

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Eighteenth Legislature

January 12, 1978

Adjourned Debates on Report of Committee on Procedures Continues

Mr. E.C. Malone (Leader of the Liberal Party): — Mr. Chairman, before we broke for dinner I was speaking to this motion about the Rules Committee and the adoption of its report. I hope to be able to present a subamendment to the amendment before I take my seat. I am just waiting for a copy of the subamendment to come over to me. As I understand the situation, and I was absent from the House as you know, for the past two days, this particular motion would have been passed two days ago except for the member for Indian Head-Wolseley rising and suggesting that he wanted to have some time to consider the motion without the amendment being brought forth.

I really can't believe, Mr. Speaker, that the government is so incompetent and so slipshod, that it finally dawned on the Minister of Government Services that perhaps there was a greater expense involved in these suggestions in the committee than originally anticipated. However, apparently that is the case.

Now, Mr. Chairman, the amendment may be well taken and it may be the case that there could be considerable savings by adopting the recommendations that are contained in the amendment, and that may well be the situation that we would want to consider at a later time, Mr. Speaker. But at the same time we are considering that, we must take the position of considering the work of the committee. Now, we have two members on that committee and they have worked diligently and hard, not only on this particular problem but on all other problems concerning the rules of this House. I am sure members opposite, and there is a member who sits to my left, is on that committee as well.

I suggest that if we, as a Legislature, now just adopt this amendment without further consideration by the committee, that we are indeed putting the committee in such a position that they really can't function in the days ahead. I think that it is an insult to the committee for this type of an amendment to be brought now without having the matter considered by the committee itself, and having the Minister of Government Services appearing before it and giving his recommendations to it.

Accordingly, Mr. Speaker, I intend to move the following amendment, or subamendment, which I will write out in a moment as follows: I move, seconded by the member for Wascana, that the following words be added to the motion after the word, 'in' in the second line.

Mr. Speaker, I intend to move a motion to refer the matter back to the committee for further consideration, and if you will bear with me I will write out the motion, Mr. Speaker. I attempted to do it earlier but I was unable to find the motion when I got here earlier.

The motion as I propose it, Mr. Speaker, is moved by myself, seconded by the member for Wascana to add to the amendment, the following words: which shall be referred back to the said committee for further consideration. I believe that will then read, that the following words be added to the motion after the word, 'in' in the second line with

the exceptions of recommendations no's 2, 4, 5 and 7 which shall be referred back to the said committee for further consideration.

Mr. Speaker: — We are dealing with the Report of the Select Special Committee on Rules and Procedures to which an amendment has been offered, to which a subamendment has now been offered, moved by the member for Lakeview, seconded by the member for Wascana, adding thereto, the words: which shall be referred back to the said Committee for further consideration.

Hon. N. Shillington (Minister of Government Services): — Not wanting to be first on the motion, but perhaps the only one I would urge the Assembly to defeat the motion. With all due respect to my colleague opposite, I think that we have had lots of time to consider this; all of the caucuses have. The committee has spent a good deal of time on it. It just comes down, at this point in time, to a basic decision of whether or not these expenditures are justified. I doubt that very much more is going to come out of the committee. I'm sure your caucus has had an opportunity to consider it, our caucus has had an opportunity to consider it, and when I spoke earlier in the afternoon I did so on behalf of our caucus, after having spent a good deal of time on it. It is just simply our view that we ought to do what is necessary and no more. We don't believe that refurbishing the desks and the walls and the roof and the rug is necessary. We moved an amendment to delete that portion of it. We do believe that refurbishing the sound system, indeed changing it, will be necessary as it will be necessary to fix the air conditioning system, and are prepared to go with that. But I would urge the Assembly to vote against the motion. I frankly don't think we need to agonize over this thing a great deal longer. It just comes down at this point in time to a basic decision of how much we want to spend.

A good deal was said earlier about the spendthrift ways of the Department of Government Services. I will be delighted, in the Estimates, to defend the Department of Government Services and I will be delighted to . . .

Mr. Speaker: — I would caution the member to restrict his comments to the subamendment, since he has spoken on the other two, and the subamendment really deals with the referring of recommendations No. 2, 4, 5 and 7 back to the committee for further consideration.

Mr. Shillington: — I might have been guilty, Mr. Speaker, of responding to some of the specious comments that were made in the earlier speeches and I will avoid doing that.

Suffice it to say that we . . . I don't believe that there is anything further that the committee can tell us that we don't know. We just have to make a decision. I suggest that this House do that now without . . . and defeat the amendment.

Mr. J. Wiebe (Morse): — Mr. Speaker, a few more brief words in regard to this amendment, especially since I have had the opportunity to hear the Minister of Government Services.

He went on to mention in his remarks that members on the committee represented the views of their caucuses on that committee, and I agree with that statement. In each and every committee meeting that was held, the views of our caucuses, I felt, by the Conservative members, the NDP members, and our caucus, were expressed by members of that committee. At all times when decisions were made by the committee in

motion, those considerations were taken back to our caucus. What bothers me a lot about what took place in this Legislature today is not the fact that we have agreed to omit some sections of that report, as every member in this Assembly has the right to move an amendment to that report before it is adopted. What I question is the fact of the individual member who moved the original motion he was a member of that committee. He disagreed with some of the aspects on that committee which is his right, but once the committee was reported and there was no minority report submitted with that report, I don't believe that he had the right or the obligation to introduce an amendment to that particular report.

There would have been nothing wrong with the Minister of Government Services moving that kind of a motion, or any other backbencher on that side of the House, but the fact that the member for Saskatoon did not voice his objections in a minority report, I think has certainly got to be questioned by all members of this House.

If my caucus or any colleague in my caucus or I personally, disagreed with the report that was being submitted today, it would be my obligation as a member of that committee to submit a minority report that would be presented to the members of this Assembly. We were instructed by this Assembly two years ago to look into the renovations of this Chamber. I think the fact that the Leader of the Liberal Party has moved an amendment to further put that back into the hands of this committee to further consider these renovations is a subamendment that is well in order. I certainly will be supporting that amendment and I hope that all members will as well.

Mr. E.F.A. Merchant (Regina Wascana): — Mr. Speaker, there are two factors here. I suppose that I have been almost spectator, just as though I were a member of the gallery to this dispute. My views on whether we should make the changes or not really, I don't think, are something worth considering because it would be nothing more than just the views of a member about whether I like a red rug or a green rug or whatever.

There are two deeper factors than that. First, there's the question of how really does this government operate and function. We've had a pretty fair demonstration of the slipshod way this government operates and functions.

Mr. Rolfes: — Nonsense!

Mr. Merchant: — Well, the member says nonsense. The money that's involved was budgeted last year, budgeted last year. So last year the government got together and decided that these kinds of changes were important. Then last year the government put to its committee the question of: How do you want these changes? What do you think is necessary? Was budgeted. Then the item came up in the House and if it hadn't been for the member for Indian Head-Wolseley just making an inquiry almost, which resulted in a two day delay, it would have been passed and all of these changes would have taken place. Then, only because the member for Indian Head-Wolseley had made an inquiry did the government even bother to take a look at the expenditure. And only then, Mr. Speaker, did you take the matter to caucus. When did it go to a caucus? It went to a caucus, your caucus (and that shows how much you think of your backbenchers) it went to your caucus between the time that it was introduced in this House and would have been passed . . . (Interjection — No!) Well then, I urge the hon. member to rise because as I understand it, it was discussed in your caucus between the date . . . (Interjection — No!) Well then, I urge the hon. member to rise . . . (Interjection — Don't tell me when it was presented!) It was introduced in your caucus between the date when it was first introduced in the House and between today's date. The member full well knows that if it

hadn't been for the member for Indian Head-Wolseley it would have passed that day without debate and without amendment. Now, Mr. Speaker, that's the first point, as far as anyone can tell, the government really only became aware of the expenditure in the past brief while and took any particular interest in it.

The second point is, Mr. Speaker, one really asks, what kind of an attack this is on the committee system. We talk in this House about trying to bring some strength to our committees. Then when a committee is asked to deal with the matter and unanimously decides in one way, the government plucks that from its committee and changes the decision. I say to the member for Saskatoon and to the minister, frankly my offhand view is as yours is, my offhand view would have been that if the walls have the look of a urinal perhaps we can exist with that for another year or two. That would have been my offhand guess. But you see the difference is, Mr. Minister, that I have enough confidence in people from our caucus who sit on a committee to go along with the decision of the people from our caucus who sit on a committee. Your problem is that you don't have that confidence in your backbenchers.

Hon. H.H. Rolfes (Minister of Social Services): — Mr. Speaker, I would like to get into this debate because the member for Wascana as usual . . . Last year I can remember the member for Wascana making a particular speech, I believe it was pertaining to my department wherein I checked his speech and he has made seven errors, in fact. I didn't carefully check tonight just how many errors he made but there are a number of them. One of them was that he was trying to tell me that the first time we considered the report was . . . He said the first time it was . . . (Interjection — inaudible) Let me tell the member he said the first time it was brought to your caucus and considered was after. I'm telling the member for Wascana that he just simply doesn't know what he is talking about. He doesn't know what he is talking about!

Secondly, Mr. Speaker, I can't understand what logic he is using here. He is simply saying that if we set up a committee and they bring in a report, then this House has no choice but to accept holus-bolus the report of the committee. That is absolute nonsense! They don't have to . . . It wouldn't have passed. (Interjection — Well, certainly it would!) Maybe on your side it would have. But don't speak for us over here. . . .

Mr. Speaker: — Order, order. I think the member for Wascana has had plenty of opportunity. Give the member for Buena Vista a chance.

Mr. Rolfes: — Mr. Speaker, what I simply want to say is that I have no objection to a committee looking into what needs to be done in this House, what renovations need to be done. I simply cannot accept that the member for Wascana tells me that I can no longer pass judgment on a committee report that is brought to this House. If I feel at that time that the expenditures are exorbitant, I as a member have a right to speak against that report. That's exactly what I think our caucus did. We had a look at it, we examined it. We felt at that particular time that maybe some of the suggestions made in the committee report weren't necessary at this time.

It was indicated to us that the speaking system simply would not last beyond possibly six months and that we had to do something in that regard. Some of us even reluctantly went along with that. I still don't believe, Mr. Speaker, that somehow this loud speaking system can't be repaired. But the experts tell us that it can't be. Now I think that somehow we should be able to repair it. Mr. Speaker, I suppose if I had my own personal way, I would like to see that we do the minimum possible to these Chambers and if it

were possible to simply repair the speaking system, then that's what we should do. But I'm told by the experts that we can't do that and that this system will not last another session. Therefore, some of us have said, well, all right we'll go along with the bare minimum that has to be done.

But I simply take exception to the member opposite to put himself in the position and say, well I'm going to lecture you boys. But certainly not, the member has no right to do that. He can speak for himself, he can speak for his particular party but he cannot speak for everybody in this House. I for one, Mr. Speaker, go along with the Minister of Government Services and defeat the amendment and go along with the bare minimum renovations that have to be done in this House.

Mr. B.M. Dyck (Saskatoon Mayfair): — I want to say that the opposition seems to be extremely good at spending government money. They can make some extremely reliable, Mr. Speaker, on that point I was going to write a minority report, but the point is that there was a time frame problem and we had to make a decision in this committee before January 16th and there was no time left, really, for that minority report. We are not talking about small sums of money here. If we are talking about the repairs, and I think members of the committee will know what I said in that committee over a year ago when we had some initial cost estimates of the renovations that were supposed to be taking place at that time. I, at that time, voiced my disapproval to some of the suggestions that were being made because of the very factor that we have certain restraints on our budget and I couldn't see us supporting the expenditures of large sums of money at this particular time.

Our terms of reference were to look at the renovations and refurbishing of the Chamber and we did that and we made certain recommendations. The most important recommendation, of course, was the matter of a sound system. I think that is still in the report, I support the changing of the sound system, but certainly when it comes down to the expenditure of things like \$40,000 or more for a new acoustical wall system, Mr. Speaker, I just can't support that at this time. Other expenditures, mechanical revisions and whatever \$45,00; rebuilding of the desks and chairs \$18,000. We have been sitting in these chairs for 40 years or more. I haven't heard members complain about that. And for me at a time when we are trying to exercise some restraint on our budget, to authorize the expenditure of \$18,000 to redo a desk and chair, Mr. Speaker, I just can't support that. I urge the defeat of the subamendment.

Miss L.B. Clifford (Wilkie): — Mr. Speaker, as a member of the committee I would just like to comment on a number of the previous speakers, the first being the member for Saskatoon Mayfair (Mr. Dyck).

The members of the committee who attended the last meeting and presented this report happened to be the member for Saskatoon Mayfair, the member for Weyburn (Mr. Pepper), the member for Redberry (Mr. Banda), myself and the member for Souris-Cannington (Mr. Berntson). At that time, I beg to differ, that the member for Saskatoon Mayfair, although he did suggest some changes which we finally agreed upon and unanimously agreed upon to support, did not suggest at all that he would put in a minority report; did not suggest that he would even consider taking some of these things out of the report. He was asked by the chairman, who happened to be Mr. Speaker that we give a unanimous appointment to this report. So don't give me that kind of information because you are trying to mislead the House.

As for the Minister of Social Services saying he could move amendments to this report,

that is right, but a member of the committee who comes up with an amendment like this is absolutely irresponsible, has no feeling whatsoever for the committee, because you are a member of the committee and you have absolutely no right to move an amendment as far as I am concerned.

The Minister of Government Services got up and said that it was not necessary to do the other repairs that were indicated in the report: repair the plaster and repaint; install the carpet; put the duct work to vacuum or sound electrical systems underneath the floor. It is just an indication of the backwards logic of this government to say that you don't have to put stuff in and leave the carpet down, the old carpet down. If you are going to lift up the floor to put the other work in, you put down a new carpet for God's sake. Now that is just backward logic.

As far as not painting and plastering the walls of the Chamber, anyone that knows about a sound system, even if you are not electronically minded, would know that if you put in a new sound system you are supposed to adjust it to the new Chamber. What is the point of adjusting it to a Chamber that is going to be changed again? You will have the expense and work again of doing the same thing in two or three years.

Now, if you are that afraid of what is going to happen in two or three years, Mr. Minister of Social Services, then you are in real trouble. That's right, that is where you are going no doubt about it.

As well, I would like to comment, again, on the members of the committee. I would like particularly when voting on this subamendment I would like the member for Saskatoon Mayfair, I would like the member for Redberry and particularly the member for Weyburn, who I have respect for his integrity and principle — a lot has been said about integrity and principle in this Chamber. We have been criticizing the members on my left and as far as I am concerned you are no better if you present something like this as an amendment.

I would ask the members who are sitting in the back to reconsider their amendment and what a committee does for this House. You don't have to blatantly adopt a report of the committee, Mr. Minister of Social Services, because you were not on the committee. It is your right, but it was a member of the committee who made this subamendment. If you don't respect the members of your committee's judgment well then that is surely not my fault because the members of my caucus will take our word for that.

Mr. Speaker, on this subamendment I would like to say, that if it not voted on and supported, the members from our caucus on that committee, Mr. Wiebe and myself will be resigning from the committee.

Some Hon. Members: — Hear, hear!

Mr. R.E. Nelson (Assiniboia-Gravelbourg): — Mr. Speaker, I want to say a few words on this particular subamendment. I think the government has indicated, clearly, they will be voting against the subamendment. The government has also made very clear that they are making complete mockery out of this committee. The member of the committee from Saskatoon Mayfair agreed with the report in committee and now apparently has had second thoughts and he needs time to reconsider his own situation.

I do not believe anybody in this Assembly is ready to make a proper decision tonight and, Mr. Speaker, I beg leave to adjourn debate.

Adjournment of debate agreed to on the following recorded division:

YEAS — 27

Pepper	Robbins	Skoberg
Thibault	Mostoway	Johnson
Bowerman	Banda	Lusney
Smishek	Whelan	Malone
Romanow	Kaeding	Wiebe
Byers	Feschuk	Merchant
Kramer	Tchorzewski	McMillan
Lange	Shillington	Nelson (As-Gr)
Kowalchuk	Vickar	Clifford

NAYS — 0

Nil

THIRD READINGS.

Hon. W.A. Robbins (Minister of Revenue) moved third reading of Bill No. 40 — **An Act to establish the Department of Revenue, Supply and Services.**

He said: I move the bill be now read a third time.

Mr. W.C. Thatcher (Thunder Creek): — Mr. Speaker, I will be very brief in my remarks.

We in the Progressive Conservative Party oppose this bill. We oppose it decisively. We oppose it because it is what we consider to be modelled after one of the most inefficient governments in the world today, democratic governments, and that being the federal government in Ottawa. We suggest to this Assembly that a province that is operating on a budget of about one billion, probably \$1,750,000,000 for the fiscal year 1978

simply does not need another department. In Ottawa I suppose there is some argument for the Department of Revenue. The departments which are in Ottawa are gigantic departments. Some departments that a sole Cabinet minister must administrate are larger than the entire government of Saskatchewan. However, Mr. Speaker, in a province such as Saskatchewan with the sort of business tools, computers and the many varied types of business machines that are available, it is simply unnecessary to duplicate something that is probably being very adequately handled by the present Department of Finance.

I believe the minister has indicated in this Assembly, that there will be no increase in staff, that basically these people will be shunted out of the Department of Finance and placed into this new Department of Revenue. I believe the minister did indicate who the deputy would be. It slips my mind at the moment.

The minister has argued in second reading that the 140 people that will be moved into the Department of Revenue will not be replaced in the Department of Finance.

Mr. Speaker, I wish that I could accept that argument. Unfortunately, in government, things just really don't work that way. That's maybe what the great shortfall in government is, whether it be this government or another provincial government or the federal government. There just always seems to be Parkinson's Law in effect, if there is a space that we must then move to fill it. In other words if you've got spare room there, eventually you have got to put a civil servant in it. The Progressive Conservative Party could probably accept this department if we were given ironclad assurances by the Minister of Revenue that those 140 people will not be replaced in the Department of Finance, or if the Minister of Finance will give us such an ironclad assurance. However, Mr. Speaker, it has become pretty commonplace the last five or six years in this Assembly for ministers across the way to be assuring the opposition that their department will not grow or there will not be an increase of more than 5 per cent to 6 per cent or the staff will not increase. But somehow when it comes to estimate time, Committee of Finance, there always seems to be an increase in staff in the vast majority of the departments.

Mr. Speaker, I would respectfully suggest to the government across the way, of all the governments available to study the one that has shown itself to be the most ineffective, the most ineffectual in controlling its expenditures, in controlling its own affairs, is the federal government in Ottawa.

Mr. Speaker, the occasions on which I have heard the perspective Minister of Revenue expound on why we need this department, his arguments have been facetious to say the very least. His primary argument has been these 140 people.

Mr. Speaker, on behalf of the Progressive Conservative Party, I would feel obligated to serve notice that in the event of a Progressive Conservative government in six months or eighteen months or whenever it may be, this new Department of Revenue will cease to exist. So I respectfully say to those of you, or to the employees who are considering accepting employment in this new Department of Revenue, that please don't plan on a very long stay there, that this department will disappear under a Progressive Conservative government. We will be voting against the motion.

Hon. W.E. Smishek (Minister of Finance): — Mr. Speaker, I would like to say a few words in third reading of this bill.

It is fairly obvious that on both sides of the opposition there seems to be a fair bit of confusion and misunderstanding on how really government functions and in the control areas. I was surprised the other day to notice that one of the members was talking about he would have supported the idea of establishing a Revenue, Supply and Services Department if it was a department that would control expenditures. I don't know why it ought to be the Department of Revenue to control expenditures, when we now have within the government, I think a fairly stringent structure if the hon. members ever took the trouble to acquaint themselves with the legislation.

In this government we have established what is known as a Treasury Board. The function of the Treasury Board is to really oversee and scrutinize all the expenditures. They have paid attention to the Public Accounts about the Treasury Board regulations and how the expenditures must be made. There is a very stringent mechanism in this government for control of expenditures, not by one minister, but by five ministers. There isn't a single item of expenditure or budgeting that can be approved without going through the Treasury Board process. The Treasury Board has attached to it a staff called the Budget Bureau which functions very effectively. I am very proud of the people that we have in our Budget Bureau of the Treasury Board who scrutinize the expenditures of the departments. They must, naturally, rely on the Treasury Board members for the approval of the expenditures, but I think that the mechanism is an effective one and is one that has been copied by governments right across this country.

I am interested in the pronouncements by the members opposite that they have changed their minds. I remember when the Premier announced the establishment of a department of the Department of Revenue both the parties hailed and approved the idea. The Leader of the Liberal Party said that their party has long advocated the idea of establishing a revenue department. The member for Qu'Appelle (Mr. Lane) who spoke on behalf of the Conservative Party said that this was a great idea and was glad that the government was copying their thought on establishing a revenue department.

Mr. Speaker, the collection of funds is a very important process in government, or collection of taxes. At the present time virtually in every department there is an assignment to some people to collect revenues. The system has become a bit cumbersome and unwieldy when you have so many people making collections. It becomes also confusing to the people who pay the taxes. We believe that it is important to establish one central agency. The process isn't going to be working automatically and immediately, it will take some time before we transfer the revenue collection areas from the various departments to the revenue department. As we transfer those responsibilities from the various departments to the revenue department, with it we will be watching very carefully what is happening to our staff to make sure that when there are transfers made for responsibilities, with it will be a reduction in staff proportionately.

The member for Thunder Creek (Mr. Thatcher) said he would support the bill if he could be assured that there isn't going to be any kind of a staff build up. Mr. Speaker, as chairman of Treasury Board, when the idea of establishing a revenue department and revenue supply and services as it is now going to be, we looked at the matter of staffing very, very carefully. As I recall the numbers offhand in the old Department of Government Services which had the responsibility for the supply and service portion as well, including the Central Vehicle Agency, and in the Department of Finance there were a total of 925 employees in those two departments. I am prepared to assure this House that not only will there be no increase in the number of employees by splitting

and creating a revenue and supply department and sort of creating three departments out of two, but in fact there will be a reduction in staff.

I am really disappointed in members opposite who so often attack our public service. During the debate on this bill there has been ongoing criticism about the public service and the bureaucracy. Mr. Speaker, I am proud of the people that are our public service. The vast majority of the public service do an excellent and first class job on behalf of the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Smishek: — But just like every organizations where there are a lot of employees, we do have some people that perhaps are not doing their jobs as efficiently as we would like them to. But, Mr. Speaker, my guess is that well over 90 per cent of the public service are people who are very conscientious and who are very dedicated to serve the people of Saskatchewan and we are proud of them. Mr. Speaker, what about the other 10 per cent? In those cases what happens is there are new employees who need to get more experience and like in every situation there are employees who might be misplaced but surely they deserve fair treatment and an even break and an opportunity to earn a living and to work in the public service of this province.

Mr. Speaker, when you take a look at the organization of government in the Department of Finance, in Saskatchewan we have a number of responsibilities and have had them. It was the overall financial responsibilities, the Treasury Board, Mr. Speaker, the comptroller agency, the comptroller's office. When you compare that with the structure of Ottawa's organization, we had under Ottawa's organization three ministers responsible for the job compared to one minister being responsible for that job in the province of Saskatchewan. We believe that by this re-organization we will be able to be more efficient and to serve the people of this province more effectively and to ensure there is no leakage of funds that are properly due to the province of Saskatchewan.

Motion agreed to and bill read a third time on the following recorded division:

YEAS — 24

Pepper	Kowalchuk	Faris
Thibault	Robbins	Rolfes
Bowerman	Mostoway	Tchorzewski
Smishek	Banda	Shillington
Romanow	Whelan	Vickar
Byers	Kaeding	Skoberg
Kramer	Dyck	Johnson
Lange	Feschuk	Lusney

NAYS — 11

Malone	Nelson (As-Gr)	Katzman
Wiebe	Clifford	Wipf
Merchant	Collver	Thatcher

McMillan

Bailey

Hon. R. Romanow (Attorney General) moved third reading of Bill No. 47 — **An Act to provide for the Taxation of Income from Oil Wells.**

Mr. E.F.A. Merchant (Regina Wascana): — Mr. Speaker, this has been a long debate and unlike debates upon which members divide in a relatively predictable manner this has been a debate which has been difficult because it has involved more thought and more understanding than is usual. It's not a debate that divides along almost doctrinaire lines.

I have only a few brief remarks after which I will be moving an amendment which would refer the bill back to the Committee of the Whole to give to the Committee of the Whole instructions that they have the power to amend Bill 47, to delay proclamation to ensure the constitutional validity and to guarantee the early proclamation of the levels of tax. I am satisfied, Mr. Speaker, that the motion is in order. This is only the second time in the history of this Legislature that such a motion has been moved and the first time I think that one will be found to be in order and one of a handful of times when a motion on third reading of this sort has been moved.

Why do we take that step? We realize, Mr. Speaker that fairly summarily the government will defeat the amendment. We don't propose to put up a series of speakers to further delay passage of the legislation. we make this final effort in an appeal to the government to consider the direction they are taking.

Unlike most legislation, this is an act where all parties agree on the aim of the legislation. We all want to reverse the mistake the NDP made over Bill 42. The NDP through their bad government got Saskatchewan people into this mess and we, unfortunately, don't believe that Bill 47 will get Saskatchewan people out of the mess. We oppose legislation which gives a carte blanche to the government. We oppose taxing legislation which does not impose the tax but simply allows the government in secret to make whatever deals with the oil industry they see fit. We oppose taxing legislation which will work in secret for all of the reasons that we have discussed for these many days of the debate.

We, secondly, fear for the future of Saskatchewan. We fear that the government is doubling the stakes for its own political gain. You see, Mr. Speaker, our interests as a Liberal Party are only that the legislation be as strong as possible. Our interests are only that the legislation accomplish its aim. The NDP interests, on the other hand, are that the legislation be strong and successful, our interest as well. But their concern, also, is that the legislation extricate them from the political pickle in which the Attorney General and the Premier, as the lawyers in the Cabinet, have placed that political party. It is their responsibility; the stupidity of Bill 42 falls to them and they have placed Saskatchewan people through their resource taxation and resource management in the problems that Saskatchewan people now face.

Thirdly, Mr. Speaker, we oppose this legislation because we believe it will be constitutionally invalid. A constitutional test may never come. If that is the case it will be because of a sweetheart deal with the industry, a sell-out of our resources which again will take place to save the political neck of Allan Blakeney. This so-called income tax is not an income tax within the law. Calling it an income tax doesn't make it an income tax.

The arbitrary deductions will destroy this legislation when challenged and that says nothing about the colorability argument, the argument that the Supreme Court is not going to allow the Saskatchewan government with this feeble attempt to plaster up the cracks of Bill 42 and plaster up the cracks of the oil and gas legislation. It is wrong for us, as a Legislature, to give a carte blanche to government in taxing areas and it has been shallow of the Conservatives to have backed away from this fight.

We in the Liberal Party knew that we were on the side of the argument that required us to make people understand some delicate and difficult legal and legislative concepts; we entered into this debate confident that we would be able to convince Saskatchewan people of the courage of our position and the truthfulness of our stand; we leave this debate knowing that Saskatchewan does understand and though we took our position based on what we thought would be best for this province in the long run, I am satisfied that in the short run it has been good for the Liberal Party in a political sense.

Well, Mr. Speaker, with those few words I, therefore, move seconded by the hon. member for Lakeview (Mr. Malone):

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

Bill 47 be not now read a third time but that it be referred back to the Committee of the Whole with instructions that they have the power to amend it to delay proclamation until the constitutional validity is assured and the levels of tax and the regulations are proclaimed.

Hon. W.E. Smishek (Minister of Finance): — Mr. Speaker, this is a motion which is obviously an attempt to delay, to procrastinate, and if we were to approve it, create the kind of uncertainty that has been referred to during this debate on a number of occasions. Mr. Speaker, the hon. member from Lakeview said that this has been a long and tedious debate and that is true. Certainly, we on this side of the government have given the opposition every opportunity to express their views, to declare themselves as they have, clearly on the side of the multinational oil companies. The Liberal Party is certainly committed to that, the records will show, clearly committed and pledged to the interests of eastern and centralist approach to this country.

Mr. Speaker, we in the government are clearly committed to the views that have been set out in the constitution of this country and particularly the 1930 amendments, which gave the province of Saskatchewan the clear right to develop, to control, to regulate and to tax the natural resources of this province. The amendments to the constitution of 1930 clearly declared that the resources belong to the people of Saskatchewan. We as a government propose to develop those resources in the interest of the people of Saskatchewan and to tax them in the way which will ensure the largest return to the people of Saskatchewan and to tax them in the way which will ensure the largest return to the people of Saskatchewan so that they can benefit from these resources in many ways: in better roads; in better health services; in better social services; in better housing. This is the way we as a government have been using that money.

Mr. Speaker, you will recall that when we took office in 1971, the province of Saskatchewan was receiving a mere \$35 million from all its non-renewable resources. Mr. Speaker, this year we will be receiving in the order of \$400 million from the resources. And, Mr. Speaker, that is precisely the point that we intend to keep it. That is why we are bringing Bill 47. That is why we have fought hard as we were called upon and asked by the people of Saskatchewan to ensure that those taxes remain in the

province of Saskatchewan.

Mr. Speaker, I have had an opportunity to talk about Bill 47 to a lot of people. I have talked to lawyers, doctors, business people, wage earners and farmers in the last couple of months; I have yet to see anyone support the Liberal position that this money should be turned over to the multinational oil companies. Mr. Speaker, the people say clearly, this is our money, we are with you, we believe you are correct in bringing in Bill 47 to ensure to that that money stays in Saskatchewan, that the future resource development is managed, developed and taxed by the people of Saskatchewan and that that money not be turned over to some outside buccaneers. That is the principle. The Liberal Party has clearly declared itself on the side of the multinational corporations. The Conservative Party is half way there. Their position has been that we should give half the money back to the oil companies.

Mr. Speaker, the final hour has come. The Liberals have brought in another motion to delay, to procrastinate, to in effect give back the money that belongs to the people of Saskatchewan to the multinational corporations. In a few minutes we will see where the Conservative Party stands. This is an issue that we as New Democrats and as a government feel pretty strong. We think what we are doing is what the people of Saskatchewan want us to do. I'm confident of that because I have yet to find anyone who supports the Liberal position, maybe there is another handful, the size that they now have sitting on the other side, Mr. Speaker, but not very many more.

Mr. Speaker, I urge the members to defeat this amendment and to pass Bill 47 which shall be in the interests of the people of Saskatchewan and to ensure that the resource money is going to continue to flow to the people of Saskatchewan for the various things like health, like roads, like the many things the people of Saskatchewan want us to use this money for.

Amendment negatived on the following recorded division.

YEAS — 6

Malone
Wiebe

Merchant
McMillan

Nelson (As-Gr)
Clifford

NAYS — 29

Pepper
Thibault
Bowerman
Smishek
Romanow
Byers

Banda
Whelan
Kaeding
Dyck
Feschuk
Faris

Skoberg
Johnson
Lusney
Collver
Bailey
Lane (Qu'Ap)

Kramer
Lange
Kowalchuk
Mostoway

Rolfes
Tchorzewski
Shillington
Vickar

Katzman
Wipf
Thatcher

Debate continues on the motion.

Mr. J.G. Lane (Qu'Appelle): — Mr. Speaker, I will keep my comments brief on third reading of Bill 47. I agree partially with the hon. member for Regina Wascana (Mr. Merchant) when he said debate was lengthy. The time spent was lengthy, the time that we have been in this House, 30 some days, was lengthy . . .

An Hon. Member: — You were only 29 . . .

Mr. Lane: — I was only 29, as the hon. member recalls to which he was a party to cutting short my contribution to tenure in the House.

Mr. Speaker, the interesting thing about the House, although the time in the House was lengthy the debate on Bill 47 wasn't all that lengthy.

We had heard at the outset the great urgency of this bill. We heard at the outset the commitments of the Premier that the bill would be passed by Christmas. We heard the statements by the Premier, subsequently, that any delays in the bill were costing the province money and what happened? We went to other matters that were much more pressing, it turned out, than Bill 47. We digressed to other aspects of debate, much more pressing obviously than Bill 47.

The interesting thing about Bill 47, as one of the members of the press gallery recently pointed out to me, was the lack of participation in the debate by the Treasury Benches.

Miss Clifford: — And the PCs.

Mr. Lane (Qu'Ap): — I think if one goes through all the Votes and Proceedings one finds, I believe, and I stand to be corrected, one finds the Revenue Minister, Premier, the Attorney General and the Minister of Mineral Resources, giving a speech on the proper election return filed by the NDP. That was the participation of the Treasury Benches of Saskatchewan in supposedly the most pressing piece of legislation in recent times.

Now, Mr. Speaker, I can recall the filibuster in the potash debate. The participation by the government was, to say the least, wholehearted and vigorous. Cabinet Minister after Cabinet Minister participated in that debate. The interesting thing, and of course when we find out when we hear the complaints of the members to my right and we find out that a few of the backbenchers spoke, very, very few of the Treasury benches, that really we had a one-sided discussion by the landed Poseidon Adventure, the members to my right.

Mr. Merchant: — I didn't get that one Gary.

Mr. Lane: — It's called a sinking ship and about three or four people survived and that may be drawing it a little long. But in fact if one takes a look at the Votes and Proceedings we find that there was a long delay in this debate, but not that much

debate.

We think that the reasons should have been obvious to all. That is firstly, the province of Saskatchewan and the people of this province were in an untenable position by reason of the Supreme Court decision. We, as a province, cannot and could not afford to pay back the \$500 to \$600 million.

I think that there is no doubt but that the government of this province has to take responsibility for the untenable position that the people were placed in and certainly the people of this province are holding them accountable. I think all members know that.

Given that situation, what options did the government have? They only had one in our opinion. I have no doubt that many members talked to the same constitutional experts. The only alternative the government had was to bring in legislation that attempted to fall within the classic definition of a direct tax firmly within provincial jurisdiction. The government's hands were tied. It had no choice. One can debate whether the government did fall or was successful in that. I am inclined to the view that the government was so cautious and circumspect in its attempts to fall within the classic definition that it did place itself in the position that the best position it could hope to be in and that is being able to negotiate with the oil companies. I say that that was the sole exercise of the government. I say as well that the government had, in our opinion, absolutely no choice. I think the oil companies are in the position today, as a result of Bill 47, to say it may or may not be questionable, we have the solicitor who took the CIGOL case saying that he thought it was within the classic definition. We feel that the oil companies are in the position now that they don't want to take the risk on challenging what could well be constitutionally valid legislation.

I say that the government has, by Bill 47, done the only thing it could do, to draft some form of legislation within the classic definition of a direct tax in the provincial jurisdiction. As a result of that effort, to then place itself in the position where the oil companies would say hold it, we may or may not win on this, let's negotiate, and I think that was proved two-fold, first of all by the Premier's statement where he then retracted from his bombastic outburst at the initial reaction by saying the province will retain substantially all the revenues collected under Bill 42. "Substantially all" and I think we all know that the Premier is a careful man with his words and I suggest that the Premier is reinforcing the negotiating position, the only position the oil companies could be in and I think in that regard the government was successful.

I think that was also reinforced by the lack of participation by the Cabinet. The government knew full well that this is all it could do, so why blow things up, get into a harangue that could lead to mistakes.

The hon. members to my right have said the same thing for the Conservative participation and by the very simple fact that one party decides to deal with the gut issue and the true concerns of the public of Saskatchewan, the opposition, should not by any standard hold it up to criticism in this House. By the same token a situation that develops where we debate for 35 days and end up, I suspect, spending perhaps 12 partial days and the occasional full one out of the whole 35 on Bill 47, indicates . . .

Miss Clifford: — Because you have no guts.

Mr. Lane (Qu'Ap): — The hon. member says I have no guts. There is a big difference between having guts and being stupid and that is the difference that the hon. members to my right have not yet figured out and in fact pretty legalistic and in many cases chintzy arguments in fact wasted the time of the House, resolved nothing, there were some principles debated in third reading and that is what the debate should have been. I think the members to my right are going to stand condemned, not so much for their lack of attempts to get the money for the people of Saskatchewan but by their utter, and I say unfortunate delaying tactics, petty and non-substantive delaying tactics that in fact, wasted the time of this House and wasted the taxpayers' money.

Mr. Speaker, I say again in summary, that in fact when we look at this matter in perspective, we were in an untenable position. The government had no choice but to draft legislation that could, as reasonably practicable, fall within the classic definition of provincial jurisdiction. I think it attempted to do that. I think that given those circumstances, the government only had one thing to do and that was to try and put itself in the position of negotiation, negotiation with the oil industry. I think the government has obviously done that.

The only thing I regret, and I say this to the Attorney General, and I am sure that all of us at some point will regret, the fact that given those circumstances, the government refuses to give the information of the negotiations when they are completed with the oil industry; to give those results to the people of Saskatchewan.

Mr. Malone: — Mr. Speaker, I would just like to say a few words in closing off this debate which apparently is going to happen tonight. I can't help reacting to the remarks of the member who just . . . took his chair, the member for Qu'Appelle. It is no doubt as a result of his remarks that the Conservative caucus is going to be supporting the government wholeheartedly on this particular bill. I wonder how the member for Thunder Creek must feel about this. He spoke rather eloquently I thought, the other day in the Legislature, saying what a distasteful piece of legislation that it was. He talked at great length about retroactivity and what a bad principle it was. He talked about how that principle if it affected farmers, could not be tolerated in this particular Legislature. Apparently the Conservative caucus believes that principle can be tolerated if it affects other people.

I believe if something is wrong, Mr. Speaker, it is wrong and it doesn't really matter whom it affects. But I think that all people who believe in the free enterprise system or in the private sector of development in this province should take note of the Conservative position on this particular bill. They, either through lack of conviction or lack of ability, have been afraid to stand up to the government. They have been unable to recognize the think pitfalls in it. I, Mr. Speaker, that their voting for this bill is going to come back in the days ahead to haunt them, because there is no doubt in my mind, Mr. Speaker, that this bill is bad for the people of Saskatchewan, right now and for future generations.

The question, Mr. Speaker, is not whether the Liberal Party or the opposition is in favor of multinational corporations or of central Canadian interests. There has been no speech made by members in this caucus that for one moment suggests that that is the position of the Liberal Party. That is not the question at all, and indeed, Mr. Speaker, one wonders why the members opposite have to trot out these old speeches, these old tired, worn-out phrases that they use. The only reason, Mr. Speaker, that I can believe

they are doing this is because they acknowledge the things that we have been saying over the past days are correct or partially correct. They are afraid to come to issue with the things we have been saying because they know how correct that they really are, so the only thing they can do is go back five or six or seven years and trot out the old speeches that may have been effective then, but are no longer effective now.

The question about this bill is a very simple one. It is not as to whether or not we agree with the idea of keeping the money that was illegally collected under Bill 42. Of course we do. It is not whether we want to have a healthy oil industry in Saskatchewan in the years ahead. Of course we do. What the question really is, Mr. Speaker, is the question of the competency of the government opposite.

The government opposite, Mr. Speaker, in a few short years, has got a record of incompetency that is probably unparalleled in the British Commonwealth. They ask us now to believe them, to follow the advice of the Premier and the Attorney General that the bill is constitutional. They ask the Liberal caucus to forget about the last five or six years and follow them with this particular piece of legislation. Now, Mr. Speaker, if the government opposite had shown some degree of competency, some degree of ability in managing the affairs of the province of Saskatchewan, perhaps we could have acceded to their wishes. Then let's just review the record. Tonight, about as late as a half an hour ago we saw a demonstration of the incompetency of the government opposite when the member for Saskatoon Mayfair comes in and moves an amendment to a resolution, a cabinet member gets up and speaks on it and says the resolution should be followed, and that a subamendment as proposed should be noted down. All of a sudden they realize the position they are putting themselves in so they run out and have a quick caucus, come running back in and cut the seat out from underneath the member for Saskatoon Mayfair.

A competent government would have realized the complications of the report from the Rules Committee. A competent government would have known the expenses involved, and they wouldn't have come in here today moving the amendment involved.

Mr. Speaker: — Order! The member I think realizes that he is out of order since he is not speaking to the motion before us.

Mr. Malone: — Mr. Speaker, the motion deals with the competency of the government and I'm giving some, what I think are pretty graphic examples of its incompetency, but I will move on into the resource area, Mr. Speaker.

A competent government would have been able to pass legislation to tax the oil industry that would have been not subject to a constitutional attack. The basic premise of any government is to set taxes, valid taxes, taxes that people have to pay that are unchallengeable in the courts. This government is unable to do this. It was unable to do it in 1973 with Bill 42. It has been unable to do it with the potash industry. The potash industry taxation is now subject to attack, and we believe, Mr. Speaker, that the attack will be successful as well, and we will be back here in a few months doing the same exercise once again.

A competent government would have been able to control and regulate an industry whether it be the potash industry or something else, but not this government. This government can't pass tax legislation and force companies to pay it, so what is their answer? They go out and they buy the industry. That is not the sign of a competent government as far as I am concerned, Mr. Speaker.

Now we are asked to vote for Bill 47. We are asked by the Attorney General to vote for that bill and he gives us his assurance that it is constitutional. He spends some time in this Legislature saying that Bill 47 is an income tax, it's a direct tax and as a result, is not subject to the same attack that was launched against Bill 42, and within a matter of days his Premier, the leader of his government walks in and says, well, it's really not an income tax, it's not something we have to bring before this Legislature for approval. It's a royalty, it's the type of thing we deal with in Cabinet because it's not an income tax. Well, Mr. Chairman or Mr. Deputy Speaker, just what are we supposed to do on this side of the House? The man who is putting the bill through the Legislature says one thing and a few days later the Premier comes in and says another thing — diametrically opposed to what the Attorney General said.

Well let's take it a step further. We have heard time and time again, members opposite indicate that the government was prepared to sit down and negotiate, and I use that word advisedly, Mr. Deputy Speaker. With the industry, in setting the tax rate or the tax rates that are involved in Bill 47, that is the thrust of the remarks of the Attorney General, of the Premier and other government spokesmen. But again, just a few days ago in Committee of the Whole, the Attorney General gets up and he says we're not going to negotiate, we never said we were going to negotiate with the industry. What we are going to do is consult with the industry. We are not going to be sitting down at a bargaining table with them, we are going to consult with them but we're going to set the tax rates on our own without any negotiation. Again, a complete contradiction of the earlier stand taken by the government. Furthermore, in Committee of the Whole, we tried to pry out of the Attorney General, some information as to how the taxes that have been paid under Bill 42 illegally were to be applied to the taxes that were going to be due and owing under Bill 47. But all we got were vague references to administrative arrangements, tax credits, vague assurances that we have nothing to worry about at all. When pressed, it seems that the only thing the industry can do to avoid double taxation is to make an appeal to the Board of Revenue Commissioners, after paying the taxes involved. Time and time again in delivering this bill through the House, the Attorney General has contradicted himself, his Premier has contradicted him and all the time the government opposite says, trust us, we are a competent, credible group, trust us. Mr. Speaker, nobody in his right mind would trust the NDP. Nobody in their right mind in this Legislature would trust the NDP. We believe, Mr. Speaker, that this bill is one of the most serious bills ever to come before this Legislature. We believe that if the government isn't right that we are going to mortgage the future of this province for generations to come. We can't accept the word of the Attorney General. We can't accept the word of the Premier, unsubstantiated as it was given. And they have legal opinions, they have told us they have opinions, but they won't let us see them. What else can we assume, Mr. Speaker, but that they are hiding something as the member indicates?

So, Mr. Speaker, let me say once again, the Liberal Party does believe that the money collected illegally under Bill 42 (or the vast majority of it) should be retained for the people of Saskatchewan. We believe as well that the oil industry should be paying the last penny in taxes that the government can gouge out of them. At the same time there must be some room there for that industry to gain a fair return on their investment in this province. That's not the question. The question is whether or not this government is competent to govern any longer this province and the people of Saskatchewan. We believe that's not the case. We believe that this bill, once again, will be attacked and will likely be attacked successfully. The government opposite, of course, hopes desperately that such an attack will not come until after the next election. Hopefully that attack will

not come at all. But as we see this bill as it is presently framed, Mr. Speaker, the only thing that will prevent such an attack is such a sweetheart deal with the industry on the new tax rate or tax rates that the province is going to suffer equally as much.

Once again, Mr. Speaker, let me make our position clear. We oppose this bill, we oppose it because it is bad for the people of Saskatchewan and bad for this province and we will continue to oppose it, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. R.L. Collver (Leader of the Conservative Opposition): — Mr. Speaker, in making the final comments of the Progressive Conservative Party with reference to Bill 47, the first thing that I would like to say with reference to the speaker who just took his chair is that I am afraid that he just doesn't understand the time that we are faced with in this country. He just doesn't understand the seriousness of the feelings of the people, especially in western Canada pertaining to the rights of provincial governments to tax their resources as they see fit.

The fact of the matter is, Mr. Speaker, that the previous speaker is a member of the party who is governing Canada now and who has, over the last ten years, increasingly centralized power in the hands of Ottawa, increasingly.

Mr. Speaker, the fact of the matter is that as a result of that centralization of power in Ottawa the very essence of Canada is being destroyed. As a result of that centralization of power and taking away of provincial governments' rights across our country, our country is now in jeopardy and those of us in the province of Saskatchewan and most specifically in western Canada who have seen the rights of provincial governments to obtain the necessary resources to do the jobs for which the people have elected them and have seen the federal government interfere time after time after time in those provincial governments' rights and throughout the province of Saskatchewan say to a man and a woman, we must have the ability to govern ourselves in our own province. As a result we must have the right to tax and get enough resources within our own province to do the job for which we are elected. And as a result, Mr. Speaker, I say to the previous speaker, for shame; it is a mistake not to present at this point in time on that issue a unified voice to the rest of Canada that we, in the province of Saskatchewan, are together no matter what our political beliefs, that we, in the province of Saskatchewan, are prepared to discard past arguments about free enterprise socialism and about all the tired and hackneyed phrases and are prepared for once to stand together and say to the rest of Canada, look, we can have a strong confederation, we can have a strong country, but those areas over which provincial governments have jurisdiction must be given sufficient resources, revenue and sufficient taxation room to be able to do the job for which we are elected.

We must stand together.

Now, Mr. Speaker, I believe that we have expressed during the course of this debate our concern about, first of all, the mismanagement of the present government as it relates to Bill 42. I think that we have said that we didn't believe that the people of Saskatchewan should be responsible for the repayment of that half a billion dollars, either to the oil industry or to the federal government, or to the federal authorities. Most of all because we can't afford, but in addition because we must show the rest of Canada that we want a confederation that will work the same as every other province across Canada wants a confederation that will work and not one that is going to divide up and

split apart because some government in Ottawa wants all the power and all tax room in Ottawa and then hand back the crumbs to those of us in the provinces.

Only through a decentralized form of government like that can Canada survive.

Now the people of Saskatchewan found themselves as a result of the Supreme Court decision in a box. We agree that the government of Saskatchewan, under Bill 42, attempted to destroy the private sector of the oil industry in Saskatchewan.

An Hon. Member: — You supported them on it.

Mr. Collver: — No, we didn't support Bill 42. We agreed that the government of Saskatchewan was warned about the constitutional aspects of Bill 42 in 1973, chose to ignore those warnings and went ahead and passed the bill anyway. We were told and advised in 1973 that a better form of legislation was being passed in Alberta, probably more constitutionally correct than that in the province of Saskatchewan and that they chose to ignore those steps and enact their legislation. But, Mr. Speaker, let me make it perfectly clear. In 1973 the NDP were the legitimate elected government of the province of Saskatchewan. They were the people who were chosen by the people of Saskatchewan to govern Saskatchewan. They, in their wisdom and/or lack of it, chose to enact that legislation. Furthermore, they chose to spend the money on potash mines. We disagreed with that principle as well. But they were, after all, the legitimate government of the day.

Faced with the Supreme Court decision that we saw in November of this last year that put in jeopardy that half a billion dollars and put in jeopardy the right of the government of Saskatchewan to tax its resources as it sees fit, then the first thing that we, as a party did, was to suggest to the present government of Saskatchewan the best possible constitutional way to correct the problem and that was to go to the federal government. We didn't offer any choice or hope that the federal government would agree, having examined the present federal government's record over the last 10 years of centralizing more and more power in Ottawa. They probably wouldn't have agreed but we think the present government should have taken at least that first step to try the best possible constitutional ground to correct the problem. But then, Mr. Speaker, as a result of their not doing it and the federal government certainly made no offer to help Saskatchewan correct this problem, just the opposite as a matter of fact. The present government laughed at the province of Saskatchewan for being in this plight, laughed at the legitimate government duly elected by the people. They said that they didn't care, obviously. Mr. Speaker, then the present government took the only course that appeared open to them and that was to enact a bill in Saskatchewan that would help to correct the problem. We feel that having brought this bill before this Assembly, having as the legitimate government a desire to point out to the rest of Canada that we in Saskatchewan are together on this constitutional question, that we do believe the province should have the right to tax its resources as it sees fit. We have supported the government to this point in time.

Mr. Speaker, we are not prepared to bring up the hackneyed phrases of free enterprise socialism because a retroactive mineral income tax bill to correct this problem, this urgent problem faces the people of Saskatchewan and indeed this urgent problem faces the people of Canada. A determination as to whether or not we are going to stay together as a country. Mr. Speaker, we feel it's very important that we present this united voice. We agree that the present government should have been more competent in 1973, should have listened to advice in '73, should not have taken that last ounce of

flesh to that the oil industry ran away from Saskatchewan, so that they destroyed the confidence in the private sector of the oil industry. We don't believe that's what the present government should have done then. But having done that and collected the money, and spent the money, we also don't believe the people of Saskatchewan should be faced with the onerous burden of having to repay the money. And the federal government having not come forward and offered to correct the constitutional problem in the best possible way, what other alternative does the present government have than to try to correct the problem in the best possible way that they can see, through the government of Saskatchewan. I have sat in this Legislature and listened to the members to my right, time after time, and I haven't heard one bill presented by them that would correct the problem. If they had brought forward a bill that would have corrected the problem any better, we would have listened. No, they brought forward nothing. They criticized the present government in its attempt to correct the problem but they brought forward no possible alternative.

If we, Mr. Speaker, had had any alternative that could have been enacted in the province of Saskatchewan, by the government of Saskatchewan, we would have brought it forward as well. We also had our legal advisors examine the best possible solution. We felt that our proposed amendments, although not . . . (Interjection — inaudible) . . . jealousy you see, jealousy. The greatest Conservative ever, Mr. Manne Sonnenschein and they want to run him down.

Mr. Merchant: — That's a Saskatoon joke.

Mr. Collier: — No, there's only one Regina joke that I can think of.

Mr. Speaker, we believe that had anything better been put forward, we would have supported it. We felt that our amendments would have made it a better bill, it would have protected the oil industry from facetious moves by the present government, moves behind closed doors. We wish that the present government had enacted those amendments that would have assured the people of Saskatchewan, that would have assured the oil industry that no special arrangements or special deals would be made with the oil industry behind closed doors. And furthermore, we wish that the government had shown a little bit more definitive action towards assisting the small industry in Saskatchewan. We wish they had.

Mr. Speaker, the essential element of this bill at this moment in time, is the constitutional question. Does the province of Saskatchewan have the right to tax its resources as it sees fit? Or is to continue being the tool of the government of Ottawa and being handed out the crumbs from Ottawa on a day to day and week to week and month to month basis? We say, No. The member for Regina Wascana says, agreed. That's undoubtedly what he wants. He wants Ottawa to run everything, that there shall be no regional government, that there shall be no local government, that only the minions of Ottawa shall make the decisions facing the people of Canada. We say, Mr. Speaker, that that's wrong. In supporting this bill we should be standing together in total in the province of Saskatchewan in opposition to the move by the federal government for the last 10 years to continue centralization of power in Ottawa to the detriment of provincial governments.

Mr. Speaker, I must say, that although, that although the present government has been

incompetent, although they have attempted to destroy the oil industry, although they have shown in their failure to enact certain amendments, that they are not really in support of the small operator in Saskatchewan, our party is proud to stand with them on this bill, at this time in our country's history.

Mr. J. Wiebe (Morse): — Mr. Speaker, I hadn't intended to get involved in the closing of this particular debate. I've sat in this Legislature now for something like seven years. In that period of time I don't believe I have ever witnessed a more naïve and a more confused demonstration of oratory than we just witnessed. A man who is prepared to come into this House and say a few confused words and immediately gallop up on his white charger and leave the Assembly. He tried to somehow find some kind of an excuse or a reason for them to justify their position on this particular bill.

First, he talked as well about the fact that we in the Liberal Opposition did not provide a bill or a positive alternative, we only criticized. Yet let's look at what we did in this particular bill. We took a position, a position which we felt and believed was right and we stuck to that position. During that entire time we presented amendments that were constructive, amendments that provided alternatives to what this government suggested. What did the members to my left do in this particular debate? When anyone did have the courage to get up to speak, they talked privately against this particular bill and what the government is doing. Yet when it came up to vote for a positive amendment to the particular bill, they either didn't have the courage to vote for it or they voted against those amendments. One is going to find some very interesting reading and it won't take long when one goes through the speeches that were made by my members to my left in this particular debate. I don't think that they ever sat down in caucus as to what they would do on this particular bill because each and every member that got up took an exactly different position in his remarks as to the one that the previous speaker made or the speech made by the leader of their party tonight. Where were all the amendments that they promised prior to second reading of this debate? After three or four days of debate in committee they managed to find a few amendments and I think we are being too generous by saying an hour that it took for them to present their positive alternatives to this particular bill.

He was looking for excuses as to why they should support this bill. They got themselves into a trap at the start. They decided that the best thing from a political point of view would be to vote in favor of the bill because they wanted to be known by the people of the province as not wanting to take away their \$500 million. They found out shortly after that, that that was not the popular nor the best position to take and ever since that point in time they have been scrambling for excuses. I think, Mr. Speaker, one of the weakest excuses that any member has ever made was the excuse made by the member for Nipawin (Mr. Collver) when he talked about their reasons for supporting the bill was because they believed in national unity, because they believed that by supporting this bill it meant that they were fighting the bad hordes from Ottawa the fact that Ottawa was the one that was going to be taking over all the natural resources from this province.

Let me remind the member that it was not Ottawa that took this government to court. It was not Ottawa that said, you pay back that money. It was the Supreme Court of Canada that said you hand back that money because the bill is unconstitutional and that was because an individual decided to test his rights under the laws of this land. It was not the federal government that took this government to court. It was an individual who was trying to prove the rights which he did have as individuals and companies throughout this province.

What did the federal government do in regard to the CIGOL case and the national unity question? The Prime Minister of this country shortly after the CIGOL decision visited with the Premier of this province to talk about national unity, to talk about changes in the constitution that would provide more revenue or more claim to the natural resources of this province and to all provinces of Canada, changes that cannot be made over night let me remind the member for Nipawin but changes in which the Prime Minister and every Premier of this country is working to make. The Premier at that time as well said that he was not wishing to take issue with the CIGOL case and would not hold that over the heads of the province of Saskatchewan — the Prime Minister, pardon me. The Prime Minister and the federal government is attempting to change some of the constitutional difficulties which now present themselves in this country and they will be meeting in February and later on this year to further discuss changes that would set down different guidelines and possibly not make legislation such as this necessary in the future.

The member went on to say that he was supporting the bill because it was politically expedient in his mind to do so. He is saying that as well because it is politically expedient one must break the law or pass legislation that may break the law. Our caucus and our party in this Legislature has said that we believe that this legislation is unconstitutional and there has been nothing demonstrated to us thus far that this legislation is constitutional. We feel that by voting in favor of legislation like this that we, in turn, would be putting ourselves in the position of suggesting that the law be broken.

As I said earlier in my remarks in this debate, that if we, as legislators, ask the people of this province to obey the laws which we pass, we must, in turn, obey the laws which this country has in effect to govern us all.

Mr. Speaker, it is with a great deal of pleasure that I vote against third reading of Bill 47.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Speaker, it has been a long debate. Perhaps I have somewhat of a personal bias on the matter because of the involvement with respect to Bill 47. I believe that it has been a long debate and it has been certainly one of the momentous debates in the Legislature. The debate on Bill 47 in my mind ranks in importance with the debate with respect to the potash legislation in 1975, regardless of your points of view. There have been high issues of constitution, of resource management and high issues of taxation involved together with principles related to political philosophy. These are the kinds of things that certainly made me enter into politics and I believe the kinds of things that made all of us enter into politics and, therefore, it is certainly a very momentous session. It has been a momentous and a very long and tedious, in some regards, session because of that.

Now, Mr. Speaker, I would like to say just a few words in rebuttal if I might. I know that everybody is anxious to get rid of this Bill 47 one way or the other but I feel that I must make a couple of statements in final closing. I must first of all start off with respect to the main thrust of the remarks made by the Leader of the Conservative Party tonight in his final summation. Quite frankly this seemed to me like a new position taken by the Conservatives with respect to Bill 47, a position of standing together for Canada, a position of standing together for provincial rights, sort of one could visualize listening to the Conservative leader as he put on his Captain Canada costume and said he was there to save this country through this Bill 47. Well, I certainly think that Bill 47 is

important in constitutional matters and I do think that it was very important and does contain important principles but I must confess it was the first time I heard the Conservative Party adopt this kind of an approach. Then when our erstwhile Captain Canada ended off with the words that he would be proud to stand with the New Democratic Party at this time in history, I almost fell off my chair, because while I figured we did a good job in selling this bill I didn't think we did that good a job to have the member of the Conservative Party, the Leader of the Conservative Party say that he was proud to stand with us.

Mr. Speaker, I particularly find that amusing because you will note the way the course of the debate has taken place now. It was about two months ago, November 16th this House opened. It's January 13th now, on the verge of January 13th two months I think for all intents and purposes. The CIGOL decision came down on November 23rd. I ask members to harken back to November 23rd and what the leader of the Conservative Party said on November 23rd with respect to CIGOL and what he says today. Two things stuck out in my mind. On November 23rd he said this, number one, "We were incompetent because anybody who would have taken any time to draft legislation could have drafted it within the parameters of constitutional law in Canada." Compare that with what he says tonight. What he says tonight is that CIGOL represents a momentous decision, a turn of events in federal provincial affairs, this federal government disrupting Canadian unity and so forth. That in a short or a long two months.

Then the second thing that the Leader of the Conservative Party says on November 23rd was stand behind this Alberta law and what Alberta want to say with respect to the resource taxation.

Mr. Speaker, I want to say this and I am sorry the Leader of the Conservative Party is not here to hear this. It means very little to talk about a division and a new Canada, it means very little to talk about provincial rights to manage resources and to carry out the taxation rights pursuant to provincial law, it means very little to talk about giving the provinces that power if having obtained that power you refuse to do anything with it for the people of the province of Saskatchewan.

That is exactly the position of the Conservative Party. Talking for provincial rights is one thing, but then urging upon the people of the province and the members of this House, that in the pursuit and the exercise of that power we should be following the taxation levels say, for example, of Alberta, is an entirely different thing. That is the position of the Conservatives. The position of the Conservatives and the Liberals in this Legislature has been that somehow we provoked all this crisis because we dared to be active, dared to be strong in our resource management policies, that we dared to tax the oil companies to the limit in the interest of the province of Saskatchewan. That somehow if we had not done this, we would not have brought this misery and this catastrophe and this billion dollar bungling, to use some of the phrases and adjectives that the members have used, down on our shoulders. If we had taxed less, if we had followed the Alberta line \$250 million or \$300 million less in realized income to the people of the province of Saskatchewan, we would have avoided the kinds of difficulties that we have been in.

So I say to Captain Canada, Mr. Speaker, and I am sorry he is not in his chair, that the fight for provincial rights is one thing, having gotten them and given those resources under the rights that you have obtained away to the multinationals is an entirely different thing. And that is what the Tories would have done.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Speaker, I want to say a few things in respect to this debate, generally. I think that what I am going to say has, I think, been characterized by the remarks I have said to date and that is with respect to what can only be described as ambivalent, contradictory, flip-flop is the term somebody uses. I guess, perhaps, I use it, flip-flop position of the political parties, one which can only conclude that they have decided to take this in terms of political posturing.

Bill 42 is an example, Mr. Speaker. We heard from the Progressive Conservatives and from the Liberals that Bill 42, in itself, had significantly reduced the level of production in the province and had threatened or weakened our reserve position. Bill 42, Mr. Speaker, did not do this. It was designed for two purposes: to capture windfall gains of the province and, secondly, also our desire to make sure that those windfall profits would be used to the best interest of the people of this province.

What is our record with respect to Bill 42, Mr. Speaker? Over the period from January 1, 1974 to November of 1977, this government collected approximately \$465 million in mineral income tax and royalty surcharges. Of that amount \$53 million was returned to the industry for drilling and exploration incentives. Now the members opposite say that we have forced, by actions in our Bill 42, the decline in Saskatchewan's production of crude oil and the reduction in oil exploration activity.

Mr. Speaker, it is true that our production did decline between 1973 and 1977 but I say to the Liberals and the Conservatives opposite that this decline had nothing to do with Bill 42, or very little to do with Bill 42, but rather was a direct result of a phasing out of exports of crude oil to the United States, a decision of our federal government.

I tell you, Mr. Speaker, and I tell the member for Kindersley, that if you look at any of the comparable statistics between Alberta and Saskatchewan you will find this, you will find that in percentage Saskatchewan's production, during this period, declined by 30 per cent while Alberta's declined by nearly 36 per cent, 35 per cent perhaps is the more accurate figures. The decline in production was for one purpose. The US market was being closed off and with the markets being closed off the production tailed off.

We have also heard, from the industry and others who oppose the Saskatchewan policy in respect to oil, that our government's approach has greatly reduced the proven reserves of oil in Saskatchewan. That was another argument, that Bill 42 cut off the reserves. I say, again, Mr. Speaker, that those are simply not the facts.

Saskatchewan's proven reserves in 1971 were 630 million barrels. Today they are estimated at 645 million barrels. In Alberta, in 1971, Mr. Speaker, the reserves were estimated at 7,350 million barrels, today 5,391. They have gone down, we have gone up. It is quite apparent that from a reserve wise argument Saskatchewan has not fared badly since in this province we have experienced a net addition of some 15 million barrels while Alberta's reserves have actually declined by some two billion barrels. Members will say, where do I get these figures from? I say to you, Mr. Speaker, that these are figures which are given and cited in any oil journals, any oil documentations. This comes from the Canadian Petroleum Association's most recent statistical handbook, these figures that I have given.

Mr. Speaker, I make no apology for the fact that in attempting to manage our oil resources, we ran into the CIGOL decision. I say I make no apology for that because we

will continue to manage and manage actively the province's resources in the interests of the public. And any time that someone manages resources actively they are bound to run into difficulties.

I have here an article which was just brought to my attention about our friends, American friends, to the south in Montana. The headline in the front page of the story is: 'Utilities will sue the state for exorbitant coal tax. The governor of Montana denounced the move as economic blackmail and said that it could tie up some \$300 million in coal and said that he would not give up this \$300 million in coal and would not allow this kind of a challenge to go unanswered. The same kind of legislation which netted Montana now under attack, which could be upset in the United States on the same grounds that they are challenging it here. Inter-state Commerce in the States by your argument was bad legislation and no government should be actively managing in that regard. I say that is relevant. I am saying that that is relevant and it is here. American cases of inter-state Trade and Commerce, that is the allegation there. (. . . Interjection . . .) Well, of course, it hasn't, Mr. Speaker, it has not been decided, but the simple fact of the matter is that it is challenged and you are going to get challenged if you dare to actively to manage in the interest of the province Saskatchewan or if you are going to dare manage in the active interest of the people that you govern.

Mr. Speaker, I finally close by saying simply this with respect to some other aspects of this debate. The Leader of the Liberal Party, in my judgment, has exhibited a fundamental contradiction throughout this debate. He has said that he opposes this bill because it is unconstitutional and yet, Mr. Speaker, everything that he has proposed by way of, not everything but one or two of the amendments that he proposed in Committee of the Whole, would have, or could have, put this constitutionally sound bill into constitutional jeopardy, particularly the amendments proposed to section 11. The section 11 amendments, Mr. Speaker, I repeat again to the House, called on this Assembly to break up the bill into two pieces, one for the retroactive portion and one for the future portion. The Leader of the Liberal Party urged on us to hold the retroactive portion almost as a piece of blackmail, in consideration, for a proper arrangement in the past or vice versa and that, Mr. Speaker, is legislation, intimidation by legislation, if there was anything which was designed to put the bill into constitutional jeopardy, it was that amendment, that amendment which would have been a flag for the oil companies to have challenged Bill 47. Similarly, the Leader of the Conservative Party moved an amendment to Bill 47 which also opened up a large constitutional mine field, would have invited the oil companies to attack Bill 47 when he tried to base this argument on Saskatchewan based producers. Clearly a proposal which would have placed the legislation in constitutional jeopardy, Mr. Speaker, something which the people of the province of Saskatchewan could not have afforded.

Mr. Speaker, I do not intend to say any more on this legislation. I simply say to the people of the province of Saskatchewan, as I close, that there are issues, high issues of constitution and resource management and taxation involved in this session and in this bill. But I do want to say one other thing, Mr. Speaker, to me this debate has proven one thing again and that is that with the Liberals opposing Bill 47 they simply have no interest or heart in passing resource management, resource taxation legislation which really puts a bite on the resource companies and therefore I argue they have no feeling for the people of the province. I say the Conservative Party is in the same position when they urged on us to adopt the Alberta taxation scheme, to adopt the Alberta legislation scheme with a consequent \$300 million potential loss in revenue applying those Alberta taxation figures to Saskatchewan. Remember how on November 23, the Leader

of the Conservative Party said he would challenge me in Committee of the Whole on those figures, and never did, because he has come right around in this debate. That is the point of the position of his party. I am saying that this debate has done one thing if it has done anything, Mr. Speaker, it has shown to the people of the province of Saskatchewan the Tories or Liberals or Liberals or Tories simply cannot be trusted to manage the resources of the province for the people of the province of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Speaker, they opposed Bill 42, they oppose Bill 47, they oppose our resource legislation, they are aided and abetted by the Conservatives and the Liberals in this particular role. That is the simple fact of the matter, Mr. Speaker. This debate has indicated that they maintain their opposition in that regard. They remain as the spokesmen of the potash industry and of the oil industry. They fought us on the potash bills, they fight us now on Bill 47, Mr. Speaker. They get out and they say every reason why Bill 47 should be opposed and then somehow pretend to vote for it. At least the Liberals oppose it and oppose it straight throughout the piece. I tell you, Mr. Speaker, and through you to the people of the province of Saskatchewan that the people of this province must surely know through the passage of this bill what caused this bill, the aggressiveness of the government in protecting our non-renewable valuable resources for our people, that there is only one province and one government and party in this province, the New Democratic Party, which is acting in the interests of the people of the province for the resources of this province. I support this bill.

Some Hon. Members: — Hear, hear!

Motion agreed to and bill read a third time on the following recorded division:

YEAS — 30

Pepper	Banda	Vickar
Thibault	Whelan	Skoberg
Bowerman	Kaeding	Johnson
Smishek	Dyck	Lusney
Romanow	MacAuley	Collver
Byers	Feschuk	Bailey
Kramer	Faris	Lane (Qu'Ap)
Lange	Rolfes	Katzman
Kowalchuk	Tchorzewski	Wipf
Mostoway	Shillington	Thatcher

NAYS — 6

Malone	Merchant	Nelson (As-Gr)
Wiebe	McMillan	Clifford

ROYAL ASSENT AND PROROGATION

January 12, 1978

At 9:45 o'clock p.m. His Honour the Lieutenant Governor having entered the Chamber, took his seat upon the Throne and gave Royal Assent to the Bills presented to him.

His Honour, the Lieutenant Governor was then pleased to deliver the following speech:

Mr. Speaker, Members of the Legislative Assembly:

It is my duty to relieve you of further attendance at the Legislative Assembly. In doing so I wish to thank and congratulate you on the work you have done.

You have considered and passed 43 bills.

You have given approval to *The Oil Well Income Tax Act 1977* — a measure to guarantee an appropriate return to the people of this province for our oil resources.

To ensure greater uniformity in the law in Canada and to protect the rights of Saskatchewan citizens, you have passed *The Interprovincial Subpoena Act, 1978*, and *The Extra-provincial Custody Order Enforcement Act, 1978*.

You have provided for the establishment of a new court with extensive jurisdiction in family law matters.

In amending *The Marriage Act* you have raised the minimum age at which a person may marry.

You have increased the amount of money available for local capital improvements.

You have taken steps to improve procedures for urban municipal elections.

I thank you for the manner in which you have devoted your energies to the activities of the Session and wish you the full blessing of Providence.

The Hon. Mr. Smishek, Acting Provincial Secretary, then said: Mr. Speaker, and Members of the Legislative Assembly:

It is the will and pleasure of His Honour the Lieutenant Governor that this Legislative Assembly be prorogued until it pleases His Honour to summon the same for the dispatch of business, and the Legislative Assembly is accordingly prorogued.

His Honour then retired from the Chamber at 9:52 o'clock p.m.