

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Eighteenth Legislature

January 11, 1978

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

QUESTIONS

Acquisition of Potash Mine

Mr. R.L. Collver (Leader of the Conservative Opposition): — Mr. Speaker, I would like to address this question to the Attorney General in the absence of the Premier. Today it was announced by the government of Saskatchewan that a further \$85 million is being invested by the government of Saskatchewan in an acquisition of 60 per cent of the Allan Potash Mine making a total of \$170 million that has been presumably committed by the government of Saskatchewan within the last week or ten days. In the light of the Premier's press release yesterday of the concern of the government of Saskatchewan unemployment would the Deputy Premier not agree that the \$170 million might have been more appropriately spent by the government of Saskatchewan, if it felt that it had that money to spend, in the creation of new jobs and opportunities to alleviate the unemployment situation due to the government of Saskatchewan's tremendous concern about the increase in unemployment in Saskatchewan?

Hon. R. Romanow (Attorney General): — Mr. Chairman, Saskatchewan's unemployment record, while a matter of concern, is still at least second best if not best of all the provinces in Canada. It certainly has been the best for a substantial number of months. I don't make a big case out of that. But that is the simple fact of the matter.

Secondly, with respect to potash acquisitions, one of the consequences of potash acquisitions generally, and I'm not now speaking specifically of the Allan Potash Mine situation, is likely to be considerable expansion and with the expansion the question of more jobs. Expansion has been announced at Corey, expansion has been announced at Rocanville, a significant debottlenecking process under way at Lanigan Alwinal . . . these are jobs.

Thirdly, I do want to say to the hon. member that in terms of the jobs those who are employed with the mines in the province of Saskatchewan, I think, will feel very secure or at least a little more secure than they do now perhaps making sure that the ownership of the potash mine and the management rests in the hands, with themselves in effect, of the people of the province of Saskatchewan. And take for example, more security in job employment characterized by the kinds of massive unemployment activities we've seen such as in INCO at Sudbury and so forth.

Mr. Collver: — A supplementary question, Mr. Speaker. Would the Attorney General not agree that his statement with regard to the employment at the potash industry as a result of the government takeover is quite simply incorrect? In the light of the layoffs that have occurred in two of the mines with reference to over production and the large inventory of potash that the government not only has in the province of Saskatchewan but also has rotting in the United States of America and is attempting to dump in the United States of America below cost in order to reduce the inventory of

supplies, therefore, would the Attorney General not agree that the so-called employment created by the government takeover of the potash industry has quite simply not occurred in Saskatchewan save for the increase in the number of personnel in the office, administrative personnel at PCS in their new offices in Saskatoon? Furthermore would the Attorney General not agree that the money so-called committed to the acquisition of the mines is going to the United States to be used primarily to the United States and certainly in the light of this latest acquisition of US Borax and Swift, which is an American corporation, that those companies are resident in the United States, this money will go to the United States, will be used to develop United States industry and will have left the province of Saskatchewan. This money could have been used to create jobs and opportunities now and furthermore . . .

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

Further Action on Information in Pelly By-election

Mr. S.J. Cameron (Regina South): — Mr. Speaker, a question to the Attorney General. Reports today indicate that the chief electoral officer has not been able to get information from Arco Signs in Saskatoon with respect to the expenditure on signs for the Pelly by-election by the Conservative Party. My question is, are you prepared to issue a search warrant or take some other action to be certain that that information is forthcoming?

Mr. Romanow: — At this stage the answer is, no.

Mr. Cameron: — Well, what do you foresee by way of action by your government to get to the bottom of the facts in respect of the returns that have been made in regards to that by-election?

Mr. Romanow: — Mr. Speaker, the situation has been enunciated on a number of occasions and I repeat, the chief electoral officer is in the process or has conducted a meeting with the candidates and the political parties involved in the Pelly by-election. She will in due course prepare presumably a report to myself, as directed by the Premier and as a consequence of that report some action may, or may not be taken depending upon the contents.

Mr. Cameron: — Can you by way of supplementary give us assurance that when you receive that report that you will use the full powers that are available to your government to bring forth information which apparently she doesn't have the power to do under the act? Will you give us that minimum assurance that in respect of your subsequent follow up, on receipt of her return, that you will use your full powers to be certain we get all the facts in respect of those returns?

Mr. Romanow: — Mr. Speaker, I give the member the assurance that when I receive the report it will receive careful attention by myself and the officials in my department and such action that is required to be taken by the Department of the Attorney General as dictated by the report will be taken.

Mr. Collier: — A supplementary question, I would ask the Attorney General to ensure and to give this House his assurance that in determining the course of action to be followed with reference to election returns, that the course of action and the questions that are going to be asked by the chief electoral officer of all of the parties will apply equally to all of the parties' returns and to all of the returns including those of the

members to my right.

Mr. Romanow: — Well, Mr. Speaker, I suppose I should answer that but I think the answer to that is self evident. The chief electoral officer will do what is necessary according to her responsibilities and her powers and will be reporting in due course and I assume the very fact that she's asked the three parties to meet with her she has a game plan, if I can call it that, in mind with respect to the returns and we'll just have to wait and see what report she makes, if any.

Change of Month Applications for License Renewals

Mr. J.G. Lane (Qu'Appelle): — Mr. Speaker, a question to the minister responsible for the Saskatchewan Government Insurance Office. Via press release dated January 4, 1978, SGIO announced that it expects over 100,000 Saskatchewan residents to choose a new license renewal year and is gearing up for 100,000 change of month applications. That release also indicates that motorists will be encouraged to switch their renewal month to relatively slow months of May, July, August, September and December. In last night's paper, "a strike vote is possible among employees at SGIO." Will the government commit itself today that it has contingency plans that if there is a strike by SGIO, that people will be given the added time to make the desirable change of month applications?

Hon. E.C. Whelan (Minister of Consumer Affairs): — Well first, the fact that the employees, Mr. Speaker, are undertaking a strike vote does not indicate that they will not be on hand. We understand that the negotiations are at a stage where they are still talking. We do not anticipate that they will be off the job. This is one of the manoeuvres that does take place in the course of negotiations but the mere fact they are saying that they are going to take a strike vote does not indicate that they won't be on the job.

As far as the work that is necessary to change 100,000 people, if that's the number, we say that that's a possibility. There are 763,000 registrations of vehicles and we think there is a possibility that there might be up to that number. There might be a great number less than that, we don't know. That's just a figure picked out of the air.

We feel that we can handle that. The fact that these registrations are now spread over a twelve-month period does give the staff a better breathing space. You will know that when this change took place it was necessary that they deal with something like 1,000,300 transactions in a short period of time and they did that successfully before September 1, so I anticipate that they will be able to handle the figures set out in the release.

Mr. Lane: — Do you have contingency plans to deal with the eventuality or the possibility of a strike and its impact upon the driving public of Saskatchewan to make sure that your desire and their desire to change the months, will in fact be done and that the public will not be inconvenienced?

Mr. Whelan: — Just by way of correction so that the inference is not that only SGIO employees issue licences — you know that we have something like 456 licence issuers and only a small number of employees, probably 70 or 80, are involved in the registration of vehicles. I think that we always have contingency plans but we do not expect that negotiations will arrive at the stage that is being predicted by the hon. member.

Government potash takeover

Mr. E.F.A. Merchant (Regina Wascana): — A question to the Deputy Premier. I suggest to the Deputy Premier that the right or wrong of the potash takeover now beneath us, the better question becomes, what about the future? The government now has almost 50 per cent of the capacity. That was what the government indicated was the goal. Would you now be prepared to give a guarantee to the industry that you are not seeking to take over any further companies so that you can put the industry at ease and the industry will know that the government has satisfied its appetite for takeovers?

Mr. Romanow: — Mr. Speaker, I cannot give that assurance today as the member for Wascana indicates. If these two agreements that were announced this week in principle in fact come to fruition, coupled with some expansions and debottlenecking ventures which have been announced and are soon to be undertaken, we will be at 50 per cent or very close to 50 per cent. I think the future policy of the government really will have to be enunciated after careful assessment of the present position that we're at by the Potash Corporation of Saskatchewan, I suppose in a different way by the government of Saskatchewan.

Mr. Merchant: — A supplementary. The government now is at 45 per cent of the rated capacity with the . . . 45, I believe and I suggest to the government that with the changes you've proposed to increase production you can easily get beyond 50 per cent of the rated capacity. As long as you have hanging over the head of the industry, the prospect of a desire by the government for further takeovers, the result is that the industry will not be prepared to expand in Saskatchewan and certainly nothing new would come into this province as long as the government is like an unsatiated cookie monster always looking for another potash mine to take over. In the past, the government has been prepared to indicate its next target. Would you indicate what your next target is, if you intend to make a further takeover?

Mr. Merchant: — Well, Mr. Speaker, the hon. member will know that with respect to Allan, there were three participants, US Borax, Swift Canadian and Texas Gulf. Today's announcement with respect to Allan involves US Borax and Swift Canadian. It does not involve Texas Gulf. I'm not answering this directly when I . . . I want to make it clear that this is not our target. But I do want to say that the government is still holding some talks and discussions, negotiations if you will, with Texas Gulf. So that's perhaps the most immediate aspect to your question.

Loan made to Fairview Developments — Moose Jaw

Mr. W.C. Thatcher (Thunder Creek): — Mr. Speaker, a question to the Minister in charge of SEDCO. Two days ago, Mr. Minister, you indicated when questioned on the status of a loan made to Fairview Developments in the Golden Acres Motel, you indicated in the question period very specifically that personal guarantees had been taken by the principals of this company at the time that the loan was made. Mr. Minister, a search of land titles in Moose Jaw shows no indication of personal guarantees in the mortgage, a copy of the debenture, the agreement between SEDCO and Fairview Developments shows no indication of any personal guarantees, a document which I'm prepared and perhaps should table in this Assembly.

Would the minister then tell me, will you then if you do in fact have the personal guarantees, will you table them in this Assembly as well as all details pertaining to the transaction?

Hon. N. Vickar (Minister in charge of SEDCO): — Mr. Speaker, it is my knowledge that there are personal guarantees and that they were taken out at the time the loan was disbursed. I don't know what documents the hon. member is talking about and if he has it and he has proof that there were no guarantees at that time, then I would like to see it and I will check it out with SEDCO. I am being instructed that there are personal guarantees.

Mr. Thatcher: — Supplementary question, Mr. Speaker. In that case, Mr. Speaker, I will table this document for the minister's perusal. Will the minister, if he does in fact have the personal guarantees, would he answer my initial question, will you table them before this Assembly and will you tell us what action you intend to take in regards to the personal guarantees that have been given in this transaction?

Mr. Vickar: — Mr. Speaker, I don't think there will be any harm in me tabling these documents of the personal guarantees as I receive them from SEDCO, and what action we will be taking is another situation that depends on the outcome of the sale of the motel.

Mr. Thatcher: — A supplementary question, Mr. Speaker. Mr. Minister, with all due respect and I do mean with all due respect, but I believe that it was some five or six sitting days ago that I initially raised this matter with you. Since you have indicated that you are quite willing to table the personal guarantees into this Legislature, could I ask you if you would be prepared to table these documents at the next sitting of the Legislature?

Mr. Vickar: — No, Mr. Speaker, I don't see how I can obtain them that fast. I will have to check it out with the boys at SEDCO.

Pelly By-election Documents

Mr. S.J. Cameron (Regina South): — A question to the Attorney General. Under the Elections Act certain election officials are given the power to destroy documents that are filed under that act within six months after sort of effective dates.

Mr. Romanow: — (inaudible)

Mr. Cameron: — I'm saying under the Elections Act certain election officials have power to destroy documents after the expiration of six months from the filing of documents under that act. If you check it you will see that officials have that power. I want to try to draw from you if I can, an assurance that under no circumstances will any documents filed in respect of the Pelly by-election be destroyed until there is a full and complete investigation and report in respect of that spending.

Mr. Romanow: — Well Mr. Chairman, I simply will say that the Chief Electoral Officer is the one who is responsible for the administration of the act. She is the person who is making certain inquiries as a result of certain returns. I don't think I am in any position to give that kind of an assurance today. I can only assume that she will act and do what is correct and reasonable under all of the circumstances. That is the best answer that can be given today.

Mr. Cameron: — Well a supplementary. An official of the Conservative Party has called for the firing of the Chief Electoral Officer and has indicated that he intends to consider suing her. My question to you is, are you in fact considering the dismissal, as the Conservative official has suggested, of the Chief Electoral Officer, and if she is sued by him will the government be conducting her defence on her behalf?

Mr. Romanow: — We do not have any intention to dismiss the Chief Electoral Officer, certainly not on the basis of a press report made by the individual in question. Secondly, if a lawsuit is launched against the Chief Electoral Officer it will be the intention to follow the normal practice of the government which is to provide her with full counsel for defence of any suit that may or may not take place.

Mr. Cameron: — Mr. Speaker, would you indicate whether on receipt of the report of the Chief Electoral Officer, you would be prepared to provide copies of the report to each of the members for Nipawin and Lakeview?

Mr. Romanow: — I would have to take that question under consideration. I want to say that . . .

Mr. Cameron: — You would like to see it first?

Mr. Romanow: — Yes I would like to see it first because the example I think can be stated this way, although it is not an exact analogy.

The Department of the Attorney General receives reports, many reports on a daily basis respecting criminal or provincial statute violations. We have taken a position, not only we but every Attorney General I think in the history of the office in every jurisdiction in Canada has taken the position that those reports are privileged. Quite clearly they are investigative reports. There are all kinds of observations and statements which are in there which would do great damage if revealed in some circumstances especially if no action was to be taken. I think by analogy the same parallel can be drawn with the Chief Electoral Officer's Report. I realize it's somewhat different because it's not strictly in the department of the Attorney General but I think a similar analogy can be drawn and, accordingly, I don't want to be in a position today to say yes, we will table it, no, we won't table it. I do think we should take a look to see what it says before I make any kind of a committal like that.

Sask. Power Purchase of Distributing System of Power within Saskatoon City Limits

Mr. R. Katzman (Rosthern): — Question to the minister responsible for the Power Corporation. Sask. Power has been negotiating for a considerable length of time with the city of Saskatoon to purchase their distributing system of power within the city limits. Are negotiations still going on?

Mr. J.R. Messer (Minister of Mineral Resources): — Yes, I believe the answer to that is yes. I see by the press that the mayor of Saskatoon is talking about new proposals which he may introduce to those discussions.

Mr. Katzman: — Is one of the suggestions that the Power Corporation has offered to see also, to the city of Saskatoon if they don't take over the Saskatoon section, to sell to them the new incorporated areas in the Saskatoon for them to distribute power instead of Saskatchewan Power Corporation?

Mr. Messer: — Mr. Speaker, I believe it would be somewhat improper to undertake to convey to the general community at large the matters which I think are confidential to the Saskatchewan Power Corporation and the city of Saskatoon in those negotiations.

Business Assessment

Mr. A.N. McMillan (Kindersley): — A question to the Minister of Municipal Affairs. I had hoped yesterday to be given the opportunity to ask a supplementary with respect to the questions posed by the member for Assiniboia-Gravelbourg with respect to business assessment. My question to you is, in view of the fact that there have been consistent roll backs in the level of assessment brought in by your Department of Municipal Affairs urban assessors consistent roll-backs initiated on some occasions by your own assessors, are you prepared at this time to review the new assessment manual that these assessors are working within the hopes that the new assessments that would subsequently be brought in, would more accurately reflect an assessment based on the level of service the market value and the earning ability of the properties that are being assessed?

Hon. G. MacMurchy (Minister of Municipal Affairs): — Mr. Speaker, I think I indicated to the member for Assiniboia-Gravelbourg yesterday that the legislation, sort of being looked at on a continuing basis certainly will be giving some examination to the manual. I point out to the hon. member that the manual is based on assessment management that goes on right across this country and it was carefully developed out of an examination of what takes place in other provinces, with an attempt to adapt it to the Saskatchewan scene. So, I think in the broad principle, it's a pretty good manual. That's not to say that there doesn't need to be an examination to see if it does adequately meet the Saskatchewan scene and that, perhaps, it needs some adjustment. And I can certainly indicate to the hon. member that that will be looked at within the department. I might also indicate to the hon. member that I'm seeking to meet with the Saskatchewan Assessment Commission who have been involved in some respects with this issue to get an input from them in terms of examination of the manual itself.

Mr. McMillan: — One supplementary, Mr. Speaker, and that is the fact that I am sure the minister is aware that many of the representations that have been made with respect to the assessment came not directly from the businessmen affected themselves but rather from the urban municipalities in which those businessmen reside and in which that property is held. And do you not feel that that in itself is an indication that if even the municipal governments who will be in a position to collect this additional increase in taxes feel that in itself the manual is far too stiff in its application of a new assessment?

Mr. MacMurchy: — Mr. Speaker, I am sorry I do not agree with the hon. member that the urban municipalities have been concerned. This is a Moose Jaw case, if you want to use a case, it's the first example of a request from the council, a council to meet with me to discuss reassessment and I can report to the Assembly that I talked briefly with his worship, the mayor of Moose Jaw this morning and such a meeting has been arranged for early February with the Moose Jaw council. But this is the first time a municipality has requested a meeting with me to discuss reassessment.

Mr. McMillan: — Does the minister not agree that on many, many, many previous occasions urban municipalities have requested to meet with your assessment officials

in order to try and roll back the assessment that was brought in by those officials and on many, many occasions those officials themselves have admitted that the assessment they were required to make in accordance with their new manual should be rolled back and in fact were rolled back. I give you only one other example and that's the community of Eston in which the town council urged that there be a roll back after the appeal they had passed which businessmen could appeal to, your own assessors agreed that that should be the case and in fact there was a roll back there.

Mr. MacMurchy: — Mr. Speaker, I can't answer that question. I can only point out to the hon. member as I did just a minute ago, that the municipalities weren't as concerned as he indicated in that this is the first time they requested a meeting with the minister.

SEDCO — Receivership

Mr. Thatcher: — Mr. Speaker, a question to the minister in charge of SEDCO. Mr. Minister, in the case of receivership where a Crown corporation such as SEDCO is involved and where personal guarantees have been taken on the transaction, is it normally accepted procedure in SEDCO's or any Crown corporation's case, to proceed with the disposition of the assets of that company before action is then taken on the personal guarantees?

Hon. N. Vickar (Minister of Industry & Commerce): — Mr. Speaker, I am not aware of what the procedure has been to this point. I am aware though that all efforts are always being made to dispose of the assets before any action is taken.

Mr. Thatcher: — Mr. Speaker, a supplementary question to the minister. Mr. Minister, could I then ask you if the action that you are now taking in the case of Fairview Developments or the Golden Acre Motel, by disposing of the assets before, as you have indicated in this Assembly, moving to recapture the personal guarantees which you say that you have, or act on the personal guarantees, are you acting in the normally accorded procedures of SEDCO?

Mr. Vickar: — Mr. Speaker, I am not a lawyer although my people in SEDCO are telling me that that is the proper procedure and that is the route we are taking.

Government Policy on Potash Mines

Mr. Merchant: — A question to the Deputy Premier, again, about the takeover. I asked the Deputy Premier two related questions.

First, is it not the case that the enunciated government policy has now changed? I hear in the words of the Premier and in the reluctance of the Deputy Premier to respond to my earlier question, some change in shift of policy that having acquired half the industry, you are now saying to this House that you will take a look at taking over the rest of the industry.

Secondly, I ask the Deputy Premier whether it doesn't put the government in a dangerous situation to give to Texas Gulf almost a stranglehold over that property because you can't expand the property. You really can't take any steps without the consent of your partners so you find yourself as a bedfellow with an American corporation that really doesn't want to expand in Saskatchewan, wants nothing to do with Saskatchewan and you may end up having to pay an inflated price to get rid of this strange bedfellow.

Mr. Romanow: — Mr. Speaker, first of all with respect to the first part of the question, the policy has been stated that the government's intention is to acquire at least 50 per cent of the productive capacity in the province of Saskatchewan. I repeat that as the policy. We have maintained that consistently throughout and I repeat that again, today. We have not acquired 50 per cent of the productive capacity. We will be at 50 per cent of the productive capacity with expansions and debottlenecks and so forth, we anticipate. I will only repeat, again, that we will have to assess the situation and announce, in due course, where we are at.

As to the second part of the question. I am advised that there is an operations contract which is in effect as between the formerly, or still presently I suppose, two partners US Borax and Swift Canadian and Texas Gulf. The operations contract is something which the Potash Corporation of Saskatchewan would move into. It does provide for sufficient flexibility and managerial control on the daily operations so that the kind of shackling that the hon. member talks about won't take place. Of course, I need to remind the hon. member for Wascana that Texas Gulf, when he describes it as an American corporation, surely must have overlooked the rather substantial involvement of the Canadian Development Corporation.

COMMITTEE OF THE WHOLE

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

Mr. Chairman: — When we adjourned yesterday evening we were on section 37 of Bill 47 and the amendment by the member for Nipawin.

Mr. J.G. Lane (Qu'Appelle): — Mr. Chairman, I would just like to if I could because I understand it was advised by telephone that there had been a phone call from one who purported to be one of the members to the critic of this bill, the critic for the to see where he was. I would like to say for clarification that the critic is in the hospital in Estevan and is being transferred to the hospital in Regina this afternoon and it's a back problem, so just to clarify and to give the House the reasons why the critic is not able to attend.

We finished up yesterday discussing the desire of the Conservative caucus to give an advantage to the locally owned small Saskatchewan producer which is the reason for our proposed amendments to Section 37.

We have some concerns as were stated last night, one of them being that seemingly under Bill 42 and the previous oil policy of the government, the small Saskatchewan operators are being caught in the middle and are being hurt by the actions of the government. We go back to Bill 42, the government drove out of the province many of our small Saskatchewan operators and it forced the government to bring in amending legislation and setting up the decap program. The decap program designed then to right, in the words of the minister, 'a moral wrong,' as we had declared war on the small Saskatchewan oil companies and to try and restore some degree of economic viability to them.

We had the added fact which I think the House, the government has apologized to the House for and has apologized to the small Saskatchewan oil companies. They were

barred at the time of the introduction of Bill 47. They were barred and prohibited from attending the meeting of the government and the oil industry. Now we would like to say that we are firmly committed to the fact that the oil industry in Saskatchewan includes the small independent Saskatchewan producer and we frankly found it shocking that the government in dealing with the oil industry would put so little emphasis on our Saskatchewan producers that it would bar them from the meeting with the oil industry to discuss Bill 47. Now, we had an explanation from the Premier that it shouldn't have happened. We all agree it shouldn't have happened. But we believe that the oil industry in Saskatchewan, the small Saskatchewan producer should be in a preferential position. We should be encouraging the small Saskatchewan oil companies. That is the reason for section 37. We have indicated to the Attorney General and he has given a great fanfare as to his concerns about subsection (c) of our proposed amendment.

Mr. Romanow: — Shameful.

Mr. Lane: — He has said 'shameful' to subsection (c). I am going to propose a subamendment to insert after the words 'shareholders of the corporation' in subsection (c) 'and the shareholders of the majority of the shares' to ensure that in fact only small Saskatchewan held, Saskatchewan resident companies get the advantages. We went through last night the fact that it may cost \$60 million. Sixty million dollars in our mind would probably be the best investment the government could make. We have also expressed through the House the fact that it wouldn't be that amount because deducted from that \$60 million would be the taxes paid, the corporation taxes, all necessary E&H taxes so that there is a benefit to the province. Also we can deduct from that the necessity of programs such as the decap program. We give the added submission to the government that because we are dealing with the small independent Saskatchewan producer, the complexity of the bill and the difficulty of compliance with the bill because of the accounting procedures and the bookkeeping procedures, that in our opinion is another reason for giving a preference to the Saskatchewan companies. I think, with respect that the proposed Conservative amendment and the subamendment that I will just move to clarify the question of the shareholders would in fact be a tremendous boost to the local Saskatchewan oil companies and I think would be a firm commitment by this Assembly to the backing of the small Saskatchewan independent operators, and a firm commitment to this Assembly that we want to see them succeed and that we will bend over backwards to give them the advantages and make it in a highly competitive industry.

I am going to move the subamendment seconded by the member for Prince Albert-Duck Lake (Mr. Wipf).

Mr. Chairman: — I have a subamendment.

That the amendment as moved by the Leader of the Conservative Party be amended by inserting after the words "shareholders of the corporation" in subsection (c) the following words "and the shareholders of the majority of the shares".

This amendment refers to clause (c) of the original amendment by the Conservative Party. I find the amendment in order, debate continues on the amendment.

Hon. R.J. Romanow (Attorney General): — Mr. Chairman, I don't like to make these kinds of observations but I think it's about the best way to describe the subamendment indeed the entire of them. The subamendment and the amendment, Mr. Chairman, has so many holes in it that it looks like Swiss cheese. I think that's a very apt description of this with the holes . . . the minister for Mineral Resources says he wished he had say

said that. I know it doesn't sound very new, but that's in reality the situation.

Mr. Chairman, the subamendment says that the majority of the shareholders and the shares shall be resident in the province of Saskatchewan. That's the intent of it, that's to get around the idea that you could have the majority of the shares somewhere else and one or two shareholders here. That doesn't solve the problem at all, Mr. Chairman. It does not solve the problem that I discussed last night about a large multinational company, if you will, or any company, it doesn't matter if it has to be large depending on your terms, but let's say a large multinational company rearranging its incorporation to comply with that. I mean, after all, all you have to do is set up a trust arrangement of the shares, all you have to do is make your local manager of Imperial Oil the man who's resident and give him X number of shares under a new incorporation and the possibilities of a kind of an adjustment and rearrangement, Mr. Chairman, virtually continue on. You can't stop the potential danger that exists there. That's the very point that I'm trying to make in criticizing this amendment. This amendment has got such a loophole, or a series of loopholes in it, that if anybody was of the mind to defeat the purpose of the bill, namely, to pay the taxes owed, they could do this very easily, with either the subamendment or with the amendment that has been tendered, very simply.

Now, Mr. Chairman, the other aspect of the subamendment matter which I think must be discussed is the cost to the taxpayers. Last night we ascertained that the cost would be somewhere in the neighborhood of \$50 million to \$60 million, even with the subamendment. Mr. Chairman, I don't know what the hon. member for Qu'Appelle thinks, but \$50 million or \$60 million of nonpayment of tax is a lot of cheese, even if it is Swiss cheese in anybody's books. That's a lot of money. And what this amendment and subamendment would do, is in effect exempt, if it could work, virtually every Saskatchewan based producer from paying any kind of a tax whether they needed that kind of an exemption or didn't need that kind of an exemption. Mr. Chairman, that's a lot of money, \$60 million. I do not feel like asking the Minister of Revenue what does \$60 million represent on an annual budget. Well, what kind of programs would you do away with? Would you do away with the dental care program, the Pharmacare program? Member says the DNS program. I know that they would do away with the DNS if they were in office because they say that they would. I know they would. And, Mr. Chairman, I know the feelings that they have there. But the point that I'm getting at is that this subamendment opens up that possibility namely, it can't be enforced and there is a tremendous, not a tremendous, that's perhaps an overstatement, but a very significant financial amount of money involved to this.

I want to make one other point absolutely clear before I take my chair. This is this business of barring the small Saskatchewan producers from the meeting on Friday when this bill was tabled. I want to tell you, Mr. Chairman, I have not said so as a minister before because I'd not been asked but I say now, no one from the government side, including the officials, barred the small producers from attending that particular meeting. The facts of the situation, I think, are quite clear. Somebody asked a person, who was attending that meeting other than an official or a politician of the government, whether or not the meeting was open or words to that effect. The person who was asked the question did not know who was asking it and assumed that it was the press and said something like, no, it is not open, meaning that it was by invitation to the oil industry. Period. The person turned around and sought to make an issue out of it and the Conservatives sought to make an issue out of it and that's it. I knew nothing of that incident at the time, knew nothing about it until I read about it in the paper, and I tell the members of the House that to say that we barred the small producers from the meeting is totally false. In any event, there was a subsequent meeting which was purposely

designed with a view of discussing with the small Saskatchewan producers their problems and concerns of the bill which indeed was held and discussion did take place. So, I don't know if many people put much of an emphasis on that particular point of view but to make the record absolutely clear that's the situation that exists there.

Finally, Mr. Chairman, I won't go into the details about how Bill 42 drove out all the small oil companies and all the oil companies in Saskatchewan. The member for Qu'Appelle was not here when we started the clause by clause of this bill, four or five days ago or more, a week ago almost. I went through the facts with respect to production in Alberta, the production and the proven reserves in Alberta versus Saskatchewan and they show statistically that there was a corresponding decrease on activity in Alberta, which, according to the members of the Conservative Party in any event, didn't have this kind of a usurious scheme in Bill 42. If that's the case, how then does one explain the Alberta record as well? So, Mr. Chairman, I say for all of these reasons I'm asking the members of the House not to concur in the subamendment which is legally bad. It's deficient; it provides many loopholes, it could open the door for companies that want to avoid the tax, very simply doing it by re-incorporating themselves even with the subamendment, giving the majority of the shares and the majority of the shareholders here in Saskatchewan to try to comply with the proposed amendments and defeat the very purpose of Bill 47. I darkly suspect that that's maybe what the Conservatives really want under the guise of protection for the small Saskatchewan producer. I hope that it isn't but I darkly suspect that it might be and in that eventually, Mr. Chairman, we should defeat this subamendment as we should defeat the amendment.

Mr. E.F.A. Merchant (Regina Wascana): — Mr. Chairman, I suspect that there will be a standing division of some sort and I am not in a position to indicate how we will vote. I think I agree with almost everything that the last two speakers have said, except perhaps the sort of political comments with which the hon. Attorney General ended his comments. I would like to see us do something to assist small oil companies. I agree with what the Attorney General says, that this kind of an amendment appears unworkable. I agree with what the Attorney General says, that the cost is too great and beyond question, a person could drive a semi trailer filled with cattle through the loopholes that would exist with this law.

I'm not sure that it's up to the Conservative Party to move an amendment that necessarily covers every loophole. I think their job is to show the intent of their legislation and that's what they propose. They say this is the direction in which the government should move and the Attorney General's response to that is, well we're kind of thinking about giving them a bit of a tax break and I'm not sure that's good enough. So, I say I'd like to come down with the Conservatives I guess in terms of the philosophy behind this amendment but clearly if one were enacting law, one would have to come down with the government in terms of the specifics of this amendment which isn't very workable and is too costly. I say that, Mr. Chairman, because if we're compelled to do another standing vote . . . I said last night over the first standing vote over a Conservative amendment where we abstained that it seemed to me to be the sort of gobbledygook and beyond question it was.

Miss Clifford: — Get a good lawyer, Tony!

Mr. Merchant: — Well, I'm not sure that a good lawyer could help them with that amendment last night. However we vote, we will vote without great enthusiasm for the amendment, we like the principle. I think that that if a standing division is called for, we

may not vote, we may vote one way or the other, if we vote in favor of the legislation we're voting in favor of the principle, if we vote against the legislation it's because we've been encouraged by the legalistic view of the Attorney General which is accurate, that this is a bad amendment and a bad piece of legislation.

Mr. Lane (Qu'Ap): — The Attorney General with alacrity last night gave us a figure of \$60 million. Would you give to me the companies that would constitute the payees of that amount or taxpayers under the bill and how much each one would be paying in your estimate?

Mr. Romanow: — Well, Mr. Chairman, I don't think that I can give the information the hon. member requests. I'll tell you why. We are here, after all, talking about payment of taxes by taxpayers and that's the kind of information, which by and large we've taken the position is privileged information, that a taxpayer has the right to expect will remain privileged. When a person fulfils a return, whether he's a "small producer or a large producer" and he does it and it rests with the Department of Mineral Resources. I'm able to tell you in a ball park figure that the estimate is \$50 million to \$60 million over the period that's involved. I said last night that it was about a million dollars a month, twelve million dollars a year over the roughly three, four year period that's involved and that's how you get your figure \$50 million. So I think, with respect of the names of the company and the amount owing or paid with respect to sums for the individual companies at this stage I have to decline that information.

Mr. Lane: — How many companies, just give me the number of companies that you're talking about?

Mr. Romanow: — Mr. Chairman, the round estimate to give you an idea is in the neighborhood of about 30 companies, 20 to 30, somewhere in that neighborhood, 30 companies.

Mr. Lane: — Every one of the companies meets the criteria set out in the amendment?

Mr. Romanow: — Well, Mr. Chairman, I don't know if they do or they don't but with all due respect to the member for Qu'Appelle, that's not relevant to my argument. What's relevant to my argument is that even if those 30 do meet the criteria of the amendment what stops the other 300 from not meeting the criteria of the amendment, that's my point. You open up the flood gates. So whether they are or they aren't, I don't see how that rebuts my point of view.

Mr. Lane: — Answer the question. You made the allegation last night that if that amendment was adopted it was going to cost the province \$60 million. Now you're saying that's not true, that in fact you can't give us those figures, that you're giving us estimates and your statement was based on the amendment. That was one of your justifications for voting against this amendment. Now, all I've asked you is that every one of those companies meet fully the criteria established or set out in that amendment and that's pretty extensive and I don't think you're going to find too many.

Mr. Romanow: — Mr. Chairman, the hon. member is misinterpreting the situation. I was asked last night, somehow in the course of the questioning, how much money would be involved if we exempted all of the Saskatchewan based producers as we presently understand them and define them. That's the situation, check the record, it'll be down in a few minutes. Yes, and I said it would be a \$50 million to \$60 million and that's my position and I repeat that. Now the member asks today, give me a detailed

company by company breakdown. I say we could give it to you but we won't give it to you. Why? Because of the taxpayer argument that I have advanced.

Mr. Lane: — You're saying that there are 20 to 30 companies and yet you refuse to give us even the names of those companies, although, the names, I suppose, it's your defence to the argument. I suppose if in your public information someone sat down at the company's office and tried to search through all of the companies and eventually find the oil companies then go back and check their annual returns to determine this. So the information is public. Now you've made the statement. It's not that you're being secretive. I have not asked you what tax each company is paying, I want now a list of the companies. I mean every oil company is going to be paying some tax, you've said that. Now, all I want is a list of the names of the companies that you're saying would constitute that amount.

Mr. Romanow: — Mr. Chairman, the hon. member persists in misstating my position. The member says that my statement of 20 or 30 companies is my defence. That is not my defence. It's not relevant to my defence if I can put it that way to the amendment, subamendment. My defence is that that subamendment provides a loophole whereby almost any company, Saskatchewan based or otherwise, could move in and take the advantages of the exemptions. Period. I stop there. Now, look, with respect to the information that's involved, we have imposed the tax on Bill 42 and it applies. Period. It does not apply with reference to the location of the company, whether it's a Saskatchewan based company or a Calgary based company or whatever kind of a company it is. There's a tax in Saskatchewan called Bill 42. To a large extent we'd have to go through (maybe the department's done this at some stage or other, I don't know) all the same kinds of information that you talked about in order to identify the 20 or 30 companies with precision, because they're not identified as being Saskatchewan producers. I suppose that there's a general knowledge of where they are. But in order to provide the specific tax information we'd have to do that. And, I'm saying even if we could do that, why should we do that? There's no reason why we should do that if we're going to respect names of companies and sums owing and confidentialities.

Mr. Lane: — Now, we're getting down to your true position and that is that you oppose the amendment period because the convoluted logic you've given is indicative of the convoluted logic we just heard from the member for Regina Wascana on that particular matter. First, of all, you started out last night and gave the reasons for voting against it, potential loophole, cost and I don't know what else that you went on. You talked about constitutionality and you dropped that one last night. You indicated at your initial stages last night, the only question was the matter of the majority of the shares, the holder of those, be J resident of Saskatchewan so we endeavoured to correct your objection at that point and now it's stated by the Attorney General that the only reason he does not want to commit himself to exempting or to accepting this amendment is the potential loophole. Now, would you now be prepared to exempt from the operations of the act those companies incorporated on or before meeting these criteria on or before the date of the introduction of the bill in the legislature, because then that way that kills any fear that the Attorney General may have about new companies coming in and yet does commit himself and the government to assisting the small Saskatchewan operator, that was already here, not an opportunist but someone that weathered the storm. That's what you're saying and would the Attorney General give us that commitment, with that deadline that he would then be prepared to support the amendment.

Mr. Romanow: — Mr. Chairman, I want to repeat again, I don't know if I need to do it for the members of the House or for the press because I think that anybody who is listening to this debate would know that I have never abandoned the three points of opposition to this amendment and the subamendment. I shall repeat those three points of opposition. They are number 1, that the amendment and subamendment provide a very large loophole, we've talked about that, shareholders, shares, all that in Saskatchewan. Number 2, that that definition of income tax could be seriously impaired if the amendment or subamendment were adopted. Number 3, that there is a serious constitutional question that would be raised on any kind of legislation which seeks to define companies based on jurisdiction of the province, territorial jurisdiction of the province as opposed to other companies who are not so based, that is, in the eyes of lawyers and in the eyes of judges very likely to be struck down as an interference to the federal power of trade and commerce being able to move freely as between the provincial borders of the province of Saskatchewan. I think that is as plain as the nose on anybody's face. I'm not abandoning any of those positions. Even if he could get around the loopholes argument, Mr. Chairman, he would still face in the subamendment those other two arguments, the income tax definition problem because this would ruin it and the constitutional problem on trade and commerce, even if he could get around the loophole, but I say, Mr. Chairman, that he can't get around the loophole one.

One of his major problems is how to define the small Saskatchewan producer. We haven't really defined that. I've got a concept in my mind, he's got a concept in his mind but his legislation doesn't define the small Saskatchewan producer. He seeks to define small Saskatchewan producer by a share structure. He says small Saskatchewan producer is someone who has got the majority of shares and the majority of shareholders in Saskatchewan equals a small producer and that may be a totally invalid definition. A small producer may be a man who only produces X-Y number of barrels a month or a year as opposed to somebody who produces Y number of barrels per month or per year and that's the difficulty and I'm saying that if you persist in defining small shareholder by this approach it's a non definition because all that Imperial Oil would have to do is re-incorporate itself by this definition and apply itself as a small producer and produce Y in terms of barrels. So, Mr. Chairman, I make this point absolutely finally again, I don't know how many time I have to repeat myself on this. There are three major points of concern respecting this amendment and subamendment. They are; (1) the loopholes, (2) the definition of income tax, (3) the trade and commerce power and the fact that we would be defining companies by provincial, territorial, geographical distinction and that would be a serious violation of the trade and commerce power. I repeat, even if the Conservative could get by the loophole arguments which I say far from doing that would almost in a sense compounded by their amendments and subamendments, they still have those two other problems, we still have those two other problems. I close by saying that if we want the help, "small Saskatchewan based producers" whatever that definition is, this is not the way to go about it. The way to go about it is to look at the regulation, to look at the regulations pertaining to deduction, to look at other government policies to see what can be done in that regard. That's our position, I sum it up as succinctly as I can, Mr. Chairman, and I ask any member of the House to analyze the remarks made by the member for Qu'Appelle to indicate where it has penetrated that particular argument. I just don't see it. And accordingly, Mr. Chairman, I again must urge the members of the legislature to defeat the subamendment and the amendment.

Mr. Collver: — Mr. Chairman, I have listened with interest to the Attorney General's

remarks last evening and I listened again now to the Attorney General's remarks and he has changed his definition of his objections to use the word loophole and I think that he's had an overnight thought that that was a particularly good phrase to use with reference to a good political face. What we are suggesting is not a loophole in any way, shape or form. Furthermore we have not attempted to define small Saskatchewan producer. Nowhere in this amendment do the words small Saskatchewan producer appear. What we are defining in this amendment and subamendment is a Saskatchewan based company, that's what we're defining, a Saskatchewan based company whose shareholders, individuals who own the shares in that company, a resident of the province of Saskatchewan. Now I would like to ask the Attorney General whether he considers the oil arm of Federated Co-operatives, a Saskatchewan based organization, because the answer is, it is. The oil arm of Federated Co-operatives is in fact a Saskatchewan based company, a Saskatchewan based organization. All in that case, all of the shareholders or if you like the owners of Federated co-ops and of the co-operative that operates the oil arm, all of those shareholders are Saskatchewan resident except that I understand that Federated also has ownership by some organizations outside the province of Saskatchewan. I don't have that in front of me at the moment but it is my understanding that Federated Co-operatives is owned by the co-operative movement across western Canada. Federated Co-operative in turn owns an oil arm. That oil arm does business in the province of Saskatchewan. I would assume that the Co-operative Oil Arm, the oil company if you want, I hesitate to use the word company, of Federated Co-ops is going to be subject to this particular bill if they get involved in the production of oil as I suspect they are. I believe that they are going to be subject to this bill and yet, and yet that co-operative needs a break when it comes up against giants like Imperial Oil, when it comes up against giants like Shell, huge multinational corporations who have the capital resources to find the oil, to develop the oil, to put up with any government move where the small Saskatchewan producer and the co-operative movement doesn't have that kind of moxie, doesn't have that kind of muscle. We have defined in this bill a Saskatchewan organization, small or otherwise, a Saskatchewan based company. The loophole provision that the Attorney General talks about is absolute nonsense to suggest that Imperial Oil that a majority of the shareholders of Imperial Oil of which is owned 83 per cent by Standard Oil of New Jersey, that he is going to move out all those people out of the United States and other places for 83 per cent of the shares, into the province of Saskatchewan, so that they would in turn try to avoid paying tax under this bill, is a most nonsensical statement the Attorney General has ever made to this Legislature. The fact of the matter is that what this clause defines is a Saskatchewan based organization where the people, not the shareholders, where the individuals as shareholders are Saskatchewan residents, people living in Saskatchewan who are trying to develop a living in the oil industry. They need a break when they come up against multinationals. Now we asked the Attorney General last night, we said, look forget the amendment if you are prepared to give a commitment under the regulations that you are going to give meaningful assistance to Saskatchewan based producers, then give us the commitment and stop talking about the amendment. All right, you say regulations is the best place to do it, then commit to the people of Saskatchewan today that you are going to give a break to the Saskatchewan owned and based organizations, unfortunately, all of whom are small. They are small primarily because they don't have the capital necessary to meet the competition of Imperial Oil and Shell Oil. They are small because you in your wisdom, under Bill 42, have destroyed the little guy and are over making deals with the multinationals.

We are asking for a break for the little guy. If you are going to give it under regulations, commit to it, that's all. Surely that's a reasonable request. If you are not going to give it under regulations, you are not going to commit to it, then don't try to get the best of both worlds and say we have concern for the small producer. The best place to look at it is regulations, but we are going to give no commitment, zero. We are going to give the small fellow in Saskatchewan nothing. Guaranteed. We are not going to assure him of anything. All we are going to assure him of is that he is going to be treated the same as the big fellow when it comes to this act.

We are saying this amendment at least makes a commitment to the small Saskatchewan based organization, or should I say to the Saskatchewan based organization which unfortunately is small because of the policy of the NDP. Will you make a commitment to help the small fellow in Saskatchewan, through regulation?

Mr. Romanow: — Mr. Chairman, I hear what the hon. member says, but I also see what the hon. member does. And what the hon. member does is considerably different than what he says he is going to do, or what he says he would like to see done. Because what he says he would like to give the small Saskatchewan fellow a break. What he does is he brings in an amendment which would allow every multinational oil company, or for that matter any oil company, non-Saskatchewan based a way to ride straight through Bill 47 without paying a penny. That's what those amendments and subamendments do.

Mr. Collver: — Nonsense.

Mr. Romanow: — You and your caucus are the only ones in this House that subscribe to that view. Even the Liberals, the lawyers on the side of the Liberals will look at that and would agree with that proposition. They said so.

Mr. Collver: — Nonsense.

Mr. Romanow: — Nonsense! Well, the hon. member for Estevan (I am sorry to hear that he is incapacitated), but during the course of the first day of Committee of the Whole, during the time we argued whether or not legal opinion should be tabled or not, said that the Conservative Party had legal opinions. If you've got a legal opinion which tells me that I am wrong on the loophole argument that I advance on this Bill 47 amendment of yours, then I challenge the Leader of the Conservative Party to table that and show me.

Mr. Collver: — The subamendment we just made?

Mr. Romanow: — The subamendment and the amendment. You show me a legal opinion that says that Imperial Oil can't restructure a new company. Imperial Oil Saskatchewan Limited, with five shares giving three of the shares to management people or their lawyers, not to comply with your provision.

Mr. Collver: — On a point of order.

Mr. Chairman: — State your point of order.

Mr. Collver: — I just suggested that an organization that is doing business in the province of Saskatchewan and the managers of that corporation would hold shares in trust for a major corporation and not reveal it and then they wouldn't be ordinarily

resident. And Mr. Chairman, that is denying the rights of those individuals to have an equal and fair hearing in this House.

Mr. Chairman: — I don't recognize that as a point of order.

Mr. Romanow: — Of course, that's not a point of order, and it is a highly questionable debating point, which is really what it is. Not only highly questionable, Mr. Chairman, but legally off-base, because I tell the hon. Leader of the Conservative Party, what your caucus is up to in this amendment is running behind the political façade that you are there to help the small producers. What you really want to do is destroy Bill 47 by this loophole for all the oil companies. That's the fact of the matter. You took the position, on November 23 when the CIGOL decision came down, you've taken the position ever since, with the exception of the last couple of weeks when you have been strangely silent on it, we should have followed the taxation scheme similar to the province of Alberta. That's the exact words you used throughout the piece. I can only assume that you still stick with that decision. And I can assume only, therefore, that you think Bill 47 does not achieve that position and the one way that it can achieve that position is by providing this kind of an amendment, this kind of a loophole situation. There can be no other assumption of the whole operation.

I say, Mr. Chairman, even if, let's get off the loophole argument, let's get off that argument for a moment, even if you could get around the loophole argument (I don't concede that for a moment) but if we did, how do you answer the constitutional argument, which not one of you has even addressed a word to?

Mr. Collver: — . . . (inaudible) . . .

Mr. Romanow: — O.K. yesterday somebody got up and said, no, it's not so, without any case, without any kind or a legal basis or any kind of precedent, that is not so. You show me one Canadian-provincial statute which discriminates on the basis of companies on their territorial jurisdictional base on taxation.

Mr. Collver: — Will you agree with this then?

Mr. Romanow: — You show me that and I will be prepared to consider the argument. Show me as soon as you can.

Mr. Collver: — Mr. Chairman, I suggest the Attorney General reach in his portfolio for the corporate tax legislation in the province of Saskatchewan, the corporate tax legislation in the province of Saskatchewan which sets a different rate for corporations in Saskatchewan than in any other part of Canada, which delineates corporations on provincial boundaries.

Mr. Romanow: — Mr. Chairman, I am convinced I will never be able to get through to the Leader of the Conservative Party. I did not say that the province of Saskatchewan did not have the constitutional right to set (say for example purposes) 20 per cent corporate tax rates within Saskatchewan compared to 40 per cent in Alberta and compared to 60 per cent Manitoba, or however you want to juggle the figures. That's right. You can do that. That's not my argument. My argument is that you cannot base legislation, the effect of which would be to direct certain forms of taxation for Saskatchewan based companies or people only at the expense of other Saskatchewan based companies and people who may be doing business in the province of Saskatchewan. But that is the clear law.

Let me just tell the Leader of the Conservative Party, he would be much better off making his point, getting out there in the country and saying he fought for the Saskatchewan producers, which is what he is going to do, although everybody knows what he is doing here, he is providing a loophole for all of his bug business friends, big business oil friends, he would be much better off doing that than getting into a nonsensical legal argument, because it is absolutely patently nonsensical.

Mr. Collver: — Mr. Chairman, I won't go on then because certainly the Attorney General wants to suggest his dream world and he won't accept the fact that for example in the province of Quebec or in the province of Saskatchewan the government of Saskatchewan has no right to tax for example under its corporate tax legislation any Canadian corporation. The Canadian corporation is taxed by the federal government not by the government of Saskatchewan. They are exempted from that particular type of taxation. You can discriminate against federal corporations in the act. The province of Quebec has its own income tax legislation that it creates. It has a different set of rules entirely than the federal income tax legislation. It has opted out of joining together with the province of Saskatchewan. I believe what the Attorney General is attempting to say is that in some way by exempting the Saskatchewan based corporations from this taxation that somehow perhaps this act might not be equitable. I would accept perhaps an argument on the equity side of things from the Attorney General with reference to this amendment. But I don't think that would hold water, I don't think it would stand up.

Let me go one step further. To say that the Attorney General, let me put it on his shoulders, the Attorney General has stated to this Assembly, at least three times today and yesterday two or three times that he wants to help the Saskatchewan based producer . . . the Saskatchewan organization, the co-operative or the company or the individual that is based in Saskatchewan, living in Saskatchewan and producing oil in Saskatchewan. That is whom he wants to help. I put it on the Attorney General this way. We have tried to do this with this amendment, the Attorney General has got a million reasons why it is no good. Why then, Mr. Attorney General, will you not commit today that you say it can be done through regulation, why if you are so bound and determined to help the little guy and to help the Saskatchewan based fellow and the co-op, why are you not prepared to commit to them today under regulation that you will in fact help them?

Mr. Romanow: — Mr. Chairman, it follows logically that if one accepts my argument that you can't do this by legislation, isolate by residence the company for fear of it being struck down as something being unconstitutional, as contravening the federal power of trade and commerce. It follows logically that one can't do that under regulations.

An Hon. Member: — Right on.

Mr. Romanow: — Right. I did not say one would do that under regulations. What I said was that rather than putting any kind of an amendment in legislation to help small Saskatchewan producers or Saskatchewan based producers or small producers, the better approach would be to look at other government programs or perhaps even regulations here, not based on jurisdictional residence of companies but based on the view of giving any kind of a small operator, not by your test of small, whether he is incorporated here, but under some test of production or need, some sort of an incentive to operate. That would be the way to do it. I indicated that throughout the entire piece. I have said that over and over again to the Leader of the Conservative Party.

That is the position that we are at. I am saying to the Conservative Leader again the only thing that I can assume and I am sorry I have to draw this conclusion is that he knows this to be the case or if he doesn't know this to be the case he is terribly ill-informed but if he knows this to be the case that the only reason for this kind of an amendment as I said was probably the most . . . their two bad amendments, Mr. Chairman, could have shot Bill 47 down. This subamendment we are arguing about right now about subamendment and amendment, they are related. This one proposed by the Conservatives and the one we defeated on the Liberals on section 11, the one you recall, Mr. chairman, that wanted to split the bill in two and all that and the retroactive portion and then negotiation. Those two provisions, if we had adopted either one of them, we haven't decided on this one yet, but if we had adopted either one of them, Mr. Chairman, would have crippled this bill, would have made it as obvious to any oil company who wanted challenge Bill 47 as possible, there is a constitutional base upon which to challenge it. That is the simple fact of the matter.

What the Conservatives are asking by this subamendment and amendment, Mr. Chairman, is to plant a mine field here for the people of the province of Saskatchewan. He is planting a mine field hoping that we will step on it so that some of his big oil friends can take advantage of the loophole that is presented in this subamendment and amendment. That is it because if you wanted to put something which could be patently unconstitutional on the face of it which would allow them the definite attack of this bill, you couldn't have done it better than the amendment and subamendment proposed by the member for Qu'Appelle (Mr. Lane) and the member for Nipawin (Mr. Collver).

Mr. Chairman, the Liberals say they proposed the amendment to make the bill constitutional and I say in reality they want to defeat the bill because they want to support their oil friends. The Tories say they support this bill because the people can't afford not to pay for it and I say by this amendment in reality they put this mine field in here because they want to support their oil friends. You couldn't have found a better way to make this bill questionable than by your amendments on section 37 and the Liberals amendment on section 11.

Mr. Lane: — One comment. Yes, we want to help our small independent Saskatchewan oil friends and we are very proud to stand up in the House to say that we are trying to support the Saskatchewan locally owned oil friends. I will tell you that if you had treated them properly they would have been your friends. If you had given them every opportunity they would have been your friends. They don't have any great weight in the industry. They don't have any great axe to grind. They are trying to make a living in this province and you say it is wrong to support them. I am surprised that you would take that attitude.

You have turned down any benefits, added benefits to the small Saskatchewan oil companies. That is what you are saying. We gave you the opportunity by the amendment, we cleared up your pseudo objection on the question of the shareholders. We made an offer to you that it applied to the existing companies so that there were no future concerns. You turned them all down. What you are going on record is opposing a fundamental commitment to the small Saskatchewan oil companies and I think you are doing the Saskatchewan segment of the industry a disservice. It should be something that is encouraging not discouraging. That is the position that we took. We want to help them, we make no bones about it. That is the reason for the amendment.

Subamendment negatived.

Amendment negated on the following recorded division:

YEAS — 5

Collver
Lane (Qu'Ap)

Katzman
Wipf

Thatcher

NAYS — 28

Thibault
Bowerman
Smishek
Romanow
Messer
Byers
Kramer
Lange
Kowalchuk
Matsalla

Robbins
Mostoway
Banda
Whelan
Kaeding
Kwasnica
Dyck
McNeill
MacAuley

Feschuk
Faris
Rolfes
Tchorzewski
Shillington
Vickar
Skoberg
Johnson
Lusney

Mr. Chairman: — Order, please! We have an amendment moved by the Attorney General (Mr. Romanow) that we amend section 37 of the printed bill by:

Striking out 'is less than' in the last line of subsection (1) and substituting 'does not exceed.'

Amendment agreed to.

Section 37 as amended agreed.

Section 38

Mr. Chairman: — We have an amendment by the member for Regina Wascana (Mr. Merchant) that we amend section 38 of the printed bill by:

Striking out 'the' in the first line and substituting the following:

Upon the recommendation of the Oil and Gas Conservation Board, the.

Mr. Merchant: — Mr. Chairman, I so move. This amendment and the amendment in section 39 both would incorporate the Oil and Gas Conservation Board into the decision-making process, or at least the consideration process, by which the government decides what would be a fair rate. What mechanism will we have for the government to deal with the

industry to decide what the rate of tax will be and what mechanism will we have in the future for changes in the rate of tax. That is what 38 and 39 deals with.

In the gas legislation, last year, the government handed this power to the Oil and Gas Conservation Board. We supported that. We supported it because we think it is a good thing for the industry to have an opportunity to deal with a board that one would hope is an unbiased board and to deal with a board that can act as a buffer between the interests of government and the interests of the industry and, hopefully avoid which in that buffer period can also take into account the considerations of the good of the province and the good of the consumers. That is the reason with the gas pricing policy, the government established the Oil and Gas Conservation Board for those purposes, so that in gas questions the pricing matters would not just be dealt with behind closed doors.

We have heard a lot in these almost seven weeks about the problems of secret deals made by the government with the industry, about the potential of bribery, either bribery to officials in terms of those kinds of cash bribes or bribery in terms of the political bribery of companies agreeing not to challenge the legislation in exchange for a sweetheart deal or the industry agreeing not to challenge the legislation in exchange for a sweetheart deal.

The Oil and Gas Conservation Board, we say, should be inserted into that process. Not, you will see, Mr. Chairman, inserted into the process to make the decision but inserted into the process to make recommendations to the government. Clearly, the final power should continue to rest with the government and if in the process, that decision-making process, the government wants to negotiate directly with the industry obviously it is going to do that, but the government would have the recommendations of the Oil and Gas Conservation Board to go with whatever negotiations or considerations it might have entered into.

Oil will be in the exactly same kind of circumstance as gas. And, why, one should ask would gas be different from oil in the consideration of the rates?

Mr. Romanow: — Mr. Chairman, I am going to urge the members of the committee to defeat this amendment.

Mr. Lane (Qu'Appelle): — Surprise!

Mr. Romanow: — Well, it is not a surprise because it is typical of the Liberal amendments and the Conservative amendments, which amendments I repeat, again, are really designed not to aid the bill or the administration of the bill but are really designed to aid in putting mine fields to the bill so that their oil friends can, if they so choose in some cases, to attack the legislation. I don't put this amendment in that category but, nevertheless, Mr. Chairman, it is an amendment which doesn't help very much.

I say, Mr. Chairman, to the members of the committee that exemptions from the act are sufficiently important and are of a revenue nature rather than dealing with conservation as the Oil and Gas Conservation Board is not exclusively, but largely concerned with. It may be that the Cabinet will seek the advice of the board but we

shouldn't be tied to this requirement, which is what this amendment would require us to do, if the advice of the board is not required. I say, simply, Mr. Chairman, that we should leave well enough alone with this amendment and vote against the one that is proposed by the member for Wascana.

Amendment to Section 38 negatived

Mr. Chairman: — Amendment introduced by Mr. J.G. Lane (Qu'Appelle) amends Section 38 of the Printed Bill (a) by re-numbering the section as subsection No. 1 of the section, (b) by adding the following subsection No. 2 where a refund or partial refund is authorized under subsection No. 1 and notice shall be published in the Gazette within 14 days from the date of any such refund or partial refund stating: (a) that the refund or partial refund has been made, (b) the particulars of the amount of the refund or partial refund, (c) the person to whom the refund or partial refund was made, (d) the reasons for the refund or partial refund, (e) by re-numbering section 38 of the Printed Bill as section 39 of the Printed Bill.

Mr. J.G. Lane (Qu'Appelle): — Mr. Speaker, I think the amendment is so self-evident and so desirable by the government that I don't expect to see too much debate. It simply states that where a refund or a partial refund is made that simply within 14 days it would be published in the Gazette and I am sure the government would have no objection to making it public. It's done . . . it gives the government flexibility to table the matter in their . . . publish the matter in the Gazette — whatever is done so that there is no specific deadline for it and then gives the government 14 days to arrange the printing. I think that is standard practice with the Gazette, and I am sure the government will have no objection to that amendment.

Mr. Romanow: — Well, Mr. Chairman, again I am urging the members of the Committee to defeat this amendment.

An Hon. Member: — (inaudible)

Mr. Romanow: — Yes, because the amendment is in the same category as the previous one tendered by the Liberals. It is of little benefit to the administration of the act to accomplish this position we are trying to achieve, the objective we are trying to achieve. The fact of the matter is that under the legislation as it is worded, the Cabinet may, by regulation exempt people who are involved in this situation, and while there is a slightly different twist to this amendment, section 38 amendment proposed by the Tories, it is nevertheless, I think, more than adequately covered by section 38, and accordingly, Mr. Chairman, I would urge the House to defeat this amendment.

Mr. R.L. Collver (Leader of the Conservative Opposition): — Mr. Chairman, I would like to ask the Attorney General how under section 38 would the people of Saskatchewan be made aware of any refund or partial refund made by the Lieutenant-Governor In Council under this particular section of the Bill? How would the public learn about it?

Mr. Romanow: — Mr. Chairman, all one has to do is just go to the Gazette when the regulations are made, and they do appear in the Gazette in due course, and you will see them. That is what your amendment is saying so you say, oh well, put the amendment in then, what is it doing. I'm saying to the Tories, you know you people really have got to do a little basic work because on such a fundamental point like this, such a basic fundamental point to be so off-base I can't understand. If the people in the country

could see your incompetence in this situation it would be absolutely devastating. Luckily, they are seeing that kind of incompetence creep through now and I'm saying to the Leader of the Conservative Party that he should be very, very careful before he moves these kinds of amendments.

Mr. Collver: — Mr. Chairman, I would just like to read Section 38 for the edification of the Attorney General. It really comes in two sections. Section 1 says:

The Lieutenant-Governor In Council may, from time to time, by regulation exempt, in whole or in part and on such terms or conditions as he may impose, any person or class or persons from liability for any taxes imposed under this Act.

That's the first part, and he is quite right, that's published. That's published in the Saskatchewan Gazette. The second part of Section 38 reads as follows:

and may authorize, in connection therewith, a refund or partial refund of any taxes paid before the exemption is ordered.

Before the exemption is ordered, Mr. Chairman. Therefore what the effect of that section is, Mr. Chairman, is that the Lieutenant-Governor In Council may authorize a refund or a partial refund to any organization it deems fit, but until the exemption is ordered no one need know, and that might be a year from now or two years from now or three years from now. It might be any length of time from now because he has got those nice little words in there 'before the exemption is ordered.'

All we are asking for is, no behind-closed-doors deals with big business, Mr. Attorney General. Why are you afraid to release the informations within 14 days or do you want to deck up as you do with the Crown corporations and other information two years down the road so that no one can possibly know what kind of deals you made?

Mr. Romanow: — Mr. Chairman, I don't for a moment believe that anybody in Saskatchewan will believe that line by the Conservative Party about our government or party being involved in deals with the large corporations. You might be able to sell some other aspects of your political gobbledygook but that is one you are not going to be able to sell, that's for sure, because I say to the province of Saskatchewan that the people of this province know full well which of the two parties — which of the three parties in this House are likely to make deals with the large corporations. I'll tell you one thing, it sure isn't going to be the NDP.

You have been beating us up now for two months. You're saying Bill 42 was too tough on the multinational corporations, or you drove all of these oil companies out of business; you drove them out of the province of Saskatchewan, you're against business. That's what he's been telling us for eight months and then he turns around all of a sudden this afternoon and he says, oh, but you're going to make a sweetheart deal with all of these guys or you are going to be the friends of them all of a sudden. I'm saying, Mr. Chairman, that that kind of gross inconsistency, that kind of a position which is absolutely unbelievable to the members of this House let alone to the people of the province of Saskatchewan, is catching up with the Leader of the Conservative Party. You are sort of flip flopping. You take one position one time and another position another time. You sort of think wherever the smell of the public is that's where you are going to be in terms of the pasture. I tell you in this House, Mr. Chairman, that it won't be an NDP government that makes a sweetheart deal with the multinational oil companies.

Heaven forbid if it ever should be a Tory or a Liberal government because that's where the deals are going to be made with the oil companies in this province. That's where they always have been, that's where they would be if you guys ever should be elected come the next election in 1979 or later. But I say, fortunately that is not likely to happen in the province of Saskatchewan, not likely to happen and I am happy to see that development. When the member says to me that somehow we are going to make deals, that there is a potential for bribes.

The Lieutenant-Governor In Council may, from time to time, by regulation exempt, in whole or in part and on such terms or conditions as he may impose, any person or class or persons from liability for any taxes imposed under this Act.

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An Hon. Member: — All we are asking for is, no behind-closed-doors deals with big business, Mr. Attorney General. Why are you afraid to release the information within 14 days or do you want to deck up as you do with the Crown corporations and other informations two years down the road so that no one can possibly know what kind of deals you made? or things of that nature, he is stretching the limits of credibility, the absolute limits of credibility. The same kind of arguments that he was at the other night that we were going to take over the farms 'you know that 1944 kind of mumbo jumbo which the Conservatives came up with the same kind of an argument here, Mr. Chairman, with respect to this amendment, exactly in the same category. So I say, Mr. Chairman, that the members of this House since this is self evident here, the members of this House should simply say, recognize this amendment for what it is and defeat it, Mr. Chairman, it is political rhetoric this amendment. That's all it is, nothing more, nothing less.

Mr. Lane (Qu'Appelle): — Perhaps the Attorney General would permit a question. If you're concerned about the Liberal or Conservative Government making a deal with the oil companies and you are saying that there is no chance that you would, then why don't you support the amendment and release the information?

Mr. Romanow: — It's not necessary. I say already, Mr. Chairman, if you look at section 38 and it says, "any regulation by exemption," you saw the possible refund before. Before what? For taxes paid, that's the only refund, for taxes paid and still the member says there has got to be a 14 day notice on that operation when it's down in the Gazette. I mean it's ridiculous.

Mr. Lane (Qu'Appelle): — What objection do you have against making public the partial refund?

Mr. Romanow: — Mr. Chairman, I don't know how I can come back at this with the Conservative Party. I've indicated now that that question — I've said on a number of occasions to the member for Qu'Appelle — again, Mr. Chairman, if I might, this is a kind of another inconsistency, contradiction the Conservatives advocate. On the one hand they argue, this NDP government is not going to treat the taxpayers fairly. Their argument is that what this NDP government finds out from the taxpayers they could use somehow for Saskoil or one of these other big socialist adventures, you know that great big rhetoric about socialist adventures. That's on the one hand, they say. Then when I get up in the Legislature and I say, look here, we don't think that we should be publishing confidential details relating to taxpayers such as, for example, some aspects of section 38 with respect to the refund. He says, oh, no, don't treat them fairly, treat them unfairly, publish that information, put it out as you should do it. I am saying, Mr. Chairman, you can't have it both ways. Either the members of this House urge on us and mean what they urge on us that we should be dealing with the taxpayers fairly, in which case if that's the case, this provision in the bill is totally understandable and explainable as I have outlined it or they don't mean it. If they don't mean it then you might as well tell us that you are just up here doing political posturing.

Mr. Lane (Qu'Appelle): — I'll have to repeat the question again to the Attorney General, you are standing rather naked as the house leader not yet having given an answer and using every political argument and bugbear that you could possibly find and you have yet to deal with the question. I ask you a very simple question, why do you object to tabling the refund or partial refund. Why don't you answer the question, it's a very simple question? You stand for open government, I thought.

Mr. Romanow: — Mr. Chairman, I repeat very simply again to the member for the Qu'Appelle constituency. I say that it is rarely the policy of any government, it might be the policy of a PC government, to publish confidential details relating to taxpayers but this is not a principle that should be applied with respect to taxation or the refund of taxation. Now if the member for Qu'Appelle is saying that if they should become the government, they are going to be publishing tax information, refunds of which we are talking about. If that's the policy of the PC Party then I'm at least glad to hear that we've got one policy which is absolutely clear because I intend to go and tell the people of the province of Saskatchewan and the farmers that if you like the PC government that's exactly what you're buying. You're buying the posture taken by the member for Qu'Appelle who urged upon us that we should, in this taxpayers' bill, indicate the amounts of partial refunds and taxes paid, etc. Now that's not our position. Our position is that regulation of exemptions those are going to be gazetted, those are out. Obviously there has to be an Order in Council and one can search out in an Order in Council presumably some aspects of the details that may be involved. But to get involved in the kind of a situation that the PC Party is saying amounts exactly to what I say, namely, a policy of saying to the taxpayers, what you file as a taxpayer be they oil companies or other companies is no longer subject to the ordinary rules that taxpayers are subject to. Now I don't know how much more simple I can make it.

Mr. Lane (Qu'Appelle): — Now, the question, Mr. Chairman and Mr. Minister, just a minute ago you accused the Liberals and the Conservatives of being prepared to make secret deals and now you are saying in the same argument it is the Conservatives that are going to make public the information. Now the Minister full well knows that we have legislation wherein exemptions or waivers or forfeitures and penalties are tabled in this Assembly. That's not uncommon, whenever we give a rebate to taxes or an exemption from taxes it has to be done and it has to be tabled in the Legislature on that particular bill. Now why do you now fly in the face of the stated policy of the House and why do you

refuse to answer me when I ask you why you object to tabling the refund or partial refund information?

Mr. Romanow: — Mr. Chairman, I have given the answer to the hon. member and I can't do more than that.

Mr. E.F.A. Merchant (Regina Wascana): — With all respect to the hon. the Attorney General, your answers are sort of a combination of inconsistencies and hog manure . . . (interjection) . . . yours. On the one hand you are prepared to do almost anything on earth to these heinous, rotten, stinking multinational oil companies that you hate so much. You wake up in the morning and you brush your teeth and you spit out the words 'international oil companies,' and you despise them on the one hand, Mr. Chairman, and then a few minutes later he says out of respect for their subtle sensibilities he is concerned that knowledge should get out if he gives them back any money. You're taking tax dollars, these rebates would mean that people were getting special deals less than the tax rates, you're going to rebate tax dollars to them and people aren't supposed to know that you're rebating the tax dollars. There is a concern about secret deals. You can talk all you like about your rhetoric of disliking the big oil companies.

Mr. Romanow: — You have the concerns . . .

Mr. Merchant: — Oh, no, no, there is a concern about the secret deals, the potential for secret deals. We're concerned that there will be nothing before the fact to look into the matter and now you tell us that there won't even be information after the fact, that you won't even be prepared to disclose after you make the rebates, the size of the rebates or that you've made the rebates at all. That's just not good enough. And I say to the hon. the Attorney General if you want to give substance to the concerns then you are following the right course of action. First you vote down the amendments to allow the involvement of the Oil and Gas Conservation Board. Now you say we won't even tell you if the money is rebated. Mr. Chairman, we may well have a situation where money is rebated that has been collected under Bill 42. We may have a situation where different deals are made in different fields and money is rebated and the taxpayer is to know nothing of that? I say to the hon. Attorney General, that you are doing nothing but feeding the fires of suspicion, you're giving substance to the suspicions about the secret deals, and that you should re-consider what I think is a pretty simple kind of concept. If you rebate Saskatchewan tax dollars, surely you are going to tell Saskatchewan taxpayers through the Gazette that their tax money is being given to the multinational companies you claim to hate so much.

Mr. Cameron: — One ought to let these things go by, simply because they are so ludicrous. The Attorney General never seems to learn that the House is not particularly interested in the kinds of suggestions he makes and we're not going to let them go by when he says, as he said again today and has said so often in the past, if there are going to be deals with the oil companies or multinational corporations you can be certain it's not going to be these people that are going to make it, it's not this party and the two old line parties over there, they're the ones that have made the deals in the past with the multinationals and they're the ones you can expect will make the deals in future with the multinationals. We wouldn't make a deal with any multinational corporation.

I want to remind you of a couple of facts in response to that kind of stupid suggestion in debate. The first is that the oil companies have said from the outset that they want this

legislation passed with dispatch. You know that. And you have wanted the legislation passed with dispatch as well. Your interest in that respect and theirs coincides. Second is as you have said consistently that you will be consulting the oil industry, these rates. You won't agree or negotiate but you certainly admitted that you intend to consult with them in establishing your rates. It's you there that are dealing with the multinational oil companies, dealing with those companies, there's no other word for it in terms of striking the rate. You've taken certain amendments from the Canadian Petroleum Association. Who are they? Canadian Petroleum Association represents all the oil companies. They've made certain submissions to you, they want amendments brought in, House amendments. You said that. You brought forward these amendments some of them, at the behest of the Canadian Petroleum Association. You had been dealing with the Canadian Petroleum Association in that respect.

Let me give you some other hard facts. It's your government . . . Well the Minister of Social Services should listen to this. Your government is dealing on a regular day to day basis with a company by the name of Uranus Exploration and Mining Limited. It's a partner of yours in developing and exploring for uranium and zinc and other metals in the North.

Now Uranus Exploration Limited is a west German company and you have another deal, your government is dealing because it has a partner called Inexco Mining Company. Where do they come from? Houston, Texas. You have as a partner, your government is dealing on a daily basis with the following companies — Aquarius Resources Limited, Edmonton; Eldorado Nuclear Limited, Ottawa; Golden Mines Limited, Toronto; Highwest Developments; Mountain Minerals Limited; CEA of France, another one of your partners that you made a deal with in exploration of minerals in the North. Got a joint venture agreement with Eldorado Nuclear Limited. You've got a deal and you are in partnership with AMOK Limited of France in the North too with respect to mineral exploration and development. You have another deal with a company called Dejour Mines Limited, Toronto. Then you have another deal and it's a deal in writing and again it's a day-to-day continuing deal company by the name of Granges A.B. international Mining. Where are they from? They are from Sweden. Now don't tell us so piously as you are so wont to do, that if anyone is going to be dealing with these multinational companies, it is going to be the people in the Conservative Party and the people in the people in the Liberal Party. Your government has been consistently walking hand in hand with a whole variety of multinational corporations in mineral development in this province. I invite you to refute one word of what I've said about your arrangements with these several companies, all of whom are your partners. Saskoil has joint venture arrangements as well. They are dealing every day on behalf of the government of Saskatchewan with the oil industry.

What I would hope is that we would get to the point when you recognize the sort of futile stupid debating points of that kind will no longer be made in the House. You know full well this group here has no more attachment to the oil industry than people in your group or people in that group. That's a lot of nonsense to suggest that somehow we might make the kinds of arrangements with multinational corporations that you are not prepared to make. You are dealing with them every day. You are working hand in hand with them. You've got them as partners. What you develop you share the profits with them. That myth is dead and it ought to be seen to be dead once and for all.

Some Hon. Members: Hear, hear!

Mr. J.G. Lane (Qu'Appelle): — Perhaps my first question should be, why are you

being so evasive and secondly, why are you afraid to publish the information about the partial refund? You have been up about 17 minutes now and you have refused to answer.

Amendment negated on Division.

Section 38 agreed.

Section 39

Amend section 39 of the printed bill by striking out "Lieutenant-Governor in Council" in the first and second lines and substituting "the Oil and Gas Conservation Board."

Mr. Lane: — For convenience, if you want to go to the other amendment first, because Mr. Merchant isn't here. Does that meet with agreement?

We made the following amendment again, and I can't see any objection from the Attorney General knowing his record of consistency and his stated position that he would not deal with the oil companies.

Mr. Chairman: — I will read the amendment. The member (Mr. Lane) moved to amend section 39 of the printed bill:

- (a) by renumbering the section as subsection (1) of the section;
 - (b) by adding the following subsection;
 - (c) by renumbering section 39 of the printed Bill as section 40 of the printed Bill.
- (2) A notice of any compromise, settlement or refund made under subsection (1) shall be published in the Gazette within fourteen days from the date of such compromise, settlement or refund, and the notice shall state:
- (a) the total amount of tax that would ordinarily be due and payable;
 - (b) the amount settled or refunded; and
 - (c) the person with whom the compromise or settlement is made or to whom the refund is made.

Does the member so move?

Mr. Lane (Qu'Appelle): — Yes, I so move.

Again, given the Attorney General's stated desire for one open government and secondly that there would be no deals with the multinational corporations that I am sure he will welcome the amendment with open arms.

The amendment simply requires a publishing in the Gazette of any compromise settlement or refund and I think it incumbent upon the Attorney General, in light of the

defeat of the last amendment, that perhaps one quickly recall what parliament was established for and that was the review of expenditures and I would frankly be shocked if the Attorney General and the government opposite would object to publishing in the Saskatchewan Gazette the compromises, settlements and refunds made with the oil industry. To refuse to do it would fly in the face of any desires for open government.

Amendment negated on the following recorded division.

YEAS — 11

Wiebe	Nelson (As-Gr)	Katzman
Merchant	Clifford	Wipf
Anderson	Collver	Thatcher
McMillan	Lane (Qu'Ap)	

NAYS — 28

Pepper	Matsalla	Feschuk
Thibault	Robbins	Faris
Bowerman	Mostoway	Rolfes
Smishek	Whelan	Tchorzewski
Romanow	Kaeding	Shillington
Messer	Kwasnica	Vickar
Byers	Dyck	Skoberg
Kramer	McNeill	Johnson
Lange	MacAuley	Lusney
Kowalchuk		

Mr. Chairman: — We have another amendment by Mr. Merchant (Regina Wascana) to amend section 39 of the printed bill:

By striking out “the Lieutenant-Governor in Council” in the first and second lines and substituting “the Oil and Gas Conservation Board”.

Mr. Chairman: — Does the member so move?

Mr. Merchant: — I so move, Mr. Chairman. The rejection by the government of this amendment, as I gather they will reject it, is a part of the piece of being determined to keep all of the negotiations and results of those negotiations secret and private, to do all of the things that they are going to do behind the closed doors of the Cabinet. We say that’s wrong and we say that they should open the operation of this act and hence we move the amendment to section 39, which the government will now reject.

Amendment defeated.

Section 39 agreed.

Section 40

Mr. Chairman: — I have an amendment, moved by Mr. Romanow:

Strike out section 40 of the printed bill and substitute the following:

If the taxation year of a taxpayer ending in 1974 includes any portion of the 1973 calendar year,

(a) the oil well income of the taxpayer for his taxation year ending in 1974 shall be deemed to be the portion of his oil well income determined for such taxation year as was received or receivable by him during the portion of the 1974 calendar year falling within his taxation year ending in 1974, such oil well income to be apportioned on the basis acceptable to the minister;

(b) amounts paid by the taxpayer in respect of the taxation year to the Crown under a Crown lease as, on account of or in lieu of payment of, or in satisfaction of, any royalty shall be deemed to be the portion of such amounts paid in respect of the portion of the 1974 calendar year, falling within his taxation year ending in 1974, such amounts to be apportioned on the basis acceptable to the minister.

Mr. Chairman: — Does the minister so move?

Mr. Romanow: — I so move.

Mr. Collver: — Mr. Chairman, I agree with the member for Regina Wascana. What the Attorney General just says, what does that do?

Mr. Romanow: — It is strictly an administrative amendment. Members will know that some of the companies don't have their taxation years on the same basis as the contemplation of the taxation years here (if I can put it in that sense) and they have made payments of royalties and we are allowing for an apportionment of the payment of royalties to coincide with the taxation years of the companies involved.

I would say the amendment is required so that Crown royalties deducted from tax in the transitional period and since 1974 will also be apportioned in the same manner as oil well income will be under section 40(a).

Mr. Collver: — Mr. Chairman, I have a question for the Attorney General. In the light of the change in the bill from being a bill that applied to individual oil wells to a bill which now applies to individual companies . . . taxpayers, would not this change of year end that you are now suggesting, this adjustment allow an organization to change its year end in midstream and gain a very large and substantial tax savings as a direct result of these two amendments?

Mr. Romanow: — No, Mr. Chairman, in fact, the amendment is almost designed to deal with the problem in reverse. I am saying again that the situation that is required here is a transitional period which recognizes that there may be different taxation years and sums paid under royalties so that there can be an appropriate apportionment of refunds or other aspects of this bill to coincide with that. It is not intended or results in a consequence that the hon. Leader of the Conservative Party says.

Mr. Collver: — I realize, Mr. Chairman, that that is not what is intended. I am not thinking primarily, Mr. Attorney General of the back taxes that this bill is designed to cover in its retroactive nature. I am thinking that this bill is going to go on being an oil well income tax bill for some time, I would assume at least 18 months, in that regard or depending on the whim of the government opposite and that this oil well income bill by adjusting year ends of a corporation because you have now made it a taxpayer bill and because you have now allowed for the adjustment of year ends in that bill are you not allowing the taxpayer to write off, for example, a one year expense against one month's income? Are you sure that your officials have checked into that and have tested that in light of the two amendments that you have brought in?

Mr. Romanow: — Mr. Chairman, we have done as quick a check as we can among ourselves here. I am advised first of all that section 40 deals only with the year 1974. It is a matching provision in a sense, the income to match with the royalties that are paid. The hon. member says but what happens if in that period the company changes its taxation year in a way that can avoid or defeat the payment of taxes. It is a good point raised. My people tell me that that kind of a change in taxation year has to be satisfied by an approval from the minister under another section of the bill, section 2, definition of taxation year.

Section 40 as amended agreed.

Section 41 agreed.

Section 42

Mr. Chairman: — We have an amendment to section 42 of the printed bill moved by Mr. Merchant to amend section 42 of the bill by adding after subsection (2) the following subsection:

- (3) The Lieutenant-Governor in Council shall on the day this act is proclaimed in force, publicly announce the initial regulations made pursuant to this section.

Mr. E.F.A. Merchant (Regina Wascana): — I so move, Mr. Chairman. This is the amendment to section 42. Mr. Chairman, this amendment has to be seen with the amendment that required the government to bring forth the tax rates at the time of proclaiming the legislation. It is such a simple argument. The government says that they will not be bringing forth the act until they have the tax rates and the regulations in place. What could be more reasonable? If they bring forth the legislation, proclaim the legislation before they have the regulations and the tax rates then that means that certain periods start to run under the act, not the least of which is the requirement that the industry file within 90 days. The industry has been told you probably won't get all of the regulations until six months after proclamation, yet they will have to file a lot of documents within 90 days of proclamation. The government can't even say, well look, we guarantee we will bring forth the initial regulations and the initial tax rates when we proclaim the bill. It is so patently reasonable, and so unreasonable of the government not to pass this kind of an amendment that one is driven to conclude that the only reason the government won't pass this amendment and the amendment regarding the tax rates is because the government doesn't want it to appear that this legislation was prepared in a slipshod and improper way.

The Premier indicated in question period that they thought they would have the tax rates by the time we reached third reading. The government expected to reach third reading about a month ago. So that one month after the time the government expected to reach this point they still don't have the tax rates or they say they don't. Then they say even though they are not going to proclaim very quickly, it may be a month or two before they proclaim, even so they won't make the guarantee to the House and the industry that the rates and the regulations will be in place before they bring the legislation into effect. Taxing legislation, legislation which has always been sort of the last preserve of the Legislature is being so completely eroded that the government won't even come before the House and say, when we bring the legislation into effect we will have the regulations and the tax rates, instead they say, we may proclaim the legislation and even then not have the tax rates ready for announcement.

Mr. Romanow: — Mr. Chairman, I hear the arguments, I think the hon. member for Wascana has heard mine because we have had an extended and protracted debate on this now over the last several days. We are obviously at the situation where we agree to disagree on this, accordingly I have to urge the House to defeat this amendment.

Mr. Collver: — I wonder if I could ask the Attorney General just one question, in the light of all the heated debate I wonder if he would just summarize for us, in very brief words, the reason why, we as legislators, are not allowed to see the rates and the regulations before being asked to pass this bill.

Mr. Romanow: — Mr. Chairman, I have said in the past that what this amendment would do is that it would force the government either to prepare and pass regulations in order to proclaim the bill, perhaps rush the preparations or these regulations without proper consideration to their complexity into the consultation, or alternately delay the proclamation of the act until the regulations are finalized with a corresponding uncertainty of what the law is in the minds of the oil companies and others who are involved with it. We think that the best way to do this, is to pass the law so that your black and white of it is ready to go, sit down with the industry to hear their points of view and prepare regulations, not negotiate, hear their points of view on the basis of the work that we have done and on their submissions and other submissions strike appropriate regulations and rates of taxation.

Mr. Collver: — Mr. Chairman, I appreciate what the Attorney General is saying for the past, because since the bill is retroactive in respect certainly one has to calculate what would be the best possible means of achieving the goal which the Attorney General so succinctly expressed on the first day of the introduction of the bill and that was to ensure that the people of Saskatchewan were not liable for half a billion dollars to the oil industry and subsequent damage to the Saskatchewan economy, which would be so devastating. However, surely ignoring the fact of this particular amendment, which I agree might possibly tie the hands of the government at this particular juncture in order to best achieve its aims, surely though one could expect rationally to receive an idea, perhaps a draft form of regulations and a draft rate form for the future. Surely that is not an unreasonable thing for legislators to ask the government of Saskatchewan to provide before giving it almost carte blanche in this bill to decide what it will about taxation, about so essential an industry in the province of Saskatchewan.

I realize that the Attorney General is tired of this bill and tired of the procedure that this bill has entailed and caused him to go through the hassle, but I know that he is interested, right now, in the discussions with his officials and is not prepared to pass

along, or to listen to a reasonable request to have at least, today, a draft regulations for the future, and draft rates for the future. Is that an unreasonable request for the industry to ask before this bill passes?

Mr. Romanow: — Mr. Chairman, I think the answer I would have to give is that the industry will, I am sure, know the rates of taxation and the regulations . . .

Mr. Merchant: — Before we will.

Mr. Romanow: — No, at the time that they are published they will be gazetted because these are regulations which are to be gazetted. The only other argument or comment that I can make is that there is a lack of flexibility. Everybody in this House says it is going to be a very, very complex income tax bill.

to come back to a kind of provision which ties us this way, I think it certainly cuts down the administrative flexibility.

Mr. Collver: — Mr. Chairman, I don't believe the Attorney General quite understands the meaning of the word 'draft' obviously. We didn't ask him for a permanent regulation. We didn't ask him for the regulations and the rates under this particular amendment.

What we are saying to him, today, we are on the last clause of the bill. Is it not possible for the government of Saskatchewan to have, at this point in time, draft regulations and draft rates for the future, never mind the past, for the future, under this bill? Surely the government must have thought about it, must have an idea of what it is going to do for the future. Is it unreasonable for us to request, no, to demand, that the government provide an indication of where it is going under this bill for the future of the industry? Surely you have a draft proposal for regulations and a draft proposal for rates to present to the House today so that the industry can have an opportunity to examine that. We are talking about the future now and not the past, future regulations, draft future regulations, draft future rates, not tying your hands, not taking away your flexibility, just giving an indication to the industry of where we are going under this act, without the government of Saskatchewan being able to blackmail the industry for the future, not the past, but the future, without the government being able to sit down and say, you either do this or this is what we are going to do to knock you down. Surely you can have an idea so that they can study them in some detail. When the act is proclaimed and the regulations are proclaimed in the Saskatchewan Gazette the industry can't have an opportunity to examine that in the light of the draft proposals you made today and, perhaps, discuss it with you on that basis.

Mr. Romanow: — Mr. Chairman, at the present time we do not have such draft proposals that we could put forward to the House, or put forward to the industry. I have indicated that during the several days of the debate. We are hoping to work up proposals for future for perspective retroactive.

Mr. Collver: — The future?

Mr. Romanow: — Yes, for the perspective future. I have indicated to the House that it is our intention to proceed to the preparation of the rates of the regulations under the bill with all due speed. The taxpayers, the people of Saskatchewan, oil companies, everybody wants that done and we are doing that with all the haste that we have in us, but at this stage of the game I just simply don't have that available. Do we make it

available some time in the future as their discussing point? Well, it is possible with the industry. I really haven't given that much thought.

Mr. Collver: — Mr. Chairman, I would just like to conclude, if I could, with the Attorney General remarks, I'm certain that at this late stage in development in the bill, nobody will notice and nobody will care and the press are ready to quit, we're all ready to quit, nobody will notice that the Attorney General has just refused to provide to this Assembly any idea in reality of what this act is going to do for the future of the oil industry in the province of Saskatchewan, no indication whatsoever of what this act is going to do because he won't even give us an idea. And he says he hasn't got it. That is patent nonsense! No idea of what this act after months and months of preparation, no idea of what this act in a regulatory and rate structure will do to the future of the industry, not the past, not the negotiations you have to make with the oil industry pertaining to Bill 42, but the future of the oil industry in Saskatchewan, and I'm sure no one will notice. It will go unnoticed because it's at a late stage of development. The Attorney General has just refused to provide this Assembly after all that time, any idea whatsoever of what the government proposes to do under regulations or rates for the future.

Mr. Romanow: — It's true, Mr. Chairman, that I refuse because I don't have it and I mark it back to the words of advice that the Leader of the Conservative Party gave us back in November 23, sit down and consult with the industry, act in a reasonable way, talk things over with them. That is what I propose to do, or what the government proposes to do upon passage of this bill. Now I am being criticized that apparently I haven't done that, or that I shouldn't do that. So I am only taking the advice of the Leader of the Conservative Party.

Mr. Chairman: — Will the committee take the amendment as read? Is it the pleasure of the committee to adopt the amendment?

Amendment negatived.

Section 42 agreed.

Section 43 agreed.

Motion agreed to and Bill 47 read a third time.

Bill No. 11 — An Act respecting the Interprovincial Adoption of Subpoenas.

Section 1

Mr. Romanow: — The question was and the House amendment which we seek to move is:

No provision of this act applies to a subpoena that is issued in respect to:

- (a) a criminal offence under an act of parliament;
- (b) an offence created by or pursuant to an act of the Legislature of any province;
- (c) any other offence, whether criminal or quasicriminal nature however

created.

I think that was the by-law on the civil thing. Otherwise there was no other objection to this bill as I recall.

Well let's deal with the bill because Mr. Chairman's says that we haven't done this yet.

Mr. Chairman: — An amendment to section 1, moved by the hon. Mr. Romanow to amend section 1 of the printed bill by striking out, 1978, in the second line and substituting, 1977.

Section 1 as amended agreed.

Sections 2 to 8 agreed.

Section 9

Amendment to section 9 by the hon. Attorney General:

Strike out section 9 of the printed bill and substitute the following:

9. No provision of this Act applies to a subpoena that is issued with respect to:

(a) a criminal offence under an act of parliament;

(b) an offence created by or pursuant to an act of the Legislature of any province;

(c) any other offence, whether criminal or quasicriminal in nature however created.

Mr. S.J. Cameron (Regina South): — Mr. Chairman, I just want to say that I want sort of publicly to thank the Attorney General for having considered the point that we had raised and we do in fact appreciate it when he does undertake to look at some of the points we raise. This was one of them and the amendment meets it and I think the act is better in consequence. So I want to give him some credit for it, he deserves it.

Mr. Romanow: — Thank you very much.

Amendment agreed.

Section 9 as amended agreed.

Sections 10 and 11 agreed.

Mr. Romanow: — Mr. Chairman, before you move the committee report the bill or the therefor part, I think there is something which is wrong here. It has been brought to my attention by the Clerk and I think that he is right.

We have already agreed to amend section 1 today by striking out 1978 and substituting 1977. Why are we doing that? I think we shouldn't be doing that. How do I

get that undone?

I ask leave to drop the amendment to section 1, is that agreed?

Dropping of amendment to section 1 agreed.

Motion agreed to and bill read a third time.

Bill No. 23 — An Act to establish a Unified Family Court for Saskatchewan.

Section 1

Mr. Cameron: — I want to raise now, a moment ago I raised to the Attorney General a couple of areas where we think the bill could be strengthened in fact. One is with respect to the jurisdiction which is given to the court. This is a family court, the intention generally is to give it jurisdiction with respect to all family related matters in the event of a conflict between the parties so that it gets jurisdiction in respect to the questions of children, property disposition between husband and wife, maintenance, alimony and so on.

There are a couple of other areas that by and large raise matters of family issues and I refer specifically to The Intestate Succession Act, which members will know covers the situation where a husband or a wife — I'll use husband for purposes of illustration — neglects in his will to provide or in this case doesn't make a will, and where there is no will and the man dies with a wife and children the law intervenes under The Intestate Succession Act and provides that the wife is to get the first \$10,000 plus a percentage of the balance and the children get so much as well. Now there are often questions arise under that act involving the family unit and who gets what and it occurred to me that that is another area that we should give to the Unified Family Court.

Now there is a second area, the law of the province is that a husband and wife — and again I refer to the husband only for the purpose of illustrating the point — has to provide in his will for his wife and there are a number of situations where if a husband doesn't abide by the law under The Wills Act, the will is either invalid or can be set aside by the wife or the children or some other beneficiary under the will. Again those are matters which are essentially family matters, the husband or wife providing for one another and providing for the children. The law is governed by The Wills Act and The Intestate Succession Act and I couldn't understand why these areas which are family matters shouldn't be matters of jurisdiction before this court, The Unified Family Court, rather than at present having to go to the Court of Queen's Bench. If this is to be a genuine family court then I believe it ought to have jurisdiction to consider all matters with respect to the passing of property on death from the parent to the surviving parent and the children of the dying parent. That's one area that I want to raise.

The second is that section 17 of the act provides an appeal procedure. It provides an appeal from the local judge of the Court of Queen's Bench, in this case a district court judge, directly to one judge of the Court of Appeal. The problem with that is that the Court of Appeal is not as accessible by quite a margin as is the Court of Queen's Bench. The Court of Appeal sits only in Regina and occasionally in Saskatoon. The Queen's Bench, on the other hand, is an itinerant court. The Queen's Bench judges sit throughout the province at all the judicial centres. It's easier to get to the Court of

Queen's Bench on an appeal than it is to the Court of Appeal and I wouldn't like to see it made more difficult for, let us say, a woman who wants to appeal a decision under this act, make it more difficult for her by requiring her to go to the Court of Appeal which of course means going to Regina or occasionally to Saskatoon, although the court doesn't like to sit very much in Saskatoon, whereas on the other hand she could take her appeal to the Court of Queen's Bench right in her locale or very near her locale for example, if she lives in Moosomin where the court sits she could take it there. I think it's simpler, generally it's less formal but I think it is much to be preferred than an appeal under this act to go to a judge of the Court of Queen's Bench, there are all kinds of precedent for appeals from the district court judge to a judge of the Court of queen's Bench.

I think those are two things which we ought to consider and I am sorry, I meant to, and I didn't raise those earlier with the Attorney General. I raised them a couple of minutes ago and I am not sure just whether he has time to consider them in full. If not I will give an undertaking on behalf of our group so that third reading can proceed tomorrow and he may need a similar undertaking from the group to my left if in fact it would delay, then we can consider these.

Mr. Romanow: — Well, Mr. Chairman, I will consider them because I don't think that we will get through the bill today in light of the few minutes left. I would like to make a temporary response or sort of an immediate reaction to both points and explain why we didn't do what the member suggests.

First of all with respect to adding to the jurisdiction intestate, succession and wills and so forth, we contemplate the jurisdiction of this Unified Family Court to be somewhat of a different nature than that which the member expresses. We really here have in mind the ongoing relationship as between husband and wife while in death and the matters which are related — while living, not while in death — but while living and the matters which are related to them. Such things as deserted wives and children's maintenance and Marriage Act and Homestead's Act and children of unmarried parents and married women's property and so forth as is set out in the bill. The Intestate, Succession and Wills Act, it seems to us at first blush would come into play after death in which case the marital relationship is dissolved certainly if not by an act of court by an act of God and that certainly seems to put an end to that kind of a situation and we struck the Unified Family Court from a different kind of perspective.

On the second point, namely, the question of the district court judges and the appeal to the Court of Appeal or at least an appeal from this court to the Court of Appeal and the member said we should put it to the Queen's Bench Court. Our thinking on this was somewhat different. We felt that generally in a trial kind of a situation the district, in general cases unrelated to this, the appeal does not usually go from district court to Queen's Bench, generally the appeal goes from district court to the Court of Appeal, be it a criminal case or a civil case. Very rarely is there an appeal to the Queen's Bench. There are some local Master-in-Chamber cases, of course, which do go.

Then comes another aspect of our problem and that is, keep in mind that this judge or judges under the Unified Family Court will have the capacity of local judges, i.e. queen's Bench judges for the purposes of this act in order to do some things under our legislation. So to adopt the member's view we might be very well adopting an appeal from, in a sense, one Queen's Bench Court to another Queen's Bench Court. One Queen's Bench vested power back to the Queen's Bench Court. So for those two reasons our preliminary thinking was and it still is, although I will ask my people to take

a look at it overnight and give a further response to a change tomorrow. Our thinking was that therefore the appeal should go directly to the Court of Appeal, that's the temporary thing but I think what we should do is stand those sections and deal with them tomorrow and deal with all the others that we can deal with today.

Section 1 agreed

Sections 2 and 3 agreed

Section 4

Mr. Chairman: — We have an amendment to section 4. It is moved by the hon. Mr. Romanow:

That we strike out section 4 of the printed bill and substitute the following:

(4) The Unified Family Court shall consist of the local judges of the Court of Queen's Bench.

Mr. Romanow: — Mr. Chairman, I so move. As previously written the legislation could have been interpreted as giving Cabinet the power to appoint judges to superior courts which of course is contrary to section 96 of the BNA. This bothered the federal government when they looked at the legislation, so this new section means that it will be impossible to appoint one judge in the Unified Family Court, rather all district court judges in the judicial district of Saskatoon with a pilot project to be set up will be judges of the Unified Family Court. I don't think this is a real problem as one district court judge will do the family matters, like say Judges Carter and Wedge now do in the Magistrate Court level and this gets around what might be a constitutional bother and certainly it seems to meet the approval of the federal government. This proposed house amendment I so move.

Section 4 as amended agreed

Section 5 to section 10 agreed

Section 11

Mr. Chairman: — Section 11, judge has powers of a magistrate, and we have an amendment on 11 by the Attorney General that we strike out section 11 of the printed bill and substitute the following 11:

in addition to any other powers and duties of a judge of the court, each judge is ex officio, a magistrate under the criminal code.

Mr. Romanow: — I so move. The amendment states as you have read that each Unified Family Court judge is ex officio a magistrate. This is the proper way to confer criminal code jurisdiction on the Unified Family Court judge. Since the criminal code gives specific duties and powers to magistrate, the province cannot, for the purposes of criminal code matters, give these powers to someone other than a magistrate, so we make this person ex officio magistrate, vested, therefore, with criminal code powers and to deal with those family matters related to criminal code, I so move.

Section 11 as amended agreed

Section 12 to section 19 agreed

Section 20

Mr. Chairman: — Amendment by the Attorney General to amend subsection 1 of section 20 of the printed bill by striking out pursuant to an arrangement made under section 19 in the second and third lines and substituting, “to a person who is or becomes a party to a matter or proceeding in the court.”

Mr. Romanow: — Mr. Chairman, there’s no consequence this amendment, I think it’s simply a drafting error which was not caught when we revised section 19.

Section 20 as amended agreed

Section 21 to section 27 agreed

Mr. Chairman: — We have an amendment by the Attorney General that we amend section 28 of the printed bill, (a) by striking out subsection 1 and substituting the following:

1. The judges of the Court of Queen’s Bench or a majority of them may make rules for the purpose of giving effect to the provisions of this act or for the purpose of providing for any matters not fully or sufficiently provided for in this act and without restricting the generality of the foregoing may make rules (a) regulating the sittings of the judges of the Unified Family Court (b) regulating the pleadings practice and procedure and matters and proceedings before the judges of the court (c) regulating the duties of officers of the court (d) regulating costs and proceedings in the court (e) providing for the taxation of costs and prescribing tariffs, therefore, (f) prescribing and regulating the proceedings under any act that confers jurisdiction upon the court or a judge of the court (g) governing the deposit or payment into or transfer out of the court of any money or property or the dealing therewith (h) allowing for services outside of Saskatchewan and
2. For provisions with respect to practice or procedure are contained in any act, rules may be made adding to or modifying those provisions to any extent that is considered necessary for the equitable dispatch of the business of the court unless the power to do so is expressly excluded by the provisions of that act (b) by numbering subsection 2 of the section as subsection 3 of the section and (c) by renumbering subsection 3 of the section as subsection 4.

Mr. Collver: — I would like an opportunity to look at the new amendment that the Attorney General has just brought in, it’s only until tomorrow at any rate.

Mr. Romanow: — Mr. Chairman, it’s O.K. fine, but we’re in section 28, all that this is is a renumbering provision and sets out in the sections 1 and 2, which are added, the simple amendment which says that the rules and procedures of The Unified Family Court may override rules and procedures in statute such as The Children of Unmarried Parents Act which is the purpose of having a Unified Family Court. That’s all there is to it.

Mr. Merchant: — Mr. Chairman, I call it 5:00 o’clock p.m.

The Committee reported progress.

The Assembly adjourned at 5:08 o’clock p.m.