

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session — Eighteenth Legislature**

**January 6, 1978**

The Assembly met at 10:00 a.m.

On the Orders of the Day

**WELCOME TO STUDENTS**

**Mr. W.J.G. Allen (Regina Rosemont):** — Mr. Speaker, I would like to introduce to you and through you this morning and to the other members of the legislature a group of 45 students in the Speaker's Gallery. They are from Maranatha Christian Academy in my constituency. They are accompanied this morning by their teacher, Barry Brewer. I am sure all of us want to welcome them to the legislature this morning and hope that their stay here will be interesting and informative and I look forward to meeting them a little later in the morning.

**Hon. Members:** — Hear, hear!

**QUESTIONS**

**Pelly By-election Returns**

**Mr. S.J. Cameron (Regina South):** — Mr. Speaker, in the absence of the Premier I have a series of questions of the Attorney General, both in his capacity as Attorney general and as the Deputy Premier.

There is some unease developing (and I am sure you people are as much aware of it as we) with respect to the returns regarding the Pelly by-election. The Attorney General is aware that there are potential offences under The Elections Act with respect to those returns. I asked the Premier yesterday if he had had representations from the Leader of the Conservative Party with respect to their return regarding the Pelly by-election and the Premier indicated he had and that was after the disclosures on CBC television which suggested that there was some suspicion the return filed on behalf of the Conservative Party was a false return. I wanted to ask the Premier what the nature of those discussions that he had with the Leader of the Conservative party was and whether the nature of the discussion he had was of such a nature he felt compelled to report them to his Attorney General?

**Hon. A.E. Blakeney (Premier):** — Mr. Speaker, I think I indicated yesterday the discussions were in this Chamber and I don't want to deal at length with the nature of them, in accordance with what I think the longstanding custom of people being able to talk here with it being then reported by people who are asked questions. I do, however, want to assure the hon. member that no undertakings were given by me; no suggestions were made by me, that in any way would affect my ability or that of the Attorney General to proceed with consideration of the issues involved without being in any way hampered by any suggestions, commitments or undertakings given.

**Mr. Cameron:** — Supplementary. Now that's half the coin and I accept that answer. The other half is this and I am hesitant to get into it in too much detail, but there is not only potential offences under that Act, but there are possibility of additional offences and I refer to the obstruction of justice. My question to the Premier is: did he receive

anything in the way of a threat that if there were prosecution taken under The Elections Act with respect to the return filed with regard to Pelly, there would be some other things done by the Leader of the Conservative Party? That, you understand I am sure, readily leads into the possibility of additional offences of a different variety. Now, did you report the discussion to the Attorney General? Was it of that nature?

**Mr. Blakeney:** — Mr. Speaker, we had a conversation. I certainly did not take that interpretation out of the conversation, that anything said was in the nature of a threat, nor did I respond to it either negatively or positively as if it were.

**Mr. Cameron:** — Supplementary, Mr. Speaker, on the same subject matter as the minister who reports to the legislature with respect to the office of the Chief Electoral Officer. Are you aware of any telephone calls or representations that were made to the Chief Electoral Officer with respect to the Conservative return of Pelly, of this nature, an inquiry respecting which of the three offences would be the most serious at the time the return was filed: (a) disclosure of an overexpenditure; (b) the failure to file a return; (c) the filing of a false return and the inquiry which of those three may be the most serious offence? Do you have any knowledge of that nature with respect to that return?

**Mr. Blakeney:** — the answer to that is no. I am not aware that any such communication by telephone, or otherwise, has been directed by anybody on behalf of the Progressive Conservative Party to the Chief Electoral Officer or anyone associated with her or to the Attorney General or anyone associated with him or to me. I am not aware of any such communication.

### **Golden Acres Hotel**

**Mr. W.C. Thatcher (Thunder Creek):** — Excuse me, if I catch my breath for a moment, Mr. Speaker, on those rare occasions when I am recognized, it always takes a moment.

A question to the minister in charge of SEDCO. Yesterday, Mr. Minister, before I was interrupted, I was inquiring as to the state of a hotel or a building in Moose jaw known as the Golden Acres, which was originally a SEDCO loan and which is now in receivership under SEDCO. The minister, in his answer yesterday, indicated that the matter was presently being resolved in court. Mr. Minister, I would ask you to be a little more specific as to what this matter is that is being resolved in court, since I am advised that the lawyer for SEDCO is presently in Hawaii. Would the minister tell me how this is being resolved in court and tell me what actions SEDCO has taken to recover the original security that was given on this loan?

**Hon. N. Vickar (Minister of Industry and Commerce):** — Mr. Speaker, first of all I would like to advise the member that I admire the flower that he has in his lapel this morning. It is quite a change from yesterday. I missed it yesterday. However, I might say with reference to his question, that question has come up, Mr. Speaker, on many occasions and there is not much more information I can give the member other than the question is in the hands of the courts. SEDCO has enough assets there to cover its investment. There will be no problem as we can foresee it. I am not aware that the lawyer who is handling the case is in Hawaii. He may be there temporarily, I am sure, and he will be back very shortly to resolve the situation.

**Mr. Thatcher:** — A supplementary question, Mr. Speaker. Mr. Minister, I sincerely hope that you are correct that the assets are there to cover the investment. Would the

minister then tell this Assembly, if those assets are there as the minister has just told the Assembly, why have you taken eight, nine, ten months, whatever it was that you put in into receiver? Why is it that every major hotel in Moose Jaw that has been invited to inspect the financial records, inspect the premises, has exited laughing? Why every chain hotel that SEDCO has approached about possibly adding this to their chain has again exited laughing after looking at it? Why is it taking you so long to recover these assets and when can we then expect the people of Saskatchewan to recover their investment in that hotel, particularly when you say it is there and yet it is taking all this time?

**Mr. Vickar:** — Mr. Speaker, there is no way that I can move the course any faster than they move.

**Mr. R.E. Nelson (Assiniboia-Gravelbourg):** — Could I ask the minister in charge of SEDCO to table the report of the receiver-manager that was appointed January 17, 1977 to handle the Fairview financial disaster in Moose Jaw?

### Filing of Election Returns

**Mr. C.P. MacDonald (Indian Head-Wolseley):** — Mr. Speaker, I would like to pursue this question of election returns with the Attorney General. I have in my hand here the official election return filed by the NDP on December 8 and a supplementary return filed on December 23. One, the official agent was a Mr. Norm Kennedy. The second was Mrs. Wilson. I find the date of the supplementary return a very strange date because the supplementary return was filed after the CBC reported errors in the election returns of the Conservative Party. I want to ask the Attorney general if he can explain to me and to members of the House why in one return it was signed by a Norman Kennedy as the official agent of the Saskatchewan New Democratic Party and on the other return it was signed by Mrs. Marie Wilson?

**Hon. R. Romanow (Attorney General):** — Why the hon. member is asking that question of me, I did not file the return. As the Premier has indicated in questioning yesterday, this is the return of the New Democratic Party. I think he also, I believe, yesterday said (either he said it or I have been informed about this in my reports from the Chief Electoral Officer), the receipts of the New Democratic Party were not filed on the belief and the interpretation by the party apparently that the receipts were not required to be filed. I still think that's the law but that's neither here nor there. The Chief Electoral Officer requested that the new Democratic Party supplement the receipts as a consequence of various news reports and as a result receipts were tendered and I can only assume that the second supplementary (or call it what you will) receipt by Wilson was as a consequence of reviewing the receipts and was put forward in that regard. I don't know that of personal knowledge, other than having heard this either in the House or through perhaps a report that I may have received from the Chief Electoral Officer in the course of the reports that the Premier advises I am getting on this matter. So that's the best that I can answer in this situation.

**Mr. MacDonald:** — Supplementary, Mr. Speaker. I wonder, can the Attorney General and the Premier or the government give assurance to the members of the legislature, after this very strange meeting where a civil servant has summoned members of a political party to a discussion about the election return, which is a very, very strange turn of events. Maybe I used the word 'summoned' in a very unkind way — maybe 'requested' is a better way — very, very strange turn of events. Can the government, the Premier or the Attorney General give us, the Assembly and the people of Saskatchewan,

an assurance that this is in no way an attempt by the government to side-track a very potentially explosive situation in relation to the returns of political parties on a by-election? As you know, the Liberal Party was subject to severe criticism on four or five occasions because of an honest effort to put on the table their exact expenses. Can the Attorney General and the Premier give assurance to the House that this in no way is a way to side-track any further prosecutions or whatever results of any information that may fall with the Chief Electoral Officer or the Attorney General's office?

**Mr. Romanow:** — Well, Mr. Speaker, perhaps I might make an attempt to answer that question. I do not believe this request, and it can be categorized no more or no less than a request, I think the summons is, indeed, an unfair characterization of the letter, as I understand it. I haven't seen it. But I think that the request for the official party representatives to attend is a proper and logical thing to do for a Chief Electoral Officer. Seeing the totality of the developments before her, I think it would only be proper and correct for her to give the opportunity for the parties and their official agents to come forward, if they choose, and to offer explanations or further information or perhaps answer questions that she may want to put to them. I don't think this is related whatsoever in any direct way to any subsequent events that may or may not transpire in terms of prosecution. As the Premier has indicated after this meeting takes place or doesn't take place if no one shows up, she has no power to summons, but at the conclusion of the meeting she files a report with me. Presumably she will be recommending a course of action to me. It is then my responsibility and my law officers, on the advice of my law officers, to decide what course of action, if any, is taken.

**Mr. MacDonald:** — Supplementary, Mr. Speaker. I would like to ask the Attorney General to indicate to me why the meeting is necessary. The law is there. The election returns speak for themselves. You know the law is there and the regulations are there and the election returns speak for themselves. I would like to ask him why the meeting is necessary. Secondly, I would like to ask him one final question, did the Attorney General receive any representations from the Leader of the Conservative Party after the news report on the CBC indicating that there had been some error in the Conservative election return? Did the Attorney General receive any representation from the Leader of the Conservative Party?

**Mr. Romanow:** — Mr. Speaker, the first part of the question had to do with the — I am sorry — why is the meeting, that's right. That had been asked yesterday and I think answered yesterday by the Premier. I don't now, one has to determine this from the Chief Electoral Officer. I have not spoken to the Chief Electoral Officer. I have received written communications from her advising me of developments and what she is intending to do. I can only assume that she has decided as a result of the developments it is important to analyze further and discuss further the returns with the members. Under those circumstances I concur in that. I think that is an appropriate thing to do and a logical thing to do. I think that it in no way jeopardizes whatever she may recommend or not recommend or what I may or may not do subsequently.

#### **Cable Television — CPN**

**Mr. J.G. Lane (Qu'Appelle):** — I would like to direct a question to the minister responsible for cable television. On December 22nd, if I can preface my remarks, the Premier in response to a question from the member for Moosomin (Mr. Birkbeck), indicated that one of the reasons for taking the so-called risk on CPN, closed circuit television, was 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, seemingly, one of the major justifications for the risk taken with the government guarantee of CPN. In fact, in Manitoba, the CRTC has given approval for 19 small communities and I can give the names of some to the House to emphasize my point — Boisivan, Carberry, Gilbert Plains. Nineteen small communities have conventional cable and have been approved for conventional cable. In Alberta, there is presently an application which I understand has not been contested for conventional cable to go to communities such as Bow Island, Drayton Valley and Viking, very small communities. In fact the CRTC has ruled that small communities can get conventional cable.

Now, my question, Mr. Speaker, would the minister now not admit, the minister responsible for cable television, not now admit that the reason given for taking the risk on CPN is, in fact, in error and that there is no reason for CPN, and there is no reason for the risk of the taxpayers' money and, in fact, small communities can get conventional cable if the government would allow them to do so?

**Mr. Romanow:** — Mr. Speaker, first of all I want to say to the hon. member for Qu'Appelle that he does not have his facts fully accurate, as I understand them, but leaving that aside for the time being. What CPN is, is that it is two things among other things, but it is two things. One, it is a mechanism for the provision to rural Saskatchewan, a form of cable television. That, I don't think can be denied. I think that the Meadow Lakes and the Esterhazys and other communities are, by economic reasons, likely to get a form of cable service through CPN sooner than they are at the conventional cable. But, secondly, it is an alternative form of broadcasting. It is an alternative form of broadcasting with the emphasis on community control, on co-operative community control. That is what CPN is. It is a co-operative programming network. It is a question of providing programming which is an alternative to the Starsky and Hutch that we are going to be seeing on telecable and that we see on conventional cable. I think that is a noble experiment worthy of promotion as well.

**Mr. Lane:** — A supplementary, Mr. Speaker. I welcome the Attorney General's admission that CPN is no longer the sole way of getting cable to smaller communities. One of the other aspects of CPN, as we talk about the costs of CPN and the high cost to the taxpayers, will the government now commit itself to absorbing the cost and subsidizing the cost of the filters that will be required by virtue of the fact that there will be an overlapping or conflicting of signals by the existence of CPN, which would not happen if CPN was not backed by the government and was not in existence? Would you now give the assurance that the additional costs of the filters, far and above the \$2.6 million, will be absorbed by the government and will not be passed on to the consumer who is caught in the middle of this mess?

**Mr. Romanow:** — Mr. Speaker, the hon. member is either confused or does not understand the facts. If Sask Tel provides equipment to a customer, a customer being CPN or conventional cable, it charges that customer for the provision of that hardware. The customer, presumably, reimburses the cost to him that he pays to Sask Tel from the subscriber, the individual subscribers who are involved in this area. That's the way the trap and the filter system is going to work with respect to CPN, which have not cost Sask Tel or the taxpayers, generally. If you are not going to have conventional cable or CPN presumably, then, there will be no cost to you because you are not a subscriber. That is the mechanism that has been offered. We have been answering it this way in the House now for the last little while.

**Mr. Lane:** — Final supplementary, Mr. Speaker. Are you now saying that the filters, at \$100 to \$200, which will be required to be implemented are, in fact, going to be paid by the consumer who is going to pay the cable company and that Sask Tel is not going to pay the cost; filters which are unnecessary, or would be unnecessary, if CPN was not in existence?

**Mr. Romanow:** — Mr. Speaker, if you go to other jurisdictions in North America . . . just hear me out . . . other jurisdictions in North America have closed circuit, you know. We are not, as much as we would like to think, the first in the world that has closed circuit. Other jurisdictions have closed circuit and not cable and they need traps there, too, and they need converters there, too. And they have them.

**Mr. Merchant:** — Not . . .

**Mr. Romanow:** — Yes they do. And I am saying to the hon. member for Qu'Appelle (Mr. Lane) the situation is this. The subscriber is charged a fee by CPN which in that fee, presumably, will cover (as far as CPN is concerned) the cost of CPN's obligations to other people, namely like Sask Tel, for the provision of the services. And that's the mechanism that is being operated with respect to telecable and it is the mechanism we hope to implement with respect to CPN.

### **Pelly By-election Returns**

**Mr. Cameron:** — Could I ask questions again of the Premier with respect to the same area that I was canvassing with him earlier. The first one is with respect to — the second part of the question my colleague asked of the Attorney general — did the Attorney General have any discussions with the Leader of the Conservative Party with respect to their party's Pelly election returns following the disclosures on CBC television and what was the nature of those discussions?

**Mr. Blakeney:** — I will ask the Attorney General to answer that.

**Mr. Romanow:** — Mr. Speaker, the answer to the question is yes, I did have conversations.

**Mr. Cameron:** — Well I have to pursue with you the nature of the conversations and I tell you that I have some reluctance to do it because I don't know all the facts but I keep hearing things, as all members are hearing things. My question to you is: — what was the nature of the representations that were made to you by the member for Nipawin with respect to that return and the possibility of a prosecution?

**Mr. Romanow:** — Mr. Speaker, at this stage in the game, at this stage of the question, I just don't believe I am in any position to reveal the nature of the conversation.

**Mr. Cameron:** — O.K., fair enough. I return then to the Premier, if I may. The Premier is well aware that the functions of the Attorney General have to be exercised completely devoid of political considerations. This particular situation is . . .

**An Hon. Member:** — Please speak up.

**Mr. Cameron:** — The Premier will be aware that the function and office of the

Attorney General very often demands that his particular function be exercised devoid of any political consideration. Now this particular situation presents some dilemma for the Attorney General. As it stands on its face, it is he that has to determine whether there is to be an investigation and he has to determine whether there is to be a prosecution. The problem here is we are dealing with a political matter in politicians. Now . . . well, the Attorney General is shaking his head . . . that's simply by way of laying some ground work. You had discussions, the Premier did, with the Leader of the Conservative Party with respect to their return after it was alleged on a television program that it may be a false return. The Attorney General had similar discussions. My question now is this: have you considered or are you prepared in the future to consider some mechanism by which this decision, ultimately as to whether there is to be a prosecution of one kind or another, either under The Elections Act or any other Act, would be taken by someone other than the Attorney General?

**Mr. Blakeney:** — Mr. Speaker, I have given no consideration to that at the present time. I have not had from the Attorney General nor did I expect to receive any report from him at this stage of the game, suggesting that there was an acute problem as you might say, a potential conflict of interest between his role as the Chief Law Officer of the Crown and as a functioning member of our political party. Accordingly, since that has not been forthcoming and I think that's essentially what the hon. member was alluding to, since the situation has not reached that stage and may never reach that stage, I have not turned my mind to what might be done if that eventuality should arise.

### **Crown Mineral Leases — Drilling Rights**

**Mr. R.A. Larter (Estevan):** — Mr. Speaker, a question to the minister in charge of Saskoil. The normal practice is to post all Crown mineral leases to ask for competitive bids to oil companies. In the Minton area and in particular Township 1, Range 19, West of the 2nd but not particularly exclusive to that area but other areas around there as well, the government has recently granted a major oil company drilling rights without any bid. Why were local Saskatchewan companies not allowed to bid and is this a sweetheart deal?

**Hon. J.R. Messer (Minister of Mineral Resources):** — No, Mr. Speaker, I can assure the member without being well versed in relation to the circumstances that he alludes to, that the policy of the Department of Mineral Resources and the government that there will be no preferential consideration or sweetheart deals, as he puts it, to any operating company, be they located in the province of Saskatchewan or otherwise.

**Mr. Larter:** — Supplementary, Mr. Speaker. In this deal though, is it an example of what will be done under Bill 47 and will the government table the agreement made to give this secret agreement and don't you think that this is precedent setting in having this type of agreement with a large company?

**Mr. Messer:** — Mr. Speaker, obviously it is not so secret a deal of the member for Estevan has it. If he has it it is probably knowledgeable to everyone in the province of Saskatchewan. Without knowing further the circumstances to this so-called fact that he alludes to I cannot be precise in answering his question at this time but I want to again say that there are no sweetheart deals given by the Department of Mineral Resources to any companies operating in the province of Saskatchewan.

### **Meeting with Chief Electoral Officer**

**Mr. MacDonald:** — Mr. Speaker, I do not want to prolong this but the question period is getting short and I would like to ask two brief questions of the Premier. First of all, would he indicate to me and to the House, whether the request of Carol Bryant, the Chief Electoral Officer, to have a meeting with the three political parties in relation to The Elections Act, came following the representations or discussion or whatever way you want to characterize them, between the Leader of the Conservative Party, the Attorney General and the Premier?

**Mr. Blakeney:** — Mr. Speaker, I can't answer that question since I don't know the date of the request of the Chief Electoral Officer, but I can assure the hon. member that they are unrelated and that I am as confident as I can be that the Chief Electoral Officer had no knowledge of the conversation. I certainly gave her none and I think the Attorney General gave her none. I am free to say that I discussed the conversation which I had with the Attorney general, I will tell the House that and that will come as no surprise. I did not discuss it with the Chief Electoral Officer, the Attorney general did not and to the best of our knowledge she had no knowledge.

**Mr. MacDonald:** — One final supplementary.

## ANNOUNCEMENT

### Page During the Present Session

**Mr. Speaker:** — I want to announce the appointment of a Page. Miss Vicki Reiman will be a Page during the present session. She is with us today.

## COMMITTEE OF THE WHOLE

### Statement Regarding the Proceedings

#### Bill 47 — An Act to provide for the Taxation of Income from Oil Wells

**Mr. Chairman:** — I wish to draw to the attention of the House that I have a brief statement that I would like to make in regard to the proceedings and the procedures we take. Before we pass on Section 1 and proceed on Section 2 I would like to remind you that we have several amendments during the rest of the course of the debate. Before proceeding with the amendments I would like to try to explain to you how I would like to see us proceed and first of all, let me say that I am fully aware that each member has a right to offer amendments to the bill. That's the purpose of this debate and I am not curtailing this in any way, shape or form. I propose to call the amendments in the order in which they arise here and arise on the bill. I will then, in the single amendments, read the amendments out at the appropriate place and I will endeavour to ask, 'is the committee ready for the question?' then after that the debate on that amendment can proceed.

**Mr. Malone:** — The matter you raise, Mr. Chairman, do I understand you to say that you will be proceeding with the amendments in the order in which they were filed with the Chair?

**Mr. Chairman:** — No, in the order in which they arrive on the bill. You will see on Section 2, if I can go on to explain, on Section 2 perhaps there are three or four amendments. Each party, perhaps, we have an amendment and if their amendment deals with the certain specific area of that bill, if it's in the clause (a), clause (b), clause



(c) . . . if it is clause (a) and it was your opposition party, you will have the right to introduce that amendment there. If it's on clause 2 and you have no amendment, the opposition there has it. That's the way it will be.

**Mr. Malone:** — Do I ascertain from you, Mr. Chairman, if you have say two or three amendments with you on Section 3, what are you going to do? Are you going to just recognize whoever rises first and catches your eye? Some amendments are predicated on other amendments passing or falling.

**Mr. Chairman:** — If there are two amendments say in the same place, or the same section, on that same clause then it is whoever rises and that it is the way that it will be taken.

**Mr. R. Katzman (Rosthern):** — On your point, has it not been in the past and I am not questioning your decision, that the government ones were always handled first and then the first opposition party who turned it in next? That is the way that was ruled once before in this House.

**Mr. Chairman:** — The reason why I am doing this, is to try and operate in a fair way and not be criticized otherwise.

**Mr. Katzman:** — Mr. Chairman, on your point. Last year, I believe it was, in this House, when the same situation arose you ruled that the government amendments come first before the opposition, but then the first opposition party to turn them into the desk gets to go next, not who rises first, but by the date you have them stamped by your Clerk, when we turned them in, not by who stands first, but by how we handed them in.

**Mr. Chairman:** — . . . stamped on them as their turn and it does not constitute notice in the normal stamp.

**Mr. E.F.A. Merchant (Regina Wascana):** — . . . by way of filing. We don't know how you would know when they were but that is the way you have operated. You are now faced with this situation and both parties are telling you that they think that it would be fairer if you took them by way of filing. That is the way you have always operated in the past and you are now telling us that you are not going to operate that way so that we will feel that you are operating more fairly. Don't nod your head as though you agree!

**Mr. Chairman:** — Order! I don't think that it will make any difference because I have to deal with the amendment in the manner in which it arrives on the bill and that is why I am trying to say to you that that is the way I am prepared to do and would like to do with your agreements.

**Mr. Merchant:** — As I understand the representations made to you by the member for Rosthern and it is our position as well, when there are amendments that come up in order obviously you will deal with the amendments to Section 2 first, but as our leader has just said, supposing there are three amendments from the three parties to Section 3, we, and I gather from the member for Rosthern, think that the old practice would be the preferable practice, namely, that the first amendment be the government amendment so that the opposition parties know what is going on. If the government has its eye set on an amendment, we don't want to be moving an amendment before we know what they propose and then both parties would prefer it to maintain the old practice of the first amendment filed by the parties.

**Mr. Chairman:** — That may have appeared to have been the practice in the past but there is no actual procedural statement that would mean that we should stay to that way. I am trying, as I said earlier, to do it in which I think is the fairest way for all parties. That is my reason for bringing this forth.

**Mr. Katzman:** — My concern, Mr. Chairman, is that in the past, as new members, we were informed that this is the way that it will be done. Now we are being told that we are going to take them as they fall within that order. If it is number three and there is one on (a), one on (c), and one on (e), we will take whoever put in (a) first and if two of us have put one in on (a) we both stand up and try to get your eye. It is no more than you are turning to which party by the filing of our suggested amendments.

Now, are we also to compete with the government then as well in order to who goes, or what?

**Mr. Romanow:** — The government goes first.

**Mr. Katzman:** — That is not what he is ruling, Mr. House Leader. That's right, that is what it has always been and we are getting a different kind of ruling now.

**Mr. Chairman:** — Well, my point is that I don't think it is going to be any different because we are going to deal with the specific clauses as they come within that section. Then if there are two or three amendments to the one section or one clause, I am quite prepared to do my best to equal this up and whichever one I catch that catches my eye, If you want to put it that way, first, then that would be the amendment on that clause first.

**Mr. Katzman:** — What you are saying now is that the government does not have first crack anymore? That is what you are saying then, that we are all going to have an equal crack at our amendments?

**Mr. Chairman:** — It may have appeared that the government had first, but to me this is not it.

**Mr. Katzman:** — That is what the House Leader just finished saying from his seat a few minutes ago, that the government has always been first.

**Mr. Chairman:** — We are hassling something here that I think would be better if we proceed. We are certainly prepared to handle it the best we can. I would like to go on with the first amendment . . .

**Mr. Larter:** — Are we still on item 1?

**Mr. Chairman:** — Yes, we are still on item 1. But if I could deal with this one amendment. We have an amendment on item 1 right now. I will deal with it and we will be open for further discussion. It will be soon but I would like to deal with this one amendment and get it out of the way.

Section 1 of the printed bill is to amendment Section 1 of the printed bill by striking out 1977 and substituting 1978. Will the minister so move?

Amendment to Section 1 agreed.

**Mr. R.A. Larter (Estevan):** — Mr. Chairman, last night I asked the Attorney General if in the last 20 years he thought the oil companies had received a fair return and he mentioned that since 1944 he felt that they had had adequate returns over those years. I am not sure whether he mentioned the word ‘excessive’ or not.

I would like to ask the Attorney General if he feels that the oil companies did anything out of the ordinary to break their agreements or if they took more out of the oil than what they were supposed to, if they did anything illegal over the . . . to take more than what they had coming to them . . . under agreements with respect of governments that were in at the time?

**Mr. Romanow:** — So far as I know, they did nothing illegal.

**Mr. Larter:** — Would the Attorney general agree then, and I have mentioned this before (generally speaking it is these past years that have painted the oil companies, through the government’s eyes, as multinationals) would he agree that if there were excessive amounts of money taken out of this province by the oil companies, that they were completely the responsibilities of both Liberal and NDP governments of the time and that they were guilty of making the deals, if excessive amounts of Saskatchewan’s peoples’ money went out of this province, the sole responsibility for that rested on the governments of the day. Would you agree with that?

**Mr. Romanow:** — Mr. Chairman, of course I agree to a large extent, inasmuch as the rates of taxation had any impact on the take by the oil companies, that is the responsibility of the governments of the day. I did not want to leave the impression that I was escaping that responsibility, far from it. But we were talking about Bill 42, in 1973, and that was when the government as a matter of policy (last night I indicated through Bill 42) tried to capture the so-called windfall profits (the excess profits) as a result of the fast-rising world prices in oil, we were roundly criticized for not giving enough of a fair return to the oil companies — especially when you consider the fact that this is sort of old oil. I am simply saying, my only argument was that if you look at the totality of the amounts pumped in by the oil companies by investment and the totality of the amounts of money taken out by the oil companies, as I said last night, they have been more than adequately paid. That’s all I’m saying.

**Mr. Larter:** — One more thing, Mr. Chairman. The Attorney General mentioned last night that Bill 42 (and he mentioned windfall profits) and I agree it was up to the government to get as much as the people’s resources as he could for the people of Saskatchewan but he mentioned that it wasn’t solely the tax because they had approximately the same tax rate in Alberta as they did in Saskatchewan. Of course, this was the big argument — why didn’t the Saskatchewan government negotiate instead of having confrontation in introducing Bill 42? My point is that there definitely as a reduction of oil drilling in Saskatchewan. Bill 42 might not have caused it by the taxation level but it caused it by the climate that was created by Bill 42. I think the Attorney General has to agree that this is basically what chased the oil companies out. What they decide on today could be changed tomorrow and it was the climate and the unsurety of two or three years down the line that caused this confrontation.

**Mr. Romanow:** — Well, Mr. Chairman, I do not agree with the hon. member. I say again that the one very large hole in his argument, the argument of his party and those who argue that Bill 42 somehow drove the oil industry out, is the fact that they fail to explain why it is that there was a similar (very drastic as I gave by way of figures last

night) decrease in production in the province of Alberta. This is the province that you hold out as the province which has followed the proper course in terms of consultation, in terms of the proper rates of taxation and we apparently are the province that has gone the wrong way in this area. Yet they seem to suffer (by the figures that I gave you last night) even a more substantial (in percentage terms) drop in production during the corresponding periods than we did. I would simply invite you to explain, if you can, why that took place. You can't. At least I haven't heard it in a full day of debating on Bill 47 and I have never heard it since Bill 42 has been passed. I say the simple reason is that the markets were closed to us, basically by federal law, the export markets were closed to Alberta and Saskatchewan, when there was no export sale. There was a corresponding drop in production and that is explained very easily. You can say it's Bill 42 climate but that's just pure political rhetoric.

**Mr. A.N. McMillan (Kindersley):** — A few comments with respect to that. Firstly, some things to note, the same problems suffered by the Estevan community were felt in the Kindersley community and I am quite convinced, while there may have been some influence by the lack of export sales, that Bill 42 had quite a significant effect on the oil activity and personnel in my area. This is a real problem you face with Bill 47. You have the potential here to turn around part of the problem. When the people in the Kindersley area, the drilling business, 60 families probably, maybe close to \$2 million a year in lost revenue from the community, left Saskatchewan, by their admission as a result primarily of your piece of legislation, they went to Alberta. They didn't go to Montana or North Dakota or anywhere else. Those people, those service companies, the personnel involved with them, went to Alberta. That would belie certainly to some degree that the fault lay entirely with the federal government.

Now we have a particular problem in the Kindersley area right now that's faced by Saskoil as well as the other non-government owned drilling companies. Firstly, because of our proximity to the Alberta border and the fact that many of our service industries have left Saskatchewan and gone to the Alberta border, when oil companies in our area need work done (and this includes Saskoil) in many instances they have to go to Alberta for an Albert-based service rig. The problem there is that, for example, Husky Oil undertakes \$120,000 service program in its field in Kindersley and they have to go to Alberta now to get the people they need to do their service work rather than pick them up in Saskatchewan. Of that \$120,000, \$30,000 of that may be spent in the Kindersley area where previously \$120,000 of it was spent. But \$90,000 of that money is now taken to Alberta and spent there because that's where these people have their homes, their head office, that's where their children go to school and where their wives buy their groceries.

You have the opportunity, if you can bring some sense of security to the oil industry in Saskatchewan, to perhaps reverse that trend. These people would be in a better position to be located in Kindersley for work they do in our fields than to be located in Brooks, Alberta. Saskoil knows this well because they have been going to Alberta for service work.

You have the opportunity by the setting of your tax rates and the building into this bill of some security to the oil industry, at least of future rates, etc., of reversing that trend and that position. I would like to know if you have taken that into consideration as well as the question of production levels?

**Mr. Romanow:** — Well, Mr. Chairman, to give consideration, without a doubt, inasmuch as any kind of a taxation policy has to consider all aspects of the field of which it touches, but let us keep in mind this is first and foremost and exclusively an income tax bill. So that's what we are dealing with here.

I want to make one comment before I take my place in response to the member's observations about everybody leaving the Kindersley area and going to Alberta at the time of Bill 42, I repeat again to the member for Kindersley that the statistics on production in Alberta show a very correspondingly dramatic drop and no one has rebutted that, those are the facts. I would say to you that if there was a departure of some of the drilling rigs and related people it was basically because of natural gas. At the time the oil market dried up (if I can put it that way) natural gas was still very much viable and open and the result was that much of the drilling and much of the activity can be directly attributable to the fact that it was a natural gas field and natural gas area as opposed to the oil area. If we are talking about oil, which is what we are talking about in this bill, the basic proposition and the basic fact and the corresponding drops that I have outlined remain still to be true.

**Mr. McMillan:** — A brief comment. The sins that you have committed in the oil industry itself have been committed in equal numbers in the natural gas industry and some of the people that we lost in Kindersley, of course, when you service an oil well they service, they cement, pull casing, they do everything of an equivalent nature with the gas industry. We have a particular problem for your information in Kindersley with our petroleum companies there that would like to be active in the gas business. They have cemented in gas wells in Kindersley which are small producers in comparison to some of the Alberta gas wells. Their particular problem — until some short time ago these people were receiving as little as 13 cents a thousand cubic feet for the natural gas that they produced and sold in Saskatchewan, when four and five miles away across the Alberta border the producers were receiving \$1.12 per thousand cubic feet. The situation has improved for Saskatchewan producers today so that I understand that perhaps the average price paid to a producer in Saskatchewan for natural gas is in the neighbourhood of 25 cents to 35 cents per thousand cubic feet. While again I repeat, four and five miles away across the Alberta border tapping the same field the return to the producer is roughly \$1.12 per thousand cubic feet. That may be part of the problem. But I say to you again, the service industry that was in Kindersley is not there now, primarily as a result of your Bill 42. If it were because strictly of the federal government's export policy we could expect those people who were dislocated from the Kindersley community to have relocated in the United States where some of the Alberta activity went when the export sales thing came in. But they didn't, they relocated in Brooks, Alberta and in Medicine hat, in some cases Stettler. Now those people left because of your legislation. You have an opportunity now because you are changing it here to turn that situation around slightly, with respect to natural gas and with respect to heavy oil.

I say and I hope only by word of caution that you look seriously at your position in this bill in the hopes that you might be able to return things to somewhat their normal state in at least our community.

**Mr. Romanow:** — We will as much as this bill will allow.

**Mr. Malone:** — Just a couple of questions, Mr. Chairman. I think I am correct in my assumption that most of the money that was collected under Bill 42 found its way into the Energy Fund. I am not sure the exact proportion. The question to the Attorney

General is, with the new Bill 47 and the tax going to be raised under Bill 47, will the bulk of that money be deposited into the Energy Reserve Fund?

**Mr. Romanow:** — Mr. Chairman, your question was, will the revenue out of Bill 47 come to the resources fund like Bill 42? Yes. The situation is, as the hon. member will know, we have indicated in the Speech from the Throne, some quite a few days ago now, that we will be bringing in legislation for the establishment of a resource trust fund. I don't know the name of it fully, but you recall the conversation, people say it is like Alberta's, that is not here nor there, but a resource trust fund. So the revenues will go there and will then be disposed by that fund as required from time to time.

**Mr. Malone:** — Is it the government's intention to take all or the vast majority of the money that has accumulated under Bill 47 and deposit that in the new fund, whatever the name comes up to be, I forget the name. Will it be left in that fund or will certain portions of it be taken into general revenues as is the situation now under the Energy Reserve Fund? Can you give me some details as to the government's intentions as to where this money is to go?

**Mr. Romanow:** — Mr. Chairman, I think the situation is that I am not able to answer with certainly on this at this particular time. I really am not trying to dodge the Leader of the Liberal Party when I say that I think that this can be best dealt with at the time when we deal with the legislation with the resource trust fund, which is what we will be introducing. It is not before the House now. I realize it may not come until the so-called spring side of the session. But we can talk about what and how the resource trust fund will be doing with the money at that particular time. I expect that in all likelihood there will be some sums coming out of the resource trust fund after it is paid into the resource trust fund from Bill 47 to the general consolidated fund, the general fund of the province if I can describe it that way. There was a portion of that that was done with respect to the old Energy Fund of the current Energy Fund as we have and I assume that it would be logical to assume that there will be also a portion done that way from the trust fund.

I think that the best area, in order to get the detailed questions as to how the fund will operate and what kind of disbursements will be made out of that fund, really should be done at the time of consideration of that bill. All that I can say to the Leader of the Liberal Party is that now the intention is that moneys collected under Bill 47 will go to the resource trust fund and there to be dealt with by the fund.

**Mr. Malone:** — I think that it is just as appropriate to deal with the matter under this particular Act because as I understand the situation most of the money going into the new fund will come as result of oil taxation. Now, in due course no doubt there will be some from uranium taxation.

Let me put this to the Attorney General. At the time the Energy Reserve Fund, under Bill 42, as established there were various reasons for establishing it, but one of it was because of an arrangement with Ottawa and moneys paid to us as equalization payments from Ottawa. Now, at that time the Premier advised the legislature, in 1973, that rather than jeopardize the payments that came to us from the federal government, it was necessary to keep most of the money from Bill 42 in the Energy Reserve Fund. Now, is that situation changed and are we facing the possibility of jeopardizing the equalization payments from Ottawa by taking the money that is going to be accruing under Bill 47 and paying it into another fund and from there to be disbursed in some other manner?

**Mr. Romanow:** — Yes, I am advised by my officials who know the complexities of the equalization law better than I will ever hope to know them, that this will not change the ground rules of the equalization. As I understand it, as explained to me, the Fiscal Arrangements Act has been changed, federal legislation dealing with equalization and it doesn't matter whether the revenue goes into the consolidated fund or goes into a resource trust fund or into our present Energy and Gas Stabilization Fund. The ground rules for equalization are set. I think the figure is that 50 per cent of the sums collected is taken into account in equalization. So that will remain the same.

**Mr. Thatcher:** — Mr. Attorney General, if I could ask you just a couple of general questions. I think I already apologized to you last night for the fact that I wasn't a lawyer and strictly from the backwoods of rural Saskatchewan.

Would the Attorney general tell me a little bit about retroactive legislation in this country and this province. Could you tell us, very briefly, about the precedents for it. Federally, I am aware of the marvellous income tax retroactive legislation that Walter Gordon brought in, in the mid-'60s. When has it been used in this province previously? What are the precedents of for it? Just, briefly, summarize for the uninformed and those of us that maybe don't understand all the complexities of legalese. Simplify it for us.

**Mr. Romanow:** — Mr. Chairman, retroactive legislation is a fairly frequent occurrence not only in this province, but in other jurisdictions.

**An Hon. Member:** — Taxes too?

**Mr. Romanow:** — Yes, tax legislation and also in the Dominion jurisdiction. I don't have the information specifically at hand but if my memory serves me correctly, in British Columbia there was a retroactive tax or a piece of legislation dealing with succession duty, which went right to the Supreme Court, the subject of that retroactive legislation called the Woodward Estates case and judicially approved.

Of course, the Petroleum Administration Act of Canada, under which we are talking about the question of the oil price, the export prices that have been set, that was a retroactive piece of legislation. Now, it has never been tested judicially, but the fact is that that has happened.

I cited in my wrap up of the debates in second reading of this bill, examples of The Tobacco Tax Act, 1965, which was introduced by the former Liberal administration, which was a tax bill which was done retroactively and, by the way, had some or it could be argued, may have had some constitutional aspects attached to it since it was somewhat different from an earlier judicially approved tobacco tax bill in another legislation. That's an example of the kind of retroactive legislation.

Also now the boys draw to my attention a couple of other precedents. I won't go on because it gets too lawyeristic but a 1952 case, CPR versus the Attorney General of Saskatchewan, dealt with the question of retroactive taxing legislation. Retroactive legislation has been applied also in a very recent Supreme Court case, Quison versus Robideau. I am not familiar with the case in detail but the lawyers have advised me that one was dealt with most recently in 1975 by the Supreme Court on retroactivity. So, the answer to the question is that fortunately or unfortunately, depending on your point of view, this province has had quite a long history of fairly significant retroactive legislation as have other provinces and administrations, i.e., the Government of Canada.

**Mr. Thatcher:** — Would the Attorney General agree that it would be a fair statement to say that retroactive legislation in a democracy is probably best described as a mechanism by which governments — not necessarily this government — but that governments use to correct mistakes that they have made in one form or another. Would the Attorney general agree that the power of having retroactive taxation powers, the precedents set for it, would you agree that that is a tremendously awesome power for a government to have in a democratic society? In other words by having this precedent of retroactive legislation, retroactive taxation, are you, in effect, you and other governments whether it is federally or provincially, you have virtually any power that you want to do almost anything you want to anybody, whether it be a company or an individual. I am not saying you are going to do it but what I am suggesting here or I am asking you, does this power not give you the power to do anything that you want virtually within reason?

**Mr. Romanow:** — Well, Mr. Chairman, the answer to the question obviously has to be no, that it does not. Retroactivity, itself, is not an argument upon which much of a case can be advanced because whatever you do, even if it is done retroactively, it must be done within the legislative competence of the Assembly and, of course, even though it may be retroactive, that does not prevent some tribunal reviewing the retroactive legislation to see if it is competently passed, namely properly passed. So when you say that retroactively you can do anything that you want that's not quite so because there are the checks of having to explain the purpose of retroactivity to the Assembly, which we are now in the process of doing on this Bill. There is the check of potential legal review of retroactivity so that it's within the jurisdictional constitutional competence and other aspects also which are open to the courts. The fact of the matter is that the parliamentary system is based on the proposition that given the certain competence of the constitutions and the like, of limitations of constitutions and the like, that legislatures are supreme. That's the whole substance of our democratic system and, accordingly, I do not find it strange that retroactive legislation exists.

**Mr. Thatcher:** — Mr. Attorney General, I would like to ask you a question on an example that just happens to come to mind and I hope that the chairman will allow me to wonder just very briefly. If I may use an example of how this power could possibly be, or I am asking you if it could be used in a similar fashion. We all know that the Minister of Agriculture would reduce all our farms back to a half section if he could.

All right, let's say by some minor miracle ten years down the road that he is still the Minister of Agriculture. Your government has talked about taxing landholders over a certain level, that you would increase the level of taxation in accordance with the land that they own over a prescribed amount. Let's say ten years later that the Minister of Agriculture, and I am being hypothetical, were to present a bill in this legislature retroactively going back to 1976 and saying as of — bear in mind we are talking about 1987, 1988 — and that bill says effective 1976 the recognized holding in Saskatchewan is going to be a half section of land and that there is going to be a tax put on everybody in accordance with the amount of land that they have over that and introduce it retroactively, could you then, could your Department of Revenue the go back ten years and start collecting your tax ten years hence? Because is that in effect really not what you are doing right now to the oil companies and, of course, none of us are worrying about the oil companies. They can look after themselves. Goodness sakes, they deal with people like Qaddafi, the . . . (interjection) . . . they deal with the major leagues I suppose over in Arabia, etc., and I suppose they look at you people as not very tough compared with what they do have to deal with. But the point of the matter is we



can, I suppose, maybe side step this one by saying well, you are dealing with people that can handle it. But, in effect, the example, hypothetical though it may be and far out though it may be, is that example that I just put forward to you, is it possible? Does this bill set a precedent for that hypothetical situation to happen?

**Mr. Romanow:** — Mr. Chairman, I can't see that possibility taking place.

**Mr. Thatcher:** — That isn't what I asked you, Mr. Attorney General. What I asked you is could that situation that I just described . . . (interjection) . . . You said you probably wouldn't do it but are you, in effect, not establishing that possibility through the identical precedent that you are establishing right now? Tell me what the difference is.

**Mr. Romanow:** — No.

**Mr. Thatcher:** — Now, Mr. Attorney General, you can do better than that. You are giving me a political opinion. Give me a legal opinion. You've got enough legal people here. Does not this bill and the precedents that you are establishing, is that not identical to that far out, hypothetical situation that I just gave you?

**Mr. Romanow:** — No.

**Mr. J. Wiebe (Morse):** — Mr. Chairman, not wanting to prolong the toy filibuster but I have a couple of questions that I had asked of the minister and we weren't able to get those questions answered and I thought possibly under Item 1 might be the best spot for me to do it. I'm not a lawyer and I'm not an accountant . . . (Interjection — and you're not the Minister of Agriculture either.) . . . and it looks like I've got competition for the Minister of Agriculture's job. I would like to pose some of these questions to the Attorney General and hopefully he can clear up the problems with me.

Under Bill 42 certain levels of taxation were levied against the oil companies. The CIGOL court case now has ruled that this money was collected unconstitutionally. My first question is: is it the intention of the government to pay back to all of the oil companies the money that was collected unconstitutionally under Bill 42?

**Mr. Romanow:** — Mr. Chairman, the Premier has answered I believe in question period that the intention of the government is to honour any legal obligations and commitments that it has.

**Mr. Wiebe:** — Now, could you explain that to me in a farmer's language. For example, does Imperial Oil or Shell or any of the other companies have to sue the government for the return of that money or will it automatically be given back to them?

**Mr. Romanow:** — Mr. Chairman, the only legal obligation that we have to give back the money and that's yet subject to, as I understand it, accounting procedures and other court applications which may or may not ensue, relates to the CIGOL case.

**Mr. Wiebe:** — this is the problem that keeps rattling around in the back of my mind, that CIGOL has a legal claim now to that particular money. They can claim to the government for a refund of those dollars. The government will pay them back. The government then under Bill 47 will retroactively tax them for that period of time. So in effect, regardless of what your level of taxation may be, the government could be getting that money back. Now, what happens in cases of the other oil companies which of course did not sue the company? What happens in the case of the other oil

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companies which did not pay that taxation under Bill 42 under duress? They were taxed under Bill 42. They have paid the tax. Bill 47 is now introducing a retroactive tax to cover the taxation from 1974 to 1977. So in effect, could the oil companies, for example, not recover the money which they were unconstitutionally taxed for under Bill 42? Will they then be given another bill to pay for the taxation that is effective under Bill 47, retroactive from 1974 to 1977? My point is, under what legal or legislative authority do the oil companies have to get back the money that they were unconstitutionally charged for under Bill 42? Will it in effect be double taxation for that period of time, taxation first under Bill 42 and secondly under Bill 47?

**Mr. Romanow:** — Well, Mr. Chairman, the . . . I just wanted to check with my officials in one aspect of the question. I think we can dispose of this particular matter fairly simply by saying that of course, it is not the intention of the government to in effect impose yet a new second tax on top of the amounts paid and not asked back for (if I can put it in those terms) by oil companies. That clearly is not the intention here. The situation would be handled upon passage of this bill and upon implementation of the regulations by the usual and normal course of set-off — perhaps an administrative arrangement of some sort. I don't see any major problem in this area.

The first question that you asked related to legal obligation which attaches to the gut of it and the legal obligation attached upon a judgement — by the way the CIGOL case I don't think we have really been formally presented with a judgement. I don't think they've taken out an actual judgement and put a dollar figure on it. That could take a little time. But in any event, leaving that as an aside, we honour all legal obligations on us. Leave that as an aside. When this bill is passed, the rates of taxation come into play, I'm quite sure anticipate a period where there are adjustments and set-offs and so forth because it is not our intent to end up with a double taxation on the oil companies.

**Mr. Wiebe:** — One more questions. Say company XYZ under Bill 42 paid to the provincial government \$1,000 in tax. Under the taxation rates that you will set under Bill 47 you will be assessing them say the same \$1,000 from the period 1974 to 1977 . . .

**Mr. Romanow:** — Maybe, maybe not.

**Mr. Wiebe:** — Yes, but I'm just using this as a figure. Now then, you're saying that you will in effect not be assessing that company \$2,000. The net result will be \$1,000. My question is: what mechanism are you as a government going to be using to in effect allow them that tax credit? Can the government refund tax money that has been paid where you don't have the legislative authority to do so. Under what legislative authority are you now going to be giving the oil companies that tax credit of \$1,000?

**Mr. Romanow:** — Mr. Chairman, I am not clear in my mind whether the member is asking me for a legal opinion on what legislative authority this mechanism would take place or whether he is asking me how would it happen without necessarily a legislative or a legalistic approach to the thing. Let me perhaps try and answer it both ways. First, with respect to the legislative base I think we have always had in some legislation in Saskatchewan in one form or another, the power of set-off or deduction. The Department of Revenue Act just recently passed by this Assembly, I think incorporating some old statute which says, where a person is in debt of the province, the board may authorize retention by way of deduction or set-off of the amount of the indebtedness out of any of the sum or sums of money that may be due or payable by the province to that person and there's a mechanism for the set-offs. That would be the legal basis to do this. Of course the companies also have on a legal basis the right to sue if they want. Imperial Oil has a lawsuit as you know, some \$40 million kicking around now. I don't know at what stage the suit is, based on Bill 42. That's kind of the legal aspect of it. But I don't anticipate that there will be a necessity to resort to pure legalisms in this regard. I'm talking about you're hypothetical example and upon the passage of this bill. I anticipate that in the course of discussions with companies and exercising the powers

which exist in The Department of Revenue Act and elsewhere the intention of the government, which I repeat again and has been repeated from day one, can be affected, namely that there will be a set-off or a deduction for sums collected so that it will not amount to double taxation.

**Mr. Thatcher:** — Mr. Attorney General, you've got my curiosity aroused now on this retroactive taxation. If you had given me a decent answer the last time, I wouldn't be up right now. Let me ask you another question. Last year your government moved to eliminate the estate tax, taxation of estates, succession duties, gift taxes and as we all recall, very well, that particular day when that bill was introduced was an event of, I suppose, the NDP eating an awful lot of crow because that was something you really didn't want to do. It really tore you apart at the seams. Fine, it was done, but I am sure the Attorney General would agree that that legislation changed a lot of plans for a lot of people in the province of Saskatchewan.

So, therefore, my question to you is, Mr. Attorney General, people who are on their way out of the province who may very well have stayed in the province because of the elimination of that tax, the precedent that you are now establishing in Bill 47, does this precedent make it very easy for this government, on the very thin possibility that they would still be in power two or three or four years down the road, to go all the way back and say, well, all the estates that have come on the market since 1977, there is retroactive taxation and just walk back with your storm troopers and tear right at them? Is this precedent, for Bill 47, could you not use it in this situation?

**Mr. Romanow:** — Mr. Chairman, the member refuses to accept the fact that this is not a precedent. If I were to be as unfactual and, if I may without being unkind to him, as political as he is in the series of his questions, I would say that the precedent was set back in 1965 under the government of the late Premier Ross Thatcher, who introduced retroactive taxing legislation under something called The Tobacco Tax Act. I think, also, during that period some retroactive legislation was introduced under The Mineral Taxation and Resources Act. The irony of the whole thing is that the father of the member for Regina South (Mr. Cameron) was the Minister of Mineral Resources at that time, introducing this terrible retroactive legislation in mineral taxation.

If I were to be as political, which of course I am not, I would argue very strenuously that there was a very bad precedent set in 1965 and 1966, a precedent which could have allowed the Thatcher government of the day to pass legislation taking away ownership of farms from farmers. Even I didn't expect that the Premier of the day would do that. I am only saying that when you make your assumptions on precedents, based on Bill 47, it is just not there. I know that the Conservative newspaper called Saskatchewan Horizons (I was making comment about this last night and you may have been out of the House) talks about this. I think you really have to speak to the editor of the Horizons and tell him the facts. The facts are that the precedent for retroactive legislation was set in 1965 and 1966 and that if it was a bad situation it was bad in that period. So I certainly would ask the hon. member, and I am sure he would do this, pass my remarks on to the editor.

**Mr. Thatcher:** — Excuse me, Mr. Attorney General, and I don't know what happened in 1965 or 1966, but, Mr. Attorney general, I don't believe that that was income tax legislation.

**Mr. Romanow:** — The Tobacco Tax Act, that is the name of it.

**Mr. Thatcher:** — I don't know how a tobacco tax could be an income tax but I will accept your word for it.

Mr. Attorney General, you people have become rather smug over there because of the way the events have gone on in this particular bill. Bill 47 is probably about as distasteful a piece of legislation that one could have to face on the opposition, at least one that has any convictions. Because what it does — you have made such a colossal blunder, Mr. Attorney general, and you virtually last night, you virtually admitted that going way back to 1973 that you did not seek the best legal advice as you wrote Bill 42. I suppose you should be very, very pleased with the position that you have put those of us in the Assembly in. There is no question, we cannot afford to give back \$500 million, or whatever the figure may be, to the oil companies involved. We simply haven't got it. It is not possible for that to happen and if it were possible this province would be broke forever after because it would be \$500 million which could never ever be recaptured. So we are in that position where we almost have to support this principle to protect the province against your incompetence. And if you think that is not a sickening, distasteful position to be in, you should be on this side of the House. I find it terribly distasteful. Yes, we voted for it on second reading and it was, let me tell you, a gut shrinker. You know the pathetic part of it is, as I look at the smirks on that side of the House, there is only about two or three of you that even know what the ramifications are. The rest of you it is beyond you.

Mr. Attorney General, by use of retroactive legislation, which frankly, I wonder if it really should be in force in a democratic society because I cannot get it out of my mind that it gives the government, not just this one but any government, and the federal governments used it, I remember it very well, in the mid-'60s — it is a power that when a government decides to use it, it is like say, we have made a mistake, we have blown it. But when you use this awesome power, a power which to me is virtual dictatorship, within limits of the Supreme Court, we all know that the Supreme Court only very rarely rules against a government. The track record is generally with the government. So when a government loses one at the Supreme Court it has been a real colossal blunder. But by having this terrible power and you use it against one group that possibility is there, that precedent is there to be used against another group at some point in time. That power may not be used for 5 years, for 10 years, for 20 years, 30 years, but we know what happens when something does go to court and you legal people go to work with your knives, meat axes, etc., everything that goes back 50 years suddenly becomes a precedent. So what you do right now, you may not do anything with it for 5 years, 10 years or 15 years but some government some day will point back to Bill 47, and it may not be for 30 years, but they will point to Bill 47 as a precedent. And some judge who may be in a position of authority on that Supreme Court will read Bill 47, I don't know whether it will influence him or not, who can say, but it may. But what I am saying right now, Mr. Attorney general, is that I find this thing sickeningly distasteful and that we on this side to be responsible have to support you to protect the people of Saskatchewan against you and your government's terrible incompetence and yet we do so knowing full well that probably we are doing a terrible thing somewhere down the road because what you now do to the oil companies which everybody can live with, that you may some day take this precedent and take this power and do it to somebody who cannot look after themselves nearly as effectively as the oil companies. I don't know whether I've done a very good job in putting my displeasure and my disgust of the whole concept of this into proper words . . . (Interjection — Certainly as well as anyone, Colin.) . . . Coming from such an eminent counsel, I must take that as a compliment. I'm sure he'll do well in the House of Commons.

Mr. Attorney General, you know what really bothers me about this is to look at this group over there. You know what this means the Premier knows what this means. I think the Minister of Mineral Resources knows what it means. But to look at the rest of you, you haven't got a clue what it means, it's beyond you. Because, Mr. Attorney general, you know what it means, you're doubly and triply guilty for the ramifications of this bill. Some day, Mr. Attorney General, you will be held accountable.

**Mr. Romanow:** — Mr. Chairman, I must make a response to the statement made by the member for Thunder Creek. (Interjection — It's not worth responding to.) . . . No, it is worth responding to. The member says that he does not like retroactive legislation and yet he and his party support retroactive legislation. That's exactly the point. That from time to time there may be a need for retroactive legislation. This is a time in our judgement when there is a need for retroactive legislation (Interjection — For you personally or who?) . . . I'm saying for the people of the province of Saskatchewan. And if you say that this legislation authorizes a dictatorship or the beginnings of a dictatorship or words to that effect, then at least I feel I'm in good company having at least the Conservative Party with me in that authorship because you vote with it in second reading and that's the position of your party. You've got to make a choice. If the retroactivity is such an odious principle you should vote against the bill, you should have voted against the bill. But if you voted for the bill you outweighed the odiousness of retroactivity in favour of something else, whether it was the people of the province of Saskatchewan or your political salvation or whatever it was, you outweighed it. You made that judgement call to put retroactivity behind you. If you believe what you say today and you mean it today that retroactivity is the most dangerous aspect of this bill, your obligation should have been to stand up and say, I oppose this bill. But you didn't. You didn't, you won't, you support this. You can't cut it both ways. Everybody knows that.

I think the Liberals have taken a different position, obviously they are opposing the bill. I ascribe other motivations for them doing that, I'll make a speech about oil companies . . . (Interjection) . . . Yes, but I'm not going to get into that, I got into that last night. I won't get into that. But I do say they did it. You people are sort of like this, I say to the member for Thunder Creek, you sort of support the bill but you hate retroactivity and somehow you would like to get back on the other side of the fence where you are against the bill and how to do it, you quite don't know how to do it. It's very, very difficult. This is a very awkward position for you to be in. I must say to the hon. member for Thunder Creek, that if it's so sickening and so distasteful you should do the thing which is right for you. You should have voted against the bill but you didn't, so you're with us on this one.

**Mr. Thatcher:** — Well, Mr. Attorney General, if I may respectfully, Mr. Chairman, point out to the Attorney general, I didn't have an opportunity to make any comments on Bill 47. I didn't have an opportunity to be here when there was a vote because of some comments that were made out in the corridors, not in here but in the corridors. This group and this group got together with your usual collusion and denied me the privilege of speaking on Bill 47. We didn't do it the proper way on that. You know, if I made some comments out in the corridors where I had no protection against legal action, nobody sued me for the comments, nobody on the committee brought legal suit against me. Where I said it out in the open, nobody is suing me for what I said. Instead the two of you with the weight of your majority, you sent the member for Qu'Appelle and myself on an early vacation and denied us the opportunity to debate on Bill 47. I respectfully draw that to the attention of the Attorney General.

Mr. Attorney General, again I think it's been perhaps a long week for you because you really didn't respond all that well to my comments. I can't help but repeat that the feature of retroactivity gives the government just a terribly awesome power that they can use somewhere down the road. The feature of retroactivity, as I have no hesitation to repeat, just turns my stomach in having to support it. But again, we have been forced to support this bill to protect the taxpayers of this province against you, against your incompetence, against an Attorney General last night in a round about way conceded that back in 1973, he was a little bit green, he didn't seek the kind of legal advice that he sought in the potash expropriation legislation or that he sought in the writing of Bill 47 . . . Perhaps going back to 1973, even though I was not here but did from time to time have the occasion to watch him on television, could at that point in time perhaps have been described as maybe a trifle on the arrogant side. Maybe a trifle as a bit of a know-it-all, back in 1973. Now I concede, Mr. Attorney General, you were young at that time but the fact of the matter is back in 1973 you blew it. You blew it because you wrote the bill too quickly, you wrote it too hastily and you were warned by the oil industry at that time that that was a hastily written piece of legislation but you went ahead and you did it anyway. You didn't seek the high powered legal advice, the corporate legal advice, I might add, that you now choose to seek when something of importance comes up. So because of your arrogance (I don't know whether it was incompetence on the part of your staff why you didn't seek it, it really doesn't matter, the reasons aren't important now) for one reason or the other you blew possibly as high as \$500 million. Then four years later, four and a half years later, everybody on this opposition and the people of Saskatchewan are put in this terrible position of having to support you to protect the people of Saskatchewan against your incompetence of some four years ago. If that isn't a dilemma, call it a moralistic dilemma, it is something that I find beyond comprehension. There is no question we cannot pay this \$500 million back. If we had to we couldn't. It's the end of this province economically, if we did. But that reason (and call it if you want taking the lesser of two evils, or the less of three evils) probably it is. In fact there is no question that it is. Unfortunately, I suppose for all of us, as we go through life much of life is spent taking the lesser of two or three evils. But that is exactly what we are having to do here. Regrettably, sickeningly, though I hope never again, it puts us on the side of this government on this particular issue as far as the agreement in principle is concerned. Mr. Attorney General, I can't tell you just what a terrible thing that is and what (I think I used the word gut turner before), that's exactly what it is.

**Mr. Romanow:** — Mr. Chairman, I must say that these are the kinds of protestations that carry no weight with me. I am not going to describe them in any stronger terms, but it carries no weight with me whatsoever. What carries weight with me are the actions that back up the words. Your actions . . .

**An Hon. Member:** — . . . (inaudible).

**Mr. Romanow:** — No, no, that's a copout because your entire caucus voted for that operation and for you to get up and make this great speech of protestation and then do the exact opposite in supporting the bill, to me, absolutely says that there is no weight to what you say. I'm sorry to dismiss that cavalierly, that lightly, but that's exactly the position you are in.

**Mr. Malone:** — Mr. Chairman, I must say this has been a most enjoyable morning watching the member for Thunder Creek squirm and squeal and justify the actions of his party. It is very interesting though to hear the member for Thunder Creek. He says,

retroactive legislation is bad if it applies to farmers and other people and if it applies to oil companies it is O.K., because oil companies can look after themselves. If you do it for farmers it is not good, but if you do it to oil companies it is all right and we will vote for it.

I suggest, Mr. Chairman, that if it is bad, it is bad, whether it happens to oil companies, farmers, ranchers, millionaires or whatever and it is most amusing for me today to sit here and listen to the member for Thunder Creek squirm and try and get out of the position that his party has got itself into.

Let me go on to more substantive things, Mr. Chairman. I would like to return to the matter that was raised by the member for Morse (Mr. Wiebe) about the payments of taxes. The Attorney General referred to certain administrative arrangements that would be used to allow or prevent double taxation and I want to just clarify this. I suggest what you are really saying, Mr. Attorney General, is that a given oil company will have paid some money under Bill 42 and let's for example say it was \$100,000. When Bill 47 is eventually passed that company in turn is going to have to file a new tax return and it will show that they owe probably \$100,000 give or take a few dollars.

Now I suggest to you, Mr. Attorney General, that what the government will then do is invoke Section 39 of Bill 47. Is that not the case, Mr. Attorney General, that you will just waive any taxes owing under Bill 47 because of the provisions of that section and indeed Section 38 modifies it as well?

**Mr. Romanow:** — It is possible. I am not answering that we would or we wouldn't. I am just simply saying as I said to the member for Morse, I wasn't sure in my mind whether he was wanting to know under what legal basis we would be setting off, or whether he was referring his mind as to how it would be done and I was expressing the opinion that we ought not to be concerned at this stage about the legalities of it because I do believe that there is sufficient authority under The Department of Revenue Act, perhaps under Section 39 which deals with a compromise and settlement. I don't know. I think we have the legal authority to do it. I was asking the member to put that aside for the moment because the thing can be . . .

**Mr. Malone:** — Where are you going to put it?

**Mr. Romanow:** — Well I think the legal authority is under the Department of Revenue. I haven't looked at Section 39, whether it would apply here or not. Let me just take a look at it. I think that Section 39, in my offhand opinion, does not apply because this deals with the Cabinet's right not to demand payment of any of the taxes owing under this Act. What we are talking about here is a forgiveness or an accounting for taxes under another Act, under Bill 42. In other words, what we are talking about here is what we have paid under Bill 42 should somehow be deducted or credited (if I can put it further in those terms) as against what is paid here. I view Section 39 in somewhat different terms.

I have to take some legal advice on this to be sure that my legal opinion is right but that's the way I view it. I think Section 15, probably, of The Revenue Act is our better authority. But you may be right on Section 39, I'm not dismissing it out of hand. I will need some time to consider it and I think, Mr. Chairman, might I beg the indulgence of the committee for a two-minute break in the interests of public safety and personal welfare.



Two minute interval agreed upon.

**Mr. Malone:** — Before we took the break for the Attorney General's personal hygiene, I was pressing him on the government's intention as to avoiding double taxation. I don't think, Mr. Attorney General, that this matter can just be sloughed off on the basis that some administrative arrangement will be made in due course. I think it's a very important facet of the bill and a very significant matter. I am asking you again: — what is the government's intention? Do you have any plan at this time to refund money, to not demand money, and what process are you going to go through? If you don't have a plan just say so and we will go on to something else.

**Mr. Romanow:** — Mr. Chairman, I thought I had indicated the plan and if I have not, I will repeat again. After the bill is passed and after the regulations are promulgated there will be a tax due and owing on a company under Bill 47. If that company, the same company (a), has paid a sum under old Bill 42 and has not sought for its return up to that time by way of lawsuit, then the mechanism that will take place is a simple one. The company has the option of suing us under its normal recourse in courts and getting a judgement for the sums collected under Bill 42 and using that as a set-off as against the sum that is owing under Bill 47; or, under some other legal basis, which is the preference that I would like to see happen, the objective of the government can be achieved through Section 15 of The Department of Revenue Act or any other appropriate basis to work out a satisfactory arrangement for the set-off so that there is no double taxation, without the necessity of going to court. Now that's the objective and that's the plan.

**Mr. Malone:** — Well I am pleased at that statement because as you know Bill 47 indicates that as of a certain date taxes are due and owing and they have to be paid. If they are not paid the minister has all sorts of powers available to him to collect the taxes. So what you are suggesting to me and I don't see any other logical explanation of it, is that an individual company has paid taxes under Bill 42, under protest or otherwise, it files its return under Bill 47 and it has to pay the tax again. That's double taxation any way you want to look at it.

Now you are saying to me that if they do that they have some avenues open to them. One, they can sue you. Surely this Act has not been put into place to encourage more legal actions. Obviously that's not really a very satisfactory way. You give me the other alternative of saying they can go to the Board of Revenue Commissioners. If they go to the Board of Revenue Commissioners they have to make an application, there has to be a hearing, there has to be evidence presented. Surely that is not a very satisfactory way of dealing with the situation and I can't believe that you haven't got some other way of doing it by Section 39, by some administrative arrangement that you referred to earlier. What you are saying to me right now is that the companies will have to pay the tax twice. If they pay the tax twice and they don't like it, then they can do one of two things, sue the government or apply to the Board of Revenue Commissioners. Now I don't know what lengthy period would go by in such an application to the Board of Revenue Commissioners but I suspect if this is the avenue you are suggesting that they are going to be swamped with applications and months and years will go by before the matter is finally determined. So, please don't suggest to me that that's what you are planning on doing, you must have some other alternative and I would ask you to give it to us right now.

**Mr. Romanow:** — Mr. Chairman, perhaps the leader was not in this morning when I

earlier attempted to answer the question or perhaps I misled him or didn't make myself clear. I repeat again, I was unclear when the member for Morse asked me the question because I wasn't sure what the question was. "What legal basis do you have for setting off sums paid under Bill 42 as against sums that will be owing under Bill 47," whether that was the question or whether the question was, "What do you plan to do?" I answered, let's leave the legalities aside for the moment, I've given you the answer in legalities. I answered the member for Morse to say that we are optimistic, that administrative arrangements will be worked out through discussions with the industry. I used that, or with discussions with an individual company to arrange that kind of a set off. Because I said to the member for Morse it was not the intention of our people to double tax. Whether we go through the formal basis of the Board of Revenue Commissioners to validate the thing later or not I think is merely a technicality if everything else works out O.K. The point is that in discussions with the Department of Mineral Resources with an oil company or companies it would be very easy to determine the sums owing under Bill 47, the sums paid under Bill 42 and to work out an administrative arrangement in terms of the set-offs so that it does not amount to a double taxation. That is our objective. We will have the mechanism in place in the Department of Mineral Resources to achieve it. That's the answer I gave to Morse but I wasn't sure whether he was saying to me, oh, no, that's not good enough, I want to know your legal basis for doing that in which case I then cited the Board of Revenue Commissioner and The Department of Revenue Act and cited the legal aspects if things got really sticky, cut and clean legally. Of course I agree with the leader, we do not want to promote continued confrontation on this matter and we do want to honour our legal obligations that exist under Bill 42. But in the reality of the situation I am hopeful that this is the way it will work out as I have described it.

**Mr. Malone:** — You are just simply avoiding the question. Notwithstanding any administrative arrangements you want to make or any arrangements with independent oil companies, the provisions of the Act say that they have to file the returns after the rates are set. Once the returns are filed, as I recall the Act, the tax is due and owing, notwithstanding any administrative arrangements that you may want to make, the tax is due and owing. If the taxpayer doesn't pay the tax he is then in default and the minister has many remedies opened to him to collect the tax. Now are you suggesting to me that the taxpayer completes his return under Bill 47, then pays the tax and then you have some sort of administrative arrangement where money is refunded? Surely, this is a very serious part of the bill, surely just to say that something will be done in the future is not good enough because the provisions of the Act, once it is proclaimed, are in effect and people are bound to follow the Act and abide by its provisions. The provisions clearly state the tax must be paid right away, immediately.

**Mr. Romanow:** — I guess we are not having a meeting of the minds on this because I fail to see the gravity of the situation as described by the Leader of the Liberal Party. I have already stated and all I can do is simply restate again the position that we take. That position is there are many legal and other avenues available to effect the government's said intention being that sums paid under Bill 42 shall not amount to a double taxation for sums owing under Bill 47. I have described in some fairly good detail as to how this matter would, in effect, come about under the Department of Mineral Resources. I have also indicated in some detail our intention to continue discussions; we talked about this last night about the timing of the regulations and so forth. I see no major problem here whatsoever.

**Mr. Malone:** — Yes, there is a major problem but obviously we are not going to get

anywhere with you. Let me put this to you, as I read the Act and as I read the new Revenue, Supply and Services Act, this type of situation can arise — the company could be liable for tax under Bill 47, the government in its wisdom could decide not to compromise particularly taxes that are owing under Bill 47. They could say, sorry, we acknowledge that you have paid something under Bill 42 but you still owe us X number of dollars under Bill 47 and we demand payment thereof. The taxpayer then must pay but he also has another avenue open to him and that's to apply to the Board of Revenue Commissions to have that money refunded that he pays or have the debt cancelled. Now surely you are not going to have all of these various procedures available and have this uncertainty continue for months and years. Now are you intending on making The Revenue, Supplies and Services Act not apply to Bill 47 to avoid this possibility or in turn are you saying everything must go through the Board of Revenue Commissioners?

**Mr. Romanow:** — I am saying neither. I am not saying that The Revenues Act does not apply nor am I saying that it has to go to the Board of Revenue Commissioners. Again maybe it is something in the manner of explaining things that I am not able to get the point of view across here but the simple situation is that with respect to Bill 42 the sums that are collected, again for the purpose of describing the term, will be credited, if I can put it in that way, as against the sums that any individual company owes on Bill 47. I should think this can be done very simply through administrative arrangements and discussions within the Department of Mineral Resources. I have said that to you and I have said that to the member for Morse, that is what we intend to do . . . (interjection) . . . Yes I have said that, that's what we intend to do and I repeat again, that's what we intend to do. I don't know what more I can say.

**Mr. Merchant:** — Mr. Minister, would you indicate how much of the money was paid under protest or some form of notification of an intention to require the return of the money?

**Mr. Romanow:** — I am not sure I can give you the in fact I cannot give you right now a precise figure but I think it is correct to say that almost all of the money paid under Bill 42 or a vast majority of the money paid under Bill 42 was paid under protest. So we are looking at \$500 million as the figure that has been talked about, the vast majority of that has been paid under protest.

**Mr. Merchant:** — So of the \$580 million that — I am looking for a nice way to say you fumbled away — the government wouldn't have a defence by saying in any action or would have a defence in a very small percentage of cases by saying, well it's taxing legislation, you didn't pay it under protest, therefore you are not out of court. The minister knows you are out of court if you don't pay under protest in taxing legislation. That defence wouldn't be open to very many companies. Take it you agree with that.

Now am I also correct in saying because I am so advised that those who did not pay under protest, who are usually the smallest companies, the Saskatchewan companies, that all of the large national companies are protected?

**Mr. Romanow:** — I have to ask the boys here to do a little further review of this but coming right now just by memory that it was kind of a mixed bag, referring to that group of companies that did not register the protest, kind of a mixed bag.

**Mr. Merchant:** — Kind of whipping boy phraseology, all the big, rotten, stinking multinational companies — they all paid.

**Mr. Romanow:** — I'm not quite that imaginative.

**Mr. Merchant:** — They all paid under protest so there is no fear about big, cruel Imperial, Exxon and Shell and British American and all those rotten people that we naturally have learned to hate at your request. They all paid under protest and they are all going to get their money back.

**Mr. Romanow:** — They all paid under protest I believe.

**Mr. G.N. Wipf (Prince Albert-Duck Lake):** — Mr. Chairman, there is just one question, I may have missed it earlier, Mr. Attorney General. It said that you were talking about a figure around \$500 million, have you released the figure yet or do you know the amount of money it cost for the courts, the lawyers, fees and that area that is charged to the province?

**Mr. Romanow:** — No, we have not done an accounting on that yet. I am not sure that there have even been final bills submitted on that yet. It will be a fairly expensive matter, I think that is correct to say. However, I don't want to be misrepresented on this in terms of the magnitude and the importance of the case. It seems to us that when the accounting is done it will be reasonable, it will be a large sum, no doubt about that, but in terms of the magnitude of the case involved I think the bill will be reasonable. I don't have that now, I am sorry.

**Mr. Cameron:** — Mr. Chairman, can I ask the Attorney General. I want to take sort of one more little run at a suggestion I made earlier and let me do that as it is the last chance that I will have. Have you given some thought to, once this bill is passed and you then go to the industry with the bill, armed with the bill, and clean up the position with respect to the \$500 million that's in jeopardy, have you given some thought at that stage to bringing in legislation to repeal this Act and substituting it at that stage with a new Act?

**Mr. Romanow:** — At this stage, Mr. Chairman, no decision has been made. I have indicated outside the House and I take the position inside the House that this is a new piece of taxing legislation which is the law and will be the law. As to future developments time will only tell. I have also indicated publicly that from a government point of view this form of taxation is really not the preferred form of taxation because I don't think it gives the kind of flexibility in resource management that say a royalty taxation structure would and has. I think that would be our preferred route but for the time being this is the law and as to developments in the future, I think we just have to wait and see what developments take place.

**Mr. Cameron:** — Well, I may be asking questions that may get you into an area you may not want to disclose but my question was, have you given some thought to this because I come back to this, that the bill has some problems attached to it in a constitutional validity sense. One way, of course, you can solve that dilemma is to pass the bill, clean up the retroactive period, that is get the money paid in and get it sorted away as best you can, then abandon this bill and come back with a fresh piece of legislation that isn't tainted by any sort of retroactive retrieval. That then would lead logically to having that new bill tested in the Supreme Court of Canada as rapidly as you can to be certain that we have a tax scheme in place for the future and that, in the end, will be the most important question. Now, my question really is, have you given some thought to that? I am very troubled that if this bill is intended to be the permanent piece of legislation not only to retrieve the past but to apply to the future, we may have a grave

problem in two or three years hence.

**Mr. Romanow:** — Mr. Chairman, I don't think I can give any kind of an answer to the member which would be meaningful at all. I could say that we have talked or thought about options in the course of deliberating about Bill 47 but I don't think that is a meaningful kind of an answer. I don't attach any importance to it. I would have to say again in answer and it is about as specific as I can get, my answer is that once this bill passes this is the law with respect to taxation and repeat again that it is perhaps not our preferred law and I repeat again that the royalty would be our preferred law and repeat that we may or may not see royalty legislation in the future but no decision and no real thought has been given to that prospect at this time.

**Mr. Cameron:** — O.K., let me if I can in a genuine way, make a suggestion to you and that is that I have earlier said to you that the bill ought to be split. I understand the difficulty with that from your point of view politically and also in negotiating with the companies because you want to negotiate with them with the strongest hand you have. If you did separate the bill, there is some validity to your argument, that it would weaken your negotiating position with the companies by having a separate piece of legislation applying to the retroactive period because that then would become more difficult indeed constitutionally than if it were included in this bill. But that still leaves us with a real dilemma for the future and the real hard question here of avoiding in the future the situation we are now in. Now what I want to suggest to you is that, if you haven't already considered it, that you do give some serious consideration once you have the position cleaned up and the bulk of the \$500 million sort of sorted away one way or another than this bill be repealed and substituted with a new piece of legislation. And that, more importantly, you seek the willingness and the agreement of the federal government, and I believe they are prepared to give it to you generally, of referral by them of the bill under their powers, under I think it is Section 44 of the Supreme Court Act, to refer it directly to the Supreme Court for a decision. You understand clearly what that would do, you would then have a fresh bill which would not be tainted by any past consideration. You would, if you got the agreement of the federal government and it was referred to the Supreme Court, tested and determined to be valid, we would then be secure in the knowledge that what we had in place, was there for all time for the future with no possibility of coming down for unconstitutional considerations.

**Mr. Romanow:** — I can only say that the member has made this argument on many occasions in the past and I think he has heard my concerns in the past and without being too conciliatory this morning, it's not my nature to be too conciliatory, I can simply say that O.K., we'll consider the . . . not consider, I hear your suggestions, I am not persuaded to it any more this morning than I was a few weeks ago.

**Mr. Thatcher:** — Mr. Attorney General, I suppose before I ask this question which is a trifle hypothetical in nature, but I suppose I should offer my assurances to the member for Lakeview that I'm not really squirming this morning. I haven't done any squirming since about last June 24 and prior to that I used to squirm a lot worrying about the federal party that was in control of things. I find these comments interesting about morality there; if morality is such, I suggest he go out and tell the people of Saskatchewan that he and his party favour giving \$500 million back to the oil companies and explain the morals of the dilemma as such. I thought perhaps that he and his party might have learned something from the results of the potash thing some time ago.

Mr. Attorney general, what I want to ask you is . . . the odds are pretty remote that you're going to be the government after some point in time in 1978 and probably this

Bill 47 will be challenged in the courts. And with the wheels of civil justice moving as they do, it will probably be some time before the Supreme Court will render a decision on the legality of Bill 47.

The question I want to ask, I suppose is some advice from the Attorney General. Supposing the Supreme Court decides that Bill 47 is unconstitutional as they did on Bill 42, the Attorney General by that time will be past tense who wrote this legislation. As far as being the Attorney General he will perhaps have taken over the status of say, something like George Taylor's law firm or established his own, something along that line. Many of the members on this side will of course be past tense and we will be the government and Bill 47 is struck down. Now, Mr. Attorney General, tell me what do we do? Then we're right back to square one, way back to Bill 42, way back to 1973 when you blew it and wrote that bad bill; 1977, Bill 47 to salvage something out of . . . or what was ever possible to salvage out of this \$500 million that could potentially be owing to the oil companies. How exactly do we handle it because on Bill 47 it appears you're at least listening to the legal diatribe that's gone on so far; it appears you're exhausting all the options to plug the loophole. So, under this hypothetical situation it could almost be described as a very deft political move because the Attorney General is pretty astute politically, he knows the trouble that his government is in in the country. It is a pretty deft political move because the succeeding government to you may very well be faced with this problem of \$500 million . . . and of course the public's memory is pretty short, the fact that the \$500 million is being extracted from them from, shall we say a Conservative government, to rectify an NDP mistake. So, Mr. Attorney General, tell me how is a succeeding government going to handle it, if this bill is struck down or else answer it this way if you want to keep it simple, how are you going to handle it on the remote possibility that you may be in a position to have to handle it?

**Mr. Romanow:** — Well, Mr. Chairman, it is not very often or for very many reasons that I would want to see a Conservative government in office in Saskatchewan. If there would be one reason that I would like to see a Conservative government in Saskatchewan, I would like to see who is going to be the Minister of Agriculture in that government of Saskatchewan. They say that there will be 18 ministers of Agriculture and one Premier in that government. To me that would be almost worth the . . . well, no it wouldn't be almost worth but it would certainly be interesting to see for a while. But I think that the hon. member for Thunder Creek ought not to really lie awake too much at night worrying about his responsibility because I just don't think that's going to come about in 1979. In fact, I'm quite confident it's not going to come about. You know the problems your caucus is in . . . the stand pat reaction any time you hit a sore spot is for the boys to laugh in self defence., sort of like it's a big operation. Therefore, I'm not much in the business to giving you people advice on something which I think is very remote and I think will get more remote in the months and weeks ahead, very, very remote. After all, I am an incompetent Attorney General, why shouldn't you be seeking legal advice from the lawyers in your caucus?

**Mr. Thatcher:** — Well, Mr. Attorney General, facetiousness aside, exactly where are we if this bill is struck down? You've put all your eggs in one basket, in one bill. Maybe there should have been several bills. I don't know. I'm no expert in this particular area. But where are we? Tell us exactly what options are left for this province if Bill 47 is struck down in the courts. I certainly don't pretend to be any sort of an expert that can render any intelligent opinion on whether or not it will be. But what are the options if it is struck down? I think that is a very fair question to be asked on Item 1. I think you as the Attorney General are abrogating your responsibilities if you are going to treat it

facetiously. Tell us what the options are if it is struck down because unquestionably that is a very real possibility.

**Mr. Romanow:** — Well, Mr. Chairman, you must have been satisfied with this bill because you voted for it in second reading. You must be satisfied that it's going to do the job. If you didn't think it was going to do the job presumably you wouldn't have voted for it. Why do you ask me this question now? I can understand it coming from the boys further from my left and we've been trading that thing back and forth for a day and a half. But why do you ask it? If you're not satisfied with it, then the obvious operation is to vote against it.

**Mr. Thatcher:** — Mr. Attorney General, let's cut the garbage and let's have an answer. We already went through that. I couldn't . . . Bill 47 you sort of restricted my activities on second reading, so let's not go into that one. But that is a fair question and you as the Attorney General are abrogating your responsibility, not only to the people of Saskatchewan but to your government and certainly to the opposition. If Bill 47 is struck down what options are then open to us? Now tell us, forget the political garbage, give us a straight answer for a change.

**Mr. Romanow:** — Mr. Chairman, I have answered to the Leader of the Liberal Party and the Liberal caucus, like I answer to you. I am confident that Bill 47 will not be struck down. It's on the basis of the legal advice that I have garnered and the thinking that I have been given the benefit of, to offer that opinion. Accordingly for me to work on an assumption and presumably you concur in that opinion because you voted with us on Bill 47. I repeat again . . . well, you can say that you personally weren't here to vote but the fact is, that you and your caucus are in favour of this bill, and you also must be working on that assumption. So, therefore, for me to answer a hypothetical question based on an assumption upon which I do not believe and do not accept, I think that's political. I have given you the best answer I can under the circumstances.

**Mr. Thatcher:** — Mr. Attorney General, I wasn't here in 1973 when Bill 42 was brought in. Mr. Attorney General, I have a feeling that probably somebody, somewhere in the committee stage, or in second reading (there weren't records kept on committee) asked you the very same question. What will you do if Bill 42 was struck down in the courts? Unfortunately records in committee were not kept at that time and we can't go back to see what your answer was. But this is the third time that I have asked you that question and you have gone in rhetoric. If you can't give me the series of options that are open, tell me one option that is open to us if Bill 47 is struck down? Your answer is simply unsatisfactory when you, 'I don't believe it will be struck down'.

**Mr. Romanow:** — In my view.

**Mr. Thatcher:** — Of course, who knows that . . . the seven judges who are there at that particular time when it is presented, but nonetheless, Mr. Attorney General, you know very well that there is a possibility (and I think it is even fair to say a significant possibility) depending on the mood of the judges, who they are, what the precedents may be between now and then, but there is a very real possibility that Bill 47 may be struck down. For the third time I ask you, give me an option, or what options there are for this province for the government of the day, if this happens, what are they? And don't give me your political garbage and if there are no options, at least be man enough to stand up and say, all my eggs are in one basket.

**Mr. MacDonald:** — I would like to hear . . . I, like the member for Thunder Creek, would

very much like to hear the Attorney General respond to this. But I also way to say, this is a very most unusual speech. Unquestionably it is a real possibility that this bill will be struck down.

I am glad to hear that speech, but I want to tell the member for Thunder Creek he can't come back on this side of the House. We won't accept him. We won't accept him. What really bothers me even more than that, is the influence that the member for Nipawin has on the member for Thunder Creek because I know that every member on the Conservative caucus knows that exactly what the member for Thunder Creek says is true. That there is a really possibility that this bill will be struck down and then it is a dereliction of their duty to ever consider voting for that bill.

I cannot understand, and it is significant, that the Conservatives now are saying what they should have said in second reading. They are saying what they should have done when they originally had the responsibility . . . no, no, no . . . conspiracy, you know there is one thing about it, Mr. Member for Thunder Creek, when you dig your own trench in this place you don't ever point at anybody else. It's like digging your own grave. The only thing you are doing is pulling the string and pulling yours down but don't blame anybody else for digging it. That's what you did, so don't blame it about us. You, or the member for Nipawin spoke on behalf of the Conservative Party and spoke on behalf of the Conservative caucus and said, 'we are going to support the bill.' I heard the member for Estevan (Mr. Larter) say last night, 'the Conservative caucus supported the second reading.' All I am saying to you, Mr. Member for Thunder Creek, and saying to the Conservative caucus, it is unfortunate that you didn't get up, Mr. Member for Thunder Creek, and make that speech in second reading, because it might very well have made a significant difference in the clauses and the terms of Bill 47 as they are now being presented to this House. It may well have made a significant difference to the future potential hazard to the taxpayers of this province five years down the road on the very question that you are asking, that there is a possibility that this will be struck down. Had you stood up, expressed that opinion in second reading, got your caucus to express the reading which you believe in, maybe the government might well have separated the bill as the amendment of the member for Regina South (Mr. Cameron) suggested, or at least taken it back to the Law Amendments Committee as I recommended. There might have been a significant change.

I am going to tell you something. When 11 lonely members in this Assembly stand up and take on the government and the Conservative Party, which is what we did in Bill 47, and ask on behalf of sense and logic and the protection of the taxpayers to hold back on this bill, I am very, very disappointed to hear the member for Thunder Creek stand on his feet at this time in this debate and make this kind of a speech. Because I would have welcomed it in second reading and I am going to say to you that the member for Thunder Creek wanted to make that speech in second reading because I know him. I am going to say, unfortunately, he was here for a good portion of the second reading of Bill 47 (and don't suggest he wasn't, Mr. Member for Prince Albert).

**Mr. Wipf:** — Inaudible interjection.

**Mr. MacDonald:** — You mean the member for Thunder Creek kicked himself out. Let's get the facts straight. But all I am going to say and I am going to repeat, Mr. Speaker, that I think that had the member for Thunder Creek made that speech in second reading there might have been some significant changes in Bill 47. He also voted against the amendment. He was here for that particular vote. I am saying that had the member (and I am going to repeat) had the member for Thunder Creek made that



speech in second reading he may well have exerted the kind of pressure that would have forced the government to take a second look at Bill 47, because we tell you that down the road exactly as the member for Thunder Creek has said that there is a real danger that this bill will be declared unconstitutional. I am going to join with the member for Thunder Creek and I am going to ask the Attorney General not to side-track this question and not suggest that it is hypothetical because certainly the entire debate on Bill 47 has been based around the proposition of the constitutionality of Bill 47. If the entire debate has been based on the constitutionality of Bill 47, then I think the government has a responsibility to explain the options and the alternatives that they will follow if, as the member for Thunder Creek says now, and as we have been saying through this entire debate, that this is attacked in the courts, it is challenged and happens to be overthrown, what is the financial position of the government of Saskatchewan, what implications does it have for the taxpayers of Saskatchewan and citizens etc., so would the Attorney General do the House the courtesy of responding to the member for Thunder Creek for his rather late and belated speech which we certainly endorse?

**Mr. Thatcher:** — Mr. Chairman, I would like to thank the member for Indian Head-Wolseley for the unbelievable influence which he credits me with. I am flattered to think that the member for Indian Head-Wolseley thinks that my opinion and my comments could have such a profound effect on the Attorney General and I thank him, I truly thank him for that opinion. Strange thing, my influence or my comments certainly didn't have that kind of impact with my colleagues to the right when I was there at that particular time.

Mr. Attorney General, I am highly disappointed in you. I am really disappointed that when something is put to you like telling us what the options are left for this province, to tell us, not what several of the options are, but to give us one option on the possibility that Bill 47 should be struck down and that glib orator who has a reputation as a great debater in parliamentary circles right across Canada, rated as one of the skilled political orators, debaters, potential leader of his party, nationally some time, but when the crunch comes and he is challenged to put up what are the options if Bill 47 is struck down, he stayed in his chair.

Now, Mr. Attorney General, I am really disappointed because I cannot believe it of you. I suppose I had too much respect for your ability. I would have had more respect for you if you had stood up and said, if Bill 47 doesn't work, we've had it, because that's what you said when you stayed in your chair, that if Bill 47 doesn't work we've had it.

**Mr. Nelson (Assiniboia-Gravelbourg):** — You supported it.

**Mr. Thatcher:** — I fail to see what the relevance may be if we have to go back into who supported what. I didn't have an opportunity to even make my contribution in Bill 47 and if I have to repeat, because of the collusion which has been so evidence in this Assembly, going way back to November 16. But nonetheless, Mr. Attorney General, you stayed in your chair. I will give you one more opportunity. If you cannot think of a series of options, tell me one option that is left to this province, aside of course from the paying back of potentially \$500 million plus interest, plus court costs. If you cannot tell us another option, please don't stay in your chair, at least get up and say, that's it baby, if this doesn't work, we've had it.

**Mr. MacDonald:** — I just want to make one comment before the Attorney General responds. I want to tell the member for Thunder Creek that he did make a speech on Bill

47, the most powerful speech that any member could ever make, and that is to vote on the bill. I want to say that if he looks over the Debates and Proceedings — order of the day — on December 15, 1977, on an amendment about the constitutionality of the very issue that he is talking about, the member for Thunder Creek stood on his feet in a recorded vote and voted and expressed his collusion with the NDP by voting against the amendment on the constitutionality of Bill 47 and made the most powerful speech that any member could ever make. He stood on his feet and voted and put his 'X' where it counted.

**Mr. R.H. Bailey (Rosetown-Elrose):** — Mr. Chairman, it is very interesting to listen to the attempted retaliation of the members of this Assembly to my right. They have said we have principle here, we have principle. They get into this argument about the constitutionality of this bill. Now the basic difference has been this, Mr. Chairman, to this point in time. Even the Attorney General admits that there is a chance that this bill could be declared unconstitutional. That chance is there and you have alluded to it that way. We, too, have alluded to it that way. The Liberals are opening saying right now that it is unconstitutional.

Mr. Chairman, the main thing is the intrinsic feeling of the parties according to the bill, that's what really counts. The government, and rightly so, is hoping with all the legal advice that they can obtain and certainly they are working among the caucus and within the executive to hope and make sure that the bill is not challenged. We, in the Conservative Party, for the sake of a half a million dollars that could well come from the taxpayers' pockets we, too, hope that that doesn't take place and people in this province who are already debt-ridden are going to have to come up with the money. The fact of the matter is by their words and their demonstrations, the Liberals are hoping that it is declared unconstitutional because they would rather see the people of Saskatchewan pay back the \$500 million (or more) and think that they have gained some cheap political points because they are more concerned right now about their own ridiculous position than they are about the welfare of the people of the province.

Mr. Chairman, that has been so clearly demonstrated that even one sitting in the gallery for even any instant in this debate could truly see the Liberal position. They want this bill to be declared unconstitutional. They want their counterparts in Ottawa to embarrass the Saskatchewan government and they really don't care. They don't care if the people of Saskatchewan are tagged with \$500 million. Their actions have proved it, their words have proved it and the longer they are in debate on Bill 47 all they are doing is keeping their fingers crossed that this bill will be declared unconstitutional. They, for some reason, have the strange idea that if they can get the unconstitutionality stamp on this bill that they are going to benefit by it. No way can they benefit by it. They should stop and consider that. They should stop and consider very carefully what can they possibly gain by it?

Mr. Chairman, anyone listening to the debate on this bill from the very careful wording of the Attorney General, we realize the position that the people of Saskatchewan are in. Maybe it is about time that the people who sit in this House as MLAs and government members should recognize how they are looking upon it. The constitutionality of the bill and the trust that the people have in this legislature is not really the main issue. The main issue is, are we going to be tied with \$500 million? Go to coffee row, go any place in the province, Mr. Chairman. They are not questioning the legality of the bill or the constitutionality of the bill. What they are saying is this, for God's sake let's not have to pay back a half a billion dollars.

If the people of the province of Saskatchewan could see the group to my right begging and praying and coming on strong, let's stamp it down now, let's declare it unconstitutional. Who cares about the people being tagged with half a billion dollars? That's exactly the position they are taking. No amount of speeches that they can possibly make, no matter what they say, if they delay the thing from now until March, it will never change that impression upon the people of Saskatchewan. They are hoping for the declaration, they are hoping that the people of Saskatchewan are going to be burdened with a debt and they think that they have gained some principle. If they would sit down for one moment and take a look at the future in perspective and give some consideration to the people of the province, then they would not in effect be hoping for the unconstitutionality.

What the member for Thunder Creek said was very true. It is what the government has more or less intimated. There's a possibility that their bill could be struck down. There is that possibility. No question about that. We don't deny we have said that. The Attorney General won't, but it is questionable. You know what the Attorney General told us the other day was this, that this government didn't want to make the same mistake again that they made with Bill 42. Because of that they wanted to get more, better legal advice when they write Bill 47. Something else they did with Bill 47 which they didn't do with Bill 42. They realized that unlike Bill 42 they had better go out and talk to the people involved. They realize that and even to this day the Attorney General fully realizes that there is that avenue and there is that element of this bill being attacked on its constitutionality but, at the same time, the responsibility of members of this legislature is to think first about the people of Saskatchewan whom they represent. That's the first responsibility we have and I know that it's embarrassing for the Liberal opposition now to realize that they dilly-dallied along for almost a week and then they finally said, this is the stand that we are going to take. Do you know why they have made this stand, Mr. Chairman, as the man said earlier they had to wait for their counterparts in Ottawa to give them the word. There is no question about it, they have admitted it in the House. They openly said so in the House. Now, you see what they are doing is, every day they come to this House and say, it's unconstitutional. Mr. Chairman, how do they know? If they say it's unconstitutional why don't they present the facts on where it is unconstitutional. They have no basis to say it's unconstitutional, no basis at all. They have no proof that it's unconstitutional . . .

**Mr. Chairman:** — Order! I think I've been quite lenient this last while with the speakers and I think that we have to take a little responsibility as responsible members and try to give what the bill should have and what should be asked. I do not think that it assists or I cannot see how it relates to the present bill as to what the individual parties are doing in their stand. I think we as individual members have to take our stand and I would ask the member speaking to try to keep it to that and relates it to the bill and not to what the parties have done at other times. So I will ask them just in general terms and I am not trying to confine them to any certain remarks to adhere a little closer to it than what they have in the past.

**Mr. Bailey:** — Mr. Chairman, perhaps I should apologize for the embarrassment that I brought upon the Liberal Party. I will leave it at that. I think the message is very clear that they recognize their position and they truly are embarrassed about the whole matter. I appreciate your comments, Mr. Chairman, and I can assure you that perhaps you were quite right and I would hope that the other members will take your words of wisdom to their advice and follow the same pattern which I am.

I want to just say in conclusion, Mr. Chairman, the picture is very clearly painted, the picture and the position of the parties in this House are very clear. I think that was my responsibility to make that situation clear to this entire Assembly and I hope that as we proceed with our debate on the bill and the amendments that truly the members of this House will then see the proper perspective and in their discussions will regulate them accordingly.

**Mr. Romanow:** — Mr. Chairman, I am sorry. I know members on this side and the other side are going for the question and sooner or later Vote 1 will go but I feel that I must make one or two comments in response to the remarks made to the member for Rosetown-Elrose. I think him for the support, albeit it's tenuous but I am somewhat confused because the member for Rosetown-Elrose has argued the following. He said, gentlemen, let's be mindful of what the people of the province of Saskatchewan want and they want to make sure that the \$500 million is safe, they are not worried about the constitutionality, was the word that he used. They are not worried about the legalities nor the technicalities, they want to be worried about whether or not this bill and the \$500 million is protected by this bill. That's what he says today but in the second reading of the legislation, the Conservative Party and I believe it was the member for Rosetown-Elrose, himself, said this about the bill:

However, there are some provisions in the new bill which we simply cannot accept. In its present form the bill gives the Premier the power to set the rates of taxation as he sees fit or to waive any part of it. In other words, he could in secret pay back some companies and not others. He could set a higher rate for some than others, all in private. It could even be possible for the Premier to favour some companies who favour the NDP while setting exorbitant tax rates for another. This we strongly object to (and get this, Mr. Chairman) and will be moving on amendments to remove these powers from the Premier and put them back in the legislature where they belong. Unless the amendment is made, a dangerous precedent will have been set which in the future could be used against individuals.

And that's what's going on. Now on the one hand the member is pleading with us not to worry about the amendments, we have a series of amendments being proposed; on the other hand the member talks about the necessity for amendments. I am confused. Can I assume from the comments of the member for Rosetown-Elrose this morning that accordingly since what the people want is the protection of the \$500 million that the Conservative caucus will vote for the government and for this bill on third reading?

**Mr. Bailey:** — Mr. Attorney General, let me say this that you yourself since this Bill came in, somewhat like Bill 42, you bring a bill to the House and there is a connection between the two because they are both government bills and what's the first thing you do, we have to have a major overhaul of the bill. Traditionally the amendments to a bill come from the opposition. You, yourself, have made some amendments to this bill right now. Now the logical thing is there is something wrong with the bill or you, yourself wouldn't have brought in some amendments to Bill 47. That goes without saying. The same with what the Minister from Arm River has said, what you are trying to say, Mr. Attorney General, you are trying to present the figure to the House that it is not in keeping then that the opposition members should move amendments to the bill.

**Mr. Romanow:** — You said that . . .

**Mr. Bailey:** — No, not at all, not at all, what I criticized the members opposite for was

their continued attack on the bill as being unconstitutional when they in fact had no proof that the bill in its present form is unconstitutional.

**Mr. Romanow:** — Why does . . .

**Mr. Bailey:** — The member for Thunder Creek did not say it was unconstitutional. He did not flatly say . . .

**An Hon. Member:** — He certainly did.

**Mr. Bailey:** — He did not, now and there is a very plain distinction. What the member for Thunder Creek said is the same thing as the Attorney General has inferred, that is, using the words of the Attorney General, there is always the element of the unconstitutionality of the bill. Those are the very words that the Attorney General used and the member for Thunder Creek said nothing that the Attorney General hasn't said on that particular subject. Nothing whatsoever. And the Attorney General no matter how he speaks can't deny what the member for Thunder Creek has said as being the exact words that he himself has said on this bill. So let's not confuse the issue, Mr. Attorney General.

**Mr. Romanow:** — What else in the world would he being saying it for, asking it for, if there wasn't an underlying assumption in the back of his mind that the bill was unconstitutional, what in the world would he be asking for. Just because of a pure academic exercise of speculating as to the reasons for it . . . (interjection) . . . I have the floor, Mr. Chairman. Surely he has to be asking with a specific point of view, he's not doing it as a matter of academic speculation or as a matter of academic exercise. I know the member for Thunder Creek better than that and I don't believe, although he may speculate academically from time to time, when he gets up and asks me to give an opinion on a future development with respect to constitutionality, he's got a specific thought in mind. If he didn't have any doubt about it he wouldn't be asking about the unconstitutionality and what we would do in that eventuality. I say to you again that you have failed to answer my question whether you will be voting for this bill on third reading in the light of these comments. I say to you, too, that the amendments that we're proposing are amendments which have been recommended by CPA and IPAC, as a result of consultation. Not as you're represented because of errors in drafting or otherwise, as a result of consultation. So be fair in that regard but don't on the one hand say to me come on let's get on, I'll all for passing Vote 1, my interest is it should have been passed yesterday and get out of here, but don't say at the same time that we are here only to pass Vote 1 only and then on the other side go around in the House and outside the House and say that the bill can't be accepted unless to make a variety of amendments to it, don't go about attacking it's constitutionality when you vote for it and when you say the people of the province are concerned about it, as the member for Thunder Creek has just finished doing.

**Mr. Thatcher:** — Mr. Chairman, first off, Mr. Attorney General, my opinion as to whether the bill is constitutional or not isn't worth the powder to blow it to hell because how would I know, how would anybody else know, who else would know except the seven lawyers or the seven judges who may sit on the Supreme Court and I have never made the statement today and I defy you to find it in the record where I have said that that bill is unconstitutional. I'm in no position to judge it. Mr. Attorney General, what I have done today is suggest the possibility that it is unconstitutional and something that is that complex there is always a possibility that it could go either way and that is the

only allusion that I have made, and what I have asked you and this is the fourth time, on the possibility that it is unconstitutional and it is struck down, I have asked you to tell me one single option that is then available to the province other than paying back \$500 million. On three occasions you've sat in your chair. Let's do it the other way, Mr. Attorney General, let's just go at it another direction. I would assume by the fact that you stay in your chair, won't get up, that you are giving this House, this Assembly, the people of Saskatchewan your absolute assurance that this bill is constitutional. So let me ask you, Mr. Attorney General, and never mind the garbage answers, just give us a straight answer to this one. Are you willing to stake your reputation as a lawyer, as an Attorney General, as an administrator on Bill 47 being constitutional? There is a record being kept, Mr. Attorney General, and are you willing to go on that record and spare us the garbage, yes or no?

**Mr. Romanow:** — Mr. Chairman, that's kind of an approach to a question which really misses the boat. I am the minister in charge of this bill, for the time being I am recommending it to the legislature and as a consequence I've made my comments and my position about its constitutionality and I will take the consequences of that one way or the other, whatever should happen with respect to the bill, as I did in an indirect way with Bill 42. I didn't pilot Bill 42 but it's my department that gives the constitutional advice and my department that defends the constitutionality of that bill. But look at how ridiculous your questions are. You're asking me, what are you going to do if someday down the road Bill 47 is declared unconstitutional? That is a ridiculous question, nobody could answer that without at least taking a look first of all that the reasons of the judgement and reasoning of the court as the reasons for the unconstitutionality, nobody could. You couldn't base Bill 47, for example, without having read the judgement in the CIGOL case; you couldn't have read the minds of the Supreme Court of Canada and said we are going to have this kind of an option available to us because you don't know what the reasoning and what is in the minds of the judges themselves so how in the world can you ask me to speculate on a situation of that nature to set out a variety of options that are available to you? You know that in your mind and if you don't know that, the member for Qu'Appelle should have told you or the member for Saskatoon-Sutherland should have told you as lawyers and I think they did. Therefore I can only assume that you asked the question for one reason only because you too in your mind think that the bill is unconstitutional and yet you voted for it. So why don't you fess up and tell us whether you are for the bill or against the bill once and for all but don't play around in games with me.

**Mr. Thatcher:** — Mr. Chairman, Mr. Attorney General, I asked you those questions, I asked you that because you're a minister of the Crown, because you're responsible to this Assembly, you're responsible to your constituents, you're response to the people of this province. Rightly or wrongly on your capabilities right now there is an awful lot of money in this province riding. And I think, Mr. Attorney General, and I say this regretfully at this point in time, I've got to say to you that you should resign right now, because as the Attorney General you have refused to give me an answer to a very basic question. We're not in the court right now and I'm not a lawyer. I'm asking you as a member of the opposition and I have asked you four times now to tell me what options are left for the government of the day if Bill 47 is struck down? You have refused, you have stayed in your chair, you've refused to touch that and I have to conclude that there are no options left but then, Mr. Attorney General, when going at it the other direction you have been making such a great thing about who or what things in this bill are unconstitutional. And I have asked you to put your reputation as a lawyer and as an Attorney General on the line since you feel this way so strongly that this bill is constitutional. In other words, what I have asked you to do and which you've gone right

around, I said put everything on the line that this bill is constitutional or give us some assurance that you'll resign, your government will get out of the road. Again, you've refused to tackle that one. Therefore, I suggest, Mr. Attorney General, that you should not wait until this bill goes before the Supreme Court, if it does. You should resign right now because you have abrogated your responsibility in the last few moments in this Assembly by refusing to face up to the responsibilities that have been entrusted to you, not only by your government and your Premier, but by the people of Saskatchewan.

**Mr. Romanow:** — Mr. Chairman, you can make those statements and obviously you have and you will but anybody who knows anything about judgements and laws knows, any reasonable person knows that before you can frame, repair legislation on the eventuality that Bill 47 might be defeated you have to know the reasons for the defeat of Bill 47 in order to avoid the pitfalls and the shoals upon which we are going, that anybody could tell. You know I take it as somewhat unkind and uncharitable to receive lectures from the hon. member for Thunder Creek about standing on principle and standing on what doing is right and standing on conscience and fessing up to my responsibilities as an MLA because I'd rather suspect that if the truth were known the member for Thunder Creek opposes Bill 47. If the truth were known he would have voted against Bill 47 in second reading. If the truth were known, he's working within the caucus to still get the PC caucus to vote against it on third reading and if the truth were known, if you were true to your principles and beliefs, you should be leading the way, the example that I should be following, by standing up and telling us exactly where you stand on this Bill 47. So I take it to be somewhat uncharitable and unkind to get a lecture from you that I should be standing up on a matter of principle and stating my beliefs. I'm watching you as to what you do and where you stand on your beliefs and I just can't believe it, that the way you are criticizing this bill and the way you're attacking myself all morning, and yet at the same time saying that you're voting for Bill 47. That that can be the honest and true position, I just don't believe. I think the voting for the Bill 47 in second reading is a political sham. I think the truth of the matter is the statements and the attacks that you've conducted against the Attorney General — it's obviously the Attorney General, I don't take it personally but I don't care if it is personal or not — and against the bill this morning, that's the truth of the matter. Now if you stand for principle, get up and tell the people of Saskatchewan that you're opposed to Bill 47 because that's exactly what you're saying you're doing today.

**Mr. W.C. Thatcher:** — Mr. Attorney General, I know you are not going to answer things yes or no but do your best on this one. In your opinion or in the opinion of your department or in the opinion of your government whatever you want, do you believe that there is a possibility that Bill 47 could be unconstitutional — yes or no? Never mind the political speeches or the diatribe. Is what you have been saying at least what I have to interpret at the time you get on your feet is that you are suggesting there is no way that it is unconstitutional. So I ask you directly is it your opinion — will you go on the record stating whether you feel there is any chance that it could be struck down or are you prepared to make an unqualified statement that it is constitutional?

**Hon. R. Romanow:** — In my judgement Bill 47 is constitutional and if it should be challenged it will be so found by the Supreme Court of Canada to be constitutional.

**Mr. W.C. Thatcher:** — Mr. Attorney General, for the record, would you assure this Assembly since so much of what is going on is based on the comment that you just made; will you put your reputation as a lawyer and as an Attorney General and will you resign if that bill is unconstitutional?

**Mr. Romanow:** — Mr. Chairman, I'll take the appropriate action that I think is appropriate for myself, if and when an eventuality takes place in respect to Bill 47 or if and when any kind of political eventuality takes place which affects what we think is the credibility of our own actions and our own positions as individual MLAs and I commend that very strongly to the member for Thunder Creek with respect to the actions in terms of political actions. I will make those decisions as I have to make them as best as I can. I can only interpret, Mr. Chairman, that this morning's attack on Bill 47 by the Conservative caucus really indicates they are in truth opposed to Bill 47, there is no other way around this because of the protracted questioning and you know the member for Estevan is shaking his head to the press gallery and they are nodding back very kindly to him saying, we are with you all the way, Bob, we understand your point. But the fact of the matter is, that is exactly the situation you know, and again the boys in a stock and trade situation whenever they are embarrassed they laugh. But that is the simple fact of the matter. You voted for the bill in second reading you say, and yet you spend all morning this morning drilling me about the constitutionality and what the options are. If you had any doubts about the constitutionality of the options, where were you on second reading? Where were you on the course of the debate? There is no real conclusion that can be made but that you were standing against us on Bill 47 and that's the simple fact of the matter and you have been doing it all morning and you get up and you have the gall to give us a lecture about what the people of the province of Saskatchewan want. If that's what the people of the province of Saskatchewan want, why in the world did you take the stand that you have taken this morning, lecturing us on principles and positions. You have taken this stand because you are opposed to Bill 47 and that is the simple fact of the matter . . . (interjection) . . . By your very words and by your very actions, mark my words by your actions on third reading, you are going to vote against this bill and that's what this whole thing is lining up to. This whole exercise is to lay the groundwork to vote against it in third reading, the member from Thunder Creek knows it, the member for Rosetown-Elrose made that speech in second reading, he knows it, everybody knows it, and I say to the member for Qu'Appelle who unfortunately has not been here as much as possible, that that is the fact of the situation. I will take my responsibilities, I'll take my responsibilities and I can assure this House I'll take them a lot more seriously than the member for Thunder Creek takes his responsibilities.

Mr. Speaker, I would ask the members of the House to let Vote 1 go through if it is in their interest in this stage of the game.

Section 1 agreed.

## **Section 2**

**Mr. Malone:** — Mr. Chairman, I have a number of remarks I would like to make about this section and I wonder if the Attorney General would make the usual motion at this time to adjourn.

The committee reported progress.

The Assembly adjourned at 1:03 o'clock p.m.