasoline tax field, a tax field traditionally occupied by the provinces, with the ten cent per gallon federal excise tax.

These federal actions have all served to encroach directly on provincial tax jurisdiction in the resource sector, Mr. Speaker.

When combined with a policy of walking hand-in-hand through the courtrooms of the nation with the multinational resource industry, it's a deplorable sight, Mr. Speaker, one hardly conducive to fostering a sense of national unity or giving Canadians a sense of confidence that their national government is sensitive to regional economic development needs.

Mr. Speaker, since the CIGOL court decision, I have seen, and talked to many people from different walks of life and different political persuasions. Workers and farmers, teachers, lawyers, doctors and businessmen. Invariably the opening line of any conversation begins with "you are not going to pay the money to the oil industry" or, "you will see to it that the oil industry does not get that money".

That's the mood of the people, both inside and outside Saskatchewan. People don't like it when the judges try to become monitors of social and economic policy.

Mr. Speaker, the CIGOL decision is unfortunate but hardly devastating. It limits the form that a valid tax may take, but it does not deter us from getting the level of tax that we feel is proper and appropriate.

Mr. Speaker, I am confident that ways will be found to protect the revenues to ensure that in the future, resource revenues will play a large part in securing long and lasting benefits for all the peoples of Saskatchewan.

Mr. Speaker, I support the motion.

SOME HON. MEMBERS: Hear, hear!

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, as we wind down the Throne Speech a ghost has settled over this Assembly. The ghost of Bill 42. The stage and the setting is almost identical. It is a fall session. The Attorney General of the government is now about once again to ram a bill through this House which has the potential danger of compounding this problem far beyond anything that has happened up until now.

We are being asked again to play Russian roulette, Russian roulette with the economic stability and economic future of the province of Saskatchewan.

Mr. Speaker, everyone has been so concerned in this Assembly about the loss of \$580 million by the bungling and the stupidity and the mismanagement of the NDP and they have failed to examine and look back on the cause.

Mr. Speaker, we have forgotten again to examine the root cause and that root cause is

Bill 42, An Act respecting the Conservation, Stabilization and the Development of Gas and Oil in the Province of Saskatchewan.

Why has Bill 42 shaken the constitution of Canada? Why has Bill 42 placed the province of Saskatchewan's economic future in jeopardy? Why has Bill 42 been challenged in the courts and not the resource taxation of Alberta or British Columbia or Ontario or Newfoundland? Why, Mr. Speaker? Because Bill 42 was the most vicious, greedy, arrogant piece of tax legislation ever implemented by any government in Canada. Mr. Speaker, it demonstrated without question the greed and the arrogance of a government that challenged the federal government's right to tax; the constitution for their own personal benefit. It demonstrated secondly, the hate and the vindictiveness of NDP against the private enterprise system in Canada.

Let me remind some of you who were not in the Assembly at that time, of what Bill 42 does. First of all, Mr. Speaker, the NDP like to say it was a fair tax but it imposed a 100 per cent tax on everything over \$3.08 a barrel, the average wellhead price in 1973 on any increased revenue or value of a barrel of oil or gas at a time when the replacement costs of a barrel of oil in Saskatchewan far exceeded \$4.00 a barrel.

Mr. Speaker, it meant, part two, that it raised what the acreage tax on privately owned non-producing mineral lands from 20 cents to 50 cents and of course it brought many farmers in Saskatchewan a revenue because oil companies refused if they weren't producing, or it wasn't in their immediate plans to explore, to give up that acreage land.

The third thing it did, it set the price for refined fuel products in the province of Saskatchewan and it said its purpose was to hold down the cost of gas and oil to Saskatchewan consumers, which is one of the biggest ripoffs which ever occurred since 1973, because that government has done nothing but raise the price until it has driven out the tourist industry. And what do they do it under but the guise of conservation and, Mr. Speaker, they have yet to prove that it has conserved one barrel of gas.

Part four, which was the most terrible one, it seized without consultation or negotiation, the oil and gas right of some 25 companies on proven reserves. Mr. Speaker, without talking to them, without negotiation, without consultation walked in here and put an act, Mr. Speaker, this as I say is being repeated. The oil and gas industry is not being consulted or discussed. What industry, what group, what association in the province of Saskatchewan is not consulted about a bill as important as this bill.

Mr. Speaker, in part five gave the NDP virtual dictatorial powers to control the production of gas and oil in the province of Saskatchewan. That was Bill 42. I want to talk to you minute about the impact and why the court case resulted. What were the objectives according to Premier Allan Blakeney? Now, this is rather interesting, Mr. Speaker. He says first, we believe that the control of our own resource must be firmly vested in the people of Saskatchewan. He knew that he was going to have a constitutional problem. Number 2, we believe that the government of Saskatchewan must be in a position to control, if necessary sharp increases in the price of oil and gasoline in Saskatchewan and what a farce. That was the second object. The third, we believe the unearned increases in crude oil prices arising from international oil policies should and must go, not to the international oil companies but to the people of Saskatchewan. That is in real jeopardy today. And four, we must believe that there must be more rather than less exploration for oil and natural gas in Saskatchewan. I'm going to talk about that in a moment. Mr. Speaker, those were the four objectives. Not one of

them has been achieved. Not one of them. What is the impact of this? First of all, Mr. Speaker, we have the constitutional crisis of today. We have \$480 million plus interest that belongs to what was supposed to be tax revenue. Now no longer in the coffers of the province of Saskatchewan by law. By law. And this is one of the questions I want to talk about. His respect for the law and obedience for the law. His NDP Government, do they have no responsibilities to obey the law of Canada? Mr. Speaker, and the funny part of it was that they were warned. Remember how they criticized Otto Lang because he warned them that the bill was unconstitutional. Wouldn't it have been wise to listen to the wisdom of the then Minister of Justice. Read through that bill because he knew something about it, introduced another bill, then we wouldn't be in the terrible problems that we're in today.

Mr. Speaker, and on top of that that 100 per cent tax was a deliberate attempt to cut the feds out of their revenue. Mr. Speaker, because then what happened. The Federal Government then turned around and changed the rules of the game, and provincial royalties were no longer able to be deducted as an expense in calculating income tax. Mr. Speaker, because when they put a 100 per cent tax on it meant that the Federal Government could not collect their share. We have the result in the province of Saskatchewan where oil companies were paying more in taxes than they earned. More in taxes than they earned. And the member for Pelly laughs. You know what happened. Then the NDP Government realized it and gave them back \$30 million, the Minister of Finance said that they could pay their income taxes. Have Walter explain that. They turned around and they were paying more in tax than they earned. And you say that's a fair system of taxation. That's why Bill 42 is challenged in the courts and that's why we have the constitutional crisis of today. Mr. Speaker, it was a deliberate attempt by the NDP Government to generate a confrontation with Ottawa on resource taxation. I don't blame them for fighting for every dollar they can get for the province of Saskatchewan in resource taxation. But I do resent the avarice, the greed and the lack of concern for the people of Saskatchewan and the sense of irresponsibility by which it was done. And that's the reason, that's the reason we're in the problem we are today. Mr. Speaker, I say that's irresponsible government.

Mr. Speaker, what was the impact secondly? Well, first of all, it drove the oil industry right out of the province of Saskatchewan and don't talk about Imperial Oil and Exxon, like the member . . . the party whip is talking. The Buffoon. Mr. Speaker, that isn't it. The people that drove out the effects of Bill 42, the little workers in the city of Estevan. Some of you go back and read the debates and proceedings. Read what happened. Western Canada oil workers are flocking to greener fields in the United States. It wasn't the big companies. The people who drilled for oil in Saskatchewan were Saskatchewan companies. They farmed out the drilling of the majors, if the majors did any drilling in the province of Saskatchewan and the majors only participated. Mr. Speaker, it was the Saskatchewan men and women that were driven out of the province of Saskatchewan. That was one impact. And a very serious one, Mr. Speaker, the fair tax. And once again I want to say is 100 per cent and even the NDP Government realized that that Bill 42 was confiscation. Confiscation. Small wells doled out 27 million. Oil royalties may change. Royalty adjustment predicted. Because oil company after oil company was going bankrupt in the province of Saskatchewan and couldn't make any money and they were forced to leave the province of Saskatchewan. Drilling went from a 1,000 wells on an average to 200 wells, most of these drilled by Saskatchewan Power Corporation, most of those drilled by Saskoil. Mr. Speaker, they fled Saskatchewan like the plague. Mr. Speaker, the unfortunate thing about that is that at that time in Bill 42 they were warned by the Liberal Opposition. There were the remarks of Ken McLeod, the member for Regina South have been right on two or three occasions and commented in this House

during this debate. They were warned very vigorously. They were warned by Ottawa that what they were doing was unconstitutional. You can't set the price of gas in the province of Saskatchewan to be exported by the price in Chicago which is exactly what Bill 42 did. That's unconstitutional and always has been. There has been no change in the constitutionality of the interpretation of the federal government or the Supreme Court of Canada. Not only that, Mr. Speaker, they were warned by the oil industry that they would be challenged in the courts.

What did the NDP do, Mr. Speaker, they ran that bill through, they introduced it in a fall session, which was deliberately designed to introduce bills for further study, particularly controversial bills. They refused to put anything else on the platter in the Legislature so it forced members (and very few members of the Opposition) to do nothing but talk about Bill 42. Gradually as they ground and wore down the Opposition, they rammed it through without consultation and without anything. Now all of a sudden, Mr. Speaker, we are faced with a day of decision. The Supreme Court has come down, they have turned around and made their ruling and it is rather interesting. Saskatchewan finds itself in a quandary and what does the NDP do? They blame everybody in the Dominion of Canada but themselves. First of all they blame the Supreme Court and we heard the minister once again (the financial Treasurer) turn around and blame the Supreme Court . . . the centralists, those men that interpret the law, as if they had political motives. Mr. Speaker, they even blamed the Liberal Opposition because they had the audacity to vote against the bill. They blamed the federal government because they questioned the constitutionality. Mr. Speaker, they blamed the oil companies. I am going to tell you ladies and gentlemen, there is only one group of people that were to blame. The man that was to blame is Premier Allan Blakeney as the head of the government.

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD: — The man who was to blame for the constitutionality of it was his legal adviser, Roy Romanow.

Mr. Speaker, we live in a Cabinet system, a system of responsible government. I listened this morning to an NDP member on the news talk about this system of responsible government, demanding the resignation of a minister in Ottawa for something which compared to this, is minute and insignificant. The mess that your government has placed this province of Saskatchewan in, and now they try to blame everybody but you. But gentlemen, I want to tell you, it is a fact that when a Supreme Court ruling comes down that means that law was not in effect from the day of proclamation. And you have been collecting taxes with no legal justification for doing it. What is even more serious, the Premier stood in this House and said he will resist the decision of the Supreme Court of Canada, Mr. Speaker.

Then I also asked the question: have they given any instructions not to collect the tax? The Minister of Finance said no, and the Premier said - no. In other words, there is no law, they are collecting taxes illegally. Mr. Speaker, they now say 'who has respect for the law in the Dominion of Canada?' Are the NDP exempt? Are the NDP different? We have heard Ed Broadbent stand up in the House of Commons and talk about respect for the law, law and order in the Dominion of Canada. How can we expect people in Canada to respect the law of this nation, the law of this province when the provincial government and its Premier stand up in this House and say that they will not obey the law, they do not accept the decision of the Supreme Court of Canada and they are going to do whatever they can to resist, to change and to reinterpret whatever they can.

Mr. Speaker, I say to you that the Premier of this province and the Attorney General and your government has a responsibility and that responsibility is to determine whether you are going to live and whether your government is going to act in accordance with the law of Canada . . . in accordance with the law of Canada. Right now the law of this nation says that you have no right, by law, to collect those taxes.

Now, Mr. Speaker, what are they going to do? Now that I have reviewed the situation what is the alternative that the NDP faces? First of all, a catastrophe as far as the economic future of Saskatchewan is concerned. A blunder of the proportion never before known in the Dominion of Canada and particularly the province of Saskatchewan; an example of mismanagement never before experienced by any government in our province or in our Dominion. Never . . . and now, Mr. Speaker, they deny their responsibility, they attack the Supreme Court whose only job was to make a determination as to whether the setting of price of a commodity that is exported out of this nation by a provincial government is constitutional or not; to determine whether a tax is direct or indirect; and the BNA Act is very clear. They had no alternative but to say it was unconstitutional because it is unconstitutional and I say that the Premier and the Attorney General knew it all the time.

Now, Mr. Speaker, what are they going to do? The stage is set. Now they are going to bring in a new bill, a bill Mr. Speaker, the ghost of Bill 42, is very, very dark and gloomy over this Assembly, because now if this is another mistake of the proportion and dimensions of Bill 42, it could sink this province economically for the next half a generation. Mr. Speaker, that's the problem.

Now, first of all, we have no guarantee of the constitutionality any more than we did with Bill 42. They have been warned by everyone, constitutional experts in the universities, you can pick up the newspapers, the federal government. Everyone knows that you can't do by the back door what you couldn't do by the front door and there is a real threat and danger that this bill will be unconstitutional as well. So all of a sudden, Mr. Speaker, what have we got?

We have a fall sitting, we have no other business, so that they will ram it down our throats; then we've got Christmas coming, we've got a rush . . . Mr. Speaker, and another thing . . . they want to rush that bill through because they know that opposition can mount across Canada and the sooner it is passed the less opposition you will get. There is no chance for public discussion, no chance for the oil industry, or the federal government to make a case, when the bill is in the Assembly. It would be interesting because we will move amendments to that bill to try to ensure that that doesn't happen.

Mr. Speaker, once again, as in 1973, you have been warned about the constitutionality about it; the member for Regina South (Mr. Cameron) who replaced Ken McLeod, you have been warned by members on both sides of the Opposition, you have been warned by the federal government, you have been warned by constitutional experts in the country. You have not demonstrated that you are willing to take it through The Constitutional Questions Act, you haven't demonstrated that you are willing to lay on the table of this Assembly rulings from constitutional experts in this country.

Why, Mr. Speaker? The next thing to ask is - why? Why would the NDP Party do this to the province of Saskatchewan? Why would the NDP Party take a risk as I indicated to play Russian Roulette with the economic future of our province at a time when they have just received a jolt. Never did I see the Attorney General so sick, and well he should

have been, because any honorable man would have resigned, and he would have resigned without questions. And that was no joke when we asked him. We come from responsible government and that's the system we operate under. Mr. Speaker . . . it's a wonder he didn't do it. When the Minister of Health flubbed the Medical Profession Act, at least they had the courtesy to move him out of there.

Now, Mr. Speaker, why are they doing it? Why are they playing Russian roulette with us? They know that the dangers of the results of their actions are worse than they were in 1973. Mr. Speaker, they are more dangerous. The implications for Saskatchewan are worse. We could compound the problem a hundred fold, Mr. Speaker, because they have to save their political necks. It is a deliberate stall. They are hoping that by the time . . . why wouldn't they put it to the Constitutional Questions Act? Because by the time the normal process of law occurs, there will be another provincial election.

The one thing that the NDP is doing in this bill is putting their political life above the responsibilities as a government. Don't let anybody suggest that that is not true, because there are many alternatives. You are collecting the tax. You could have that bill introduced now, wait until after Christmas, get constitutional opinions, get the public to have an opinion, get the oil industry to have an opinion. We could have the Law Amendments Committee meet, we could turn around and bring in the industry. You and I as members, could call in constitutional experts and ask their opinion. We could make a valid decision, Mr. Speaker, but you are not doing that. Your one idea is to save your political hides, and I say to you, the people of Saskatchewan will not accept that kind of a challenge, that kind of a threat.

Mr. Speaker, I also warn the NDP that they may think that I'm going to vote to get that \$480 million back. And I will not compromise my honor if I am not convinced that this is constitutional; that this is an honorable course to take. And if you expect me to vote for a second Bill 42, you've got another think coming.

Mr. Speaker, I will not support the motion.

Motion agreed to on the following recorded division:

YEAS — 31

Blakeney	Robbins	Tchorzewski
Pepper	MacMurchy	Shillington
Smishek	Mostoway	Vickar
Romanow	Banda	Skoberg
Messer	Whelan	Nelson (Yktn)
Snyder	Dyck	Allen
Byers	Feschuk	Koskie
Baker	Faris	Johnson
Lange	Rolfes	Thompson
Kowalchuk	Cowley	Lusney
Matsalla		

NAYS — 18

Malone
Wiebe
Merchant
MacDonald
Penner
Cameron

Anderson
Stodalka
McMillan
Clifford
Collver
Larter

Bailey
Lane (Qu'Ap)
Birkbeck
Ham
Katzman
Lane (Sa-Su)

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Speaker, I move, seconded by my seatmate, the member for Saskatoon-Nutana:

That the said Address be engrossed and presented to His Honour the Lieutenant Governor, by such members of the Assembly as are of the Executive Council.

Motion agreed to.

MOTION FOR SUPPLY TO BE GRANTED TO HER MAJESTY

MR. MacMURCHY: — Mr. Speaker, I move, seconded by my seatmate the member for Saskatoon Nutana:

That this Assembly will, at the next sitting, resolve itself into a Committee of Finance to consider the Supply to be granted to her Majesty and to consider the Ways and Means of raising the Supply.

Motion agreed to.

The Assembly adjourned at 4:39 o'clock p.m.