

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Nineteenth Legislature

Thursday, April 12, 1979.

The Assembly met at 2 p.m.

On the Orders of the Day

WELCOME TO STUDENTS

MR. P.P. MOSTOWAY (Saskatoon Centre): — Mr. Speaker, I would like to introduce to this Assembly 26 Grade 8 students who are accompanied by Mr. Balon and Miss Kester, from Brunskill School in Saskatoon. Brunskill School is located in one of the better constituencies of the province, Saskatoon Centre.

I might add that I had occasion to practice-teach at Brunskill School a few short years ago and I found the school, the staff and the students, at that time, to be excellent. The latest reports that I've heard are that the staff, students, and other personnel there are still excellent. I welcome you. They apparently have been to the RCMP Depot and the Museum of Natural History and will be returning to Saskatoon today. Hopefully you will have a safe journey because I hear the roads are very treacherous. So, once again, I say have a pleasant stay here (I will be meeting with you later on) and do have a safe journey home.

HON. MEMBERS: — Hear, hear!

MR. J.G. LANE (Qu'Appelle): — Mr. Speaker, I have the distinct pleasure today of introducing two groups of students from the Qu'Appelle constituency. Both are from schools located in one of the many suburbs of the Qu'Appelle constituency, University Park here in Regina.

The first in the Speaker's gallery are 15 Grade 8 students from St. Dominic Salvio School in University Park. They are accompanied by Mrs. Vanderlinde, the principal.

Secondly, we have the students from Wilfred Hunt School, who presented this Assembly with the petition which was read by the Clerk a few minutes ago, dealing with the matter of brail symbols on elevators in public buildings.

I would like to say two things, if I can, about that particular group of students. First, I think we all commend them on their interest, and secondly, the son of our Clerk is a member of that class of students. Certainly they are watching with interest. I think we congratulate both groups on the interest which they have shown in the Assembly. We thank them for coming out on a day like today. I would like to thank the students from Wilfred Hunt for your effort and your interest. I think it is welcomed by all. We wish them both an interesting afternoon and again thank them for coming out in weather like this.

HON. MEMBERS: — Hear, hear!

QUESTIONS

Agreement with Medical Doctors

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MR. R. L. COLLVER (Leader of the Opposition): — Mr. Speaker, I would address my question to the Premier. The Premier will be aware that it is totally unacceptable, in collective bargaining negotiations, for management to pay any increase to union members before agreement is reached. As a matter of fact, it has been ruled an unfair labor practice in every jurisdiction in Canada. Do you condone the decision by the Minister of Health (Mr. Tchorzewski) to pay an increase of 8.4 per cent to the medical doctors before having reached agreement with them?

MR. BLAKENEY: — Yes, I do. I not only condone it, I commend it.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — The arrangements which we have with the Saskatchewan Medical Association, provide for consultations with the Saskatchewan Medical Association before the Medical Care Insurance Commission sets its payment schedule. Those consultations have taken the form of virtually negotiations. They certainly have been of the most extensive kind. A mediator recommended by the Saskatchewan Medical Association was accepted by the government and under those circumstances it seems to me entirely appropriate that the Medical Care Insurance Commission and the government should move to change the payment schedule under The Medical Care Insurance Act. To do so was in no sense a violation of the arrangements which call for a consultation as provided for in the act.

MR. COLLVER: — Nonsense. The Premier will be aware, of course, that the medical profession rejected the conciliator's report.

Are you not aware that this kind of attempted coercion, compounded by your previous bad faith in negotiating with the medical profession, which was outlined by the member for Souris-Cannington (Mr. Berntson) last week, will only serve to create further confrontation with the profession and further increase the already high level of doctor direct billing to the detriment of patient welfare?

MR. BLAKENEY: — Mr. Speaker, I am not aware of that. I would very much regret if members of the medical profession decided to increase the use of mode 3 billing. I think it does work a hardship on many patients and, accordingly, I regret that it has become a practice of organized medicine across Canada. I regret that it has been given encouragement by political leaders across Canada, by let us say the Minister of Health of Ontario, who says that he doesn't mind paying this and wonders why citizens do. It seems to me that type of thing, encouraged by political leaders across Canada, is bad, bad for patients. I certainly hope that it does not happen in this province.

SOME HON. MEMBERS: — Hear, hear!

MR. COLLVER: — Final supplementary, Mr. Speaker. The Premier will be aware that the medical profession in trying to negotiate in good faith with the Government of Saskatchewan has been frustrated at every turn. He will be aware of that. Will the Premier not agree that the suggestion that the government proceed on this basis without finally coming to an agreement with the medical doctors, especially in the light of the press report today in the Regina Leader Post of a proposed 33 per cent increase for MLAs, will do nothing whatsoever to further the negotiations with the medical profession and as a matter of fact, will cause very bad faith in that profession?

MR. BLAKENEY: — Mr. Speaker, I simply don't agree with the hon. member. I think that a

good number of the members of the medical profession have a case for an increase in their remuneration. This can be provided for certainly, in part, by increasing the payments schedule under The Medical Care Insurance Act. We have done that. We have done it pursuant to the legislation and we have done it pursuant to the recommendation of a mediator who was quite acceptable to the Saskatchewan Medical Association, indeed was suggested by them. I find it difficult to think that to accept the recommendations of a mediator who was suggested by the Saskatchewan Medical Association, to which suggestion we adhered, can be called a breach of good faith. I think it cannot be so characterized.

AN HON. MEMBER: — You've got a pretty warped mind if you figured that.

MR. BLAKENEY: — I think it cannot be so characterized. I think that the steps taken by the Medical Care Insurance Commission (MCIC) and the government will serve to increase the remuneration of positions in the order of an average of \$4,000 or %5,000 per annum gross and I think this will be welcomed by many physicians and will serve to deal with some of the problems that they have perceived in their remuneration.

Direct Billings — Saskatchewan Doctors

MR. E.A. BERNTSON (Souris-Cannington): — Mr. Speaker, a question to the Minister of Health (Mr. Tchorzewski). The minister indicated this morning that now over 6 per cent of MCIC payouts are mode 3. Compared to recent surveys, that translates into 50 per cent or better of our doctors in Saskatchewan using selective mode 3 billings.

AN HON. MEMBER: — Right on.

MR. BERNTSON: — What is your department doing to ensure that those people on fixed incomes in some financial straits have access to our health care system? What are your contingencies and what are your options?

HON. E.L. TCHORZEWSKI (Minister of Health): — Mr. Speaker, it is true that I indicated this morning at my press conference that the number of direct billings was at around 6 per cent. I did not say over 6 per cent. It is 6 per cent. I also indicated that a good number of those direct bills are being paid at 100 per cent because they are not being extra billed. That has always been a principle that has been incorporated and adhered to under the 1962 agreement and still remains. The allegation again or the suggestion by the member that 50 per cent of the physicians are billing on the basis of those figures is unfounded. It cannot be 50 per cent of the physicians and I can assure the member, it is not.

MR. BERNTSON: — What steps are you planning to take to improve the relations between the medical profession and MCIC (Medical Care Insurance Commission)?

MR. TCHORZEWSKI: — Mr. Speaker, other than these protracted negotiations and consultations that we have had, I do not believe that the relationship between the Government of Saskatchewan and the medical profession as members of the profession is in need of a great deal of improvement. We will continue to discuss with the medical association and its members any concerns that they have on this or any other issue that affects them as practising physicians. We have no intention of doing any less than that and I want to assure the member that it is my hope that with the implementation of a new fee schedule which physicians in the country are interested in so that they can get paid on the basis of a 1979 fee schedule, it is my hope that indeed,

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the direct billing will not go up. I have no way at this point in time of assuring that but we will watch it carefully.

MR. BERNTSON: — Final supplementary, Mr. Speaker. It is obvious that the profession's vote not to accept the MCIC offer was as a result of the animosity built up between MCIC and the medical profession. Would you not agree that a positive gesture to improve these relationship would be to fire Dr. Penman forthwith for his creating this situation?

SOME HON. MEMBERS: — Hear, hear!

MR. TCHORZEWSKI: — Mr. Chairman, I met with the Saskatchewan Medical Association president yesterday morning to discuss with him the situation that had resulted because the SMA had rejected the 8.4 per cent increase that was recommended in the proposal of Judge Muir. I asked at that time what it is that might settle an agreement. It was indicated to me, more money. I indicated that yes, we would be prepared to provide more money if it is a question of money, providing that they would assure me that there would be a stop to mode 3 or direct billing. I received a reply today that that was not acceptable and so, I therefore concluded that we must as a responsible government on behalf of Saskatchewan citizens who need health care and indeed on behalf of individual physicians, put in the 8.4 per cent schedule as recommended by the mediator as of about a week ago.

Uranium Mining Site near Prince Albert

MR. R. KATZMAN (Rosthern): — Mr. Speaker, a question to the Premier. A representative of Eldorado Nuclear is today meeting with an official of the R.M. of Buckland regarding the proposed uranium refinery in a forest reserve 16 miles from Prince Albert. Since it is a forest reserve controlled by your government, have you given Eldorado Nuclear tentative approve for this site?

HON. A.E. BLAKENEY (Premier): — No, we have not. I am unaware of the facts that the hon. member reports to this House, if indeed, they be facts. I say that we have advised Eldorado Nuclear long ago that we would anticipate that they would assess more than one site in Saskatchewan. If you tell me that they are assessing a site around Prince Albert, I have no reason to doubt what you are saying since no doubt they are assessing other sites but I am not familiar with the particular site you refer to.

MR. KATZMAN: — Supplementary, Mr. Speaker. You expect this Assembly, Mr. Premier, to believe that a corporation such as Eldorado would go as far as consulting with the local R.M. without having some assurance from your government re an agreement re the forest reserve?

MR. BLAKENEY: — Mr. Speaker, I am unable to respond to that question since I am not going to concede that anybody is talking about using a forest reserve . . . the facts put forward by the hon. member may or may not be accurate but if he is asking in his convoluted way whether or not the Government of Saskatchewan has agreed to the location of a uranium refinery in the forest reserve adjacent to Prince Albert, the answer is no.

Enforcement of The Companies Act

MR. G. MUIRHEAD (Arm River): — Mr. Speaker, I have a question for the Provincial

Secretary but in his absence I will ask it to the Premier. Would it be the policy of the Provincial Secretary's Department to enforce The Companies Act as it is written as of this date?

MR. BLAKENEY: — Well, not particularly. The Provincial Secretary does not enforce The Companies Act in the sense that if a company does not file, let us say, a form L or a form M there is no enforcement other than in due course to strike the company off the record if it does not comply. If, by enforcement, you mean whether charges are laid or anything of that nature, the answer is no. The Companies Act or The Insurance Act or other acts are not enforced that way. If by that you mean that failure to comply with the act may in due course lead to being struck off the register, the answer is yes.

MR. MUIRHEAD: — Supplementary, Mr. Speaker. Would the Premier then explain to me why section 77 of The Companies Act of the province of Saskatchewan which reads as follows:

that a register of shareholders be maintained, that all transfers of shares be recorded, that current addresses and occupations be updated. Any company is guilty of an offence if it does not comply with this section.

Why has this action not been enforced by the officials of the Provincial Secretary's Department in regard to CCF-NDP Publishing and Printing Company Ltd.?

MR. BLAKENEY: — Mr. Speaker, I don't think the hon. member understands just what the act requires. The act requires that companies keep their share register up to date . . . (inaudible interjection) . . . That's right. That means that when a transfer is presented to the company it must register it on its share register. It does not mean, it does not mean that the company has any obligation to go out and seek transfers. It does not mean, for example, if the hon. member for Nipawin (Mr. Collver) dies and is a member of a company, that that company has any obligation to see that the share is taken out of the name of the hon. member for Nipawin and put in the name of his heirs, successors or transferees. That is not an obligation of any company in Saskatchewan and the suggestion that the CCF Publishing and Printing Company Limited or any other company is guilty of an offence because it does not go out and solicit new information because it believes, on rumor, that one of its shareholders has died, is simply not the fact. The fact is that the company's obligation only goes so far as to record on its share register transfers which are put to it. That is the law.

SOME HON. MEMBERS: — Hear, hear!

MR. MUIRHEAD: — A final supplementary, Mr. Speaker. Can you then, Mr. Premier, tell me why this list I have received from the registrar's office says, certified as of March 31, 1979 and why half of them are dead? Maybe Mr. Kaeding is dead. I don't know.

MR. BLAKENEY: — Mr. Speaker, if the hon. member had listened he would have known; that is the share register the company has. If a share is registered in the name of Mr. P.G. McAra, and if Mr. P.G. McAra is, to your knowledge, dead, he is still not dead so far as the company is concerned unless someone has presented a transfer. And they are not indeed authorized, they are not permitted to change that unless someone has presented a share transfer. Now, unless you can show, or anyone else who criticizes that can show, that a share transfer was presented to the CCF Publishing and Printing Company Limited and was not acted upon, then the company is acting correctly. The hon. member is suggesting improper action on the part of the company if he suggests

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they should change their share registered without a proper transfer being filed.

Canasphere Recycling

MR. G. TAYLOR (Indian Head-Wolseley): — Mr. Speaker, my question is the Minister of Environment.

On April 5, when I questioned you regarding the fate of the Canasphere recycling plant, you indicated, and I quote from page 1389 of Hansard, your answer was:

I indicate to you that it is my information the costs to the Alberta Government for running the program is estimated at \$8 million a year, over and above the revenues that are gathered from the gathering of liquor bottles.

My question to you, Mr. Minister, is, I wonder where you get your information because I have checked with the province of Alberta and they indicate to me that their only involvement in this program is licensing depositories and the payment of a very minimal commission. Where do you get your information of \$8 million?

HON. G.R. BOWERMAN (Minister of the Environment): — Mr. Speaker, someone across the way was asking for information as to where I got the information. I indicate to the member that my information, as I did on that day, is that the cost to Alberta for operating the collection of liquor bottles and for the disposition of those, is exceeding their revenues by \$8 million. I say that was my information then and it is my information today.

MR. TAYLOR: — A supplementary question, Mr. Speaker. I would advise you to contact the Alberta government as I've just done. Would you not agree, Mr. Minister, that in a deposit refund type of system, with an available sale for the waste bottles in the glass recycling business, would reduce any involvement that your government has to have in a program like this, if you follow Alberta's lead to a point where your payment by your government would be at a level justifiable to the safe protection of our environment?

MR. BOWERMAN: — Well, Mr. Speaker, with respect to the question of environment, the collection of liquor bottles from the public areas of Saskatchewan and the assembly of those bottles, in relationship to the environment, is a matter that is under consideration by the Department of the Environment and at this point in time, no decision has been made either for or against moving into that program or not moving into that program. With respect to the more detailed examination of the development of a collection agency and a program related to Canasphere, the use of that glass as Canasphere is doing, is a matter that is under study by the Department of Industry and Commerce.

Any questions that may related to the development of an industry or the expansion of considerations in that regard should be directed to the Minister of Industry and Commerce (Mr. Vickar). Only those matters related to the environment really are issues which concern myself and the Department of the Environment.

MR. TAYLOR: — Another supplementary question. Do your remarks of today indicate a bit of a change in your position from the other day when you told me that your department is looking into this and exploring this? I am glad to hear that.

Another thought I have on this. Would you not agree that the possibility of a glass recycling business could lead to many other small businesses, offshoots from this in Saskatchewan? Therefore I think you department and the Department of Industry and Commerce, would you not agree, should be looking at this and looking at it in the immediate future?

MR. BOWERMAN: — Well, Mr. Speaker, I indicated to the hon. member that environmental issues are being considered by the Department of the Environment. We have come to no conclusion as to how to proceed or whether to proceed at all. The question with respect to the development of small industry or the spin-off results of the collection of liquor bottles is a matter which is under review by the Department of Industry and Commerce. It suggests that there is no change from the position which I took the other day.

Medical Exemption Certificates

MR. D.M. HAM (Swift Current): — Mr. Speaker, I would like to direct a question to the Minister of Health. Is the minister aware that handicapped people and those individuals unable to wear seat belts are required to pay for medical exemption certificates? In other words, MCIC is not covering this medical exemption.

HON. E.L. TCHORZEWSKI (Minister of Health): — I can't argue or agree with the member, Mr. Speaker. I am not sure what the situation is but I shall undertake to check with the Medical Care Insurance Commission on whether indeed those kinds of examinations are included in the schedule.

MR. HAM: — Supplementary question, Mr. Speaker. From the information of the minister, they are not. Would you not agree, Mr. Minister, that not allowing the handicapped to be exempt is discrimination and that you should take steps now to make these forms available at no charge?

MR. TCHORZEWSKI: — If there is a problem, Mr. Speaker, I am prepared to make some inquiries and check into it. If we can find a way to deal with the situation, we will be prepared to do that.

Sask. Minerals Partnership Deal

MR. R.A. LARTER (Estevan): — Mr. Speaker, a question to the Minister of Mineral Resources. In 1978, just prior to the election, Sask Minerals made a partnership deal with Petro-Canada which included Saskoil and Gulf Oil for the heavy oil work in the Lloydminster area and it pertained to some 500,000 acres. The oil industry is calling this a sweetheart deal. Would you agree with that, Mr. Minister?

HON. J.R. MESSER (Minister of Mineral Resources): — No, I would not, Mr. Speaker. The other oil industry has also been invited if they so desire to make proposals to the Department of Mineral Resources to undertake exploration activity in areas which, up to this point in time, have not been interesting for them. I have had discussions with other companies in the oil industry and they have not expressed to me during the course of those discussions that the Petro-Canada-Saskoil-Gulf arrangement for the 500,000 acres to which the member for Estevan makes reference, was a sweetheart deal. In fact the Department of Mineral Resources is now reviewing a number of other proposals from other companies, not as large as in that particular instance but nevertheless proposals which may ultimately come to a similar conclusion. I think it is a

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way of encouraging interest in heavy oil in Saskatchewan and enhancing our ability to recover heavy oil which we know is in place but not recoverable with the technology known today.

MR. LARTER: — Supplementary, Mr. Speaker, to the minister. The minister knows very well that on this particular deal on the 500,000 acres, Gulf Oil is the only one that was in on the deal. On a bid deal in Crown petroleum and national gas rights on April 3, the bulletin shows \$51.51, the highest per acre paid in a ten-year period. How in heaven's name does the industry or do the people of Saskatchewan know if this was a good deal for the government if there is no open bid on it? If there is no open bid on it, how do we know? There's \$51 an acre; you could have let that land go for \$30 or 10 cents an acre. How do the people of Saskatchewan know if it's a good deal or a bad deal?

MR. MESSER: — Mr. Chairman, the member for Estevan (Mr. Larter) and the Conservative caucus continue to amaze me. On one hand they say there is no activity here, no development in land and oil. The member now admits that the land sale brings the highest record prices we've seen in 10 years time. The highest prices in 10 years time!

SOME HON. MEMBERS: — Hear, hear!

MR. MESSER: — It's time he confessed that there's more activity in this province than he wants to admit. If the industry, Mr. Chairman, were upset with the 500,000 acre farm in deal between the three companies mentioned, they wouldn't be continuing to pay the high prices at record setting rates which they have been paying in the land sale.

SOME HON. MEMBERS: — Hear, hear!

ANNOUNCEMENT

Birthday Greetings

MR. SPEAKER: — Before orders of the day, I would like to bring something to the attention of the members of the Assembly which I know they will be interested in. Tomorrow, Friday, April 13, someone in this Chamber will be celebrating a birthday. It will be his 75th birthday. Now this person is older than this building; he's older than the province of Saskatchewan. But I am sure he is alive and all the people here know he is alive and will join me in wishing our Sergeant at Arms a happy birthday.

HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — I might say, in addition, for fear the Sergeant at Arms will be thinking that I am calling him an old man, that each day he takes part in a very historic and old ceremony, of parading the mace into the Legislative Chamber. So if you consider everything in its relative age, you will find he is a mere slip of a body compared to the process which he takes part in every day in this Legislative Chamber, namely, the parliamentary democratic process and its traditions and symbols, which he is part of in this Chamber.

For fear that anyone here will think Friday, April 13 is a bad day (or Friday or the 13th is a bad day), I just want to bring to the attention of some of the people in the Chamber that Thomas Jefferson was born on April 13. Thomas Jefferson was one of the apostles of democracy, the third president of the United States.

In the area of commerce, Frank W. Woolworth, who started the Woolworth 5 and 10 cent stores was born on April 13.

In the literary area, Samuel Beckett, who was a playwright, was born on that same day. Now I am not so sure that our Sergeant at Arms will reach all those heights, however, we feel he has reached a height of dignity and purpose in this Chamber. I am sure he will have a very happy birthday tomorrow, April 13.

HON. MEMBERS: — Hear, hear!

MR. J.G. LANE (Qu'Appelle): — Mr. Speaker, could we join with you in wishing a happy birthday? I might advise the Assembly, that in addition to that rather auspicious list that you have just read, there's one that may even be of more significance to future historians in that tomorrow is also the birthday of the member for Kindersley (Mr. Andrew) so that I'm sure that it will be just as significant.

SOME HON. MEMBERS: — Hear, hear!

COMMITTEE OF FINANCE — DEPARTMENT OF MINERAL RESOURCES — VOTE 23

ITEM 1 (Cont'd)

MR. CHAIRMAN: — Before we consider the estimates any further, the topics under review are two motions, a main motion and one to which there is an amendment. The debate on these two motions can go on concurrently.

Amendment negatived on the following recorded division:

YEAS — 15

Collver	Thatcher	McLeod
Larter	Taylor	Andrew
Bernston	Lane	Duncan
Katzman	Ham	Garner
Swan	Pickering	Rousseau

NAYS — 32

Blakeney	MacMurchy	Cody
Pepper	Banda	Koskie
Bowerman	Whelan	Lusfey
Smishek	Kaeding	Long
Romanow	Feschuk	Gross
Messer	McArthur	Nelson
Snyder	Allen	Engel
Baker	Vickar	Poniatowski
Kowalchuk	Cowley	Lingenfelter
Matsalla	Tchorzewski	Hammersmith
Robbins	Shillington	

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SOME HON. MEMBERS: — Hear, hear!

MR. PREBBLE: — Mr. Chairman, I'd like to continue speaking against the motion. I'm glad the hon. member for Nipawin does not want to take advantage of the information he could obtain.

I might say, if I could diverge for just a moment, that the PC amendment is a nothing amendment, and the reason I abstained was because you used the words "and only" and you established a very minimal set of conditions that were really nothing conditions because the so called safety studies that you asked to see are not here in Saskatchewan; they are with the Government of Canada and the Government of Ontario and European government, and there's very little you can do to hold the Government of Saskatchewan to those particular things.

Your main focus was very clearly on economics. You only added safety as an extra. It's a nothing amendment, Mr. Chairman, a nothing amendment and since it adds nothing, I could only abstain.

Now, to address myself to the main motion. One of the reasons I don't think we should be proceeding with further uranium development in Saskatchewan is because of the companies that we have mining in the North and the background of those companies and the decision by those companies, around the world, to exploit the peoples of the world wherever they have been mining uranium. I say those companies shouldn't be allowed to be proceeding in this particular industry in northern Saskatchewan.

We will look at Amok and Amok is 30 per cent owned by the French Atomic Energy Agency. We see that agency promoting the sale of nuclear reactors to Pakistan, involved in supplying the Government of South Africa with nuclear equipment, two governments that very clearly had intention of using nuclear facilities for weapon purposes. The French Atomic Energy Agency approved that and the French Atomic Energy Agency has a direct investment in Amok. I say we should have nothing to do with Amok.

We will look at Gulf Minerals, operating at Rabbit Lake and we see the Gulf Minerals is associated with a company that has decided to drill uranium mining shafts, in Mount Taylor in New Mexico, Mount Taylor being the sacred mountain of the Navaho people. Gulf has had the audacity and the immorality to decide to mine uranium in an area that was most precious to those native people.

We look at Midwest. We see that a major share of the investment there is with Imperial Oil, the company that had the audacity to ignore the requests of the federal government to assure supplies of oil to Canada, very recently, just a few months ago. Those are the companies that are mining in northern Saskatchewan and I say we should have nothing to do with those companies. I say we should send those companies packing because of their record around the world, which is one of disgust.

I want to make a couple of other comments about the multinationals and about the nature of this industry, because the uranium industry is one of the industries in the world that is most controlled, concentrated control by a few multinational corporations.

We see that General Electric and Westinghouse control over half of all world reactor exports. We see a situation in which the multinationals are often promoting nuclear

energy in the Third World. The same multinationals that are mining in northern Saskatchewan, are promoting nuclear energy in poor Third World companies because they are going to be getting most of the benefits from the electricity from nuclear generators in those countries. That is the reason, often, why you see a lot of Third World countries pushing for nuclear energy.

I think that we have to recognize here, in Canada, that one of the main reasons why we are seeing such a large increase in the number of reactor exports is because we have had a big slow down domestically in nuclear energy. We have had a big slow down in orders here in Canada and so the multinational corporations in most of the industrialized countries have put a lot of pressure on governments to make sure that industrialized countries begin exporting their reactors overseas because they can't sell them at home. And so we have had sales of reactors to some of the most questionable countries in the world and Canada has been very much a part of that.

I want to turn to another subject which I think is another very important argument why we shouldn't continue mining uranium in Saskatchewan, why we shouldn't have any further expansion in the industry. That focuses very much on the fact that from my point of view nuclear energy is completely unnecessary. It is not at all essential to Canada's needs or the world's needs. I think that has been very, very clearly documented. In the industrialized countries we face a situation where almost every country in the world would be much better off investing in energy conservation and placing its dollars there than in it would be in nuclear reactors. It has been very clearly proven by the Science Council of Canada and by all kinds of other international organizations that when one invests in energy conservation one can always save more energy than one can ever generate by building nuclear reactors. If you have \$1 billion to invest and you have a choice as to where you are going to place it, it is always more economical to invest in energy conservation. I say that is the route Saskatchewan should be promoting. At a Canadian level we should be pressing the government for major investments in energy conservation. We, in Saskatchewan should be setting an example by shifting our investment patterns, putting more emphasis on conservation and less emphasis on generating facilities. I say if you look at the needs of the industrialized countries which are the main countries to which Saskatchewan will be selling uranium, you very quickly see electricity does not contribute at all to 80 per cent of the end use needs the countries have in terms of energy. This is one of the fallacies the Bayda report fails to address. It's the simple fact that 30 per cent of our energy requirements in this country are for transportation fuel. Nuclear energy does nothing to contribute towards that. Another 50 per cent of our needs are in the area of low temperature heat, for commercial heating, for home heating, for hot water heating. Nuclear energy and electricity is a very, very inappropriate way of meeting those needs. It's silly to create temperatures of thousands of degrees by electricity to heat a home at 70 degrees Fahrenheit. That makes no sense at all.

So, Mr. Chairman, I say 80 per cent of our energy needs in this country do not require electricity at all. Nuclear energy only provides electricity and, therefore, it is a very inappropriate investment for the fundamental needs we have in this country. Clearly our needs are for new energy sources to replace oil and gas in the area of low temperature heat; solar energy is an already proven technology in that area. Our other need is for a replacement for transportation fuel in the long term and the obvious alternative there is methanol and other forms of biomass energy. Among the countries of the world, so many of them are not giving enough emphasis to these areas and Canada is an excellent example of a country that gives these areas very little priority in relationship to its proposed investment in nuclear power. I say we should sound the

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alarm in Saskatchewan calling for a major shift in investment priorities in energy, withholding our uranium from the market and encouraging the federal government to invest in energy conservation, solar energy, biomass energy and other safe alternative forms of energy. I might say that this is backed up by international studies around the world which I hope the opposition will be interested in because it is often said that the industrialized world has to look to nuclear energy in the future because they're running out of oil and gas and I tell the opposition and the members on this side of the House that there are studies around the world that show that some of the most energy-starved countries such as Denmark, Japan, would be able quite readily to make a transformation to completely renewable energy sources by the year 2025 without depending on nuclear power at all.

The state of California recently had a study done which clearly showed that the state could double its population size, double its economic growth and make a transformation to renewable energy resources without depending on nuclear power at all by the year 2020. I urge members of the House to look at those kinds of studies because they show very clearly that nuclear energy is not necessary.

Four recent studies conclude that it would be possible for France to switch over completely to renewable energy sources within 50 years, using solar energy, biomass, geo-thermal and wind:

France could eliminate its dependence on both foreign oil and nuclear power.

Quoted from *The Element*, September, 1978.

I fear that members of the House have not looked at these studies. I fear that members of the House are concluding that we have to go with nuclear energy and therefore, have to supply uranium when in fact, that's not the case at all.

Now I want to turn for a few minutes to the questions that have been raised in Saskatchewan in regard to the long-term economics of uranium mining, to the problems that are associated with the nuclear industry in terms of economic woes. I think it's significant that there have been major drop offs in new orders for nuclear reactors around the world. *Business Week*, the December 25, 1978 issue reports that while there were 40 orders for nuclear reactors in 1973 in the United States, there were none last year. We see that there have been significant drop offs for new orders in many of the European countries, there has not been a new order for a nuclear reactor within West Germany within the last three years and there we see a moratorium, a moratorium imposed by the courts in two of the West German states calling for a halt to nuclear power because of serious problems associated with waste disposal. We haven't seen a new order for a nuclear reactor in Britain since 1970. I say that this drop off is significant. I say that while this drop off may not be felt in the short term because a number of reactors are already under construction around the world and there will be a demand of uranium to meet those reactors, I say that it will have an effect in the long-term in the sense that as Australian uranium comes on line, and as Saskatchewan uranium comes on line the demand for uranium levels out and the supply is rising, that there will be a levelling-off in the price. While there may not be a decrease, though I'm not prepared to argue that, but am certainly prepared to argue that there will be a levelling-off in the price and that means that Saskatchewan will not make nearly as much money as was originally predicted by government departments and so-called experts in the nuclear industry. I say that while we will make money, we won't make

nearly as much as we think. We will not become another Alberta or another Kuwait.

I think it's also significant to note that a lot of countries are taking a second look at whether they should make any further investments in nuclear energy, because there's a drop-off in the increases for energy. It used to be that energy demand was increasing at 7 per cent or 8 percent a year; now it's only increasing at 2 per cent or 3 per cent or 4 per cent.

We see that many of the so-called reactors that were thought to be highly efficient are in fact very inefficient. Five of Japan's 11 reactors were operating under 40 per cent efficiency, which means they are complete red herrings. The average efficiency for nuclear reactors in the United States is 65 per cent and it has to be at least 70 to 75 to be a good economic bargain.

The utility rates in many of the states which have made nuclear commitments to nuclear power have gone up much faster than anticipated. That's another signal that the demand for uranium is going to be levelling off.

I say that there are a lot of costs associated with the nuclear industry, that have never been accounted for, which we here, in Saskatchewan, as federal taxpayers, will have to face: \$3 billion that the federal government has invested in research and development in the nuclear industry, the \$100 million it's going to cost to decommission every nuclear reactor in Canada (at least \$100 million) after its operating life is complete, the cost of security that is going to have to be associated with each of the plants, where we have to place armed guards around the plants and around our proposed reprocessing plants if they come on line, the unexpected repairs that are being faced by the nuclear industry.

Just a few months ago, we had an announcement that seven of the reactors in Ontario would require a repair investment of \$500 million to replace faulty tubing and parts.

We can see the bad economics of this industry in other parts of the world. If we look, for instance, at the sale that West Germany made to the Brazilians, of eight nuclear reactors, we find that after the first two have been sent to the Brazilians, they are taking a hard second look at whether they want the other six because of a lot of the unexpected costs associated with constructing those reactors

We see, for instance in Canada, that the reactor in New Brunswick that everybody thought would cost around \$300 million is now going to cost close to \$1 billion. The capital costs in this industry are accelerating far, far above the regular inflation rate.

It's interesting to note that a major report by the governmental operational committee of the United States House of Representatives has condemned nuclear power as costly and dangerous. The report found that nuclear construction costs in the U.S. have increased more than 10 times the rise in the consumer price index between 1964 and 1975.

Now I say, Mr. Chairman, that in light of these new developments and in light of the poor economics that is clearly displaying itself in the nuclear industry, it's very questionable whether uranium in Saskatchewan is going to be the so-called promising long-term investment that so many of us thought it would be a couple of years ago. I think it's very interesting, Mr. Chairman, to note that the uranium mining companies in most cases

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are really the oil companies and that they're hedging their bets. We have them up here in northern Saskatchewan and people argue, well by golly if all those companies were up there investing, it must be a good deal. But I ask all members of this House to consider the fact that these companies . . . for instance in the United States, you find that over half the uranium reserves are controlled by the oil companies. They've also bought a major share of the coal reserves. They're hedging their bet that they can go in any direction they want to and can afford to make losses in certain uranium mines if they want to as long as they're making money in their overall investments. I don't think members of this House have taken that into consideration seriously enough. The fact that the multinationals, by diversifying their interests all around the world are able to hedge their debts, are able to make losses in a certain sector of energy as long as they're making profits in another. I point out to this House that there's very clearly a scheme planned by the multinational corporations of the world right now to make sure that the world is going to be putting most of the eggs in its basket, into forms of energy that the multinational corporations can control. That's why they're not placing major investments in solar energy except when it comes to taking about solar satellites. That's the thing that the multinationals are pursuing in solar. It's solar satellites and the reason they're pushing that, Mr. Chairman, is because they hope that they can hook up the utility users around the country to those solar satellites and continue charging them.

Now I say, Mr. Chairman, that if we look at the trend here in Canada with a virtual levelling off in reactor construction in Quebec, with a prediction by the Porter Inquiry that, in fact, Ontario only need three new nuclear reactors instead of 30, then in fact even the haul market for domestic uranium is looking pretty dismal. I say that that should be. If you combine that with the kind of safety hazards that I was discussing yesterday, it's a rather bleak picture for nuclear power in the world.

Now I'd like to make a few comments in reference to the arguments that have often been put forward about the Third World and about the so-called commitment that Saskatchewan should have to provide uranium to the Third World. The reality is, Mr. Chairman, that, in fact, most of our uranium is not going to be destined for the Third World. It's going to be destined for the industrialized world anyway and I've made my arguments on that already.

But in regard to the Third World, I think some things are very, very important to keep in mind. First of all, with the exception of India, Brazil, Mexico, Argentina, and Egypt, the rest of the Third World countries don't have grid systems that are large enough to accommodate nuclear power plants. And when they buy those plants, it should be a pretty clear message to the world that they have other intentions in mind as well as peaceful generation of electricity.

It should be pretty obvious when you look at Third World countries and see that most of them don't have electricity lines out to the rural areas. The electricity is generated by those nuclear reactors that are located in those countries is not going to reach the poor of those countries. They are clearly there to serve the multinational corporations that have located there, a few home industries and the urban rich, for the most part. That is very clearly the trend if you look at the reactor we sold to India. You will see that trend if you look at the proposed reactor that is being located in the Philippines.

I would like to make specific reference to the Philippines as an example of the problem uranium sales to other countries pose, because the Philippines recently approached the Canadian government, asking for uranium. Their hope of obtaining uranium

from the Australians was in question because the dock workers in Australia and a lot of the labor movement in Australia are refusing to unload uranium, to allow uranium to be shipped along the railroads, to allow it to be unloaded at the docks. In light of the problems in Australia with the labor movement, the Philippines has been looking elsewhere.

Now, the Canadian government turned the Philippines down, but it is interesting to note so far, the reason that has been used for doing that. The reason, Mr. Chairman, was not that the Philippines' reactor has 200 safety defects, not that the Philippines' reactor was located on an earthquake zone and near five volcanoes, one of which was active in 1968, not because the Philippines' government is a repressive government that has not allowed the people of the Philippines to speak out in opposing that reactor, has denied them information on that reactor, not because it is the Philippines' government that is forcing a whole town to relocate because of that reactor — no, those weren't the reasons the Canadian government turned the Philippines down. The Canadian government only turned the Philippines down because they didn't want to make a long term commitment to supplying uranium over the life of the Philippines' reactor. That is the only reason. That means Saskatchewan uranium could very easily have gone to that reactor.

I say that if those are the kinds of standards the federal government is going to use in making assessments on whether sales of uranium should be made or not, we should have no part in that, because otherwise, we end up becoming part of an act to suppress and repress peoples in the Third World, and I say that is wrong.

Now, I would like to address one of the very fundamental issues in this debate, one of the issues that should surely, for many members of this House, put a cap on the argument against uranium development. I say that issue, Mr. Chairman, is the risk of nuclear proliferation in the world, and the fact that our sales of uranium are propping up an industry, a nuclear industry that is inevitably leading and is inevitably contributing to nuclear proliferation, globally. I also say in addition to that, Mr. Chairman, there is no way of assuring, because international safeguards are so poor, that our uranium will not be diverted and used for nuclear weapons. I say as long as that assurance cannot be given, it is wrong to sell uranium overseas.

Now, even the Bayda report, Mr. Chairman, admits the inadequacies of the International Atomic Energy Agency. Even the Bayda report admits the agency that is supposed to make sure our uranium is not diverted for nuclear weapons, is completely inadequate, that it doesn't have enough inspectors, that many of the countries that are supposed to allow inspections, in fact, don't. Or they say, oh, you can't come this week, but if you'd like to come next month, maybe we can accommodate you then, after we've done the shuffling around we need to make sure that everything appears to be in order. And I say that surely we should take notice of this point that Bayda has made. There are a lot of things that Bayda hasn't made, a lot of point he didn't raise. He neglected to bring to the attention of the people of Saskatchewan this proliferation argument. First of all, he's made no reference to the complete inadequacy of the non-proliferation treaty, Mr. Chairman. He doesn't state that a country can agree not to use our uranium for bombs, and then back out of the treaty with 90 days notice. He doesn't draw that to our attention. He doesn't tell us, Mr. Chairman, that some of the countries that we are in fact selling uranium to haven't signed the treaty. He ignores, Mr. Chairman, the terrible record that the Canadian government has in terms of selling reactors to some of the most questionable countries in the world, such as Argentina and South Korea. He ignores the fact, Mr. Chairman, that it is proposed that we supply uranium, at least in

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the beginning, to those two reactors. Mr. Chairman, he ignores the fact that the Candu reactor is an ideal reactor for military use in the sense that it has the quality of on-sight refuelling which is a big quality that no other reactor has. More importantly, it's a perfect cover, as are many other reactors, in the sense that, by opting for the nuclear power route as a means of developing nuclear weapons, you have a perfect cover, Mr. Chairman. You suggest that you're going to sign the non-proliferation treaty and then, using the nuclear reactor, you are able to build up stockpiles of plutonium, which no one suspects you will be using for nuclear weapons, because you've stated you have not been. Now, you can back out of that treaty with 90 days notice. But essentially what the nuclear power route does is to reduce the amount of time that other countries in the world have to become aware of the fact that a country is developing nuclear weapons. There are about a dozen other ways to make a bomb, Mr. Chairman, but the thing that sets nuclear power aside is that in the case of nuclear power you have a cover, and no one else, including people in your own country, suspects that you're doing it until the last minute. As Albert Wolstedder, a famous bomb expert, who has had 20 years or more experience in the area of nuclear safeguards says, the whole system of timely warning is destroyed with the nuclear power route, and therefore the opportunity for other countries to bring pressure on the country that's proposing to develop weapons is put aside.

Now, Mr. Chairman, I think it's important to note that although Judge Bayda may not think that nuclear power plants are contributing to nuclear proliferation, there have been a number of other enquiries that have admitted that that is the case. And I include the Fox Inquiry in Australia . . . (inaudible interjection) . . . no, that is not all we're going to do this afternoon. I want to assure the hon. member for Thunder Creek (Mr. Thatcher) that won't be the case. I . . . (inaudible interjection) . . . there is no overlap at all. I also want to assure the hon. member for Thunder Creek that I'm discussing completely different matters from yesterday. And I want to say, Mr. Chairman, to come back to the point, that many other inquiries have brought to the attention of the world the fact that nuclear power is unintentionally contributing to nuclear proliferation. That includes the Fox Inquiry in Australia where the focus was completely on uranium mining. It includes the Porter Inquiry in Ontario which states the facts that Bayda seemed to be unaware of, or unable to address.

Now, Mr. Chairman, I want to point out that in addition to the risks I've already posed there is also the problems of diversions of enriched uranium; we've had several examples of that. I should point out that in 1976 the general accounting office of the United States reported United States facilities were unable to account for 11,000 pounds of plutonium — unable to account for it, Mr. Chairman. That doesn't necessarily imply it was all stolen, that just means they were not able to account for it. Some of it was obviously lost in the reprocessing process.

I want to bring a couple of other issues which I think are major issues in relation to this proliferation question to the attention of all members of the House. One is that the other route of developing a bomb other than reprocessing plutonium is the route of uranium enrichment, Mr. Chairman. There are new technologies now being developed, most notably laser enrichment, that is going to allow persons or governments or groups of saboteurs to enrich uranium to bomb grade level much more easily than it ever been the case before. Up to now we've had enrichment technology which could enrich uranium to bomb grade levels where you had to go through something like 4,000 stages of enrichment, and invest in facilities costing billions of dollars before you were able to get uranium to a bomb grade level. Now, Mr. Chairman, we're faced with a very significant possibility. All this research is mostly being done secretly, that technology is

going to come on the market which will allow enrichment to a bomb grade level in one of two stages. It will require much smaller facilities, and could easily be accommodated in this legislature, Mr. Chairman. It's going to provide the possibility of uranium being used for nuclear weapons. It's going to make the possibility of that much, much more alarming. I say, Mr. Chairman, it's a development the people of Saskatchewan and this legislature have not had a chance to address themselves to. I say that's a development we should be watching very, very closely.

In essence, Mr. Chairman, the proliferation problem is this. As more and more countries in the world obtain nuclear power plants the risk increases of more and more countries using these plants as a means of developing nuclear weapons. So far we've only had a few countries developing the bomb, five or six, and possibly in addition Israel and South Africa. Now, I say, Mr. Chairman, the nuclear industry poses a very significant risk that the number of countries will greatly increase in the years to come. And I say, Mr. Chairman, that's wrong and that Saskatchewan should be saying that's wrong and should be calling for a toughening up of international safeguards by withholding its uranium from the market. I say, Mr. Chairman, that Saskatchewan can have an influence over the rest of the world, in contrast to what the Bayda Inquiry says, because we have about 8 per cent to 10 per cent of the world's uranium, Mr. Chairman. There is a lot of support in other countries mining uranium, a lot of support for a halt to that uranium mining.

There is a good possibility that if Saskatchewan was to say we will withhold our uranium from the international market, it could go over to Australia and get support from the Australian people. The Labor Party in Australia has already said that if it is elected it will withhold uranium from the international market. Several other governments are looking at the question.

So I say, Mr. Chairman, that there is a possibility that if Saskatchewan and Australia combined one-third of the world's uranium could be tied up. I say that would be very significant, Mr. Chairman, and a very significant point of political pressure on the global community to take a second look at nuclear power.

Now, Mr. Chairman, I think it is important to note that in addition to the points I have made in relationship to the uranium argument, if members had any doubt about whether our uranium could be diverted or not, I want to point out to all members that, in fact, in 1968 a whole shipload of uranium was stolen off the high seas. Mr. Chairman, it was originally destined for Genoa from Antwerp, and it was diverted to Israel. The interesting thing is, Mr. Chairman, that nobody found out about this. The world community was not told this until May 1977 in Vienna, at a special nuclear conference, that this came to light.

Now the fact that a whole shipload of uranium could actually be stolen from the high seas, without the international body which is responsible for monitoring these things bring that to the attention of the world, or preventing that, should be an excellent indication, Mr. Chairman, that the safeguards have broken down. In fact, the body which is responsible for implementing those safeguards, the international Atomic Energy Agency, announced to the world in 1977, in a special safeguards report, that its whole monitoring system had in fact broken down, that it was no longer able to assure the countries of the world that uranium would not be diverted for nuclear weapons, that nuclear power would not contribute to nuclear proliferation. If that is not a warning to all members of this legislature and to all members of the global community, I am not sure what is . . . (inaudible interjection) . . .

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I am sorry that the hon. member for Thunder Creek (Mr. Thatcher) doesn't take this issue seriously, that he doesn't seem to think that the points I have made are even worthy of consideration. I have listened to him on many other occasions and I wish that he could just sit politely and listen to me. If he would like to comment later on, he is certainly welcome to.

In summing up the arguments, Mr. Chairman, I want to remind members of this legislature, very briefly, of the key points that I have made in the past hour and three quarters, today and yesterday, against further uranium mining in Saskatchewan.

We have the problem of 100,000 years of radioactive contamination unless considerable money is spent in deep geological disposal of uranium mill tailings. We have a problem in terms of developing technology for that which is not completely resolved. And this threat that is posed by uranium mill tailings is a threat which has been pointed out by Dr. Porter in the Ontario Inquiry and by Victor Gilinski of the United States Regulatory Commission.

We have, Mr. Chairman, great uncertainties about the risks of ionizing low-level radiation — evidence that many disasters such as heart disease, schizophrenia, mental retardation and diabetes will result as well as leukemia, cancer and genetic damage. We have clear evidence that the existing standards Saskatchewan is using in this field are too weak. We have many reports to back that up including the Tri-state study and the Hanford Washington study.

The Hanford Washing study clearly showed, Mr. Chairman, that operating at the existing standards which are now applied at Saskatchewan uranium mines, workers at Hanford Washington contacted an alarmingly high rate of cancer in many areas.

We have the evidence of Bartell, that exposure of low-level radiation contribute to a process very much related to aging. We have the evidence of a very imminent nuclear physicist, Dr. Carl Morgan, showing how damage per unit of radiation is higher at lower levels than it is at higher level per unit.

We have the past chairman of the International Commission on Radiological Protection calling for the permissible exposures of workers to be cut in half, the standards to be toughened by at least twice, Mr. Chairman. We have the past chairman of the British Institute of Radiology calling for permissible exposure levels to be cut to one tenth, Mr. Chairman. We have the United States and West Germany planning to reduce permissible exposure levels to the public to one-twentieth of Canadian levels.

We have the problem of reactor safety, Mr. Chairman. We see Saskatchewan supplying fuel to nuclear reactors which are proving more and more to be unreliable in terms of safety. We have \$500 million worth of repairs to seven Canadian reactors in 1978. We have announcements, this month, that there were basic design flaws in some of the reactors now under construction in Canada. We have the Harrisburg incident, clearly illustrating the inability of the nuclear industry to account for human error and design errors when trying to assure us the possibility of a catastrophic accident is extremely remote. We have the Porter Inquiry showing that the risks of a nuclear accident are far greater than previously stated. In the midst of this, the Atomic Energy Control Board in its proposal, through a special intergovernmental committee, is proposing to legally expose the Canadian public to levels of radiation in the event of an accident that would

kill and seriously injure thousands of Canadians.

We have the Canadian Atomic Energy Control Board proposing to seriously weaken the standards in the industry, Mr. Chairman, directly before the Harrisburg incident which should surely show the folly of doing that. By saying yes to uranium mining, by saying we will continue with uranium mining in this climate of callousness for safeguards, I say that's wrong, Mr. Chairman. I say Saskatchewan in supplying half of Canada's uranium is propping up a Canadian nuclear industry that has shown a callousness for concern about safeguards as I've illustrated, I think, quite clearly. If anybody had any further doubts about that maybe one could reflect why the insurance industry in this country refuses to fully insure the Canadian nuclear industry as is the case in the states, Mr. Chairman, and I think for good reason.

I think, Mr. Chairman, I have illustrated that we have seen a Bayda report that is full of loopholes. It has simply failed to give consideration to a number of important facts. It has, in terms of the waste disposal problems, failed to deal with the problem of the waste which will come about from the decommissioning of nuclear reactors. It fails to make any reference to the nuclear waste disposal accident in Russia which killed hundreds of people and caused radioactive containment over a very large area. If we had any questions about the hazards associated with waste disposal, that should answer our questions. We have seen clear evidence the Bayda report has ignored the recommendations of the California energy commission to have a halt on nuclear power until the waste disposal problem is solved. We have simply seen Bayda ignore a number of very pertinent factors in relationship to waste disposal and in relationship to a number of other very fundamental issues. This should surely lead us to conclude that the government cannot depend on the Bayda Inquiry for making its decision as to whether uranium mining should continue or not. The Bayda Inquiry is clearly inadequate.

So I say, Mr. Chairman, that today I think I have clearly shown the companies that are operating in northern Saskatchewan are companies that have little concern about the world's people, that have displayed acts of immorality all around the world. I question the government joining into joint ventures with those companies. It may well be we can prevent some of those things taking place in Saskatchewan but I say it is wrong to be dealing with people and dealing with corporations that have such disgusting reputations around the world. I say uranium mining is not necessary in Saskatchewan because nuclear power is not necessary in Canada and because nuclear power is not necessary around the world. I have made reference to a number of studies that clearly show the world can make a transformation to a dependence on safe renewable sources of energy without opting for nuclear energy and I might say, Mr. Chairman, without opting for coal which is the alternative Judge Bayda proposes, a false alternative in my view.

I say I have demonstrated the poor economics that are associated with the nuclear industry, the vast decline in the number of orders for nuclear reactors and the reality that poses in terms of the fact that the so-called economic benefits which Saskatchewan was expecting from uranium development will not be as large as was thought to be the case. I acknowledge the argument in favor of uranium development from the point of view of revenues coming into the province in jobs, but I say it will not be as great as we anticipated. I say that it is more than outweighed by the other hazards and other problems which I have posed.

I have outlined the risks associated with reprocessing. I wish to especially bring to the

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attention of all members the fact that by propping up the nuclear industry in this country, we are making reprocessing inevitable. That gets us into stage two of the nuclear industry, Mr. Chairman, a far more dangerous stage than stage one. We make reprocessing inevitable, Mr. Chairman, by propping up the nuclear industry in this country, by failing to sound the alarm.

I say that reprocessing means special security arrangements. It means, as the Flowers Inquiry has thoroughly document, major infringements on civil liberties which are associated with those security arrangements. It means the problems of handling bomb grade plutonium. It means the problems of handling hundreds of thousands of gallons of high-level liquid radioactive wastes. I say we haven't taken those things into consideration, Mr. Chairman, and that when we do we clearly find that uranium mining is just not worth the risks.

I say finally, Mr. Chairman, I have clearly demonstrated that the nuclear industry in the world, intentionally or unintentionally, depending on the situations (I say in some countries intentionally) is contributing to nuclear proliferation; the sale of nuclear reactors around the world will inevitably lead to more and more countries obtaining nuclear weapons. That is going to make nuclear disarmament impossible. Mr. Chairman, it will make it impossible! Right now the hope of achieving nuclear disarmament in the world is indeed remote. But I say, Mr. Chairman, that it will be impossible, if we have, over the next 10 years, a string of additional countries which obtain nuclear weapons. Then, in fact, nuclear disarmament will become impossible.

I say, unlike Judge Bayda, there is more than just political will to the attaining of nuclear weapons. There is also access to the facilities and many countries are gaining access to the facilities by way of the nuclear power route. By exporting uranium overseas we participate in that process, Mr. Chairman. We become responsible; we bear a share of the responsibility in the world for nuclear proliferation if it occurs. I say, if that should be the case, it will be a very sad day for the people of Saskatchewan to realize we have had a share in that.

So, Mr. Chairman, I think there are a number of arguments which I hope other members of this legislature will find convincing, arguments as to why we should not be making further commitments to uranium mining at this time. I say we can sound the alarm in the world and encourage other countries in the world to toughen up the safeguards and to take a second look at what nuclear energy means to their own economy, by calling a moratorium on further exports of uranium from Saskatchewan and by withholding our uranium from new uranium mines which are proposed to be developed, for at least a few years.

In closing, Mr. Chairman, all members might wish to keep in mind a Christmas card which Tommy Douglas sent around last year in which he said:

All of us in this world are brothers,
None can walk his way alone.
All that we send into the life of others,
Shall come back into our own.

I say, Mr. Chairman, that that should surely speak to us in terms of this uranium that we send into the lives of others.

In light of the tremendous risks associated with nuclear proliferation in the world, we

will find that the consequences will come home one day.

I ask all members of this legislature to join with the countries that I made reference to yesterday, the demonstrations in Germany, the demonstrations in France of 50,000 to 60,000 people, in Spain 250,000 people. I ask all members to join with the Swedish municipalities which were the first to declare a veto on uranium mining, to join with the Australian Labour Party which is opposing uranium development, to join with the Socialist Party in the Netherlands that is opposing nuclear power, to join with the tremendous opposition in Switzerland where 49 per cent of the people voted against nuclear power in a referendum. Here in Canada, to join with the British Columbia Medical Association which has opposed further mining of uranium, to join with the three states in the United States that have declared a moratorium on nuclear power until the waste disposal problem is solved, to listen to the California Energy Commission and what they have had to say about a moratorium until that problem has been solved, to join with the people of the Orkney Islands and the people of Scotland who are currently demonstrating against uranium mining. I ask all members to join with the 35,000 in West Germany who demonstrated last week against waste disposal associated with uranium mining and nuclear power, to look here in Canada at the change in the public opinion polls and to realize now that just as many people in this country, prior to the Harrisburg accident, were opposing uranium mining as were favouring it. Close to 40 per cent of the people now object to nuclear power in the country. I ask you to consider joining with the Thunder Bay City Council who have come out against uranium mining and nuclear power. Here in Saskatchewan, Mr. Chairman, I ask you to join with the Roman Catholic Bishops of Saskatchewan who have opposed our policy on uranium mining development. I ask you to join with the United Church of Saskatchewan, which has called for a five year moratorium, to join with the Saskatchewan Association of Social Workers and the community clinics in Saskatoon who have opposed uranium mining and nuclear power. I say, Mr. Chairman, that there is a clear warning to the legislature of Saskatchewan that the people of this country and the people of Saskatchewan are having serious second thoughts about a further commitment to uranium mining in Saskatchewan. I say, Mr. Chairman, that now is the time to listen to those voices, to listen to the people, to realize that what we do send out into the lives of others will come back into our own lives at some point in time and in light of that and in light of the arguments I have made today, vote against this motion.

Mr. Chairman, I thank all members of this legislature for listening and I close my remarks.

SOME HON. MEMBERS: — Hear, hear!

MR. J. HAMMERSMITH (Prince Albert-Duck Lake): — Mr. Chairman, I wish to add a few remarks in this debate and I want to begin by saying that I think it's perfectly justified to express concern about this issue. I do think it's important to diligently avoid statements that may be misleading, that may overdramatize the issue, or appeal to the emotions rather than the intellect. I think there is a problem with the entire uranium debate and with the nuclear energy debates. It's partly because of the acknowledged potential for catastrophe so that there's a tendency on both sides of the debate and particularly in the new media to emphasize the dramatic, to emphasize the emotions in the debate, and somehow many of the facts get pushed into the background. I think we must take great care, especially in this House, on all issues but particularly on this issue that we keep the emotionalism down and as much as possible we look at as many of the facts as we can. I think especially in this area we must demonstrate the highest measure of responsibility and leadership, avoiding statements that at worst may cause panic, or at

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the very least, elicit emotional rather than rational responses. I recognize an argument can be made that not all the facts are in, but I'm satisfied sufficient facts are in to proceed deliberately and carefully, as the Bayda Inquiry proposed, as the government proposes, to develop the resource. And yes, there are dangers, and yes, there are risks, and yes, those risks are great. But the more basic question is the nature of our society, the nature of any industrialized society, whether we make a judgment on that being good or bad or not, is such that we're continually balancing risks against benefits. There are those who argue that in this case the risks are unique, far greater than the risks involved with any other technology. They may be right, but I'm not convinced the risks are greater. I'm a little concerned that some people and some groups and the opposition members have decided to use the Harrisburg accident as an opportunity to seed panic and fear to elevate the emotionalism that surrounds this issue. I don't think that's a responsible response. I say it's not wise, it's not responsible at this point to make sweeping judgment on the basis of that accident, to make sweeping predictions on the basis of that accident, or to use it as an example justifying the argument on one side or the other of the issue. I think if we are really being responsible, not only in terms of wishing to avoid a nuclear catastrophe, but also in terms of wishing to avoid the catastrophes of an energy starved world, then we should await the outcome of the assessment of the specifics of that accident. That is not to say that some general conclusions can't be drawn. For example, that accident and the very real possibility that the accident could have been of greater proportions has had an impact that without doubt, will lead inexorably toward even more stringent safety designed mechanisms and standards. I think that is good.

One of the other things that Harrisburg teaches us is that private enterprise development and ownership of the nuclear industry with public regulatory bodies, is no guarantee against any mishap. One of the things that Harrisburg teaches us is that the essential and basic Progressive Conservative Party position on uranium development is a fallacious position.

We may find as a result of investigations into the Harrisburg accident, even more compelling arguments for public ownership and control in the uranium industry.

Now, reference has been made in this debate, to the Porter Commission's findings. I would like to remind members of Dr. Porter's comments on the Harrisburg accident. He admitted that the potential proportions of the Harrisburg accident could have led to a catastrophe involving as many as 25,000 or 30,000 deaths. He admitted that this was a tremendous risk and could result in a terrible price being paid on the average of once every 40 years. However, Dr. Porter insisted that even at that level of risk, even given the contents of the Porter report, that the development of nuclear energy must proceed. He insisted that there was an even greater level of risk involved in deciding not to proceed. I will say a bit more about that in a few minutes.

First, I want to remind members of some comparative risks that we accept every day. I want to remind members that rightly or wrongly, one of the givens is that we have evolved a society that long ago lost its technological innocence, a society that lives with far greater hazards, both natural and man made, than the hazards presented by nuclear power. For example, each year North American industry handles enough chlorine to kill the entire human race more than a hundred thousand times over. I don't hear the opponents of nuclear energy saying that that is an unacceptable level of risk. That is enough to kill 500 trillion people per year — not 40,000 in 40 years, but 500 trillion in one year.

In North America, the automobile directly kills about 60,000 people per year and maims or injures tens of thousands more, to say nothing of the indirect deaths and injuries in the coal and iron mines, in the oil fields, in the steel plants, in the refineries, on the production lines, in the petro-chemical and plastics industries, to say nothing of the cumulative and environmental and health damage caused by the automobile and everything associated with it. Here, we would be taking about well over 2 million deaths in 40 years — not 40,000 death. I agree that one can't compare apples and oranges, but I say we must look at the cumulative risks over equivalent periods of time when we are evaluating those risks. Some people say that we can't trust the experts. Maybe we can't. But the fact is that we do. We trust the experts with chlorine. We trust the experts every day and that's the nature of a highly industrialized technological society, that's the choice.

Now among the most severe critics of the Rasmussen report, which was referred to, is the Union of Concerned Scientists based in Cambridge. Their leading spokesman is Professor Henry Kendall. Even they, the most pessimistic of the experts who challenge the numbers calculated by Porter and Rasmussen, predict that the worst possible scenario over a period of 50 million reactor years, is 300,000 deaths. The most pessimistic view says that with ten times as many reactors as now exist in North American (more than ten times as many reactors), the most pessimistic of experts predict 300,000 deaths from 1,000 nuclear reactors. I remind you that the maximum number of nuclear reactors expected in the world by the end of the century is 1,000. So that means 300,000 deaths every 50,000 years. That's six per year — in the world — compared to 60,000 automobile deaths in North America in one year. And that's the most pessimistic view.

Now I know there are those who will say that's a pretty cold blooded view, that's a pretty cynical and technocratic approach and it may be. But I say that's the approach we use every day in this society. That's the choice we make when we decide that we will develop an industrialized and technological society. I say we have made that choice.

If we apply the same measures to the nuclear industry that we apply to all other industries, the nuclear industry comes out far ahead. The standards in the nuclear industry are continually being improved for example, near Idaho's 11,000 foot Leamy mountains, the U.S. government has constructed what it calls the Loft reactor, the first reactor in the world designed for deliberately staging mock accidents and monitoring the performance of emergency safety systems. Much of what has been learned from Loft so far was applied recently in dealing with and containing, the Harrisburg accident. I remind members that that accident was contained.

Going back to the Rasmussen report, a panel of seven experts, with a wide range of views, was assemble recently to review that report. Their views represent the latest assessment of reactor safety. The toughest critic on the panel was Frank Von Hippel, a Princeton physicist, who calls himself anti pro-nuclear. The report of the panel neither sounded new alarms, not found that improved calculations are needed. They unanimously concluded that you can't use safety as a reason to reject nuclear power.

I share many of the concerns with regard to waste disposal but that too needs to be put into some rational perspective. To be sure, it takes centuries for the most dangerous radioactive wastes from reactors to decay to safe levels But the fact is they do decay and the industrial world routinely uses hundred of other dangerous substances

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whose toxicity, far larger in aggregate, stays at full strength forever, for example, mercury, arsenic and some poisonous compounds. Furthermore, nuclear wastes have to be handled with great care while other poisons have often been dumped carelessly into the environment. If the job is done properly, those wastes will present far less of a health hazard than the millions of tons of naturally occurring radioactive substances, including uranium and its decay products, that nature has distributed at random.

One reason for optimism is that some of the most respected critics of nuclear power have begun to explore solutions in talks with industry representatives. The most productive series of meetings have taken place during the past few months at the Keystone Centre for Continuing Education near Denver. One of the critics attending those talks has been Terry Lash of the Natural Resources Defence Council, an environmental group that is opposed to nuclear development and Lash states that there is a high probability that wastes can relatively safely and satisfactorily be disposed of. Larry Moss, a former president of the Sierra Club (and the Sierra Club is not exactly a pro-nuclear organization) says the cost of reducing the tailings hazard to an acceptable level would be small compared with the total cost of producing nuclear electricity. He says he is optimistic about the prospects for solutions. On the other hand, while it does take centuries for the radioactivity and used fuel rod assemblies to decay totally, opponents of nuclear energy never tell us about the fact that the radioactivity in the used fuel rod assemblies falls 800-fold every 10 years while the heat drops even faster.

The spent fuel also contains many potentially valuable products. Promising research is underway on methods of using some of the radioactive isotopes to treat sewage sludge and of converting others to valuable metals such as palladium. I say, as Dr. Porter said on Sunday night in the wake of the Harrisburg accident, what is the price of turning off the taps and are we prepared to pay that price?

Some areas are already heavily dependent on the power generated by nuclear energy and those areas contain hospitals and they contain senior citizens homes and they contain geriatric centres. I ask anyone how you would possibly even evacuate the city of Toronto without electricity? How would you control the traffic? How would you evacuate the city of Montreal or the city of Edmonton without electricity? I ask you to imagine just for a minute what kind of scenario you would see if we turned off the electricity in Toronto or Montreal or Winnipeg or Regina or Edmonton or Vancouver or Prince Albert or Saskatoon, for one month in January — turn off the electricity. There are very few people left any more who know how to survive, who know how to live without electricity, and I ask you to imagine the catastrophe inherent in that scenario. I point out again the immediately available alternatives are not very appealing. People show little willingness to adapt stringent measures to conserve more power and we can say that it is desirable to conserve more power, and it is desirable. But the fact is that the folks out there show little inclination to do that.

Natural gas supplies are limited. Gas is a finite resource and reserves are uncertain. Coal is abundant but burning it dirties the air and the hazard of relying on oil was underscored once again just a few days ago by the recent OPEC (Organization of Petroleum Exporting Countries) price increases. I point out that one nuclear plant costing \$1 billion can produce 1,100 megawatts of electricity — enough for half a million people. I take issue with some of the comments made with regard to Third World nations, some of the comments made with particular reference to the Navaho nation. I would point out that the Navaho nation is governed by an elected tribal council made up of 75 members and that they have been in the uranium mining business for many

many years, and that no one developed any resource on the Navaho reservation without the endorsement of the Navaho tribal council. That council goes back each two years to its people for re-election.

We've heard reference made to the exploitation of Third World countries. I say that one of the developing nations that has most recently begun the construction of two large major nuclear reactors in China. I am not aware that Imperial Oil or Gulf or Amok or anyone else is exploiting the Chinese people. I want to ask what the real implications are for nations that don't have alternative sources of energy, that have to import raw materials to produce energy. If they are going to build an industrial society —[and they say that they want to build an industrial society. Now in terms of BTU's (British Thermal Unit) one pound of uranium produces the BTU equivalent of 1.5 tons of coal. What are the moral implications of our saying to the, no you can't build an industrial society because we refuse to provide you with the technology and raw materials. It is not your right to choose; it is ours, and we know better. How long will they tolerate that? I ask you what implications does that scenario have for future generations? We hear in the anti-nuclear argument a great deal about the implications for future generations. I ask you what are the implications of those of us in the presently industrialized world continuing to build and develop and expand our industrialized economy and say to other nations, no you can't do it? What are the implications 50 years down the road for our children when those nations become impatient?

I say, Mr. Chairman, for those and many other reasons, I am disappointed in the performance of the Conservative Party opposite. I'm disappointed in the fact that very few of them (some did admittedly) listened to the arguments made by the member for Saskatoon Sutherland (Mr. Prebble). I have listened to his arguments before and listened again. I think they would have been well advised to do so. But I think it is easy to see why they didn't. They pretend concern over the potential hazards of uranium development. The amendment moved by the Leader of the Opposition (Mr. Collver) was nothing more than a smokescreen. They support their alleged and pretended concern with no facts, with no documentation and that's because they are unaware of the facts. They don't care about the facts and they didn't want to listen to the arguments put forward by the member for Saskatoon Sutherland. It is their intention and I say that it is a cynical intention and a base intention to find an opportunity to attempt to panic the people of Saskatchewan. It is their intention to try and mislead the people of Saskatchewan; it is their intention to attempt to destroy the Saskatchewan Mining Development Corporation. That's their real intention. They seek cheap, political gain by a smokescreen laid on a foundation of political jello, a foundation with no basis in fact. They avoid doing any research on the matter; they avoid debate on the occupational environmental issues; they avoid debate on the moral issues; they avoid debate on the specifics and for very good reason. They have no credibility on those issues and the people of Saskatchewan know they have no credibility on those issues.

SOME HON. MEMBERS: — Hear, hear!

MR. HAMMERSMITH: — I want to say, Mr. Chairman, that unlike the opposition many of us on this side feel we have consciously and as dispassionately as possible looked at both sides of this issue as the Bayda Inquiry did, as the Government of Saskatchewan did and as the World Council of Churches did. I agree with the position of the World Council of Churches that the moral position is to develop the resource and I urge all members to support the motion.

Motion agreed to on the following recorded division.

YEAS — 31

Blakeney	Banda	Cody
Pepper	Whelan	Koskie
Bowerman	Kaeding	Lusney
Romanow	Feschuk	Long
Messer	McArthur	Gross
Snyder	Allen	Nelson
Skoberg	Vickar	Engel
Kowalchuk	Cowley	Poniatowski
Matsalla	Tchorzewski	Lingenfelter
Robbins	Shillington	Hammersmith
MacMurphy		

NAYS — 1

Prebble

MR. R.A. LARTER (Estevan): — Mr. Chairman, I would like to go into the potash industry.

AN HON. MEMBER: — Withdraw the bill and call an election.

MR. ROMANOW: — No wonder you guys are against free medicare, you won't have any resource revenue to pay for it. We know that.

MR. LARTER: — As we have stated many times before, Mr. Minister, that, in entering the potash-business, the government took steps which we on this side of the House do not agree with. We feel that, by moving into the potash industry and using energy funds to buy up potash mines, the government defeated the purpose of the energy fund and has done away with a fund that was set up originally for research for energy in Saskatchewan. They bought an industry that was already operating; they created a larger civil service (I know the government doesn't like to consider the Crown corporation people civil servants but they are civil servants in every sense of the word); they did not produce any more potash or create any more jobs and have now invested over \$500 million into the potash industry. We think it was a bad deal for the people of the province. With the investment we have in potash mines we could've left it invested in the heritage fund or energy fund, as it was called at that time, and been able to draw approximately \$50 million a year interest while at the same time collecting the full taxes that the potash industry is paying today. Not only the mines that are outside the scope of the potash corporation, but also these mines as well would be paying taxes (the five mines the Potash Corporation of Saskatchewan is involved in).

We feel that the profit return for Sask potash, or about 3 per cent on approximately a \$400 million investment, is indeed a very poor return for the people of Saskatchewan. We feel very strongly that the people of Saskatchewan should not have to worry about the government entering into private industry.

AN HON. MEMBER: — What are you reading?

MR. LARTER: — Nothing. I don't have to read it. I've got nothing to read.

Mr. Speaker, the people of this province have seen many things happen in the past few years, particularly since the government entered into the potash industry. They've seen hospital beds close up, in the small

communities they've seen fewer beds in the smaller hospitals; the per bed ratio even in the larger cities has dropped, and I think that primarily this is because the Government of Saskatchewan is spreading itself out very, very thinly by going into such ventures as potash. They are not building up this heritage fund which can be used to offset some of the high costs of such things as health care, today. I fully believe that the people of Saskatchewan when they voted on October 18, 1978, didn't vote you in because of your resource policies; they voted you in, in spite of your resource policies. I think the people are going to judge — and I am sorry we do have to wait a few years for it — but I think the people are going to judge as you get further and further involved in industry, that truly the people of Saskatchewan are going to start to feel that you have betrayed them and that you are entering into field and creating a bureaucracy that might never be torn down again. So I think they are going, loud and clear, to voice their objections to you, not only through the years, but possibly in the next election as well.

Other than giving you, of course, our philosophical viewpoint on the government being involved in private industry, particularly one that existed in Saskatchewan, I don't think other than going through the votes there is much to be said on potash. I believe it has been said many times in the past three years how we objected to what has happened. Therefore, I think it would be repeating ourselves and would be a waste of taxpayers' money to say on this issue and repeat it again and again.

I don't think that 17 of us can outvote 44, no matter what issue comes up on potash.

HON. J.R. MESSER (Minister of Mineral Resources): — Mr. Speaker, a very, very brief response.

I tend to agree with the member's closing remark that spending a lot of time on this would, in fact, be a waste of taxpayers' money. We have philosophically advanced our beliefs. They are substantively different one from the other. We believe, however, that we are right. We have pursued that strategy of industrial development for the province of Saskatchewan resource development. It has been accepted largely by the people of Saskatchewan. I think the last election clearly showed that. It was largely a resource-based issue election. One only has to look to the right of Mr. Chairman, to conclude what the outcome of that was.

A couple of responses to a statement or two that the member made in error and that is pertaining to the economic benefits of PCS (Potash Corporation of Saskatchewan), being actively involved in potash in Saskatchewan and the production of potash.

The member says it has done nothing, produced no jobs. We have just inherited the status quo. That is not the case. There have been new jobs put on stream. We have expanded two mines. Cory and Lanigan. The member is fully aware of that. He knows that major expansion is underway within the PCS operations, meaning that there is a significant change there in production and in the actual availability of jobs. Even though we have expanded, the market place has strengthened rather than deteriorated,

so that we are benefiting in a much larger way from our involvement in potash. We collected something in the neighborhood of \$117 million in reserves last year, reserves tax. I do not believe that would have been the case if PCS (Potash Corporation of Saskatchewan) had not been in place. I close in saying that I recognize his attitude being significantly different from ours as far as resource development is concerned. We will continue to pursue ours, and I think the people of Saskatchewan will continue to endorse it.

MR. W.C. THATCHER (Thunder Creek): — Mr. Chairman . . . (inaudible interjection) . . . no, I can assure you it will not go today, Mr. Minister. We've been quite attentive the last couple of days and there's no way a department's going to put up government members to filibuster in the place of the opposition. When we're done questioning, then we'd be quite happy to let item 1 go. Mr. Minister, you've been quite vocal over the years in extolling the merits of the resource policies of your government. If one took your comments at face value, I suppose we would see new potash mines going up all over Saskatchewan, that we would see trucks carrying oil, with oil-drilling rigs flowing in from south of the line and from Manitoba and Alberta and from all over. But, Mr. Minister, the activity you refer to in the area of natural resources, the statistics you quote, the statements you make, simply do not appear to be backed up by a central agency of government, namely, the Department of Revenue. You indicated a moment ago in response to the member for Estevan (Mr. Larter) that you did have a . . . you government has very clearly defined difference in philosophy to that of the member for Estevan and you went on to indicate the benefit the potash business had been for the taxpayers in Saskatchewan. Well, Mr. Minister, just isolating in on that particular remark, perhaps you would tell us that if the entrance of PCS into the potash field in this province has been of such tremendous benefit to the people of Saskatchewan, why isn't it reflected in the numbers? Why isn't it reflected in the numbers flowing back into the coffers of the Treasury of the province of Saskatchewan? I suggest, in fact I don't suggest, I state very categorically that it is not reflected in the number. I think it's fair to say that rhetoric is one thing but the dollars coming in, as estimated by the Department of Revenue simply does not bear out our assertions. If I may ask the minister, would you care to explain this apparent conflict between what you feel is happening and we're talking, very briefly, about potash now, and what the Department of Revenue estimators feel is happening?

MR. MESSER: — Well, Mr. Chairman, I think the simple answer has to be that in some areas some of the companies are not yet paying the taxes they are obliged to pay under the laws of Saskatchewan. I do believe that situation will be changing in the very near future, and there will be some outstanding sums of money paid, which will indicate that there is a very much different situation in the production and sale of potash in the province of Saskatchewan. The rewards, in other words, are greater than they were before.

There has been expansion that is now in place, almost half a million tons, that is generating more revenue to the companies that are involved, granted yes, exclusively PCS (Potash Corporation of Saskatchewan) but it is also generating more revenue to the province of Saskatchewan in the way of taxation which they are in fact paying. All of the companies, I think, excluding none, are anxious and are not talking with the Government of Saskatchewan about what the possibilities may be for expansion of their operations in the very near future, because they believe that not only is the climate here now acceptable to the, but also the marketplace for potash is attractive. Saskatchewan is a place to take advantage of expansion rather than new mine erection in other places even though some of those companies are also involved in new mines.

But they will admit that for \$1 in capital spent, the return is likely to be greater in the province of Saskatchewan than it is elsewhere, so the future is brighter here now. I am suggesting to this legislature as I have suggested to the general public and it has not been denied by the potash companies that the future will be brighter as time goes by.

MR. THATCHER: — Well, Mr. Minister, I think you are about as thin in that answer as you were in replying to the member for Rosthern (Mr. Katzman) yesterday. I believed you termed his speech in the sermon from Calvary. I don't know what we would have termed your comments, but they were a trifle thin and they are a trifle thin on this. Mr. Minister, we're not talking about the bright future, at least I wasn't talking about the bright future that is available for the companies engaged in the mining of potash. We are not debating the merits of PCS versus the private sector in potash. We are simply looking after the fact.

PCS is now a fact, that is indisputable; PCS is in the potash business, and that's indisputable. What we are trying to discuss at this moment, Mr. Minister, is what are the benefits to the people of Saskatchewan? The primary benefit to the people of Saskatchewan, if I could use either your terminology or the Premier's (I've forgotten which it is), is the bottom line. The bottom line is that the figures just simply aren't coming in, at least the department of Revenue people don't feel that the revenues are going to be coming in this year. I wish the minister would take a look at some of the numbers from last year, because the Department of Revenue people are estimating that revenues are going to only increase a trifle more than 3 per cent in comparison to last year. Now, the minister has indicated this is because the companies involved haven't been paying their taxes. They will be paying their taxes in the future. The minister knows the fallacy of that answer. If they were not paying them this year then obviously they didn't pay them last year. The answer hardly even merits comment. Again I ask the minister, this bright picture that you and your department people have been painting for us, why can't you convey this impression to your department of Revenue people? They get pretty cold-blooded when they start estimating numbers; they say that your revenues from potash (and we'll get to some of the others a little bit later) are barely going to increase 3 per cent. Mr. Minister, shall we talk about what the price of potash has done in the past year? Would you suggest the price has not risen far, far more than 3 per cent? I suggest to you, Mr. Minister, those numbers suggest very clearly that the entrance of PCs (Potash Corporation of Saskatchewan) at this point in time, in the view of Department of Revenue people, has been detrimental, detrimental to the potash industry of Saskatchewan. I again ask you to explain this apparent contradiction between what your department is telling us and what the cold-blooded statisticians of the Department of Revenue are saying.

MR. MESSER: — Well, Mr. Chairman, the member wants to know what the primary benefits are to the people of Saskatchewan. His words are, I think he says, the bottom line is what counts. Well, Mr. Chairman, if we can take a look at collections of taxes with the potash industry, I can go back to say, for example, 1968-69 when we were collecting about \$2 million . . . (inaudible interjection) . . . Oh, well, go to '69-70, \$2.8 million; '70-71, \$2.5 million; '71-72, \$3.2 million and we modestly increased the amount of take to the people of Saskatchewan. That, Mr. Chairman, is the bottom line. We can get down to '76-77, \$82 million; '77-78, \$100 million rounding the figures off, \$99.7 million.

The member talks about the estimates and what's collected; the last fiscal year in '78-79 we estimated we would collect \$108 million in benefits in the potash industry from Saskatchewan. We, in effect, did not collect \$108 million but if I were trying to

conclude what the member was suggesting, it would be that we collected something less than that and that is not the fact. In fact we estimated \$108 million and we collected \$113 million or \$5 million more than we estimated we were going to collect. Now you talk about the bottom line; \$113 million I think is a significant reward to the people of Saskatchewan vis-à-vis what it was a few short years ago when we look at revenues ranging from \$2 million to \$6 million, \$10 million as late as 1972-73. Those are the bottom line figures. Those are the benefits that have accrued to the people of Saskatchewan with the resource policy we have in place now.

MR. THATCHER: — Mr. Minister, you have just indicated you collected, after estimating in the year '78-79, you have just indicated you have collected \$113 million after budgeting for \$108 million. Now the minister seems to think there is something laudable in that fact. I suppose what you have done is illustrate my point even more clearly than I could have ever hoped. Would the minister tell the Assembly if you in fact collected \$113 million in the year 1978-79 with the normal appreciation of prices that has been going on, with the increased production, the increased sales that you are talking about, why, in goodness sake, are you talking about collecting only \$113 million in the years, 1979-80? Mr. Minister, those are you figures or the figures of your government.

Mr. Minister, if you actually collected \$113 million, you are in effect saying that you are anticipating a contraction of the potash industry in Saskatchewan. Mr. Minister, you can run back to 1968-69, 1959-60 — do what you want, but we are talking about the effect on the potash industry since PCS (Potash Corporation of Saskatchewan) became a viable force. We are now past the rhetoric stage on PCS. We are now into where there are some numbers — some number there for comparative purposes. So what is relevant is 1978-79 versus 1979-80. Again, Mr. Minister, I will pose the same question. Instead of going into the long winded rhetoric, let's go into some facts. What is going on in the potash industry under your jurisdiction when it is in fact, facing a contraction? When you acknowledge that you have budgeted this year to receive more (?) revenues than what you actually took in, in the year previously?

MR. MESSER: — Well, Mr. Chairman, the member knows full well that we have had some protracted ongoing debate with the potash industry in regard to the taxation system that is in place, the system itself, as well as the amount of money that the companies have been assessed, and that is no news to any of us in this Legislative Assembly.

The argument that the companies have advanced over that period of discussion has been that they have been taxed too heavily. We have waited quite some period of time for them to produce evidence to show that the tax in fact was too severe in some areas. Over a period of what we considered to be too great a period of time, we did receive the kind of information that we had asked the companies for initially. We have been reviewing that information. We have had recent meetings with them where we realized that in some areas the taxes applied, to some mines, because of the circumstances of those mines, may well be somewhat deficient or defective. Because of that we are prepared to say in this fiscal year, that we will be collecting something less than what we collected in the last fiscal year, if the companies are prepared to accept the proposal that has been advanced to them.

We do not believe it to be a major departure, nor is it a major departure from the intent and the objective of the taxing policy that was initially introduced. But it is a modification of the system in its application to some mines because of their particular

circumstances; it does bring about a reduction in some taxation revenue to the province of Saskatchewan. We don't try to hide that. I think that I've stated that to the companies as clearly and as succinctly as possible. I have stated it to the general public by various means in Saskatchewan. I believe that there was, in effect, an attempt to convey it to a conference that I was at, getting some publicity in Saskatchewan, in Vancouver, a Financial Post conference, so that we, I think, are indicating that we are flexible when we have the fact that we think we can properly base our decisions on. We have those now and we're prepared to make some movement. That movement will bring about some tax release to some companies. That, I think, is the explanation that the member for Thunder Creek (Mr. Thatcher) is looking for.

Mr. Chairman, we have decided to adjourn the House as close to 4:30 as possible so some members can depart for home. I move that the committee rise and report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 4:29 p.m.