

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**May 16, 1978**

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

On the Orders of the Day

**QUESTIONS**

**Construction Strike**

**MR. C.P. MacDonald (Indian Head-Wolseley):** — Mr. Speaker, I would like to direct a question to the Minister of Labour. I am sure that the minister is aware that the province of Saskatchewan is on the verge of a major shut down of a large number of workers which will perhaps indicate the largest work stoppage in the last 10 or 20 years in the province of Saskatchewan. It goes back and seems to parallel even those years, '72, '73 and '74 when the Minister of Labour first took over. Some of the unions involved are very, very critical to the health and wellbeing of citizens of Saskatchewan. I refer to the hospital workers, I refer to the firefighters. The construction industry is about to walk off which could have very serious economic implications for Saskatchewan. No one knows, really, the total number. We are now faced in the province of Saskatchewan with the worst unemployment since the depression. Could the minister tell me what special emergency measures the Department of Labour is undertaking at this time to try to end the work stoppage - and call a halt to the strikes that are impending and threatening to the province of Saskatchewan?

**HON. G.T. SNYDER (Minister of Labour):** — Mr. Speaker, the Premier makes a good point, it is rather difficult to call a halt to an intended strike. Accordingly, I would have to suggest that the supposition that the member is making may or may not transpire. I would hope that they would not.

With more particular reference to the construction industry, the facts that the member has are relatively correct. There has been a breakdown in the negotiations between the Labour Relations Council, the construction industry and the labourers' union in particular with two or three other trades being directly involved. My understanding is that we are maintaining contact with both parties on a regular basis in an attempt, still, to avert a continuation of what appears at the moment to be a problem which is not yet resolved. The Department of Labour over many weeks and months has been wasting no effort in terms of providing the kind of services that have made it possible to gain a collective agreement in all except about four trades. Our efforts will be continuing in an attempt to resolve these difficulties. This is the plan of action that we have at the moment, not to be regarded as the member suggested, as an emergency plan of action but one which will spare no efforts to bring a resolution to the problem if it is at all possible.

**MR. MacDONALD:** — Supplementary, Mr. Speaker. First of all, as I understand it, there are five unions in the construction industry that have not yet reached an agreement. The minister says four, maybe my figures are wrong. As the minister knows, if the other unions in the construction industry refuse to cross the picket lines it could halt the entire industry. Also there is a very serious threat with the firefighters and particularly with the hospital workers. Can the minister tell me if he would be willing, particularly in the construction industry, because of the fact that it could have such long lasting effects upon the Saskatchewan economy, if the minister will consider, once again,

personally intervening. Or will he have the government or the members of the Treasury Bench or perhaps the Premier himself, personally intervene to bring both parties together whether it be in the hallowed sanctums of the Legislative Buildings or some other location, to see if this particular problem, the overall problem of the impending strikes in Saskatchewan can be resolved once and for all?

**MR. SNYDER:** — I am always impressed, Mr. Chairman, by the simplistic approach of the member for Indian Head-Wolseley. He seems to believe that by simply calling the parties together in an atmosphere of an emergency that this automatically provides a solution to the problem. I wish the member would then say what he has on his mind because I think what he is suggesting is compulsory arbitration. I believe that this is the suggestion that he has to offer.

I can only repeat that everything is being done by the industrial relations branch of the Department of Labour that can possibly be done. We are making every effort to keep in contact with the parties in an attempt to resolve the issue and in an attempt to provide some alternative to both parties in the hope that we may be able in the not too distant future to reach a compromise agreement.

### **Advertising Saskatchewan in Ontario**

**MR. D.M. HAM (Swift Current):** — Mr. Speaker, I would like to direct a question to the Minister of Industry and Commerce. I have with me a copy of an insertion order sent to Saskatchewan weekly newspapers asking for the insertion of Saskatchewan Department of Industry and Commerce ads to be placed in some weeklies. The agency on behalf of Industry and Commerce is the Ontario Weekly Newspapers Association.

Will you not admit that the practice of using an Ontario agency to place Saskatchewan ads in Saskatchewan weekly newspapers makes a mockery of your statements of helping Saskatchewan business?

**HON. N. VICKAR (Minister of Industry and Commerce):** — Mr. Speaker, I am not aware that my department used Saskatchewan printing companies or promotion agencies to develop the ad and put it into these papers, although I might say that if the ads were placed in eastern Canada papers, they probably used eastern Canadian promotion advertising agencies. I really don't see anything wrong with using their agencies to put the ads in their papers.

**MR. HAM:** — A supplementary, Mr. Speaker. I wonder if the minister is aware that one of the ads being placed is titled 'Saskatchewan Main Street Development Program'. Would you consider this advertising Saskatchewan in Ontario to be a benefit to Saskatchewan?

**MR. VICKAR:** — No, I don't see anything wrong with advertising Saskatchewan right across Canada. The more we can do that, I think, the better for Saskatchewan.

### **Construction Strike**

**MR. E.F.A. MERCHANT (Regina Wascana):** — A question to the Minister of Labour, who describes as a simplistic approach, the proposition of bringing the parties together. I ask the Minister of Labour whether it is not in fact true that the parties are not even sitting down at this time? The construction negotiators and the labour unions aren't even meeting, so that the likelihood of an impending strike is not even being negotiated and I

ask that, Mr. Speaker, bearing in mind that I ask that question of the Minister of Labour under whom we have had the worst record for labour strikes in the history of this province.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E.A. BERNTSON (Souris-Cannington):** — A question to the Premier, in the absence of the Minister of Health. The cutbacks in hospital financing announced over a year ago are again showing their effects. I have here material from the University Hospital currently being handed out to patients, requesting donations from patients and the general public for equipment, furniture, etc. Would the Premier not agree that in his utopia of medical care it is more than just a little ironic for the hospitals to go begging for financing to properly equip their hospitals?

**SOME HON. MEMBERS:** — Hear, hear!

**HON. E.A. BLAKELEY (Premier):** — Mr. Speaker, I do not think it is ironic at all. I have had a number of appeals from the University of Saskatchewan and a number from the University of Regina for funds. I think it is no more ironic for the University Hospital to ask for funds from the public than it is for the University of Saskatchewan to ask for funds from the public. I think that it is entirely proper for any public organization to ask for funds from wherever they can get the funds. Now, my understanding is, though I am not fully acquainted with the leaflet from which the hon. member is taking his information, that they are asking for equipment for day care centres and the like, which are not strictly a part of the operation of a hospital as a hospital.

**MR. BERNTSON:** — A supplementary, Mr. Speaker. The material indicates that the University Hospital in Saskatoon is soliciting funds for vital equipment such as cardiac equipment, diagnostic equipment, etc. Would the Premier not agree that this sort of equipment is necessary for proper health care and should it not be government funded?

**MR. BLAKENEY:** — Mr. Speaker, I know the hon. members are touchy about any reference to any Conservative government and if I had the record of Conservative governments I would be touchy too.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — I say this. I say it is perfectly proper for hospitals (and I may say union hospitals do it all the time) to solicit funds and I would have thought it was equally appropriate for any public hospital in this province to solicit funds to obtain equipment. It may well be that they seek to get even better equipment than the equipment they have. I compliment them for wishing to have the best possible equipment and I would think that any method of obtaining funds by obtaining funds from the university or from the government or from the public should be open to a university hospital board.

**MR. BERNTSON:** — And I don't disagree with the Premier, except that I think the credit should go where the credit belongs.

Final supplement, Mr. Speaker. Is it to be this government's policy that some or all of the hospitals in Saskatchewan should go begging for financing, particularly from

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patients?

**MR. BLAKENEY:** — Mr. Speaker, I know some hospitals that won't go begging. They are the hospitals in Prelate and hospitals in Hodgeville and hospitals in Qu'Appelle and hospitals which were closed by the previous free enterprise government. I know another hospital that won't go begging for a \$40 million extension which will be opened this year and that is the University hospital.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — So, I think when it comes to financing hospitals, we will compare our record certainly with any Tory government in Canada and certainly with any provincial government in Canada.

**SOME HON. MEMBERS:** — Hear, hear!

### **Hospital Strike - Contingency Plan**

**MR. A.N. McMILLAN (Kindersley):** — A question to the Premier in the absence of the Minister of Health. In order to keep all your happy hospitals open, is the Premier prepared to intervene or to implement any program in case the hospital workers, the 4,200 hospital workers in Saskatchewan who are now taking a strike vote, decide to go out on strike. Do you have any contingency plans to keep these hospitals open?

**MR. BLAKENEY:** — If we had contingency plans we would not reveal them in the House since they are then no longer contingency plans. I say this. I say that it is premature to suggest that there is a breakdown in negotiations. So far as I am aware, there is no breakdown in negotiations between the hospital workers and the Sask Health Care Association. So far as I am aware, they are still negotiating and I think it is not helpful, in attempting to arrive at a settlement, for people to be asking what happened, whether there is a breakdown or for us to be responding to that hypothetical question.

**MR. McMILLAN:** — Mr. Speaker, in view of the fact that the negotiations have broken down and the 4,200 hospital workers are now taking a strike vote, is it your intention to wait until those hospitals are closed and those patients are either put out on the street or kept out on the street before you implement any contingency plan?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, most hon. members, (I am not necessarily saying that the hon. member for Kindersley would be included in that group), most hon. members will know that it is a part of collective bargaining, a frequently used tool of collective bargaining, to conduct a strike vote. If there was a strike every time there was a strike vote there would in fact be little work done in this province or any other province, since that is a technique that is used. May I point out to the hon. member that a goodly number of the hospital employees represented by the Service Employees International Union have already reached settlements and I believe have signed a contract with the Saskatchewan Health Care Association. Certainly an agreement has been reached. Accordingly, we are very optimistic that the other employees who are represented by the Canadian Union of Public Employees and as they do the same sort of work will similarly reach agreement with their employer, the Saskatchewan Health Care Association.

**MR. McMILLAN:** — Mr. Speaker, I would like to ask the Premier what assurances he can

give to the patients in Saskatchewan who occupy these hospitals, other than his optimism, that they won't be put in danger of losing their health care system as a result of this strike or this development?

**MR. BLAKENEY:** — Mr. Speaker, I think I can give to the hon. member assurance that the matter will be looked at, assurance that we will not provoke a work stoppage as members opposite would try to do, assurance that we will attempt to arrive at a peaceful and amicable settlement between the employer hospital board and the employee union, the Canadian Union of Public Employees as has been done between the same employer hospital boards and the service employees' international union.

### **Cost to SPC to Uncover Coal**

**MR. R.A. LARTER (Estevan):** — Mr. Speaker, a question to the minister in charge of SPC. Yesterday I asked the minister if it was true that it was costing SPC more to uncover coal than it is for the private sector to uncover it, sell it and deliver it to the power plant. The minister said he would take notice on this and give this information to me. I would like to ask the minister, if this proves true, would the minister consider going to the private sector to mine this coal?

**HON. J.R. MESSER (Minister of Mineral Resources):** — Mr. Speaker, I can assure the member for Estevan that SPC will gain economics that it does not now enjoy in the mining of coal. I have advised my officials to provide me with some specific figures that I might be able to convey to the Legislative Assembly. I do not yet have those specific figures.

**MR. LARTER:** — A supplementary, Mr. Speaker. After you put the additional drag lines into production - the two 90-yard drag lines, one at Poplar River and the one at Estevan - after these two units go into operation and the private sector can prove to you that they can sell and deliver coal to SPC cheaper than you can do it, will you consider then going back to the private sector?

**MR. MESSER:** — Well, Mr. Speaker, this is all clearly hypothetical. Certainly we have some private miners of coal in the province of Saskatchewan now. In our discussions with them, under long term contracts, as the Minister of Highway says, in our discussions with them they have not at any time alluded to the fact that they could undertake to supply us with coal cheaper than we would be able to mine it ourselves. I think that the relevance of those discussions would hold a lot more credibility than the wild assumptions that the member for Estevan wishes to use in this Legislative Assembly as to what the final cost is going to be to SPC.

**MR. R.L. COLLVER (Leader of the Conservative Opposition):** — Mr. Speaker, on the final supplementary that I would address to this minister. Yesterday in this Assembly, he indicated to the Assembly and to members herein that he would assume that because of the startup costs of the coal operation in the South, in the area of Estevan and so on, that this would indicate that probably for a few years that it would, in fact, cost more to mine the coal by the government operation than it would in the private sector and that the people should be prepared to put up with that situation because eventually this would somehow work itself out.

My question to the minister is quite simply this, since he admits that at least for the next few years, while the Saskatchewan Power Corporation is, in fact, going to cost more in

developing its mining operation, why isn't the Saskatchewan Power Corporation increasing the costs to the people of Saskatchewan based on that cost of mining when their power that they are using . . . when these people are hard pressed today to meet the cost of inflation?

**MR. MESSER:** — Mr. Speaker, again the Leader of the Conservative Party is trying to mislead the House in regard to some statistics that were given and I have not given the precise figures, Mr. Speaker. The member tries to allude to a statement that I made in this House that related to perhaps the initial costs being somewhat higher than the running cost for the mining of coal would be over the long haul. That's only reasonable, Mr. Speaker, that at the front end we have got significant capital investment, we've got training programs that we won't have to have after the operation is in place. It's obvious that there are going to be some additional costs during that period of time. I can assure this Legislative Assembly, Mr. Speaker, as I assure the people of Saskatchewan that the intent of SPC is to mine coal so that it will bring about ultimate savings to the consumer of power in this province. That's more than any Conservative government has done with the provision of power in their respective provinces, Mr. Speaker.

### **Construction Strike**

**MR. MERCHANT:** — The Premier indicated in response to a previous question that there was no particular need for concern in the hospital strike because negotiations were continuing. I ask the Premier then whether he would not agree with me that there is every reason for concern in the construction strike which involves about 10,000 employees and all the related work. Although I know that the Premier is usually reluctant to dirty his little fingers getting involved in the problems that face people in this province, would he be prepared to instruct the Minister of Labour, who is apparently not prepared to move in that direction, to call together the parties, ensure that negotiations are continued and enter into the sort of, if you like, brinkmanship negotiations that we saw in the milk strike which resulted in some modified level of success?

**MR. BLAKENEY:** — Mr. Speaker, I want to advise the House that I have every confidence in the Minister of Labour, every confidence that he will take the steps most appropriate to bring about an early settlement of the labour dispute. I am equally confident that because of the additional information that he has and the additional experience that he has, his advice on how to proceed is likely to be considerably more valuable than the advice received from the member for Wascana. I want to say that he did an excellent job in dealing with the milk strike referred to by the member for Wascana. I had a small part to play in that and we proceeded in arriving at a settlement notwithstanding the road blocks put in our way by the members opposite, more particularly the members of the Liberal opposition, and notwithstanding the fact that the ultimate settlement had to be made in the din of bells ringing because of the irresponsible attitude of members opposite.

**MR. MERCHANT:** — A supplementary to the Premier. I agree with the Premier that there was some success in the milk strike. I ask the Premier whether you would not be prepared to become involved again in this strike which I would suggest is equally as important and will affect more people within the economy and more people in secondary industry. If the Premier feels that becoming involved would be of benefit, would you not take that up with the Minister of Labour and indicate to him that you feel it would be appropriate to take some part in those negotiations and to at least ensure

that the parties come back together to continue negotiations?

**MR. BLAKENEY:** — Mr. Speaker, I am sorry I did not make myself clear earlier. I propose to take my advice on this matter from the Minister of Labour. He will advise me when he thinks my intervention will be useful. I expect that his advice on this will be a good deal more useful and a good deal better based than any advice that I might receive from the member for Wascana (Mr. Merchant) whose experience in this particular area of activity is limited. Accordingly, I remain at my previous position, that the Minister of Labour has the matter in hand and when he feels that other action on behalf of the government is advisable. I know he will advise it and steps will be taken accordingly.

### **Voluntary Deductions - Delivery for Sale of Cattle**

**MR. L.W. BIRKBECK (Moosomin):** — Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Mr. Minister, what pressures or lobbies have you received that would indicate sufficient support to warrant the change in the voluntary deductions at the time of the producer's delivery for the sale of his cattle?

**HON. E. KAEDING (Minister of Agriculture):** — Mr. Speaker, there has been, over the period of time that I have been minister, a substantial amount of pressure from many different areas. I could name them if you wish. However, I think that this is a matter which is under discussion in a bill which is coming before the House and I suggest that we debate it at that time.

**MR. BIRKBECK:** — Mr. Speaker, would the minister not agree that one of the prime objectives of the original voluntary check-off was to be used by the beef information promotion and would you not agree that we should increase their funding in a consumer conscious society rather than reduce it by 75 per cent? Further, this reduction will inhibit SSGA, one of our oldest cattle organizations, from continuing their promotions on behalf of the industry.

**MR. KAEDING:** — Mr. Speaker, there is nothing in the bill which is coming before the House which suggests that there will be reduced funding in The Cattle Checkoff Act.

### **Labour Difficulties**

**MR. MacDonald:** — Mr. Speaker, I would like to direct a question to the Premier. Could the Premier indicate to me why this wait and see attitude in the midst of the labour difficulties in Saskatchewan indicates the attitude of the government and why he has such confidence in the Minister of Labour when, since he became the Premier of Saskatchewan, he had the worst strike record of the history of any government in the province of Saskatchewan? Since that man became the Minister of Labour we have lost more hours of work and had more work stoppages and strikes than at any other time in any other ministry in the province of Saskatchewan, and you say you have confidence in him.

**MR. BLAKENEY:** — Mr. Speaker, it is always possible to have a work stoppage when there are people working. That sort of circumstance didn't particularly trouble the government of which the member for Indian Head-Wolseley was a member.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — It's no worse since there are at least 100,000 more people in the

labour force than there were when the member for Indian Head-Wolseley was on the Treasury Benches. So accordingly, there are likely to be more work stoppages. However, I repeat, we have confidence in the collective bargaining process; the collective bargaining process involves work stoppages, that is part of the collective bargaining process (I hope we all agree to that) and that while we all regret work stoppages, I think the moment a work stoppage occurs, it is not appropriate for a government to intervene the moment a work stoppage occurs, otherwise the collective bargaining process simply does not work.

**MR. MacDonald:** — Mr. Speaker, I want to ask the Premier again. Let's quit the dillydallying. Let's come out bluntly and say, are you going to do anything or not? You know these great statistics of 100,000 people. Today there are not 20,000 people born in the province of Saskatchewan who are 30 now than when you became the government. You are turning around and talking today when we have the highest unemployment than during the seven years, 1964 to 1971. Is the Premier going to do anything or is he going to continue to let his Minister of Labour sit on his hands and have another major work stoppage in Saskatchewan?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, I am going to do precisely what I indicated earlier and that is to leave the matter with the Minister of Labour, who has done an excellent job recently and previously and who I am sure will do an excellent job in the future.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SPEAKER:** — I will take a final supplementary. The member for Nipawin.

**MR. COLLVER:** — Mr. Speaker, we noticed that the continued aggravation of the management and labour difficulties in the province continues between the members to my right and the members opposite. Mr. Speaker, I would like to ask the Premier this question. Would the Premier not agree that in the light of the ever increasing labour/management disharmony in the province of Saskatchewan, that seemed to develop ever faster in the last number of months, would he not agree that at this point in time it is incumbent upon the government to take a serious examination of the independence of the Labour Relations Board and of the entire structure of the Labour Relations Act as it relates to the province of Saskatchewan and the labour relations used by the Department of Labour? Would he not agree that at this point in time it is incumbent upon him to have a restructuring of this program and a new Trade Union Act and a new Labour Relations Board that will act independently of politics as has been displayed in the House today?

**MR. BLAKENEY:** — Mr. Speaker, I don't know what possible effect a change either in the Labour Relations Board or the Trade Union Act could have on the current work stoppage. Furthermore, I invite the hon. member to look at the record in the last four months and he will see that the number of days lost from work stoppages is comparatively low, comparatively low. May I say to him that if our government is going to intervene in the work stoppage in the building trades at the same time that the Manitoba government intervenes, we still have to weeks to go since their strike has lasted two weeks without intervention by the Manitoba government.

### **Customer Advertising**



**MR. R.H. BAILEY (Rosetown-Elrose):** — Mr. Speaker, I would like to direct a question to the Minister of Consumer Affairs.

This is a relatively new department and these departments are creeping up all across Canada. One of your responsibilities is in the line of advertising. We have become a consumer conscious society. Does your department, at the present time, do anything in the way of taking a look at advertising in the province of Saskatchewan, picking out what could be called false advertising or misleading advertising, either from the private sector or the public sector?

**HON. E. WHELAN (Minister of Consumer Affairs):** — Mr. Speaker, yes we do.

## **ADJOURNED DEBATES**

### **Second Readings**

The Assembly resumed the adjourned debate on the proposed motion by Mr. Penner that Bill No. 35 - **An Act to amend the Ombudsman Act, 1972** be now read a second time.

Motion negatived.

## **ADJOURNED DEBATES**

### **Resolution No. 15 - Building and Mounting of School Bus Bodies**

The Assembly resumed the adjourned debate on the proposed resolution moved by Mr. Bailey (Rosetown-Elrose):

That this Assembly urges the Government of Saskatchewan, through the Department of Industry and Commerce, to conduct a feasibility study into establishing an industry in Saskatchewan for the purpose of building and mounting of school bus bodies, and the proposed amendment thereto moved by the Hon. Mr. Vickar:

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

'commend the Government of Saskatchewan for its initiative in introducing five new programs to support and encourage the development of Saskatchewan businesses and that this Assembly urges the Government through the Department of Industry and Commerce to investigate the possibility of an industry being established in Saskatchewan which would be for the purpose of manufacturing school bus bodies.

Amendment agreed to.

Motion as amended agreed to.

### **Resolution No. 12 - Freight Assistance for Livestock Exhibits**

The Assembly resumed the adjourned debate on the proposed resolution by Mr. Katzman (Rosthern):

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That this Assembly urge the Government of Canada to establish freight assistance for livestock exhibits to Canadian Western Agribition on the same basis as for the Toronto Royal Winter Fair - i.e. 75 per cent of the total cost of shipping,

and the proposed amendment thereto by the Hon. Mr. Kaeding.

Motion as amended agreed to.

The Assembly resumed the adjourned debate on the proposed motion by Mr. Malone that Bill No. 62 - **An Act to prohibit Saskatchewan Telecommunications from Interfering with the Delivery of Programming by a Cablecaster** be now read a second time.

**MR. P.P. MOSTOWAY (Saskatoon Centre):** — Mr. Speaker, I have a few words to say on this but I would like to organize them a little better, so consequently, I beg leave to adjourn debate.

Debate adjourned.

### **Resolution No. 17 - National Referendum on Capital Punishment**

The Assembly resumed the adjourned debate on the proposed resolution by Mr. Lane (Saskatoon-Sutherland):

That this Assembly urges the Government of Canada to immediately hold a national referendum on the re-institution in Canada of capital punishment in order to give the people of Canada an opportunity to express their views on this issue,

and the proposed amendment thereto by Mr. Cameron.

**MR. MOSTOWAY:** — Mr. Speaker, I would like to say a few words on this also but I would like to beg leave to adjourn debate.

### **REPORTS OF COMMITTEES**

**MR. G.H. PENNER (Saskatoon Eastview)** moved, seconded by Mr. R.N. Nelson (Yorkton) **That the First Report of the Select Standing Committee on Public Accounts and Printing** be now concurred in.

He said: Mr. Speaker, the Public Accounts Committee has concluded its deliberations. Members will be aware that the report of the committee was printed on Friday last. For any member who may be interested in looking at the entire verbatim of the Report of the Public Accounts Committee, I am advised by the Clerk that limited copies are now available. In due course as more are available, all members will be provided with a copy of the report.

I think it is appropriate, Mr. Speaker, for me to highlight some of the recommendations in the committee report. In deference to the time of the week and the business that is before the House and the fact that all members are capable of reading (I am sure all members will read with a good deal of interest the verbatim of the committee) I don't intend to go through all of the recommendations and read all of them but there are two or three which I think are worthy of highlighting because they represent reoccurrences

of problems that have been identified by the Provincial Auditor in the past and indicated again this year as continuing to be of some difficulty.

The first that I want to mention, Mr. Speaker, has to do with the staff of the Auditor's Department. You will be aware, Mr. Speaker, that in the last three years the committee has noted that the Auditor has had difficulty filling all of his positions. That situation has improved somewhat in the past year but we are still in a position where the Provincial Auditor's Department does not have all of its positions filled and those positions which are left to be filled are rather senior and very responsible positions. We have had some reasons given to the committee why the Auditor is unable to fill those positions, Mr. Speaker. They relate to three factors: supply of accountants, the salary scale that is presently in place where it affects the Auditor's Department and the fact that certain professional accountants must be a part of the union before they can become a part of the Auditor's Department. Each of those has been a significant contributing factor. The committee has singled out the salary scale after discussing with the Auditor and with the Public Service Commission. Salaries in our Auditor's Department are considerably lower than they are, for example, in Alberta, considerably lower than they are in the private sector. When it comes to competing for accountants who are in short supply anyway, the fact that we have a depressed salary scale does not help. The committee recommends, therefore, that every effort be made to fill these vacancies and, in particular, the salary scale be upgraded.

The other matter that relates to the Auditor's Department surfaced as a result of the committee being made aware of the fact that in some of the jurisdictions in Canada, specific legislation regarding Auditors has been put into place. We were apprised of the fact, for example, that Alberta, Ontario and British Columbia all now have specific legislation that pertains to the functioning of the Auditor and gives to the Auditor a good more autonomy than is the case, for example, here. I have to say, Mr. Speaker, that the committee was not satisfied on a cursory examination of the legislation that we were in a position where we could recommend to the legislature that specific legislation be put into effect in Saskatchewan. It was, however, the view of the committee that a further analysis of the legislation in these other jurisdictions and the way it would affect the functioning of the Public Accounts Committee here was required. You will note, therefore, Mr. Speaker, that it has been recommended that a special select committee be appointed by the legislature to review legislative provisions in other jurisdictions as they pertain to the function of the Auditor, as he relates to the Select Standing Committee on Public Accounts. I cannot stress too much, Mr. Speaker, I think, the committee's view that it is the relationship of the Auditor to the Public Accounts Committee which the committee feels is most important.

Members will have noted, having looked at the report of the committee, that a recommendation of the Public Accounts Committee of a year ago has been acted upon, jointly by the Comptroller's Department and the Auditor's Department in so far as defining direct costs, indirect costs and other costs as they relate to the way in which we account for the expenditure of public funds.

Your committee noted that there has been a disagreement between the Provincial Auditor and the Department of Highways regarding the Highways advance account and has recommended that further study be done internally in an attempt to solve the problem to the satisfaction of the Auditor's Department and to the satisfaction of the Department of Highways.

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We noted as well that there had been appropriations made during the year under review to the tune of about \$496,000 without proper authority. There was \$355,000 appropriated by the Department of Agriculture to the Saskatchewan Training Corporation without adequate authority to do so.

We noted that the Department of Environment made grants amounting to just over \$140,000, again without proper authority. We recommend, Mr. Speaker, that changes be made to the legislation so that those departments and the appropriations made under those departments will be made according to the law, something that has not happened during the past year.

Your committee noted further concerns of the Provincial Auditor regarding the Department of Finance, taxation branch, whereby interest and penalties were not assessed on \$4.3 million, applicable to the 1976 tax year. The committee further noted that this is contrary to the legislative provisions of section 9 of The Insurance Premiums Tax Act, and section 10 of The Motor Vehicles Insurance Premium Tax Act. The committee recommends that steps be taken in the time period between now and when the committee meets next year to correct that problem.

Mr. Speaker, I think, in concluding the brief remarks that I want to make, it would be appropriate for me to indicate, as chairman, that in the meetings that we had in the ten departments that we called, we continue to feel that the method by which the Public Accounts Committee operates in this province is an appropriate way for the committee to operate. The committee has, I think, been aware for some time that it has been the envy of some other jurisdictions with regard to the way we operate. From time to time it has been of some concern to members of the committee that meetings are held in camera and that the press is not there. Frankly, it is my view that it makes for a better functioning committee when the press is not there because I think that those members who are on the committee, in dealing specifically with deputy ministers, obtain frank answers. I think it is fair to say that this year the deputy ministers who appeared before the committee and their support staff answered questions put by members of the committee frankly and sincerely. The verbatim is available and is now public. Again, anybody who wants to wade through it, I welcome them to it. I am sure they will find it fascinating reading. Well anytime you do it I am sure it would be of benefit to you, Mr. Attorney General. Maybe the member for Quill Lakes wants to read the report too.

At any rate, Mr. Speaker, as I say, the report is there. I want, on behalf of the committee, seconded by Mr. Nelson (Yorkton) to move that the first report of the Select Standing Committee on Public Accounts and Printing be now concurred in.

**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, just a couple of comments.

The committee, in its deliberations, I think proved once and for all that the Public Accounts Committee is unable, as such, to review even the vast number of government departments and agencies . . . No, I am not being political. I think it incumbent and I would like to say to the Attorney General that it was unanimous with the government members as well to realize the inadequacies of review of government expenditure and I think that that resulted in the proposal of the committee that, in fact, this matter be reviewed.

When one takes a look at the number of departments we were able to review and the number of government departments I think it proves once and for all that we, as members of the Legislative Assembly, do not have the capability of reviewing

government expenditures.

The recommendation of the committee, that we attempt to review ways to improve our ability or our capability to monitor government expenditures, I think is long overdue and I commend the government members for endorsing that recommendation as well. As government has become more complex the old idea of looking at whether or not the moneys were, in fact, spent or whether they were lost or whether they were misappropriated is totally inadequate in my opinion. In fact, and I agree with the Auditor General of Canada, that what the Audit Committee must be doing is now reviewing government expenditures to determine not just whether the dollar was, in fact, spent but whether, in fact, it was wisely spent. There is a fundamental difference in approach to arrive at the second goal.

So I suggest to the hon. members that with the complexities of governments, that we, as members, must broaden our own horizons and attempt to look substantively at government spending to determine not only is the dollar spent but was it, in fact, wisely spent. In order for the committee to do that we must change the framework of the Public Accounts Committee. We must expand the committee's capabilities, staffing, and the Provincial Auditor's capabilities as well. I agree, as well, with the recommendations of the committee that the Public Accounts Committee, the Special Standing Committee, be empowered to look at ways to do that.

I think that the number of management letters that the Provincial Auditor was unable to get and was unable to supply to the committee, indicates that the shortage of staff is still a major problem for the Provincial Auditor and it has again been called to the attention of this Assembly. We realize the difficulty in staffing the Provincial Auditor. I think part of the problem in staffing as well is that we, as members of the Assembly, do not give enough emphasis to the position of the Provincial Auditor and I think we are as much to blame as the other reasons that were given. I urge that the Special Standing Committee, as I've said, be established. I join with the government members and the member for Saskatoon-Eastview (Mr. Penner) in endorsing the report of the Public Accounts Committee.

**MR. R.N. NELSON (Yorkton):** — I would like to start off by offering my congratulations to the auditor and his staff and the comptroller and his staff for the fine job that they have done on the auditor's report and for the auditor's department, of course, and for the comptroller's department for the fine work that they have done in controlling government spending throughout the year.

I believe, Mr. Speaker, if we look at the number of cases of overpayments and payments without authority, that they are one of the lowest in Canada. Certainly farm loans and the federal government, they are certainly the greatest improvements over many other jurisdictions in Canada. In fact the federal government is only now in the process of setting up a comptroller's office which is separate from the auditor's office following the pattern that has been established in Saskatchewan and has been long established in Saskatchewan.

It is the lack of a comptroller's office that has given the full control and the large number of overpayments that have been found in the federal field. But the comptroller's office, Mr. Speaker, is only as good as the Cabinet and the Treasury Benches and so our congratulations here are due, too, to the co-operation that the government has shown to the comptroller's office in seeing that only a minimum number of payments without authority have been made. My congratulations here are offered to the government for

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the fact that they have not bypassed the comptroller except when they found it necessary to do so. I certainly would not be one that would move to have the government in a position where it is unable to bypass the comptroller's office. Because there are many situations which might arise where an emergency might arise that the government would need to spend money and if legislation were prohibiting it from making these payments without authority there might be some severe hardships that would develop.

I agree with the member for Saskatoon-Eastview (Mr. Penner) that we really are the envy of many other jurisdictions in the area and that we have set a pattern in our system of public accounts that is copied throughout Canada.

In dealing with the problem of management people, we do find that there was a considerable effort made by the government to fill the vacant positions in the senior management level in the Auditor's department, that we now find that there is a 12 per cent vacancy of senior management people in the Auditor's department but there is also a 11 per cent vacancy in the comptroller's department. Each of these departments in my opinion, Mr. Speaker, are equally important. We find that there is also an eight per cent vacancy rate throughout the whole of the civil service. So our vacancy rate, while it still needs to be improved, we still need to work on it, is something that shows and that every effort of the government to improve these vacancies and to improve these positions is certainly showing. Now, Alberta and Saskatchewan are attempting to recruit people for these positions in England. I know the Alberta people have had a certain amount of success and I believe we will too.

Dealing with the inability of the Public Accounts Committee to review the departments and agencies, I would like to remind the member for Qu'Appelle, that there certainly is no reason why the Public Accounts Committee couldn't have continued on longer than it had, that it could have started sooner than it had. The members there feel . . .

**MR. PENNER:** — . . . day before . . .

**MR. NELSON (Yktn):** — Yes, this is true. But we could certainly have continued on a little bit longer. While there are mistakes and faults, this is one of the reasons why I am very pleased that we have set up a committee to look into other jurisdictions. We are suggesting that we set up a committee rather, to look at other jurisdictions to see if there are any ways in which we could possibly improve our public accounts system.

So, Mr. Speaker, I too would like to thank all the people who took part in the Public Accounts Committee and I register my agreement with the members that we are done.

Motion agreed to.

## SECOND READINGS

**Mr. E.F.A. Merchant (Regina Wascana)** moved second reading of Bill No. 21 - **An Act to amend The Public Service Superannuation Act.**

He said: Mr. Speaker, I want to introduce this bill, but let me make a few remarks however about related legislation which is on the order paper. That related legislation under Adjourned Debates are items 2, 3, 4 and 22.

Mr. Speaker, this legislation, as I said last week, is legislation that really calls on the

government to indicate in essence whether they are prepared to review the question of compulsory retirement. Second, whether they are prepared to look at the question of discrimination against people in employment between the ages of 45 and 65. I suggest to you that that is an important area.

There are other matters as well covered in the legislation, other matters of discrimination but it may well be that the government would say those areas that come before the House in the past, those areas that we have not decided upon and we made it clear that we haven't decided upon those other areas. These matters, the question of discrimination because of age, have never come before the House and the government obviously is afraid to indicate what their position is in that area. That is the reason why I left one of the bills unmove so that I could speak to it last week and left this final bill to give me an opportunity to speak to it now.

The government is, in essence saying, we will duck that question and we will duck that issue. Mr. Speaker, I suggest to you that it is germane to look at some of the other matters that are also on the order paper. Because what we have, in the government's actions today (and what I thought was a pretty shoddy performance in terms of standing and putting off bills), was that they talk . . .

**MR. ROMANOW:** — What about you guys?

**MR. MERCHANT:** — I'll come to that. I'll come to that. They took the eight bills that were on the order paper and stood every one of them. Now there is a ninth bill, there is a ninth bill on the order paper, Mr. Speaker, and that is Bill No. 62, item 19 - An Act to prohibit Saskatchewan Telecommunications and that act, Mr. Speaker, item 19, is in a class . . .

**MR. SPEAKER:** — Order! If the member could bring himself to order and deal with the principle of Bill No. 21 which is before the House at this time.

**MR. MERCHANT:** — Well, Mr. Speaker, with respect, I am and that is the reason that I made the preliminary comments. It relates in this way, the matter of importance in the bill that I now introduce, Bill No. 21, is the question of age at 65, age discrimination in compulsory retirement and, secondly, discrimination between ages 45 and 65 in terms of hiring.

I suggest to you, Mr. Speaker, that the matters that appear on private members' day, are either questions of substance or questions of politics. Usually, motions are purely questions of politics, but usually bills that are introduced are questions of substance and the government should deal with them in a substantive way and indicate what their view is.

Now, Mr. Speaker, in moving Bill No. 21 I say to the House and to the Hon. Attorney General that there are a number of bills on the order paper now and this will, I am sure, immediately be adjourned without comment. And that all of these matters are entitled to an opinion from the government. Really, we are saying, and on behalf of the public we say, what is your view about these matters some of which are very important?

**MISS CLIFFORD:** — They are afraid.

**MR. MERCHANT:** — That's right, I say to the member for Wilkie, they are afraid. I say to you, Mr. Speaker, I believe the minister will be afraid to indicate one way or another

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what their view is on Bill No. 21. That we will not hear from the members opposite, will not hear from the Treasury Benches, what position they are prepared to take on the question of compulsory retirement.

Mr. Speaker, the minister says, don't provoke me. If I could hear from the government your view I would be quite prepared to consider any alleged provocation you might claim to have suffered before you lash back. It is, Mr. Speaker, an important area, an area that has never been dealt with in this House. We have three parties in the House. We know that . . . it was not dealt with last year. I did not introduce it last year. I did not, Mr. Speaker, introduce anything to do with compulsory retirement last year. I say that to the hon. member and you will have to trust my honesty if not my memory, because I am positive, Mr. Speaker, I am absolutely positive that the question of compulsory retirement has not been introduced in this House and has not been dealt with.

I realize that the member for Saskatoon Centre can be well worried about compulsory retirement. I say to members opposite people are interested in this issue and interested in your stand and if you remain silent you will be assumed to oppose any change in compulsory retirement legislation; assumed to oppose legislation which has the backing of the national Human Rights Commission; has the backing of 13 American states; has the backing of many people in the American Congress and has the backing of the Ontario Human Rights Commission.

I say to the members opposite that they do have a duty to commit themselves on this issue. That by ignoring the issue they are, in essence, taking a position and I suggest they are taking the wrong position.

I move second reading of Bill No. 21.

**HON. W.A. ROBBINS (Minister of Revenue):** — Mr. Speaker, just a few brief remarks.

It is not a simplistic approach to simply say that you want people to retire at a certain mandatory age. There are many implications with respect to the total assessment of this picture. I would like to let the member for Wascana know that last year 187 people retired from the public service in Saskatchewan and their average age of retirement was 62 years and three months. Most of the requests come for an earlier retirement and have nothing to do with mandatory retirement at all. In addition, Mr. Speaker, I will have further remarks to make with respect to this bill and beg leave to adjourn the debate.

Debate adjourned.

**Mr. P.P. Mostoway (Saskatoon Centre)** moved second reading of Bill 71 - **An Act respecting the Certified General Accountants Association of Saskatchewan**

He said: Mr. Speaker, I move that this bill be now read a second time and referred to the Select Standing Committee on Law Amendments and Delegated Powers, where there will be an opportunity for questions.

**Mr. M. Feschuk (Prince Albert)** moved second reading of Bill No. 72 - **An Act to provide for Certain Rights of Blind Persons**

He said: Mr. Speaker, it is indeed an honour for me to have this opportunity to introduce this private members' bill to this Assembly. The legislation which you have



before you, I feel, is somewhat overdue; yet I am pleased that collectively we can all have an opportunity to give our full and unanimous support to this legislation, An Act to provide for Certain Rights of Blind Persons.

Mr. Speaker, my remarks today will be somewhat brief. The proposed legislation is straightforward and to the point.

There are two key provisions. Firstly, it shall become an offence for anyone to discriminate against a blind person with respect to, or deny a blind person, accommodation, services or facilities available in any place in which the public is customarily admitted, or discriminate with respect to the charges made for their use, by reason of the fact that the blind person is accompanied by a guide dog.

Secondly, this legislation deems to make it an offence for any person to deny any blind person occupancy of any self-contained dwelling unit or discriminate against any blind person with respect to any terms or conditions of occupancy of any such dwelling unit by reason of the fact that the blind person keeps or is customarily accompanied by a guide dog.

The purpose of this legislation in this act proposes that any person who violates any of the provisions contained therein shall be guilty of an offence and liable on summary conviction to a fine of not more than \$1,000.

Mr. Speaker, that basically is why this legislation is overdue. I say that because at this moment five Canadian provinces have legislation with similar intent in effect. That is itself does not, of course, legitimize our action at this time; however the principles of the bill are the overriding factors which will, I am confident, enable this bill to receive full support from all members of this Assembly.

I am sure most of us would tend to give up if our sight was taken away but for thousands of people across this nation, they enter each day with a courage and determination which can only be respected and admired.

Mr. Speaker, if you stop to think about it, most of us cannot even find our car ignition unless we turn on the interior light; yet there are people who go through each day, every day, without sight to guide them. One of the key goals of the blind is to attain independence. They do not expect, nor do they want, special status. What they want is to be treated fairly, free from discrimination which can be imposed upon them because they are blind.

This legislation will not only discourage discrimination but it will also encourage the blind in their efforts to become more independent.

Mr. Speaker, guide dogs offer hope for the blind. Ten years ago there were fewer than 50 guide dog users in Canada. Today there are more than 350. CNIB officials tell me that this number will increase dramatically in the future. Quite obviously, these dogs offer a great deal of independence. One is free to travel when he wants to, without having to ask for help all the time. Statistics also show that a large number of guide dog users are people who live alone. In these instances the dog not only is a guide but is also a trusted and welcome companion.

There is, of course, the added feeling of security. Many blind people who use guide dogs feel much safer than when they used to travel by themselves, using a white cane.

There are instances on record where a number of totally blind girls have been attacked on the street. Seldom would this happen if they are accompanied by a guide dog. Guide dogs are increasingly becoming a more vital part in the everyday lives of the blind.

Of course there is an unfortunate side effect to all of this, a number of guide dog users in Canada and other parts of the world have felt that they have been discriminated against in public places such as hotels, restaurants, housing and transportation.

Several letters have been sent to this government about these problems. A letter from a lady in Regina to the Minister of Consumer Affairs noted:

You may recall the incident last January, when a blind person accompanied by a seeing-eye dog was not permitted to enter a certain restaurant in Regina. After this incident a committee was formed by the CNIB and the Regina White Cane Club of the Canadian Council of the Blind to determine the needs for legislation in Saskatchewan which would make it mandatory for dog guides accompanying their masters or mistresses to be permitted in public places. At present the Saskatchewan Public Health Act states that seeing-eye dogs may be allowed in where food is being served. Sad to say this does not appear to be adequate as was proven last January.

Mr. Speaker, incidents similar to this one should be and are, I am sure, of certain concern to each and every member in this legislature. The need for this legislation is obvious, not as a reaction to a number of specific incidents but as the result of our collective commitments to ensure that each and every member of our society has the right and the opportunity to realize his full potential. Our blind do not want nor do they expect special status. What they do want (and we have the obligation to provide it) is fair and equal treatment. This legislation will enable guide dog users to function in a Saskatchewan society without fear or doubts respecting their acceptance and their ability to gain independence. I have no doubt that this legislation is necessary. It has the full support of the Canadian National Institute for the Blind. I know it will gain the support from all members of this legislature.

Mr. Speaker, with these few comments it gives me a great deal of pleasure to introduce Bill 74 - An Act to provide for Certain Rights of Blind Persons.

Motion agreed to and bill read a second time.

## **SECOND READINGS**

**Hon. E. Kaeding (Minister of Agriculture)** moved second reading of Bill 73 - **An Act to amend The Cattle Marketing Voluntary Deductions Act, 1970**

He said: Mr. Speaker, The Cattle Voluntary Checkoff Act was passed in 1970 and it has been in operation now for about seven years. The levy under this act was set at 10 cents a head on livestock marketed. Over the years an amount of approximately \$120,000 more or less per year has been accumulated in the fund. This money which is administered by the Checkoff Advisory Board has been used for a variety of purposes. Many of the projects have been in the research field, some in the promotion of products, some in assistance to various exhibitions and capital projects related to the livestock industry.

Since 1972, there has been a substantial charge against the fund to meet a Saskatchewan levy to the Canadian Cattlemen's Association which has taken approximately one-third of the accumulated revenue in each year since that time. These amendments to The Checkoff Act are intended to correct some of those sections which have been major irritants to a large number of livestock producers in this province.

At the time of the introduction of this act in 1970, under the previous administration, members on this side of the House pointed out some of the very concerns which are being dealt with here today. The first concern was that, although the act was called a voluntary checkoff, there was no provision whereby a producer could indicate at the time of sale whether he wished to participate. While the act did provide a mechanism for return of moneys collected, it still required the compulsory collection of the same at the time of sale. The act before you will provide a means of opting out on the manifest which accompanies the animal to market. This will clearly indicate that the producer does not wish the check-off to be made and it will not be deducted from his cheque. The year end option will continue for those who find that more convenient.

Section 6 of the act provides for the disposition of moneys from the fund and designates for what purposes they may be used. The major revision in this section is the removal of the subsection which permits moneys from this fund to be used for the support of a national organization. Since 1973, at least 30 per cent of the money received in the fund has been used to fund the Canadian Cattlemen's Association.

Mr. Speaker, it is an understatement to say that this existing provision has brought the most violent objections from many livestock producers in this province. Many producers are in agreement that livestock producers should contribute some money to provide a research and promotion function in their industry. They like to feel that somehow they can direct some of their promotion dollar to projects of their own choosing. I support them in that desire. That is not to say, Mr. Speaker, that this gives senior governments any excuse to avoid their responsibility in the larger field of research nor has it done so. However, channelling almost one-third of the funds received into this fund into support of the Canadian Cattlemen's Association has angered many producers who do not agree with the stand taken by the Canadian Cattlemen's Association and object violently to having their money used for that purpose. At meeting after meeting across this province, Mr. Speaker, producers have attacked the use of this fund for that purpose. They are angered because the money from a fund to which they contribute is used to fund a national agency whose policies respecting livestock marketing are diametrically opposed to theirs. I repeat, Mr. Speaker, this is not just a handful of producers but a very significant segment of grassroot producers in this province.

We have no quarrel, Mr. Speaker, with the Canadian Cattle Association. They represent a point of view which is held by many producers and they have every right to put that point of view as strongly as they can. What is not justifiable is that large amounts of money provided by all producers are used to support that point of view when so many are opposed to it. In order to eliminate that abuse section 6 has been amended to eliminate such funding.

The argument is made by some that the main purpose of introducing The Checkoff Act in 1970 was to provide for this funding of a national agency. Mr. Speaker, I have

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carefully read the transcripts of all of the speeches made in this House at the time the bill was introduced by the mover of the bill and by subsequent speakers and I find no reference to such an intent. Therefore, I cannot accept that this was indeed its intended purpose.

Another change proposed is in the structure of the Advisory Committee. The original board was made up of two members of the Saskatchewan Stockgrowers' Association, one from the Livestock Breeders' Association, one from the Saskatchewan Federation of Agriculture and one appointed by the government. This was subsequently changed to include a consumer representative. It has become most obvious during the months of debate on the livestock issue that there is a very large segment of producers who are not and do not wish to be represented by the organizations presently on the committee. I have had numerous requests to widen the scope of representation on that committee. It is therefore proposed to change the Advisory Committee as follows: one member from the Stockgrowers' Association, one from the Saskatchewan Federation of Agriculture, one from the Saskatchewan Livestock Association, one from the Saskatchewan Dairy Association, one from the Western Canadian Cow-Calf Association and two others, one of which would be a consumer representative. While some may argue that dairy producers are not beef producers, I believe we all must recognize that a significant amount of beef does come from dairy farms and they do have a right to a representative. The Western Canada Cow-Calf Association, although it is just a fledgling organization, does have a substantial membership in the province and deserves an opportunity for some input into this committee.

The balance of the amendments are administrative in nature and do not significantly alter the intent of the act.

Mr. Speaker, there are also those in the province who are totally opposed to the concept of a check-off of any kind and for any reason and they also have a right to that opinion. The opting-out provision which is provided permits them to do so with minimum effort. I would ask them, however, to consider why they would do so, provided that they could be assured that the money is being directed to proper uses by a committee which is widely representative of the industry.

We continually hear, Mr. Speaker, that governments or big organizations always direct their efforts to projects of their own choosing and are not responsive to grass-roots pressures. This fund, under the direction of a widely representative producer groups, could provide an opportunity with some of their dollars to projects of their own choice. It could be directed to marketing research projects, disease prevention, livestock facilities, product promotion, assembly experiments, or any of a host of activities which the committee would recommend, many of which would probably not be funded under a more rigid budgetary approach. I challenge the industry to accept that opportunity and make the best use of it for the betterment of the entire industry.

While it may be fair to say that because all research eventually ends up as a benefit to the consumer in lower cost foods, the cost should therefore, be borne by society as a whole through taxation. I am firmly of the opinion, Mr. Speaker, that there is a need for every segment of society, if it wishes to retain its independence, to look at its own membership for some financial input into the betterment of that industry. I believe this to be no less true of the livestock industry than of any others and I urge the continued support of this effort.

Mr. Speaker, I move second reading of this bill.

**MR. J. WIEBE (Morse):** — Mr. Speaker, a few brief comments on Bill No. 73. It is rather with a bit of disappointment and a bit of shock that I find that this government decided to introduce a piece of legislation as drastic as this one. When I first saw it, it was my hope that the government would reconsider and not introduce this particular act. If any piece of legislation in the House should be filibustered, it should certainly be this one. For what the government has done by the introduction of Bill 73 is basically castrated the livestock industry in this province. What you have done it taken away the freedom of the cattle producers in this province to determine for themselves their own destiny.

Let's look at the history of The Cattle Marketing Voluntary Deductions Act that was brought back in 1970 by a then Liberal government. Who thought up the idea of this particular piece of legislation? Was it government? Was it MLAs sitting in the chamber? No, Mr. Speaker, it was thought up by cattlemen within the province of Saskatchewan and it was a direct result of the efforts over many years to convince previous governments and the present government to go into a piece of legislation similar to this, designed and babied, if you might say, by the Stockgrowers' Association of this province. They are the individuals in the livestock group that put the efforts, the money and the time into convincing cattlemen in the province of Saskatchewan that this approach was the proper one and also to do the work to lobby with governments to ensure that they themselves, the cattle industry itself, as the minister said, could provide the funds, the dollars as needed for their own industry. They were not after the government with cap in hand to ask for a hand-out or a grant. They wanted the enabling legislation brought in so that they in turn could contribute themselves to that particular process and if any cattlemen in the province did not agree with that particular legislation they had the option at the end of the year to ask for a refund of all the amounts of dollars which had been taken off for their livestock.

I ask the minister - it appears that his main reason for introducing this particular act is because some of that money happens to be going to the Canadian Cattlemen's Association. He says that grassroots support throughout the province was violently opposed to any money like this going into that. I say, who? Who are the cattlemen who were opposed? Was it the Saskatchewan Stockgrowers? Was it the Saskatchewan Federation of Agriculture? Was it the Saskatchewan Cattle Breeders' Association? No, sir. It certainly was not. It might have been some of the NFU people who were trying to get a little bit of money but I have not heard any representation from them. The only thing that leaves me to believe is that the minister himself is the one who is opposed to going into the Canadian Cattlemen's Association. Why that opposition? He is certainly ensuring, under this piece of legislation, that future cattlemen have no say whatsoever as to where that money goes.

I would think, Mr. Minister and Mr. Speaker, that if any cattlemen in the province of Saskatchewan objected to where that money was going, they would voice that objection through their own organization, which in turn is represented on the board and which in turn made the eventual decision as to where that money was to go.

I say again, Mr. Minister, that the statement made by the Minister of Agriculture, that there was a swell of grassroots support in the province of Saskatchewan for this

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legislation, is certainly misleading and he is only using it as an excuse to justify his reasons for further control on a very excellent piece of legislation and a very excellent idea put forward by cattlemen way back in 1970.

Let's take a close look at what this particular legislation does. First of all, let's look at the original act, back in 1970. Section 8, Trust Account, Administration:

Subject to section 6, the board shall administer the use of the trust account and authorize all expenditures therefrom except refunds of deductions as provided for in section 9.

Let me just read that again. 'The board shall administer the use of the trust account and authorize all expenditures' of that particular money. What the original act did, and the act that was amended by this NDP government in 1972 . . . What those two acts did was say to the boards, the Saskatchewan Stock Growers' Association, the Saskatchewan Federation of Agriculture, and the Saskatchewan Cattle Breeders' Association, that you people, representatives of the cattlemen in the province of Saskatchewan, will determine where that money goes and how it is spent.

What does the minister do in this new act? Is he allowing the cattlemen to determine for themselves how their own money will be spent? He certainly does not. Let's look at the new section 8 under the bill. Section 8 of the previous bill is repealed, no longer in existence, and what is being substituted therefor is the following section:

Subject to the other provisions of this act and to the regulation, the committee shall advise with respect to the disposition of all moneys in and recommend payment of all expenditures out of the fund.

What does this particular say now to the cattlemen of the province of Saskatchewan? They say, look, we as the government no longer trust your judgment. We as a government do not feel that you as a representative of the cattlemen of the province of Saskatchewan know how to spend the money to your own best interest so we, as Big Brother, will come along and we will let you make suggestions. We will let you give advice as to how the minister of an NDP government will determine how your dollars will be spent. So what you have done, Mr. Speaker, is taken the control out of the hands of the cattlemen of Saskatchewan and turned it over holus-bolus to yourselves.

I am just wondering what kind of representation the Minister of Agriculture has had from the Saskatchewan Federation of Agriculture, what representation you have had from the Saskatchewan Stock Brokers Association and what representation have you had from the Saskatchewan Cattle Breeders. Are you saying to this House and to the people of Saskatchewan that these three groups which I have mentioned do not, in effect, represent the grassroots of the cattle producers of this province? If you suggest that, Mr. Speaker, I am sure that they will certainly correct you on that very misleading statement.

Another thing that I cannot for the life of me understand is the appointment to the board of a representative from the Western Canadian Cow-Calf Association. What is heaven's name have they got to contribute basically to the total picture of livestock and cattle in the province of Saskatchewan?

The minister says that in the Saskatchewan Cattle Producers Association the money is paid in by Saskatchewan cattle producers and therefore it should be handled and

administered by Saskatchewan cattle producers. What he is doing here is appointing, as a representative to that board, a cattle organization that is not Saskatchewan, a cattle organization that is Alberta, Saskatchewan and Manitoba. What you are saying now is that this particular board will have representation on it from the Alberta cattlemen and from the Manitoba cattlemen. You are saying that the reason why you brought this act in was because some of the dollars happen to be going to national organizations and you are turning around through the back door under section 7 and allowing some of those organizations to become a part of the board, to determine how Saskatchewan dollars are going to be spent. I think, Mr. Speaker, that this is contradictory and certainly a slap in the face, a slap in the face to all cattle producers in the province of Saskatchewan in the fact that now their money, their money which they allowed to be deducted at 10 cents a head will now not be determined completely by themselves. There will be input from the cattlemen of Alberta, input from cattlemen of Manitoba and regardless of what that input is, that decision they make or recommendation they make may be eventually overruled and that decision will be made by the Minister of Agriculture. I am afraid . . . (inaudible interjection) . . . Oh no, this is going to go on for quite a while, Mr. Attorney General. You can be rest assured that if we have to, the cattle producers of Saskatchewan in this province are not going to be screwed by this government as they are under this particular act.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — Just like I said a little bit earlier, what this act does is castrate the cattle producer and the livestock industry in the province of Saskatchewan by taking away from them every right that they had to determine for themselves their own best interests in this province and not the best interests of the government or the Minister of Agriculture. What's going to happen is eventually another indirect form of taxation is coming in - \$120,000 a year; that's roughly what will be collected out of the checkoff fund each and every year. I am sure that we are going to probably see legislation two or three years down the road where there will not be any authority whatsoever to allow them to be exempt from paying the 10 cents nor will they have any control whatsoever as to how that particular dollar is to be spent.

**MR. ROMANOW:** — Is this . . .

**MR. WIEBE:** — If you want it, if you want it just give me time. I would suggest that the government really take another look at what they are attempting to do under this legislation - to allow it to die on the order paper in second reading. Let's use the benefit of the summer months to talk to those so called grass root supporters who the Minister of Agriculture has stated are opposed to this and find out in effect if they really are. I know that since this particular piece of legislation was introduced for first reading, which was only four or five days ago, my telephone just about rang itself off the wall, not only here in the building but also at the farm when I was home for the weekend. I can certainly find not one supporter as yet who contacted me saying that they approved of this thing. Where that swell of grass roots support comes from I certainly don't know. I think it is only in the mind of the NDP caucus and the NDP cabinet that determines they don't want the free enterprise. The cattle producers of the province will determine in their own minds as to how the money which he contributes should best be spent. With that, Mr. Speaker, I would urge each and every member of this Assembly to certainly not support this particular bill and I would urge the government realistically and quite seriously to take a second look at it. Either withdraw it or allow it to die on the order paper and give MLAs an opportunity, during the summer, to talk to the cattle producers throughout the province of Saskatchewan and find out, if this is what the

grass roots of the cattle producers of the province really want.

I urge all members to vote against this bill.

**MR. E. ANDERSON (Shaunavon):** — Mr. Speaker, I would like to address a few words to Bill 73.

I find it intriguing, the reasoning the minister uses when he says that with the original act, the speeches did not ask for the funding of CCA. He certainly found it in time to remove it in subsection 6 that he amended, to say that the act will no longer supply for the national body funding.

I find it interesting that he protests so much that we should not be funding the national body. I think he thinks that we should fund a national body, Mr. Speaker, that doesn't agree with his communist philosophy. I find it intriguing that the NFU, which isn't a national body, is quite freely funded from the general funds of the Agricultural department of this province, under this minister, who finds no apology for it, who takes general tax money and gives it to his pet project which is the NFU, which, as I say, will support his communist beliefs. But he will not allow our act to stand because he says he funds a national body, a national body which I am sure that if he would look, would know, lobbied the federal government to put on offshore beef, was put in Canfax, which is a very important part of the feeding industry which has pioneered that, which has paid for it and is now in what is called the beef watch. We have had the gumption and the guts to do something his department has not had the gumption and guts to do and that is to open up a natural beef information centre in our major areas of this province, which is Toronto, Vancouver, Edmonton. Now this year, has opened up a bilingual or French speaking one in Montreal. He knows full well that is where our markets are. We export 90 per cent of our beef in the Montreal and Toronto market.

Mr. Speaker, I find it sickening that this minister can use politics, can use a political expediency and try to explain it away by saying there is an upsurge. He knows full well that the NFU have been the only one who has been calling for an upsurge. They have called this a compulsory tax and want it removed. They have urged their members to withdraw their money. In all the years it has been in effect their total membership withdrawal has not amounted to less than 2 per cent of the total money collected. This certainly shows the strength of any upsurge that he speaks of, Mr. Speaker.

Mr. Speaker, I find it very interesting the excuses this minister uses. He has been the only minister who has vetoed the board, the board that he subverted now to an advisory committee. The only minister who has used the veto power that is there. Whom does he veto? Who does he say, this province, doesn't represent? He has vetoed their decision. I will tell you.

Representing the SSGA is Boyd Anderson, president of the SARM, who approved this. This is the man who he says doesn't represent the people, and doesn't know how the money should be spent. Another is Dan Perrin, secretary manager of SSGA; another man who sits on this board and who I find is very much touched with agriculture and the beef industry, is Bill Marshall, first vice president of the Saskatchewan Wheat Pool, who approved the expenditure of these men that you have just cut by 75 per cent saying that they are not capable of making that decision. You also have Frank Edvoste who was a recognized breeder and represents the cattle breeders of this province. We have Beryl Doddswell, who was supposed to represent the consumers' organization. You never even asked the consumer organization of Canada, the Canadian Consumers



Association or the Saskatchewan Association. You went to the NFU and got an NFU member who was supposedly to represent the consumers' organization of this province. You know Doug will do it again.

Mr. Speaker, well I will tell you if you wouldn't play politics in every little snide thing you do you wouldn't - the one time we have gumption enough to get out and do something that this minister and the department have never done and that try to sell our product any place. I tell you, you have hurt the feelings of a lot of people. You have hurt the feelings of the people who elected Boyd Anderson as president of the SARM. You hurt the feelings of the Saskatchewan Wheat Pool and the SFE and if you think that Bill Marshall isn't capable of representing the people of the province, if you think that the NFU that got out one-half or 2 per cent, represents the people of this province, Mr. Minister, you are badly mistaken.

You have withdrawn funding and you have withdrawn it right at a time that will destroy the centre set up in Montreal, Toronto, Vancouver, to sell our product, to promote it to the consumers. You have destroyed it by cutting the budget by 75 per cent. You have done it . . . oh, you haven't, have you? When you cut budgeting on budget time 75 per cent . . . Oh yes, you have. Why don't you contact the industry, they just cut their budget. They fired their home economist in this province who goes around to the fairs, who goes and puts on displays to sell beef and that. They just fired her. Why don't you check? You just sit there, you don't listen to the beef industry. You say you haven't done it! My God man, you have done it. You did it last year and this time you have finished the job.

When the people of this province asked to put up and tried to sell their products and do something that should have been done before you turn around because the NFU simply don't like it. They won't even sit on the board. Mr. Minister, you should be ashamed of yourself. You should be in touch with people. Why don't you consult the Wheat Pool and the SFU. Don't you believe the Wheat Pool elected honourable men for what the money goes? They approve this expenditure. You come up with a lame excuse and say, well the new committee may not approve it. My good gosh, do you think the old committee didn't have any brains! You don't think Boy Anderson has . . . (inaudible) . . . You don't think that the vice president of the Saskatchewan Wheat Pool has capabilities. You have also a member of your party, Ernie Spencer, who is a capable man who sat on there, who made the decision that you have overruled three years in a row.

**AN HON. MEMBER:** — We didn't.

**MR. ANDERSON:** — You certainly did. How can you stand there - you cut the funding last year and this year you just cut it by 75 per cent. You announced it. Then you stand there and say you didn't. You can lie once in a while but you can't lie against yourself.

Mr. Speaker, I can see that it is useless to try to convince the minister that he hasn't done any smearing, that he hasn't smeared the Wheat Pool, he hasn't smeared the SARM and the SSGA and the cattle people of this province. Therefore, I beg the minister to withdraw this and I urge all members to oppose this amendment.

**MR. BIRKBECK:** — Mr. Speaker, I . . . Mr. Speaker, the member for Wascana can bring anything to mind that is for sure. If you start off with that I know that we will sure be busting you up good and get a crack at you.

Mr. Speaker, I would just like to make a few comments in regard to Bill 73. First, Mr.

Minister, I don't think you need me to tell you that you are in a lot of trouble with this bill. You know that it is going to be here for a long time. The boys over there are wanting to wind up the session. I can guarantee you that this one isn't going through for a long time. If you want to stay here for two or three months, well that is how long it is going to take on this bill. Mr. Minister, you know that there is no support for these amendments that you have proposed for The Voluntary Cattle Checkoff Act. There is no support whatsoever. In your opening remarks today there were charges levied that there were requests by individual cattlemen, individual producers as to the allocation of spending in the question period you would not name any, you couldn't name one, you couldn't name an individual let alone an organization, so I think, Mr. Minister, it is very clear that there is non-support by the individuals. I think it is very clear that you are going to have to take some time, preferably this summer, draw up some new amendments to this bill introduced in 1970 and come back with something that is more acceptable to the cattle industry. The \$120,000 profit that is generated annually by the checkoff, it would have to be appropriated in a different way than you have it laid out now. You know, and I agree with you that is one of the concerns of the cattle producers - the appropriation of funds. The means by which it is collected is not all that bad; it is quite acceptable as a matter of fact. Previously the cattle producers were able to submit a request for a refund of their check-off. There were only about two per cent of those who never submitted a request for a refund.

Now, Mr. Minister, one part of the bill, the organizations I would say, all of the cattle organizations agree with is that clause of the which allows the cattle producers to opt out of the program in the point of time of delivery of their cattle. That is about the only part of the bill that is going to be accepted by the cattle producers.

I have to say that I would suggest that we have the support of the cattle organizations who oppose the consumer representation that you have. The beef information centre is providing adequate information and that was the prime objective, providing information on behalf of the beef industry, and they were doing that job. Now with these amendments they will not be able to perform both duties which they were doing on behalf of the cattle industry. Their funding has been reduced, and I was just in conversation with them today, they are closing down the space ahead of time, they are closing down space they had booked ahead of time, they have to book ahead of time to prepare and what not. They cancelled space that they already had and they are now not able to fund these projects. That is one of the reasons why I could be opposed to the consumer representation. I am sure that the cattle producers are quite capable of putting their argument forth to the consumers. Surely the consumer is not required to be on this board. It always reminds me of the situation when the CAC was so upset that the consumers of Canada lost some \$8 million because the formula which allows for two and a quarter cent profit a dozen of eggs was not adjusted quickly enough and that the producers made a few dollars. For any producer and, in particular, cattle producers to have consumers in a position to determine how much they should make on their product is unjustified and undesirable.

Mr. Minister, I want to go back to some of these charges that you say have been levied against the program. I am going to ask you, when you come back in debate on this bill, to specify what organizations or give us the names of some individuals or give us some petitions if you have any but give us proof of some organizations, of some support that you have for these amendments.

Mr. Speaker, there is no question that the cattle producers support the checkoff. If that is the wish of the cattle producer organization of this province, we support a checkoff.

It's a good program; it allows the producers to have some input into research and promotion of their product. Surely they need to be involved in the promotion of their product because this government and the federal government have taken no measures whatsoever to promote their product. Therefore, it is one of the reasons why we have such highs and lows of our supplies, whether it be livestock or grain because there is no input whatsoever from government in terms of promotion, not to the extent which is required to meet the production capabilities of the industry. For that reason, it gives you the opportunity to promote your national beef marketing board concept. This to me, Mr. Minister, in this bill, in these amendments, seems to be your way of attacking those organizations which are opposed to a national beef marketing board.

Now, Mr. Speaker, it's a good thing I've got a good big voice because even the Attorney General is having trouble drowning me out but I can speak over him, so if he wants to keep hollering, just go ahead, O.K. Now, Mr. Speaker, I think it is deplorable in every way to see a minister using the powers of this bill with a majority government to attack specific organizations which he is opposed to or concepts or philosophies which he is opposed to. That seems to be one of the underlying principles of this whole amendment; that seems to be the intent of it because I can't see what other intent there is for the amendment. You haven't really given me those reasons. Now, you say that you want to have Western Canadian Cow-Calf Association represented. I could understand the Saskatchewan branch of the Western Canadian Cow-Calf Association. You say you are for that and the Western Canadian Cow-Calf Association should be represented because possibly you are for that organization. We know you are not for the CAM organization. You are against that. Now the minister says I don't know anything. O.K. Mr. Speaker, we will get that on the record too because I am discussing amendments to a bill which are very important to the cattle producers of this province and while I am debating that, the Attorney General is yapping away as usual and the Minister of Agriculture shoots his comments across, 'The member doesn't know anything.'

I will tell you, Mr. Minister, I will be remembering that as I will remember the member for Yorkton (Mr. Nelson) when he made the comments about doing away with hospital services in Saskatchewan. We will all remember that one and we will remember what you just said, so if you want to get somewhere on this bill, sit there and keep your mouth shut.

Now, we know you are against the CAM and that is why it is not represented on this board. You are for the Western Canadian Cow-Calf Association and that is fine; I like to see you supporting organizations, as I have said to you before, I like you to support farm organizations which are attempting to do good on behalf of their industry in their particular section.

Now you state again that you are opposed to a national - support for the national organizations but the Western Canadian Cow-Calf Association involvement in essence says that you are in favour of the semi-national so I do not think you are quite clear on that and who should exactly be represented on the board. I think that you are going to have to take a very close look at that. You are going to find that as time goes on, Mr. Minister, that you will have to change the representation of that board because that board has been changed in such a way as to suit your means, Mr. Minister, your political means.

Now, Mr. Minister, what you are going to have to do to suit the industry is to allow that board to have the power to allocate its own funds and you have taken that away from them. You had veto powers before, which thank goodness you didn't exercise to a great

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degree — I think two or three times. But by the looks of this new bill, it won't be the board that is going to be making the decisions; it is going to be yourself. It is going to be their funding and I say that they are responsible and should be responsible and should have the authority to see how their own funds are spent, and not you, as Minister of Agriculture.

Now the member for Morse, I was glad to see, has finally come to the realization that this government in any number of ways and in this particular way, is interfering with the free enterprise system in the cattle industry. He has just wakened up and realized that that is what this government does from time to time and quite consistently.

Mr. Minister of Agriculture, as I have said to you, on a number of occasions, there is hardly a week goes by that there isn't another crack at the agricultural sector, hardly a week - demurrage charges, increased elevator handling charges, our transportation system, shortage of box cars, one thing after another. I have been asking you as Minister of Agriculture to take some form of leadership and stand up for agriculture in this province and go to battle with those people and see what you can do.

What have you done? You have turned around and you have come right back and given another crack at our own agricultural industry in the province of Saskatchewan.

Mr. Minister, I think it goes without saying that there is going to be a lot more that I want to say on this bill and, Mr. Speaker, for that reason I beg leave to adjourn debate.

Debate adjourned.

## **COMMITTEE OF FINANCE - DEPARTMENT OF MINERAL RESOURCES — VOTE 23**

### **ITEM 1**

**MR. E.F.A. MERCHANT (Regina Wascana):** — Mr. Chairman, I wonder if the minister would be kind enough to give us details of the planned taxation rate on coal.

**HON. J.R. MESSER (Minister of Mineral Resources):** — Mr. Chairman, I think that will be somewhat difficult as the policy pertaining to coal is still under review and under discussion with the coal industry in the province of Saskatchewan. I have said that we would hope to be able to announce that policy some time in late summer or early fall. There will be a coal conference held and I believe it is in Nova Scotia in September and it is fully expected that at that point in time we will be able to discuss the decided policy for coal in the province of Saskatchewan.

**MR. MERCHANT:** — The impression left by the minister when you spoke at the Sheraton Hotel earlier this week was that the decision was imminent and that the coal policy would be down quickly. Are you suggesting to me that there will not be a decision and that the coal policy will not be down until some time this fall?

**MR. MESSER:** — Well, the member for Wascana may have interpreted something differently than did those who attended the coal symposium. They I am sure, are fully aware that my remarks were to be interpreted to mean that some time this summer, certainly by early fall, we would be able to announce or would have announced by that time and would be able to discuss the coal policy of the province of Saskatchewan.

**MR. MERCHANT:** — Can I have the minister's assurance that we will continue with the

nickel tax and that there won't be any retroactive provision to the new taxing?

**MR. MESSER:** — Well I certainly can't give the member any assurance that we are going to continue with the nickel tax. I think that the facts speak for themselves in regard to that tax. It is probably the lowest royalty on coal of any province in Canada. There would be real legitimate reasoning to increasing that royalty and that will be part of the announced policy. We have no intentions at this time of introducing any kind of retroactive royalty pertaining to coal.

**MR. MERCHANT:** — What level of tax exists in British Columbia and Alberta?

**MR. MESSER:** — I want the member to keep in mind, when I give him the British Columbia and Alberta royalties or taxes as he relates to them, that it is for thermal coal hours. It will be, for a lignite coal, much inferior by comparison. But in British Columbia the tax is in the neighbourhood of \$1 per ton; in Alberta it would range between 50 cents and \$1 per ton in all instances for thermal coal.

**MR. MERCHANT:** — I had the great pleasure to buy a couple of thousand shares of Coleman Collieries at about \$17 and then when the Alberta government was kind enough to increase their taxes I watched it drop to about \$12, more or less over night. I ask the minister whether you anticipate moving to that kind of level of tax and whether you anticipate as well that the effect will be similar to the effect in Alberta, which was to cut back on expenditures and make the industry there reluctant to move forward. Indeed part of the interest in Saskatchewan has been, because of the comparative difference in the taxing rates; though I know that to some extent we are talking chalk and cheese because we are talking about different kinds of coal; the interest of the industry has in large part flowed from the fact that we do have this nickel a ton rate. I am not particularly suggesting that the nickel a ton is something that would be maintained but, having in mind the strangulation levels of tax that the government seems fond of whenever they are dealing with any company in the resource industry, I ask whether the minister intends to increase the tax in the same dramatic way that they increased the tax in Alberta. Because I suggest to the minister that if you make that kind of dramatic increase in tax, the expansion in the coal industry, which in large part laid dormant for some decades, will be snuffed out in much the same way that you snuffed out the expansion in the oil industry, Bill No. 42 and, subsequent to that, Bill No. 47.

**MR. MESSER:** — Well, Mr. Chairman, let me firstly say that Alberta's problem significantly emanated from the fact that there was not any attempt to have good dialogue or satisfying consultation between government and industry before they introduced the increase in taxes and royalties to the industry. That, I am told, is now being resolved, unfortunately the consultation taking place after the fact.

The industry has conveyed to Saskatchewan that they are most pleased with the ongoing, granted lengthy, but ongoing discussion that they have had with the Department of Mineral Resources in formulating the coal policy for the government. They are fully aware and have expressed to me, and on other occasions to industry gatherings, and I guess to the public in general, that they expect some increases in the royalty; I think that I could say some significant increases.

We are not in a position at this point in time to say just how those increases will take place or whether they will be of the magnitude of the increases in the province of Alberta.

**MR. MERCHANT:** — Since the minister has already entered into certain negotiations and the industry in a fairly widespread basis probably has an idea of the possible levels of tax, would you be prepared to disclose, in ball park figures, the kind of levels of tax that you are proposing? It seems to me to suggest that if the industry knows that they are going to be facing a 500 per cent increase or 1,000 per cent increase or perhaps a 2,000 per cent increase, it is not inappropriate that the public be advised at least in general of the kind of level of tax that you are considering at this time.

**MR. MESSER:** — Well, with all due respect to the inquisitiveness of the member for Wascana, I again bring to his attention the good rapport that we have established with the industry, or the industry with us. We have not, during those discussions, alluded to hypothetical increases in taxation either in real terms or percentage terms. I think that it would not in any way enhance those ongoing discussions to say here that the tax will be X percentage of the value of coal sold or an increase of 100 per cent which really is not much. I mean it can be misinterpreted by those who do not realize that the royalty is now 5 cents a ton, 100 per cent making it 10 cents a ton. The percentage increase is very significant but the increase in real dollars is relatively small. I think that it would deteriorate the rapport in the consulting process, the consulting process that we have attained with the industry and it would not be wise for me to suggest what we may be considering at this point in time.

**MR. MERCHANT:** — Mr. Chairman, I don't want to prolong what may be an important area but probably isn't a very easily understood area. But what possibly could you be discussing with the industry if you had, as you are so fond of calling them, ongoing discussions with the industry which I assume means two or three or four or five meetings and you've never even mentioned to them the level of tax that you propose. Have you sat down and said, look, I guess we'll have some increases in tax and after you've done that what lack is there to discuss? I say to the minister, are you looking for a five-fold increase or a ten-fold increase? If you had a ten-fold increase you would be moving from the bottom range of the level of the two provinces to the west of us. Are you looking at 20 times the increases, then you would be moving to the top end. Just in ball park terms, is it going to be five times the tax or ten times the tax? Surely, you have given some indication to the industry of what you propose to do.

**MR. MESSER:** — Well, I think the member should ask the industry whether they think they have meaningful discussions with the province. I think, without exception, they would say, yes. For him to suggest simply because I don't provide him what we think the change in the taxing structure will be that that means we have not been discussing anything relevant with the industry is incorrect and a false assumption. Let me say that when we talked to the industry we are talking about what structure of tax that they might see most appropriate, what structure of tax we might be able to introduce with the least implications. We are talking about their current rates of return in order to amalgamate information as to what level of taxation we might be able to consider.

We are also talking to them about what the market will bear because I think it is safe to assume that some, if not all, of the tax that is imposed on them will be passed on to the ultimate consumer, at least an attempt will be made to do that. At that point we have to be very cautious in Saskatchewan that a significant portion of our coal is consumed here to generate thermal electricity so that the increase will have to be related to what offsetting effect that might have on electrical rates in the province of Saskatchewan. These are the subject area that we are talking about, the kind of information we are seeking so that we can then with some greater assurance put together a formula, a

system and the rates that would be used in the introduction of that system for coal in the province of Saskatchewan.

**MR. MERCHANT:** — Mr. Chairman, I don't want to prolong this area as I want to move to the second area and that is uranium. I will begin, not at a general but at a specific level. The minister announced yesterday a purchase indirectly by Eldorado Nuclear of holdings of about \$175 million. As I understand it that results in a profit to one of the shareholders in the holding company of about \$80 million. One shareholder holds 45 per cent of the stock and will personally end up with approximately an \$80 million profit. I ask the minister, what kinds of guarantees were given to Eldorado Nuclear? I say to the minister in this House what I said yesterday and said to the press, that surely the minister must think us and the public very gullible if they believe that Eldorado Nuclear would invest \$175 million or thereabouts, without the prospect of being assured that the government intended to see to it that they were allowed to develop those profits. I say to the minister that you made a mockery of the Bayda Inquiry with your responses in the question period in this House. You made a mockery of the Bayda Inquiry with the comments that you made in the Press Club some weeks ago and if words didn't make it mockery enough, you made a mockery yesterday with your indication that Eldorado Nuclear was proceeding in this manner. You said in this House that you need not exercise your option until after the Bayda Inquiry has brought down its results. You indicated that in the House and I asked whether that was true, if you had some kind of an extension. Then after having said those words in the House, and I don't particularly recall when, you then came back yesterday and very clearly indicated that regardless of what the Bayda Commission may do, you intend to allow uranium to be developed in this province. Regardless of safety or regardless of the recommendations of your commission, I ask the minister why you would have chosen to embarrass the commission, why you chose to form the commission in the first place if it were your intentions to ignore whatever recommendation may be forthcoming and I ask lastly, what guarantees did you make to Eldorado to persuade them to proceed in the ways that they have?

**MR. MESSER:** — Well, Mr. Chairman, firstly, let me say this. I have in no way undertaken to embarrass the Bayda Inquiry nor have we in any way jeopardized its deliberations. If the member for Wascana may think so, he must have found a new word in the dictionary today, mockery, the last two minutes he said it 18 times and that's just absolute nonsense . . . (inaudible) . . . Anyway, Mr. Chairman, the member says what guarantee did we give to Eldorado Nuclear because no company would undertake to risk a \$170 some odd million dollars, Canadian, \$158.5 million U.S. unless the provincial government gave to them some verbal or written guarantee that it is not being conveyed to this Legislative Assembly or the Saskatchewan people in general.

I say to the member's accusation that it is totally unfounded, we have given absolutely no guarantee, no guarantee whatsoever, Mr. Chairman, that uranium mining may take place in the province of Saskatchewan. Eldorado Nuclear is out there risking their money on their assumption that mining should go ahead in Saskatchewan. And that, Mr. Chairman, is absolutely no different from when they originally made the offer to Inexco for \$158.5 million. And I note that for the member for Wascana, that's way over his head because in his undertaking he suggested we had to give a guarantee to Eldorado before they would pay that kind of money, that it would also be realistic to assume that he had to give a guarantee to Denison before they could make that kind of an offer, and the answer to that, Mr. Chairman, is that we made no guarantee to Denison either. If the member took the time to read the press releases in regard to the proposal he would know that the only money that is committed \$1 million and if the

deposit is not up to the expectations of the selling partner, then the deal does not go through. If Bayda recommends no uranium mining and subsequently the government recommends no uranium mining in Saskatchewan, then the deal does not go through and they are not obliged to buy. Now those were the conditions of the Denison deal first, that is the condition of the purchase for Eldorado. So, Mr. Chairman, I went to make it perfectly clear here that we have given no guarantee, no assurance to Denison or Eldorado Nuclear or for that matter to anybody actively involved in the exploration or development of uranium in Saskatchewan that they can be assured that mining will proceed in this province.

**MR. MERCHANT:** — Did you say in this House that there was no problem with the exercising of the option because you had indeed an extension of the option to allow consideration after the Bayda Inquiry came in. Did you indeed not exercise your option after Bayda?

**MR. MESSER:** — Mr. Chairman, what I said, I said on March 21st, I said this in reply to a question by the member of Lakeview, 'I don't believe that we will be undertaking to give consideration to our right of first refusal until the Bayda Commission have had the opportunity to report, and the government has had an opportunity to consider what its position will be pertaining to uranium mining at that time, March 21st.' Mr. Chairman, we fully expected that the Bayda report would be conveyed to the government in a matter of weeks at that time. It did not seem unreasonable to say that we would not exercise our right of refusal until we had the opportunity to see what Bayda and his committee were recommending. That assumption could be wrong, and the time is running out on that 60 day offer. In order to not jeopardize the Bayda Inquiry in any way in order not to bring about some questioning of the credibility of either the government or of SMDC. Our choice was to undertake to exercise that option and pass that option off to Eldorado Nuclear who were willing to purchase that one-third interest without any commitment from the government as to whether mining will take place. That is the situation as it is today and I think that is the only way for the government and SMDC could have credibly have handled the matter. To neglect in undertaking to exercise this option would have brought about perhaps the loss of a third interest in a very significant body of uranium and if development does go ahead, would leave us subject to some criticism. I take note that the member for Wilkie keeps on saying that we made a mistake by the very virtue of the offer for a one-third interest in the Inexco shares alone of \$158.5 million U.S. When you take into consideration that SMDC has committed in total to uranium development up to this point in time, something in excess of \$14 million, it rebuttals me as to how she can say that the activity so far to date by SMDC has been a mistake because the return there is something tenfold over what our investment is. If the development does go ahead certainly there will be much more significant rewards than that, because the \$158.5 million U.S. still leaves a very significant margin of profit for those who will be involved in the mining and selling of uranium, if mining does take place in this province.

**MR. MERCHANT:** — Mr. Chairman, is the minister saying that you did not, in response to (I forget the date and exactly the question) that you didn't say in response to either the member for Regina South or Regina Lakeview, that the time did not start to run until after Bayda came in? You had protection from the time running out and that you had negotiated some extension or had protection in some way. Are you denying that you said that in this House?

**MR. MESSER:** — Well, the Denison offer is conditional on Bayda as is the Eldorado Nuclear offer and I have before me a statement that I made on the day that Denison



announced that they had made an offer to Inexco for \$158.5 million. As I pointed out, before the member for Lakeview came into the House, in response to a question that he asked. I said that I didn't believe the government would be undertaking to exercise its first right of refusal until after we had the benefit of the Bayda Report. We assumed that Bayda would be conveying his report to the government . . .

**MR. CAMERON:** — No, no.

**MR. MESSER:** — Well, the records speak for themselves, Mr. Chairman. The records speak for themselves and I think that it was only logical to assume that if the Bayda Report was expected to be tabled within a matter of days if not weeks, that we would have time within the 60 days to give consideration to what we wanted to do as far with our right of first refusal. The contract and the understanding between SMDC and Inexco and the other partner, Uraniers is very clear, in that we have 60 days in which to exercise our right of refusal if an offer is made by an outside party. We had hoped that we would have the benefit of the Bayda Report before that had to be done. That has not proven to be the case, Mr. Chairman.

**MR. MERCHANT:** — Mr. Chairman, I don't know whether the minister is misrepresenting the situation now or whether he was deliberately misrepresenting the situation then, but he had clearly said and he had clearly implied that he had protection regarding the Bayda Inquiry and, Mr. Chairman, the whole context of the question was, how does the delay in Bayda affect the uranium industry? In response to that the minister is relatively clear. Now he comes back to us and says, no that is not what I meant. Now you said that you had protection against Bayda and now, Mr. Chairman, I suggest the minister is trying to weasel out of what he said and the clear implications that he left with this House.

**MR. MESSER:** — Well, Mr. Chairman, I ask the member to look at Hansard and see where I said that because I don't find that and I do admit that I left the impression that we would not be making a decision until Bayda, until we had the benefit of the Bayda report because we assumed that it would be available to the government within the immediate future. It was not. The 60 day time limit is running out, in fact runs out May 28th and we have to find some other means of contending with the 60 days right of refusal.

**MR. MALONE:** — I would just like to provide the minister with some information in connection with this particular point being debated. I am referring to March 21 Hansard, 1978, I just want to quote to the minister and I ask the members of the House to determine whether or not the minister clearly indicated to this House, that the time for exercising the option ran from the time Bayda came down. Quoting from the Hon. J.R. Messer:

I believe that one of the most important options of the Denison proposal relates to the outcome of the Bayda Inquiry and ultimately the decision of the government in regard to uranium mining in northern Saskatchewan. I don't believe that we will be undertaking to give consideration to our right of first refusal until Bayda has the opportunity to report and the government has had an opportunity to consider what its position will be pertaining to uranium mining at that time.

**MR. MALONE:** — Supplementary question, Mr. Speaker The story, (That was a Leader Post story) does indicate Alberta properties. I thank the minister for the information that it is strictly Saskatchewan we are concerned with at this time. A twofold question, Mr. Speaker. It is apparent that if Bayda does

not come down within 60 days with his report, the government is going to be put in an awkward position, to say the least, with the 60 day first right of refusal period.

I asked another question and here is your answer.

**MR. MESSER:** — Mr. Speaker, I can recognize the observations made by the Leader of the Liberal Party, that perhaps the 60 day option in its relation to the Bayda report coming down may present some problems. I don't believe that it would be credible for this government to undertake to endorse in any way, either for or against the proposal that Denison has made to Inexco, until we have the opportunity to look at the report that we expect shortly from Bayda and this government to come to a decision in relation to whether or not there is going to be uranium mining in northern Saskatchewan. To do anything else, I think, is not really conclusive with regard to the proposal that Denison has made to Inexco. We first have to have the benefit of the Bayda Report. We secondly have to be able to have the opportunity to decide as a government whether or not there is going to be mining activity in northern Saskatchewan, particularly on these properties.

That is not enough, Minister. You said in reply to the member for Regina South, Mr. Cameron, on April 3rd, these are your words:

**MR. MESSER:** — Well, Mr. Speaker, if the member is asking if the right of first refusal that SMDC has with regard to the Key Lake shares will not be exercised. Well then, if the member is asking for some assurance from the government in regard to endorsement of the proposed sale by Inexco to Denison, it would not come about until after the Bayda Inquiry gives its report to the government and the government makes its decision in regard to uranium mining. If that is the member's question, the answer is, that the terms and conditions of the proposal by Denison to Inexco for the sale of the one-third interest Inexco holds, is subject to the Bayda Inquiry's report and the ultimate decision of the government of Saskatchewan. That is in fact, Mr. Speaker, a term and condition of the proposed sale.

**MR. MALONE:** — Now surely, Mr. Minister, the only logical conclusion that anybody can come to from reading your remarks, is that you had a period of time of 60 days or whatever, to make up your mind after Bayda came down with the report. That is why I pressed you today in Crown corporations about it and that is why we are pressing you now. You clearly misled the House. Indeed, to add further to the situation, the managing director of SMDC, Mr. Francis, was quoted in the newspaper not one week ago, on the financial page, indicating at that time that the option period was fast running out and that's why you had to make a decision.

So you have done two things, I suggest, Mr. Minister. A number of weeks ago in April and in March, you misled the House by your responses to our questions and secondly, you have come to your decision as to whether or not you are going to take up the right of first refusal without the benefit of the Bayda Report - things you said you would not do quite categorically, in responses to questions I asked you and the member for Regina South asked you.

**MR. MESSER:** — Well, Mr. Chairman, I want to say that the remarks are misleading in interpretation. Let me say and I could use what the member quotes. I said, we first have

to have the benefit of the Bayda Report - first have to have the benefit of the Bayda Report. And all of this discussion, Mr. Chairman, takes place assuming that the exercising of our option is for SMDC to purchase an interest in Inexco shares that are held by the Key Lake joint venture. I ask the members opposite to bring one shred of evidence forward - the member for Regina South, the member for Wascana, the member for Lakeview - to show that this government has in any way exercised in option to purchase any portion of the Inexco interest in Key Lake. None whatsoever. None whatsoever and that is what we are talking about. Has the government or has SMDC undertaken to exercise an option to purchase a share of the Inexco interest? And the answer to that, Mr. Chairman, is very clearly, no. No. Yet we have 60 days after an offer was made by an outside party to exercise our right to purchase, our right of first refusal. Our only alternative, because Bayda has not reported, is to exercise that right and foreclose that to someone else who is acceptable to us, in this instance Eldorado Nuclear, who are prepared to risk their money and whatever other conditions go along with the conditions of purchase that Denison made to Inexco, in between now and the time Bayda reports and in fact the time the government makes its decision as to whether it will undertake to allow an extension or expansion of mining in the province of Saskatchewan, so I don't want the members of the Liberal caucus to mislead this legislature or the people of Saskatchewan, to suggest that I have done something improper or that I have misled this House, by saying we commit ourselves to an agreement of 60 days before we exercise our right of first refusal and/or purchase. We have purchased nothing. We have exercised our right of refusal but we have purchased nothing. To try to allude that we have made a deal with Eldorado Nuclear, that mining is going to go ahead, just has no credibility and there are no facts to back that up.

**MR. MALONE:** — Mr. Chairman, I can see the Minister digging the hole deeper for himself. What you did yesterday, according to your announcement, is you exercised your right of first refusal. You said to Inexco O.K. we are going to buy on the same terms and conditions as Denison made their offer to you on. That's what you did. You then turned around and assigned your right to Eldorado which was entirely within your rights to do. But the point is, Mr. Minister, is that you did the things which you denied that you did. You could not have done them in a more dramatic way than by getting up, I understand, in this House yesterday and announcing it, by going on TV saying exactly what you did. By doing that it proves our statement that you badly misled this House in April and in March.

**MR. MESSER:** — All of that is conditional on Bayda. And SMDC does not have 1 percentage greater profile in the Inexco, in the Key Lake development today than it had 48 hours ago. Not at all. And I have always said that any further acquisition of shares in the Key Lake uranium deposit will be conditional on Bayda and the decision of the government as to whether or not we mine uranium in Saskatchewan - further mine uranium in Saskatchewan. That was my position on April 3; it was my position on March 21; it is my position today as well my position yesterday, when I made the announcement about the transfer of that one-third interest through to Eldorado Nuclear.

**MR. MALONE:** — Why did you make the decision yesterday? If you have the right to wait for Bayda to bring down his report, why did you act yesterday? Answer that.

**MR. MESSER:** — Very simple, Mr. Chairman, because we can wait but our 60 day right of first refusal starts at the time that Denison made the offer. On May 28 that 60 days is in fact up. We therefore would have relinquished our right to purchase, if Bayda had been here, a further interest in the Key Lake joint venture. We, wanting to retain some

profile in that operation and to choose partners who would give us some list problem in regard to the mining because it has been announced publicly by Denison that they wish to be the operators when we already have the other third partner, Uraniers, as the operators, that if Eldorado Nuclear were willing to take the risk to purchase subject to the terms and conditions that Denison proposed to Inexco, that they then could do so. But that in no way, committed, implicated or involved the government or SMDC either in the decision of making a policy to further mine uranium or to preclude what Bayda will be recommending in his report.

**MR. MERCHANT:** — Mr. Chairman, I have seldom seen the minister so weak in his remarks and in his logic so convoluted. He says first, that he didn't misrepresent the matter to the House and that really is the question that is before the committee at this time. Did you represent the matter to the House? Clearly you did. Then, when the minister realizes that he is in trouble because of the remarks that he made on March 21 and April 3, and I get the impression, Mr. Chairman, that he didn't even check the records of the April 3 remarks. Then he says, no, we didn't really buy anything. So nothing has changed. Then not one minute later he gets up and says, yes, we bought and passed it over and that is the way we have maintained our interest.

Everything that the minister has been saying for the last 15 or 20 minutes is a meaningless and hollow red herring trying to change the fact that on March 21 and April 3 he misrepresented to this House the nature of the situation regarding the Bayda Inquiry and the rights of exercising the option. He clearly, Mr. Chairman, told members of this House, in question period when we were asking for this very reason, he clearly said, 'We have the right to wait until after Bayda . . .' That is the impression that he left. That is the impression that he intended to leave so that all members would know that he didn't consider there was any additional pressure to be placed on Bayda to bring down their decision.

Now, Mr. Chairman, it becomes obvious that he knew that he had to decide before May 28. Now I ask the minister, did you deliberately mislead the House or were you misinformed when you made the statements on March 21 and April 3? Because no fair reading of your comments on March 21 and April 3, could lead anyone, including hon. members, to any view other than the view that we have been expressing, that you wanted us to believe that you had time after the Bayda Inquiry, time if the Bayda Inquiry was six months hence. The context of your remarks was, we really don't care what happens with Bayda, Bayda isn't under any pressure. We can exercise the option with Inexco whenever Bayda brings down his report. That was the impression that you intended to leave and the impression that you did leave.

Now, I say to the member, did you not understand the situation or were you deliberately trying to dissemble, to leave some false impression, to dissemble to the House because you thought that was . . . that is a polite word for lie, Jack. You want to write that down . . . Now I ask the hon. member, were you dissembling when you made these remarks in the House or did you not understand the situation when you made your remarks on March 21 and April 3?

**MR. MESSER:** — Mr. Chairman, I fully understood the situation as I understand it now. I did not mislead the House at that time. I have not misled the House during the interim, nor am I misleading the House at this point in time.

The member says, or tries to leave the impression that we and/or Eldorado Nuclear had bought something. In effect we haven't bought, nor has any party bought anything yet

until the terms and the conditions of the Denison proposal have been met. The most important of those terms and conditions is that the Bayda Report - and I want the member for Regina Wascana to listen carefully - that the Bayda Report recommend that uranium mining development take place in the province of Saskatchewan, 1. 2. That the government of Saskatchewan announce a policy which would allow further uranium mining activity in the province. Then they will be able to do something with some minor terms and conditions buy the Inexco interest. At this time they have bought nothing. They have not nor has SMDC, nor has the government of Saskatchewan.

Granted, I would much rather have had the benefit of the Bayda Report before us before we had to exercise our right of first refusal, but that is not a reality and Bayda has not yet provided his report. It is the same now as it was on March 21, that it will be coming any day and I have heard Mr. Bayda made some remarks about the matter of days or weeks that it may be made available. That was the situation we were confronted with on March 21, so granted, and I insist to this legislature, I would like to have had the Bayda report before we exercised our right of refusal but we just don't have that option open to us. The only other recourse we have is to exercise our option, pass that on to someone else so that we are in no way involved in predetermining or coming to a conclusion as to what Bayda may recommend or ultimately what the government's decision is. We have no money involved; we have no moral commitment; we have nothing committed in regard to the one-third interest that Eldorado Nuclear has proposed to buy from Inexco.

**MR. CAMERON:** — I think it is time that this whole deception with respect to Bayda comes to an end. On April 3 when I had proposed a matter for priority debate in the House it was to this effect, that there be a moratorium on further development in the North with respect to uranium until we had the Bayda report because it was apparent to all of us at that time that development and exploration of the expenditure of millions of dollars has been going on and continues to go on and that the uranium area in northern Saskatchewan was becoming, to quote reports at that time, 'one of the hottest uranium plays in the country.' It was evident to us that the pressures were building to such an extent that even if one took the government at its word that Bayda was there for the genuine purpose of determining whether or not uranium development ought to proceed and, if so, to what extent, then the pressures were precluding the government from coming to any other conclusion despite what Bayda said.

When I raised that in the House I was challenged by someone at the university who said to me that, after discussions with Agnes Groome and others on the committee, they were satisfied the Bayda Inquiry was never intended to make the decision as to whether or not uranium development ought to proceed in the province, that we were misunderstanding the conception of Bayda, that Bayda was there to educate the populace in Saskatchewan to uranium development, not to make the decision as to whether or not uranium development ought to proceed. And I naively suggested that that wasn't so, that the government had, in fact, been telling us all the while, as it told its own party when the matter originated, that the objective was for Bayda to do a thorough study of the situation and give the government some recommendations on whether or not uranium development should proceed and to what extent.

I have now come to the conclusion that the people at the university are right, that it was never intended that Bayda should be anything but an educational process. That is the process by which the public of Saskatchewan is, over time, softened to the prospect of uranium development extensively in Saskatchewan. That's exactly what it is. I've come to the conclusion personally that this has been an exercise in mass deception. You have led the people to believe that there is, in fact, an inquiry of some quality going on to

make some determination to assess whether or not we should permit uranium development and all the while that's not the fact. All they are doing is simply over time attempting by your device to educate the public to the inevitability of uranium development.

Tell me why there was some \$40 million or \$50 million spent last year in northern Saskatchewan on uranium development? SMDC this year allotted some \$40 million for exploration and development. Imperial Oil continues to drill and made some major discoveries last summer of 17 out of 19 holes, had a good show. Then we had a whole lot of additional staking going on, according to reports which the minister didn't deny when I asked the question in the House.

Dominion Securities has done a study and has predicted that the next year or two in northern Saskatchewan with respect to uranium was going to see a massive activity in that area and that northern Saskatchewan had become the hottest uranium play in the world. Millions of dollars to be spent by all kinds of companies, multinational corporations and SMDC of the act, \$163 million at stake for a one-third interest in Inexco. All of those things are clearly adding up to the proposition that we are going to have uranium development in this province and the only question that remains is, when, in my view irrespective of what Bayda says.

As I say I am sad to say that I have come to the conclusion, personally, that the whole exercise in Bayda is an exercise in deception by the government. When you first proposed the thing you will recall it resulted from the rather spirited debate in one of your conventions because the government at that stage wanted to proceed with uranium development. It was getting opposition and its most strenuous opposition was coming from some quarters of its own party. And the minister proposed, it is a compromise solution to that debate going on at your convention, that you set up an inquiry of some nature to look into the matter. You told your own convention that that inquiry would be an independent inquiry of quality, whose terms of reference would include the question, should we allow uranium development to proceed in the province and to what extent.

We can see now, looking back a couple of years later, that that was merely a device to forestall the bitter debate that was going on in your own convention; it was a device to educate the public, to soften up public response to an intention which the government had then and still has, and that is to permit uranium development in the province. And this last development with respect to the exercise of the option by SMDC, in concert with the federal corporation is absolute clear evidence. There can be no other conclusion, but that you fully intend to proceed with uranium development. The only question remaining is, when and to what extent?

I think the minister ought to discontinue the deception that has been going on in this respect and tell us exactly what the plans of the government are because it is apparent we haven't been getting those answers.

**MR. MESSER:** — Mr. Chairman, the member for Regina South is entitled to his conclusions. He may believe that the Bayda Inquiry was nothing but an educational process and I guess we will have to wait and see what Mr. Bayda and his committee recommend.

I am sorry to hear, though, that he is undertaking to preclude what I think a very credible

group of people have been trying to do in regard to the question of uranium mining and in the broader sense, proliferation and global implications that uranium mining and nuclear power has. But if he wants to conclude that that commission is nothing other than an educational process and a front for the government, he has the right to so do now, but I think that he will be sorry for those words when the Bayda Committee reports and the government has time to digest that report.

He, throughout his remarks, continued to say that I have misled this legislature, misled the province, in regard to the government's position pertaining to uranium. They have all quoted out of Hansard, out of the Debates and Proceedings, regularly throughout this afternoon's debate and I have used them myself. But I want to, again, for the members of the House quote what I said from the Debates and proceedings of April 3 and it is in response to the member for Regina South (Mr. Cameron), I said this, Mr. Chairman:

Mr. Speaker, firstly, the Premier pointed out earlier it would be improper of us to undertake to conclude what Bayda will be recommending to the government.

That stood then and it stands now. It would be improper for us to undertake to conclude what the position, the final position of the government is going to be. That was the situation then, Mr. Chairman, and it is the situation now. Let me go on and I quote:

We certainly are not misleading anyone in the province of Saskatchewan. All of those principals or interests who are involved in exploring and developing uranium in northern Saskatchewan know that this government's position is that they will not make a decision in regard to whether there will be additional uranium mining in northern Saskatchewan or not until we have the benefit of the Bayda Inquiry. So they are there risking their money and their time and their effort, pending the result of the Bayda Inquiry and the government of Saskatchewan's decision in relation to mining.

That is a quote of April 3, in Debates and Proceedings, in response to virtually what the member is today again reiterating. I said at that time that we have not made our decision. I said at that time that we are not going to undertake to conclude what Bayda may recommend before we have the benefit of his report and I say that today. I say that that is evidence that neither I, nor this government, nor SMDC has in any way tried to mislead either the members of this Assembly or the people of Saskatchewan in regard to the whole Bayda Inquiry and the whole question of uranium mining in Saskatchewan.

**MR. CAMERON:** — Don't tell me that these words are capable of any other construction than the construction we have put on them. You can stand there until Joe Lunchbucket expires and I can tell you that you can never convince us otherwise. Listen, I ask this question. In view of reports that northern Saskatchewan is now the hottest uranium play in the world, may I ask the minister whether he is prepared to give us an assurance that the proposed purchase by Denison of the Inexco properties, which requires your written approval under the terms of your agreements with Inexco, will not be given - will not be decided upon until after the Bayda report is in, and some decisions have been made in that respect. That was my question.

Your answer? Well, Mr. Chairman, if the member is asking if the right of first refusal that the Saskatchewan Mining Development Corporation has in regard to the Key Lake

shares will not be exercised, if the member is asking for some assurance from the government in regard to the endorsement of the proposed sale by Inexco to Denison, it would not come about until after the Bayda Inquiry gives its report to the government and the government makes its decision in regard to uranium mining. If that is the member's question, the answer is - now you listen to this - the answer is that the terms and conditions of the proposal by Denison to Inexco for the sale of one-third interest that Inexco holds is subject to the Bayda Inquiry's report and the ultimate decision of the Government of Saskatchewan. That is, in fact, Mr. Chairman, a term and condition of the proposed sale.

Now, you can put no other construction on those words except when we asked you whether or not your right of first refusal and your exercise of it was dependent upon receiving Bayda and some decisions made in that respect; you said, yes that was a fact. And you led us to believe that was a fact and I recall the day of the questions because we were somewhat puzzled as to how you could have a right of first refusal and how the government was in this position that nothing was sort of binding here until we got the Bayda report and after we had the Bayda report and the government had a chance to consider the position, then you were going to be called upon to make your decision. You led us to believe otherwise. You know, you stand and say I'm not misleading anybody and you ask us to believe that in the fact of that. Clearly it is a misrepresentation of the position then in view of your announcement yesterday.

**MR. MESSER:** — Well, Mr. Chairman, again when the member reads from the Debates and Proceedings I think he undertakes to use some of what I was relating to as the question, as in fact the answer. We will forgive him for that because I did not start my answer until the last four or five warnings. And I say, and I repeat again, the answer is that the terms and conditions of the proposal by Denison to Inexco for the sale of the one-third interest that Inexco holds, are subject to the Bayda Inquiry report and the ultimate decision of the government of Saskatchewan. That is, in fact, Mr. Speaker, a term and condition of the proposed sale and I don't deny that. I ask the member, have we undertaken to purchase a share of Inexco interest, do we today at this moment have a portion of the Inexco interests that we didn't have 48 hours ago, Mr. Chairman? We do not. We said that we would not in any way acquire and hold a further portion in the Key Lake interest until after Bayda had reported to the government and the government had come to a conclusion in regard to the finding of uranium in the province of Saskatchewan. Now the members may want to make an issue of the pass through, but all of this debate, all of these queries were based on the assumption that SMDC was going to acquire a more significant portion of the Key Lake holdings, all of that was based on whether or not we would acquire a greater portion of the Key Lake holdings before Bayda had reported, before the government has come to a final conclusion as to whether there would be uranium mining in Saskatchewan or not. All of that was on that assumption and that's correct. We at this point in time have not acquired any more holdings in the Key Lake property and we will not if we acquire at any time, any more holdings until Bayda reports and until after the government has reached a final conclusion in regard to uranium mining.

**MR. CAMERON:** — Well, let me remind you one last time of the question I asked you, because the question was asked with reference to your exercise of your option. That was the question I asked. I said this, give us an assurance that the proposed purchase by Denison of the Inexco properties which requires your written approval under the terms of your agreements with Inexco will not take place. Give us your assurance that your approval will not be given, will not be decided upon until after the Bayda report is in, then the government would make its decision. That was my question in response to



which you said, the answer is that the terms and conditions of the proposal by Denison to Inexco for the sale of one-third interest that Inexco holds is subject to the Bayda Inquiry's report; and then went on to say that that was a term and a condition of the proposed sale.

Now, I don't know how you can stand there and suggest to us any other construction but that you misled us in respect to that answer, given the nature of the question I asked. Now you were either dead wrong on that occasion, or for some other reason you made the decision yesterday. But one way or another you were either mistaken or you chose to mislead. I can come to no other conclusion.

**MR. MESSER:** — Mr. Chairman, the member can come to any conclusion he wants but I want the records of this committee to show that I was not mistaken, nor was I misleading and I suggest to the member for Regina South that the option was simply a red herring and I again go back, Mr. Chairman, to the fact that the whole discussion was based on whether or not SMDC would acquire a greater interest in the Key Lake holdings prior to Bayda or prior to the government reaching a decision on uranium mining. And I ask the members today, do we have any more, have we increased our holdings in the Key Lake venture and the answer is, no. And I think that that is consistent with my policy and with the policy of the government. We are awaiting Bayda and we are awaiting the decision of government before SMDC will give any consideration to acquiring greater interests. That's what we were talking about March 21, that's what we were talking about April 3, that's what I was talking about when I made the statement to the House yesterday and that's what I am talking about today, Mr. Chairman.

**MR. MALONE:** — Just answer two questions for me. I think yes is the answer to both questions. First, is it not true that Eldorado Nuclear acquired their interest in the Key Lake property as a result of SMDC exercising its right of first refusal with Inexco and then assigning their interest to Eldorado? I think the answer to that is, yes.

Second, is it not a fact that Inexco is going to be paid the consideration of some hundreds of millions of dollars by Eldorado notwithstanding what Bayda recommends? I think the answer to that is yes, as well.

**MR. MESSER:** — Well, Mr. Speaker, I will answer to questions any way I please. If I choose to answer them with yes or no . . . Look, I don't know whether the member for Lakeview has stopped beating his wife or not. Would you please answer yes or no? Don't be silly trying to convey to me that I have to answer questions yes or no, then you find the question where either answer is going to be embarrassing. I wonder whether you have? I hear that you are doing it quite regularly, Mr. Chairman, It's an embarrassing thing. Not only that but are you beating your children too? Was it your grandmother last weekend? Mr. Chairman, I think that is just stupid!

In answer to the second question, where Eldorado Nuclear according to the Leader of the Liberal Opposition, is going to be forfeiting millions of dollars regardless of the Bayda decision or the government decision as far as uranium is concerned is false. They are not. As I understand the contracts, there may be \$1 million forfeited but certainly not millions of dollars as the member alludes to.

His first question was alluding to whether or not the Eldorado Nuclear Crown corporation acquired that option to purchase a one-third interest by a pass-through or an exercising of the Saskatchewan Mining Development Corporation's right of first refusal. The answer is yes. That was the only way that we could undertake to

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disassociate ourselves from any implication in regard to the acquiring of a further interest in that property without either jeopardizing the Bayda Inquiry and/or the credibility of the government.

**MR. MERCHANT:** — The minister is just amazing in his performance today . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — First he says . . . Just amazing! He deserves all of that, any circus act of that calibre should get all the applause that you can give him. First he says that it is a red herring that he misrepresented the situation in the House. Then when he's clearly pinned on misrepresenting the situation in the House when he is clearly pinned, then he says, well that purchase was really a pass-through, it wasn't a purchase at all. I made a mistake last night on television. I made a mistake in the House. The minister talked about a red herring. He is as slippery as an eel, and in response to the last question, electric at the same time. The minister says that he hasn't embarrassed Bayda; well, he has certainly done everything he possibly can to embarrass Bayda and that commission. He says, I didn't give any undertaking to Denison or any of the other people involved, or . . . Well, you didn't need to after all the things you have said. You didn't need to make an undertaking when you made the undertaking through the press . . .

**MR. CHAIRMAN:** — Order, order!

The Assembly recessed until 7:00 o'clock.