

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Eighteenth Legislature

December 22, 1977

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

On the Orders of the Day

INTRODUCTION OF GUESTS

Mr. M.J. Koskie (Quill Lakes): — Mr. Speaker, I would like to introduce to the legislature through you, a special guest from the constituency of Quill Lakes. I would like to introduce Mr. Gerald McGrath, former president of Quill Lakes and now the president of the Saskatchewan New Democratic Party.

Hon. Members: — Hear, hear!

QUESTIONS

Coronach Power Development

Mr. E.C. Malone (Regina Lakeview): — Mr. Speaker, I have a question I would like to direct to the Premier and it arises from a comment yesterday made by the Minister of Mineral Resources in connection with the Coronach development and the suggestion that somehow the federal government and the Department of External Affairs are not pursuing the matter in conjunction with the way the provincial government wishes it to be done. I have before me, Mr. Speaker, a Leader Post heading of November 10, 1977, which says, "Blakeney Blames Ottawa." I am sure the Premier is familiar with that particular story. The thrust of the story is that the federal government is not responding properly to the provincial government's request in connection with Coronach. Also, Mr. Speaker, I have before me a photostatic copy of the House of Commons debates, December 14, 1977, where the Minister of External Affairs, Mr. Jamieson, indicates that as far as he is concerned Premier Blakeney is quite satisfied with the way the federal government has been handling this particular situation.

So, my first question, Mr. Speaker, to the Premier is, is it a fact that the provincial government is quite satisfied with the way Mr. Jamieson's office is dealing with this particular matter with the government of the United States?

Hon. A.E. Mr. Blakeney (Premier): — In general, yes, we are satisfied with the manner in which Mr. Jamieson's office and the Department of External Affairs are handling the issue with the United States.

Mr. Malone: — A supplementary question then, Mr. Speaker. I wanted to direct this to the Minister of Mineral Resources but I see he is not in his seat today so I will direct it to the Premier. If that is the case, Mr. Premier, and notwithstanding the remarks made by the minister yesterday, could I ask the Premier why the information that's been requested by the Lieutenant-Governor of Montana of a technical nature earlier this fall has not been provided to the government of Montana to alleviate their concerns about the Coronach power development?

Mr. Blakeney: — Mr. Speaker, I think the hon. member will need to direct that one to Mr. Jamieson, the Minister of External Affairs. I believe our arrangement with External

is that, by and large, the material supplied to agencies of the United States government or to the states of the United States shall be supplied by the Department of External Affairs. We are happy to supply it to them. That is my understanding. I could be in error on that but that it is my understanding of the arrangement.

Mr. Malone: — A supplementary question, Mr. Speaker. Can the Premier give me the assurance that the information that has been requested and it is rather detailed technical information, has been transmitted from the Minister of Mineral Resources department to the Department of External Affairs and if the information is in Ottawa at this time?

Mr. Blakeney: — No, Mr. Speaker, I cannot. I am frank to admit that I do not even know what information the hon. member for Lakeview is referring to and accordingly I cannot give the assurance that he requests.

SEDCO — Intercontinental Packers

Mr. H.W. Lane (Saskatoon-Sutherland): — Mr. Speaker, a question to the minister in charge of SEDCO. Within the last few months has SEDCO or has your department or any other agency or department of this government purchased, accepted as payment on a loan or allowed a security for a loan or in any other way dealt with Intercontinental Packers or any of its subsidiaries or affiliates with respect to pork bellies or other commodities? You gave notice on this question and I would like to hear your answer.

Hon. N. Vickar (Minister in charge of SEDCO): — Mr. Speaker, no we have not to my knowledge. There have been no loans made of that nature and no deals.

Mr. Lane: — Supplementary, Mr. Speaker. He qualified that with 'to his knowledge.' Would he then take notice and affirm that none of the other agencies of his government have dealt with any of the subsidiaries . . .

Mr. Speaker: — Order! I'll take the next question.

Housing Starts

Mr. G.H. Penner (Saskatoon Eastview): — A question, Mr. Speaker, to the Minister of Finance. Is the minister aware that housing starts in Saskatchewan during the third quarter of this year are down about 25 per cent over the same period in 1976 and that this is significant. Would the minister not agree that this is a significant early warning of an economic slowdown in 1978?

Hon. W.E. Smishek (Minister of Finance): — Mr. Speaker, I do not agree that there is any significant slowdown in housing. We have a province, according to my latest information, in the order of 11,000 housing starts in the province this year and that is a sizeable number. We did have in 1975 a larger number of housing starts but that was an unusual year. We believe that the housing starts this year are keeping up with the pace of housing needs in the province of Saskatchewan.

Mr. Penner: — A supplementary question, Mr. Speaker. Figures that have been released showing national comparisons indicate that Saskatchewan is second only to Newfoundland in the drop of housing starts in 1977 compared to 1976. Would the minister give this Assembly some indication of the plans and the programs that his government may have in light of the fact that we are into an economic slowdown in

Saskatchewan, I don't think there is any doubt about that, insofar as balancing a budget in 1978 is concerned?

Mr. Smishek: — Mr. Speaker, the matter of perhaps a drop in misrepresented by what the hon. member is saying. It all depends from where you start. We did have a higher year than this year in the number of housing starts but we are satisfied that we have a good housing program in Saskatchewan. Many people are employed in the construction industry. I can tell the hon. member that from time to time I meet with house builders in this province and they are very satisfied with the housing programs that the government of Saskatchewan has been undertaking since we have been in office. I might also inform the hon. member that, for example, in Saskatoon they have had the largest number of housing starts in the history of Saskatoon.

Mr. C.P. MacDonald (Indian Head-Wolseley): — Mr. Speaker, I would like to ask the Minister of Finance if he thinks that the dramatic decrease in the number of housing starts in the last quarter is related to the fact that the government of Saskatchewan has failed to indicate when rental controls will be removed in Saskatchewan and the fact that it looks as if they will go on ad infinitum and if the minister has any thoughts or concerns about the impact of the failure to set any removal date for rent controls upon housing starts?

Mr. Smishek: — Mr. Speaker, the hon. member is aware that new housing isn't under control and that has no bearing whatsoever on the number of housing starts.

Answer to question re Liquor Outlet — Saskatoon

Hon. E.B. Shillington (Minister of Government Services): — Mr. Speaker, I took notice of a question from the member for Saskatoon Eastview who asked whether or not there would be a wholesale liquor outlet in the new Saskatoon provincial building — Saskatoon-Sutherland, I'm sorry — I find that there will be no wholesale liquor outlet in the Saskatoon provincial building.

CPN — Closed Circuit Television

Mr. L.W. Birkbeck (Moosomin): — Mr. Speaker, I would like to direct a question to the Attorney General or the Premier if he cares to answer. Mr. Premier, in guaranteeing the \$2.6 million to CPN you state and I quote:

The announcement at his weekly news conference describing closed circuit television as an experiment and the long guarantee as a financial risk and if either one flounders it will likely be CPN since the new venture is likely to have tougher sledding than the old one.

How can the Premier justify this unnecessary risk of the taxpayers' money?

Mr. Blakeney: — Mr. Speaker, I have attempted during the course of the news release, which was presumably published because that is an excerpt from a comment surrounding the publication of the news release, to indicate the reasons why the government thought this was a reasonable risk. One of the ones emphasized was that by having CPN or some other closed circuit television operation carrying on its operations in Saskatchewan there would be an opportunity to provide closed circuit television to the larger towns and smaller cities of Saskatchewan that do not now appear likely to get any cable television of the conventional kind. That was certainly one

of the reasons which was given as justifying the risk. Other reasons include the one set out in the news release, the opportunity to have a wider range of programming; the opportunity to have programs selected by local groups as opposed to the programming offered by conventional cable television, namely NBC, CBS, PBS and ABC.

Mr. Birkbeck: — A supplementary, Mr. Speaker. Mr. Premier, when will you be in a position to provide this service then to these rural communities and cannot conventional cable TV through its microwave facilities offer this same service cheaper?

Mr. Blakeney: — To answer the latter question first, I am aware of no place on the North American continent where conventional cable television is provided to communities the size of Moosomin through a microwave hook-up. If there are I'll be happy to have the information on them. It is my belief that it is not economically feasible, and I am not aware of where it operates, as I say. We are well aware of the Weyburn-Estevan situation and it is there of course; that is known to us all in Prince Albert. I am speaking of significantly smaller centres than that.

With respect to the first question as to when "we will be able to provide this service". Answer — the government of Saskatchewan does not propose to provide the service. We certainly are very hopeful that CPN or some other closed circuit cable television operator, and now CPN is the current choice, will be able to provide this in a measurable number of months but I have no knowledge with precision of when that will be.

Legislation relating to Hunting

Mr. W.H. Stodalka (Maple Creek): — A question to the Minister of Tourism and Renewable Resources. It may be the value of the coyote pelt that has caused a good deal of concern in our area, both pro and con about the hunting of coyotes by using hounds. There are all kinds of rumours in our area that the minister is going to be introducing legislation that is going to prevent the hunting of coyotes by the use of hounds. Is this indeed a fact? Is the minister considering introducing such legislation?

Hon. A. Matsalla (Minister of Tourism and Renewable Resources): — Mr. Speaker, I do not expect to introduce any legislation to control the hunting of coyotes and foxes by hounds.

Mr. Stodalka: — A supplementary, Mr. Speaker. Would the minister not recognize the fact that there are some closed arguments for and against the issue, and the one that the rancher is very disturbed sometimes about is some of the actions that the hunters have, and of course there is the other side too, with the person who is using the hounds. Would the minister not agree or not look into the matter of probably establishing some sort of a licensing system so there could be probably more control than presently exists in the methods that are being used now?

Mr. Matsalla: — Mr. Speaker, I haven't considered the licensing system, nevertheless I do realize that there are pros and cons with respect too this type of hunting. I think one of the things that we must recognize is that the hunting of coyotes and foxes by hounds has been a tradition over the years. Nevertheless, I think there has been some abuse with respect to it and I think one of the main complaints that we have been getting is the damage to property. I am hoping that we might be able to do something to rectify the situation by conducting an education program. At least we

attempt to do this first before we proceed with any kind of regulation or legislation.

Local Government By-laws

Mr. R.H. Bailey (Rosetown-Elrose): — I would like to direct a question to the Attorney General. The Attorney General is aware, and certainly everyone in this Assembly is, that for years the local government boards in Saskatchewan, mainly the towns and villages, have had the right under their part in Saskatchewan to bring in by-laws concerning that which is commonly known as the curfew laws in various towns.

At the present time the concerns are being expressed by many towns throughout Saskatchewan with regard to the control of juvenile delinquency; and in most cases it is the local detachments of the police that are asking for some authority to help them in the policing. Many towns, Mr. Attorney General, as you are aware, are attempting to impose by-laws to control this. Mr. Speaker, I'm wondering if the Attorney General would now agree that it may be the time now, much more so than it has been in previous decades, that it would be easier for towns and easier for detachments to look at this if we had provincial legislation instead of each town trying to go with its own by-law?

Hon. R.J. Romanow (Attorney General): — Mr. Speaker, I first of all want to acknowledge that in some areas there may be a difficulty all right. I have from time to time received reports from members of the RCMP. I don't want to overstate that because I think we have a danger of perhaps overstating it. But having said that, Mr. Speaker, I think the position really has to be that this is a matter which can best be dealt with by the local government exercising its local authority and its local autonomy. It does have the power to pass curfew by-laws. I believe that there are two or three communities around Saskatchewan that have done so. In fact judging by some reports in the popular press, in some areas there is some success for the passage of that kind of a local by-law, and I think for the hon. member to suggest that the province, in effect, step in and usurp what I think is the proper area for local autonomy in this area is unwarranted at this stage.

Mr. Bailey: — A supplementary, Mr. Speaker. I agree in what has been the habit in the past and certainly agree with the Attorney General that this is a local option. Would the Attorney General not agree that in the smaller centres in Saskatchewan that provincial legislation would, in fact, carry more weight and make it more liveable in many areas where the town council, those imposing the laws are also business personnel and are feared to move in a way to correct the situation because of the local nature, and it would give the police more policy, more strength without embarrassment to the town officials?

Mr. Romanow: — Well, Mr. Speaker, again I want to make this quite clear that I have not received, to the best of my recollection, any communications from any towns or villages or cities, (maybe the odd one or two letters in six and one-half years as AG came to me on this matter) which indicate that there is a requirement for provincial-wide law in this area. The hon. member raises his voice to that. Now there may be a problem in his constituency area but I don't think that towns or villages are that easy to shirk their duty or their responsibility. I don't think because they are business men and happen to be on council that that is any reason for them to not pass laws as they see fit to govern the conduct of activity in their community. My experience has been that they pass the laws which they think are the right and correct laws to pass, so to me to simply move in and take over on a province-wide basis, this area of what I think is proper local autonomy, I just cannot accept at this stage of the game.

Handling of the Coronach Development

Mr. E.C. Malone (Leader of the Liberal Opposition): — Mr. Speaker, I would like to ask a question of the minister in charge of SPC, again in connection with the Coronach development.

Yesterday, Mr. Speaker, the minister certainly left me with the impression that he was dissatisfied with the handling of this particular matter because of the Department of External Affairs in Ottawa. I wonder if the minister would be prepared to tell us today in what way he is dissatisfied and what the Minister of External Affairs or his department has done that meets your objection?

Hon. J.R. Messer (Minister of Mineral Resources): — Well, Mr. Speaker, I think that it may be advantageous to give a brief review to the members of the Legislative Assembly with regard to what has been done in the negotiations or discussions pertaining to the establishment of the Poplar River-Coronach thermo installation.

An Hon. Member: — Order, order!

Mr. Messer: — Well, some members opposite, Mr. Speaker, are calling for order. The member asked for some information and I think it is difficult to give it to him unless I have the opportunity to take a few moments to convey it to him.

May I start, Mr. Speaker, with identifying the meeting that was held in Helena, Montana in August of 1975 with the general manager of the Saskatchewan Power Corporation, gave to . . . Mr. Speaker, I'm finding it just a bit confusing that the member for Lakeview, the member who leads the Liberal Party, is asking for order when he asks a question in relation to the Poplar River thermo installation, and I think that they have undertaken to ask questions in this legislature for several days now. Obviously they have not been able to digest or decipher the information, I think very significant information, that has been offered to them and I am going to attempt, this Thursday, to give them a more comprehensive answer in hopes that it will resolve the dilemma that they have in their minds.

Now, Mr. Speaker, if I may return, and you will allow me to give them a brief history of the negotiations and discussions between the state officials in the United States of America and the state officials in the state of Montana and the province of Saskatchewan and the Government of Canada. Let me again say that there was a meeting held in 1975 to provide general information to state officials, both at the state level and the federal level in the United States of America. The general manager of the Saskatchewan Power Corporation was at that meeting. There was a meeting in Ottawa in October, 1975, and at that meeting it was agreed, agreed, Mr. Speaker, by the Environmental Protection Agency, that no transboundary air pollution problems would be created; no problems would be created by the 300 megawatt plant being established or constructed in Coronach, Saskatchewan.

Mr. Speaker, it was also agreed . . .

Mr. Speaker: — Order!

Potash Corporation of Saskatchewan — Inventory

Mr. R.A. Larter (Estevan): — Mr. Speaker, a question to the Premier in the absence of the minister in charge of Sask Potash.

Because of the unusually high inventory of mined potash at PCS mines, is this the reason PCS is planning to cut back from a seven-day to a five-day work week?

Mr. Blakeney: — Mr. Speaker, I have no knowledge (a) of whether the inventories are high or low, and (b) whether or not there is a proposal to cut back from a seven-day week to a five-day week. I regret that I am unable to report to the hon. member on the daily activities of the Potash Corporation of Saskatchewan.

Mr. Larter: — A supplementary, Mr. Speaker, to the Premier. Can the Premier tell us whether our potash sales — the forecast for 1978, are up or down or by what per cent? Is there any forecast so far?

Mr. Blakeney: — Mr. Speaker, I'm not impressed by the urgency of that question but to deal with it nonetheless, the sales projections, at least for the first half of this potash year that we are in have been good and are good. Whether or not these will continue I think depends upon the rate of application in the spring seeding or planting season in the United States. I think the projections are for a relatively heavy seeding, particularly since there is some evidence of significant purchases of grains by the Soviet Union and the People's Republic of China, but I do not know whether these projections amount to a budget or not.

Mr. Speaker: — I think I will take the next question.

Boundary Dam Tests

Mr. R.E. Nelson (Assiniboia-Gravelbourg): — Mr. Speaker, the Minister of SPC continues to try to stick handle around the situation . . .

Some Hon. Members: — Hear, hear!

Mr. Nelson: — . . . and I would like to read just a small paragraph of a letter from Thomas L. Judge, Governor of the state of Montana.

I agree with the association that critical information gaps presently exist including confusion regarding the conclusions of a coal test burn at Boundary Dam Station, December 18, 1975. Moreover, coal and leacher samples previously requested from Canadian officials have not been received as of this date. The lack of data makes the evaluation of potential transboundary effects for all practical purposes impossible at this point in time.

That point in time is September 28, 1977. My question to the minister is: how can you say these people are informed when the governor of the state of Montana has no idea that they have been informed and in fact says exactly the opposite?

Hon. J. Messer (Minister of Mineral Resources): — Mr. Speaker, I can only suggest that the member for Assiniboia-Gravelbourg is mixed up and with all due deference it may well be that some politicians in the state of Montana are also mixed up. For the

record of this House, Mr. Speaker, let me say that in order to measure the percentage of sulphur content of the coal that would be burned in the Poplar River Station, a sample burn was conducted in Estevan in 1975. That test burn was witnessed by a representative of the EPA and I want you to record this, Mr. Speaker, carefully, and the member opposite as well. Montana was invited to witness that test burn and Montana authorities decided not to send a representative to that test burn when it was carried out. Nevertheless, Mr. Speaker, a test burn confirmed that the retention of sulphur will be within the air quality standards as set out by, not only Canadian standards but the United States of America standards as well. Copies of the test results were made available to the US authorities in 1976, the spring of 1976. US authorities, Mr. Speaker, however, requested samples of coal which would be used by the Poplar River Plant. In 1975 the Saskatchewan Power Corporation sent to those US authorities eight samples of coal. In February, in fact February 3 of 1977 a new request was made by the USA EPA. The request was for 40 new and additional samples of coal and overburden from 40 different locations in the Coronach area. Mr. Speaker, on October 17, 1977 a package of not 40 samples, but 54 samples of overburden and coal were sent to the US and SPC has committed to sending even further overburden samples to the United States of America.

Now, Mr. Speaker, as I said in this legislature before, there is a question of jurisdiction. Saskatchewan Power is required to adhere to Canadian laws, not US laws. Yet the US authorities are insistent that SPC accept their standards. The US authorities have demanded from SPC data on ambient air quality. This data has also been sent. They are now demanding the drawings of the plant layout. SPC has agreed to install 99 per cent particular control on the first 300 megawatt plant at a cost of approximately \$6 million. We are committed to that, Mr. Speaker. But when we look at the state of Montana we find out that they don't live up to their own regulations. Mr. Speaker, a 173 megawatt plant at Billings, Montana does not have any sulphur removal equipment. I wonder whether the member for Assiniboia-Gravelbourg is representing . . .

Mr. Speaker: — Order, order! I believe I will take the next question and give the members an opportunity to reword their questions in such a fashion that they will not encourage debate and encourage the ministers to bring forward answers which are briefer. I will take the member for Rosthern.

Proposed Refinery at Warman

Mr. R. Katzman (Rosthern): — A question to the minister responsible for SEDCO. Does your department presently have agents in the Warman area where the proposed refinery is supposed to be trying to increase the options for an additional year, plus trying to buy options on additional land?

Hon. N. Vickar (Minister of Industry and Commerce): — No, SEDCO at this point in time is not involved in acting as an agent for anybody in the Warman area.

Mr. Katzman: — Supplementary. I suggest that the minister should talk to his people because they have knocked on every door in the last three days.

Mr. Speaker: — Order. I will take the next question.

Cable Guarantee

Mr. E.F.A. Merchant (Regina Wascana): — Mr. Speaker, if I might direct a

question to the Attorney General regarding the cable guarantee made. Yesterday I asked the Attorney General whether that cable guarantee is not in addition to cable guarantees of approximately \$100,000 per month and that's the way CPN has been able to fund its development for almost a year so that the total amount of money gambled is more in the \$5 million range?

Mr. Romanow: — No.

Mr. Merchant: — I see.

ADJOURNED DEBATES

Second Readings

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

Miss L. Clifford (Wilkie): — Mr. Speaker, I ended yesterday by indicating that on supporting this amendment and asking for this amendment we were asking the government and all members in this House to support a Select Standing Committee of Law Amendments to look into Bill 47, especially the specific levels of taxation. I was mentioning as well that during the last two or three years we found the government in Saskatchewan has become covered with a cloak of secrecy and that it is growing day by day. This bill will enable the government to specify the levels of taxation in Cabinet in secret rather than to have it referred to a committee, as we are asking. They seem to look at themselves as being a select body, an intellectual body in their ivory tower that does not care about whether or not the bill will be legal or any other opinions, whereas I feel they should be looking at the fact that they want to get as much advice and legal advice as possible so that the bill will not be declared ultra vires.

There are many advantages to having decisions made in Cabinet walls and by a select few. They often look good at the time, but unfortunately they are often not adapted to the practical needs and in this case the legal needs of what type of bill we need in this province.

A deep-rooted respect for an individual is an essential part of the democratic system, Mr. Speaker, setting democracy apart from any other type of system. Each citizen is a very special case and when it comes to the fact that you consider that all people are like a herd of cattle to be herded away to a pasture then we are coming into a very difficult situation. I think this is what is happening to the government opposite. They now feel that they have all the opportunity that they need by just discussing among themselves. They don't need to consider any other legal or any other advice from the industry or the people of Saskatchewan and they will make a decision entirely on their own regard. It is vitally important to see that as a government in business as you increasingly affect our lives, that you must take great care that you do what is best for the people of Saskatchewan. I am not sure that even you are entirely convinced that this is the way that you are going about it.

Mr. Speaker, members in the Liberal caucus have been asking other members of the House to support this amendment. We have asked the members on our left to stand up for principles and support the right way. We have asked them to stand up and follow us

and follow our leader Ted Malone. They have scoffed at what we have said. They have not stood up for any point in this debate. Even the member for Rosetown (Mr. Bailey) has suggested that this would be a good idea, but they don't look like they are going to follow the suggestion. If they can't follow the member for Rosetown, as was pointed out by the member for Morse (Mr. Wiebe), I would like them to listen for a minute to what their leader said on November 23 and I quote from Hansard:

But you can certainly sit down with the industry as to future plans of this government, as to the future legislation of this government and come up with legislation that (a) the industry won't attack and, (b) that will gain the maximum benefit that windfall profits for the people and, (c) that is reasonable for all, rather than as you have now stubbornly made autocratic and dictatorial decisions from your treasury benches without any consultation, without any approval of anyone in the province including the people.

Mr. Speaker, that sounds pretty much like the Leader of the Conservative Party is going to support our amendment, like the member for Rosetown is going to support our amendment. I ask the members to my left to put away all the dissension that seems to be in that party and get together and support the leader and the member for Rosetown. They have indicated that this will be a good idea and I hope that they will get together and get off their rear ends and do something that is positive for this province instead of sitting there.

Some Hon. Members: — Hear, hear!

Miss Clifford: — I ask all of you, who verbally support an open government system, to say that you want the best legislation possible for the province of Saskatchewan, so that we can protect what is rightfully ours, to vote for this amendment. You have assured us that this is what your goal would be and we ask you to look into every measure possible to make this legislation valid. We say that by doing as we have suggested, in this amendment, this will be possible.

You say, as the Minister of SPC has stated two days in a row, that you obey the laws of Canada, that you obey the laws of Saskatchewan. Let's make sure that you don't knowingly pass legislation that will be declared ultra vires again. I ask you to support this amendment and, Mr. Speaker, I will probably be supporting this amendment and a previous amendment.

Some Hon. Members: — Hear, hear!

Hon. G. MacMurchy (Minister of Municipal Affairs): — Mr. Speaker, may I say, first of all . . . Yes, I will remember it is the Christmas spirit and I will begin by congratulating the member for Wilkie (Miss Clifford) for participating in this debate. I appreciate the opportunity to follow her in the debate. I always enjoy the remarks of the member for Wilkie. I find them interesting and very worthwhile. To have a member from the fair sex in this legislature, I think, is very, very valuable.

Mr. Speaker, on entering the debate on Bill 47 my desire is to direct my comments to the people of Saskatchewan, who have taken a great deal of interest in this issue and taken a great deal of interest in this legislation. I wish to direct my comments to the members of this Assembly who have the interests of those Saskatchewan people at heart, sufficient enough, to participate and participate actively in this debate.

I do not have to repeat the background of the bill. You are all well aware of the events that led up to the bill. In 1973 the OPEC cartel decided to raise the world price of oil from just over \$2 a barrel up to \$10 a barrel. You are aware that Saskatchewan introduced Bill 42 to ensure that a portion of that windfall profits, from the increase in the price in Saskatchewan oil, went to the owners of the resource, the people of Saskatchewan, rather than to the oil companies.

Mr. Speaker, the bill did its job and it did it fairly. Saskatchewan people were able to retain their position as national leaders in social and educational fields through oil taxes. The people of Saskatchewan had accepted the bill and, indeed, the people of Saskatchewan took it for granted. So there were legal disputes, but the average person didn't worry much about that and the bill, after all had been upheld by unanimous decisions in all the courts in Saskatchewan. So Saskatchewan people, in general, never gave the bill a second thought. They had good reason, Mr. Speaker, for their confidence for there was only one avenue open to the oil companies following their failure in the Saskatchewan courts and that was to go to the Supreme Court of Canada for the decision in Saskatchewan had been unanimous by the six judges who heard the case. These were not Saskatchewan appointed judges. They were judges appointed by the Government of Canada in Ottawa. The Government of Canada obviously felt them competent to be judges or they wouldn't have appointed them. These judges had declared the Saskatchewan law sound.

There was no question, Mr. Speaker, that the people in Last Mountain-Touchwood, including their member, were more than a little bit surprised when the decision declaring the bill unconstitutional by the Supreme Court was announced. They were surprised, as they had a right to be surprised, along with all the people in Saskatchewan — and I expect including the six judges. The decision supported unanimously by six federally appointed Saskatchewan judges had been overturned by seven federally appointed Ottawa judges.

Mr. Speaker, this taken together with the series of federal intrusions into the area of resources over the past three years, becomes rather interesting. Maybe the growing economic importance of Saskatchewan and Alberta has something to do with a pattern of the federal government in Ottawa at chipping away piece by methodical piece, chipping away at the constitutional right of the provinces to control their resources.

Anyone, Mr. Speaker, who looks at the Ottawa scene, can see what is going on. The government in Ottawa, this year, is facing an \$8 billion deficit and it expects to face a \$10 billion to \$11 billion deficit next year. That means, Mr. Speaker, that that government is totally incompetent in managing its affairs. It is incompetent in managing its affairs within the constitution of this country and this is not a new problem. This is an old problem. It was a problem that began to develop in the 1950s. In fact the government of the member for Prince Albert, in the House of Commons, was the beginning of the mismanagement of the federal government at Ottawa.

Some Hon. Members: — Hear, hear!

Mr. MacMurchy: — So what do they do? Will they start to look around? What do they see? They see that the resources are not under their jurisdiction. The resources of particularly Saskatchewan and Alberta are an economic key of the future. They recognize that under the British North America Act that resources are under the control of the provinces. But, even though they know this, it has not stopped them from

making moves typical of that government of chipping away and of cutting away.

Consider, Mr. Speaker, for a moment, the activities of the federal government in the resource field in recent years. In October of 1973, before Bill 42 was even introduced, the federal government imposed an export tax on Canadian oil. And think about their argument. Their argument at the time was that the oil companies stood to make too much windfall profits from the increased prices and no federal Liberal government would not want the oil companies to make such a profit, would they? Then after our bill was in place the federal government imposed a stiff additional oil export levy, indicating that they needed the money to finance the compensation to the eastern consumers of the difference between the world price and the domestic price.

The fact that under the constitution the provinces were rightful owners of the resource, never seemed to enter the picture. The federal government blatantly used its taxing power to reach some of the increased value from a provincial resource.

Mr. Cameron: — Talk about what the Premier said.

Mr. MacMurchy: — I'll talk about what the Premier said, Mr. Speaker, to the member sitting on his seat, from Regina South.

Mr. Speaker, the federal government can truly do amazing things with tax laws. You know that in May of 1974 the then Minister of Finance introduced the double taxation budget, which did not allow the oil companies to deduct their provincial royalties in the calculation of the federal corporate income tax. The proposal, Mr. Speaker, was mysteriously dropped some time just before July 1974, mysteriously dropped, Mr. Speaker, just before a certain July 8th election. But amazing, somehow it seemed to find its way back into the November 18th federal budget of 1974.

The outcries have been such that a minor change was made and double taxation would only take place on 75 per cent of the oil companies' gross revenue. But, certainly, nothing had been sacrificed in the principle of the matter.

Mr. Speaker, naturally, when any two bodies have taxing powers over one item it is possible for one to take such a big chunk of the pie that there is none left for the other. Thus, the federal move of double taxation, in effect, put a severe limit on the province's ability to tax its resources. The extra tax, in effect, removed the initiative for exploration and by removing initiatives for exploration and development the federal government effectively challenged the province's right to control and to benefit from the development of their own resources.

Mr. Speaker, consider the federal government's activities in the pricing field. In April of 1975 the federal government passed Bill C32, The Petroleum Administration Act. Under The Petroleum Administration Act the federal government assumed unto itself the power to unilaterally terminate commodity price agreement. The federal government, by that act, assumed unto itself the power to refuse to negotiate a renewable agreement. Finally, it gave itself authority to impose, unilaterally, the maximum prices on a natural resource owned by a province. When one thinks about the logical implications of this last provision, one begins to understand that what the federal government had intended to do was to begin to needle its way to the heart of the control of provincial resources, that they had their eyes set firmly on acquiring control of

the price, the flow, the production and the sale of any natural resource.

We know, as well, that the price as set by the federal government in 1974, 1975 and 1976 for domestic oil were well below world prices.

We, as Canadians, we in Saskatchewan, supported the principle of providing oil to eastern Canada at less than then world price. We have been willing to sacrifice our extra economic well-being in order to subsidize the East. That aside, Mr. Speaker, it is still true that a federal policy interfered with the West receiving fair market value for its resource.

Mr. Speaker, in the spring of 1976, the federal government imposed a 10 cent excise tax on gasoline. This, they said, was necessary to help finance the Oil Import Compensation Program, but a federal 10 cent tax on every gallon of gasoline in a time when energy prices are increasing rapidly, means 10 cents that the provinces cannot have to say nothing of the effect of what the 10 cents per gallon had on the individual. And, again, Mr. Speaker, the federal government was putting a severe squeeze on the province's ability to benefit from its own resource.

Consider, Mr. Speaker, also the federal government's creeping, or not so creeping, intrusion into the supply and distribution aspects of resource control. The National Energy Board Act gives the federal government, through Cabinet, not through Parliament the right to control the volume and the price of crude oil, natural gas and other petroleum products. Yes, the federal government under The British North America Act controls interprovincial and international trade, but through the Cabinet decisions related to this act, the federal government can have drastic impact on revenue of the provinces, the amount and the speed of development and the level of productivity. Because these decisions are made at the Cabinet level, really the provinces have no input at all into the decisions.

Through The Emergency Supply Allocation Act, the federal government has given itself power to take control of all petroleum and petroleum products if it sees a shortage of fuel, real or anticipated, that may jeopardize the national welfare for economic stability. Pretty wide powers!

Now, Mr. Speaker, consider the federal government activity in the development field. I ask the question, why should the federal government feel it necessary to actually undertake to appraise and access coal and uranium resources within specific provinces? It does not take the great mental fortitude to realize that the federal government will not be gathering this information for the good of the province. The federal government sponsors its own research in natural resource fields. I think that it is safe to assume, in this area as well, that research undertaken will be aimed at supporting federal interest and will not give any special consideration for provincial development policies.

The federal government has already implemented phase one and phase two of its mineral policy for Canada, which deals with resource and export pricing as well as environmental and employment concerns. Phase three, Mr. Speaker, now underway, extends the federal say into mineral resource development. And not to be left out, as the price of conventional and energy sources increases, the federal government is working on developing a coal control policy under the title of National Coal Policy. So it covers all fronts. Not only have they made these rather significant strides into the non-renewable resource area, I think they are doing their best to weasel into the renewable

resources as well. No question that the provinces are prepared to talk to the federal government about interprovincial movement of forestry products. We always have been, but in 1975 the federal government developed a national forestry policy and, yes, the stated objective is none other than to formulate future courses of action regarding the forest industry. It does not say we will formulate future courses of action regarding the interprovincial movement of forest products, it says, formulate future courses of action regarding the forest industry.

Somehow, Mr. Speaker, mysteriously over the last two years, discussions initiated by federal officials seemed to have crept into the areas of replacement policies in case of fires, new development and research. Yes, Mr. Speaker, the federal government has control under The British North America Act of interprovincial trade and international commerce. Yes, Mr. Speaker, the federal government has the right to levy indirect taxes, but, Mr. Speaker, the provinces have control of intraprovincial trade and natural resources, resource ownership and resource management.

In all the foregoing examples the federal government has used its given powers as a guise to needle into the ownership and management of natural resources. It has used its policy powers and where necessary created statutory powers to give itself the maximum control it could under existing provisions of The British North American Act. But, Mr. Speaker, the policy and the legislative devices are not the only tools the federal government has been using to attempt to get a lever into the provinces' control of resources. From 1973 to January, 1977, the federal government has intervened on behalf of the opposition against the provinces in an unbelievable nine out of ten challenges to provincial legislation that have come before the Supreme Court of Canada. Mr. Speaker, the elevating of the Central Canada Potash challenge of the prorationing act to the Supreme Court in 1977 has made the eleventh challenge to the provincial legislation and the tenth intervention by the federal government against the provinces.

Now, Mr. Speaker, the two best known of these cases are the Central Canada Potash prorationing challenge and the CIGOL challenge. You all know what happened in the CIGOL case. The provinces of Alberta and Manitoba and Quebec intervened on behalf of Saskatchewan. Those provinces knew what was at stake. The federal government intervened on behalf of Canadian Industrial Gas and Oil Limited. The decision to intervene was made incidentally by the hon. Minister of Justice, at that time, the member for Saskatoon-Humboldt. In the CIGOL case the federal government actually attempted to become a co-complainant in the case, actually joining in the suit rather than just intervening on behalf of, as is the usual procedure. The attempt, Mr. Speaker, was unsuccessful, so the federal government reverted back to being an intervener but nonetheless it had tried. In the Central Canada Potash case which is now before the courts, the federal government has actually done an about face in its position since 1969. As is well known to members on both sides of the Assembly when the then Attorney General, Darrel Heald, brought the legislation forward to this Assembly he had the assurance of the then federal Department of Justice that there would be no problem from their point of view. That was in 1969. When the member for Saskatoon-Humboldt became the Minister of Justice in 1972 there seemed to become a problem with the legislation. The federal government moved on November 20, 1973 to become co-complainant in the prorationing case.

I am sorry the hon. member for Regina South is out of the House at this time because I think he would be interested in my next comment, he would be waiting for it. Make a note. Somehow there is a strange resemblance between the new minister's activity in

the justice field and his activities in the transportation field. In 1973 the then Minister of Transportation, Len Marchand — this wasn't Len — it was Jean, Jean Marchand, I'm sorry . . . he had given a clear commitment to adjust the freight rates for processed rape seed so that the raw seed and the processed product would move at the same rates. But the new Minister of Transport seems to have different ideas and has not only been doing his best ever since to remove the crow rates but additionally to remove the low rate for rape seed after which he says, there would be no problem.

Now, Mr. Speaker, the CIGOL case can be interpreted in some respects as a challenge to the provinces, ability to tax; the prorationing case is clearly a challenge to the provinces, right to resource management. In the prorationing case, Alberta, Manitoba, Quebec, Newfoundland and New Brunswick all joined Saskatchewan in defending the legislation. Those provinces saw clearly and still do see this case as a fundamental case to the powers of the provinces to manage their resources as provided in the British North America Act.

Now, Mr. Speaker, that can hardly be seen as one political party against another, for the Saskatchewan prorationing legislation cuts across political parties and it's being challenged by the same political party at the federal level as introduced at the provincial level. Mr. Speaker, this is a straight centralist versus provincial rights challenge, a challenge to the powers laid out in the British North America Act by the central government of this country. It is becoming clearer and clearer what a prophet our Premier, Allan Blakeney is, for he said at the First Minister's Conference in Ottawa, December 19, 1976, "The federal position in the current resource cases demonstrates a systematic and a deliberate attempt to destroy through court action the provincial rights of resource ownership." Mr. Speaker, I would suggest to you that the November 23 decision of the Supreme Court of Canada is but another piece in the whole pattern to wrest the control of resources from their rightful place with the provinces onto the British North America Act.

As I said in this Assembly in the Throne Speech two or three weeks ago, the ground for rejecting Bill 42, as I understand it, was that Saskatchewan had imposed an indirect tax, or in other words a tax that is passed on to the consumer; the province has rights in direct tax, as we all know, but no rights in indirect tax. If that tax was passed on to the consumer, then the price of oil leaving Saskatchewan should have been different than the price of oil leaving other provinces but it was not, for the price of oil paid to producers was and is the same across Canada. Oil that leaves Alberta sells for the same domestic price as does oil leaving Saskatchewan and the same export price. The presence of our tax made no difference to the price of oil. It is difficult for me to understand, therefore, how our tax set the price of oil and hence interfered with interprovincial trade as was claimed. As I have said before, I'm a farmer, not a lawyer nor an economist but that just does not add up to me. As some have already observed and observed clearly, Justice Dixon's logic in this minority decision is just a little bit too convincing.

Mr. Speaker, the pattern comes into sharp focus. I think the federal-provincial lines are drawn. As you know, this is not only true in the resource area but it's true in the whole field of communications, where just after the CIGOL decision on cablevision was declared by the Supreme Court, the Supreme Court declared cablevision to be solely under the jurisdiction of the federal government. It is true in the field of regulation of financial institutions where the federal government seems intent on gaining control of market and economic regulations. It is true, Mr. Speaker, in the field of housing and urban affairs, with which I have had a bit of experience. Again under the constitution,

provincial governments have sole jurisdiction in the fields of public land, municipal institutions, local works, generally matters of local nature. It is true that there has always been a whole range of cost-shared programs involving the federal government, the provincial government and municipal governments, particularly in the housing field. The policy control of the federal government in these programs has always meant that if a province saw the need for a certain program and if the federal government did not agree, there was only one thing to do, to find the money within the province. The federal control of the substantial amounts of transfer money to the housing field has always meant that provincial and municipal initiatives are restricted, often the priorities are distorted, the buildings which have only half met the needs are constructed because the whole thing would not qualify for federal funds.

Saskatchewan knows all too well the experience of having to find its own money for programs in the housing field, that we have felt important. I think the province is to be congratulated for its leadership in setting aside \$35 million for land assembly in Saskatchewan communities. Our present experience with Prairie Housing Development is another case in point, except with that one we are having to go it alone and we are actually being obstructed by the federal level. For an area which constitutionally belongs solely to the province that is pretty strong influence by the federal government. Recently the federal government has taken onto itself a more systematic challenging of provincial authority in the area of direct communication with the municipalities. The federal Minister of Housing and Urban Affairs is on record as publicly suggesting that a more appropriate way to deliver some of their funds and some of their programs in the housing field might be directly to the municipalities. We heard a week or so ago, the federal Minister of Transport announce that he would be providing abandoned rights-of-way from former rail lines directly to the municipalities for their disposal.

Mr. Speaker, the municipalities were created out of the powers of the provincial governments in the constitution; the powers of municipalities are ones delegated to them directly from the provincial government. It is a long accepted practice at all levels of government that the federal government deals with the province and the province deals with the municipalities. The examples of an increasingly aggressive federal government in taking more and more powers for itself cuts into all fields of government; justice, social service programs, communication, manpower training, economic development. I say that that government wants to control without the costs, as it systematically pulls out of cost-shared agreements in the field of health care, post-secondary education and social service programs. I say, Mr. Speaker, that the federal government uses policy, it uses legislation, it gets into the courts, it seems to use every method it can find to eat away at the constitutional powers given to the province under the British North America Act.

As I said in the Throne Speech a few weeks ago, I believe that it is time for changes to be made in the constitution. The act does need to be brought up to date to meet the needs of the 1980s and the 1990s in the proper development of this great country but these changes need to be made by the elected legislators and I think they need to be made quickly. When the Prime Minister visited our Premier, Allan Blakeney, early this month, he did not hold out much hope for a constitutional conference in the near future. He said, "Quebec is unwilling to co-operate." I say, surely that's inadequate, inadequate grounds for rejecting an opportunity for the rightful people in our nation to make some conscious decisions about the future of our constitution. Surely when the change is going on in practice every day, the least that our Prime Minister could do is to take positive action to bring the first minister together to guide the process.

So, Mr. Speaker, we have come a full circle to Bill 47. The people of Saskatchewan, I say, accept the principle of Bill 47, they accept the principle that increases in value of a capital asset or a land, or a resource accrued to the owners of the capital asset, or the land or the resource and not to the renters. In the minds of Saskatchewan people this issue has been settled and been settled for some time but what we are seeing is the long accepted principle being violated on two fronts: (1) by the oil companies that feel they should have the lion's share of the profits as so brilliantly outlined by our Attorney General in second reading and by our Premier in his second reading speech, and (2) by the federal government that because of their incompetence feel that they need the valuable resource revenues, not the provincial governments, regardless of what the BNA says.

The Prime Minister has said that he will not exploit this Supreme Court decision on Bill 42. I ask the members of this House and you, Mr. Deputy Speaker, what does that mean? Does that mean that the issue is settled in his mind, as it is in the minds of Saskatchewan people with the passage of Bill 47? Does that mean that the federal government will now cease and desist from further intervention on behalf of oil companies and potash companies across this province, against this province? Will the federal government now back out of its many attempts at the policy and the legislative level to work its way into the areas of provincial control? Is the battle with respect to Bill 42 and Bill 47 over by his statement?

Mr. Speaker, Bill 47 is a good bill; it's a basic income tax bill; it imposes a direct tax, an income tax on oil producers and it poses it retroactively. The province clearly has a right to impose direct income tax. I pay income tax to the province, the members opposite probably pay an income tax to the province and there are many precedents for retroactive legislation. The Supreme Court, Mr. Deputy Speaker, in its Bill 42 decision did not question that aspect of that tax. Now under the act, every person is liable for tax on his oil well income derived from the production of oil wells located in Saskatchewan for each taxation year ending after December 31, 1973. His oil well income is the revenue received by him for the production of oil, less the expenses incurred to earn that income. In the case of the income earned from the business or the property or the farm, the deductions are based on generally accepted accounting principles and good commercial practice. This bill is a fair bill, that's what is done in the case of this bill, it is a good bill.

Mr. Deputy Speaker, the Prime Minister has said that he will not exploit the Supreme Court decision on Bill 42. I call on the Prime Minister to support this legislation. I call upon him to support this legislation because it is a direct tax and it is good legislation. Even more important, Mr. Deputy Speaker, I call upon him to support this legislation because his assurance of provincial rights in the area of resource management will go a long way towards settling one of the most fundamental problems facing this country, that of national unity. Provinces that have concrete evidence that their right to the ownership of resources will be honoured, I say will likely be in a much better mood to negotiate constitutional changes. Mr. Speaker, I call on the Liberal members opposite to support this bill; those hon. members have said they will oppose the bill. I say to them, that not only is Bill 42 a good bill but what is at stake in Bill 42 is much too big an issue, Bill 47 rather is much too big an issue for petty politics. If Confederation is to remain alive, if it is to remain well, the provinces must be able to exercise their ownership and their control of the resources. The increasing number of intrusions into areas of provincial jurisdiction by the federal government must be stopped. I call on the

Liberal members opposite once again to look beyond petty politics to the national unity implications of this legislation and throw their weight behind this income tax legislation, which in my mind is sound and constitutional. Mr. Deputy Speaker, I will support the bill and oppose the amendment.

Some Hon. Members: — Hear, hear!

Mr. A.N. McMillan (Kindersley): — Mr. Deputy Speaker, I say with interest that the remarks of the Minister of Municipal Affairs and particularly his remarks about petty politics had a decidedly hollow ring in the face of the fact that it was his party, that party sitting there, in their role of the government of Saskatchewan which has supported every situation that now exists with respect to oil taxation legislation in Canada. Your party, your Premier was there. I would like to read into the record for the benefit of the Minister of Municipal Affairs some of the things that that former denizen of delirium, the former leader of the NDP in Canada, David Lewis, had to say about this particular situation and the tax regulations that were brought in by the federal government which the Minister of Municipal Affairs has just so soundly criticized. Mr. Lewis stated:

I was saying that step by step the NDP has wrung out of this government an oil policy in the direction of Canadian interests. Mr. Lewis then said, I remind hon. members that earlier in the year we demanded export controls on oil and petroleum products and after some time Canada got them from this government. Months ago we demanded (speaking of the NDP Party in Canada) a two price system so that Canadians would not be gouged with domestically produced oil in the hands of the multinational corporations. We said that the only way to have a two price system without the multinational corporations getting huge windfalls was by having an export tax. He said, I remind hon. members that it was the NDP spokesman who made these demands. Eventually these became the policies of this country.

Need I say any more about the remarks of the member for Last Mountain, the Minister of Municipal Affairs?

I would like to add only a few remarks made by . . .

Mr. Cameron: — Get the date for Hansard.

Mr. McMillan: — I am sorry I have lost my place and I won't be able — if you would like to check it out, Mr. Member of Regina South. I didn't put a marker in it. December, 1973.

I would like to add that it has been a curious thing for me to sit here and watch backbencher after backbencher after backbencher. I think there were three of them, rise in this debate and say, preface their comments by saying, "I don't understand the intricate legal arguments involved with Bill 47 or Bill 42." If they had stopped right there truer words could never have been spoken, Mr. Attorney General and Mr. Member for Saskatoon Nutana or Centre or whichever seat you represent. Truer words could never have been spoken. That is the problem that we in the Liberal caucus have tried to point out not only to the people of Saskatchewan but to you members who sit opposite us in this House. We have said, you people did not understand the legal problems that you faced in 1973 when you brought in Bill 42 and you obviously have no better

understanding of the legal problems that you face today with Bill 47. What is worse, while members stand up and acknowledge the fact that they don't have the understanding necessary to guide this kind of legislation in the province of Saskatchewan they have made no attempt to understand.

Members on this side of the House have, I think, very soundly placed before you some of the dangers that you face in pursuing your goals on behalf of the people of Saskatchewan. They have been met continually with a deaf ear by members on your side of the House. We have put two good amendments before this legislature to date on Bill 47. The first amendment you rejected out of hand. This amendment I have little doubt of what your reaction will be to it when it does come to a vote.

The member for Meadow Lake (Mr. McNeill) also said one other really important thing when he was speaking on the amendment. He said, and I hope that our curly headed member will listen to this, that Bill 47 fits in with the entire resource management policy of this government. That, members opposite, was perhaps the most significant thing that the member for Meadow Lake said. He said this Bill 47 fits in with the entire resource management policy. I say on the basis of that alone you people should rise and withdraw your legislation. Your resource policy overall since your election in 1971 has been dismal and we have pursued those arguments on other occasions. Your handling of the potash industry which that members was so proud of because he felt he was beyond attack, your handling of potash resource development has been dismal. We see the annual report this year and in an eight month period PCS was a sad investment for the people of Saskatchewan, earning them a return of one-third of one per cent on their investment, a loss of revenue to the people of Saskatchewan of \$30 million. That's the kind of resource manage policy he feels, the results he feels Bill 47 will garner for the people of Saskatchewan. We won't lose \$30 million in revenue if that bill fails. We are going to lose closer to \$500 million that we have collected in the past and perhaps another billion that we hope to collect in the next five or ten years. He says Bill 47 fits in with the entire resource management policy. How does it fit in with the overall oil policy of this government? It has driven the industry out of Saskatchewan and no place is that more clear than in the Kindersley constituency.

Revenues? Bill 47 fits in with the resource management policy. I can only assure he believes there is some association with Bill 42. That means the member feels that Bill 47 through its association with the oil policy could well result in additional losses to this province because to date your successes in the oil industry have been a disaster. They are non-existent. We not only have the severe short term loss of people and dollars in our oil producing areas in Saskatchewan but we have a potential loss of \$500 million roughly. That's how Bill 47 fits in. That's why this party on this side of the House is opposing Bill 47. We have stated before and some of your more enlightened members I am sure have realized that all of us who sit in this legislature have the same goal with respect to the recovery of the \$500 million in taxation in the future. However, we say exactly the same thing as the member for Meadow Lake. We can't support this piece of legislation because it fits in so perfectly with your entire resource management policy.

Members opposite as well have tried to insinuate and I am glad to see the Attorney General back in such a jovial mood, members on your side of the House have tried to insinuate that members on this side of the House have sort of got together with the oil companies to try and put a stop to this piece of legislation and I say that is the most foolish thing that members over there could have said. The oil companies in this province I say are just googly-eyed to get this legislation passed, absolutely. I could

imagine the kind of reaction — and I am sorry the Minister of Mineral Resources isn't here — because I could imagine the kind of reaction Husky Oil is having right now to the possibility of this legislation not only being withdrawn but I suspect there is some possibility members on his side of the House may even be convinced to vote against it themselves. I can imagine Husky Oil's board room right now praying that this legislation gets passed. Look at the cards that they hold in their hand when they sit down with Black Jack Messer to discuss the establishment of a heavy oil refinery on the Saskatchewan side of the border. How would you like to be in Jack's place when he has to negotiate a tax rate with Husky Oil?

Mr. Speaker: — I think the member is well aware of the fact that all hon. members should be referred to by their constituency or the portfolio they hold. It depreciates the decorum of the House if members are referring to other members other than in that manner.

Mr. McMillan: — Mr. Speaker, I have so completely forgotten which constituency he represents. I was merely for the sake of continuing this debate in a consistent manner trying to make some reference to the member and I unfortunately made the slip of referring to him by other than his constituency name.

Mr. Merchant: — Does he represent the state of Montana?

Mr. McMillan: — As I understand it not even in the least little bit of a way. I say that your open ended tax rate at this time is enough to make Husky Oil do hand flips in the province of Saskatchewan for the next 20 years. The Minister of Mineral Resources, I believe the member for Kelsey-Tisdale, Mr. Speaker, has sent out enough hot air balloons in this province about the potential for attracting a three-quarter of a billion dollar oil refinery in Saskatchewan that I say to you there will be considerable public pressure on him to produce. Considerable pressure. Perhaps not as much of a pressure as suggested by the member for Wascana (Mr. Merchant) when he had his discussion about the potential for and I loath to say it, bribery, but there is considerable pressure on the Minister of Mineral Resources to come to some amicable agreement with Husky Oil to locating on this side of the border. Now to the best of my knowledge, as a result of the kind of resource policy you have pursued over the past six or seven years, Husky Oil to date has only got one good reason for locating on this side of the border and that will be an advantageous tax rate under Bill 47. I would list a number of other more peripheral reasons, the good nature and the hard working qualities of our Saskatchewan citizens and our continually better weather than is experienced on the Alberta side of the border? Very little. Now Husky Oil has a club and believe me they are prepared to use it, an open ended tax rate. Husky Oil and the Minister of Mineral Resources is a deadly combination for this province of Saskatchewan. We say that the circumstances under those two parties would meet would not be in the best interests of this province and we would like to see some secure tax rate written into this piece of legislation so that the Minister of Mineral Resources and perhaps the Attorney General don't find temptation too great when they sit down at the bargaining table.

I say that for you people to waltz into the back room in this province hand in hand with the oil companies to determine an amicable settlement as far as a future taxation rate goes is a dangerous thing for any government to do and a particularly dangerous thing for this government to do in view of the kind of demonstrated capabilities you have in the resource management field.

I would like to make a few statements about the Tory Party and their role in this debate and if by some stroke of luck I can stir the member for Estevan (Mr. Larter) to his feet as a result of my comments. I think we may have a chance to hear from him and he has assured me that he is prepared to speak should someone get him emotionally upset. While I have no desire to ruffle his personal feathers I would more than enjoy hearing from the Tory Party in debate. The Conservative Party has behaved in this legislature in much the same way as a drunk who has wandered out onto the freeway in rush hour. They have found themselves in a position, they suddenly wake up and they are in the middle of a busy freeway and they don't know what to do to get out of there. They think probably the best and most immediate thing to do is to follow the heaviest flow of traffic and they immediately jump in that lane. They come close to getting run down on three or four different situations and suddenly decide maybe they haven't made the best decision and in their confusion, in their fog, make a lap back for the white line and promptly sit down on it and don't move. I don't know whether they are waiting for the traffic to thin out or what is going to happen.

We moved an amendment to this major piece of legislation in the legislature. The Tory Party stood and voted against it without so much as a whimper we are accustomed to hearing from them. I say that in itself is an irresponsible action. I had hoped for better. It is one thing to stand on a piece of legislation and have the intestinal fortitude to get up and justify that. We have been waiting for you to get up and justify it. Goodness knows, maybe we are wrong and you are right, as far as that is from the possibility of being believable, maybe it's true. Get up and enlighten members of this legislature about your actions on behalf of this socialist government. We will be more than interested in hearing what you have to say not only about the situation and the position you took on our first amendment, which was a sound amendment, we want to hear what you have to say about this second amendment that we have brought into this legislature. How are you guys — do you know what's going to happen to you over the Christmas holidays? You are going to go home and you are going to associate with your friends and your scattered supporters in your constituencies, you may be in the middle of your little Christmas cheer parties and some of your people are going to start asking you guys why you took the position you did in favour of this socialist government on this major piece of legislation. If for no other reason than it would give you some practice in justifying yourself you might rise in this House and explain to us why you have taken this unnatural position.

Mr. Romanow: — They know a good bill when they see one.

Mr. McMillan: — Well, I hesitate to think that obviously in the minds of the Tories and it never occurred to me before they came to this legislature that this philosophic desires could so closely align with yours, until as I've explained beforehand how we found out how many socialist members they had. I still suggest and only as a good-natured warning to you fellows, you're going to catch a lot of flack when you get home over Christmas and you have the opportunity here to prepare your explanations, not to our supporters or the socialist supporters but to your own supporters. I say, take advantage of that opportunity.

Mr. Speaker, we have introduced a second amendment to Bill 47 which we feel is in the best interests of the people of Saskatchewan. We have seen members on that side of the House, a few of them, rise and speak against that amendment, not with any conviction, certainly not with any sincerity and above all, not with any understanding. We feel that there is some possibility yet that the members to our left might be able to

find it in their realm of good sense to stand up and vote with us on this legislation and I hope that we have convinced some of the backbenchers on the government side and certainly the Tory caucus to support this legislation. Let there be no doubt that the Liberal caucus is sincerely and firmly in favour of seeing this improvement brought into Bill 47 in the hopes that the public interest might be better served.

Mr. Speaker, I will be supporting the amendment.

Some Hon. Members: — Hear, hear!

Mr. G.H. Penner (Saskatoon-Eastview): — Mr. Speaker, in rising to enter the debate on the amendment, I think it is important initially to point out just one more reason why the government members who are sitting opposite, ought to support the amendment which is before us. It was rather amusing, Mr. Speaker, to listen to the comments of the Minister of Municipal Affairs a moment ago in attempting to provide some kind of an insight into the reasons why the government has taken the position it has with regard to the whole question of resource development. It is interesting, on the one hand, to contemplate what the Minister of Municipal Affairs had to say and, on the other hand, to listen to the remarks of one Mr. Knight who spoke in debate in December of 1973 in the House of Commons. I would like to quote from Hansard, Mr. Speaker, because I . . .

Mr. Cameron: — Who is this Bill Knight?

Mr. Penner: — . . . I think it's important for members opposite to understand this.

An Hon. Member: — He is a Conservative I assume.

Mr. Penner: — Well, I understand that members opposite have a closer affection to him even than they do to the Conservatives in Saskatchewan.

An Hon. Member: — No, they wouldn't hire a Conservative to do that job.

Mr. Penner: — At any rate, he said, that is not the case with the Premier of Alberta and I want to quote to this House the opening remarks of the Premier of Saskatchewan when addressing the people of this province. This ought not to be forgotten in the sequence of events. He said, and I quote, Mr. Speaker, from page 87, the Premier of Saskatchewan said this:

Tonight I want to talk to you about our new oil policy in Saskatchewan. Before I do let me first say that the Saskatchewan government approves most of the moves toward a national energy policy announced last week by the federal government. We support extension of the oil pipe line to Montreal and other efforts to make Canada self-sufficient in oil. We support the announced intention to set up a national oil corporation to help find and develop new Canadian oil and gas. We support the intent of the federal government to hold down the price for Canadian consumers of western Canada crude.

You know, Mr. Speaker, when you listen to that, having been enunciated as a position that was taken in 1973 and compare it to the position taken by the Minister of Municipal Affairs this afternoon, it's no wonder that the Liberal party has proposed not

one but two amendments in order to help save the situation that the people of Saskatchewan find themselves in today.

You know, Mr. Speaker, I think it is important for members opposite to remember that in this particular instance, insofar as Bill 47 is concerned, their responsibility is to govern rather than to look for an easy, political solution to the problem that they have created. We need a group of people, Mr. Speaker, who are prepared to safeguard that position that the people of Saskatchewan ought to have with regard to revenue from the oil industry.

I think, Mr. Speaker, that it is important for members opposite to understand what the word 'govern' means. If you look in the dictionary, Mr. Speaker, you can find a number of definitions. One that is suggested is that the word 'govern' means to control the actions or the behaviour of and I think if the members opposite reflect upon that definition of governing insofar as Bill 42 is concerned, they would have to admit that they failed miserably in that regard. If you take a look at another definition of the word 'to govern', Mr. Speaker, you would not that it says to keep under control. Again, if one looks at Bill 42, if it was intended as an effort to keep under control revenues to the people of Saskatchewan, they have again failed miserably. A third definition is to conduct the policy, action and affairs despotically or constitutionally. I think, Mr. Speaker, that we can see again quite readily where the government, insofar as Bill 42 was concerned, failed miserably.

It is interesting to note that the definition of the word 'to govern' puts despotically opposite constitutionally. When one recognizes that Bill 42 was unconstitutional it is easy to arrive at a solution about the kind of government that this group has placed before the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Penner: — Mr. Speaker, we can't afford, in Saskatchewan, to risk, in Bill 47, what the people of Saskatchewan had risked on their behalf by this government in Bill 42. We believe, Mr. Speaker, that we have some genuine responsibility to assist in making certain that the failure of Bill 42 is not repeated in the failure of Bill 47. When one looks at the amendment that has been put, Mr. Speaker, I think it is clear for anyone who reads it to see that what it is there to do is to provide some kind of guarantee and assistance to this government, assistance to the government and a guarantee to the people of Saskatchewan that what was originally an error to the tune of \$500 million (at least potentially to the tune of \$500 million) does not become an error which is potentially a \$1 billion error.

Mr. Speaker, during debate members opposite have indicated that under no circumstances anywhere did anybody ever suggest to them in 1973 that Bill 42 was likely to be unconstitutional. The Premier indicated that nobody had alluded to that, the Attorney General indicated that nobody had alluded to that and it just simply flies in the face of the facts of the situation, Mr. Speaker. I want to enter into the record a statement that was made December 12, 1973 by Mr. McLeod, the member for Regina South. He said this:

What is really happening is this. The Minister of Mineral Resources says that they are putting up 100 per cent tax. He is not pretending that he is entitled to do this because of the BNA Act. He has rightly

said that the federal government has the right to deal with trade and commerce. He has rightly said that the province of Saskatchewan has the right to deal with mineral resources, all of its natural resources. But what the province of Saskatchewan is attempting to do is to take away from the Dominion of Canada its rightful powers in trade and commerce by means of a trick. The province of Saskatchewan is saying that although the federal government does have, for the benefit of all of Canada, the right to regulate trade and commerce under the pretence of regulating natural resources, the province of Saskatchewan will take away a federal right which the Dominion of Canada has.

Later in the same speech, Mr. Speaker, the member for Regina South at that time, Mr. McLeod, said this:

The New Democrats will vote one way and we will vote the other because I believe that a vote in favour of this bill is at attack upon Confederation.

Now, Mr. Speaker, it couldn't have been said any more clearly. It demonstrates beyond any shadow of a doubt that the members who are sitting on the other side of this House require advice. They need help and the amendment which is before us, Mr. Speaker, has been designed specifically to provide them with the kind of help which they have demonstrated they need.

When we look at Bill 47, Mr. Speaker, I think everyone in the House would agree that the success or the failure of that document is something that will be judged by history. It will be judged on the basis whether it corrects or does not correct the irresponsibility of Bill 42. I submit, Mr. Speaker, that history is in no particular rush. We want the government to assure itself, to assure, us, to assure the people of Saskatchewan that the bill will do what the government says the bill will do and the only way the government can give that kind of assurance, Mr. Speaker, is to refer the bill.

I suggest to members opposite that a few months, when judged in the framework of the course of history, can have absolutely no consequence and when one looks at the fact that what they are prepared to do is double the risk on half a billion dollars. I submit to the members opposite that if they are realistic and reasonable and honest with themselves they've no alternative but to refer the bill.

The government knows, as well as we know, that the success or failure of the bill will rest with the relative closeness of the tax rate to be established compared to the rate that was established in Bill 42, which we already know has been shown to be unconstitutional.

Now, Mr. Speaker, there are a couple of other reasons why I think it is important for the people of Saskatchewan that this bill be referred. The two other reasons that I want to look at, Mr. Speaker, are statements that were made by the Premier himself when he rose in this House to debate Bill 47. Two statements and I am reading from page 981 of Hansard, Mr. Speaker, when the Premier said:

I will just comment on the point raised by the hon. member. May I say that this government has no intention of nationalizing the oil industry at this time.

Now, Mr. Speaker, that's the end of the remark to the member who is yapping opposite and in a moment I am going to read the next sentence that the Premier made but I first want to make this point. We had a major industry in this province nationalized two years

ago, Mr. Speaker, without even so much as a hint from members opposite that that was what they intended to do. We have a statement made by a man who has always been considered to be pretty careful with his choice of words, where he indicates, we are not going to nationalize the oil industry at this time.

Mr. Rolfes: — Continue!

Mr. Penner: — The member for Saskatoon Buena Vista invites me to go on, and I am going to go on because the next statement that the Premier made is even more significant than the last one. This is what he said and I am going to quote again from page 981. He said:

Nor do we have any intention of nationalizing it when this bill is struck down.

Now he is talking about Bill 47, Mr. Speaker, and he is saying when this bill is struck down — a Freudian slip, Mr. Speaker, a Premier leading a government, bringing in a bill where they have so many doubts that even though they don't want to admit the possibility that it is going to be struck down, he says in his speech, admits in his speech that there is that possibility.

I think, Mr. Speaker, if the government has the real intent of protecting the people of Saskatchewan, again it has no alternative but to accept the amendment that we have put.

Now, Mr. Speaker, before I sit down I want to take the opportunity to urge the members who are sitting to my left. I know that it can't be done now in second reading because they have already made some kind of a commitment that they are going to support the government in second reading of this bill but I want to encourage the members opposite to support the Liberal Party when it comes to debate in third reading and vote on third reading. We know that the people who are sitting to my left have been working in a void insofar as any kind of effective leadership is concerned. We invite them and we invite them unashamedly to support the Liberal party and to support our leader when it gets down to the nuts and bolts of debate of this bill in third reading and to the final vote in third reading.

It is interesting, Mr. Speaker, to look at the way people are reacting to the position that the Conservatives have taken and I expect the kind of heat that they have felt is going to be an added factor as to why the Progressive Conservative party is going to support the Liberal Party when we get into third reading and when we get into the final vote.

I was interested in an article that I picked up in a recent copy of the Regina Leader Post in the letters to the Editor, which I thought, Mr. Speaker, might be of some assistance to the members to my left as they try to make up their minds what in fact they are going to do when they do get into third reading. It is entitled "Double Talk", the article begins by saying:

The spectacle of the Progressive Conservative leader, Dick Collver, supporting the province's new oil tax legislation is just too much. Here is the leader of a party which has repeatedly opposed the province's resource policy, now shamelessly climbing on the bandwagon of public insistence that Saskatchewan tax money be kept in Saskatchewan.

So the PC policy changes overnight and suddenly they support the tax. The

same cynical double talk has prevailed with potash. In both cases the message is clear. But as anyone can see, there are as many holes in this logic as in Swiss cheese.

You know, Mr. Speaker, I don't think that there is anything that could any better indicate a pretty perceptive individual who wrote that letter I would say, who realizes that the Conservatives are in fact leaderless, devoid of any kind of principle when it comes to the kind of responsibility that they ought to have in this House.

I want to close, Mr. Speaker, with just two further comments — one, a final invitation insofar as I am concerned and I am not going to mention it again, that the Conservatives will join us when it comes to third reading and vote against the government and secondly, Mr. Speaker, to indicate that I think there is ample reason why the amendment, which has been put, ought to be supported. That is what I intend to do and I will not support the bill.

Some Hon. Members: — Hear, hear!

Mr. E.C. Malone (Leader of the Liberal Opposition): — Mr. Speaker, I would like to say a few words in connection with the amendment and to urge members opposite and urge members to my left to give us their support in this amendment which I feel will greatly strengthen Bill 47.

Before making my comments, Mr. Speaker, I am pleased to see so many Conservative members in the House this afternoon. I understand that most of the members who aren't here are out in a desperate search for used lumber with blue paint on it to be stored somewhere in the event that an investigation which is taking place looks for such a quantity of material. I wish them luck in their endeavours, Mr. Speaker.

It is very interesting as well, Mr. Speaker, that the members to my left still have yet to rise to speak on this bill. I am advised that the member for Estevan (Mr. Larter) indicates he is going to have some comments in third reading. It is very interesting when you think that by that time you would have thought the members would have made up their mind one way or another before third reading which I gather will be some time in January.

Mr. Speaker, let me emphasize once again that the Liberal Party, and only the Liberal Party, has opposed Bill 47. Our opposition grows the more we look into the bill, the more we understand the ramifications of it. Over the past few days, indeed the past few weeks, we have been highly critical of the bill. As I say, Mr. Speaker, our criticism has been a constructive criticism. We have made suggestions to the members opposite as to how this bill can be improved. The member for Regina South (Mr. Cameron) in his amendment indicated that the bill could be improved by splitting it in two. Our argument at that time was that we could ensure the future, the future of oil development in this province, and future revenues, if that was done. We could also ensure the past and make sure that the money that had been collected to date illegally under Bill 42 could be retained by the province. Members to our left and members opposite have ignored this advice.

We must ask ourselves, Mr. Speaker, why do we oppose this bill? Why do we oppose it so vigorously? Let me say there are four reasons, Mr. Speaker. The first reason is the basic one that this bill will not retain the money that was collected illegally under Bill 42.

Some Hon. Members: — Hear, hear!

Mr. Malone: — That is first and foremost, Mr. Speaker. That money is still in danger of being returned to the international oil industry.

Secondly, this bill does not ensure the development of the oil industry in the future. Indeed, Mr. Speaker, it does anything but that. We don't know what the tax rates are going to be and until we see that either in Committee of the Whole or later we cannot determine what will happen with the future of this industry.

Some Hon. Members: — Hear, hear!

Mr. Malone: — Mr. Speaker, the bill as well, is simply an invitation for the oil industry to attack it. There are so many loopholes in it, it is so colourable when compared to Bill 42 that anybody in the oil industry, any legal department in an oil industry office, must just be sitting back waiting and praying that this bill is passed by this legislature.

Some Hon. Members: — Hear, hear!

Mr. Malone: — Finally, Mr. Speaker, fundamentally the bill is a bad bill and it is going to hurt the future of Saskatchewan. It is bad for the people of this province, it puts in jeopardy their future and the future of generations to come. Those are the reasons, Mr. Speaker, why we oppose the bill. Those are the reasons we put in one amendment and the reasons we now have a second amendment before this legislature.

Some Hon. Members: — Hear, hear!

Mr. Malone: — The key to the bill, of course, Mr. Speaker, is the tax rate, what it will be, in trying to determine what the tax rate or tax rates will be. I think it is well, Mr. Speaker, to look at the enforcement sections of Bill 47 and to try to determine from them the intentions of the government as to how serious they are about the provisions of Bill 47, how serious they are about negotiating with the oil industry to come to a reasonable tax rate, a tax rate that will ensure the moneys that have been collected in the past will be retained and a tax rate that will ensure the future development of the industry in the province.

When I look at some of these sections, Mr. Speaker, I am struck by one thing. I have never seen such vicious and odious provisions in any piece of legislation that has come before this legislature. Mr. Speaker, I want to deal with one or two sections particularly and I want to start by section 21.

Let me just read the opening paragraph of this section. It says:

It is lawful at all times for the assessor or any assistant assessor or special assessor to enter upon any premises for the purpose of making inquiries, obtaining information and otherwise performing his duties under this act, and for any of those purposes he may use all machinery, equipment, appliances and things as he considers necessary or expedient.

Now just look at the implications of that section, Mr. Speaker. At all times — in the middle of the night, on weekends — he can determine when people will not be at the premises

and decide at that time to break into those premises. That's what this section permits the assessor or one of his flunkies to do, Mr. Speaker. Look at the other provisions of the act. It says, 'to enter upon any premises', not business premises, Mr. Speaker, of the particular oil company involved. This particular section allows the assessor to enter private dwellings, homes of the people who are employed by the company, to enter upon law offices, chartered accountancy offices, anywhere that he determines that there may be some information that may be useful to him. Furthermore, Mr. Speaker, let's look at perhaps the most invidious provision of this section. It says he may use all machinery, equipment, appliances and things to help him in this particular project.

Mr. Speaker, I suggest to you that this particular section allows the assessor to bug telephones if he wishes. It allows the assessor to burglarize places . . . so the Attorney General walks out — he walks out. I would like to see the Attorney General deny these provisions are not in this particular bill. It allows the assessor to have more power under law than any RCMP officer, any municipal policeman, any law enforcement agency in the province of Saskatchewan at this time. It allows him to break the laws we know in this province, Mr. Speaker, to burglarize, to bug, to do anything that he feels is necessary to obtain information for the purposes of this act.

Now, Mr. Speaker, one would think that when you have such stringent provisions in a section of an act passed by this provincial legislature that there would be some duty upon the assessor to get a warrant from the court, to get permission of the Attorney General, to get permission of the minister involved, but, Mr. Speaker, there is no such provision. The act provides that it is lawful at any time for any assessor to do the things that I have outlined to this legislature, and, Mr. Speaker, knowing the way the NDP government operates I believe that they have full intention to use these provisions at any time, in any way.

There is one other point in this section, Mr. Speaker. It says that the person who gains this information, illegally or otherwise, will not be allowed to communicate it to anybody except for the purposes of this act. Well there's one other point, Mr. Speaker. There is nowhere in this act that we find any section that says to the person who does gain this information, and who does communicate it in breach of the act, that he is guilty of any penalty, nothing whatsoever. So I suggest to you what this section means, Mr. Speaker, is that any person who works for the Department of Mineral Resources, if they are the department to administer this act, who is appointed as an assessor or a special assessor or an assistant assessor, can go to any premises in the province of Saskatchewan, he can break into them, he can use whatever illegal means that he wants to to get access to those premises, he can get any information that he wants and he can use that information in any way that he chooses, and I suggest to you, Mr. Speaker, that there isn't a statute in Saskatchewan, a statute in Canada, that contains such odious and vicious provisions as section 21.

There is another section, Mr. Speaker, which is of interest to all, and that is section 34, and I will refer all members to it. What this section provides, Mr. Speaker, is that the minister, whoever he may be, can set any tax he wants in compliance of the act or in non-compliance of the act, and he can collect any amount of money that he wishes to collect from the people that he assesses that tax against. I refer you to section 34, subsection 4; where direction of the minister has been given under this section, tax shall be collected or assessed or re-assessed and collected, notwithstanding any other provision of this act or any provision of any other act. Now, Mr. Speaker, why do we need the act when this provision is in here? This provision allows the minister to set whatever tax rate he wants, to collect whatever money he wants, to go to any company

that is indirectly involved or directly involved in the oil industry, and demand from that company any amount of money that he sees fit to be paid to the government of Saskatchewan. And again, Mr. Speaker, a section like this begs some explanation, begs some explanation from the Attorney General, and I suspect that we will not have such explanation, Mr. Speaker, until we get to Committee of the Whole.

Another interesting provision, Mr. Speaker — section 34(2); an avoidance or reduction of taxes may be regarded as improper for the purposes of this act, although not otherwise illegal or unlawful. Again, Mr. Speaker, what this provision suggests is that any company that conducts its affairs in such a way to take advantage of the law of the land, tax laws of the land, to try to pay the least amount of taxes possible which everybody in this House does, which everybody in the country does, which everybody in the province does; if he conducts his affairs in that efficient way and pays a smaller amount of tax as if he conducted them in a less efficient way, it doesn't matter. The minister can walk in and say, 'we think you should be paying this amount of tax, it doesn't matter whether you have these exemptions under the act, you're not entitled to them because we say that you are trying to reduce the amount of tax load that you should have to pay.' Again, a section that demands an explanation, a section that I'm sure the Attorney general will not deal with in closing this debate.

Mr. Speaker, there are these two sections out of, I don't know how many — 45 or 46 or 50, these two sections alone, Mr. Speaker, would make any right thinking individual want to oppose this type of legislation. Any individual who has any concern at all for the justice in this province, any individual at all who is concerned about the garnering of revenues for the province of Saskatchewan — these sections, Mr. Speaker, are vicious, these sections do away with the right of this legislature to examine the activities of this government, these sections allow the minister, whoever he may be, to be a law unto himself, and I say, Mr. Speaker, these sections should be removed. There will certainly be amendments put forth towards them when we get into Committee of the Whole.

Who supports these two sections, Mr. Speaker? Well, the Conservatives seem to support this particular legislation and they have indicated that they are going to vote for it. The NDP sees nothing wrong with this type of legislation; they're obviously going to vote for it. I say, Mr. Speaker, that the people of Saskatchewan are going to remember the activities of the party that sits to my left and the part that sits across from me. This is a bill, Mr. Speaker, that is not going to be forgotten and it is a bill that is not going to be forgiven, because in the days ahead, Mr. Speaker, the people of Saskatchewan are going to realize that this bill is bad for the province of Saskatchewan, and they are going to remember in the next election, those who supported it. One would have hoped, Mr. Speaker, that the members to my left could have made some contribution to this debate, but what we have seen is the 'three stooges' in the front row acting as simply that for the government who sits across from me. We have seen their members get up and say the Attorney General wants this bill passed, therefore we have to pass it. The Premier says the bill has to pass so we have to pass it. We have even seen the member for Qu'Appelle, we have seen the member for Rosetown or Rosthern — Rosetown, get up and make motions, Mr. Speaker, to put closure on this House; motions that say the government wants this bill through in a hurry, so we're the stooges of the government so we're going to put those motions through. But it is very interesting, Mr. Speaker. They make those motions at the start of the day's session but they don't put them on the order paper to be debated. Heavens, they wouldn't want these motions to be debated and brought to the attention of the public as to what the members opposite are intending on doing.

Mr. Speaker, the Tory contribution in this debate has amounted to nothing more than cowardly attacks on your office, an attack that again continued last night with a letter to the news media from the member for Estevan, an attack that he didn't have the courage to bring in this legislature. Their contribution to date has been making unsubstantiated charges about deals but not getting up and giving any evidence of those deals. One wonders, Mr. Speaker, why they are here at all. Why are they in this legislature? They never get up and say anything, they get up and vote the way the government tells them to vote. Mr. Speaker, I urge the members to our left to follow the lead that the Liberal Party is showing. Get up and have some courage and follow some honest leadership, my friends — honest leadership. Vote for the amendment that we have proposed, an amendment that will make this bill workable, vote for our amendments in Committee of the Whole. It will be very interesting in Committee of the Whole, Mr. Speaker. We intend on bringing a series of amendments. I suspect, Mr. Speaker, that we will be here two or three or four days debating those amendments. It will be interesting to see where the members to my left will be standing on those amendments — amendments that are going to be brought by an honest party, a party that I ask those members, leave to follow.

Mr. Speaker, I ask all members of this legislature to put the interests of the people of Saskatchewan first. Stop playing politics, stop playing petty partisan politics. Support this amendment, Mr. Speaker, because this amendment will result in a better bill, a bill that will ensure for the people of Saskatchewan that it will retain the money that has been collected to date, and a bill that will ensure even future revenue in the years ahead. Mr. Speaker, those who don't support this amendment, those who haven't got courage enough to get up and oppose the NDP across from us, I believe are going to be regarded in the future by the people of Saskatchewan, as simply stooges for what they are, as people who aren't interested in this province but only interested in their short-run political gain.

Mr. Speaker, I urge all members to support the amendment.

Some Hon. Members: — Hear, hear!

Mr. R.A. Larter (Estevan): — Mr. Speaker, the Liberal leader has cut me right to the depths of my heart. I feel that I have to get up and defend ourselves and show the people where we stand. I think the people of Saskatchewan know where we stand and they know what direction we are going.

It is my pleasure to now discuss Bill 47 with the members of the House. As you know, the constituency of Estevan has always prided itself as being the oil capital of Saskatchewan. The oil industry, or what there is left of it in Saskatchewan, has been centred in Saskatchewan and Estevan, and we in that area have been proud of the contributions made to the city and our area by the oil industry. They have made much contribution to this area of Saskatchewan. I think it is fair to say, Mr. Speaker, that people in that area have a far better knowledge of the industry as a whole than do other areas of Saskatchewan not blessed with the oil reserves that we have in the south-eastern part of Saskatchewan.

In the past few weeks since the decision on CIGOL was announced, I have spent much time reading whatever I could find on this whole sordid mess. I have reviewed the debates in this legislature that took place when Bill 42 was introduced in December, 1973. I have read and re-read the remarks then made by my predecessor from Estevan, the then Hon. Minister of Mineral Resources, and the Premier of the province, and other

socialist MLAs of that day, many of whom still sit in this House. At the same time, Mr. Speaker, some of the remarks then made by the Premier and his supporters must receive my wholehearted support. It was however, their methods and their reasoning that cause people in all walks of life in Saskatchewan to be suspicious as to their motives. Mr. Speaker, reading the debates of those times is most interesting and informative; in fact many of the remarks are reviling, and in plain and simple truth, made me sick. The issues involved were in fact, quite simple, yet this government chose to channel the simple issues and use the situation as it existed at that time, to pounce on its enemy, being the opponents of state ownership as then represented by the oil industry, and thoroughly confused the whole matter. The oil industry was used as the whipping boy. It was placed in a situation neither created by it or over which it had any control, and no matter what had been the outcome, it could not win the argument, and therefore very little was heard from the industry itself. Consequently, in the non-producing oil areas of Saskatchewan, many people felt the oil industries were the villains that this government made them out to be. The industry was called everything under the sun. The members of this government, blinded by their hatred of personal initiative and profit, and spurred on by their great socialist philosophy, laid all the blame for all the problems on the oil industry.

They seem to think that the oil industry is made up only of American giants who rape the Canadian people at will. This conception of the industry is totally inaccurate and completely unfair. There were thousands of people in the oil industry in Saskatchewan who are just like any of us. Most of them had been raised on farms in Saskatchewan and sought their future in a growing industry that offered opportunity and reward. Some of our farm boys went on to the teaching profession, others sought fame and fortune as lawyers and doctors. These people were not attacked. Why were the families associated with exploration, production and distribution of oil singled out at that time as being undesirable in our province and economy?

In Saskatchewan, we lost thousands of people to Alberta where they were welcomed and could pursue their livelihood without fears and feelings of mistrust and hatred that have been generated and fostered by the doctrinaire socialist philosophy of this NDP government.

I have said previously, Mr. Speaker, that some of the remarks made by the Premier in 1973, and by the then hon. member for Estevan, received my support. Those matters had to do with a fight between Ottawa and the provinces of Saskatchewan and Alberta. We must remember that the real villain of the whole mess is not the oil companies as the NDP attempt to make out for their own philosophical pursuit, but the government of Pierre Elliott Trudeau. They are the ones who started the confrontation; they are the ones who are government should have taken issue with. The Trudeau government started the fight by the imposition of the export tax on Canadian crude. This arose after the Arab nations increased the cost of oil, and eventually the cost of oil flowing into eastern Canada from the Arab nations and Venezuela was increased drastically. The export tax was a method devised by the cunning Liberal government to skim off some of the profits on oil flowing from Saskatchewan and Alberta to the United States markets, and thereby help the consumers in Ontario and Quebec by reducing the price of imported oil.

It is not without coincidence that Trudeau's power bloc comes from Quebec and that was the main area that the two western provinces were expected to help. The position was completely untenable to Saskatchewan and Alberta. The only people in Saskatchewan and Alberta who favoured a continuing raping of the western Canadian

interests by Quebec and eastern Canada was the Trudeau government, Otto Lang and the very few supporters of either Trudeau or Lang left in Saskatchewan. This action by the Liberal government in Ottawa could not and can not be condoned or tolerated. We were told to go along with it for the good of Canada but it is high time that someone told the Prime Minister that just possibly what is good for Quebec and central Canada is not necessarily good for the rest of Canada.

Such was the situation on this issue. The Ottawa government had to be told, and in as far as we are concerned, Saskatchewan and Alberta were absolutely correct on that issue.

These resources belong to and are under the control of the provinces, and the federal government had no right whatsoever to expect Saskatchewan and Alberta to subsidize the oil prices in Quebec and eastern Canada. If oil prices needed subsidizing then let the Government of Canada and all of the people of Canada do the subsidizing. Why should we be called upon to put up the dollar?

In western Canada we are sick and tired of being used as tools to promote eastern interests. The Prime Minister has done nothing to promote his so-called 'just society' in the west. We are no longer prepared to be subservient to a dominant eastern Canada, and fortunately for us in western Canada, Premier Lougheed of Alberta and his Conservative government made that plain. Our government in Saskatchewan could have shown similar leadership. They are in the same situation. They could have given the leadership which people in Saskatchewan, as in all western Canada wanted but, no, they had to confuse what could have been a very simple issue. They could not resist the temptation to seize the opportunity to pursue their dedicated philosophical pursuit, the complete takeover, by the state, of all means of production, development and distribution. They, therefore, went after the oil industry and went after it, they did.

The vile antagonism and hatred that they entertain towards anyone or any group not directly employed by the state is imprinted on the very pages of those debates. I never knew before what hatred and fear was all about.

A socialist, I suppose, in order to bring about the desired social, economic and political change so important to him, is filled with hatred towards anybody not associated with the socialist philosophy, yet at the same time, he has an inborn fear of the desires of personal freedom and initiative found in as many people who oppose the totalitarian bureaucratic philosophy of the socialist. Is it any wonder that people who are concerned about retaining personal freedom are now coming by the thousands to support the progressive Conservative Party? The oil industry was made out to be the villains, the very worst and despicable of all profit oriented people. Remember, we in Estevan and in Swift Current and Lloydminster and the constituencies of Weyburn and Souris-Cannington know the people in the oil patch. We know the industry includes hundreds of Saskatchewan companies involved in the total exploration and development process. We know these people and know them to be good, honest citizens. We know them to be good corporate citizens. The strongest supporters of community co-operatives endeavours, in these areas, are the Saskatchewan oil companies.

Members of the Saskatchewan oil companies take time from their endeavours to sit on school boards, town councils, service clubs and every community-minded endeavour known. A member of the industry represented Estevan constituency for a number of years in a straightforward, unselfish manner, yet, this NDP government, filled with the hatred for anyone who makes a profit, chose to condemn an entire industry for no

reason other than to satisfy an insatiable appetite to take over everyone's life. They cared not over whom they trampled, or who they destroyed in the process. Success, to them, would only be obtained when they brought the entire industry to its knees and have the state take over the entire industry. In their deceptive manner of true socialist they camouflaged their nefarious scheme and attacked the industry by blaming all of the problems on the Saskatchewan oil companies, who seem to be always fair game. By their innuendoes they attempt to place the blame for the rising costs on these companies. They inferred that the farmers and consumers in Saskatchewan could only be saved from unscrupulous profiteers if they, the benevolent government, saw to it that the prices were kept in line by the all-wise, all powerful group of master planners, and that the solution would automatically come about by the NDP owning and controlling the industry.

The Premier left the impression with the people of this province that he, and he alone, with his government dedicated to a socialist doctrine would control the prices. What, however, Mr. Speaker, has been the result of this further socialist intrusion into the business world?

As everyone knows the prices have gone up and up and the majority of the price of gasoline goes to governments, therefore, let every farmer and every person in Saskatchewan be aware of the fact that when they buy gasoline that over one-half of the cost goes to governments. The so-called unscrupulous profiteering Saskatchewan oil industry were the people this socialist government blamed. But let the public be well aware of the fact that the people who have the most at stake are the unscrupulous governments.

Furthermore, as the price goes up for gasoline, let the public know that three-quarters of the crude oil price increases scheduled over the next year and a half will go to governments. As the farmers of this province face an ever increasing cost price squeeze, let them be aware that the people applying the greatest squeeze is not the oil industry, but this benevolent socialist government who claim they had to bring in Bill 42 in order that they could keep the prices down, a dismal failure and a betrayal of the consumer and the farmers.

One of the objectives of Bill 42 was supposedly, according to the Premier, more rather than less exploration for oil and natural gas in Saskatchewan. This infamous Bill 42 was going to accomplish all of that. After all, we then had Saskoil, one of the family of Crown corporations and it was going to take up any slack that might result with the withdrawal by the so-called irresponsible private sector.

Let me examine the results, Mr. Speaker, as they speak far louder than words. Hindsight may now seem great, but this government was told what would happen, but they in normal fashion, chose to ignore all the warnings. After all they are the master planners. They know what is good for you and me and everyone in the province and what right do any one of us have in questioning their wisdom. Well, here is an example of their wisdom. Their intrusion into the oil industry was to result in a greater exploration of oil and gas. Well, Mr. Speaker, the whole world should know the result.

The number of oil wells drilled in Saskatchewan each year since 1973 is almost 60 per cent of what was drilled in 1973, the year before the socialist intrusion. Footage drilled is down a similar amount. The number of wells completed in Saskatchewan dropped in

one year from 367 in 1973 to 93 in 1974. The volume of oil production was decreased from 86 million barrels in 1973 to 56 million in 1976. Even in socialist jargon that can hardly be described as more exploration, another dismal failure. It only points out that government should not be involved in business. They should be involved in regulation and control, but they should stay out of business.

The people of Saskatchewan have indicated, and will do so in a very forceful way in the next election, that they don't want the government involved in business. That is the message that the socialists can only learn in one way and that is by defeating them at the polls. Failure after failure in business enterprises never seems to teach them a lesson, because they have the basic belief to state ownership and apparently only one thing will stop them in their headlong pursuit of complete state ownership, an absolute control over everyone's life.

Had the NDP been, in fact, concerned about exploration, then I suggest they could have established a similar tax to that in Alberta to ensure the increased profits went into development or into the public purse. But, no, their answer was Bill 42.

If windfall profits created this reaction by the socialist NDP to the oil industry, what about other sectors? When farmers profits increase drastically, due to world shortages, do they become windfall profits? When that happens will that be the time when the move comes to institute state farms, to ensure the huge profits accrued, to the state? When certain law firms receive high accounts due to unusual conditions, do they become windfall profits? The truth of the matter, Mr. Speaker, is that a party dedicated to bringing about a change in the social order by completely taking over all means of production, distribution and demand must, of necessity, eliminate all profits and everyone who doesn't see evil in making a profit.

Every gainfully employed person in society, whether self-employed or otherwise, likes to make a profit. What is wrong with it if it is done honestly, morally and completely above board? Yet, this government of doctrinaire socialist leaves the impression with everyone that profit is dirty, that a person who is profit oriented is an evil person, that of necessity he should be shamed or despised. Our party doesn't accept that view for one moment. We welcome people who are energetic, hard-working and wish to improve their lot in life. We believe in personal freedom and firmly believe in the rewarding of personal initiative.

After the next election we will welcome every person who wishes to improve his lot in life by making a profit. We won't create a climate of confrontation as has been created by this government over its oil policy. Let us make it known that we will ensure that everyone pays a fair share of taxation, based on their profits and, if inequalities exist in the taxation laws, we will change those laws rather than condemn everyone.

Our oil industry is in a mess. Our province is placed in an almost impossible position and all due to the inept bunch of socialist politicians.

Some Hon. Members: — Hear, hear!

Mr. Larter: — I knew the gentlemen to our right would give it to me sooner or later, Mr. Speaker. No wonder the general public is suspicious of all politicians, yet, we all have to suffer in Saskatchewan because of the actions of this group of bungling socialists.

It may be very well, that this new Bill 47 will also be struck down by the Supreme Court and sooner or later we will all have to face the music.

Some Hon. Members: — Hear, hear!

Mr. Larter: — For what purpose, why was it done? To feed the socialist appetite. We crippled and practically socialized the oil industry and yet spent the income to take over the potash industry. What is next? Don't bother with any more of your deceptions and your deceit. There is no question that your appetite will not be satisfied until everyone has fallen under your socialist sickle. Now you are on the spot as is everyone in Saskatchewan due to your ineptitude and your proposal to, again, legislate your way out of it by applying retroactive legislation to so-called windfall profits.

Some Hon. Members: — Hear, hear!

Mr. Larter: — British parliamentary practice has always followed the tradition of never making a taxing statute retroactive. Such action may be felt in complete anarchy. No one will ever be certain of their position and your great master planners will now be applying the socialist thumb screw after the event. You can now wait to see and then bring in any segment to their knees by applying retroactive legislation. And, after all, if you believe that the end justifies the means, as has been exemplified by your socialist thoughts, over and over again, then why care.

Is it any wonder that ordinary people, in every walk of life, who would have formerly supported the NDP are now supporting the Progressive Conservative Party. The people of Saskatchewan should not have to suffer because of the ineptitude and bungling of this government. That, however, would be the result in view of the decision of the Supreme Court.

In order to protect the citizens of this province, not from the oil industry, but as the result of the failures of the government, we are supporting the government on second reading of this bill . . .

Some Hon. Members: — Hear, hear!

Mr. Larter: — . . . even though we know that it is wrong to retroactively impose taxes, at the same time the people have to be protected from your bungling. There are amendments, however, that must be made to this bill to bring about the necessary changes and again, to protect the public from your further bungling. If you really believe in the family farm, the small family farm and the small business, you will believe in the small oil companies.

We trust that these amendments will be approved. Governments should not bring about confrontation governments should not be involved in business. That was the cause of the whole problem. That problem must be resolved before anyone in this province can feel safe and secure. The only way to solve the problem is for the people to remove the cause. Mr. Speaker, the people of Saskatchewan are eager for that opportunity.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — While I have a maximum attendance in the House I want to just bring members' attention to some rules which are I find being bridged in the House and it has

to do with decorum, Rule 18. I don't think that any of the member are doing this intentionally, but it does make the House appear a bit ragged and it is contrary to the rules and I will just cite them quickly.

When Mr. Speaker is putting a question no member shall enter, walk out of or cross the Chamber or make any noise or disturbance. The members might wish to communicate with other members across the Chamber. The avenue behind the rail is always open. If members must cross the floor they should observe the usual courtesies to the Chair and to the rules. When a member is speaking no member shall interrupt him nor pass between him and the Chair. (I notice a number of members are doing that). No member may pass between the Chair and the Mace whether or not the Mace has been taken off the table by the Sergeant at Arms.

I just remind members of that.

Amendment negatived on the following recorded division:

YEAS — 9

Malone	Penner	McMillan
Wiebe	Cameron	Nelson (As-Gr)
MacDonald	Stodalka	Clifford

NAYS — 38

Blakeney	Mostoway	Koskie
Thibault	Whelan	Johnson
Bowerman	Kaeding	Thompson
Smishek	Dyck	Lusney
Romanow	McNeill	Collver
Snyder	Feschuk	Larter
Byers	Rolfes	Bailey
Kramer	Cowley	Birkbeck
Baker	Tchorzewski	Berntson
Lange	Shillington	Katzman
Matsalla	Vickar	Wipf
Robbins	Nelson (Yktn)	Lane (Sa-Su)
MacMurchy	Allen	

STATEMENT Re Youth Parliament

Mr. Speaker: — While I have maximum attendance, I would like to make one announcement which might assist the members. We had originally authorized the Youth Parliament to use the Assembly over the Christmas recess and members had

been instructed in anticipation of that to remove the material under the desks. We have now cancelled that for the simple reason that it becomes difficult for us to clear the Assembly of essential material that members have in their desks and bring it all back in — on the assumption that we will be meeting shortly after the new year begins. We have asked the Youth Parliament to find another location for their Youth Parliament. I hope that if members hear the public talking about the Youth Parliament not being able to use the Chambers that they will be able to say that it was unfortunate but the conditions warrant us keeping the Chamber for the members at this time.

Debate continues on Bill 47.

Hon. R. Romanow (Attorney General): — Mr. Speaker, it has been a long second reading debate on Bill 47, not quite as long as the debate during the course of The Potash Development Act and The Potash Corporation of Saskatchewan Act, Bills 1 and 2 in 1975 but nevertheless quite a long debate and at times a fairly interesting debate. Interesting for not only what was said but interesting for what was done, because it is for sure, Mr. Speaker, that you can't say that we are going to judge the actions of members by what they say, we can only judge the actions of certain members by what they do. Mr. Speaker, I think I must make that point as strongly as I can, especially in light of the fact of the last words of the last speaker from the opposition, the hon. member for Estevan who told me and told this House for something like one half hour about all the evils of socialism — I picked up some new words, nefarious, devious, master planners, the socialist doctrines, all of these kinds of scare-catch phrases, how Bill 47 was fitting that pattern, how Bill 47 was a part of this great big socialist design, how Bill 42 was so bad and how Bill 47 was so bad. I thought to myself well here, I can surely judge the action of this member by what he says. But no, lo and behold he surprised me by getting up to vote against the amendment proposed by the Liberal Party saying that he is going to vote for this bill in second reading when we vote on it in just a very few short minutes.

Mr. Speaker, I want to be very serious for a moment. I say to the Conservative Party (and I don't mean this in any personal sense to the member for Estevan who spoke, but I mean this is a party sense because he speaks for your party on this issue) that speech was probably one of the least believable speeches that I have ever heard in 10 years in the Saskatchewan legislature. It simply lacks credibility. You can't say, for example, on the one hand as the hon. member for Estevan says, this bill is dangerous because it reveals the mentality of socialism, not creeping socialism, but rampant socialism to listen to him, it's going to lead to state farms. He says the bill is going to be unconstitutional, runs a very big risk of being a defective no good bill, all the reasons for voting against it. But hold on, on the other hand he says that the people need to be protected from the possibility of losing the money and we are going to vote for Bill 47. Now, Mr. Speaker, I think that that is a "duplicitous" position and one which is lacking credibility probably of the highest order in the history of the province of Saskatchewan. You cannot take the position that the bill is defective and then say in the same breath that you are voting for the bill because the people of the province of Saskatchewan need protection. You either are for this bill because it's going to do the job or you are not for this bill because it's not going to do the job and it's incumbent upon you to vote against it in second reading.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Well, I know, the boys laugh. I think that anybody who looks at it from a fair-minded point of view says on second reading, when you are voting for a bill

in principle, you are voting for what the bill does, what it attempts to do and whether it can do the job. You are saying that the purpose of the job is to protect the oil revenues and that's why you are voting for it. I say to you, Mr. Leader of the Conservative Party . . . no, I'm saying that the bill not only will protect the interests of the people of Saskatchewan but will do the job in protecting the interests of the province of Saskatchewan. You're not saying that. You're not saying that. You're trying to walk both sides of the street. You have a credibility problem. The Conservative Party of Saskatchewan has a credibility problem when it takes this particular position.

Now, Mr. Speaker, I'll tell you what I think is shaping up here. What we are seeing here in the Conservative Party is the beginning of the laying of a foundation, a political foundation, to vote against Bill 47 in Committee of the Whole and against Bill 47 on the third and final reading. That's what they're doing. Mr. Speaker, in reality they know in their heart of hearts that this bill seeks to protect the people of Saskatchewan from this potential loss, from the interests of the oil companies, putting it bluntly. They know in their heart of hearts that they can't go for that. The member for Estevan told us at length about his private enterprise philosophy, how he is going to welcome private enterprise and profiteering to the province of Saskatchewan if he ever should be a member of the government. That's what he said. You weren't in the House, member for Nipawin but that's what he said. That's his position on the one hand he knows that Bill 47 is against that philosophy of profiteering. We know that the principal of Bill 47 is exactly designed to stop that and yet on the other hand the member for Estevan says he's for it.

Mr. Larter: — On a point of order. I did not use the word profiteering. I wish the minister would retract that.

Mr. Speaker: — Order, order. I can't allow the member to get back into the debate.

Mr. Romanow: — Mr. Speaker, I will say that the member did not use the word 'profiteering,' that is correct. You know this is as if it's some sort of big debating point they scored by me making this concession, that it does not matter the substance of the remarks with respect to profits and the open welcome approach that you were going to take to the resources, if you should ever be the government, can only be interpreted one way and that is profiteering! That's the position that I am saying they are caught in. What we are seeing here, Mr. Speaker, is the beginning of a political change on the part of the Conservative Party. I believe that they have been embarrassed by their right wing free enterprise friends to their right, the Liberal Party. I say that they are being hurt by their own supporters. They know their own supporters are telling them that they can't vote with the CCF or an NDP government. They have already hastily said they are going to vote for the bill in second reading. By the speech of the member for Estevan, what we are seeing is a 365 degree political turn-around by the Conservative Party because there is no other way that you could possibly explain the logic and the words with the actions of voting for the bill in second reading, there is no other way you can credibly explain it, Mr. Speaker, none whatsoever.

I do want to say one other thing which I found very shocking, a very shocking proposition which I find to be dangerous to the entire concept of democracy and government. That is — this is the only comment I'm going to make with respect to the speech by the member for Estevan, a second point and that relates to the question of, 'Let the public beware.' Here are his words, I was writing as fast as I could. He said, "Let the public beware, the most dangerous actor in the piece (talking about the oil piece) is . . . (Who, not the oil companies but) . . . the government." Not even Ottawa, he started off on Ottawa, then his speech developed and then he ended up by saying, "Let the

public beware . . . (Now I mark those words and underline them for you, Mr. Speaker) . . . the most dangerous actor in the piece is the government because they are taking too much; they are taking too much.” That’s what the member for Estevan says. Now, Mr. Speaker, if you follow the logic of that, if according to his reasoning, we are at fault because we are taking too much, then by logic we should be taking less according to his argument. And if we should be taking less, the question is: — how much less? And I say how much less is \$250 million or more or less, that’s what the Conservatives want really in their heart of hearts with respect to this bill. That’s what they are going to propose in the Committee of the Whole.

Now, Mr. Speaker, I am saying to the member for Estevan that when your party rushed into this debate on November 23 when the CIGOL Supreme Court decision came down, your leader said this on page 169 of Hansard. “We believe that legislation along the lines of Alberta, after negotiations with the industry, would have achieved the vast majority of the half a billion dollars that is now in jeopardy . . .” Now I emphasize the words, coupled by what the member for Estevan just said this afternoon, I want to say that half of not the “vast majority.” Half is \$250 million or perhaps more, less than we had collected. I refer you to page 174 of that debate on November 23, he said, “We believe that this Assembly should immediately request that the Government of Canada pass enabling legislation allowing the government of Saskatchewan to collect from the oil industry royalties and taxes (listen to this, Mr. Speaker) royalties and taxes along the lines of those charged in the province of Alberta for the past number of years.” Mr. Speaker, he could not have said it more clearly, he said, we should “ . . . collect royalties and taxes along the lines of those charged in Alberta . . .” And if we charge the royalties and taxes, Mr. Speaker, along the lines of those charged in Alberta, we would be forced to give back to the oil companies at least \$250 million, a quarter of a billion dollars, applying the taxation scheme. I’m going to meet this point in detail in Committee of the Whole, coupled with the words of the member for Estevan.

Mr. Speaker, what the member for Estevan said today on behalf of the Conservative Party, coupled with what the Leader of the Conservative Party said on November 23, make no mistake what they mean when they say negotiation with industry. What kind of negotiations would the Conservatives give us? You know what kind they would give us? I think the member for Nipawin said on November 23, “Make the oil companies squeal.” I think his exact words are, “Make the oil companies squeal like the government of Alberta did.” Not attack, squeal but not attack. Squeal, Mr. Speaker! Now I suppose if one had a dictionary definition to take a look at that word squeal, you would find in the dictionary I looked up that it means to utter a shrill cry as of a child from pain, fear, anger or joy. You can produce that result from a little pinch or perhaps a little tickle or perhaps a little squeal, Mr. Speaker. That’s the kind of negotiation that the Conservatives would give us and that’s the kind of philosophy that the Conservatives are trying to peddle in the province of Saskatchewan . . .

Some Hon. Members: — Hear, hear!

Mr. Romanow: — . . . the kind of philosophy which says the government is the enemy in the piece. It’s the kind of philosophy that says the government is against the people, that the government isn’t there to protect the interests of the people through their elected representatives, that the bill within the piece is not the oil companies and not those who seek to profiteer but somehow the government, the elected representatives. Mr. Speaker, that philosophy is a shameful philosophy which should be rejected by every member of this Saskatchewan legislature.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Now, Mr. Speaker, during the course of this debate we did hear from the member for Nipawin. He tried to give us some statements and facts respecting Saskoil, he spoke of Saskoil and the member for Estevan repeated it again here today in rather disparaging terms. I recall the member for Nipawin specifically saying that the private oil companies wanted to get rid of some of their oil properties. I think the words he used, “so they pawned them off,” the words he used on poor unsuspecting Saskoil. And the member for Indian Head-Wolseley says it’s really true.

Well, I want to tell the member for Indian Head that with its partner, Saskoil has so far brought in 26 non-unit oil wells and one gas well out of 28 holes drilled on undeveloped lands acquired from Atlantic Richfield which was part of this pawning off deal that you were talking about and the member for Nipawin was talking about. Mr. Speaker, 27 producers out of 28 tries, some sort of pawning off, some sort of lack of success — pawned off . . . all the bad . . . (Interjections by Mr. Malone) . . . Now the member for Lakeview, the Leader of the Liberal Party really should have been paying more careful attention to what the Conservative leader says and what his deputy leader says here. He says that Saskoil got taken, got taken by Atlantic Richfield in the deals, they got pawned off. I am saying to you that the facts are, out of the 28 tries, Saskoil was successful on 27 of them. The rate of return on that Atlantic Richfield acquisition has been over 21 per cent and even the member for Nipawin, I think you would recognize that as a pretty fair rate of return. Just to set the record a little bit straighter, Mr. Speaker, Saskoil in the fiscal year ending last March produced 3.3 million barrels of oil, had gross revenues of \$14 million and net profit of over \$1.1 million, Mr. Speaker. I say to the member for Nipawin and the Conservative Party and to the Liberals, try sticking to some of the facts when you tell us about the lack of success for Saskoil.

Now the member for Nipawin and the member for Estevan today tried to say that oil production and all of this activity has been down because of Bill 42 since 1973. It’s correct, Mr. Speaker, oil production in Saskatchewan has gone down since 1973. But the argument that is advanced by the member for Saskatoon-Sutherland and the Leader of the Liberal Party and others is that somehow this is only due to Saskatchewan’s oil policy. I want to tell the Leader of the Conservatives in particular and all the members of this House that Alberta has similarly suffered a corresponding decrease in oil production from 1973. Well, the member shakes his head. Well, in 1973, Mr. Speaker, in Alberta oil production was 522,171,000, that’s in 1973. In 1976 it is down to 383 million. We haven’t got the figures yet available for 1977 — in barrels, yes.

An Hon. Member: — What happened . . .

Mr. Romanow: — Those are the figures, and I ask him to get up and deny that and I ask the Liberals and I ask any of the Conservatives. In Committee of the Whole I want to meet you on this head on because your argument is that Bill 42 caused the drop in production. I am saying that if Bill 42 caused the drop in production, how do you explain the drop in production in Alberta? Mr. Speaker, there is absolutely no credibility whatsoever by the members opposite when they attack this bill.

Now I want to speak to one other matter which has been raised repeatedly in this debate and that is this question that the rate is being set, the taxation rate is being set by Order in Council and how bad this is, according to the Liberals and to the Conservatives. I am not so sure that it is so bad for the Conservatives because they voted against the

amendment that the Liberals offered and I am glad at least to have them on record in that regard. At least they said at one stage or another, the Conservatives did, that this was bad and the Liberals maintain this position that it is bad. The member for Nipawin and the member for Lakeview, in his words this afternoon say that Bill 47 says that these rates of taxation are delegated to the Cabinet, the Lieutenant-Governor in Council or as the member for Nipawin is wont to say, "made in secret by the Premier." We know that that is what happens in the Lieutenant-Governor in Council, "made in secret by the Premier." Well that's the way maybe he would run the government of the day in the Cabinet but it is not the way the law or the way the Premier of this province runs the Cabinet of the province of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — You may do your things in secret in the dark of night, but not this government with respect to activities of the Cabinet and the regulations. So it is kind of an interesting revelation of mentality that somehow we are going to be making these rates in secret.

The member says that the bill takes the power of taxation away from the people and puts it in the hands of one man, the Premier.

Now I am sure, Mr. Speaker, if the members opposite feel so strongly about the legislature's power to tax they would not argue this in any partisan sense. They would point out where other jurisdictions did the same thing and where they will also object to that. Well I want to say to you, Mr. Speaker, that the Conservative leader perhaps should borrow some of the legal advice he has been offered so freely by the Liberals and get some interpretation of at least one statute from one province which he so dearly loves, the Alberta Mines and Minerals Act, Mr. Speaker. Because if you argue to me that Bill 47 gives our Cabinet too much power you take a look at what Alberta legislation gives Premier Lougheed to do under the Alberta Mines and Minerals Act.

Following the impeccable logic of the Liberals and the Conservatives, Mr. Speaker, just picking on this one province, the Premier of Alberta, in his wisdom, in secret, can set the royalties on natural gas, petroleum, sodium sulphate, quartz minerals, quarry-able materials, placer claims, bituminous sands and coal, Mr. Speaker, all done by regulation, all done in secret by the Premier and the regulations of the day. And I don't single out the Premier of Alberta, Premier Lougheed, or the province of Alberta, the Order in Council power. The simple fact of the matter is that those kinds of pronouncements which are partisan in their attack on this legislation, which are blind to the realities that exist in the parties in the provinces to which they so dearly hold close to their hearts, is not debating with honesty and vigour as far as the people of the province of Saskatchewan are concerned.

Now, Mr. Speaker, during the course of this debate we had two amendments which were tendered by the Liberal opposition. The first was an amendment which we defeated only today, the amendment with respect to the rates and referring to the Select Committee. Now, Mr. Speaker, I give the member for Indian Head credit because he acknowledged right at the very beginning that this amendment was very similar to one that was moved back in 1973 during the Bill 42 debate. Indeed, he could not have said anything more correct, because back in 1973 the motion moved then by Mr. McIsaac and seconded by Mr. Grant read:

This House declines to proceed with this bill until the subject matter thereof has been investigated by a Select Standing Committee of this legislature for the provision of public representations to the said committee and the report of such investigation is tabled in this Legislature.

Now, Mr. Speaker, that amendment was four years and four days later. There is a very striking similarity to the amendment we just defeated about referring it to the Select Standing Committee. But there are one or two differences. For one thing, Mr. Speaker, it is important to note that this amendment which we just defeated is that rather than refer the bill to any Select Standing Committee, Mr. MacDonald would have the bill referred to the Select Standing Committee on Law Amendments. Secondly, in the amendment no reference is made for public representation this time round before such a Select Standing Committee. Now, Mr. Speaker, I submit to you that the hon. members of the Liberal Party opposite deliberately avoided provision for public representation this time round. They purposely avoided the question of public representation.

I opposed this amendment today and I opposed the amendment four years ago because the passage of those amendments would have killed the principle of this bill and I for one oppose that principle of this bill.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — But I am saying to you that there is a reason why you left out public representation this time round and the reason that you left out public representation this time, the reason that you did not want to allow the public to come in and have their points of view on Bill 47 is because you knew doggone well the public would absolutely hound you out of the legislature for delaying and opposing the bill.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Speaker, I say to the hon. members opposite that there is a reason why they made that provision, because they wanted to politic on Bill 42 and that's why they included the public. This time they did not.

But I want to say something much more serious, Mr. Speaker. These members opposite, the lawyers in the Liberal caucus, are saying somehow this bill is colourable and statements that are being made or might be made will colour the bill. Well, Mr. Speaker, I want to say this about this amendment and the first one that was made. I will say a word or two about it. I don't know what better way to go than to allow somebody the grounds of arguing colourability than to have accepted the amendments which are before this House, Mr. Speaker. I am saying that this amendment, the one we just defeated about referring it, was an irresponsible amendment. It was an irresponsible amendment because what in effect it would have done, in my judgement, in my view, is opened up the question of colourability. To suggest a reference of the Select Standing Committee on Law Amendments would be playing into the hands of those who might challenge the legislation on the very grounds that the Liberal party says that they are opposed to this bill.

Mr. Speaker, it is the same thing with that first motion made by the hon. member for Regina South (Mr. Cameron). He said in this House, and then he put it down in the amendment, that we should use this legislation solely as a club to force a settlement. The amendment should be divided into two, but to use it as a club to force a settlement

on the industry, with respect to past taxes paid under Bill 42. I say to you, Mr. Speaker, if one were deliberately trying to set out a plan which could be interpreted as trying to do indirectly what the Supreme Court has ruled we couldn't do directly, this might be the way to go by that first amendment. I say to you, Mr. Speaker, compare those amendments in contrast with what Bill 47 tries to do and what Bill 47 tries to do is place a direct tax regime which is designed to get a fair share of the returns on our oil resource. Certainly it applies retroactively but it is also a perspective bill and I am glad that this House has rejected the resolutions which suggest that somehow we should ask the federal government to refer this matter to the Supreme Court on various grounds. I am glad that we rejected those amendments because I think they might have been interpreted in some quarters as an admission that we have serious doubts about the validity of the legislation. It would have been argued in some quarters that we encouraged the federal government to continue their intervention in the Supreme Court. The amendments would have meant that still a substantial period of delay, perhaps a year, perhaps even more, Mr. Speaker, if we had adopted any one of these amendments with respect to the Liberals, that have been put forward.

Mr. Speaker, I can only say that the House was wise indeed, both legally and on policy reasons, for rejecting the two amendments which were put forward by the Liberal opposition.

I want to say, Mr. Speaker, that this House has had experience on taxing legislation passed, retroactively passed, yet.

An Hon. Member: — Interjection (inaudible).

Mr. Romanow: — Yes, you sure have . . . well . . . I am going to give you another one and you might say, what does it amount to? Well, perhaps the Minister of Finance can tell us.

You people, when you were the government in 1965, passed a bill called The Tobacco Tax Act . . .

Mr. Malone: — In 1965?

Mr. Romanow: — Yes, 1965, I know, you can blame it on all that you want. I tell you, the Leader of the Liberal Party can adopt the attitude that he wasn't there, because that's the attitude of the Liberal Party. They can blame the actions of past Liberal governments on former Liberals who aren't there to defend themselves and not as a Liberal group. Well I am saying, that's not the policy of this party or government. We take the responsibility and the faults of everything that the CCF or the NDP has done for any time.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — And I am saying to you . . . I am saying to the lawyer for Wascana (Mr. Merchant) . . . he might say, big deal! The Tobacco Tax Act . . .

Mr. Merchant: — Even my mother wasn't old enough then.

Mr. Romanow: — Oh that's fine. Maybe she wasn't. Well as the Premier says, maybe your mother wasn't old enough, but she was here, was here voting for it, that's for sure, on a retroactive piece of legislation. And this is a substantial revenue bill, it is a

substantial taxation bill and I want to say to you, Mr. Speaker, that this bill was introduced and it was an entirely different kind of procedure that the only other traditionally approved taxation scheme which might be similarly identified, passed in the Maritime Provinces, and yet, I didn't see the Liberal government of the day saying, well we've got to go and get the thing tested in the Supreme Court to see if we can get the . . . how many millions of dollars a year . . . the three or four millions of dollars a year or more . . . to make sure the revenue is secure. Not only that, Mr. Speaker, but they passed that taxing bill, absolutely, and made it retroactive. Now I want \$17 million. I suppose the Liberals would say what is \$17 million? Again, Mr. Speaker, my point is that this debate has been characterized by selectivity in the criticism. The Premier used this phrase, "selective opposition to various points, selective partisan criticism." Not a word, not a word about this particular action of theirs.

I mention to the member for Regina South (Mr. Cameron) in particular. He will be interesting in knowing this. In 1966 there was a certain able Minister of Mineral Resources called Cameron and he introduced a bill called The Mineral Taxation Act, chapter 1968 and I want to tell you, Mr. Speaker, that that bill was passed and amended retroactively — The Mineral Taxation Act, by the Liberal administration.

Yes, and I didn't see the member for Regina South get up and differentiate the two reasons why he opposes this bill retroactively and he doesn't that one. You just check the bill and how it applies to the Minister Taxation Act then and the regulations that were made then. I didn't see the Leader of the Liberal Party say, oh yes, this one's bad retroactively, but that tobacco tax, that's bad also. No, I didn't hear him say that. Mr. Speaker, it is a selectivity, a specialization in the opposition which absolutely is not commendable with respect to the House.

I want to make one other point, Mr. Speaker, before I finish. I want to make one other point before I close up, Mr. Speaker. That is with respect to the question of the Liberals and why they oppose Bill 42, why they oppose Bill 47, why they oppose both of these pieces of legislation. I think that the member for Morse (Mr. Wiebe) . . . talk about your respect for the law . . . the member for Regina South who has been a leading character or actor in this opposition of the Liberal Party . . . Wascana, the same thing with the member for Indian Head (Mr. MacDonald), they time after time get up and they say that they oppose this bill, like they opposed Bill 42. They opposed Bill 42 they said because they told us that it was unconstitutional. Mr. Speaker, I say to you, Sir, that that is a blatant misrepresentation of the reasons why they opposed Bill 42, just like the reasons they advanced today are blatant misrepresentations as to why they really oppose Bill 47.

Mr. Speaker, the Leader of the Liberal Party that day, now Senator Steuart, the Leader of the Liberal Party, outlined the position of the Liberal Party on Bill 42 and the position was as follows from December 12, 1973 Hansard:

We will oppose the NDP move to break agreements, seize leases and take over the oil industry. We will oppose it because it is another example of the Blakeney government failing to honour contracts, breaking government commitments, driving investment, men and brains out of the province of Saskatchewan. We would oppose it further, Mr. Speaker, because it will in the long run result in less oil and gas discoveries in Saskatchewan.

Mr. Speaker, apart from one paragraph by the member, now Mr. Justice McLeod, the member for Regina South, apart from one paragraph on the question of indirect taxation, not a word about the unconstitutionality, Mr. Speaker. Not a word, Mr.

Speaker, not a word from the Liberal Leader, not a word from any one of them and the majority of the remarks (and I have them here and I invite anybody to look at them) and the member for Regina South of the day, apart from that paragraph or two paragraphs of about a ten page speech, not a word on the constitutionality of the situation, Mr. Speaker. This is the simple fact of the matter. They opposed it then for one simple reason. They opposed it, Mr. Speaker, because they opposed this government's attempt to preserve the windfall profits of oil for the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — And, Mr. Speaker, make no mistake about it why they are opposing Bill 47. They can talk about colourability, they can talk about retroactivity, they can bring in their amendments, but they oppose Bill 47 for one reason. They are opposed to this government's attempt to protect the windfall profits that belong to the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — And, Mr. Speaker, they are joined, joined in this unholy cause by the Conservatives opposite. I don't care whether the Conservatives vote for us or against us on this bill because they have attacked the bill every step of the way. You have attacked the bill in the press. The member for Swift Current didn't have the guts to get up in the legislature and tell us why he opposed the bill. The member for Estevan gets up and opposes the bill. Whether you vote for it or not doesn't mean much because both of them, the Conservatives and Liberals, Mr. Speaker, both of them make no mistake about it, are opposed to this government's resource policy, which is what Bill 47 represents.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Speaker, I heard on November 23, cries for an election from the Conservative party. I heard some even from the Liberal Party, although I wasn't quite sure I was believing my ears. But I was hearing it, Mr. Speaker. Oh how political fortunes change in four weeks. Oh how political fortunes change, not a call for an election from the Conservatives today. You know why, Mr. Speaker? Their roar for an election of four weeks ago has turned into a whisper today. Oh yes, they still whisper it. I tell you why, Mr. Speaker. Because they know full well that Bill 47 represents an embodiment of what the people of Saskatchewan want governments to do. We are not here to negotiate the kind of reasonable deal that Alberta has negotiated so we can give your oil company friends \$300 million more. We are not here to oppose this kind of protection of funds. We are here to govern this resource and this revenue in the best interests of the people of the province of Saskatchewan, Mr. Speaker. That's what Bill 47 does and, Mr. Speaker, I am proud to be moving second reading of this bill.

Some Hon. Members: — Hear, hear!

Motion agreed to on the following record division:

YEAS — 38

Blakeney
Thibault

Mostoway
Whelan

Koskie
Johnson

December 22, 1977

Bowerman
Smishek
Romanow
Snyder
Byers
Kramer
Baker
Lange
Matsalla
Robbins
MacMurchy

Kaeding
Dyck
McNeill
Feschuk
Rolfes
Cowley
Tchorzewski
Shillington
Vickar
Nelson (Yktn)
Allen

Thompson
Lusney
Collver
Larter
Bailey
Birkbeck
Berntson
Katzman
Wipf
Lane (Sa-Su)

NAYS — 9

Malone
Wiebe
Merchant

MacDonald
Penner
Cameron

Stodalka
McMillan
Clifford

MOTION

Adjournment of House

Hon. R. Romanow (Attorney General): — Mr. Speaker, I move, seconded by the Hon. Minister of Finance, Mr. Smishek, by leave of the Assembly:

That when this Assembly adjourns today, December 22, 1977, it do stand adjourned until Tuesday, January 3, 1978.

Motion agreed to.

The Assembly adjourned at 5:18 o'clock p.m.