

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**December 12, 1977**

The Assembly met at 2:00 p.m.

On the Orders of the Day

**INTRODUCTION OF GUESTS**

**MR. G. McNEILL (Meadow Lake):** — Mr. Speaker, through you and to this Assembly, I would like to introduce three gentlemen in your gallery, the mayor and two of his councillors from Pierceland. Mayor Pepper, councillors Frank Mulbauer and Robert Rawlake. They are here to do some business and they happen to be the group that have the new municipality in their town in Saskatchewan. Also the mayor tells me that they recorded 60 below last week, so it has been pretty cold up in that country. I hope that their business here has been a success and I wish them a safe journey home.

**QUESTIONS**

**Negotiations with Oil Industry**

**MR. C.P. MacDONALD (Indian Head-Wolseley):** — Mr. Speaker, I would like to direct a question this afternoon to the Attorney General. A week ago Friday, after the Bill 47 was introduced into the Assembly, the Attorney General had a meeting with the oil industry of the province of Saskatchewan and I suppose Western Canada represented by Canadian Petroleum Association and IPAC. At that time the minister gave to the oil industry 10 days to respond to Bill 47 and to open negotiations. Today is the 10th day. Could the Attorney General tell the House and the people of Saskatchewan — I notice the Premier and our Minister of Mineral Resources are not here today — have those negotiations been established or started initiated this morning or are they going to be initiated this afternoon? If not, could the Premier tell me the timetable, whereby the government and the oil industry are setting down to get the oil industry's response?

**HON. R. ROMANOW (Attorney General):** — Mr. Speaker, I think the hon. member predicates his question on what I believe to be an incorrect statement of facts. With respect to the 10 days, statement, I believe I was asked by someone in the oil industry whether or not we would be prepared to entertain possible amendments or suggestions for improvement to the bill once they had an opportunity to study it and I said, Yes, we would. Someone then asked me what the time frame for that was likely to be. I at that time perhaps erroneously anticipated that the bill would be through with second reading within about 10 days. I clearly have missed the boat. I may have missed the boat by more than 10 days, I don't know. Time will tell as to how long I've missed the boat and that's all. There was no complementary statement that they must negotiate within 10 days; there was no statement to that effect and the result is accordingly but I think the rest follows from that answer.

**MR. MacDONALD:** — A supplementary question, Mr. Speaker. Could the Attorney General inform the House and of course the public, is it the intention then when the government initiates discussions and negotiations with the oil industry to clearly sit down and negotiate with them the rate of taxation which is the one vital aspect of the bill which is not included in the terms of the bill and they're going to negotiate the actual rate of the income tax level, not only for the past from 1973-77 but also that rate

for the future so that the people of Saskatchewan would know exactly what that rate is? Is that to be one of the subject matters on the negotiations that will take place?

**MR. ROMANOW:** — Well, Mr. Speaker, I repeat to the House what I believe I indicated to the industry. The government has, notwithstanding the views held by some members in this House, had its doors open through the Department of Mineral Resources at all times, during Bill 42, post Bill 42, during this particular time it has had its doors open for representations from members of the oil industry, I indicated to the members of the industry that that position would remain to be the position. I also indicated that undoubtedly there would be consultation with the industry as there have been in the striking of any royalty rates pursuant to the Bill 42 and pursuant to any other legislation that there be consultation with the industry as those rates are being developed and that's the position that exists with respect to . . .

**MR. MacDONALD:** — Supplementary. Would the Attorney General not admit or inform the members of the Assembly and, of course, the people of Saskatchewan that it would be far better to give assurance to the people of Saskatchewan that there is not a secret deal, not a sweetheart deal in relation to the past or the present and that in order to give the public confidence as to what the rate of income tax would be for the of industry that this rate be established before Bill 47 be finalized and given approval of this Assembly and, of course, given the stamp of approval to make it law by the Lieutenant-Governor in Council. Would that not give a great deal more confidence to the people of Saskatchewan and members of this Assembly that this rate be established before the bill is passed?

**MR. ROMANOW:** — Well, Mr. Speaker, I would say to the hon. member that I think it would be somewhat presumptuous for us to be striking rates before legislation is passed pursuant to which those rates presumably would be struck. I think it is presumptuous for us to assume the final form and the nature of the bill until such a time as parliament or this Legislature has had an opportunity to consider it, which I hope will be very soon.

As to the question of a secret deal, I would only comment in passing that that surely stretches the credibility of the voter and the mind to assume that this government an this party be striking some sort of a secret deal. Regulations will be public and will be open to debate in due course, presumably when the spring session reconvenes for further discussion.

**MR. R.L. COLLVER (Leader of the Conservative Opposition):** — Mr. Speaker, a supplementary question. A question to the Attorney General, is the Attorney General today denying the answer given by the Premier of Saskatchewan some few days ago to a question when which he was asked if the rates and regulations were going to be tabled in this Assembly during third reading or during Committee of the Whole and his answer was he would attempt to have the rates and regulations tabled in this Legislature during that time?

**MR. SPEAKER:** — Order! Next question.

### **PCS - Financial Viability**

**MR. H.W. LANE (Saskatoon-Sutherland):** — To the Minister in charge of PCS and by way of preamble to my question. I would like to draw the minister's attention to the statement made to the vice-president of Engineering and Production, Brian Kaukinen,

from PCS. He makes a statement in a recent magazine article that financial viability is a very strong mandate, that we must have proof in CPS that we can run economically and then, "We have had it put to us very firmly that whatever we do we must appear viable."

My question to the minister is this, did you put the same thing to the auditors that they must make it appear that PCS was economically viable and was that the reason for the phoney balance sheet that came out last week?

**HON. E. COWLEY (Minister in charge of Potash):** — Mr. Speaker, I would be quite pleased to answer that. I did a little work over the weekend with respect to the funny numbers put forward by the Leader of the Conservative Party. I only suggest that he would be much better off as a Social Creditor than as a Conservative or an accountant.

Mr. Speaker, I looked at the Alberta Energy Corporation which I thought bore some semblance of relationship to the Conservative Party in Alberta, and I'll answer the question when I get around to it. I'm in the process of doing it, Mr. Speaker.

The point made by the member for Saskatoon-Sutherland that there is something phoney about the financial statement of the Potash Corporation of Saskatchewan — well, I just want to draw a parallel with the Alberta Energy Corporation to show that our financial statement, Mr. Speaker, is done in the same way as the financial state — the Alberta Energy Corporation which is another public company. The shareholders' equity as of December 31, 1975 in the Alberta Energy Corporation was over \$150 million, and there was \$40 million owing as well to the government of Alberta at no interest re a purchase in the Suffield field, which made \$190,735,000 in equity. Their profit as of December 31, 1976 was shown in their books as \$8,460,000. Now, if we use the member for Nipawin's funny mathematics and calculate an interest of 8 3/8 per cent on that equity, they would show up with a loss of \$7.5 million.

Mr. Speaker, I've made it clear in this Legislature in sessions previous to this and this session that the debt equity ratio as we were treating as a government of the Potash Corporation of Saskatchewan was approximately three to one; that we were treating the advances from the Energy and Resource Development Fund as equity, and that's been said in this House. It is being treated in our financial statement as such.

If the member has any comments about Winspear Higgins who are our auditors, an international firm of auditors, that there is something phoney about them, I think he should take that up with them in public. I'm quite sure they are more than able to defend themselves against the kinds of criticisms put forward by the members opposite. Certainly I have given direction to the members of the corporation that they are to do their best to make PCS highly profitable and that is what the vice-president was saying in his report.

**MR. LANE (Saskatoon-Sutherland):** — Mr. Speaker, I certainly hope that you are as lenient with me in placing my supplementary as you were with the answer as given.

My question was this — the statement was made by your vice-president in charge of engineering and production that you must "appear viable". You didn't answer that question, and by way of a further supplementary, I would ask, where in the statements that you gave, since you're speaking about equity, is there any provision for equity capital? They're your statements, Mr. Minister. The statements say, "on loan from the energy fund", and if it is a loan, why is there no provision for interest? Why did you choose to take the loss; take the beating through the Energy Fund instead of taking the

beating through PCS where it rightfully belongs?

Now, back to the question which I originally asked to have an answer for — did you, as well as telling the vice-president of engineering that the important thing was the appearance of economic viability, did you tell that to other people including the accountants?

**MR. COWLEY:** — Well, Mr. Speaker, the member for Saskatoon-Sutherland puts forward the same kind of crap that his party usually does. Take one word, take it out of context, and say "appear". Certainly the direction has been very clear at the Potash Corporation that they are to be a viable operation. The vice-president may have said, "appear to be viable". He meant to be viable. Not to in some squeezy way such as you might do with mismanagement associates appear to be viable, but to really be viable, Mr. Chairman.

**MR. SPEAKER:** — Order, order! I would hope that members would keep their questions, supplementaries and answers in a parliamentary form and words which are commonly found in the dictionary to which we can rush in case we don't understand the words that are used.

**MR. LANE:** — Final supplementary, Mr. Speaker. If the minister then discredits the words quoted by this magazine article and attributed to his vice-president in charge of PCS, does he then say that the vice-president is also wrong when he implied in his article that a sweetheart deal was made with the union?

**MR. COWLEY:** — Mr. Speaker, again I would be very interested in reading the article in its context with respect to the sweetheart deal. I think it would be pretty hard for the member to prove that. I think you can look at the rates and the terms of the agreement of our agreement with the Potash Corporation of Saskatchewan, with the union. I think you could compare that with other companies in the industry. I think if there is a sweetheart deal with respect to the terms of the agreement between PCS and the steelworkers, there is a similar sweetheart deal with a lot of other companies in the industry. If that is the way the member wants to put it, fine and dandy.

**MR. LANE:** — In that case I will be happy to table the document.

### **Policy re Sale of Land Bank Land**

**MR. J. WIEBE (Morse):** — Mr. Speaker, a question to the Minister of Agriculture (Mr. Kaeding). About two weeks ago prior to your trip to Jamaica and Washington in answer to a question I had posed as to when your government was going to make public the guidelines under which you would be making land available to eligible lessees under the Land Bank Program, you advised at that time that you would be making that announcement at a later date. I noticed from the press reports of your meetings in Washington that you have stated part of that policy, namely being, that the sale price of the land will be equal to the average market value at the time the application to purchase is made. My question is this, are you now prepared to let the people of Saskatchewan know what your policy is in regard to the sale of Land Bank land in Saskatchewan?

**HON. E. KAEDING (Minister of Agriculture):** — Mr. Speaker, the policy as it was enunciated in that particular statement is a policy which is in the Land Bank Program and has been in there for some time. It is not necessarily the program policy under

which we are going to be selling land after the final policy is established That policy will be established very shortly. It will be announced very shortly.

**MR. WIEBE:** — Supplementary question. Mr. Minister, in light of that policy would you take under consideration or is it your intention because of the vast increase in the price of land today, an individual lessee who is now leasing six quarters of land who has not been able to save or obtain the capital to buy those six, if he makes application to buy one or two quarters of land, will the Land Bank Commission if he meets the regulations under the act sell him those one or two quarters and then allow him to lease the remaining four from the Land Bank Commission with the hope that two or three or four years down the road he may be able to apply for one or two more extra quarters?

**MR. KAEDING:** — Mr. Speaker, there is nothing in the act which says that if he wants to purchase land he has to purchase the whole amount of land. Certainly we will be prepared to look at smaller parcels, quarter sections and, in fact, may encourage that kind of an operation because we do believe that in many cases a lessee may not wish to buy the total parcel, he may only wish to buy the home quarter, and we will be prepared to accommodate that.

**MR. WIEBE:** — Final supplementary. Can the minister advise me and this House at this time as to whether the policy in regard to the sale of lease land will be made public prior to January 1 of next year?

**MR. KAEDING:** — Yes. I certainly hope it will.

### Joint Ventures — Uranium

**MR. R.A. LARTER (Estevan):** — Mr. Speaker, a question to the Minister in charge of Mining and Minerals. In the Saskatchewan Mining and Development Corporation Annual Report, the government shows that it has spent some \$8 million in joint ventures with other companies in exploration until March 1, 1977. Can the minister tell this Legislature if the government participated in joint ventures for the rest of 1977?

**HON. J.R. MESSER (Minister of Mineral Resources):** — Yes, we have continued with our joint ventures during the year 1977 and I believe that that has been announced to this Legislature and the general public in the last spring session.

**MR. LARTER:** — Mr. Speaker, a supplementary. Can the minister explain then why 44 out of the 47 of these joint ventures were searches for uranium and this was all while the Bayda Inquiry was going on? Can you explain if the inquiry is just another window dressing that cost the taxpayers of Saskatchewan thousands and thousands of dollars and that you have no intention of listening to the Bayda Inquiry results?

**MR. MESSER:** — Certainly not, Mr. Speaker, the member knows full well that when we announced the Bayda Inquiry we also conveyed to the general public of Saskatchewan that SMDC was continuing to explore in northern Saskatchewan in instances exclusively for uranium but also for other minerals. I pointed out to this Legislative Assembly during the last session, I believe during the question period, as well as during addresses in regard to the Saskatchewan Mining and Development Corporation, that in many instances agreements had been negotiated with joint partners which covered the remainder of the 1977 calendar year and in some instances were joint ventures which went beyond a year for exploration. To undertake to change the conditions of those agreements due to the appointment of the Bayda Commission would have cost

us as much and perhaps in some instances more than it would to continue to oblige ourselves to the conditions that we had negotiated. SMDC is fully aware that when the Bayda Commission makes its report the government will give consideration to the recommendations conveyed therein and there may be some implications in regard to SMDC in its activities. But it is not appropriate at this time to undertake to, in a hypothetical way at least, answer to proposals that may emanate from that report and final government considerations.

**MR. LARTER:** — Final supplementary, Mr. Speaker. Would the minister not think that if the Bayda Inquiry really comes up with say a moratorium on this whole situation, don't you think that this would be a lot of waste of taxpayers' money being spent this year in 1977?

**MR. MESSER:** — No, Mr. Speaker, because the member is asking a purely hypothetical question. There is no evidence to indicate what Bayda may be recommending and I don't believe in light of a review, a very credible review, such as the Bayda Commission we should simply stop all activity in relation to exploration and development in the Province of Saskatchewan; that certainly wouldn't be credible at all.

**MR. E.F.A. MERCHANT (Regina Wascana):** — I wonder if there is any indication of when the Bayda Inquiry will come down and whether the government has put any..

**MR. SPEAKER:** — The member for Assiniboia-Gravelbourg.

#### **Accident in Estevan Power Plant**

**MR. R.E. NELSON (Assiniboia-Gravelbourg):** — Mr. Speaker, I have a question of the minister in charge of SPC. On Friday, last, I asked the minister to give assurances that he would consider industrial power cutbacks in the province to ensure that homes wouldn't be without heat and light. I understand the minister did give some assurances outside this Chamber to the media after the question period. My question of the minister is, could he tell us if the accident in the Estevan power plant shutting down the two units was caused by overload or was it by the trouble mentioned in the system some days ago by the member for Regina Wascana?

**MR. MESSER:** - Well I can assure the member for Assiniboia-Gravelbourg that the shut-down did not emanate from the problems raised by the member for Regina Wascana; they emanated from a blowing of fuses on the generating units, I believe three and four, not the new generating unit. I am not able to with precision to respond to what the cause was, certainly the units were running at maximum performance. I don't know whether that contributed to it; there was a small fire related to the fuse blowing. It was not serious, it was put out in a short period of time. There was no significant disruption in the delivery of power to the Saskatchewan system and we have undertaken to cut back large industrial customers, not solely because of that but because of the continued cold weather. Perhaps today's weather and if it is to be like this in the future may return power to the industrials without any detrimental consequences to the rest of the consumers in Saskatchewan.

**MR. NELSON (Assiniboia-Gravelbourg):** — Does the minister not feel that having listened to the advice given in the House last Friday that this accident could have been averted and the plant still would have been in operation?

**MR. MESSER:** — No, Mr. Speaker.

### Canadian Pipe for Pipe Line

**MR. R.H. BAILEY (Rosetown-Elrose):** — In the absence of the Minister of industry and Commerce, I would like to direct a question to the Premier. Recent statements coming out of our nation's capital seem to indicate that the Canadian Steel Industry or at least some of the components of the Canadian Steel Industry are confident that they can meet the specifications required for the pipe in the Alaska pipe line. Has your government given any support to our local steel industry to bring about at least a portion of the contract since our own steel industry IPSCO here has a geographical advantage and what support has your government given to IPSCO getting at least a portion of that contract?

**HON. A.E. BLAKENEY (Premier):** — Mr. Speaker, I think whether or not the Canadian steel mills can meet the specifications depends a good deal on what specifications are decided upon. On the assumption that the specifications are such as can be readily met by Canadian steel companies, i.e. a half inch pipe thickness rather than three quarter inch pipe thicknesses in rough terms .54, then we expect that a significant amount of the business would in fact come to IPSCO and we have made representations to the federal government at a number of levels. The latest representations I suspect would be those that I made to the Prime Minister last Wednesday morning on the importance of setting the specifications so that they could be met by Canadian steel industries. I pointed out that these were the terms in which the Foothills-Yukon application was accepted by the National Energy Board. I drew his attention to that provision and the decision of the National Energy Board which referred to this. I believe that the Canadian government will see that the specifications are such as can be met by Canadian mills and if they are I am confident that IPSCO will get a significant order.

**MR. BAILEY:** — A supplementary question, Mr. Speaker. I understand that both the province of Saskatchewan and the province of Alberta, both provinces are involved in the IPSCO plant. Would the Premier not think it advisable in - you can use the word lobbying if you wish - joining forces with Alberta to make sure or to get more pressure in the contract that IPSCO would in fact get a sizeable piece of this contract and another question along with that, Mr. Premier, is your government then prepared to in order for IPSCO to meet the specifications to make some moneys available for what one might say retooling in order to meet the demands and the specifications?

**MR. BLAKENEY:** — Mr. Speaker, let me deal with the first question first and that is whether or not we should join with Alberta. Certainly we are more than happy to join with Alberta if this appeared appropriate. I have been consulting with the senior officers of IPSCO asking them the best courses of action to follow. Let me assure the House that in my opinion IPSCO is well able to manage its own lobby and is doing so through the Alberta government, through representatives of Saskatchewan in the House of Commons and through our government and I believe that we would be well advised to be guided by their judgment as to how our representations to Ottawa should be arranged.

With respect to the second question as to whether or not we would make money available to IPSCO for retooling, you will perhaps know that IPSCO is owned as to approximately 20 per cent by the government of Saskatchewan, approximately 20 per cent by the government of Alberta and approximately 20 per cent by Slater Steel, which

is a subsidiary of the British Sel Corporation, which is a British Crown corporation and as to 40 per cent by the general public. We stand prepared and we have made this known to IPSCO to put up a prorata share of money which may be required in an expansion plan with respect to possible expansion of IPSCO. There are proposals about. I won't go further than this because I don't know how much IPSCO has made public itself, proposals about foreign expansion which would involve a contribution by the government of Canada through DREE and I had occasion recently when the minister for the Department of Regional Economic Expansion was in Regina in association with the opening of Agribition, to raise this point with him and to urge upon him that DREE respond favorably to this request. It is our view that there are sources of funds which would make it possible for IPSCO to expand, to retool, as the hon. member puts it.

### **Inspection of Amusement Rides**

**MR. E.F.A. MERCHANT (Regina Wascana):** — Mr. Speaker, a number of months ago I brought to the attention of the Minister of Labour a problem with amusement rides — I brought it to his attention in the usual confidential way, in issuing a press release and letting him read about the problem in the newspapers like everybody else. And I now ask the minister whether it is his intention to do anything in the coming session about this problem which caused a number of lives to be lost in the West last year, including lives in Saskatchewan, whether the minister will follow the British Columbia lead, who, within the last months, have gone into an inspection in licensing program under the elevating conveyance of the Department of Labour and whether the minister would guarantee that by the time they fair season starts next year Saskatchewan will be protected by some kind of licensing and inspection program either through legislation or through expanding the licensing of the elevating conveyance company?

**HON. G.T. SNYDER (Minister of Labour):** — I am grateful for the hon. member's question. The absence of questions I am sure, can infer that the Department of Labour is an exceptionally well run operation and accordingly doesn't elicit very many questions.

The only concern that I have at this particular moment in replying to the hon. member, is the fact that proposed legislation has not been fully considered, nor the implications of and I can tell the member that a bill has been drafted and I must say at the outset that I have some concerns with respect to the application of the inspection of rides as it takes place in other provinces. I think inevitably the passage of an Act would lead to a sense of false security and might somehow give the using public (if I can term it that way) a false sense of security. I think the member may be aware that in Alberta where they do inspect rides where they have an act — there was an accident that occurred where a roller coaster at the amusement ride, I believe in Calgary broke loose from its mountings and met another roller coaster travelling in the opposite direction. I think for anyone to suggest that an inspection such as is done in Alberta once a year can somehow guarantee the public that they will ride amusement rides with entire safety, is probably more than can be possibly expected. It is under consideration. I can't guarantee the member that a bill will be introduced at this session but it is being considered seriously.

### **STATEMENT**

#### **Point of Order by Mr. Cameron**

**MR. SPEAKER:** — Before orders of the day I have a statement. A point of order was

raised on December 8, 1977 by the hon. member for Regina South (Mr. Cameron) regarding the remarks for the hon. member for Saskatoon Centre (Mr. Mostoway) as found on page 712 of the Debates and Proceedings.

I undertook to examine the record to determine whether the words transgressed the rules of the order of governing debate. While remarks in the nature of a personal attack on a member have always been considered out of order in this Assembly, it has been the practice to draw a distinction between these personal imputations on the one hand and general accusations about the orientation of particular groups or parties on the other. I find support for this distinction in Erskine May, Eighteenth Edition, Page 419, which states:

Expressions which are unparliamentary when applied to individuals are not always so considered when applied to a whole party.

I refer all hon. members to a ruling of the Chair dated March 14, 1966, Journals of Saskatchewan, Page 136, which stated:

It is not the function of the Chair to consider the accuracy or otherwise of statements or accusations made by one member about other members but to decide in the first instance whether they are singular and personal or broad and general.

In my view the statements of the member for Saskatoon Centre were not personal and were in the nature of debate.

**SOME HON. MEMBERS:** Hear, hear!

#### **Length of Response by SPC Minister**

**MR. MERCHANT:** — On a point of order, Mr. Speaker, a different point of order. Might I ask you to consider the response of the minister in charge of the Potash Corporation and the second response from the Premier in light of their length. I must say I always enjoy listening to the minister in charge of the Potash Corporation kicking the dickens out of the Conservatives but I am not sure that I like seeing the whole question period wasted in his discussions of the Alberta Energy Fund and whatever else may come to his mind. And I suggest to you, similarly the . . . Mr. Tchorzewski, the hon. Minister of Health, on Thursday, was very very lengthy and with respect I feel that the ministers are imposing upon you with very verbose and not always answers that are as interesting as that of the Minister in charge of the Department of Social Services.

**SOME HON. MEMBERS:** Hear, hear!

**MR. C. P. MacDONALD (Indian Head-Wolseley):** — To the point of order, may I speak further to the point of order, Mr. Speaker?

**MR. SPEAKER:** — Very briefly.

**MR. MacDONALD:** — I want to say, Mr. Speaker, that your capacity for decision-making, when it comes to the opposition and the validity of a question, is instantaneous and we have to give you full marks for great decision-making. But when it comes to assessment of the government, Sir, sometimes it takes you as long as five minutes.

**MR. SPEAKER:** Order, order! I would . . . rather than the member for . . . I will deal with the points of order in reverse order . . . dealing with the member for Indian Head—Wolseley and immediately upon hearing the point would remark that the member should not make broad general accusations about the Chair's dealing with points of order, but should be specific and to the point and I will try to deal with them specifically and to the point.

To the member for Wascana, I wondered if there are any other items he wished to raise in his compendium of points of order?

**MR. MERCHANT:** — No. I must be brief.

**MR. SPEAKER:** — All right. I find, along with the member for Wascana, that I am distressed with lengthy points of order, with lengthy questions and preambles and with lengthy answers and I would ask all members of the Assembly to adjoin with me as we approach the Christmas season . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** — . . . and try to get our questions, our preambles and our answers down to a period of time which will allow me, being of extremely short memory, to remember the beginning of the question or the beginning of the answer by the time we get to the end of it.

## **ADJOURNED DEBATES**

### **SECOND READINGS**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Romanow that Bill No. 47 - **An Act to provide for the Taxation of Income from Oil Wells** - be now read a second time.

**MR. S.J. CAMERON (Regina South):** — Mr. Speaker, I was drawn into the debate on Friday in response to remarks from the member for Qu'Appelle and in the process bought myself a lot of work on the weekend, but couldn't resist an immediate response to him because I found his remarks to be really genuinely intriguing, considering particularly the fact that he now is a frontbencher on the Tory benches and their chief strategist. He had said, you will recall, Mr. Speaker, that the PCs want to get on with the passage of this bill. He said, "why hold it up any further because it is going to pass anyway and the Attorney General has asked us to pass it speedily; therefore, we ought not to delay, but we ought to get it passed." You will recall, Mr. Speaker, that the members of the Conservative caucus have now taken two positions in respect of Bill 47 – Bill 42 fiasco. The first position was to say to the Premier that he ought to go to Ottawa and to negotiate with Ottawa to have it bail us out of this situation. Note their first position - send the Premier to Ottawa to negotiate ourselves out of this bind.

The second one - to pass Bill 47 speedily without fight.

Now that position, may lie with the member for Nipawin, it may lie with some of his colleagues, but I submit to members it hardly lies with the member for Qu'Appelle to take those two positions and indeed, I wonder if the member for Thunder Creek can take those positions. I say why and the answer, Mr. Speaker, is that for the member for Qu'Appelle to take those two decisions, one go to Ottawa to negotiate, two to pass the

bill quickly without fight would mean then a very remarkable conversion on his part on his way to Damascus when he met Dick Collver. When I say that it is because I want to remind the member for Qu'Appelle what he had to say about stratagems of that variety in the past. Now he says, on Friday, send the Premier to Ottawa to negotiate a way out of the bind. Well, here is what he has had to say in the past in this House about the capacity of the Premier to negotiate with the federal government. He said, "I have said it before, and I shall say it again — please don't let the Premier go outside the province because every time he sits down and talks to somebody it costs the people of Saskatchewan millions and millions of dollars." If we send him to talk about oil and gas to Ottawa, like the Leader of the Opposition says, "It's sending a boy to do a man's job, he can't do it." This is the member for Qu'Appelle, speaking in the House about the Premier. "He can't do it. He can't handle the negotiations with Ottawa. He can't deal with Ottawa." That was his position on December 4, 1974, about Bill 42. Now he's suddenly converted, finds in the Premier some uncommon capacity now to negotiate with the federal government when he couldn't do it in 1974.

Now, Mr. Speaker, I say what sort of a remarkable conversion is that of the member for Qu'Appelle? Then he said, "Well, I'm going to tell them about a second position he took," and I ask him if it lies with him to rise in this House and say, "Let's pass speedily without fight, Bill 47," because he had something to say about that sort of strategy in the past too. While he now today finds it so acceptable, I remind him of what he said to the House at one other time on the same kind of strategy.

Now, you will recall, Mr. Speaker, and so will members, that the Conservative position today with respect to Bill 47 is not appreciably different than what it was with respect to Bills 1 and 2 in the great potash debate. The member for Qu'Appelle, who now says we ought to adopt the conservative strategy with respect to Bills 1 and 2 in respect of Bill 47, had some interesting things to say in the past about that kind of strategy too and I want to remind him of what he had to say. He said that the same Conservative Party, this is what he said March 18, 1976, to the House, that the same Conservative Party that when we in the Liberal Opposition attempted to stop and filibuster the potash nationalization legislation, said we were wasting the taxpayers' money and wasting the time of the House. That's what he had to say about their position. He said, and again, this is the member for Qu'Appelle about the Conservative Party. "That's the party that tries to convince the people of the province that they are entitled to govern (the PCs) that they have shown a callous disregard for the economic situation — the economic position of this province." He says about the PCs, "If there is ever any indication that they have shown no ability to govern, it's their actions in the last few days and their actions in failing to fight with every resource at their command, the infamous potash nationalization legislation of the government."

Now, as I say he . . . the member wants me to go on and I'm pleased to do it. What he wants to do of course, in this remarkable conversion he's come to, is he wants to avoid fighting with the NDP on the position of Bill 47. He knows, as we all know, that the NDP will, by one manner or another, reduce the argument on Bill 47 to a couple of easy slogans. They will as they always do, reduce it to a sort of smallest common denominator and they fight on that ground. The member for Qu'Appelle finds now that it is difficult to oppose the NDP in that respect because he knows it's going to be difficult for him to make a counter argument; it's more complex. So therefore he now says, "Let's get on and pass the bill quickly because we, then, being the Conservative caucus, can indicate why we were with the people against the oil companies when it came to this Bill 47." Now, that's the kind of strategy they have taken. What he had to say in the past about strategy of that kind is this — the strategy of appealing to the

lowest common denominator. He said, "I think with all respect that a situation has developed," and here he was speaking about the leader of the Conservative caucus, "where simple, petty, childish and simple-minded efforts can attain or obtain dramatic press coverage for the Leader of the Conservative Party, indicates that someone is catering to the lowest common denominator of the intelligence of the people of this province." "Seemingly no effort," he says about his leader, "is being made to the appeal of the true intellectual capacity of the people of this province." "If it is the intention of the communications people of this province," and here the member for Qu'Appelle is addressing the members of the press about his own leader, "to cater to the lowest common denominator of the intelligence of these people, I will guarantee the election of the Conservative leader in the next election," because that's what he is catering to, taking that position as he did on Bills 1 and 2 — the very position the Conservatives now adopt with respect to Bill 47. That's why I say it ill behooves the member for Qu'Appelle to rise as he did and actually rise in the House and attempt to give us some reasons why he was so converted between his positions on Bills 1 and 2, and his position today on Bill 47.

There's another factor that's involved here too — in all fairness, Bill 47 in many respects is merely the restoration and the extension of the policy of Bill 42 — a policy that the member for Qu'Appelle bitterly opposed — stood against the government on its Bill 42 policies. He stood right here in this House and voted against Bill 42. He fought the policy of Bill 42 through a provincial election. Now he says as of Friday that he's going to rise in the House and support the retrieval of Bill 42 which he voted against in the first place.

The member for Thunder Creek with respect is in not much different position because he, too, fought bitterly against the policies of Bill 42, indicating that in his view the government was being too greedy and too rapacious in that respect and that Bill 42 was going to ruin the industry in the province. Those were the arguments that he was making in his election of 1975. He went a step further because in this House while seated right there, members will recall, he supported a resolution by the member for Lakeview (Mr. Malone) to repeal Bill 42, having in the past fought an election campaign against Bill 42, having in this House supported a resolution to repeal the policy of Bill 42, it will be interesting to see whether he can rise in his place and support Bill 47 which is but an extension of the Bill 42 policy. I am sure that the people in Moose Jaw will watch closely how the member for Thunder Creek (Mr. Thatcher) votes in respect of this bill. Now he affects always a great courage that he will take his position in principle, that he has the courage to stand with his principle always, irrespective of where it leads; that's the position he always affects. We will now see what position he takes, and he isn't going to be able, you can be certain, to be out of the House when the vote is taken. Again we know the habit of the member for Thunder Creek in that respect. When it is difficult he would prefer not to be in the House to stand and vote but in this respect we are going to draw the attention of the House to that fact and when the time comes to vote in respect of Bill 47 on second reading we are going to see where the member for Thunder Creek stands, if he is in the House. Will he rise and vote for the bill? Well, members keep saying, question, the members keep saying question . . .

**AN HON. MEMBER:** — Keep saying that.

**MR. CAMERON:** — Well, I wonder whether they want to vote now that the member for Thunder Creek is not in the House. Perhaps they don't want to indicate publicly to the division within their party with respect to this bill. They were saying to me on Friday and again today they say to me, where do you stand? The Conservatives are saying to the

Liberals, where do you stand? You are simply delaying your decision and not indicating what your position is in respect to the deal with the oil companies. Now we say to the Conservative Party, Mr. Speaker, where we stand and there is a clear difference where stand and where the Conservatives stand. We stand opposed to NDP mal administration, they apparently stand with them.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. CAMERON:** — We stand for substance, Mr. Speaker, ahead of appearance and in that we are different from the Conservatives. We stand for principle ahead of expediency and there again we stand differently from the Conservatives. And we stand, I tell you, four square opposed to this bill if it remains in its present form and we intend, Mr. Speaker, when the time comes to rise and vote against the bill and in doing so, Mr. Speaker, we will rise with our courage and our principle intact, very different from the members to the left of us.

**SOME HON. MEMBERS:** Hear, hear!

**MR. CAMERON:** — Mr. Speaker, the reason, the reason we have problems with Bill 47 as it stands are many and I want to indicate to the House in some detail exactly why we have difficulty with it and why, if it remains in its present form without some alterations, we will stand against the bill and have the courage to vote against it.

Mr. Speaker, the bill has to be judged by any fair measure basically upon four criteria. One, is it sound policy with respect to the management of our oil resources? Secondly, is it a financially sound and a fair and equitable tax system, that's the second criterion. Thirdly, is the bill constitutionally valid and fourthly, does it effectively rectify the past errors and dispose of the dilemma we are now in with respect to Bill 42 having gone down? Also does it provide for a secure future for the province to be able to obtain a reasonable tax return from the production of its oil with no possibility of merely compounding the problem we are now in? That's the issue.

**SOME HON. MEMBERS:** Hear, hear!

**MR. CAMERON:** — Mr. Speaker, those are the criteria by which any reasonable member has to assess this bill and his vote.

Then I want to refer in detail, Mr. Speaker, to these criteria and turn to two additional questions. One is to the politics of this situation which I want to deal with and secondly, to give to the government the suggestions formally that the Liberal caucus has formulated in the past several days in respect to this position. Now let's look, Mr. Speaker, to the question of the policy in Bill 47. If members of the Conservative Party had had an ounce of courage and hadn't been so hasty in merely wanting to get out on the side of easy politics instead of the side of a rational analysis of this debate, they would be with us and would be listening to us in this respect.

Bill 47, Mr. Speaker, clearly takes two policy decisions, one, Mr. Speaker, is that policy decision . . . (interjection) . . . Well it's interesting, Mr. Speaker, to again observe the tactic of the member for Qu'Appelle (Mr. Lane). Having, as I said earlier, taken the untenable position he has taken, now having to go out to his constituents and it is going to be interesting to watch him account for the fact that he has done this famous flip flop

on Bill 42, which is the position he is now taking.

The policy of this bill is certainly twofold. One is to retrieve the position of Bill 42 and the taxes that were paid under Bill 42, that's the first policy decision. The second, is to provide for future taxation with respect to the future production of oil in Saskatchewan. We ought to remember that the bill is not designed solely to retrieve the position of the past but it is designed to put into place a taxing scheme for the future and these are separate issues. If this bill is intended, Mr. Speaker, to merely restore the policy of Bill 42 which failed, then this bill too will fail in that same respect and that is quite apart from the constitutional difficulties with respect to the bill in a policy sense. Unless it takes a different policy course than the government took under Bill 42, Bill 47 will fail in a policy sense.

Mr. Speaker, a sound and sensible oil management taxation policy surely has to meet these criteria. In the first place it has to maintain and if possible increase efficient production and marketing of oil. Secondly, it has to maintain and increase exploration of new sources of oil. Thirdly, it has to build our reserves of oil and fourthly, it has to gain for the treasury a reasonable level of revenue consistent with maintaining a healthy industry in the province. Look at Bill 42 relative to those four criteria. The first question is: has Saskatchewan in the four years since Bill 42 policy came in maintained an increased production and marketing of oil? First question. If one looks at the production of oil in the pre Bill 42 period and compares it to the production of oil in Saskatchewan in the post Bill 42 period, you will find, Mr. Speaker, a substantial decline - a substantial decline drawn almost with a line of demarcation being the passage of Bill 42 in January 1, 1974. Mr. Speaker, the average production of oil in Saskatchewan in the 6 year period prior to the passage of Bill 42, was 90 million barrels. The post Bill 42 average is 64 million barrels. A very substantial decline in production.

With respect to exploration, Mr. Speaker, the same story is true. We used to in 1967 and in 1968 see drilled in this province about a 1,000 oil wells a year. Again, in the six year average, 1967-73, there were an average of 800 oil wells drilled in Saskatchewan. The average for 1974, 1975 and 1976, being the post Bill 42 average, was 292 wells; a drop from 800 wells per year down to 292 wells per year.

Turning to consider a third aspect and that's the marketing of oil and here I use Canadian figures and not American figures because members opposite will draw it to my attention if I use US figures, that Canadian policy in part has resulted in the decline of export to the United States so I use Canadian figures alone. Mr. Speaker, the average for six years before the passage of Bill 42, we were selling in Saskatchewan on the average to our fellow Canadians 68 million barrels a year. Post Bill 42, the average for that three year period is 34 million barrels. Again a very substantial decline virtually a 100 per cent in the levels of oil that we were selling to fellow Canadians in the Post Bill 42 period as opposed to the pre Bill 42 period. The fourth instance, well the member for Prince Albert says how about something relevant 'for Saskatoon'. If the member would just take a few minutes, Mr. Speaker, and think a little bit, surely to goodness what he will do is analyse the Bill 42 policy and the effect it has had on this province and see whether he wants to maintain that policy. But, of course, in his desire to get on to that simplistic little political ground he overlooks completely any questions of substance or principle in respect to this bill.

Mr. Speaker, a question of reserves. A sound taxation policy and a sound management policy will want to build our oil reserves in the future, particularly, with the shortages we

face in this country as the rest of the world does. In 1967, Mr. Speaker, in this province our reported reserves, producible reserves, were 950 million barrels. By 1976, those had declined to 673 million barrels. Therefore, in respect to the post Bill 42 years, 1974 inclusive, we see production is down; we see exploration is away down; we see marketing our oil to fellow Canadians down substantially and we see our reserves dwindling. Now I ask members in fairness, and particularly Conservative members, if they think that all of this is mere coincidence or if as in fact, we believe, some of this decline is attributable to the Bill 42 policy.

Mr. Speaker, the taxation levels of Bill 42 have clearly, even by the admission of the government, crippled the oil industry in the province. It set us back. We had two years of almost total stagnation following the passage of Bill 42 which members themselves on the other side admitted when in 1976 they brought in some amendments to the policy to give back to the industry some \$30 million in taxation by way of incentives. Mr. Speaker, that's the policy side of Bill 42 which Bill 47 apparently now seeks to retrieve. The \$500 million in addition to that that we collected under Bill 42 is in jeopardy and we are in a mess in terms of our oil management policies by whatever measurement one uses. Indeed it worries the parties that it could become infinitely worse unless the government begins to apply, in our view, Mr. Speaker, less in the way of dogma and more in the way of common sense to the situation. The grave situation that we are in wasn't born, as members opposite so often would indicate in the course of debate, by an act of God or any calamitous circumstance beyond the control of the government or by the oil companies or the federal government or the editorialists or the opposition members. It was caused, Mr. Speaker, clearly by that government in 1974 overstepping the limits of its powers and overstepping the limits of common sense in respect of its policy. This leaves me to the last of the four criteria by which members of the Conservative Party ought to be judging this bill in the same way that we are. And that is, does Bill 47 and did the Bill 42 policy obtain for Saskatchewan a fair level of revenue for the public consistent with sound management policy for the province? We see no evidence, Mr. Speaker, that Bill 47 is meeting this criterion either, unless the government is prepared to change some of its attitudes.

Now, we don't know what the government has in mind with respect to the level of taxation because that's not in the bill. The future position, therefore, is silent as to the level of taxation under the bill. In that sense we cannot come at this stage to some full conclusion in respect to judging the bill and in respect to that one criterion. But we haven't seen, Mr. Speaker, either from the Premier or the Attorney General or other members opposite who have spoken to the bill, any indication that the government is proposing to change its basic attitude in the way in which it wants to manage this resource and we can only conclude that Bill 47 is designed as an extension to extend into the future and to retrieve from the past, the policy of Bill 42 and that we find unacceptable. Mr. Speaker, it seems to us in reasonable terms that unless the government will establish a rate of tax which is considerably fairer than that which Bill 42 had, that insofar as 47 applies to the future to ensure the objectives of a sound oil resource management policy for Saskatchewan, that it will fail in the same way that Bill 42 failed. There have to be incentives, Mr. Speaker. There have not been the kind of incentives in the past as the figures demonstrate. Now we have the bill with the most crucial element the level of taxation missing from it. We want to know from the members of the Conservative party and the members of the party opposite who intend to vote in favor of the bill, how they can vote for a bill, a taxing bill, which has missing from it the very crux and heart of the taxation measure, the levels of taxation.

**SOME HON. MEMBERS:** Hear, hear!

**MR. CAMERON:** — In that respect, Mr. Speaker, it is our view that the function of the members of the Legislature is being usurped in that respect because what the members of the Legislature are being asked to do is to give to the government and the Premier a carte blanche in respect of the levels of taxation. We are not prepared, Mr. Speaker, to support that position which could lead to precious, vindictive and short-sighted taxation policy. We want to see the figures, we want to see the levels of taxation. We consider it an abuse of the process of the House for the government not to put before us the actual numbers and the actual level of taxation before asking us to vote in favor of the bill.

Mr. Speaker, the second broad area by which this bill has to be judged is as to whether or not it is a fair and equitable taxation system and unless we have the figures before us, the levels and the rates of tax that are proposed, I submit to you that members cannot make that kind of a judgment conclusively. We are being asked in a sense to play the game of pinning the tail on the donkey. Members will recall the game, the player is blindfolded, given the tail of the donkey and asked to pin it somewhere on the body. Well the tail as members know frequently winds up attached to the head or to the hoof, or out of the mouth or some such place. That's the kind of game without knowing the rates of tax that the government is asking us to play. Now the Conservatives may want to play pin the tail on the donkey but I'll tell you that we don't, because maybe in the process the tail they want to pin on the donkey has some relevance to the leadership for the member for Nipawin. That's possibly one of the questions they have in mind.

Mr. Speaker, it is interesting when one looks at the detail of this bill in terms of whether or not it's a fair taxation bill. This bill excludes, unless authorized to the contrary by the Cabinet or the Premier, the deduction of what are clearly standard expense items in computing net income on which one pays tax. Capital cost allowance is excluded from deduction in the bill unless permitted and to the extent permitted by the government. Depreciation falls in the same category. Depletion - no depletion allowance. Exploration expenses, again not deductible unless the Cabinet gives some deduction in respect of it. Other taxes paid other jurisdictions, not deductible - not deductible at all as a matter of fact, unless again there is some special provision given to the producer by the company. What concerns us is when you look at that, no provision specifically for the calculation of expenses and the deduction of expenses in respect of capital cost allowance, depreciation, depletion, exploration expenses, other taxes paid and even some administrative expenses are knocked out, leads one to wonder where the government is going in respect of Bill 47. Mr. Speaker, in the absence of some other explanation, leads us again to the conclusion that it intends merely to adopt the road of Bill 42 with the future as it took in the past.

Again we are not prepared in the Liberal caucus to support that position. If members think that's an unfair position, I ask them to look at the recent financial return of Saskoil. If you applied the calculation of tax provided for in Bill 47 to the operations of Saskoil in the last year, Saskoil would wind up losing substantial millions of dollars. That's how Bill 47 would apply to the operations of Saskoil and if it applies to the operations of Saskoil, in that way of course it applies to every other oil producer in exactly the same way.

Mr. Speaker, the most difficult aspect of this bill in its entirety is the constitutional dilemma that applies in respect of it. We are gravely troubled, and I say this in all sincerity. Our caucus having considered now for 10 days various aspects of this bill and particularly the constitutional aspects of it, that the bill in not differentiating

between the retroactive period, from 1974 to the date of the CIGOL judgment, and treating it differently than the position in the future is creating a situation that can lead readily to a successful constitutional challenge on this entire bill. If this bill doesn't stand up, Mr. Speaker, constitutionally, members opposite I am sure know - I know that the alert people in the Cabinet know - that this province four years from now could be sunk financially. There's no question that that's the gravity of the situation we face in respect to the bill. We have already collected the \$500 million which is in jeopardy in the last four years and one could expect over the next four years we'll likely collect another \$400 million to \$500 million. If we were to see this Bill 47 successfully challenged in the same way Bill 42 was, four years down the road we would then face a liability of a billion dollars, instead of the \$500 million we face. And that means by any fair measurement that by 1981 we could be wrecked financially in this province, utter chaos, Mr. Speaker, would clearly befall the province. Our health plans, our educational standards, our Crown corporations, Sask Tel and Sask Power and all that we value greatly in this province could clearly be in danger, if that was the situation. We would be placed in the unthinkable position, in my view, of having to go to the provinces of Alberta, British Columbia and Ontario and ask them at that stage to bail us out of what would be a very, very grave situation.

One of the things, Mr. Speaker, that has troubled us in respect of the debate thus far is that some members opposite, not all but some, and some members in the Conservative caucus are in our view either not seeing the gravity of the situation that applies in this province today or else choose to ignore it. One would be hard pressed, I say to the member for Saskatoon-Sutherland, to take a minute to look at it to find a situation more grave for this province exposed to a liability of \$500 million with a real dilemma as to how we get out of it and the possibility or the prospect in four years of having that \$500 million grow to a billion and having in some way to try and repay that without affecting adversely everything we cherish in this province.

As I say, Mr. Speaker, there has never been surely a position before this Legislature as grave as the one we now face and so much, therefore, in need, Mr. Speaker, for a concern among members more about the substance of their positions and less about their political appearance.

Mr. Speaker, as this bill applies to CIGOL and I indicate this to the Attorney General with no doubt whatever, it is our view that as it applies to CIGOL it is unconstitutionally invalid. It cannot stand a test by CIGOL. In fact, CIGOL could have this bill thrown out readily and quickly. The simple doctrine of colorability, in interpreting constitutional measures, that a government cannot do indirectly what it has failed to do directly, that it cannot retrieve with a second statute taxes that it has collected under a first one that has been ruled unconstitutional.

I say to the Premier, the other day when he said on television that what he would give CIGOL in the right hand by way of payment of its judgment and collect back on the left hand by way of a new tax under Bill 47 was only to compound the constitutional difficulty we are in. That you cannot, that you cannot do that, I suspect the Attorney General knows it and if he has to argue Bill 47 in the Supreme Court of Canada in the face of a challenge by CIGOL, he cannot win that case. And not only would the bill go down as its retroactive provisions would apply, it would go down as well as to its future provisions because they are not severable in the bill. That's the position CIGOL is in with respect to this legislation. The other oil companies, at least some of them, those who paid their taxes under protest under Bill 42, are not in the substantially different position. Imperial Oil, in particular, who commenced their action insofar as this bill

applies retroactively to them, it too, is clearly in constitutional trouble for the reasons that I have indicated that apply to CIGOL . . . Perhaps not quite so clearly, but no question, very troublesome.

Insofar, Mr. Speaker, as the bill applies to the future and would create a new tax scheme for the future in terms of oil production, it is on much stronger ground in a constitutional sense, but even as a fresh start for the future, it has some problems. I think it behooves the government to have the bill as it applies to the future tested, constitutionally, at the earliest possible date so that insofar as we have a tax system for the future it be beyond any question constitutionally valid and beyond attack by any oil producer.

Mr. Speaker, what are the problems with respect to the constitutionality of the bill as it applies to the future? I don't want to get into any sort of a lengthy brief in respect of it but I do want to refer members (the Attorney General will be familiar with it) to one particular situation which was not unlike this one and which was found to be constitutionally invalid and created for the province of Alberta a situation which I hope to God we in Saskatchewan will avoid as it applies to taxation from our oil production. I ask members to consider a case of Alberta in 1923.

The province of Alberta had enacted a statute called the Mine Owners Tax Act, 1923 and the act was passed by the Legislature on April 21, 1923. Every mine owner, under that act, was required from May 1, 1918 (you'll see the retroactivity of it) be subject to a tax upon the gross revenue from his coal mine. The act attempted to repeal a previous act under which the government had sought some percentage of gross revenue. The previous act, by the way, which was challenged by the coal producers as to its validity in respect of which challenge they were upheld, so the first act was knocked out on challenge by the coal producers; then the second act was passed in 1923 to levy a tax on the gross revenue from coal mines in Alberta. The companies refused to pay the tax under the new statute and they sued for a declaration that they weren't required to pay the tax and for recovery of the tax they had paid. A situation, Mr. Speaker, that members will see is not substantially different in its essence than what we are now here trying to do these days in the Legislature.

Mr. Speaker, the companies succeeded in their attack on that bill. In due course it went through the Supreme Court to the Privy Council and the legislation was ruled unconstitutional for a second time. The result of that was is that the government was forced into the position of having to return the tax it had recovered retroactively, it had to return taxes to the companies it had covered under the new bill and thirdly, it lost its taxing power for the future under that bill.

Now it is so similar, Mr. Speaker, to the situation we now face that members ought to give it some serious consideration. I don't say that on this precedent, which is a binding precedent by the way in the Supreme Court, that this bill is necessarily unconstitutional. All I say is that it shows clearly that this Bill 47 has got problems attached to it in terms of its constitutional validity. What I say from that is that we have to proceed with the utmost care because we can't afford to have the \$500 million turned into a billion liability.

**SOME HON. MEMBERS:** Hear, hear!

**MR. CAMERON:** — Mr. Speaker, unless the government itself will quickly test the constitutionality of this bill you can be certain that someone in the industry will. If

someone in the industry does it is a fair bet it will take again four years before that winds through the courts during that four year period we will again collect taxes. During that four year period we will again be uncertain as to the constitutional position we are in. The government of Saskatchewan, can by one or another device, which I will come to, clearly have this bill as it applies to the future, tested rapidly in the courts as to its validity.

Mr. Speaker, to recap the bill.

1. The bill, insofar as it covers the period January 1, 1974 to January 1, 1977, is likely unconstitutional.
2. As it creates anew a tax system for 1978 and beyond it is on stronger ground but is not without some clear constitutional problems.

The question is: What do we do? What do we do to strengthen the situation?

Mr. Speaker, the problem with the bill in large part is that the retroactive provisions which at CIGOL's behest are clearly unconstitutional and at the behest of the oil companies are clearly troublesome constitutionally. The retroactive provisions taint whole of the bill. If it is brought down because of its retroactive feature, it is brought down in total. You can't separate at that time the retroactive provisions from the future provisions. Mr. Speaker, it's evident that if that happened our position would be badly compounded because in four years, as I said, we would then owe \$1 billion instead of \$500 million, in more or less terms, and we would have a catastrophe of the highest order on our hands. This is what we, in responsible terms, in the most responsible terms have to try to avoid. We should, therefore, I want to suggest to the Attorney General a serious suggestion which we have considered in respect of which we have drawn some advice and which we offer to you as a constructive, sensible solution to part of the dilemma we are in, is to take this bill and divide it into two separate parts, two separate bills. One of those bills should be aimed at recovering to the extent possible and largely through negotiations, the taxes that we have already collected. That is one separate bill to apply retroactively.

The second bill would have in effect a new start to apply to the future and it would be untainted by the past and the retroactive provisions of Bill 47. It could, if we did that work correctly, and I tell you this in all sincerity, if we do it correctly we can be certain that the new bill as it applies to the future can be beyond attack by anyone and can readily give to the province a position in respect of which we can have confidence and security that it cannot be brought down and compound this problem.

Mr. Speaker, we can avoid that risk and this is how we can do it. After separating the bills and having two bills, one to apply to the retroactive period and I'll come back to that one and one to apply to the future period. we then should take the bill in respect to future taxation and sit down with the federal government, its Department of Justice, and seek its accord on its constitutional validity. That can be done, that can be done. If it requires some modification here and there we should be prepared to make the modification, seeking to draw from the federal government its accord that our bill as it applies to the future is constitutionally sound. Having drawn from the federal government that position, we then ask them with the powers they have under section 55 of The Supreme Court Act and which we, as a province, don't have, we ask it to

exercise its power and refer that new bill directly to the Supreme Court of Canada for an immediate and direct ruling on its constitutional validity. We have the power, as a province, only to refer to the Court of Appeal which in due course is appealable to the Supreme Court. The federal government, however, has the power under section 55 of The Supreme Court Act which I commend to the Attorney General, power itself to refer even a provincial piece of legislation directly to the Supreme Court for a constitutional judgment.

Now, Mr. Speaker, I have been in touch with the federal government in this respect. It is prepared to look at this suggestion and if we separate these bills, one as it applies to the past, one for the future, sit down and try and work out a bill that they believe is constitutionally sound, they will consider as a realistic possibility that I have checked this and drawn this assurance from them of referring the bill to the Supreme Court for a judgment, in co-operation, may I say, with the province of Saskatchewan. In this way, Mr. Speaker, we would be assured that we would have a tax system for the future that would be beyond attack and we would effectively, may I say to members opposite, finally and for all time and forever bring the oil companies to heel in respect to the taxes they have got to pay.

**SOME HON. MEMBERS:** Hear, hear!

**MR. CAMERON:** — Mr. Speaker, if we encounter problems of any variety along that way, I suggest to you that the Attorney General could bring the bill back to the House, we can move whatever amendments that would be required in going through that process and we could do it quickly. May I assure him on behalf of the Liberal caucus that he would have not only our support in respect to that but he would have our active assistance, co-operating and working with you and with the federal government in that way to ensure that what we have for the future is secure. If he wants us to assist in his approaches to the federal government and in the kind of negotiations that have to be done there, we will join with him if he thinks it's fruitful and we think it can be. We will join with him in his negotiations in going to Ottawa to seek their agreement of this kind in respect of which I've indicated. I have already checked and got a good response and we will help, however unusual that sounds. We will do it, Mr. Speaker, because I tell you we are as concerned as is the Attorney General that what we have for the future, his error of the past aside, is a bill that we know is secure and it isn't going to lapse and be fumbled.

The Attorney General will say to me, well what of the second piece of legislation covering the retroactive period. I would say that we have immense problems with respect to that no matter how we tackle it and we do. But let us not taint the provision for the future with the retroactive problems of the past. Here is what we ought to do with respect to the retroactive period. One is we should settle immediately with CIGOL to forestall any attack by CIGOL in respect of the bill providing for the retroactive period.

Secondly we should redesign that bill the retroactive bill so as not to track quite so closely the period, the level of tax and the exemptions under Bill 42, because, as the Attorney General knows, the closer you track the Bill 42 position the more likely you are to have trouble in the Supreme Court when you argue its constitutional validity. We could redesign some of its provisions so as not to track quite so closely the Bill 42 position.

Thirdly, and this is most important, and may I say that despite the indications earlier from the government that it didn't propose to sit down with the oil companies and

negotiate, we have been heartened by what happened in the last few days when it has begun the process. Thirdly, as we clearly have to now negotiate with the companies with respect to the past period. If we have to, we should be prepared to give something in the way of future tax to recover as much of the past tax as we can. We should draw from them and they are clearly an identifiable group because these are the people who have already paid the tax and I say that to draw the distinction between the group in the past and the group in the future because we don't know who is going to be drilling for oil and producing oil in the future. The past group are clearly identifiable. Draw from them, at least the bulk of them and the big ones in the course of the negotiations not an assurance that the retroactive legislation is valid but draw from them a contractual commitment under which they would waive their right to challenge the law and they would waive their right, any further right in respect of the taxes that have been paid in the past period. So you would then have a position and it's possible, I'm sure it is, following the negotiations with the companies, to get from them written waivers in respect of which they paid their taxes in the past under some voluntary arrangement in which they give up any legal right to try to recover that money. That's the best that we can restore the past position. It's a dilemma, I assure you, because we don't have all that much in respect to the negotiations in the past period. But at least it does this, it at least avoids taking the future with the undesirable position of the past. It avoids any further risk. To some extent it really says to us we have to take some lumps. But I would rather today, in 1977 and going into 1978, take some lumps so that I wouldn't have to attend the financial funeral of this province in 1981. The kinds of written assurances and contractual arrangements are obtained every day. I'm sure the Attorney General will know that but we have a last suggestion despite what I think is fertile ground in respect of us to work on with the federal government. We had our obstacles there that we can't solve. We should as a minimum take the bill as it applies to the future and ourselves refer it as quickly as we can to our own Court of Appeal for its judgment. If we aren't satisfied with it, we can appeal to the Supreme Court. If the industry is unsatisfied with it, it too has a right to appeal to the Supreme Court. It is a more cumbersome and more time consuming way of having the bill tested then to get the federal government's accord in testing it but it would in longer time serve the same purpose. So we again urge upon the Attorney General that he have the bill as it applies to the future, referred to the Court of Appeal under the Constitutional Questions Act, if we fail to get the agreement of the federal government to do it under its powers of the Supreme Court.

Mr. Speaker, those are our concerns. We have spent a very great deal of time among ourselves looking at the bill, seeking advice where we can as an opposition can get it from. Determining a position which we say with respect in deference to the Attorney General is stronger than that before us. We have indicated concerns about the policy direction of the bill. Those we are prepared to set aside almost in a sense if we could be certain of what we secure for the future is beyond attack. I have indicated what our constitutional concerns and what the constitutional pitfalls inherent in the government's course are and our concern about them and our suggestions on how sensibly we can strengthen our province's position for the years ahead.

Mr. Speaker, I said at the outset that I wanted to in addition to those suggestions, talk a little bit about the politics of the situation we're in and the politics of the situation we've been in for the last few days. We fully appreciate the partisan hazards of opposing this bill as it stands. Political hazards are clear. We know the simple terms to which it would be reduced and the simple position and ground that there will be an effort made to drive us on to and it's a difficult position for us in terms of politics on the hustings. But we choose nonetheless to do it, Mr. Speaker, because narrow political advantage in our view in this situation clearly has to yield to responsibility. Members opposite, of course,

will say that we have supported the oil companies in our position. I suppose we'll likely be joined by members of the Conservative caucus saying the same thing since they have opted for a easy policy. Mr. Speaker, I know that it will persuade no one but I intend to state it again and that is that the Liberal Party and the Liberal caucus does not have a brief for a single oil company. We hold a brief I tell you only for the betterment and the security of the future of the province in respect of the dilemma we are in. The position, we believe, that we have taken is reasoned, it's thoughtful and it's responsible and we think it's sound and we think it's right. It is not reducible unfortunately in political terms to a easy one line equation. It is not reducible to an easy political slogan but we don't fear that either. It is a little more complex to explain and we are prepared to make the complex arguments in the face of some simple ones that are difficult to overcome.

Mr. Speaker, we think that even while more complex, it is so reasonable the position that we have taken. It is so obviously or it ought to be so obviously sincere in what we are trying here to do. We believe that the bulk of the people in the end will appreciate that at least there is in this House, one group, a solid group of men and one woman, who is prepared to take the more difficult road because it is a more responsible road who are prepared to take the complex position even though difficult to explain because they believe it is right and we do believe it is right.

Mr. Speaker, we have not in the discussions that we have had and I know that similar discussions have gone on in that caucus and I refer to the Conservative caucus. I suggest to you that we have not yielded to the political expediency which is so clear in this situation and in that sense I believe the members of the Conservative caucus did, with some respect, yield to the easy political expediency. Mr. Speaker, in that I tell you as we rise, unless changes are made in opposition to this bill and we will stand and vote against it, that it is a proud hour for the Liberal Party. Win or lose, the game of slogans will not be ours. We have taken a difficult decision; we believe it to be right; we known will be twisted and contorted by some but we will fight for it however difficult because we know it's sound and it's right.

**SOME HON. MEMBERS:** Hear, hear!

**MR. CAMERON:** — I say in that, Mr. Speaker, we are proud because we will stand with our principles, our courage and our integrity and character.

**SOME HON. MEMBERS:** Hear, hear!

**MR. CAMERON:** — Unless this bill is altered substantially it provides a short-sighted and bad policy for the effective management of our oil resources. We have the courage to say that and we have the courage to fight against that; without splitting the bill into two it compounds our problems for the future. We beg of the government to consider the suggestions we've made and the assistance we are prepared to offer in avoiding compounding our problems for the future. As it stands I tell you we are going to lead to the financial burial of this province four years hence.

**SOME HON. MEMBERS:** Hear, hear!

**MR. CAMERON:** — The bill poses for us the most grave features, the most grave hazards for the future unless we are prepared to split it, to take some lumps in respect to the past period however difficult and to get for ourselves a separate and secure bill for the future. Mr. Speaker, if the government as I say will take those suggestions — we'll consider them, we are prepared to join with them as I said, not only passively but

actively. We will work with it to ensure that the negotiations with Ottawa and the decisions we asked them to take will in fact be taken. Mr. Speaker, as the bill now stands we cannot vote for it. We will vote against it.

I want now to formally move an amendment to the motion before the House. The amendment is this:

That all the words after “that” be deleted and the following substituted therefor:

That this bill not now be read a second time but that the government be requested to bring before the assembly two separate bills.

(a) One to provide for the retention by effective means of the moneys collected under Bill 42 to the extent reasonably possible including provisions allowing the government to negotiate with those producers who paid taxes under Bill 42 with a view to drawing from the producers written undertakings waiving all claims to taxes paid.

(b) Another bill to provide for taxing of revenue from the production of oil in the future at such explicit rates of tax as will ensure a fair return to the province while maintaining a healthy and productive atmosphere for increasing production, exploration and reserves in Saskatchewan with power to the government to seek agreement from the federal government to refer such bill directly to the Supreme Court of Canada for a judgment on its constitutional validity.

Mr. Speaker, I move that motion seconded by the member for Wilkie (Miss Clifford).

May I say by way of final comment in respect to the motion, Mr. Speaker, I hope near the conclusion of the day that members of the House will permit us to adjourn the debate on Bill 47 so that we can take a 24 or 36 hour period ahead of us before we again get back to it and draw from the Premier and the Attorney General some consideration and comment upon this very constructive suggestion on how better we can get our province out of this dilemma.

**SOME HON. MEMBERS:** Hear, hear!

Debate continues concurrently on the motion and the amendment.

**MR. D.H. LANGE (Bengough-Milestone):** — Mr. Speaker, I rise in support of the main motion and against the amendment.

**AN HON. MEMBER:** — Aren't supporting the amendment?

**MR. LANGE:** — I heard it and I heard the presentation that preceded it. Let us deal for a moment with some of the comments from the member for Regina South on what he considers to be the essence of Bill 47 and the essence of the issue that is before us, the CIGOL legislation. The member for Regina South on Friday told the House that debate on this issue was not of a substantive enough nature by many members of the House. I suppose we would have to agree with that in some terms, in some instances. There has been a lot of legal or political rhetoric that has lacked substance in terms of the real analysis, but he pointed out one thing that is worth mentioning, and that is that it is an extremely important era in the history of Canada and in the history of this province. He

pointed out that the constitutional issues which this Legislature is dealing with presently are of such kind that the average person would not see such change in a generation of political history. And that's true — the issues of Bill 42, potash, and Bill 47 are, as the member for Wascana said in his inimitably impetuous and amusing style the other day, "very weighty issues, weighty legislation." He also said that there were "grievous errors on the part of this government," and I would have to ask whether or not those grievous errors apply to the oil industry as a result of the new calculations that they have to do because of Bill 47, or if that grievous error applies to the stand that the Liberals are taking in the House with regard to Bill 47.

During the course of the debate today, the member for Regina South suggested that because of Bill 42, because of the introduction of Bill 42 which of course has caused Bill 47 to be brought into this Legislature in one way or another, because of the introduction of that bill the production and exploration in this province has decreased since the years 1973, 1974 and subsequent to that.

**MR. NELSON (Assiniboia-Gravelbourg):** — That's a proven fact.

**MR. LANGE:** — Well, it may be a fact and I think we should recognize that it is not necessarily only because Bill 42 was introduced in this Legislature to the oil companies of this province.

**MR. MacDONALD:** — Why is it up everywhere else?

**MR. LANGE:** — Well, I don't think it is up everywhere else but I do agree that it's up in other places in Canada where oil production is much greater than in Saskatchewan. In other words, all of the places that you have cited are the areas where production is high in the Dominion of Canada, and where chances for exploration in the oil industry are going to give a greater return than they will in Saskatchewan. There is no question of that, and there is no question about the fact that there was a mass exodus from any place in the world after the decree of the Arabs in 1973 that oil prices were going to go to \$10 per barrel. There was an exodus from every area that did not produce a high quality or a high quantity of oil to areas where a high quality and a high quantity of oil was produced. Couple that with the fact that extra incentives were offered by areas like Alberta, and that naturally, if I were a small business man or a large business man in Saskatchewan and incentives were more attractive in other areas to produce a higher quality of oil and more of it, with a greater return, a greater chance of return on your investment, then I too, would leave the province. That does not necessarily suggest that because this government was responsible enough to introduce Bill 42, legislation which tried to capture some of that windfall profit for the people of this province, it does not necessarily suggest that because we did that, that it was mismanagement or it was incompetence or it was the wrong move on the part of this government.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANGE:** — Furthermore, I think the members have to realize that prior to this government even coming to office in 1971, the curve for oil explorations and oil production in this province was dropping drastically, but that curve began to drop in 1965 and particularly in 1967 and it continued to drop until the end of the term of the former Liberal government and continued to drop until 1973, and that it was merely a continuation of that same curve that we are experiencing now, coupled with a rise in price and more attractive areas in the world in terms of oil exploration.

I don't think it is necessarily fair to be able to compare the Northwest Territories or northern BC or Alberta which are extremely oil rich in terms of taxation, with Saskatchewan which is not oil rich, or which does not have a high quality of oil at its disposal for production. We must remember that certain areas are very fortunate in terms of the kinds of resources that they have, and that one of those is Alberta. Looking at Alberta for a moment and the type of tax that they have applied to their industry, we must remember that is half of the tax that we have and that with half of our tax rate, they have collected for themselves, for Alberta people, \$3 billion since 1973, with half of the tax rate of Saskatchewan. That means that the oil companies also have gotten an extra \$3 billion from the Alberta oil production. That means that that extra money has gone into the coffers of multinational corporations or very large corporations of a national description. That means that the people of Alberta, and indeed the people of Canada have not gotten the direct result of that extra \$3 billion which has gone into the multinational oil companies' coffers.

The member for Regina South has suggested that we are in a constitutional dilemma, and that by 1981 we'll be wrecked financially in the province, and he has suggested an amendment which is going to forestall this, which he hopes the government will negotiate with the Liberal Party in the province. We will deal with that amendment a little further on in my presentation.

During the course of this debate, the essence of the issue of oil has seldom been addressed in terms of what it means for this province and in terms of what it means to the future of this Legislature and the future of economic planning for Saskatchewan.

The essence of the issue is a question of resource management, and who is going to control the revenues which are generated from resource management in Canada and Saskatchewan. Now, we must remember again that Saskatchewan, up until a few years ago has been generally regarded as a have-not province. We do not have a specific manufacturing industry. We do not have a diverse economy based upon large resource extraction industries with complementary metallurgy industries and small business to complement that. We do not have various levels of economic development. We have a relatively monolithic economy based primarily on agriculture. And every legislator in Saskatchewan is aware of the cyclic trends that are perpetrated upon agriculture in Saskatchewan. We must depend for extra revenue, on two sources — corporate tax or personal income tax. The issue that is before this Chamber and the issue that is before the people of Saskatchewan is whether or not that extra revenue which we so desperately need to develop a mature and diverse economy which no one would argue, is needed in Saskatchewan. That extra revenue must be obtained either through taxation of primary resources or through personal income tax returns. The issue that this Legislature must address in terms of Bill 47 is whether or not the opposition of Saskatchewan is going to call upon the people of Saskatchewan to divvy up out of their own pockets, extra revenue for programs that are to be put forward by governments of any description to develop the kind of economy that we want for Saskatchewan, whether they are going to divvy up that money out of their own pockets or whether that money is going to come from primary resource extraction industries.

There's no question in anybody's mind that we need a diverse and mature economy. There's no question that it will be a long time in coming in Saskatchewan in comparison with say, Alberta or Ontario. We know that we need the development of an economy in terms of energy, in terms of future coal or hydro production, in terms of deep oil in the south east of Saskatchewan, in future energy or a other resource extraction industries. More important than that, we must remember that unlike Ontario or unlike Alberta, to

which members allude very often, Saskatchewan cannot afford to drop 10 or 12 or 15 per cent in taxes here and there and expect to regain in taxes from a resource or a manufacturing or small business base in that province. Saskatchewan simply doesn't have that diversity of economy. That's why it's important to address this debate on Bill 47. But more than that, perhaps, it's important to remember that Saskatchewan needs a diverse economic base and needs economic clout in this particular time in Canadian history because of the problems that Canada is having as a nation with unity and with confederation.

Saskatchewan needs desperately, financial clout with which to be able to go to Ottawa at the next conference on confederation to make sure that we get our fair share of the Canadian economy. Only through taxation of resources will Saskatchewan be able to get that kind of economic wealth. I would like to refer members to a new book which has been recently published called, 'The Business Page' and it's written by Wayne Chevaldayoff and I'm sure most members will recognize that name, he's a business reporter for the Globe and Mail and he's doing an analysis in layman's terms with as little political bias as probably you would find in any book about what is happening to Canada's economy today. Particularly on the part in that book entitled, 'Impact in Industrial Structures' he points out that what is happening in Canada, in terms of its economy as a nation, as the dollar has fallen and we've tried to attempt to capture foreign investment in Canada, either in terms of investment in savings or terms of getting multinational corporations, or other kinds of corporations to invest in the resource industries of Canada, he points out that as a result of that, the rise in the interest rate to encourage foreign investment has, of course, caused a depression in the manufacturing sector. And as a result, Canada as a nation, no surprise to any of us, has had to trade off its manufacturing sector for its extraction sector. And that, unless we take the profits from the resources and redistribute them into other areas in terms of social programs or in terms of trying to encourage small business or small manufacturing or investment in small diverse types of economic development, unless we do that, that divergence between the resources sector and lack of a manufacturing sector in Canada will become greater and greater. Therefore, we have to change the strategy from resource development to a manufacturing development by obtaining as much as we possibly can from our primary resources and investing that, redistributing it into other sectors of the economy.

Now this is exactly what the whole New Democratic Party strategy in Saskatchewan has been about for the last several years. Again, either we obtain revenue through resource extraction, or in Saskatchewan, we obtain revenue through personal tax returns. That's why Bill 42 and potash legislation and Bill 47 have been introduced.

Now why have we been engaged in a debate for some four days over litigation which has come before the Supreme Court of Canada after having been through the Court of Queen's Bench in Saskatchewan and the Court of Appeal. Why do we have litigation? Again, it relates to the question of power over resources. The question is, who is going to have that power? The multinational corporations, the federal government of Canada, provincial governments in their respective roles in Canada?

Certainly everyone agrees that the role of the multinational in the world is changing and has to change. I don't think that there's a quarrel in this House about whether or not the profits should necessarily go to the multinational corporations or whether it should go to the people of Saskatchewan. I think everybody agrees that we should retain as much as we reasonably can for the people of Saskatchewan. Suffice to say that the role of the multinational is changing in society. With regard to the federal government in its role,

it's not unprecedented for the federal government to take the side of centralist Ontario or eastern business for foreign multinational business. We have a tradition of centralist control since the days of the CPR built by Sir John A. But at this particular time, it is more crucial for the federal government to obtain control of the resource industries because of the national unity question. National unity in Canada is in jeopardy. And the federal government desperately needs the resource control, the revenue that comes from resources to be able to bargain with the respective provinces in order to keep them in Confederation. There is no question about why the federal government needs control of resources and with all respect one must have sympathy for that position. The federal government is in a very difficult situation in terms of Canadian Confederation. But for all the sympathy that we may have for national unity and the federal government, we must remember that sympathy will not help economic growth in Saskatchewan. Our only source of revenue presently is still from resource extraction and that the only way to retain that revenue right now is to support Bill 47. We must make a decision. We bring this Legislature, part of this Legislature being the opposition and the opposition, the Liberal Opposition and the Conservative Opposition must make that decision in their minds as well.

Let us review quickly what the litigation is about. We remember that it concerns whether or not the mineral income tax and the royalty surcharges are direct or indirect taxes. If direct, that is provincial jurisdiction, if indirect, that is federal responsibility. And whether or not those taxes contravene interprovincial trade and commerce and therefore would be an export tax. If an export tax, a federal matter; if not an export tax, a provincial matter. That is the issue that was before the Supreme Court. Now the Liberals have suggested that Bill 42 was irresponsible, was negligent, that the government was incompetent because it introduced that particular bit of legislation. I think it would be interesting to quote from the Western Weekly Reports, 1975 issue, from the Court of Queen's Bench, Justice Hughes, when he talks about why he decided that the legislation was not ultra vires to Saskatchewan law. I will quote page 577, Western Weekly Reports, 1975, Justice Hughes says:

The plaintiff is further hampered in the position it takes by the fact that insofar as I am aware the minister has made no order under his power to regulate, limit and allocate the production of oil and gas. I do not suggest that legislation empowering the minister to make orders is immune from constitutional attack as an intrusion to the exclusive power of the government of Canada to regulate in the field of trade and commerce until an order is made, but any such attack at that stage in order to be successful must show that the legislation has as its aim and purpose the control of the province of interprovincial trade and commerce and that the plaintiff in this instance has not succeeding in doing.

Also I cannot be blind to the fact already referred to that production and sale of crude oil in 1974 notwithstanding the new legislation has continued at its former rate and detailed figures were placed in evidence to emphasize this fact. (Further he says) Likewise already indicated the constitutional basis to support the royalty surcharge is to be found in section 92 of the British North America Act. At the very most perhaps it could be said that the tax on the surcharge affect international and interprovincial trade and commerce; I am far from being satisfied that this is so. (Mr. Justice Hughes, Court of Queen's Bench)

Let me quote again, Mr. Speaker, from the Western Weekly reports, this time 1976 edition, page 376 and this time we have Chief Justice Culliton, Court of Appeal of Saskatchewan:

The evidence is clear that neither the mineral income tax nor the royalty surcharge is in any way related to gas and oil imported into Saskatchewan. Both are imposed and are related to oil produced in the province of Saskatchewan. Neither of the charges has any effect on price. As a matter of fact the true situation is that the tax does not influence the price but rather the price determines the tax. (Chief Justice Culliton)

Mr. Speaker, let me refer now to the record of the Supreme Court of Canada and here we have the minority report of Justice Dickson. In paraphrasing again and talking in terms of mineral tax and royalty surcharge, whether or not it is constitutional, that is direct. Justice Dickson says: (1) that the mineral income tax is not an income tax; it is however a direct tax and therefore within provincial competence. (2) Justice Dickson says further, that the royalty surcharge is not a royalty, it too is a tax but also a direct tax. We says (3) the entire legislative scheme is aimed at taxation, and its effects if any, upon extra provincial trade and commerce is incidental and not disabling.

In other words all three reports are saying that tax doesn't set the price, which is the issue at stake, but that the price sets the tax. Therefore, it is a direct tax; therefore it is not federal jurisdiction. It is not export tax and therefore it is not a federal jurisdiction.

Now we recognize that the Supreme Court of Canada, seven judges, ruled that the legislation was ultra vires. It is interesting to note that on March 20th, 1930, Saskatchewan obtained for itself full control over its resources from the Dominion Government of Canada. An agreement affecting the natural resources transfer recited that:

In order that the province may be in the same position as the original provinces of confederation by virtue of section 109 of the British North America Act, 1867, the interest of the Crown in all Crown land, mines, minerals, precious and base minerals and royalties derived therefrom within the province shall belong to the province and the said land shall be administered by the province for the purposes thereof.

That says that in 1930 the province of Saskatchewan obtained for itself from the Dominion of Canada complete jurisdictional control over its resources to do with as it pleases. And I might point out that that was nine years before the Supreme Court even became the arbitrator for such matters in Canada and 47 years before Bill 47. Justice Dickson says further in his report, in his minority report, "Subject to the limits imposed by the Canadian constitution the power of the province to tax, control and manage its natural resources is primary and absolute." All of these references simply say that the law is constitutional. So there are some fairly eminent people in the Dominion of Canada, some fairly eminent people in the court system of Canada who agree with the essence of Bill 42, that the revenues for the province of Saskatchewan from resource industries should remain in the province.

**MR. MERCHANT:** - . . . lost the case in the . . .

**MR. LANGE:** — Now recognizing that, I agree with the member for Wascana, we lost the case and the fact is that as far as the Canadian Supreme Court system is concerned, the legislation is ultra vires. But I think it is necessary to point out to the Legislature that it was not unanimously ultra vires and that there is a great deal of support in this country for what the essence of Bill 42 is all about.

I also pointed out to ask another question and that is, why did it go through two provincial court systems, both of which have judges appointed by the federal government and into a third federal court system and then was declared ultra vires? Why were some very good arguments made in terms of it not being ultra vires and then why was it declared ultra vires? Well there is no question that there probably was a tradition of eastern bias involved. A bias of central dominance and a bias of Dominion of Canada federal government control over resources and there are precedents for this even since 1973 since an increase in oil prices across the world. It's a federal precedent for control of resource in Saskatchewan in the export tax that was introduced in October, 1973 and since that time has collected \$469 million from Saskatchewan oil. In other words, more money has been collected by indirect tax by the federal government, than through a direct tax imposed by Bill 42 of the provincial government. So why would a judgment come down against the Legislature of Saskatchewan or against a bill in the Saskatchewan Legislature? There is no question that national unity in Canada is threatened, threatened gravely. And there is no question that when judges are considering matters as important as a bill such as Bill 42, as to whether or not it is ultra vires, that they no doubt cannot not consider what it is going to do to the Dominion of Canada and that is fair enough. That is not a criticism. I think it is only an observation. They perhaps thought that the federal government definitely needs control of resources and that it definitely needs money with which to bargain with the provinces for confederation in the future. And the Supreme Court decision perhaps reflects these factors. But let us remember that while we can understand the oil companies, why they brought litigation against the province of Saskatchewan, we can even to some degree respect CIGOL for doing it; CIGOL is a respectable Canadian company. It has a reasonable amount of respectability in the industry. It's not an overly large company. It's not yet a multinational company. It's the ideal sort of company that might want to stand up for its own interests, so you can't necessarily blame the oil companies for bringing litigations forward. And we can understand why they might want to do it; to protect their interests in the extraction business. We can also understand why the federal government would want to back the oil companies or back centralist control of resources, considering the dilemma that they are in, in terms of Canadian unity. And we can understand why the Supreme Court brought down the ruling that it did. But what we can't understand is why the provincial Liberal Opposition will not support Bill 47. Why the provincial Liberal Opposition is citing incompetence, negligence or irresponsibility or why they are suggesting that Bill 42 or that the legislation was not effective. In fact Bill 42 was so effective that not only did we collect the money from the companies, not only did that send repercussions so deep into the industry as did the potash move in Saskatchewan, as did cable television in Canada, that sent repercussions so far into the industry that we weren't charged by a member of the industry. That's how effective Bill 42 was. It is erroneous to suggest that Bill 42 was not effective legislation. If it were not effective it would not have gone to the Supreme Court; and if it were not effective we would not be dealing with Bill 47 presently. It was so effective that it threatened the tradition of eastern government control of resources and by big business over the western economy, it threatened it at this particular juncture in Canadian history. It was so effective that it created nervousness on the part of corporations and created a great deal of federal central

government nervousness. As a result, if you like, a dictum was the only way which it could be dealt with - a dictum delivered from a granite building on the edge of the Ottawa River. The Supreme Court was used to shore up the federal governments capacity to negotiate the new federal constitution. And that may not be all wrong. Right or wrong, in terms of Saskatchewan, it is nevertheless a fact that the legislation has been declared ultra vires by the Supreme Court of Canada for whatever reason it may have been. And again, I think we can have sympathy for the judgment; I think we can have sympathy for the manner in which it was delivered but the fact that the judgment declared Bill 42 ultra vires does not make the provincial government incompetent. On the contrary, it confirms the effectiveness of Bill 42 and it confirms the effectiveness of the provincial New Democratic Party strategy to be able to try and ensure that resource revenues will stay in the province of Saskatchewan for future development in Saskatchewan. Furthermore, the fact that it was declared ultra vires by a group of centralist Supreme Court judges doesn't negate the intention of this government to extract as much profit from resource industries as we can reasonably expect. Even though the CIGOL judgment is a fact in law, we'll accept that. But because the Supreme Court made the CIGOL decision a fact does not make it right for Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANGE:** And the Liberal Opposition, on those grounds must make up its mind Does it want revenue for the province to come from resources or from personal income tax? Again, that's the issue, that's fundamental in determining the economic power and the future growth of this province. Who decides the future of this province? Is it the multinational corporations? Is it the government of Canada, perhaps in part? Is it the Supreme Court of Canada? Or is it the elected members of the Legislature of Saskatchewan? This government decided in 1973 that it was the responsibility of the elected members of the province of Saskatchewan. We knew at that time what we were doing in terms of building a strong economy based on our resources. We had a strategy, we are still following that strategy. Now the entire public of Saskatchewan does not agree with that strategy but they know where we stand in terms of resource management and they may not support us for that strategy but I think everybody will have to admit that they at least respect the fact that the government is consistent in that strategy. And that we are demonstrating that consistency in introducing Bill 47 to the Legislature.

Now the opposition must decide what is its strategy with regard to resource management? Where does it stand in terms of revenue as it accrues to the province of Saskatchewan from resource extraction industries? Where does it stand in terms of future economic growth for Saskatchewan? Where does it stand in terms of Saskatchewan being able to go to Ottawa with enough economic clout to be able to bargain effectively for our fair share of Canada's future economy under the next confederation meeting? Where does it stand in terms of creating a diverse, mature economy for Saskatchewan?

Between apparently four days and ten days, the Liberals have been somewhat ambivalent about that, and still are ambivalent. Now, let's ask why are Liberals having trouble making up their minds. They said up until today that they didn't know how they were going to vote, but we know that if they don't support the government that under these circumstances, if they do not support the government on Bill 47, then obviously one can only conclude that they are supporting either CIGOL or the federal government they centralist power or both. Either that or support the legislation. It's black and white, it's very simple. It's a clear case of economic power and who is going to control it. And it

a clear case of whether you vote 'yes' for the province or 'no' for central Canada.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANGE:** I have sympathy for the Liberals these days. Especially the Liberal caucus on that side of the House and the Liberal leader. I must admit it is difficult to be distinctive these days when governments of every description, Liberals, Conservatives, PQs whatever description in Canada are taking a larger share of resource revenues. It's true it's difficult for a political party to be distinctive in terms of resource policy. But there's another factor, we must remember that the federal structure of the Liberal Party is indeed, the history of the Dominion of Canada. And we can see that that structure of the Liberal Party is falling apart. Witness the incoherence between policies of Quebec Liberals, Ontario Liberals, Saskatchewan Liberals or British Columbia Liberals. No unified party stand. No unified party stand across Canada. And again we can have sympathy for that. It's very difficult to have unified party stand with economic interests as divergent as a nation like Canada has. But if that federal Liberal Party structure falls apart and disintegrates so does Canada, because that's history of Canada, the history of power politics of the Liberal Party. And nowhere is the disintegration of the Liberal Party more evident than in Saskatchewan and that's where I have the most sympathy for the Liberals.

Let us refer to what the essence of the Liberal philosophy is, and so that I don't inject a bias in here, we'll take the essence of the Liberal philosophy from the International Encyclopedia of the Social Sciences, page 276. "Liberalism is the belief in and commitment to a set of methods and policies that have as their common aim greater freedom for individual men." There it is in a sentence. Thank you, very much and now for my next number . . . "Liberalism is the belief in and commitment to a set of methods and policies that have as a common aim greater freedom for individual men." That's what I would say too, to the leader of the Liberal opposition, right on, that's a good philosophy. There's nothing wrong with that, at all. Everyone likes to talk about individual freedom, personal initiative, free enterprise, we all like the old image of the barefoot boy with cheeks of tan who rose from rags to riches simply by the sweat of his brow and his own personal initiative. Have you ever heard that before? As a matter of fact, it's that philosophy that is the very foundation of provincial life in this province. It's that particular philosophy of the individual freedom and development of personal initiative and free enterprise upon which the development of this province is predicated, upon which communities and social structures of this province are predicated. And I think the Liberal membership has to be respected for their political theory and the Liberal membership in Saskatchewan in terms of its party has to be respected for the last 50 years or 60 years of its development. They understand that you can have a certain amount of independence, of personal independence and at the same time have a great amount of collectivism. They understand that through organizations, collective organizations, like co-ops and wheat pools and credit unions that greater personal freedom is attained.

They've lived with that for 50 years, but what those people have lived with in terms of their philosophy, in terms of the bare bones philosophy of the Liberal Party and what the Liberal Party has done in terms of its record in Saskatchewan, are two different things. As a matter of fact, if the Liberals had ever practised that philosophy of their membership the Co-operative Commonwealth Federation, the CCF would never have gotten its start in Saskatchewan. It has been the CCF that has affected many of those particular goals for Liberal and other memberships in this province. And what the Liberal Party in Saskatchewan has forgotten is that the barefoot boy with cheeks of tan

eventually became very wealthy and in order to preserve that wealth turned himself into a corporation and when the barefoot boy died, the corporation did not die and that the corporation continued to grow; and that that corporation was treated just like every other individual in society under the laws of this nation as another individual. So, he was no longer like everybody else. The barefoot boy had grown into a corporation. The Liberal Party has forgotten that. The Liberal Party in Saskatchewan as it is espoused in this Legislature does not reflect the politics of the independent small businessman; it does not reflect the politics of the individual; it does not reflect the politics of free enterprise in terms of the individual in our society. It rather reflects the politics of the corporations. The Liberal Party is not representing Saskatchewan individuals. The CIGOL case is the best example that we can cite where it is supporting, rather than the individual in Saskatchewan, rather than creating greater individual freedom through more economic wealth for Saskatchewan, rather than doing that by supporting Bill 47, it is instead suggesting that it will support the federal government or the Supreme Court case.

The Liberal Party of Saskatchewan is supporting eastern interests while its membership and its organization falls into disrepair. As a result of that, as a result of not understanding the membership of this province, as a result of not understanding the history of the historical development of co-ops, pools and other collective organizations in terms of Liberal Party philosophy in this province, as a result of that the Liberal membership has dwindled. The Liberal organization is falling apart. And because of those two things a vacuum is being created in the politics in Saskatchewan. Now again, I have sympathy for the Liberal leader. Also contributing to that vacuum are four of his members. In the last year he has lost 27 per cent of his caucus, two to the Conservatives and two to the federal. So I extend sympathy to the Liberal leader. It is not a situation that anyone would regard as enviable. The fact is it's creating a vacuum in Saskatchewan politics and that vacuum is being reflected in the debate that has ensued over Bill 47. We will now turn to the Conservatives and see who is filling the vacuum that is being created by the Liberals.

The Conservative Party is on the rise as the Liberal membership is going down - they won't give us their figures for membership these days - the Conservatives are reportedly saying that their membership is 30,000 to 40,000. Believe it if you will. Now let's look to be fair to both opposition parties since I have quoted from International Encyclopedia of Social Sciences on a definition on liberalism, I'll quote from the same encyclopedia, page 291. The definition of a Conservative is "a convenient label to the right." "Conservatism is the aspirations and activities, most of them defensive rather than creative, of parties that are about the efficacy of popular government that can be counted upon to oppose the reforming plans of the moderate left and that draw their heaviest support from men who have a substantial material and psychological stake in the established order." A fair analysis of conservatism.

Let us repeat those in terms of debate that we have heard on Bill 47. It said defensive rather than creative. That's the Conservative position on Bill 47. Sceptical about the efficacy of popular government, no question that has been the position of the Conservatives since they were a nucleus in Saskatchewan. It's been the total thrust of Progressive Conservative politics in this province over the last three or four years - is to be sceptical about the efficacy of popular government. Further, counted on to oppose the reforming plans of the moderate left. I am not even sure that I would consider this government moderately left, slightly left, perhaps but we can certainly be sure that the Conservatives have opposed the plans of this government. And furthermore the definition says that the Conservatives draw their heaviest support from men who have

substantial material and psychological stake in the established order. Well, fair enough. We find lots of those in any society. We have always found that kind of person in a society and it's not bad. You need a certain amount of that kind of person in order to create tradition, if tradition is worth anything. So that's fair enough. You can find those in any society and you can find them in any party. You can find them in a Liberal Party and you can find some in a New Democratic Party. No question that we have that element of Conservatives, those who have a great material and psychological stake in the established order but in Saskatchewan these people have generally been around the Liberal fringe. Now that the Liberal Party is falling apart and disintegrating those people are going to the Conservatives and because of the vacuum that is being created those people are going to the Conservatives and supporting the Conservative Party.

Now another reason to suggest that the Conservatives are on the rise in Saskatchewan relates to the resource issue and Bill 47 and that is that through the last decade or so, governments of every description have taken on a greater and greater responsibility towards society in terms of social programs and in terms of obligations and responsibilities towards the citizens who elected them. Again that is not relegated to any particular party. That is a description of every sort of government. As a result of greater responsibility and more involvement, naturally a government will receive more criticism and more controversy from the people for whom it is trying to establish programs.

Now the Leader of the Conservatives listens to that criticism and he parrots the same criticism back to those people and because of governments taking a greater responsibility in terms of helping people in society. Naturally people are dissatisfied in terms of wanting more decentralization of government control, or more local autonomy, or more small business development, or maybe they are concerned about the heavy hand of government destroying personal initiative or personal freedom - fair enough criticisms from people who see more and more government coming upon them every day, and at the same time those same people are demanding more and more government upon them every day. And what are the Conservatives saying about this? The Liberals are saying nothing; they are creating a vacuum, particularly in Saskatchewan. But what is the Conservative Party saying? The Conservative Party is saying, "Me too, me too. I agree that there should be more decentralization of government. Me too. I agree with local autonomy. Me too, I agree with small business initiatives, and me too, I agree that the heavy hand of government is destroying personal freedom". And no where is it more evident than in the debate on Bill 47, about why the Conservatives are supporting this Bill.

We have a new kind of political philosophy in Saskatchewan. Up until now the debate has always been, socialism, capitalism, liberalism, conservatism. Now we have a new 'ism' and it's called 'me too ism', and it's purported by the Leader of the Conservative Party. Now, we recognize that there's a certain element in society that supports the philosophy of 'me too ism'. You see it in terms of farmers wanting to keep up the status quo in terms of buying a tractor or farm facilities. And the Conservative Leader is building upon that element of 'me too ism' in society, and he's building also on the vacuum that is being created by the Liberal Party disintegrating in the province. Now that's why the Progressive Conservative Party in the province is supporting Bill 47. It's because they believe in 'me too ism'. If they don't believe in 'me too ism', then let the Conservative members stand up and tell us what they do believe in in terms of CIGOL, in terms of Bill 47, in terms of resource extraction industries of this province.

Let's see what the Progressive Conservative Party stands for. There certainly is little or no policy. There certainly is no strategy other than 'me too ism'. Let's look at what the Progressive Party stands for in terms of the advertising that they did during the last campaign and have been doing since that campaign. The Progressive Party says that it stands for a heritage of freedom based on individual honor, integrity, and individual moral responsibility. Well, Mr. Speaker, me too! Who could argue with that? Who could argue with a heritage of freedom based on individual honor, integrity and individual moral responsibility? The Progressive Conservative Party says that it stands further on its four-point platform for equal rights under the law for all without discrimination. Well, me too, Mr. Speaker. That is a fundamental principle which has been enshrined in British law for some five hundred years now — equal rights under the law for all without discrimination. Me too. The Progressive Conservative Party further stands for government as the servant, not the master. Well, me too, Mr. Speaker. Furthermore the Progressive Conservative Party says that it stands for social programs based on the needs of people, not as a means to power. Well, me too!

Let's analyse this philosophy, if you like and apply these principles to the CIGOL case. Where do the Progressive Conservatives stand on CIGOL in terms of a heritage of freedom based on individual honor, integrity and individual moral responsibility?

Where do the Progressive Conservatives stand on the CIGOL case in terms of their second point — equal rights under the law for all without discrimination? Where do they stand under that point — equal rights for all without discrimination? Where do they stand in terms of the judgment of the Supreme Court upon the rights of the Saskatchewan people? Where does the Progressive Conservative Party stand in terms of CIGOL, in terms of Bill 47, in terms of the Supreme Court decision on its third point — the government as the servant, not the master, when the federal government is strong-arming Saskatchewan resources? Where does the Progressive Conservative Party stand on that point? Where do the Progressive Conservatives stand on social programs based on the needs of people, and not as a means to power? What do they say about CIGOL in terms of the need of the federal government to have resource dollars in order to maintain centralist power? Where does the Progressive Conservative Party platform of 'me too ism' stand in terms of their party philosophy, and in terms of the CIGOL issue? We haven't heard anything about that from the Progressive Conservatives.

We can see that the Conservative support for Bill 47 is simply, 'me too ism'. They are out on main street; they had coffee with a few of the people. They recognize that the popular support for this bill is going to be behind the government. and that the people of the province of Saskatchewan are going to be supporting the government. What do the Progressive Conservatives say? Well, me too! We'll support the bill too. It's 'me too ism', Mr. Speaker, there's no philosophy, there's no strategy — there's a tactic of 'me too ism'. It's the new Progressive Conservative philosophy which is going rampant in Saskatchewan simply because the Liberal Party is disintegrating.

Now, in terms of 'me too ism', let's see how the Progressive Conservative Leader would handle the CIGOL case. What was the first thing that the Progressive Conservative Leader said that we should do instead of introducing Bill 47? The Leader of the Progressive Conservatives with his social philosophy, political philosophy and me too ism, suggested that we should approach Ottawa. Not run, mind you, not run — approach Ottawa, hat in hand and ask for help from Ottawa. And who is Ottawa? Well, Ottawa is the same federal government which appointed the judges to the Supreme Court that brought down the legal decision against the Saskatchewan people. Ottawa is the same government that made royalties non-tax deductible for tax purposes in 1974 — double taxation on the oil companies in the province of Saskatchewan. And the leader of the Progressive Conservative Party suggests that we should go to Ottawa to seek help. Ottawa is the same government, the same federal government that invaded gasoline tax fields which are traditionally reserved for the provinces and slapped a 10 cent a gallon excise tax at the pumps, a hidden tax which has taken more in revenue out of gasoline than the province gets. That's who Ottawa is. Ottawa is the same federal government that opposed Saskatchewan resource policies, time and time again, be it oil or be it potash. Ottawa is the same federal government whose former Minister of Justice, and incidentally the only western cabinet minister at that time, sided publicly with the multinational potash corporations against the province of Saskatchewan. That's who Ottawa is. Ottawa is the same government which oil companies have in their hip pockets . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANGE:** — . . . and if you want to test the veracity of that last statement, I would invite you to research and read about the Syncrude sellout or some of the involvement of CDC in the oil industry. Ottawa is the same clique of interest which has consistently for 100 years opposed western Canadian development be it manufacturing, be it transportation, or be it resource.

Hand in hand, the Leader of the Progressive Conservative Party suggests, we should approach not run, approach Ottawa and ask them to enshrine in federal statute, law which will please allow Saskatchewan to retain windfall oil profits. That's the strategy of the Progressive Conservative Party in terms of its philosophy of "me too ism". I ask this House, how socially irresponsible and politically naive can the Leader of the political party called the Progressive Conservative be?

Even the Liberals, up until today, I thought, knew better than to ask Ottawa to renegotiate. Then, what did the leader of the Conservatives suggest? And enjoined by the Liberals, that before proclaiming Bill 47 it should be referred to the courts for constitutional hat while it is before the Supreme Court of Canada to see whether or not it is constitutional Saskatchewan taxpayers and the Saskatchewan government should sit idly by, at a cost of \$500,000 a day and wait for Ottawa to make up its mind as to whether or not our legislation is constitutional. That's what the Leader of the Progressive Conservatives suggested and he was enjoined by the Liberals and today he was enjoined even further by the Liberal amendment.

The member for Regina South has been in touch, he says, with Ottawa. Now that's not surprising, since that's the milieu to which he aspires, and he suggests that we should trust the Liberal Party of Saskatchewan and the federal Liberal Party in terms of negotiating. Now I must admit that I'm inclined to trust most of the members of the Liberal caucus of Saskatchewan. If they extend themselves in terms of wanting to negotiate, I would be more than willing to meet the Liberal caucus of Saskatchewan half way. I will give them that. That's fair enough, but can you guess, whom he got in touch with in Ottawa — too bad Penner wasn't here. Could it have been the same man who is responsible for the program in 1971 who took the economic power of 80,00 Saskatchewan farmers and put it in the hands of the Ottawa government, a centralist government. Could it have been the very same man who almost single handedly has accomplished the wrecking of the Canadian rail system in terms of passenger and grain hauling in the prairies. Could it have been the same man whom they were in touch with who all by himself has been dismantling the Canadian Wheat Board for the last seven years? Could it have been the same man who in self-righteousness and sanctimonious fashion as Minister of Justice decided that he alone could decide the future of the abortion issue for 10,000,000 Canadian women? Could it have been the same man whose government was responsible for the excise tax that was imposed upon Saskatchewan oil in October of 1973, the same tax which has gotten more for the federal government, the Dominion of Canada from the oil resources of Saskatchewan than the province of Saskatchewan has accrued under Bill 42, could it have been that same man? That same government? I think, Mr. Speaker, that we have enough precedents in Canadian history, if not contemporary federal cabinet - provincial Canadian history. We have enough examples, enough precedents in federal legislation to know what the philosophy of centralization of the federal government of Canada will do in terms of negotiating at with the Liberals of Saskatchewan and the Liberals of Ottawa \$500,000 per day.

But, Mr. Speaker, I digress we were talking about the Conservatives and "me too ism". What was the third thing that the Progressive Conservative Leader suggested to the province of Saskatchewan? In lieu of introducing Bill 42, the Progressive Conservative Leader suggested that we should introduce legislation similar to the province Alberta. Now, I want to go over this very, very carefully because it's an important point. He suggested that we should have legislation similar to the province of Alberta taxes, thank you taxes similar to the province of Alberta. Now there are two distinctions

to be made. First of all, in Alberta, virtually all of the oil land is Crown held by virtue of the way in which Alberta was settled, so Alberta has a lot of Crown land. Prior to 1973 and the introduction of Bill 42, Saskatchewan had 40 or 42 per cent of its land which was free hold. And under Bill 42, 22 per cent was left. In other words, those with 1,280 acres in the province were exempt under Bill 42, incidentally, the same number are exempt under Bill 47. So that left 22 per cent of the land in Saskatchewan that was producing oil, 22 per cent was freehold, i.e. small business, small businessmen, most of that freehold is on one-quarter sections or perhaps less, maybe a well or two or three. Not a great income from those small businessmen. Perhaps under the present royalty structure on 25 barrels a day production, maybe \$30.00 is what the proprietor would get out of that freehold land. It's not a great deal of money but it does help to foster the small business picture of Saskatchewan. There's no question about that and that's the reason that this Legislature very well knows that in Bill 42, the small freeholder under 1,280 acres was exempted from the tax. That's the reason and that's the distinction between the freehold land in Saskatchewan and Alberta which has very, very little freehold land.

The second distinction is that the tax rate is different and the reason the tax rate is different is because Alberta wells produce a great deal more oil, the average being about 120 to 127 barrels a day compared with Saskatchewan wells which produce on the average 27 barrels a day, so you can apply a lower tax rate in Alberta and expect to nevertheless generate a higher revenue as their \$3 billion heritage fund indicates. So you're not making the same kind of an argument between the two provinces, nor should you. Our bases are different, our aspirations are different, our history is somewhat different.

When it was pointed out that because of that small error in his judgment, that we would lose \$250 million in resource revenues, then the Leader of the Progressive Conservatives changed his attack. He realized that that argument was weak, to say the least and he didn't want to lose the \$250 million for the people of Saskatchewan, because after all that would not be me-too-ism. And this one who likes to talk all the time about the little guy, the small businessman, creating a good investment climate for small business and protecting the little guy in society. He's the one that talks about individual freedom for the little guy. Now in order to bolster his former argument which is falling apart, that is, applying similar legislation to Alberta, he (suggested and I refer members to page 612 of the Debates and Proceedings in the bottom paragraph) it's very difficult to read but if you wade through it you will see that he has suggested in at paragraph that this government under Bill 42 should have nationalized the entire industry. The Progressive Conservative Party Leader for the province of Saskatchewan, the man who talks about the little guy, about fostering small business in this province, suggested that we should nationalize everyone in the province of Saskatchewan in terms of oil resources. In other words, when he saw that his argument was falling apart, he suggested nationalization of the freehold rights of those people with 1,280 acres or less. This was at 5:00 o'clock on the 5th of December. We went for supper after he had suggested that we should nationalize the small freeholders in the province of Saskatchewan and after supper he came back and he gave a very eloquent description of what he thought this government should do to protect the little guy. Mr. Speaker, two and one-half hours after suggesting that we should nationalize the little guy in the province of Saskatchewan in order to apply similar legislation that the province of Alberta had, he suggested that he was going to introduce amendments which were going to help to exempt the small freeholder from the legislation of Bill 47, which amendments are not necessary because they are already exempted both under 42 and under Bill 47. We have exempted those 22 per cent of all of the oil

producing tracts in Saskatchewan. They are exempted presently. They were exempted in Bill 42 and the Leader of the Progressive Conservative Party suggested that he was going to nationalize those small freeholders.

Mr. Speaker, the next ploy attempted by the Leader of the Conservative opposition was to introduce to this Legislature and I want to take this one slowly too, was to introduce to this Legislature the subject of mismanagement. Now both the Liberals and the Progressive Conservatives participated in this. But somehow the Leader of the Conservative Party was somewhat more colorful when he talked about mismanagement. Proper management he said and I quote from the Debates and Proceedings "Proper management would never be attacked". That statement somehow has a certain irony to it. The Leader of the Progressive Conservatives, the member for Nipawin, owner of Management Associates, has told this Legislature that proper management would never be attacked. The Leader of the Progressive Conservatives, the man with the Swiss bank account for his daughter, said 'proper management would never be attacked'. And he is going to introduce amendments to Bill 47 now get this carefully — he is going to introduce amendments to Bill 47, the intent of which is to make this government more accountable to the people of Saskatchewan. The Leader of the Progressive Conservatives is going to introduce an amendment to Bill 47 which is going to keep the Premier on the straight and narrow. Dick Collver is going to keep Allan Blakeney honest. Well I am sure that we can all see the humor in that.

We have already dealt with the allegations of the Liberals that it has been mismanagement and incompetence or irresponsibility in terms of analyses which read from the court records. We have to remember that 'me too ism' isn't good enough in Saskatchewan. We want to ask the Progressive Conservative caucus and the Progressive Conservative Leader where they stand in this province in terms of resource strategy. 'Me too ism' won't work. 'Me too ism' may work over a short haul but it won't work for a long haul. Where does the Progressive Conservative Leader stand in terms of resource strategy which will place this province on its feet economically. Where does the Leader of the Progressive Conservative Party stand and where does his caucus stand in terms of a strategy which will place this province on its feet constitutionally? Where do they stand on resource policy, economically and where they stand on resource policy, constitutionally?

Now, we have to tell the members of the Conservative caucus that they can't say, "me too" on the resource question because it is too complex, it is too intricate and it is too new. There are no precedents for resource legislation in Canada. We are making the precedent in this debate and with this bill, so "me too" won't work. We are making history with this bill and "me too" won't work in history. It is not good enough for the Progressive Conservative Party to suggest that they are pursuing a philosophy of "me too", a philosophy of a referee who will cry 'foul' from outside the game but will never get involved himself.

Let me ask the Progressive Conservative Leader and his caucus to explain where the "me too" political philosophy is going to get this province in terms of economic development, in terms of a mature, diverse economy. "Me too ism" isn't good enough for development. Let me ask the Conservative Leader when he is going to start thinking for himself instead of parroting what he hears because of a lack of Liberal Party organization. Ask the Conservative caucus when they're going to start thinking for themselves and standing on their feet and not parroting what their leader says. You know "me too ism" isn't an enduring political philosophy. It may fill the Liberal vacuum but it will never run a provincial government. Ask the Progressive Conservative Leader

how "me too ism" is going to help Saskatchewan negotiate with Ottawa for our fair share of the economic future of Canada.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANGE:** — "Me too ism" will allow the Progressive Conservatives to tread only where they have treaded and that is only where it is safe to tread. "Me too ism" is not bold, "me too ism" isn't pioneering as Saskatchewan has always been, be it the pioneering spirit that brought people here or the pioneering spirit that developed the collective co-operatives, credit unions or the pools, or be it the pioneering spirit or the bold legislation that was introduced by this government in Bill 42, the potash legislation and in Bill 47. It is not good enough just to support Bill 47 because you believe in "me too ism" and because you picked it up in the coffee shop that the public is behind Bill 47. "Me too ism" is not leadership, "me too ism" is following, it's defensive, it's passive and it's hollow.

Mr. Speaker, based on the performance of the Conservative Leader and the Conservative caucus in this Legislature, if the public of Saskatchewan wishes to see four years of total dismantling of an economy which has taken 72 years to assemble; if the public of Saskatchewan, the citizens of this province, want to see defensive rather than creative legislation, according to the Conservative definition again; if the people of this province want to see a government with no administrative record, a government that's based on a major tenant of philosophy of "me too ism" which parrots the desires of the last corporation or the last individual or the last person or society that they happen to talk to; if that's the kind of society that the people of Saskatchewan want to see then I invite them to fill the vacuum left by a defunct Liberal organization in this province and elect a Progressive Conservative government. of Based on the observed performance that caucus and that Leader in this Legislature, if the public of Saskatchewan wants to see four years of political idiocy I invite them to fill the vacuum created by the Liberal Party in this province and elect the Progressive Conservatives as their government.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANGE:** — Well, in conclusion, Mr. Speaker, let me review. The issue in Bill 47 is simple, it's dead simple, it's a question of money, a question of economic power as it is going to pertain to the future of this province and to the future of the economic development of this province.

**MR. SPEAKER:** — Order! We have quite a bit of noise in the Chamber, I'm having trouble hearing the speaker and I wonder if some other members are as well?

**MR. LANGE:** — Thank you, Mr. Speaker, I was having trouble hearing the speaker myself.

Because there is no Liberal Opposition left in this province it doesn't really matter what the Liberals do. The only thing that the Liberals could do is try to get their organization together to preclude the Conservative upswing, that's the only thing that they can do if they have any responsibility for this province. So the question on the Legislature on Bill 47 doesn't really effect us one way or the other in terms of what the Liberals do but the question that this Legislature has to decide on Bill 47 is the same question that the public will have to ask themselves during the next provincial election. And that question is, do you support the "me too ism" of Dick Collver and his PCs because it is

comfortable and popular and because it is easy to do or do you support the resource strategy of the New Democratic Party and the leadership of Allan E. Blakeney?

The criteria for the decision on Bill 47 and the decision in the next provincial election are the same. First, the Liberals don't matter and that is unfortunate because the Liberals would be all right even if they were returned to power. There are some of them who have had previous legislative experience and they are the type of group that you probably could trust, at least a little ways. So it is unfortunate that the Liberals aren't going to be there but they really don't matter because of the vacuum. But the issues are still the same, do you support Allan Blakeney and the resource strategy of the NDP or do you support Dick Collver and his "me too ism" tactics? Does the opposition and the Saskatchewan electorate support a government record of sound policies built around a resource strategy or does the opposition and the people of Saskatchewan support heartfelt promises and a utopian society based on a political philosophy of "me too ism"? Does the public of Saskatchewan and does this Legislature support the true leadership of Premier Allan Blakeney, recognized even in eastern Canada to a greater degree than he is here, an effective economic strategy to capture aggregate income from multinationals. Does it recognize an effective economic strategy to redistribute that income to the special programs and into the plans for a mature, diverse economy for Saskatchewan, or do the people of Saskatchewan support the misrepresentation of 'me-tooism' of the Progressive Conservatives? Each member must decide for himself on this weighty legislation and I refer it to the member for Wascana (Mr. Merchant).

I believe that the Premier and this government should the Premier and this government are administratively competent, that's been proven time and time again. Second, the Premier and this government understand the political desires of the people of this province . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANGE:** — . . . in terms of past historical development; in terms of present problems; and in terms of future development, all goals. Because Bill 47 is fundamental to the potential realization of those future developmental goals and, most important, through Bill 47 we hope to achieve a lever to help this province to negotiate better economic terms for ourselves at the next conference on Canadian confederation.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANGE:** — You know, we missed the meeting of confederation in 1867, but the next time that meeting is held to form a Canadian nation, we are going to be there and legislation like Bill 47 can help us.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANGE:** — We missed the meeting of confederation in 1867, but the next time that meeting is held to form a Canadian nation, we are going to be there with all the economic clout we need to obtain our fair share of the new Canadian economy.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANGE:** — Mr. Speaker. I support the bill.

**MR. R.H. BAILEY (Rosetown-Elrose):** — Mr. Speaker, I have a great deal to say after supper and I would like to call it 5 00 o'clock.

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