

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**December 14, 1977**

The Assembly met at 2:00 o'clock p.m.

On the Orders of the Day

**QUESTIONS**

**Rural Municipal Boundaries**

**MR. R.E. NELSON (Assiniboia-Gravelbourg):** — Mr. Speaker, I have a question to the Minister of Municipal Affairs. The Deputy Minister of Rural Affairs is quoted in the December 8, Star-Phoenix as saying:

There is no doubt rural municipalities in the province will have to become bigger, and hence, fewer. I think rural municipalities are away over-represented and too small, and that over-representation costs too much money.

Does the minister allow this type of policy enunciation when the people of rural Saskatchewan opposed the county system some years ago, and knowing that the rural municipalities themselves, just voted 34 to 248 for no change in their boundaries?

**HON. G. MacMURCHY (Minister of Municipal Affairs):** — Mr. Chairman, in response to the hon. member's question, I am not aware of the comments of the Deputy Minister, Mr. Clampitt, so that I don't feel I'm in a position to comment on the statement raised. I can say that there's a growing interest in co-operation, and as a matter of fact, in some cases, amalgamation of municipalities. And there's a growing interest in an examination of existing boundaries and organization by SARM itself. As a matter of fact, at the convention last year, a resolution was passed by the delegates present to SARM asking the executive of SARM to proceed with a study looking into possible organization, and I think that that executive committee will likely report to their upcoming convention some time in March.

So far as the government's position is concerned, we welcome SARM's proposal to look into this area, using its own organization to do so.

**MR. NELSON:** — Mr. Speaker, a supplementary. I'm a little surprised that the minister doesn't know of the survey. He knows it was to be conducted, and was conducted. His deputy minister's amazement was that 34 of the 282 rural municipalities wanted no change and they have already reported their survey. I wonder if the minister would guarantee to rural municipalities at this time that there will be no change in their boundaries unless they themselves vote to have those boundaries changed.

**MR. MacMURCHY:** — Mr. Chairman, I have on a number of occasions, both outside of this Assembly and in this Assembly, said that we have no policy to promote reorganization of rural municipal boundaries. We are talking and have been talking about co-operation between municipalities in the delivery of some programs, co-operation not only between rural municipalities, but also co-operation between urban and rural municipalities. As a matter of fact, Mr. Speaker, if one examines the position of SARM on the revenue sharing proposal, one will see in that proposal to the government, a

strong feeling by the SARM on the Co-operative approach in the delivery of certain programs to rural people.

### **Delta Negotiations**

**MR. G.N. WIPF (Prince Albert):** — A question to the Minister of DNS. Following up the questions yesterday you had said that the DNS, your answer yesterday, has an agreement with Delta and that the agreement will remain until such time as changes can be agreeably made. Are the DNS and Delta presently involved in negotiations on a new lease on those properties?

**HON. G.R. BOWERMAN (Shellbrook):** — Mr. Speaker, I have repeated over and over again to the member both outside of the Chamber and here in the House, that there are no negotiations going on between Delta and the Department of Northern Saskatchewan. There have been discussions held, there have been informal kinds of proposals made by Delta to the department but they do not constitute any negotiations with respect to the Delta properties in La Ronge. There have been no figures given; there have been no amounts or indications of amounts with respect to either what they would sell for or what they are asking the department to do in terms of purchase or otherwise. The department has, as indicated to this Legislature of last spring, undertaken to have two firms do an appraisal on the properties in La Ronge. We have subsequently since this spring undertaken to have another appraisal done on the property in La Ronge but that constitutes no negotiations with Delta and it constitutes no negotiations between the department and Delta. I don't know how else to get it across to the member that negotiations are not now underway with Delta and the department.

**MR. WIPF:** — Who was it then that brought up the proposal to start these negotiations or discussions as you say. Was it Delta or the DNS? You referred this spring to Delta offering to sell the plant. Are these negotiations or discussions still carrying on from that point?

### **Price of Crude Oil**

**MR. E.F.A. MERCHANT (Regina Wascana):** — I would like to direct a question to the Premier which deals with the fact that the price of crude oil will go up in two weeks on January 1, by a further one dollar a barrel and has gone up by one dollar a barrel on July 1. Now I ask the Premier whether he would not agree with me that the increase, the two increases which have caused an approximate \$50 additional cost to every homeowner in heating bills are in fact a form of inflation taxation so that the inflation is passed to the consumer and the tax dollars end up in the government's hands. I ask the Premier whether he is prepared to do anything to assist the consumers of this province with the \$50 heating bill increase that they will face this year and the \$50 heating bill increase that they will face next year with the two planned increases for that year when all of the revenue by and large flows into the hands of the Provincial Treasury?

**HON. A.E. BLAKENEY (Premier):** — Mr. Speaker, the difficulty with that question is that it is predicated upon a statement of fact which is fiction. The suggestion that all of the revenue or indeed most of the revenue flows into the hands of the provincial government is inaccurate. A very substantial part flows into the hands of the oil industry, a substantial part flows into the hands of the federal government and, accordingly, the basis of fact is inaccurate and, accordingly, the question cannot be answered in the form directed to me.

**MR. MERCHANT:** — Supplementary. Would the minister be prepared, if he is conscientiously answering the question in that way, would the Premier be prepared to indicate to the House that you will divert from the Energy Fund or general tax revenues any moneys that flow from the increases on heating fuel since people are not able through conservation to avoid those increases and would the Premier be prepared to assist people who face over an 18 month period a 41 per cent increase in their cost of home heating fuel?

**MR. BLAKENEY:** — Mr. Speaker, I am not now confirming the figures offered by the hon. member for Wascana about 41 per cent. He has obviously done a great deal of very careful calculation if he can say that everybody who heats his house with oil in this province is going to have a 41 per cent increase. That demonstrates a degree of precision which I think that it is unlikely that the situation will reflect. But to deal with the basis of his question. I think the answer must be that we and other governments are not able to shelter one class of consumer or particular classes of consumers from the increases in the prices of oil. The policy being followed by the government of Canada, and as far as I am aware, all the provinces in Canada is a policy of allowing the price of oil in Canada to rise gradually to that level of the world market and for the economy at all levels to adjust to the new price. That is the policy which is being urged upon us by the federal government and which I think is one which in all the circumstances should be followed. It is clear that we as an economy and we as a people are going to have to respond to this new price and if we select, other than to try to even out the increase, if we select one class of consumers and shelter them, there will soon be requests for other classes of consumers for any number of reasons and I think under those circumstances it will be very difficult to get the adjustment which I know the federal government wishes.

**MR. MERCHANT:** — This is in a different class from other components of inflation I because the income flows to government, both provincial and federal so that your government and the federal government profit, while the inflationary effect falls on the people of Saskatchewan and Canada and is a very large contributing factor to the high rate of inflation that Canadian people face this winter and through this year.

**MR. BLAKENEY:** — When prices increase, the benefit if benefit there be, is frequently distributed among governments, federal, provincial, municipal and among private shareholders of oil companies. Certainly the profits of oil companies have been increasing in recent years. The take by the federal government has increased dramatically; the take by the provincial government has increased dramatically. Under those circumstances, there is some substance in what the hon. member is saying but that is true of many increases in prices. Many of them reflect increases at least in the nominal dollar profits of companies and thereby increase the nominal dollar yields from governments by that governments received and I think that while oil is in part different it has many characteristics which other commodities have.

### **Rail line relocation**

**MR. LANE:** — A question to the Minister of Municipal Affairs. Last week Mr. Gartner of the transportation agency accused the federal government of reneging on its rail line relocation commitments to the city of Regina and in the same statements severely criticized the city of Regina. Two days ago, I believe, or yesterday, the federal NDP member for Regina, Mr. Benjamin, welcomed the backing out of the rail line relocation program by the federal government. Would the minister not admit that the seemingly

contradictory position of representatives of the provincial government and the New Democratic Party federally indicates that really the government of Saskatchewan is attempting to back out of its commitments for the city of Regina and is looking to scapegoats to do so?

**MR. MacMURCHY:** — Mr. Speaker, I am not aware of the comments of the MP for Regina Lake Centre in the House. However, I will catch up. I want to make it clear to the question relating to rail relocation and make the clear commitment that the province very interested in working with the city on rail relocation. There is an issue with respect to the federal government's commitment to the Regina project. Plans are for the government, along with the city, to seek a meeting with Cabinet ministers in Ottawa to try to clarify the federal position on financing. Certainly if the federal financing is not what had been earlier indicated I think we should know that because it could certainly change the basis for the planning of the relocation program.

**MR. LANE (Qu'Appelle):** — Supplementary. Are you saying then that Mr. Gartner's statements were not accurate in that he accused the federal government of, in fact, backing out and you are indicating now that that is perhaps not the case. Can you tell us then, why the confusion, and when the provincial government will get rail line relocation back on the track, so to speak?

**MR. MacMURCHY:** — Mr. Speaker, I think Dr. Gartner was reacting to information that had been made available to him. I think that our position would be that we want to clarify this for sure and to clarify it for sure would in our minds necessitate a meeting by the policy makers and therefore we are working to have a meeting with city council, the provincial government and the federal government.

**MR. LANE (Qu'Appelle):** — Mr. Gartner also criticized the city of Regina quite severely for saying that it did not give the true facts to the people of Regina particularly as it pertains to the cost of rail line relocation. Are you now saying the city of Regina was, in fact, right in this particular matter and that the sole issue is really the question of cost sharing by the federal government?

**MR. MacMURCHY:** — No, I am not saying that. I think it is clear and we have indicated so on correspondence between ourselves and the city that there are items in this proposal that the city of Regina has put forward that we would like to sit down and talk with them about but the major issue in our minds at this point is the clarification of what kind of funds are going to be available on the federal level.

### **Rise in Motor Vehicle Accidents**

**MR. A.N. McMILLAN (Kindersley):** — A question to the minister responsible for SGIO. In view of the fact that there has been a rather significant increase in the number motor vehicle accidents in Saskatchewan in the past year and in one particular instance, certainly as recorded in the today's Leader Post, the 39 per cent rise in motor vehicle accidents in Regina alone last November, as opposed to the November previous, will this government consider at this time introducing a safe driving discount on insurance premiums in order to try and encourage the Saskatchewan driver develop better driving habits?

**HON. E.C. WHELAN (Minister in charge of SGIO):** — Let me first make it clear that the preamble that the hon. member used to introduce this question is absolutely and completely inaccurate. The overall picture in the province is not that there are more

accidents, but fewer accidents, and also that the injuries as compared with last year for the month of July were down five per cent, for August, 15 per cent, for September, 16 per cent for October, 20 per cent, and the total expenditure by SGIO during the month of November as compared with the month of November last year is down considerably, and we're quite happy with the whole performance, so based on that sort of accurate information I question whether the need is there as suggested by the hon. member.

**MR. A.N. McMILLAN:** — Mr. Speaker, a supplementary. In accordance with SGIO's motor vehicle accident department report, the number of accidents is up in almost every category and certainly the property damage accident report is up, and I would like to repeat in view of that, is this government at this time considering introducing a safe driving discount to try to discourage Saskatchewan's public from driving with careless habits?

**MR. WHELAN:** — Let me say this, that the overall picture of SGIO is this year that for every dollar expended by the individual for insurance, the actual cost of administering that dollar is probably 18 1/2 per cent. I suggest that every citizen in Saskatchewan who is purchasing SGIO insurance is getting a dividend as it is now because if you compare the cost of insurance per vehicle and divide all of the vehicles that we have in Saskatchewan into the total amount expended and compare it with any province in Canada, Saskatchewan is \$30 or \$40 ahead.

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

**MR. SPEAKER:** Order, order.

### Weather and Road Reports

**MR. L.W. BIRKBECK (Moosomin):** — Mr. Minister, given the fact the provincial Hot Line program sponsored by the Department of Highways to advise the motoring public of road conditions and weather conditions throughout our highway system, should have a very close liaison with the meteorologists and media in Saskatchewan, why, Mr. Minister, has your department refused to sit down with the meteorologists and media jointly to co-ordinate a good exchange of views and information for the benefit of the motoring populace, in particular now in conjunction with 'Safety '77'?

**HON. E. KRAMER (Minister of Highways):** — Mr. Speaker, I have no knowledge of any refusal. I would like the member to give me the details on the matter. Our Hot Line was innovated just three or four years ago; it is one of the new things in Saskatchewan and certainly a leader in Canada, and everything possible is being done to keep travellers up to date at all times as to what the condition of roads is anywhere in Saskatchewan.

**MR. BIRKBECK:** — A supplementary to the Minister of Highways. The minister says he has no information of any refusals and that is to say that in fact, you have had meetings, and if so, Mr. Minister, then what are the results of those meetings? Mr. Minister, could you give us some information as to what those results are?

**MR. KRAMER:** — I think, Mr. Speaker, as usual the member doesn't know what he is talking about and he is having difficulty informing us what he is thinking about.

### National Farmer's Union Banquet

**MR. J. WIEBE (Morse):** — Mr. Speaker, a question to the Minister of Agriculture. About

a week ago the National Farmer's Union invited the Premier of the province to attend a banquet up at Saskatoon, at which time the Premier paid around \$1,000 for his meal. The menu that was served, instead of pork or beef which is grown in the province of Saskatchewan, was salmon. I am just wondering if the Minister of Agriculture can inform this House whether the \$1,000 meal ticket was paid for by his department or out of the Premier's office and whether in the future they will be funding industries that occur outside of the province instead of Saskatchewan grown industries?

**HON. E KAEDING (Minister of Agriculture):** — Mr. Speaker, I think it is the policy of the government to provide support to national organizations when they have conventions in the province. This was a national convention and I think the support for that particular convention would have come from the Executive Council. I am sure that we had nothing to do with ordering salmon or beef or chicken. I don't think anyone would expect us to make that kind of a directive to the National Farmer's Union.

**MR. WIEBE:** — Supplementary question, Mr. Speaker, I'll direct this one to the Premier of the province. It is my understanding that the bulk of the delegates at the convention with the exception of yourself, complained about the distasteful meal and the fact that it was not very enjoyable — yet you did not mention the meal in your remarks. I would like to ask the Premier, did you in effect enjoy the meal? Could it also be taken that maybe the reason why the meal might not have been as palatable as was expected was because part of the hotel in which the convention was held is owned by an arch rival of not only the Farmer's Union but also of the Premier?

**HON. A.E. BLAKENEY (Premier):** — Well, Mr. Speaker, I won't deal with the complex legal position of who may or may not own the Bessborough Hotel . . . I think that is best left for another forum and I understand it's being pursued there . . . I will deal with the question of the meal . . .

**MR. COWLEY:** — Was it Swiss Steak? (Interjection of laughter.)

**MR. BLAKENEY:** — . . . I understand it was salmon from the West Coast. I was a guest of the National Farmer's Union. I felt it inappropriate under the circumstances to comment on what they were serving. Some of the delegates were not similarly constrained and they did comment . . . I take it they were beef men. However, the meal was a very, very enjoyable occasion. As you know, with any banquet the food you partake of is such a small part of the total enjoyment and the fellowship and the general bon ami that was exhibited by the National Farmer's Union in their ordinary mild and gentle way . . . was such that it was an enjoyable evening, even though I would have preferred beef.

**MR. SPEAKER:** — Order. I think there may be other questions around of greater gravity than that. The member for Prince Albert-Duck Lake.

### **Executive Aircraft**

**MR. WIPF:** — A question to the Minister of the Department of Northern Saskatchewan. Over the last couple days I've heard him talk about building up the DNS and getting more properties and that. Is the DNS at this time in the process of buying or taking over the executive aircraft that the Government Services rents to DNS or is this planned in the near future? That's the executive aircraft that's up there.

**MR. BOWERMAN:** — Mr. Speaker, the aircraft used in both fire control and for some of

the executive flying was transferred from the Central Vehicle Agency to the department I believe the 1st of October. If that's the answer to your question, that's it.

### Use of Seat Belts

**MR. W.H. STODALKA (Maple Creek):** — A question to the minister in charge of the Safety '77. Some recent statistics indicated that during the month of August that the number of fatalities were six greater this year than they were last year. In the month of September the number of fatalities and accidents were one less this year than last year which is an increase of about five in these two months. Could the minister indicate what percentage or what the number of these fatalities that were wearing seat belts?

**MR. KRAMER:** — Well the last report I got - it's a good question, Mr. Speaker - the last report that I have and it's not up to date that only one of the fatal accidents and this was total demolition of a small car colliding with a large truck. There is only one that we know of; no, there were two. There was one other accident reported that I know of that were wearing seat belts. Now I think when you talk about fatalities that is one thing but when we're talking about reduction of injuries which were down 20 per cent; that is a pretty hopeful trend of those injuries and a lot more could have resulted in death had they not been wearing their belts.

### POINT OF PRIVILEGE - News report.

**MR. LANE:** — I would like to rise on a matter of personal privilege. Yesterday to correct an impression left, a news report indicated a member of the Conservative caucus had in reference to actions taken by the member for Thunder Creek thought he had gone too far. I would like to take responsibility for those remarks. Those remarks were made in jest and make no mistake, Mr. Speaker, I stand behind the member for . . .

**MR. SPEAKER:** Order, order. I ask the hon. member for Qu'Appelle to not show such blatant disregard for the rules, not only with regard to the point of privilege the member raises, which is not a point of privilege and with regard to the fact that when the speaker is on his feet the member takes his seat.

### MOTIONS

#### House Sittings

**MR. LANE:** — Mr. Speaker, on another matter, I would like to with leave of the Assembly, seconded by Mr. Larter, some indication, Mr. Speaker, that the government had wanted Bill 47 passed before Christmas, so with leave of the Assembly I would like to make the following motion:

That order notwithstanding Rule 3 this Assembly shall commencing Friday, December 16, and each sitting day thereafter, meet at 10:00 o'clock a.m. until 10:00 o'clock p.m. and that there shall be recesses from 12:00 o'clock p.m. till 2:00 o'clock p.m. and 5:00 o'clock p.m. till 7:00 o'clock p.m. Mr. Speaker. I ask leave to introduce that motion.

**MR. SPEAKER:** We have a question before the House moved by the member for Qu'Appelle, seconded by the member for Estevan and this motion requires leave.

Motion negatived.

## **ADJOURNED DEBATES**

### **SECOND READINGS**

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

**MR. E.F.A. MERCHANT (Regina Wascana):** — My colleague, the member for Regina South, has discussed from a legal standpoint the need to divide Bill 47 into the retroactive period and the period for the future. I propose, Mr. Speaker, to address myself to the need for this change in terms of the effect on development in Saskatchewan if the division is not made. It concerns us a great deal that the redevelopment of the industry that has been under way in the past eight to twelve months, not now be snuffed out and we believe that dealing with one bill as opposed to a divided bill will have the effect of snuffing out what little progress has been made by the government on the road back to having a proper oil and gas industry in this province.

Bill 47, Mr. Speaker, is very likely bad law. Hence we say divide it. Bill 47, undivided, will as I said, snuff out the recovery of interest in the oil business in this province. Hence again, we say divide it.

I understand, Mr. Speaker, that some negotiations are now proceeding with the government; the Canadian Petroleum Association and the Independent Petroleum Association of Canada have been working together and have made representations to the government. We have not been made privy to those representations. That may be appropriate or it may not. I understand that representations were made on Monday and further representations are in the process of being made. That is one of the factors that I think the government should consider in deciding whether they will divide and also wait, which is contemplated in the amendment, giving them an opportunity to consider the position of the industry as it will be advanced to them.

A second factor that I suggest to hon. members as one that they should consider before deciding how to vote on this amendment is that Norcen, the company that has taken over CIGOL, now has a legal opinion that says that Bill 47 is certainly colorable and that legal opinion, in the hands of Norcen at this time, says that they believe if they launched the action in their hands clearly the bill is colorable, if others launch the action it is probably colorable.

They have already . . .

**MR. ROMANOW:** — May I ask the hon. member a question?

**MR. MERCHANT:** — At the conclusion of my remarks, perhaps.

**MR. ROMANOW:** — The question will be, will you table a copy of the Norcen legal



opinion?

**MR. MERCHANT:** — I will answer the question now that I know it is a teensy weensy question, not a pushy question. I do not have, Mr. Speaker, a copy of the Norcen legal opinion and I have not been made privy to the opinion. I am advised by people in the industry that that opinion has been drafted. I think it would almost go without saying, Mr. Speaker, that various companies in the industry are now scrambling, not as desperately perhaps as the government has been scrambling, because they don't face the problem that the government faces. but they have been scrambling to find out whether this is bad law or not.

Now I mentioned the fact that Norcen believes the legislation is bad because that is important in deciding whether a challenge will be made on Bill 47 and if Norcen is moving in that direction and moving towards a challenge, I suggest that that's a factor that hon. members should consider in deciding whether they want to gamble the future in an attempt to get the retroactive legislation through that will take effect over the past few years.

I understand, Mr. Speaker, that Norcen has already threatened the government with further litigation. Now we have heard nothing of that in this debate and I suggest that the reason we hear nothing of the negotiations with the industry, or even the tenor of the negotiations with the industry, is that the government wants us to believe that Bill 47 will pass the legal test easily.

Mr. Speaker, on that question of the legal test, which I am sure Mr. Speaker will easily understand is important in deciding whether to divide the bill so that the retroactivity won't bring the whole bill down and jeopardize the future as well — on that question of the legal test, the words of the Premier on CKCK television last Wednesday night, to the effect that he will give with one hand to Norcen and take back with the other — are very likely words that almost in themselves could bring this legislation down. He used the example of giving with the right hand what Bill 42 has to repay and taking back with the left under Bill 47. The importance of that to non-lawyers perhaps in the House, trying to decide about this amendment, is that in the Potash Reserves Tax case which was just argued before the Supreme Court of Canada, the Supreme Court appears to have accepted Mr. Justice Disberry's decision to allow press releases and comments made by Premier Thatcher and others about the Reserves Tax to go in as evidence at the trial. That was argued again in the Supreme Court of Canada but the look is that the Supreme Court of Canada will accept that those kinds of extrinsic matters are proper evidence.

Statements made in the House are protected. Answers to questions and remarks made by hon. members in debate are protected. That's the view of the constitutional lawyers and I gather that's the better law. But statements made by Cabinet ministers and particularly statements made by the Premier will very likely be admissible if a challenge is made to Bill 47. We have the comments of the Premier, CKCK Television, and we also have the press release of the Attorney General and the press release of the Attorney General says, and if you go back Mr. Attorney General and check it, you say you are not going to be giving back any money. I suggest to members that that will contribute very strongly to the case, if a challenge is made of Bill 47, to show that the bill is colorable and that rather than take the risk we would be better to not risk the future in relation to the past.

It is in part, as some of my colleagues have said, that because we feel that this legislation will fail in a legal sense that we are so concerned on behalf of Saskatchewan taxpayers about the government's apparent refusal to divide the bill. I use those words

although I realize that no commitment has been made by the government and I know that the government may well be considering whether they will divide the bill. The area that I want to address myself to, however, is that we believe that the bill should be divided because the present Bill 47 will drive the industry once more from Saskatchewan. We had only just begun to encourage the industry back into this province. The renewed interest has brought the number of new wells drilled in Saskatchewan to the 500 well level, less than half of the yearly average of the Liberals to 1964 to 1971, about two-thirds or a little less than that of 1,254 record in 1970-71 while the Liberals were in power, but twice as many wells drilled as in the disastrous year of 1976 when the full rigors of Bill 42 were starting to have effect in this province.

Bill 47 in its undivided form threatens that new development. Centres like Estevan and Swift Current who are unrepresented in this debate are just beginning to have some oil development and now Bill 47 in the present form will sweep all of that away. Dividing the aims of recapturing the revenue lost but also being fair in the future is important both in the legal sense and also in the sense of the effect on the industry. I suggest, Mr. Speaker, that the tax under Bill 42 encouraged efficiency in the industry. The tax under Bill 47 discourages efficiency in the industry; it encourages inefficiency and I will explain why in a moment.

Taxes under Bill 42 were imposed on the basis of a unit of production, if you could maintain a high level of production and hold expenses down, then your company made a reasonable income. To now replace that per unit tax under Bill 42 with an income tax of Bill 47 will discourage efficiency. It will take away tax from those companies who had maintained a high level of production with low expenses. The smaller, inefficient operations will pay substantially less money than they paid under Bill 42. The larger, efficient operators will pay substantially more than they paid under Bill 42. The whole southeast sector of Saskatchewan will be punished because the well head listing cost in the southeast are lower. The areas of heavier crude around Lloydminster will be much better off because they earn virtually no income. Now they are developing in Lloydminster because they hope to do well in the future, but at this time they pay almost no income but still go on paying their fair share of the tax.

Bill 47, in its undivided form, will change all that and set one region against another. With respect, Mr. Speaker, to the member for Estevan (Mr. Larter) he should be speaking about this problem. If he understands the problem he should be addressing himself to it. He's in the oil industry. The problem relates to the main motion but it also relates to the question of division of the bill. With respect, and quite frankly I seriously mean those sort of legal words, with respect, in reference to both members. It is atrocious that the member for Swift Current sits on his hands throughout this entire debate and doesn't say anything on behalf of the thousands of people who directly or indirectly depend on the Midale and Benson units with low lifting costs, because this bill in its undivided form will punish Swift Current more than any other sector, punish Estevan second and help the Lloydminster area. If the bill isn't split the government must either make separate deals with different operators, or must charge a uniform rate. Now, how simple that sounds, if you don't split the bill, you charge different . . . if you don't split the bill you either make different deals or you charge a uniform rate. Sounds simple? Let me tell you, Mr. Speaker, what those simple two options amount to. If the government makes separate deals they'll be open to charges, if not the reality of taking bribes. Separate deals put them in a very bad political light, both because they will be seen to be getting treasury money to big oil companies, and also because they will be seen to be making different deals with different regions- likely a lower income tax rate in the Swift Current and Estevan area and a higher income tax

rate in the Lloydminster area. If they don't have that different tax rate between the regions, then the bill will result in large amounts of money being returned to some in the industry, and some in the industry having to pay large amounts of additional money a different tax rate if they maintain the bill with a uniform rate. Even if they decide to charge that uniform rate, and I believe they have to charge the uniform rate to avoid all the political arguments, will that rate be one by which no company pays any more tax than they paid under Bill 42? Now, if they make it a tax rate that says that nobody pays more tax than they paid under Bill 42, so that would be a tax rate that sets a very low come tax rate in the Lloydminster area with the high lifting costs, that will involve the fund of some millions of dollars of money to operators dealing with the lighter crudes.

If on the other hand, they make a uniform tax rate by which no money would be returned to operators in the south east, then . . . I'm sorry, Mr. Speaker, I said that incorrectly, and the notes are not correct.

If the uniform tax rate is such that Lloydminster does not pay any more tax than the south east and Estevan areas have to pay massive, massive additional amounts of money, because the income is low in the Lloydminster area and the income is very high in the south east. If on the other hand, the tax rate is designed to see to it that Shell and Imperial and some of the majors dealing in the south east, designed to see to it that they don't have to pay any more money than Husky gets a massive tax rebate in the Lloydminster area, and indeed everybody dealing with the higher lifting costs in the Lloydminster field will have a massive return, and many companies even in the same fields would have large returns.

A uniform tax in the middle of those two alternatives is neither right nor wrong, it's just fifty per cent wrong to one and fifty per cent wrong to the other. That would mean a refund of large amounts of money to Husky and others in the Lloydminster area, and substantial additional taxes to operators in the Estevan and Swift Current area.

The government is faced, if they go for a uniform tax rate to maintain the same tax dollars, taking large amounts from one region and having to pay the money back to people in the other regions and operators in the other regions.

Now, Mr. Speaker, ask yourself about the justice of that kind of tax. No matter how you cut it with the three alternatives of a tax that pays nothing to Lloydminster or refunds nothing to Swift Current, or something in the middle, it will mean that operators who honestly came into Saskatchewan or remained here under a tax regime they understood, now four years later have the tax regime changed. Operators don't know what the tax will be in the future — that's bad enough, but they don't even know what it was in the past.

The government, with this bill, and I suggest to the Attorney General it's a serious problem that you've got, is faced on the one hand with doing something unjust, or on the other with having a non-uniform tax rate which is lousy politically and open to the accusation that you are doing something crooked and unfair. The second factor if they have that different tax rate, is that the majors are principally in the south east and that's where most of the concessions would have to be made, so that NDP government would be faced with making a four or five or ten or a twelve million dollar concession to Shell, and a six or an eight or a ten million dollar concession to Imperial Oil.

It's an atrocious situation for them legally. Not only is it bad politically but as members decide whether to divide this bill. if the government juggles the rate so that different operators pay the same tax so you don't have to refund to Lloydminster and get more money from the southeast — if they go for that same tax principle that will be clear evidence that Bill 47 is simply designed to recapture the tax imposed by Bill 42. The legal expression for that is 'tracking the money too closely'. No matter how you cut it the government is in very, very real trouble with this act.

Juggling, which is the more just way to deal with the retroactive problem, but the bad political way, is more likely to bring Bill 47 down. The small operators will be paying less tax on an income basis, because they are the less efficient, under the old Bill 42 concept it will also involve the bad politics of charging a higher rate to the small operators who are inefficient and the lower rate to the large efficient operators. It's an atrocious situation from any political standpoint. Now that's the mess into which Bill 47 has embroiled us in in a practical way. To help solve that we present this amendment to split the bill.

There is another factor. The company that bought good land - the Midale field, the Benson field - the company that bought good land in the southeast and Estevan, they're going to be punished because the income is higher from the good land than from marginal land. As members may recall, I mentioned to you in the House that things were so bad a few years ago that the government couldn't even have land sales and some of that marginal land was given away for very low amounts of money. The cost of the interest on the land doesn't go into the question of income. Where an operator in the southeast may have a higher income according to Bill 47, in any real sense, he doesn't have a higher income than say somebody tooling around in the Lloydminster area but he'd be singled with a higher tax under Bill 47 in a most unjust way. Companies that purchased land for peanuts will find that with a lower income on that land that they are now being rewarded while other companies are punished to compensate. The double taxation problem remains, another reason for the government to take this bill away and look at it and come back with two acts. Companies which did not pay Bill 42 taxes and I know, Mr. Speaker, these are complicated arguments but part of what we're trying to do. I you ask us as Liberals, why you agonized for so long before moving in a direction of saying, clean up the bill or we're going to vote against it? Why did we agonize over it for so long? Because they were prepared to jump in with a quick political decision and the Conservatives were only too anxious to follow with the transitory political relief of saying, as the member said, 'me, too'. And we were taking the time to look at this bill from every point of view that we could find.

Now, Mr. Speaker, the double taxing problem remains. I mentioned it in question period and I'm not sure the member understood, the minister in charge. Companies which did not pay Bill 42 taxes under protest may take those taxes as a tax exemption under Bill 42 but not as a tax credit. It means that they can say the taxes we paid under Bill 42 come off our income but whatever is left is still an income subject to tax. It should be changed, well the Attorney General nods his head, I'm sure the Attorney General understands the difference between a contribution to a charity which is an exemption and a contribution to say, the Liberal Party to which I'm sure he'd like to contribute if he weren't embarrassed about it, a contribution to the Liberal Party for which he gets a tax credit. Companies who have paid their full share of tax under Bill 42, they paid it under protest, they went along with the gag. They were prepared to be strangled by this government, they were the people you like, you got their co-operation; they didn't even pay it under protest and they'll face the possibility of further tax. Now,

how is that going to be solved, Mr. Speaker? It's going to be solved by some kind of a further exemption. But this kind of thing, the double taxing, the problems between the regions, the problems of a big operator and a small operator, all of these problems are going to be sorted out by secret deals. That's the way Bill 47 has to operate, or else it will be the most unfair piece of taxing legislation ever presented probably in the British Commonwealth. Now, Mr. Speaker, we say that the government has to look at that and that's the reason we've moved the amendment.

This will lead us to know that this legislation is atrocious in its undivided form and we suspect, unless the government can do better, it will be pretty bad in its present concept, even if divided. There is another factor of practicality which should encourage the government to accept the division amended. As members may know, the oil firms are horrified, with the task of recomputing on each well the cost and the production levels. I think members can understand what a massive job that will be. The accounting problems are staggering; the cost will be massive and that is the cost that the industry is asked to accept because of the negligence of the government in not handling the tax legislation properly in the first place. There are many companies who say it is impossible now for them to recompute in this way. But what makes it even worse, Bill 47 on the question of the new accounting, contains almost what is almost a 'Catch 22'. The requirement is to file the recomputed figures for all of the retroactive years within 90 days of Royal Assent to the bill.

The government, while they have told us in the House, that they hope to have the regulations here before third reading, have told the industry that some of the crucial regulations for the purposes of computing the figures on the well by well basis, won't be ready for three months. Now, some of the regulations may be there, but the industry can't compute until they have all of the regulations. So this bill says you've got to do your computations within three months and then 'Catch 22' won't give you all the regulations until - well they don't say three months, they draw a little distinction - you've got to do one thing in 90 days and we won't have the regulations to you for three months. Now I missed that, I misrepresented that, that's no doubt the way they will sort it out. Ninety days to get the figures in but the regulations make it impossible to prepare those figures until the regulations are there three months hence. Now how is that problem related to the amendment? Splitting the bill would take the urgency out of preparing those retroactive figures. See the government gives the industry six months for the future; for this year six months and six months every year hereafter. But for the past, they've got to know where they stand. That's the reason for the 90 day provision. The industry is being pressed to get the figures because the government isn't really sure of where they stand until they get those figures on the recomputed basis. They think they're all right but until they have the figures, they really don't know what kind of taxing level they are imposing. Because we're talking of retroactive situation and that's why they need the figures quickly, they're muddying up the future and it's the future that causes the problems in relation to the tax level. They can change the tax level on the past four years once they get the computations of the wells. They are not going to pay back any money in the meantime so if the bills were split, the government could wait six months for the recomputed figures from the industry because they're not giving back the money anyway. They could then fix the figures to adjust to whatever taxing level they want back. But if they do that in the future, six months go by and the government won't know whether they're losing \$30, 40, 50, or \$80 million in six or eight months. So they have got to get the figures quickly so they can correct any error that they are making.

Mr. Speaker, I've been talking about a number of practical problems and I see that I've absolutely enchanted members opposite with all of these practical problems. I think I know why they couldn't care less about the practical problems. They don't view this as a problem to be faced in terms of what you're going to do. They don't care about the substance of it. They only care about the politics of what they're doing. Well I say to the minister, we want to see the government sort out the mess they've created. We want to be sure that the government doesn't compound a \$500 million error into a billion dollar error. Now dividing the bill performs that function. My political hide doesn't rest on this bill or any other - yours does. Do hon. members opposite actually believe that you can get away with a simplistic argument of saying we are against the oil companies and the rotten Liberals are there with the oil companies and that will save you; after a \$500 million error?

You know, Mr. Speaker, I am moving a little bit from the amendment and I've tried to be careful not to do so. I heard the member for Regina Rosemont talk about the resource policy and direction of that government. Well if I would have had as many flubs and flops and slopping around in my policy, and I called it a resource policy, I sure wouldn't want to go to the people with that. The only place you're not being challenged over some piece of legislation is the new Family Court and probably some lawyer will find a way to whisk you in there as soon as you get it set up.

**MR. CAMERON:** — The only kind of oil you've got is 'turmoil', Roy.

**MR. MERCHANT:** — I've got great confidence in Hansard to pick that up.

Mr. Speaker, we want to make sure that the government which strangled the industry by 1975-1976, but in the process learned its lesson and took off the thumb screws, does not now strangle the industry anew. That's the reason why I'm talking about these practical problems. The bill gives to the government the flexibility it needs to recover the confidence of the industry but the problem is that it can't use that flexibility because of the political problems that the flexibility imposes. I'm satisfied, Mr. Speaker, that the Cabinet sort of said, well, look, if they noticed say that they were going to be setting one region against another; if they noticed they were going to have the tough problem of deciding between the inefficient small companies and the efficient large companies; if their officials brought these problems to your attention at all I think that what happened in the Cabinet room is that they said, look we've got to get over this political hurdle and they looked to the Attorney General for the best political mind they had and he gave them the best political advice he could give them, which was, let's get over the political hurdle and we'll get out of all these problems with section 39, section 39 that allows the government to make any deals they like. But I am sure now the government is realizing the political pitfalls of solving the problems under section 39. It is realizing the political pitfalls of being seen to have, perhaps, taken a bribe, of being seen to prefer the large companies over the small, of being seen to prefer the Lloydminster region against the Swift Current region or against the Estevan region. I note the member who is going to follow, gosh, he should be in favor of this bill, it's the best deal that ever happened to the Lloydminster area. It is the only seat in the province that isn't put in jeopardy and hurt by this stupid legislation.

Now, Mr. Speaker, I assume that we will hear from some of the Conservatives and I assume we'll hear from the Premier about this amendment and about Bill 47. If the member for Estevan and the member for Swift Current weren't previously aware of what is going to happen to their areas, they should be aware now. It's a simple question and you just get in touch with one of your operators and he'll talk about the lifting costs.

I am disappointed that so few of the ministers of the Crown have chosen to apply their minds to the problems of substance that face the Saskatchewan government. We've heard a couple of them apply their minds to the political question. I wonder whether they may have really looked at the bill and looked at the amendment and will look at the substantive issues that are before us with this very important legislation. We've heard the Attorney General and the Provincial Secretary, political minds, good minds, good political minds, the Minister of Mineral Resources, the three good political minds so they delivered three good political speeches. I don't know who they think is going to look to the substance of these things. I indeed suggest and suspect that what they hope is that if they don't talk about the problems of substance that somehow the problems will go away. But if they can keep it at that narrow level the problems will go away and if the bill comes tumbling down in three or four years maybe it won't be their political problem to solve and, as members know, you solve political problems that are most pressing, not ones years from you. That is not our job because we are more worried about the future of the province perhaps than your political mess.

This bill, just as with Bill 42 is rammed through, moved too quickly, the government moved too quickly, in Bill 42 they moved quickly because they saw those dollars and they wanted to grab them as quickly as they could. That's the reason they made the mistakes. There's an old saying and it is certainly true of lawyers and I have a partner who reminds me of this problem all the time, that whenever you try to do things too quickly in the practice of law you tend to make mistakes. The legal business more than any other is an area for sombre second thought, to go home and think about it. There is an old joke, Mr. Speaker, that somebody included in their legal bill a statement to the effect that he woke up in the middle of the night and thought about the problem for ten minutes and just included what that cost.

Bill 47 may solve the political problems but it is being jammed through too quickly. The amendment before you is presented to solve the legal problem and to solve some of the practical problems. The legal problem threatens us with a debt of \$1 billion three or four years from now and the practical problems threaten us with the same kind of blight of the industry that Bill 42 caused between 1973 and 1976.

Mr. Speaker, those are my remarks, I ask hon. members to consider some of these problems in substance, consider some of the legal problems in substance that have been presented to you. I believe, Mr. Speaker, that the government is moving in a bad direction for Saskatchewan taxpayers, a dangerous direction and that having taken the big gamble in Bill 42 they shouldn't now take an even bigger gamble with Bill 47.

**MR. B.M. DYCK (Saskatoon Mayfair):** — Mr. Speaker, after that exuberant and exhilarating speech from the member for Regina Wascana I find it a little difficult to follow that act.

Mr. Speaker, on Monday of last week the member for Riversdale, the Attorney General and the deputy leader of our party made a two hour speech in this Legislature on Bill 47 and there have been many other good speeches made on that bill from this side of the House. He made a two hour speech on the most important issue this province has faced since medicare. In my opinion, Mr. Speaker, these speeches are the best this Legislature has heard in a long, long time. But when I watch the news coverage on television and in the newspaper about this important issue that is so vital to the lives of the people of Saskatchewan and there has been, I repeat, no issue as important as this issue since medicare, Mr. Speaker. When I listen to the television and read the press

reports the following days, it appeared that Mr. Romanow, the member for Riversdale, and others had not even spoken on this major piece of legislation that we are introducing in this Chamber. There were some headlines in the Leader Post, but I can tell you, Mr. Speaker, those headlines or the stories that followed did not indicate the position of our party on this bill. I don't believe, and I repeat, I don't believe that it is just and fair to the people of our province. Mr. Speaker, the people of our province have a right to know, they have a right to know what is going on in this Legislature. They have a right to know what the government is doing and they have a right to know what the opposition is doing. And I am pleased that they are learning what the opposition is doing because it isn't very much that is very constructive.

Through the media we are learning something about what the opposition is doing, but it is with real sorrow and regret that I say that I do not hear about the fight the government of Saskatchewan is battling on behalf of the people of Saskatchewan against the oil companies and the members opposite.

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

**MR. DYCK:** — No, Mr. Speaker, I don't believe the people know. Mr. Speaker, the press of Saskatchewan have indeed reached a new low, a very sorry state of affairs. They know full well that the only effective mechanism that they have against this government is silence. In view of their allegiance Mr. Speaker, to their corporate owners, they certainly couldn't report the truth in this Legislature. I emphasize they haven't been reporting the truth in this Legislature about the debates and issues before this House.

The recent and many speeches from this side of the Chamber have been crammed full of facts and figures that appeal to the daily experiences of Saskatchewan people. Speeches from this side of the House relate to the problems and concerns and the aspirations of the average person on the street in this province.

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

**MR. DYCK:** — But hardly a word of this is allowed to leak through to the public through the ordinary channels of reporting. However, this conspiracy of silence on the part of the Saskatchewan press and media has its advantages. People know that they can believe what they hear from this side of the House — when on those rare occasions they do in fact hear it. They know that this government stands on their side —and not on the side of the oil companies. And that is the issue.

Mr. Speaker, nobody it appears is left in the opposition except the politically uninformed and a retinue of broken and reckless opportunists always ready to undertake a campaign of criticism against those least able to defend themselves. And as I have said before, Mr. Speaker, the members opposite are really patsies, they are minions, they are the small fry representing the real power in this country, the oil companies, the banks and so on. Those parties, as the Premier has said, those people - the oil companies and so on - have got the best parties that money can buy.

It's impossible not to be struck by the feebleness and the lack of constructive criticism given by the opposition to this government and on this bill compared with the opposition of say 20 years ago. Still, this government doesn't underrate the enormous public danger of a press which is necessarily in the hands of the very people whose goal



it is to exploit and control the nation and keep many of its people poor through its own extravagances and waste.

There are many poor people in this country, this country that is alleged to be so rich. You know, it takes a lot of money to start a newspaper or a radio station in this province or anywhere else in Canada for that matter. I believe that every person, every reporter who writes or talks for the various media in this province risks his or her job every time a word is written or spoken that threatens the incomes of the proprietors and their friends, the oil companies. The same people, Mr. Speaker, that advertise in their newspapers and on their television stations.

The quantity of snobbishness and anti-social public opinion manufactured by the media in Saskatchewan is formidable, and a new sort of crime — the crime of inciting citizens to emotional decisions and to outrage, something used to be tried only on religious impostors is now being applied however, to Saskatchewan politics. Mr. Speaker, the accusations made by the members opposite about filthy hospitals in this province, the accusations made about the wilderness camps were exploited by the press in a most destructive way in order to incite the people of this province, in order to sensationalize what was not sensational, but what was really a very serious social problem. And the Conservative members are attempting to obtain short-term publicity by destructive criticisms of many disadvantaged people in this province — people and groups. For example, the member for Nipawin suggests that the people in Pelly could not learn another language.

Mr. Speaker, freedom of the press is an illusion, when the press belongs to the multinational owners of this country — the John Bassets and their groups, and not a single journalist is free. And when I use that term 'journalist', Mr. Speaker, I use that term rather loosely, because the term 'journalist' implies a certain professionalism, a certain responsibility for objective reporting of the news. In many instances we have not witnessed this objective reporting on Bill 47. They write what they are told to write. Therefore, Mr. Speaker, I think it well to warn the people who read and listen in Saskatchewan not to measure the extent of the operations or influence of this government, much less the strength of our case by what they read and hear of their government in a Saskatchewan press.

It is appalling where one of the greatest struggles in the history of this province is being waged against the oil companies by this government. A struggle carried on alone against those outsiders who would take the future away from our children and their children. And while the struggle carries on the press sits silent. The press with their silence about the government are defending the Conservative and Liberal champions of the oil companies. The press refuses to take on its responsibility in our society, and I submit in the long term that this is to the detriment of our society.

In fairness I want to say the Star-Phoenix, on occasion, has reported on the oil issue debate in a more objective manner than has the Leader Post, but I want to emphasize to the members, and I want to emphasize to the people of Saskatchewan that the Star—Phoenix and the Leader Post, and the Financial Post are not, and I say, are not and never will be, friends of the New Democratic Party.

I want to turn for a moment, Mr. Speaker, to the position of opposition parties during the last few weeks. You know, initially, they were buoyant and jubilant and gay after the Supreme Court's decision. That was their initial position, Mr. Speaker, because they it as a victory for the oil companies. The position however, of jubilation subsided

rather rapidly when some of those members opposite took the time to visit some of their home constituencies. Because when they visited their home constituencies the message was given to them loud and clear — the money collected by the government for resources owned by the people should stay in Saskatchewan. They came back to this House after November 23, Mr. Speaker, with a different attitude. And what have they been saying since a few days after the Supreme Court decision? They have been concocting all kinds of different obstacles and childish diversions to the passing of Bill 47. For example, the member for Regina Wascana, who once aspired to the leadership of the Liberal Party, I understand he has different aspirations these days, the Liberal for Wascana suggested that we hire a staff of constitutional lawyers and/or refer this new legislation to the Supreme Court. Well, Mr. Speaker, we know and he knows that this suggestion is ludicrous because while the matter was before that Supreme Court of Canada it would be costing the people of Saskatchewan \$500,000 or thereabouts per day. We have been exploited long enough and the people know better than to act as foolishly as suggested by the member for Regina Wascana. The Tory Party, however, suggests that we sit down and we negotiate with the oil companies. As a matter of fact, (Interjection) just listen, right after the Supreme Court decision on November 23 Ray Hnystshen, the MP for Saskatoon Biggar, was on CBC saying we should negotiate with the oil companies, the same day that the Supreme Court decision was handed down on November 23. (Interjection) That's right, they're told what to do. And when they suggest negotiate they are suggesting as we all know that we negotiate a deal that is acceptable to the oil companies and not to the people of Saskatchewan. The Conservative Party also suggests that we use the Alberta tax model. I needn't remind the members of the Conservative caucus that, perhaps, the Alberta method of taxing oil is now in itself in doubt as a result of the recent Supreme Court decision, but in any case had we pursued that alternative suggested by the members opposite, we would be short some \$250 million in this province at the moment. So in summary, Mr. Speaker, the people of Saskatchewan know that had any one of those two parties opposite been in government in 1973, we know what they would have done, they would have pursued one of those alternatives suggested by them and likely they would have pursued the Alberta alternative. Alberta alternative, the sweetheart arrangements between the oil industry and the government, the people of Saskatchewan; would have lost millions of dollars.

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

Millions of dollars for health care, for education, for highways, for agriculture, Mr. Speaker, programs for our people. But as our members have stated and since members opposite have talked to the people they are now too getting on the bandwagon and saying we too will fight to ensure that this money stays here in the province. However, Mr. Speaker, the people of Saskatchewan will make the final decision on this final issue and they will decide which party support the oil companies and which party supports the people.

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

And in so doing they will look at the record of the parties opposite and let's look for a moment at the record of the parties opposite.

In our own Saskatchewan, when the potash mines were building rather rapidly in '67 and '66 they were enticed here by a virtual tax holiday until 1981. That's what the Thatcher Liberals did. And as a result of that rather rapid expansion of the potash industry, and when the mines completed construction, we had a rather serious

economic problem in the city of Saskatoon when thousands of construction workers were laid off. And we had real problems in that city from '69, '70 and '71.

With regard to the Prince Albert Pulp Mill and I'll bank it has been a reasonable good generation since it started, the Landdigger Company, Parsons and Whittimore came in here to develop that mill using our money and made a profit before the mill even turned a wheel by merely being able to supply a lot of the capital equipment from subsidiaries their own located in the United States. But here again, the people of Saskatchewan guarantee the capital investments for only 30 per cent of the ownership. And Parsons and Whittimore have the control, and I say that's a bad deal.

With regard to the Syncrude project in the Athabasca Tar Sands, Alberta has invested money, Ontario has invested money, the government of Canada has invested money. But where is the ownership and control? Where will the benefits go? Certainly not to the people of Alberta and Canada in any large and equitable way. The premier of Alberta, Mr. Lougheed, that very controversial figure in Canadian political life whose mind in recent years has originated so many new and progressive ideas, Mr. Lougheed in a very indignant way is now suing the CBC for a television program which alleged that in order to save the project the Alberta government needed to make some enormous concessions to the oil people. And what about the province of New Brunswick? You know the Potash Corporation of America intends to build a potash mine in that province and they are going to put our potash industry out of business and again the enticement o the company is a virtual tax holiday for that company, well on into the future.

This has been the history of Canada. It started very quickly after the second world war under the "capable leadership of the late C.D. Howe," sold out this country to American investors. He sold our resources without the people of Canada getting their fair and just and equitable share, their equitable share of the benefits from the resource development and some people in the federal Tory caucus suggest that we should be happy with this arrangement, that we should be happy to be hewers of wood and drawers of water. This is what they said, and so the people will judge on the record of the of the parties opposite. That will be the essential decision that they will have to make. The parties opposite are saying certainly the money should stay in Saskatchewan but when the chips are down the people of Saskatchewan are going to look at the record and they are going to say no, to the parties opposite. They will not, I emphasize, Mr. Speaker, they will not believe the parties opposite after the dismal record they have demonstrated in this country for a very long, long time.

You know, immediately after the Supreme Court decision Senator Sid Buckwold, the Liberal party organizer and bagman, who belongs to that exclusive senior citizens' home in Canada the Senate the only senior citizens' home in Canada where the patrons get paid to stay there. You know, Senator Buckwold was quoted as saying that he was pleased that the government of Saskatchewan would stew for awhile and scramble for a while and sweat for awhile as a result of the Supreme Court decision. Senator Buckwold. he wasn't concerned about the implications of that decision which go much beyond the immediate situation with the oil industry in Saskatchewan. The Supreme Court decision draws into focus a major problem of provincial jurisdiction as it applies to the development of resources and the Supreme Court decision raises doubts about this provincial jurisdiction in resource development at a time when there are serious strains on Confederation serious strains of racialism, of economic imbalance and of distrust. It is no doubt a difficult time in our history and as I was saying. Mr. Speaker, in the final analysis the people are going to make up their minds on this issue on the basis of which parties support the oil companies and which party supports the people.

While I am talking about the record of the parties opposite I would like to quote from the December 7th issue of the Rosetown Eagle. A letter to the Rosetown Eagle by the present MP for Battleford-Kindersley, Mr. Cliff McIsaac, who was at one time a member of the Executive Council of this province but who when in opposition spoke and voted against Bill 42 when it was presented to this legislature. Now, what did the member for Battleford—Kindersley have to say in the Rosetown Eagle on December the 7th of 1977? He was talking about a fair share of the oil revenues for the oil companies when Bill 42 was enacted and I quote, "Bill 42 was enacted by the Blakeney government in 1973 at a time when crude oil prices were exploding, there is no doubt that Bill 42 which appropriated 100 per cent of the oil companies, returns represents the unfair share for the oil companies." He goes on to say, "the NDP government in Regina pushed on with its confiscatory plans, in any event they pushed on in spite of a strong Liberal opposition in the provincial legislature to Bill 42. "This is very interesting and Mr. McIsaac goes onto provide his opinion and that of the Liberal party of what he considers to be a fair tax and he goes on to say, "We are now seeing another red herring being dragged out again by the provincial government. The old anti-Ottawa, anti-federal Liberal argument those feds are out to get us in Saskatchewan," and, Mr. Speaker, I agree with Mr. McIsaac on this last point. We only have to look at the cost sharing arrangements that the federal government has been arranging with the province of Saskatchewan recently on health care. But I want to continue the quote, "As a federal MP from Saskatchewan," Mr. McIsaac says, I will continue to work to see that the province is fairly treated by Ottawa and that our citizens indeed get a fair share of the revenue from resource development." But listen to this, "but not the unfair share demanded by the NDP in the oil and potash takeover. The NDP legislation is an example of an approach that was not only anti-federal but anti-Canadian." You know, I want to say, I want to emphasize he says that our resource policy is not only anti-federal but anti-Canadian. That sort of comment coming from a previous member of the Executive Council of the province to me is most despairing and most irresponsible, I find his remarks insidious and I find them dangerous.

Comments such as these, Mr. Speaker, comments such as these coming from a man in public life and public office hurts all of us who live in Canada. You know it smacks so strongly of those years in the early 1950s and the heyday of Senator McCarthy, when the Americans were looking for communists under every bed and when anyone who criticized the government of the day was considered to be un-American. Mr. McIsaac is saying our resource policies are anti-Canadian. Does he feel it would be more Canadian to give money to the oil companies to take out of Canada. Is that his idea of what a Canadian means? In ending his talk, Mr. McIsaac says "In the meantime it will serve to give the Canadians, Saskatchewan citizens in particular, another chance to look at the negative, destructive, repressive resource policies of our provincial NDP regime," and that's a quote.

Mr. Speaker, this is what the Liberal MP for Battleford-Kindersley says and believes and this is what the parties opposite believe. The record is clear and the lines are clearly drawn.

In conclusion, Mr. Speaker, I want to emphasize and I want to reiterate that sure, the members opposite are now saying 'me too', as stated so succinctly the other evening by the member for Eston-Elrose. They will say it but the people will not believe it because the people do not trust the parties opposite. They do not trust them and they do not trust them for good reason because when the chips are down, the parties opposite will side with the oil companies and against the people. The records are there; the record is clear

and I submit, Mr. Speaker, that in the next provincial election, the people of Saskatchewan will issue a resounding, No, to the parties opposite.

**MR. M. KWASNICA (Cutknife-Lloydminster):** — Mr. Speaker, I would first of all like to congratulate the previous speaker because I think he did an excellent job. I'd like to take a few minutes to offer a few of my opinions on the principle of this bill. Bill 47 will do precisely or almost precisely what Bill 42 intended to do over the last three years. It's mainly to capture the windfall profits on Saskatchewan oil and return it to the provincial treasury for use by all of the people of Saskatchewan. That's the basic principle in that bill. Now Bill 47, the Oil Well Income Tax Act, 1977, will do this by levying an income tax on all oil wells in production in Saskatchewan and will go retroactive to January 1, 1974 and it will come very close to collecting about the same amount of revenue as Bill 42 would have done. Now some members opposite can't quite understand why our government would want to proceed with this bill with such haste. They are calling it 'ramming it through, it's too fast, got to take your time'. But really, Mr. Speaker, the answer is so simple. The longer we wait, the greater are the chances of losing revenue to the people of this province and there is no way we should lose any revenue in this case. And I want to commend the minister in charge for bringing in this legislation. He has studied the Supreme Court decision in detail and in depth study and has proposed a very quick remedy to the problem and you really don't have to spend much time after you have read that Supreme Court decision to figure out what it is we have to do. The people of Saskatchewan and indeed my constituency will be thankful to him and indeed to this NDP government in the years ahead for what we are doing with this bill.

Mr. Speaker, the question that should be debated and the principle in this bill by members of this Legislature, should be simply; do the people of Saskatchewan reap the windfall profits from our oil or should it go to the oil companies? Many of the oil companies are not Saskatchewan based or Canada based for that matter. Really they are multinationals or branches of multinationals. And I hear very little in reading Hansard of the comment here on this issue from members opposite. They won't even touch that issue, Mr. Speaker. As a matter of fact, the two old line parties avoid this real issue like the plague, they won't even talk about it at all. The Liberals have been playing with words, saying why don't we test Bill 47 first of all in the Supreme Court before we pass it? That's what the amendment says and they say why don't we test it? Well really, the answer is so simple. I just can't believe it. Let's just put it to a test, this brilliant suggestion. It could take up to 18 months to get any kind of a decision from the Supreme Court; it could take two years or any amount of time. It could even take five years - who knows?

Since Bill 42 has been struck down as unconstitutional, the Saskatchewan people would be left without any mechanism to collect any of the huge windfall profits from our oil and as the previous speaker mentions, we would lose approximately \$500,000 a day, everyday we waited for that Supreme Court to bring down its decision. If you do any quick calculation you can see what that would mean in total dollars - about \$182.5 million if it took 12 months; it would cost us \$273.75 million if it took 18 months to bring down a decision. And Liberals are saying that the people of our province should give the oil companies a tax break for 18 months and hand over \$273 million, that's what they're really saying, when they say take it to the Supreme Court first. I say, Mr. Speaker, that's nothing but a sellout, that's a sellout to the foreign enterprisers and we don't need any of that kind of a suggestion in this House. I hope the Liberals don't try to fool the thinking public with this suggestion. It does nothing but prove once again that the Liberals in this Legislature, as in Legislatures across this country, and indeed in Ottawa, fight only for the multinationals and that's where they stand and when the next

election is called and this is clearly known, the people will make a choice in that matter. The multinationals don't need the handouts. They need to be made aware that the public mood in our country and indeed in Saskatchewan is for conservation of our non renewable resources and that the people should reap the greatest benefit for the generations ahead.

Now what about the Conservatives, suggestions in debate in this House? What have we heard from them so far? Well I have listened very hard and I've heard two suggestions from the Conservatives over there.

Well the first one, if we put it to close scrutiny, we really get an eye-opener. The first suggestion was immediately when the decision was handed down, why don't you run to Ottawa and Ottawa will bail us out and they will pay back the \$500 million. That was the first suggestion they made. The Conservatives want to give their corporate friends a gift of \$500 million, that's why. That's all they want to do. I submit, Mr. Speaker, they want to do this to repay their corporate donors for their kindnesses during the last political campaign, kindnesses which amounted to literally thousands of dollars and gifts of all kinds which were never reported in the act of spending for elections, such as cheap office space rentals and donations of manpower to assist them and all kinds of election tactics of this kind.

Furthermore, Mr. Speaker, does it really matter who pays back the \$500 million, Ottawa or Saskatchewan? As if that is supposed to be some big difference, it is still the taxpayers' money. Now I don't see the point there at all. Only a Conservative could come up with such a scheme, Mr. Speaker. If Ottawa pays it back it is still going to be from the taxpayers of Canada anyway - very little difference. Anyway, who would want the federal Liberals to bail us out of a situation? All I have to do is look at the record of the federal Liberals in the past and I just want to mention four points in particular.

In 1974 the federal Liberals made royalties nondeductible for income tax purposes for the oil companies. That was a great help to the oil industry in Saskatchewan. Double taxation, right out of the blue. That kind of help we can do without. Secondly, through their export tax on oil they have taken more money in federal taxes on Saskatchewan oil than the province received under Bill 42 and that is the kind of help we get from Ottawa. The third point, for the first time they invaded the gasoline tax field, traditionally reserved for the provinces, and they are taking 10 cents a gallon excise tax at the pumps now. That's the federal Liberals for you. Not to mention, of course, the fact which has been repeated many times in this House, it was the federal Liberals and Otto Lang as Minister of Justice who supported and worked with CIGOL and opposed the Saskatchewan government and the Saskatchewan people. More help from the federal Liberals of this kind, we don't need.

The second suggestion made by the Conservatives was to follow the Alberta taxing policy and the previous speaker did a fair job of commenting on it. We all know what that policy would do. It would simply mean we would have \$250 million less in oil revenues for the people of Saskatchewan and I am sure that no one would want that to happen.

Mr. Speaker, it was very interesting to see the Conservatives in particular, change their tune after the decision came down, after they took a closer reading on public opinion on this matter. But there is not a word now, not a word now about giving the money back

to the oil companies or having Ottawa bail us out. That's all done now. But I wonder, Mr. Speaker, if the Leader of the Conservatives, after attending a meeting in his own home town, I am told, when he asked the public meeting how many people favored giving the money back to the oil companies. I am told that he had one taker out of the whole meeting who said, yes, we should give the money back to the oil companies. He proceeded back here to the House and changed his tune immediately.

In the last few days, Mr. Speaker, my executive and I have been sounding out public opinion on this matter because in my constituency oil is pretty important. Perhaps some of the members don't realize that, but it is. And every opportunity I had, whether it was at a school opening, or speaking to school children, or on coffee row, I gave people the opportunity to tell me what they felt about the oil situation. I will tell you what they said. There wasn't one person, there wasn't one person who said to me, you should give that money back. I will tell you another thing. I expected in my own riding, because oil is important, to really get a dressing down. I was expecting it on our stand. I couldn't find, I did not get dressed down. As a matter of fact I can recall very vividly one statement from a farmer friend (and he is not necessarily a good friend but he knows what is going on) and he said to me, "I hope you guys work out a scheme that you don't give them back one damn penny." And that's exactly his view. Now, Mr. Speaker, with that kind of support back home, I don't see where anybody here can do anything else but proceed with this bill as fast as possible.

Others told me very simply and bluntly too, that I am glad that I am not in your shoes. They said that, which is an interesting comment, but they said, "Good luck anyway and keep that money in Saskatchewan, because we can't afford to give it away."

For these reasons, Mr. Speaker, I will be supporting the bill and I will obviously be voting against the amendment, all the way to its third and final reading, which I hope will be in the very near future. I urge all members to make their speeches and their points of view known. We hope you will do this and let's get on with the business at hand. Further delays in resolving the matter could be harmful, probably will be if we keep on delaying it any longer, to the oil industry, the heavy crude industry particularly in the province and in my area. I just picked up the news this morning travelling down that Husky Oil has said that they will be holding back temporarily on an immediate \$25 million expansion in the Lloydminster area until they see what happens to the legislation and I say that we have to make a decision and we have to get moving on it fairly quickly. They just want to know what the score is before they do anything else, and I think that is fair, and I say that any delay in this House could be detrimental in my area and indeed to the heavy crude developments in this province.

Therefore, Mr. Speaker, with these brief comments no doubt you can see that I lend my total support to Bill 47 and I urge all members to proceed and get it passed as soon as possible. Thank you.

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

**MR. R.E. NELSON (Assiniboia-Gravelbourg):** — Mr. Speaker, we in the Liberal Party continue to be amazed by the members to our left. Again today the Tories have tried to assist the government by a motion that will do nothing more than invoke closure on this Legislature. I suggest to them and to this Assembly that we make room over on the opposite side of the House in the back row, on the socialist side of the House and have them sit over there because they are indeed in bed with this government.

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

**MR. NELSON (As-Gra.):** — Mr. Speaker, we in the Liberal caucus have invited the Tory members to join us in this fight for the people of Saskatchewan, in a fight that is just and right. They have, however, chosen another route, that of supporting the government every time they edge near the NDP the NDP seem to edge away and it is rather hard to understand.

It is hard to know whether one of them needs a new brand of deodorant or if this unholy alliance is just embarrassing both groups. The Tory Party continues to show contempt for this Assembly in every possible way. They refuse to speak on Bill 47 on behalf of the people of Saskatchewan and on behalf of the people of their constituencies. They refuse to attend committee meetings and show contempt for the rights and laws of this Legislature. They are more interested in supporting bad legislation and trying to have all their members home for Christmas. Mr. Speaker, I say to them if you cannot respect this Assembly, if you cannot accept your responsibilities as MLAs in this House then you have no other alternative but to resign, each of you resign your seats.

Mr. Speaker, I would like to make a few comments on the amendment proposed to Bill 47 and in doing so I would like to tell you a few stories, "if I was" stories. First, Mr. Speaker, if I was the Premier of Saskatchewan, if I was the Premier and just had a \$500 million bungling debt brought down on top of me just what would I do. I would have many doubts involving my legal advisors on Bill 42. I would certainly have questions of the ability of my Attorney General. If I was the Premier of Saskatchewan I would certainly insist that each of my backbenchers as well as that large group of not too able Cabinet ministers around me, each time they stood up in this Assembly I would have them continue to distort this issue. I would have them continually throw up a smoke screen so that the citizens of Saskatchewan would not know just how serious this enormous blunder would cost them.

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

**MR. NELSON (As-Gr):** — I would have each and all condemn the highest court in the land to focus the spotlight away from the \$500 million financial fiasco. Yes, if I was Premier of the province I would insist that my government quickly put together a bill to stall for time. With an election in the near future, being Premier, I would want a mistake of that size far behind me, especially after I had been given many warnings of what would happen on Bill 42 from the good Liberal Opposition.

If I was Premier of the province of Saskatchewan I would have one other thing in mind, I would be thinking seriously of nationalizing the entire oil industry. After all with the dismal record to date of Saskoil Corporation, with the industry all under the government nobody would really know how bad that Crown corporation really was. Mr. Speaker, again, if I was Premier of Saskatchewan I wouldn't want to make that decision immediately before an election. I would bide my time until after that election. I would force the oil companies to challenge the legislation and then I would do like I did to the potash industry, I would expropriate, I would take over, I would nationalize the oil industry.

If I was Premier of Saskatchewan, however, I would be plenty worried about the heat from the country. I would have fears that I might not win that election. If I didn't all Bill 47 would be someone else's problem.



If I were the oil companies in Saskatchewan what would I want? I would have \$500 million owed to me by a government I did not trust. Yes, if I was the oil companies I would leave that half billion dollars in the pot. I would roll once more, double or nothing. Why not try for a billion dollars. If I were the oil companies I would be stalling or time like the government. I would want to take a chance that a government with some common sense might get elected and I may be able to sit down with that new government and come to a fair agreement.

If I were the oil companies of Saskatchewan I would be trying to push Bill 47 because I would know there was a good chance that that pot three years down the way would be there. Now, Mr. Speaker, another story.

If I were leader of the Tories and realized that the bubble that had been carrying me in popularity was beginning to produce holes and was on the way down, yes, if I was leader of the Tory Party who had given bad advice to that questionable legal mind to my left and if I stated my position on Bill 47, I would be pushing to get that embarrassment well behind me. Yes, Mr. Speaker, if I were leader of the Tory Party I would be very upset not only with the advice of my colleagues but I would be very disturbed with that group that I jumped into bed with. I would be checking with that group of leftists in my party wondering if they had led me to bed with those socialists on Bill 47.

Mr. Speaker, just another little story here, if I was Speaker of this House I would be falling down on this group over here . . .

**MR. SPEAKER:** — You are not the Speaker of the House and I am and I'll just bring a point to your attention at this time. The hon. member has spoken before and consequently he must devote his remarks entirely to the amendment which is before us. Now I have been listening to a fair bit of what the member has said and I haven't been able to get the connection with the amendment yet.

**MR. NELSON (As-Gr):** — Mr. Speaker, I agree with you and I will be summing up very shortly and in my closing remarks you will see where all my remarks are tied right in with the amendment.

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

**MR. NELSON (As-Gr):** — While I have been trying to speak, Mr. Speaker, I am sure you have noticed the noises coming from the group to my left and if I were Speaker of the House I would be falling upon those noises, especially that group that has so righteously and sanctimoniously preached of decorum in this House. No gum chewing, what else was it, slouching and no cat-calling? Only now, Mr. Speaker, their rowdiness if I was Speaker would be disturbing my meditations.

Mr. Speaker, if I was the member for Prince Albert I'd stop playing around when Dick was away. I'd stop acting the fool in this House and I'd sit up and I'd get back in my seat and I'd listen to some good, constructive suggestions coming from the Liberal Party. If I was leader of the Tories, I'd be questioning why the member in fact, most members of my party were trying to make me look so weak. Yes, I'd probably continue in question period in this Assembly to hope to tag on to a supplementary question and rush out into the corridor and catch on to the coattails of the media people and tell them to tell the people of the province that I'm a good person. If I was the leader of the Tory party, I'd be thinking about helping the oil companies to get Bill 47 rushed through because I may get in on some healthy election donation, after all, that was my number one top priority.

But now, Mr. Speaker, if I was leader of the Liberal Party, firstly, I'd be able to sleep at nights. I'd know myself and my caucus were doing what was right for the province of Saskatchewan.

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

**MR. NELSON:** . . . I'd know I wasn't playing political games with the people of this province.

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

**MR. NELSON:** — If I was leader of the Liberal caucus I'd be proud of the members of my caucus that bring constructive amendments to save the citizens of Saskatchewan millions of dollars. I'd know this amendment was within the law of our country and that it would guarantee to the people of Saskatchewan, a fair return on their natural resources. Yes, I know if I was leader of the Liberal Party that I'd have no part of a bill that wasn't legally sound. I'd know I had a tremendous responsibility now that the Tories have sold their souls for what they believe is to be a politically wise manoeuvre. If I was leader of the Liberal Party, I'd refuse to support legislation unless it was good for the province of Saskatchewan's future.

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

**MR. NELSON:** — If I was leader of the Liberal Party and the government supported these amendments made by the member for Regina South, I'd assure you, Mr. Speaker, that my entire caucus would be supporting the amended Bill 47. Mr. Speaker, I would now like to adjourn debate.

**MR. SPEAKER:** The member for Assiniboia-Gravelbourg has presented me with a small problem. I think I have the solution to it here. The member spoke before, as I mentioned previously and adjourned the debate. He has now spoken again and attempted to adjourn the debate. I will have to call the member out of order. And I will cite Beauchesne's to support the citation that I'm making, "A member who has already spoken to a question has no right to move an adjournment of the debate or of the House." That's Beauchesne, Citation 165, page 138. I will call upon the member for Assiniboia-Gravelbourg if he wishes to continue.

**MR. NELSON:** — Mr. Speaker, it . . .

**MR. ROMANOW:** — Mr. Speaker, sorry, I just want the member to recognize on the point of order. Far be it for me, I want to see this bill moved but I'm not sure I understood your Honour's ruling. May I just ask that you recite that once more, please, because I don't fully understand it. The debate on the amendment? That's the first time I've heard of that.

**MR. SPEAKER:** To the member again, it's Citation 165, (7). "A member who has already spoken to a question has no right to move an adjournment of the debate or of the House." Now, the member cannot adjourn the amendment to which he is solely directing his remarks, without adjourning the rest of the debate. Therefore he, in effect, is adjourning the debate again, and he has already done that once, therefore he cannot do it again.

**MR. ROMANOW:** — Mr. Speaker, with respect, is not the key word there "the question". Surely the logic is that he is allowed to enter the debate twice because he is speaking to the question of the amendment. Otherwise, following the logic of your reasoning he wouldn't be allowed to speak a second time, having spoken on the question once before. The question surely is not on the larger sphere, the question is a question of the amendment because that is the reason he is up the second time, and so he moves on the amendment which is the question which he is addressing himself to. If Mr. Speaker says that he can't move because he has spoken on the question, then the next logical question is 'by what right does he have to get up and speak in the first place, having spoken to the question?'

**MR. SPEAKER:** I appreciate there . . .

**MR. MALONE:** — On a point of order, Mr. Speaker, before you make your final decision and to give you further difficulties, I think Mr. Speaker will recall that yesterday or the day before I did exactly what the member for Assiniboia-Gravelbourg is attempting to do now. I was speaking on the amendment and I asked for leave to adjourn the debate.

**MR. SPEAKER:** I will deal with the points in reverse order. The member for Lakeview said that he did exactly the same thing and I say that the member for Lakeview did not do exactly the same thing. He spoke on the debate before he took his seat without attempting to move adjournment of the debate. The person who spoke immediately after him was Mr. Merchant, the member for Wascana, and the member for Lakeview then adjourned the debate when he was speaking solely to the amendment and that was the first attempt he had to adjourn the debate.

Now, dealing with the point raised by the member for Riversdale, the member will recall that I said, when the amendment was produced and found to be in order, that the debate will proceed concurrently on the motion and the amendment. I think the point that I made before still stands, that the effect of the member adjourning the debate, whether it is on the motion or the amendment, has the effect of stopping the debate. There is no way he can adjourn the part he is speaking on without adjourning the other part. Consequently I can't allow him to go on. I'll take the member for Shaunavon (Mr. Anderson).

**MR. E. ANDERSON (Shaunavon):** — Thank you, Mr. Speaker.

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

**MR. ANDERSON:** — Fine ruling. If I were Speaker I would have made the same ruling. We just wanted to see if you were awake and by golly, you certainly are.

In entering this debate I find it interesting that when the NDP proposes any bill from family courts to . . . we come up with the same tired old debates. We are here debating a bill to tax the oil companies and yet I find that you almost put a crank behind the members opposite and they come out with the same standard old speech and we go back to everything from the seven lean years to the seven dwarfs and it's very interesting.

This bill is an effort to retrieve a position that was lost under Bill 42, a position that we, in the Liberal Party, at that time warned was a bad position, a position that in spite of these warnings this government proceeded onwards with, did not challenge, did not ask these to be brought to a quick decision before the courts and wandered blindly

onward, almost as if they were hoping to be challenged on this decision.

What we are saying now is what we said at the other time, we believe in fair taxation for the people of this province, we believe that we should take a fair share of resources, but we have enough respect for the laws of this country, enough respect for confederation, that we believe we should work within the laws.

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

**MR. ANDERSON:** — That is our position on this bill. We are not like other parties in this House who would blithely ignore laws, blithely ignore this Legislature, who will go on record with the contempt for the institutions of the Legislature with which we govern our country. We believe in democracy. This is why we fight this bill. We will fight with the logic we can come forward with, we will fight for our beliefs within this House, but we will fight within the laws of Canada, the laws of the Legislature, the laws of Saskatchewan and we will not hold it in contempt.

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

**MR. ROMANOW:** — Who's saying that you are not fighting within the laws?

**MR. ANDERSON:** — We are. We say that there are parties in this House who hold this Legislature in contempt. Why we are fighting this act is that we say it is still beyond the law of Canada and that is why we are fighting it. We are not like other parties who will go blindly against the law of the country or the law of the province or the law of the Legislature, who hold committees in contempt, will hold the whole idea of parliamentary rule in contempt. This is the reason that we are putting amendments to this bill to make it legal, because we feel we should operate in a confederation that is legal . . .

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

**MR. ANDERSON:** — . . . a confederation that we would not want to break up. This is the whole basis of our argument. We argue, not that we shouldn't collect a tax, we argue only let's collect it in a legal manner so that we don't have contempt of courts of this country.

We argue that political expediency should not be gained by contempt of the laws, by contempt of the institutions of our country, of our province.

**MR. ROMANOW:** — Why don't you call a spade a shovel?

**MR. ANDERSON:** — Let's call a spade a shovel when we see what is happening in this Legislature. We see an Attorney General who would put a bill in without challenges, who was in contempt. Your speakers, when your members rise with speeches and hold the high courts of our country, the Supreme Court in contempt. We find parties in this House who hold the institution of the Speaker in contempt. We find parties who hold committees called specific in contempt.

Mr. Speaker, I have more to say on this and I would beg leave to adjourn debate.

Debate adjourned.

## ADJOURNED DEBATES

### SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Kaeding that Bill No. 8 - **An Act to amend The Agricultural Incentives Act, 1973** be now read a second time.

**MR. J. WIEBE (Morse):** — A few brief comments in regard to this particular legislation, and it is my hope to quite quickly adjourn debate on this particular bill. Let me explain, Mr. Speaker, first and to the Attorney General and other members of the House why it is my intention to adjourn the debate. The basic reason for this particular piece of legislation is to increase the amount of dollars which the Farm Start Corporation can obtain in order to advance the programs of the Farm Start Corporation. I do not wish to pass judgment on this particular bill until I have had an opportunity to receive the answers to the questions which I placed in this Legislature a short while ago and which the Minister of Agriculture and this Legislature agreed to answer yesterday. Once I have had an opportunity to receive the answers to those questions, an opportunity to have a look at what the answers convey regarding the success of the Farm Start program in the province, I will be in a better position at that time to make a judgment either as to whether I should be voting in favor or against this particular bill. With those few comments, Mr. Speaker, I beg leave to adjourn debate.

Debate adjourned.

## COMMITTEE OF THE WHOLE

### **BILL NO. 27 — An Act to repeal The Municipal Road Assistance Authority Act, 1966.**

#### **Section 1**

**MR. R.E. NELSON (Assiniboia-Gravelbourg):** — Could the minister tell us under this particular bill or repealing of this act, does this have anything to do with the super grid maintenance at all?

**HON. G. MacMURCHY (Minister of Municipal Affairs):** — No, Mr. Chairman, if the hon. member wants to discuss the super grid maintenance area issue, he would discuss this under The Rural Municipalities Act. Really what has happened is that Municipal Road Assistance Authority is being transferred into Rural Affairs Division of the Department of Municipal Affairs.

**MR. NELSON (As-Gr.):** — Bill 26?

**MR. MacMURCHY:** — Yes.

Section 1 agreed.

Motion agreed to and bill read a third time.

**BILL NO. 26 — An Act to amend The Department of Municipal Affairs Act, 1976.**

**Section 1**

**MR. NELSON (As-Gr):** — Mr. Chairman, when I said a few words on this bill the other day I asked the minister if he would not consider reducing the powers of the department, reducing some of the bureaucracy and turning more of the autonomy over to the local governments.

**MR. MacMURCHY:** — Mr. Chairman, in response to the hon. member's question, the powers contained in this bill are the same powers that were contained in The Municipal Road Assistance Authority Act which we just repealed. There has really been no change in powers under the law, there's just been a transfer of powers to the Rural Affairs Division of Municipal Affairs. With respect to staff, I think the staff component of Rural Affairs versus MRAA as it was normally known is basically the same.

**MR. NELSON (As-Gr):** — The super grid maintenance are — is this still a policy of the department that municipalities that go into the grid road system must amalgamate with other municipalities to form a maintenance area before they can apply for any super grid road?

**MR. MacMURCHY:** — Yes, it is not contained in legislation but maintenance areas are part of policy and a part of regulation.

**MR. NELSON (Assiniboia-Gravelbourg):** — Mr. Chairman, this particular policy, it may be policy but a municipality cannot enter the super grid road system unless they follow that policy and therefore, they cannot come in under this particular act unless they follow that policy. So certainly that is connected with this act. is it not?

**MR. MacMURCHY:** — No, it's just as I indicated it's policy and not legislation but they can certainly come into the program under the policy and under the regulations, in fact, many of them are.

**MR. NELSON:** — That's right but they cannot have any grid road assessments unless they form a maintenance area with other municipalities. Is that not correct?

**MR. MacMURCHY:** — Mr. Chairman, under the current policy, as it relates to super grid, municipalities can receive assistance for super grid construction even though a maintenance area is not formed. And that policy is well known to rural municipal councils, in fact, a number of rural municipal councils have benefited under that aspect of the policy.

**MR. NELSON:** — Mr. Minister, then you're saying that a municipality can, in fact, hire out or tender out for maintenance on the super grid roads with no problems with the municipal department.

**MR. MacMURCHY:** — I think I indicated that they could qualify for grants for capital even though the maintenance area was not formed.

**MR. NELSON (Assiniboia-Gravelbourg):** — Can they qualify for grants for maintenance if they tender out the maintenance problems of their own municipality?

**MR. MacMURCHY:** — Yes, a municipality once a maintenance area is formed, could

contract for their maintenance rather than purchasing their own equipment to do the maintenance. You will know that we have been promoting the use of municipalities own equipment or maintenance, in fact, that's the system and it's, therefore, being promoted as it relates to the super grid program and the formation of maintenance areas under the super grid program.

**MR. NELSON:** — Mr. Minister, if you allow municipalities to qualify by tendering out their maintenance then why do you have a maintenance area, why do you insist that RM's have to have a maintenance area?

**MR. MacMURCHY:** — Well, our policy, I think, relates to one, a recommendation that was made by the super grid commission which looked into this whole issue of oil roads. A commission made up of Mr. Murphy, Mr. Allen and Mr. Mitchell, made a recommendation relating to using a co-operative approach in terms of delivering the program. And it relates, secondly, to looking at the province in the broad respect and looking at the kind of system that you are attempting to build which, on the one hand involves small municipalities in many cases low assessed municipalities, on the other hand involves a road which will pass through two or three or four municipalities. Therefore, the proposition comes forward of co-operation and co-operation in order to construct but most importantly co-operation to maintain.

**MR. NELSON (Assiniboia-Gravelbourg):** — Mr. Minister, you were down at the south central meeting in Gravelbourg and I'm sure you heard loud and clear that the RM's involved at that meeting were not happy with this maintenance area and, in fact, they're asking that it not be necessary and it's just hard to understand if you'll allow them to go out and tender why won't you allow them to make their own decision on the local level of whether or not they want to have a maintenance area with other municipalities?

**MR. MacMURCHY:** — Mr. Chairman, it happens that I was at that meeting. I've been at a number of regional meetings established, set up, by SARM. In fact, they were held last June, where the issue was raised at every meeting by the executive of SARM in order to attempt to get a consensus of the feelings of the municipal councils and it was a sort of a mixed bag as I observed the response at those various meetings. So it's not all that clear, at the present time, the position of municipal councillors towards maintenance areas.

**MR. NELSON (Assiniboia-Gravelbourg):** — Mr. Minister, I believe the vote was unanimous with the ones that voted. There may have been some abstainers at that meeting but they wanted the councils to have the right to decide themselves the ways to repair and maintain their roads. They didn't want the department telling them they had go and co-operate with RM No. X down the way. They feel they can decide for themselves and I think they are right.

**MR. MacMURCHY:** — I think it is well known that light grid, light main farm access, sole super grid is a conditional program. I want the hon. member to realize also, that we're looking at a probably, an \$80 million to \$100 million program and it seems to us make sense that municipalities co-operate in the delivery of that program and we're attempting to work with them on the co-operative approach to it, and certainly it appears by the response to the maintenance area issue and establishment of groups to

deliver the program on the basis so far that it's going fairly well.

**MR. NELSON:** — Mr. Minister, nobody is arguing about the overall plan as far as where the roads go, where the super grids go and that the grants should be conditional as far as the maintenance of the road, it's just that they want to decide for themselves who's going to do it and not have someone down the way deciding for them and certainly not the government deciding for them.

Section 1 agreed to.

## Section 2

**MR. R. KATZMAN (Rosthern):** — Could you explain No. (b) of that series and what powers and what it affects?

**MR. MacMURCHY:** — (b) Mr. Chairman, that would be construct, reconstruct, maintain bridges and roads on Indian reserves with consent of the Minister of Indian Affairs, Northern Development and Band Council.

**MR. KATZMAN:** — How does that affect some of the reserves that have their own roads and therefore they allow people to go through but they are still really band roads?

**MR. MacMURCHY:** — Mr. Chairman, these roads that come under this heading are for the most part, if not all, the grid roads. Now there may be some main farm access roads involved and what is provided legislatively here is the agreement that has been signed involving the Department of Indian Affairs and the Band Councils of the Indian people of the province.

**MR. KATZMAN:** — Last year in the House in discussion of the driver's licence, it was indicated that on Indian land they are not required to have drivers' licences on any roads built on their land. Therefore, are you suggesting that these roads will be built on band land and, therefore, are exempt of the rules of the road again?

**MR. MacMURCHY:** — No, I think the law says that on public roads on Indian reserves the law applies, must have an operator, a licence; the vehicle must be licensed and what this agreement provides for is for public roads and, therefore, an operator's licence or licenced vehicle applies.

**MR. KATZMAN:** — Therefore, what you are saying is that basically the government of the province ends up owning the land underneath therefore it is not Indian band land any more.

**MR. MacMURCHY:** — At the present time, the right-of-way, the road right-of-way, is in the name of the provincial Crown. That's the policy.

**MR. E. ANDERSON (Shaunavon):** — That would be for the formation of an . . . area . . . Indian reserve additional identity (inaudible).

**MR. MacMURCHY:** — The reserve would have its own identity.

**MR. ANDERSON:** — In forming the area of the municipalities, if you had a municipality in two or three reserves that made the agreement, there would then be a maintenance district as if there were two or three municipalities making a maintenance



district agreement?

**MR. MacMURCHY:** — The objective would be to have the band council or some other vehicle but preferably the band council involved in the maintenance area if it goes through an Indian reserve.

**MR. ANDERSON:** — Then if you make an agreement to build the road and the building of this road is paid for by Indian Affairs, because of the agreement in its entirety, is that then deducted in any grants for maintenance or grants for paving that would be given to a municipality in that case?

**MR. MacMURCHY:** — I am not sure of the question. If the question is would maintenance grants be paid to the band if they met the standards of maintenance established for that road, the answer would be, Yes. The federal government of course would be responsible for paying for the maintenance that would go through the province on that basis. That's the arrangement if that's the question then I answered it. If it's a different question please raise it again.

**MR. ANDERSON:** — No, it's a bit different. Where a municipality would build a road through the Indian reserve, they would be building with their own machinery, quite likely they would be upgrading it or maintaining it with their own machinery. In this case do they collect directly, I guess what you would tell me, they would collect directly for the total maintenance of that road through or would you be getting a portion? Would that portion of road then be used as a portion to determine their grant like on a per mile basis?

**MR. MacMURCHY:** — If the municipality under the arrangement that was arrived at constructed the road through the Indian reserve, they would be paid for it. If by the arrangement they maintained that road on behalf of the band, then they would be paid the maintenance grant. That's the policy now and that's the policy that would continue.

**MR. A.N. McMILLAN (Kindersley):** — I have a question for the minister. I see under Section (f) that you have been empowered to undertake research pertaining to standards of construction and I wonder if the department has in the past ever undertaken to research roadbed construction on the municipal level, composition, compaction, etc. and I would like to know if you have any of that research within the department at this time?

**MR. MacMURCHY:** — The answer to that is, Yes.

**MR. McMILLAN:** — Can you tell me to what extent you have gone to research the construction, etc. of the rural roads?

**MR. MacMURCHY:** — Mr. Clappitt, the Deputy Minister, gives me two examples: (1) salt stabilization as one experiment, last year an experiment took place with respect to using crude oil as the oil base to be used for the oiled system.

**MR. McMILLAN:** — Has your department ever undertaken any research to determine the effects of heavy loads or the frequency of heavy loads over municipal roads?

**MR. MacMURCHY:** — Not the Department of Rural Affairs.

**MR. McMILLAN:** — Does your department have that information or any information

research that is being done on that subject in its possession? Has it reviewed it?

**MR. MacMURCHY:** — There's information that is available in the department, of the work that has gone on in the Department of Highways.

**MR. McMILLAN:** — Well, my only question would be then concerning the time that the department was considering imposing weight restrictions at the municipal level, then you are telling me you were operating on the basis of information that you have received from the provincial Department of Highways. Is that correct?

**MR. MacMURCHY:** — Yes.

**MR. McMILLAN:** — Were you aware that the provincial Department of Highways had done little or no extensive research into the subject of the effect of heavy loads and the frequency of loads over highways, let alone municipal roads?

**MR. MacMURCHY:** — It came from highways primarily. As a matter of fact, we recall them having a test track that is in operation at the present time.

**MR. McMILLAN:** — Well, my last question then is, were you confident that . . . were you confident enough of the information that was in your possession to make recommendations, or to even seriously consider restricting weight limits in the way that you did at one time; was your decision at that time based on the information in your hands, or was it based on other reasons?

**MR. MacMURCHY:** — I think there is no question that the proposals that we were looking at and discussing came as a result of not only research information, but came from a good deal of practical experience.

**MR. McMILLAN:** — One last question, Mr. Chairman. Do you intend under this act then, to continue some research in the field of construction and compaction and the results of heavy loads, weights and frequencies over municipal roads, or are you going to continue to depend on the Department of Highways for their information? As you are aware, the test track has only I think, recently been established but I'm certainly not aware that it's going to be in a position to provide you with much information with respect to grid roads or simply our regular dirt roads, but rather on the highway situation.

**MR. MacMURCHY:** — Mr. Chairman, certainly as we moved into the oil grid system, a need can easily be identified for such research, and it will, as that program develops, be carried on.

**MR. McMILLAN:** — Well, can you tell me at this time if you will give this House the assurance that you won't impose weight restrictions on the municipalities without their permission, in the first instance, and that you won't even consider doing so until you have done the adequate research?

**MR. MacMURCHY:** — Mr. Chairman, I think the discussions are going on between SARM and people in the transportation agency at the present time. If the hon. member will take a few minutes to read the latest edition of the Rural Councillor, he will note a comment from the president of SARM on the issue indicating that there will be discussions taking place on the issue of load limits.

**MR. McMILLAN:** — Well, I don't want to flog it to death. My question wasn't whether or not there would be discussions taken into account. I only wanted to know if you would give us the assurance that you won't impose weight restrictions on the municipalities, and certainly not impose them without doing some extensive research into the situation as it exists with respect to the road construction.

**MR. MacMURCHY:** — I think it is pretty clear that we will not be moving forward without extensive discussion, and as I indicated earlier, we will obviously be moving into the research area.

**MR. R.E. NELSON (Assiniboia-Gravelbourg):** — Mr. Chairman, my question is on Page 2, Item 2 (b). It states the department may designate any road in a municipality as a grid road, main farm access road, resort road, industrial road, and so forth. My question is, surely this wouldn't be without the agreement of the municipality involved.

**MR. MacMURCHY:** — It is always negotiated with the municipalities. For the most part, a municipality will, by resolution, ask for certain designation. It will be looked at by the department and then the negotiations begin. That has always been the case, and the hon. member will know that the Super Grid Commission, in proposing the system, met with all councillors to discuss it. We have indicated as a first step, a certain level of roads, and a certain system, and asked municipalities to look at that, and if they had any suggestions to make, to contact the department to discuss those changes, so it's a negotiated thing.

**MR. NELSON:** — Mr. Minister, why wouldn't this be put into the motion in the agreement with the municipality? In fact, the way it is, could you not go down and say, 'this road will be a grid road'? And they could do nothing whatsoever about it?

**MR. MacMURCHY:** — Well, Mr. Chairman, this is a straight transfer from MRAA, and it's been around there for some twenty years. The municipalities are very satisfied with the existing legislation. As a matter of fact, Mr. Chairman, they are so satisfied that they are saying that the system should remain as part of revenue-sharing, that there should be conditions on certain aspects of the grant, that being grid, main farm access, super grid. So they are very satisfied, so why should we concern ourselves in the Legislature about changing if there is satisfaction with the people who are in fact, dealing with the government under the existing legislation?

**MR. NELSON:** — Well, Mr. Minister, it may not have happened, but could it in fact, happen, that the department could go to a municipality and say, this road shall be a grid road without the municipality's permission according to this act.

**MR. MacMURCHY:** — I suppose at the most extreme, one could say that, but that's not the policy. It's a negotiated policy and it would be fruitless to go to that extreme that the member points out, since the municipality builds the road and we only cost share in the construction of the road. The municipality decides not to build the road then the road does not proceed, so it just wouldn't be sensible to apply the extreme that the honorable member put forward.

**MR. R.E. NELSON (Assiniboia-Gravelbourg):** — But you could in fact, Mr. Minister, have a vote of a council come in and suggest to you that this was their wish and you as minister could tell your department that to see that that particular road was put into the grid road system and you could be overruling the majority of that council.

**MR. MacMURCHY:** — Mr. Chairman, the road would only be built by the resolution of the council, that's the only way it can operate and I just don't follow the arguments of the honorable member.

**MR. NELSON:** — If you think back to that Garden River municipality I think you'd think fairly clearly about what the arguments are. When the council decided to build a bridge and one or two of the council changed their mind about it. they come in they spoke to you and you overruled that council.

**MR. MacMURCHY:** — Mr. Chairman, surely the honorable member doesn't wish to debate once again the issue of Garden River and the decision of the council to build a bridge on private property, I think we had a debate on that and if all the members want to check into the proceedings of that debate they are certainly welcome to do so.

**MR. R.E. NELSON (Assiniboia-Gravelbourg):** — What I'm saying, Mr. Minister, why not put in that what is the agreement of the municipalities and there would be no problems in that case then.

**MR. MacMURCHY:** — Mr. Chairman, there is no problem now.

**MR. KATZMAN:** — No. G of this section, you suggest you're able to collect the fees for the use of ferry services. Is this your department that will be collecting them?

**MR. MacMURCHY:** — We have always had the power, Mr. Chairman, but we haven't collected tolls.

**MR. KATZMAN:** — Well what I am getting to, Mr. Chairman, is that the collecting of ferry fees and the sign that's added that says after midnight that the fees are paid to the operator, and I'm asking do you take those fees or are those given to the operator.

**MR. MacMURCHY:** — The operator takes the back fee for getting up and providing the service.

**MR. KATZMAN:** — On that point is where my concern lies. Two things, you are either violating the Labour Standards Act if you don't have permission to arrange that or you are allowing government employees to take government equipment and do a service and get the money where the government bears the expense and the revenue. I realize in the ferry situation that it's an excellent service for the general public, but this could set a precedent in other areas for example, tractors, snowblowers, road graders, buggies, it's an interesting situation. Do you have an order that exempts you from labor standards on this or how do you handle it?

**MR. MacMURCHY:** — Mr. Chairman, the existing policy as outlined has been around for about 15 years and I've not had any concern expressed by the labor standards people, because of the policy and I've not had any concerns expressed with respect to a ferry operator under the existing policy taking a fee for having to get up in the dark of night to help somebody get across the river. This is the first time I've ever heard of any problem relating to our existing ferry problem and I want the honorable member to know that I'm admiral of the fleet in Saskatchewan. Surely I'd hear of any problem.

**MR. KATZMAN:** — I realize you're admiral of the fleet. But my concern is that the labor standards says that if a man is required to be available for service at the beck and call you would require to be paid X amount of hours of service, where you are short-changing

your employees by saying if you want to do it, you can have the bucks, but we don't want to know anything about it. The second portion is, is he covered by Workers' Compensation and so forth, if he assists the general public?

**MR. MacMURCHY:** — Mr. Chairman, I can't respond to the honorable member's question as it relates to the Labour Standards Act, since we don't have that information before us. I can report to the honorable member that a policy of night ferry crossings is presently under review by the government and we would hope to be able to make an announcement in the New Year relating to the possible change.

**MR. KATZMAN:** — Well one of the concerns I have is Workers' Compensation because he is not working for the government while this ferry is running because he is working for himself. He becomes a private enterpriser for lack of a better word with the government's equipment and he pays no service. Now I'm concerned if something went wrong or the cable broke or something, where does this man stand, is there some protection for your ferry operators?

**MR. MacMURCHY:** — Mr. Chairman, it is our information that they're protected under Workers' Compensation, that they're still employees of the government, they are getting a fee for providing service outside of their normal hours. And I think we should compliment them for providing that service to the general public.

**MR. NELSON (Assiniboia-Gravelbourg):** — I would like to move an amendment to subsection (2) Clause (b), that it be amended by adding after 'may', "provided the consent of the RM or RMs affected thereby, is first had and obtained." Seconded by the member for Regina South, Mr. Cameron.

**MR. CHAIRMAN:** — Order, order. The motion is moved by the member from Assiniboia-Gravelbourg seconded by the member for Regina South that subsection (2) Clause (b) be amended by adding after 'may', "provided the consent of the RM or RMs affected thereby is first had and obtained." I shall repeat the motion again. That subsection (2) Clause (b) be amended by adding after 'desirable', "provided the consent of the RM or RMs affected thereby is first had and obtained." Are the members ready for the question?

**MR. NELSON:** — Mr. Chairman. I think the minister made it abundantly clear why this was necessary. He did say there hasn't been problems but he did say there could certainly be problems, it's a very simple amendment that could clear up troubles in the future and I certainly recommend all members support this.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacMURCHY:** — I am going to ask all members to vote against the amendment in a response to the member who'll have an opportunity to speak if he so desires. May I say that the point I made earlier that if it were an issue I am sure that rural councillors and/or their executive or SARM would have raised it. Mr. Chairman, as a matter of fact, SARM has seen this legislation, and has approved of this legislation through their office. That's normally the course that we take and for my part, I suggest this to all members, more prepared to take the inputs that come from SARM than the inputs that come from the members opposite.

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

**December 14, 1977**

The Committee reported progress on Bill No. 26

The Assembly adjourned at 5:05 o'clock p.m.