

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

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EVENING SESSION

COMMITTEE OF FINANCE — MINERAL RESOURCES — VOTE 23

Item 1

MR. R.A. LARTER (Estevan): — Mr. Minister, information which I have is that things are not going too well in mineral resources as far as the morale of the troops and the different people you have there. I understand you have lost two engineers, four geologists, one tech 3, one other technician and you have lost people out of policy and planning. I wonder why you have lost this many people in, I believe, the last two or three weeks.

HON. J.R. MESSER (Minister of Mineral Resources): — Mr. Chairman, before I answer the question of the member for Estevan, I would like to introduce to the legislature Mr. Keith Laxdal, the assistant deputy minister, who is standing in for Mr. Bob Moncur who is away on government business for the remainder of today and I believe part of tomorrow as well.

I would disagree with the observations made by the member for Estevan that morale is low in the Department of Mineral Resources. I think it is other than that. In fact, I see a lot of encouragement, a lot of optimism in that there are things happening within the Department of Mineral Resources which have not happened there for a good many years. Indeed they look at it as an action department. It's true that we have lost some positions. I don't know whether we have lost the number or the positions which the member relates to, but I will not deny it. I can check with my officials.

I do not think that is uncommon given the kind of climate which we find in western Canada, a climate which is very much demanding the qualities of those persons who the member states have left the Department of Mineral Resources and indeed may have left the Department of Mineral Resources. They are given attractive proposals. In most instances the salaries are very much superior to what the government is able to pay and there are certain fringe benefits which are offered to them in the way of, in some instances, stock options and the like, which it is just not a possibility for the government to compete with.

It's not a case of morale; it's a case of growing demand for these kinds of persons in the resource sector and they are out seeking the most competent people they can. Certainly some of these people are within departments such as the Department of Mineral Resources and we are suffering the consequence of that. It is not limited to this department. I would assume that there are other departments in government where the same activity is going on. I can suggest to the member that as recently as two or three days ago I talked to my counterpart in the province of Alberta and he indicated to me that he also has problems in keeping persons in the Department of Energy and Resources there, because of the private sector being able to offer more attractive circumstances than they can in the government.

MR. LARTER: — Mr. Minister, I would say these are very reliable sources from which I have this information. I would say that eight top people or eight trained personnel to lose them inside of a month is quite a number and it has to leave a hole in your

department. To train people in your type of expertise must have some effect on morale, and I understand some of these people aren't going to private industry. Some of them are going to higher paying jobs — an engineer for instance with the Department of Highways, some are finding their way to SaskOil.

MR. MESSER: — Would you stop, Mr. Chairman. They are not all top people. There's a cross section coming from all levels. Some of them are senior but by and large most of them were not in senior advisory positions to the government. The member alludes to one of them going to the Department of Highways. My officials tell me that is not correct. It is indeed true that one has gone to SaskOil. That is not another department of government. SaskOil, in competition with the private sector, is more inclined to pay the salaries the private sector is paying. Those salaries were more attractive to that individual in SaskOil, than we could provide for him in the Department of Mineral Resources. So he chose SaskOil. I do not believe (because I know the individual to whom the member makes reference) that it was only salaries. There were some other opportunities for the person, he felt there was just more challenge to go to SaskOil, which is very much involved in turning on new resources in Saskatchewan.

MR. LARTER: — Mr. Minister, I am not referring to any particular person in any job. I do apologize to the Department of Highways. They tell me that a job with the Department of Highways pays approximately one-third more. And just about any of these jobs, to which these people are going, pay one-third more than the Department of Mineral Resources pays. Can you tell me if these people have all been replaced?

MR. MESSER: — Mr. Chairman, I am told that not all of the positions have been replaced. We are considering replacements for those that are not now filled. The engineers have been filled. The policy and planning person has been filled. We have not yet filled the geologist and technician positions.

MR. LARTER: — Mr. Chairman, I think you know that there are very few geologists let in Saskatchewan, who are working for anyone but the Government of Saskatchewan. There are very, very few geologists, unless there is a crop of graduate this year. Leaving that, Mr. Minister, the Premier was asked a question today or yesterday in the House about polls which have been taken in the last 18 months. I believe one of the questions on one of these polls was to do with the uranium industry in Saskatchewan — are you in favor of developing uranium? Can you tell me if this is so? Do you have the results? Is this one of the question on that poll?

MR. MESSER: — Well, as far as the Department of Mineral Resources is concerned, we have taken no polls in respect to uranium development in the province of Saskatchewan.

MR. ROMANOW: — We have an order for return coming anyway, Bob. It's coming. Relax, boy. It will be there.

MR. LARTER: — I have to ask the questions.

MR. ROMANOW: — And have you guys got a big surprise on the results. You guys have dug into so many positions . . .

MR. LARTER: — I have a tough time with these. Mr. Minister, will you be tabling these polls, though when they are available? Will they be tabled?

MR. MESSER: — Mr. Chairman, as the Attorney General has already pointed out, there is an order on the blues. It will be coming in due course. But as far as the Department of Mineral Resources is concerned, in respect to uranium polls, we have conducted none.

MR. R. ANDREW (Kindersley): — Mr. Minister, the Economic Council of Canada (the most recent report has been passed around in the legislature) advocates the phasing in of the price of oil. It supports the position that we should have at least a \$4 a year increase into 1986, which I think the minister would agree is precisely the same policy as advanced by the previous federal administration. I know the minister has been reluctant to state the position of the province of Saskatchewan with regard to this matter. In light of the position taken by the Economic Council of Canada, would the minister go as far as Canada? Would the minister go as far as to agree with the Economic Council of Canada, that a phased in price of \$4 a barrel would be a reasonable price which would not fuel the fires of inflation but yet put enough money into the industry so they can have sufficient funds to search for and develop new sources of oil resources?

MR. MESSER: — Mr. Chairperson, I think my answer would be to a significant extent no, in that certainly some sources of non-conventional energy would not be achievable for some years to come if we were simply to phase in at 44 per barrel. Heavy oil would be one of them. Certainly tar sand development is another. The member knows that tar sands now enjoys something well in excess of world price. I believe it's \$35 or #6 a barrel.

If we are going to continue to have development of non-conventional energy sources then we can't wait for an average increase of \$4 per barrel across the board. There has to be something in addition to that, so even though there is logic for an increasing of price for what we might term 'old' oil (that's nothing new, we have said that consistently), there is also further logic for more substantive incentives to turn on the non-conventional resources that are not now being tapped, such as heavy oil, which is certainly the most important one in Saskatchewan.

MR. ANDREW: — I take it then, Mr. Minister, what you are telling us tonight is that you support a system of blended price. In other words you do not agree that there should be one set price for crude oil, but rather a separate price for the light and heavy or conventional crude oil, and a different price for heavy oil and tar sands oil. Do you support the blended price idea or concept advanced by the federal Liberal Party?

MR. MESSER: — I support some special considerations being given to enhance the recoverability of non-conventional resources. Now there's nothing new in that. That's our position today. That was our position last year and the year before. In fact you can go back to 1976 and the Canadian energy security proposal. Part of that proposal was to direct larger sums of money toward those resources that are more costly to develop and pick areas in Canada where we could achieve success at an early time and bring about economic benefit to those regions.

Now if the federal government wants to include that concept into what they call a blended price, then I'm interested in hearing what their proposals are in respect to the blended price. I've conveyed this to the member in this Legislative Assembly on previous occasions. But I will not say I am in support of a blended price until I find out what a blended price is really going to mean for Saskatchewan, for Canadian energy and for developers and consumers.

MR. ANDREW: — I assume, Mr. Minister, when we're talking about blended price we're talking about the light and heavy crude on the one hand and the heavy oil and tar sand oil. That's what I think most people interpret blended price to mean. I take it you want a different price in both of those fields. Could you advise the Assembly without being specific, as to the position you would have on it? Would you be able to advise the Assembly as to the price range you would like to see, or would advocate with regard to heavy oil or tar sands oil?

MR. MESSER: — Mr. Chairman, I wouldn't like to play my cards in the Legislative Assembly prior to having an opportunity to play them with the federal Minister of Energy and Resources, and also talk to my counterparts, especially in the province of Alberta. I do not want the member to interpret from that that it's one nice family of negotiation. It may appear to be that at this particular point in time, but it may break down and we may have some very significant difference in views.

But I can say it's obvious that for tar sands development, you need something more than the Canadian price at this point in time. I don't know whether one needs the \$35 or \$36 per barrel that is now being enjoyed for tar sands extraction. I believe even Alberta has some sympathy to the thought that the technology now coming on stream is more efficient than they had originally thought and that we might be able to produce the energy from that source at a lesser price.

In the case of heavy oil (and I'm not wanting the members to assume that these are the prices that we're proposing) certainly private industry has proposed prices to us ranging anywhere from \$17 to \$24 a barrel in order to properly and economically enhance recover of heavy oil in Saskatchewan.

MR. ANDREW: — Mr. Minister I understand from press statements and rumors out of Calgary that Petro-Can is in a bid to take over Suncor. Given your almost whole-hearted support for Petro-Can, would you support Petro-Can buying out Suncor and becoming the major player in the tar sand development?

MR. MESSER: — Mr. Chairperson, it's not for me, as Minister of Mineral Resources to answer to what Petro-Can may be doing or to give them a specific direction or support in a specific direction that they may be taking. I am a supporter of Petro-Can as is the party I represent. I am also a supporter of the expansion of Petro-Can but to go beyond that, I don't think it's particularly relevant to the estimates that we're reviewing here this evening.

MR. R.L. COLLVER (Nipawin): — I would hope that the minister might be prepared to answer this question. What will the new capital tax being proposed by or introduced by your government do to mineral development in the province of Saskatchewan?

MR. MESSER: — I suspect, Mr. Chairman, as far as new mineral development is concerned, the capital tax will have little effect. There is an exemption that the member is aware of so certainly during early years of development, the capital tax is not likely to have a significant concern to them. When one looks at uranium and looks at the type of royalty structure we have in place with uranium, the capital tax will not in a significant way, if at all, negatively effect the development of uranium.

MR. COLLVER: — Would the minister not agree the new capital tax being introduced by the NDP government at this time will in fact have a significant effect however on the psychology of companies with which the Government of Saskatchewan has entered

into relatively long-term agreements; it will have a negative effect on them becoming involved in any new agreements?

MR. MESSER: — Mr. Chairman, I have no indication of the capital tax having that negative effect. I have taken it upon myself to have a series of meetings with companies in the resource sector, to not talk exclusively about capital tax but to talk about resource development in Saskatchewan in general. I have introduced to them the introduction of the capital tax. Whether they find that a significant problem or a distasteful tax to address themselves to — I have found no significant resistance. I have on file no letter or concern or protest in respect of the capital tax.

MR. COLLVER: — The minister will be aware the implications and details of the capital tax are not yet known either to the Assembly or to the industry at large. The minister will also be aware the new capital tax significantly affects the corporations with which your government has become directly involved. It may not significantly affect those corporations whose head office is in the province of Saskatchewan, but those corporations that have significant capital stock will in fact in the long term be very materially affected by this tax. The minister will be aware of that. As the minister expressed these implications to those organizations with which the government already has contracts and is in fact . . . Are not some of the contracts you have entered into and some of the undertakings you have provided to some of these organizations in jeopardy as a direct result of this new capital tax?

MR. MESSER: — Mr. Chairman, if the member will look through the bills before the Legislative Assembly he will find Bill No. 113 in respect to the capital tax. It goes into the detail, that it should in explaining how the capital tax will be enforce to some extent. The regulations were alluded to rather specifically in the speech from the Minister of Finance. They're not so complicated that corporations which might be affected can't sit down and within 5 to 30 seconds calculate what the capital tax is going to mean for them. The member for Nipawin is fully aware of that.

I know the capital tax is certainly going to raise some revenue for the province and some companies are going to be affected in generating that revenue. It is not a new tax to most of the companies which operate in other jurisdictions where they have had capital tax for quite some time.

Certainly the effect of the capital tax, as they have conveyed to me, is not in anyway deterring them from their interest or the level of development that they had planned and are planning within the province of Saskatchewan.

MR. COLLVER: — The minister is suggesting that the new capital tax in the province of Saskatchewan will somehow not materially affect those organizations with which the Government of Saskatchewan has become directly involved in terms of partnerships and joint ventures in other areas. The minister well knows that there is no capital tax in the province of Alberta. There is no capital tax there to minimize the effect on new development. The minister will be aware of the tremendous capital requirements that are going to be needed in the coming years with reference to the development of heavy oil and other Saskatchewan minerals.

Would the minister not agree at this point in time that because Alberta has no capital tax and because Saskatchewan has a capital tax, that tax could significantly affect the development in the province of Saskatchewan of those very capital-intensive areas

(such as heavy oil and uranium) that your government is absolutely committed to?

MR. MESSER: — Well, the short answer, Mr. Chairperson, is no. It may materially affect them to some extent in that they have some money toward the capital tax but it is not going to significantly affect the development of that resource, especially in the resources of the non-renewable energy sector where the level of interest is being generated. The member, I think, is just in error in that we are going to be subjected to a lesser level of development because of the introduction of the capital tax. Only time is going to tell whether he is right or I am right in that assumption.

MR. COLLVER: — I'm sure that's correct, Mr. Minister. Time along will tell. Would the minister not agree that the new capital tax in Saskatchewan is over and above the already high taxation through resource based companies in the province of Saskatchewan and far in excess of taxation levels that have existed in the province of Alberta; and since the minerals of similar nature are both in the province of Saskatchewan and the province of Alberta, this kind of development will occur first in Alberta and not in Saskatchewan?

MR. MESSER: — Well, Mr. Chairperson, I again disagree with the member for Nipawin. My answer is no, I do not deny there are lesser levels of taxes in the province of Alberta and we don't want to get into the debate as to why that is and what the benefits are. I do agree that there's a lesser level here. I do not agree with him that because of what he calls a high tax base we are going to lose development here or for that matter that the development is going to take place in Alberta before it is in Saskatchewan because there has been increasing interest in the province of Saskatchewan, not only in the hard rock minerals but in oil and in gas and we have not amended, in any significant way, the rules of the taxing level with this province. Indeed the member is suggesting that we are escalating it upward.

Still within the last six weeks, I've had more inquiries from companies which do not have a high profile in the province of Saskatchewan, both in the oil and gas sectors, seeking certain information because they are very anxious to start operation in Saskatchewan and I believe almost without exception they will be.

MR. COLLVER: — From the fact that the minister is providing this kind of information to these organizations, has the minister been providing to the organizations, which are requesting this information from him, the details and the regulations which have not yet been announced? Whether they were alluded to in the speech by the Minister of Finance or not, they have not yet been announced. Is the minister providing to these organizations details of the capital tax, first of all? Secondly is the minister really suggesting that the interest in minerals in Saskatchewan, relative to the amount of minerals in Saskatchewan, is anything like the interest in the province of Alberta to the minerals which exist in the province of Alberta? Is he really expecting the people of Saskatchewan to believe that?

MR. MESSER: — Mr. Speaker, to the second question that the member asked, the answer is yes. To the first, I have provided no more details than have been made available to this legislature and the general public.

MR. COLLVER: — Did you answer the second part of the question? Because the Attorney General was busy answering the question of the member for Estevan and it's hard to hear you. Did you answer?

MR. MESSER: — I answered and the answer was yes.

MR. COLLVER: — I'm sorry. To the first part of my question the answer was yes?

MR. MESSER: — To the second part of your question the answer was yes.

MR. COLLVER: — What about the first part of my question?

MR. MESSER: — The first part as well, saying that I have provided no more information to the companies during the course of my discussions then has been provided to the members of the Assembly and the public of Saskatchewan.

MR. COLLVER: — What you're saying, Mr. Minister is that these organizations do not have details of the capita tax and they are expressing some interest in the province of Saskatchewan, so you're saying that although they're expressing interest, they're not yet involved here. Would you not believe, Mr. Minister, that the capital tax, once the details are revealed, may significantly affect the development of mineral resources in Saskatchewan because these are very capital-intensive industries?

MR. MESSER: — The answer is no, Mr. Chairperson, and as the member for Nipawin knows, there are not substantive details likely to be added to what has already been released, which will alter or change significantly what they assume they will be paying in capital tax to the Government of Saskatchewan.

MR. COLLVER: — The minister will be aware there have been past experiences in the Government of Saskatchewan (and in this very legislature) when what has been said here has not turned out to be exactly true when the regulations are laid down. The minister will be aware that industry has a slight reason, and has had from time to time, to doubt that the Government of Saskatchewan would treat it fairly when it is in competition with them, in terms of SaskOil and Sask Potash and other such ventures which your government has entered into.

My question again, to the minister, is how can he expect the Government of Saskatchewan to attract mineral development in the province of Saskatchewan, when not only are the mineral taxes higher, not only is the other taxation in the province of Saskatchewan higher, but in addition we have now superimposed another tax on those mineral resource companies. So do you not believe that it would be beneficial to the people of Saskatchewan to allow the mineral resource sector some kind of relief under this capital tax?

MR. MESSER: — Well, Mr. Chairman, the member says how can I expect this level of activity to take place, how can it not be deterred because of the high mineral taxes, the other taxes, as he put it, and now the capital tax? I suggest to the member that it's not up to me; it's up to the companies. The companies are showing a higher level of interest in development in the province of Saskatchewan than they ever have before.

The member knows what the last land sale was in Saskatchewan, introduced after we read the budget speech indicating there was going to be a capital tax, and we had never in the history of this province received such a high price for land interest in Saskatchewan. I've already alluded to the member that there is accelerating interest with respect to natural gas exploration. We have accelerated interests, ongoing high level activities in northern Saskatchewan with respect to uranium. So there is no

evidence today that the capital tax has affected the industry.

The industry, to my knowledge has said nothing to the press or to the general public indicating that it is upset about the imposition of this tax. Nor as it conveyed to me or to any other member of the government that there is a problem with the capital tax to the extent that it is not anxious to continue to develop resources in the province of Saskatchewan. I can only conclude by suggesting to the member that he may be upset and he may think I should be upset, but what really counts is whether or not the developers are upset to the extent they are not going to develop in this province. Evidence shows they are not upset.

MR. COLLVER: — Mr. Chairman, the minister will be aware that what happens today one month or less after the introduction of the capital tax into the legislature, is not as important as what is going to happen in the next six months or eight months. I'll just wait for the Attorney General to finish his remarks . . . (inaudible interjection) . . . I can understand that. The minister will also be aware . . .

MR. CHAIRMAN: — Order!

MR. COLLVER: — Thank you, Mr. Chairman. Would you please advise the member for Nipawin which minister I should address my remarks to.

MR. CHAIRMAN: — You are entirely in order and the hon. Attorney General is entirely out of order.

MR. COLLVER: — I'm glad that's on the record. The minister will also be aware that not only is it important what happens in eight months, but also in terms of developing mineral resources is what price will be allowed by the Government of Canada for the development of these various oil reserves in the province of Saskatchewan, which are, as the minister has said, more capital intensive even than regular conventional oil reserves. What I'm trying to suggest to the minister is that perhaps an exemption, at least in the short run, would be in order for these organizations.

The minister has absolutely no indication, given the past history of the present Liberal government in Ottawa, that the government in Ottawa will at all be conducive to listening to the pleas of the provinces of Alberta and Saskatchewan relative to the development of mineral resources. So given that unfortunate hard stand that the Government of Canada has taken in the past, and given the fact that unless that kind of relief is provided by the Government of Canada, development will be minimized and Saskatchewan will be in competition with the province of Alberta, would you not think that we would be better off at least postpone, in so far as the mineral corporations are concerned, this capital tax until we see what is going to occur in the various areas of mineral development in the province?

MR. MESSER: — Mr. Chairman, I do not. We have introduced the capital tax. It will be part of what has to be considered by the developers as to whether or not they want to initiate, continue or expand development in Saskatchewan. I am saying that the evidence today indicates they are not upset. I suggest to the member that the evidence indicates they will not be upset in six months or five months or eighteen months, and that we will enjoy a high level of development and as far as the hon. renewable resource sector is concerned, as high as is enjoyed in the province of Alberta. We charge higher taxes, we'll not deny that but that will not deter the level of development taking place in Saskatchewan. And again, I can only suggest to the member that he paints a

hypothetical solution which is somewhat dooier and gloomier than mine. I am most optimistic that given all the circumstances which have to be considered in Saskatchewan, including the tax on capital, we will have as high a level of development as we could possibly expect to enjoy.

MR. COLLVER: — Well, Mr. Chairman, I'm not going to go on any further on this. The minister and I obviously disagree. I believe time along will tell who's right and who's wrong in this matter. I hope the minister will agree that if the level of activity in the province of Saskatchewan decreases in six to eight months and the relative activity in the province of Alberta increases in six to eight months, he will come before this Assembly and apologize for these remarks, apologize to the people of Saskatchewan, and apologize to everyone involved because of his short-sighted attitude about pricing ourselves right out of the market place.

MR. MESSER: — Well, Mr. Chairperson, I would be more than happy to carry through with such an apology if, in effect, we have the doom and gloom climate the member alludes to.

MR. LARTER: — Mr. Chairman, I think the government brings quite a bit and is justifiable proud of the resources we have in Saskatchewan, such as potash, oil and uranium. Yet at the Financial Post seminar the government, through the Premier, announced a staged development program so we won't go through boom and bust periods. Do you not agree, Mr. Minister, that we really aren't even going to come up to half a boom as far as the province of Alberta is concerned?

You talk about staged development if you really believe we are going to show the resource power we have in Saskatchewan compared to Alberta, can you tell me what year we will not be receiving the huge equalization payments from Ottawa? Can you tell me the day we're going to be paying the other provinces?

MR. MESSER: — Mr. Chairperson, in some respect we're already doing that. We've talked about the export tax on heavy oil — some \$600 million likely this year. If that isn't paying our share to resolve some of the economic deficiencies other Canadians are involved in, I don't know what is.

So it's not a case of Saskatchewan not now making some quite significant contributions. As our economy grows and improves we will be making even greater contributions to Canada as Canadians. Certainly a large part of the debate of the discussions, which are now ongoing with respect to the energy package and the energy price, related directly to just how much we should be contributing to the problems of other Canadians.

We are, by comparison to any other province including Alberta, in a boom stage at this time. Certainly not to the extent of Alberta, but we're better off economically and development-wise than any other province in Canada excluding Alberta.

I admit we're in second position, but that's not a bad position to be in when we look at what the rest of the provinces in Canada are confronted with. We never have said we wanted to have the same kind of boom economy Alberta enjoys.

Probably one of the main reasons for our not saying this is because we don't believe we have the kind of resource that will give us the opportunity to have that active an economy. Even if we were given an equal opportunity it's unlikely we would want to

have the boom take place as rapidly as it's taken place in Alberta.

We would much rather do as we said we would do at the Financial Post conference in Saskatoon last year, and that is to stage some of this development so we can stretch out the benefit to Saskatchewan citizens and so we can better provide opportunities for Saskatchewan citizens to take advantage of the spinoffs.

MR. LARTER: — I would suggest, Mr. Minister, that under the private sector this would appear as a boom, but because of the government's total involvement in resources it does seem to stifle it and it doesn't seem to show up as a boom as it does in Alberta.

MR. MESSER: — I tend to disagree with the member. Business operations in Saskatchewan are expanding, a number have recently located or started up here. They are very much optimistic about what they will be able to achieve, or attain, in providing the resource sector with needed inputs. The member I think is somewhat misinformed and misled, when he says there isn't an element of optimism as far as the Saskatchewan economy is concerned, and especially in respect to resource development.

MR. ANDREW: — Mr. Minister, as you know you have earned the reputation of being the great traveller of the Saskatchewan cabinet. You have, I suppose, each year made our excursions to Rio or to Japan besides our trips home. I wonder if the minister could advise the Assembly of the trips you made last year. Would you provide us with this information, where you went, whom you took with you and the cost of that, plus the trips you have planned on the horizon for the next six or eight months?

MR. MESSER: — Mr. Chairman, in respect of the trips, and where I or my officials were last year and for what purposes, the member knows there is an order on the order paper. The answer will be coming, along with trips and purposes of trips for my colleagues as well, so he's not going to have to look at my experience in respect of trips in isolation to what other cabinet ministers are doing and/or other officials of government. In respect of what future trips are planned, I don't think it is particularly relevant to what's being discussed now. In effect I have no firmly planned trips off the continent for the foreseeable future. Indeed I just cancelled one yesterday which deprived me of the opportunity to tell the member about it.

MR. P. PREBBLE (Saskatoon-Sutherland): — I have just a few questions for the minister. I want to ask a few questions specifically on the matter of uranium mine and mill tailings. There was a large tailings dam failure last year in New Mexico along the Rio Puerco River. At that time about 100 million gallons of radioactive water went in to the river as a result of a tailings dam failure. It contaminated approximately 250 acres of land, and 48 kilometres of river. It affected approximately 1,000 Navaho Indians living in that particular area. My question to the minister is whether any tailings dam failures have occurred at Saskatchewan uranium mines, and secondly, what is being done here in Saskatchewan to assure that the kind of failure that took place in New Mexico does not take place here?

MR. MESSER: — Well, Mr. Chairman, I guess there's never any absolute fail safe system that one may incorporate into any activity that mankind undertakes, but we are not aware of any dam failure in the province of Saskatchewan for the year under review, or for the recent past. We do not believe that we have the same concerns that were ultimately the problem with the New Mexico example, the member conveys to us. We think we have a substantially better system and a design which gives us a greater level

of security. Now to go beyond that, I can't be more precise. One might still be able to articulate an argument that there is still an element of danger. I would not be one to deny that, but I think the danger is within the tolerances acceptable to the province of Saskatchewan and what we think is acceptable to the people of Saskatchewan. To respond to the latter part of his question, what is being done to give greater protection and confidence that we do not have these kinds of failures or deficiencies? — we have ongoing studies and research activities being carried out, not only within my department but certainly within the Department of the Environment. We plug in as extensively as possible to research activities which are being carried on by other agencies in Canada and outside Canada as well. We think we are as knowledgeable as possible about what might be incorporated into making uranium mining activities in Saskatchewan more acceptable and as safe as it humanly possible.

MR. PREBBLE: — The minister will know that the cost of disposing of uranium mill tailings in Elliott Lake has now been estimated by the select committee of the Ontario legislature looking into Ontario hydro and uranium mining activities in Ontario. The estimated cost of disposing of those mill tailings, is in at a minimum figure of around \$300 million. The Government of Saskatchewan in this budget has set aside a figure of \$1 million, which will presumably gather interest over the years, to handle possible long-term problems in tailings disposal here (and that's a \$1 million figure for each mine). My question to the minister is, since the minimum estimated cost by the Ontario legislature for disposing of tailings at Elliott Lake is \$300 million, will the \$1 million figure be at all adequate?

MR. MESSER: — Mr. Chairperson, the answer in my view is yes, and if the member wants to pursue it further he should undertake to do so with the Department of the Environment, which sets the standards and regulations for the safeguards which should be incorporated into such activities.

MR. PREBBLE: — I'd like to ask the minister whether he has discussed (in conjunction with the Minister of the Environment) with the uranium mining companies the possibilities for separating out radioactive elements, specifically radium and thorium, from the rest of the tailing waste and burying that radioactive material rather than leaving hundreds of thousands of tons of mill tailing sitting on the surface behind tailings dams in northern Saskatchewan? Would he be prepared to consider that kind of a proposal?

MR. MESSER: — Mr. Chairman, yes, discussions have been instigated and are ongoing, but there have been no conclusive decisions reached at this point in time.

MR. PREBBLE: — As the minister knows, the uranium mill tailings have been identified, by the Porter commission in Ontario as potentially the most serious problem in the entire nuclear fuel cycle. The head of the commission, Arthur Porter, has suggested to the Ontario government that if the problem is not resolved by 1985 there should be a reassessment of the commitment to nuclear energy and uranium mining in Ontario. My question is, in light of the fact that Ontario considers this problem to be so serious, would the Government of Saskatchewan consider setting aside a percentage of the profits which come from uranium specifically for resolving the serious problems from uranium mill tailings?

MR. MESSER: — Well, I disagree very strongly with the member as to the seriousness of the problem he alludes to. Ontario may be one view. We may very well be of a

different view. We have the opportunity for a concerned citizen such as himself and some others to make their case known to the government as it expands and extends its uranium mining activities. Given the credibility and the factual basis of their concerns, the government will consider whether or not additional action should be taken. But certainly, at this point in time, we do not believe there is a need for a percentage of profits from the uranium mining activities to be laid aside for such purposes.

MR. PREBBLE: — I would like to ask a question with respect to the problem of high level radioactive waste. The minister will know that as a result of many years of research in this area, little progress has been made. The California Energy Commission has decided and specifically recommended to the California legislature that there should be a moratorium on additional nuclear plants until the waste disposal problem is resolved. Since that has led to a moratorium in California, and since similarly in Sweden the government has studied the problem in some detail and seven of eight geologists in a special team have just recommended to the government that in their view the waste disposal problem is a long way from being resolved there, would the minister consider committing a percentage of profits from uranium mining in Saskatchewan towards solving the problem of high level radioactive waste disposal?

MR. MESSER: — Well, Mr. Chairman, the member is certainly able to relate to some significant facts in respect of other jurisdictions. A good many of them are emanating from the wastes from nuclear power plants and the consequences of generation of nuclear power. As he is well aware, we are not of the mind nor do we have the perception that we will be a producer of nuclear power in the province of Saskatchewan in the foreseeable future. We have no long-term interests or plans for the inclusion of nuclear power, so that portion is being not relevant. In most instances there have been moratoriums and other delays in respect to the whole nuclear cycle. They take place where countries, by their own choice, have decided or chosen to follow a nuclear generating cycle. That is not the situation with Saskatchewan. The waste disposal considerations are very much different in the province of Saskatchewan than they are for those jurisdictions.

MR. COLLVER: — Ah, come on, Jack.

MR. MESSER: — The member for Nipawin says, ah, come on. But I think we have taken more adequate steps than they have. We are talking about a location of waste which is very much different from locations of waste that other jurisdictions are looking at. The short answer to the member's question is that, at this point in time, the government sees no justification in taking a percentage of the profits from uranium mining and setting it aside for the purpose. We see no eminent problem in that regard.

MR. PREBBLE: — I just have one final question with respect to the non-proliferation treaty and the sale of uranium to jurisdictions that refuse to sign that treaty. As the minister knows, Saskatchewan is contemplating in the future that two of its major customers for uranium will be South Korea and France. South Korea has been reported by the American press to be well on its way to attaining nuclear weapons. The French refuse to sign the non-proliferation treaty. They have certainly been guilty of violating the spirit of the treaty on numerous occasions through sales of reprocessing plants to Pakistan. They also have a very questionable nuclear program at home. Certainly that's evident by the fact that the two most recent reactors they approved have both been shown by eminent scientists in France to be highly faulty, with scores of cracks in the basic metallic components in the reactors. I question how the Government of Saskatchewan morally justifies the sale of uranium to countries such as France and

South Korea, or anticipates those sales of uranium to those countries when they refused to sign the non-proliferation treaty and when they are clearly contributing to either directly planning to attain nuclear weapons or contributing to the speed of nuclear weapons in the world.

MR. MESSER: — Well as the member has concluded in his remarks, we have not sold uranium to South Korea. It may well be that because of an inability to come to satisfactory arrangements between both parties, there may not be a sale of uranium to South Korea. There have, however been sales of uranium to France and there may continue to be sales to France.

We are as much concerned as he about the proliferation question. We do as much as possible to encourage and where possible impose actions which will give us as much satisfaction as possible that the uranium is going to be directed to peaceful purposes: to the generation of nuclear power. There is no ultimate fail-safe system one can use in that respect. We can only exercise our powers as a province to the extent allowed within the confederation of Canada. We may want, because we have concerns about where some of our production may be directed, to withhold sales but there is certainly the legality of whether or not we have the power to so do.

I would suggest to the member that clearly we do not have the power to deny sales if the federal government is of the mind that resource is, in the best interests of Canadian, to be developed and sold offshore to other countries. So ultimately, the responsibility is in the hands of the federal government. We do not shirk our responsibility in recognizing that we want, if possible, a proliferation agreement or arrangement which gives us as much peace of mind as can possibly be attained that the use of that uranium is going to be for peaceful purposes.

MR. COLLVER: — My question to the minister is very simple. The member for Saskatoon-Sutherland mentioned Sweden. Is the minister aware of the recent plebiscite conducted in Sweden which the members opposite have extolled as the most social democratic society in the world? Is the minister aware of that plebiscite?

MR. MESSER: — Yes, Mr. Chairman, I'm aware of that plebiscite. The results of that plebiscite indicate that this country is very much in support of expanded nuclear power development.

MR. COLLVER: — Would the minister like, since he is very much aware, to present to this Chamber the results of the plebiscite in Sweden after many, many months and in fact years of presentation of the facts to the people of Sweden?

MR. MESSER: — Yes, Mr. Chairman, I can do that.

MR. PREBBLE: — Mr. Chairman, with respect to the results of the Swedish referendum would the minister not agree that in fact that referendum simply demonstrated on the part of the Swedish people a desire to make an interim commitment to nuclear power? In fact over 38 per cent of those voting voted for a moratorium on uranium mining and a shut-down of the six existing nuclear reactors; just over 39 per cent of those voting, voted in favor of an expansion on the understanding that nuclear reactors were nationalized, and just over 18 per cent of those voting voted for only a temporary expansion of nuclear power and determined, in fact specifically requested, that nuclear power plants be phased out within 25 years. So the majority of those voting, in fact, either voted against nuclear power or voted for nuclear power as only an interim

measure to be phased out within 25 years.

MR. MESSER: — Well, Mr. Chairman, I tend to disagree with the interpretation which the member puts on the Swedish referendum or plebiscite. Clearly, they chose nuclear power and it will be their sole source of new power well on into the 2000s.

Certainly, nuclear power is an interim source of power as I guess any source of power is. As our technologies improve and as our abilities to harness renewable energy improve, we will have less reliance on the conventional sources of power now. But that is not to suggest that the Swedish people were, for a moment, as far as a majority is concerned, hesitant about choosing what they felt to be the most realistic, most economic, and most safe source of power which they could add to their generating system. That's the point, I think, we should be very mindful of.

MR. COLLVER: — Would the minister not agree that the greatest, most expansive user of nuclear energy in the world today is Soviet Russia?

MR. MESSER: — Yes, I believe that is correct. But one would find it difficult to find substantive statistics to back that up. Certainly by all reports which we have, Soviet Russia is by far and large the greatest proponent of nuclear power on the globe today.

MR. R. KATZMAN (Rosthern): — Mr. Minister, I think you are aware of the statement made by the federal minister responsible for Eldorado when he suggested they were moving the corporation out of Port Hope. He suggested that those who get the financial benefits would take the risks and therefore rather than a dump site being somewhere alone that they also get the refinery for the benefits. Mr. Minister, in that proposal he also suggested the people there were willing to accept the risks. I think the minister is aware of the feeling of the people around the Warman and district area, on their opinion of receiving a refinery. They have shown strong proposals against. I would ask of this minister if he agrees: (a) with the federal proposal that the refinery first of all should be closer to the site of the mining; and (b) with the statement of Mr. Cowley that the refinery is not needed in this province at all?

MR. MESSER: — Well, Mr. Chairman, first I would argue with the member on the interpretation of Mr. Cowley's statement. Mr. Cowley said that the absence of a refinery would not likely have an impressionable affect on the mining and exploration of uranium in northern Saskatchewan. I agree with him. But he did not say, and he has clarified that statement in subsequent press utterances that it would not have an effect on the economic well-being of the province of Saskatchewan. It would contribute something and he was conscious of that while he made his remark in Crown corporations committee some weeks ago.

I am not in a position to second guess what the benefit may be to Eldorado Nuclear if they were to locate their refinery operation closet to the mine. The most substantive argument which comes when that is proposed is that it is more costly to move the produce to the source of chemicals which are needed to properly refine it than it is to move the chemicals to the product which has to be refined. There are clearly two distinct parties of thought in that respect.

I do just want to make a general observation on the comments of the member before he addressed his two questions That is that the federal Minister of Energy, Mines and Resources said that the financial risks are to be borne by those who obtain the benefits and I think that's correct. Well, Mr. Chairman, it seems . . .

MR. CHAIRMAN: — Order, order! I'll have to ask the strangers to withdraw from the gallery. Order! Move them out of the gallery but very quietly. We don't want any thrusts. Order!

Items 1 to 9 agreed.

Vote 23 agreed.

MINERAL RESOURCES — ORDINARY EXPENDITURE — VOTE 1

Items 1 and 2 agreed.

Vote 1 agreed.

MINERAL RESOURCES — ORDINARY EXPENDITURE — VOTE 47

Vote 47 agreed.

**MINERAL RESOURCES — SASKATCHEWAN HERITAGE FUND — ENERGY SECURITY
DIVISION**

Items 1 to 4 agreed.

Total budgetary expenditures agreed.

MINERAL RESOURCES — ORDINARY EXPENDITURE — VOTE 73

Vote 73 agreed.

MINERAL RESOURCES — POTASH CORPORATION OF SASKATCHEWAN — VOTE 58

Vote 58 agreed.

MINERAL RESOURCES — SASKATCHEWAN POWER CORPORATION — VOTE 60

Vote 60 agreed.

MINERAL RESOURCES — POTASH CORPORATION OF SASKATCHEWAN

Agreed.

MINERAL RESOURCES — SASKATCHEWAN POWER CORPORATION — VOTE 52

Vote 52 agreed.

MINERAL RESOURCES — SASKOIL — VOTE 54

Vote 54 agreed.

Anti-Nuclear Demonstration

MR. ROMANOW: — Mr. Chairman, before I move the committee rise, report progress and ask for leave to sit again, I should like to make a comment which I hope reflects the feeling of all the members. What we have just seen in the last minute or two is a very unfortunate display by a very small and I think sad, unfortunate group of people who have shown absolutely no respect for the democratic process and what the democracy process stands for. Whether you agree with uranium mining or you are against uranium mining or any aspect related to the uranium issue, I am not now going to argue one way or the other for it because there are views on this side of the House all the way down the line.

The activities by this very sad and miserable lot, a small group of people, is a disrespect for the entire institutions of democracy. I would hope simply that the people of Saskatchewan will agree with us and reject the display of disrespect for law and authority, law and order and what the parliament and legislature stands for.

Now, Mr. Speaker, I don't know if anybody from the opposition wants to add a word or two. Perhaps I should just give him an opportunity. I'll sit down before I move the committee rise and report progress. Would the Deputy House Leader like to say something on the opposite side, or not?

MR. TAYLOR: — Mr. Chairman, it was with shock and dismay that I witnessed what went on in that Chamber. I would agree with the Attorney General that if we live in a democratic society there are probably other ways to make one's grievances known. However, I think as legislators we must realize there was a display there of feeling by a segment of society. I'm going to be thinking about what happened tonight. Perhaps we're going to have to be each and everyone of us.

I'm not say I'm condoning this. I'm just saying that as legislators when citizens of this province find the only avenue open to them is to bring forth a display such as this that I and the members on this side (and I would hope the members on the other side of the House) are going to wonder if we are giving the people the open forum to express their concerns. I do not condone in any way, shape or form what took place in this Chamber, but I say I think there's something to be learned from every action in this world. Maybe we as legislators should pay a bit of attention and keep our ear a little close to the ground on what is a very touch problem with the people of Saskatchewan at this point in time.

MR. ROMANOW: — Mr. Chairman, I want to say that I strongly . . .

MR. CHAIRMAN: — Order, order! I'd like to call the committee back to order. We're not dealing with any item in this committee in the discussion. The Hon. Attorney General had said a few remarks, and I couldn't very well cut off the hon. member for Indian Head-Wolseley. Similarly I will not cut off the hon. member for Nipawin if he wants to make a few brief remarks. Let's just cut it there and get back to the business . . . (inaudible interjection) . . . State your point of order.

Point of Order

MR. ROMANOW: — My point of order is that we're dealing with the last item on the estimate which says that the sums calculated . . . excuse me, I'm making my point of order . . . the sums calculated are the same sums which are to be voted and approved by this House, and I'm speaking to that particular issue. Am I out of order or in order?

MR. CHAIRMAN: — We don't have any sums to be voted by this House. It isn't the question before us at this time.

MR. ROMANOW: — Then I'd like to know why it is that I'm out of order, why comments on this issue are out of order?

MR. CHAIRMAN: — Well, we haven't got any item that's been raised in the committee of finance. I'm looking for some motion or something along that line. I can't let people get up and talk forever.

MR. ROMANOW: — Mr. Chairman, with all due respect to you, there is a notation of a sum at the end of the departmental estimates, a sum, saying something to that effect, therefore be it approved or whatever the line is. I don't know exactly what the line is, upon which we are casting the final vote.

MR. CHAIRMAN: — We voted on that. It's gone by the boards unless the House wants to go back to that item.

A MEMBER: — Mr. Chairman . . .

MR. CHAIRMAN: — The hon. member for Nipawin.

MR. COLLVER: — I am . . .

MR. CHAIRMAN: — Order, order, order! Let's not be more disorderly than the people who were in the galleries a few minutes ago. I call on the hon. member for Nipawin.

MR. COLLVER: — Mr. Chairman, I don't think anyone in this Legislative Assembly could have sat through that display tonight without being ashamed. And whether or not any member . . . (inaudible interjection) . . . and whether or not . . . and whether or not . . . I hope the Attorney General continues because I will get eight million whether or not's on the record. Whether or not you may have feelings one way or another, you cannot in any way condone the display. However what would concern me the most is if we, as the Assembly, were to recognize in any way, shape, or form — or the press ere to recognize — that kind of display. If at any time that kind of display can be brought into play in a democratic society to either halt the business of a legitimate legislature or to cause the legitimate legislature to notice it, then more of those unfortunate and (I fee with the Attorney General) said persons could possibly destroy the democratic system. It happened before. I don't think I need to remind anyone of history, the member for Regina Wascana will remind the NDP caucus of the history of the 1930s in a country on the other side of the ocean.

Mr. Chairman, I don't wish us to notice it. If the press corps notice it, they are being remiss in their duty as Canadians.

MR. CHAIRMAN: — Order, why are you on your feet?

MR. PREBBLE: — I am wondering if I might have the liberty of making a few comments on this particular motion?

MR. CHAIRMAN: — No. I said that I thought the Attorney General was out of order. I was in a bit of a state of shock, and I should have cut him off immediately. I did not. I let the

others respond. Let's let it lie there.

The committee reported progress.

SECOND READINGS

HON. R.J. ROMANOW (Attorney General) moved second reading of Bill No. 91 — **An Act respecting the Consequential Amendments resulting from the Amalgamation of Her Majesty's Court of Queen's Bench for Saskatchewan and the District Court for Saskatchewan.**

He said: Mr. Speaker, I rise to move second reading of The Queen's Bench Consequential Amendment Act. This bill is companion legislation to The Queen's Bench Amendment Act and The District Court Repeal Act, and forms part of the legislation to bring about a merger of the district court with the Court of Queen's Bench. All of the amendments except those which I will specifically mention are merely of a housekeeping nature, namely substituting references and statutes from the district court to the Court of Queen's Bench or changing references to the proper court officer. Appeals previously heard by the Court of Queen's Bench will now be heard by the court of appeal. After consultation with the Chief Justice of Saskatchewan, we have also changed some appeals which formerly went to a judge of the court of appeal to an appeal to the court of appeal.

Those amendments which do not fall within the category of housekeeping, consequential or procedural, are as follows:

Section 11, The Children of Unmarried Parents Act: at the present time jurisdiction is vested in both the provincial court and the district court. In practice all applications are brought in provincial court except those made under The Reciprocal Enforcement of Maintenance Orders act, where a superior court must act. These amendments require all application to be made to the provincial court except those under The Reciprocal Enforcement of Maintenance Orders Act which shall be heard in the Court of Queen's Bench. The unified family court also has jurisdiction under the statute by virtue of The Unified Family Court Act. The amendment to section 18 makes it clear that an application for an affiliation order under The Reciprocal Enforcement of Maintenance Orders Act must be brought in the Court of Queen's Bench. This amendment will bring The Children of Unmarried Parents Act into line with The Deserted Wives' and Children's Maintenance Act.

Section 20. The Deserted Wives' and Children's Maintenance Act: the major amendments of this act are similar to those made to The Children of Unmarried parents act. All applications will be brought in the provincial court except those under The Reciprocal Enforcement of Maintenance and Orders Act.

Section 30. Family Services Act: at the present time jurisdiction for actions under part 1 is vested in both the provincial court and the district court. In practice all applications under part 1 are brought in provincial court or the unified family court and the amendment provides for this. Since part 3 of the act deals with adoption, the amendment to section 49 provides for actions under this part to be heard in the Court of Queen's Bench.

Section 43. The Jury Act: the main change to The Jury Act, new section 7.1, is one made to accommodate the holding of jury trials in centres other than judicial centres.

Section 93. The Surrogate Court Act: since the surrogate court will now consist of all the judges of the Court of Queen's Bench, the amendments to the Surrogate Court Act will make it similar to The Queen's Bench Act. The powers of the chief justice and the method of determining the sittings of the court will be the same in both acts.

Section 101. The Unified Family Court Act: the unified family court will now consist of the judges of the Court of Queen's Bench, The amendment as proposed in section 16.1 will give the chief justice the same powers he enjoys under The Court of Queen's Bench Act. Section 26 of this act permits the Lieutenant-Governor in Council to determine the area where the court will exercise its jurisdiction.

Mr. Speaker, this is the last piece of legislation necessary to bring about a merger of the district court with the Court of Queen's Bench. Since it will take time to complete the administrative arrangements necessary to merge the two courts, this bill will come into force on the day The Queen's Bench Amendment Act, 1980 comes into force. Mr. Speaker, I move second reading of The Queen's Bench Consequential Amendment Act.

MR. R.L. ANDREW (Kindersley): — The consequential amendments, of course, as the Attorney General has said, go along with the changes being made in The District Court and Queen's Bench Acts and the opposition is on record supporting those with some reservations; however, I don't think those reservations will be advanced. If it appears in adjourned debates later on we will get into the question of The Queen's Bench Act. We will be supporting this motion, and hopefully the new system will work substantially better.

Motion agreed to and bill read a second time.

HON. R.J. ROMANOW (Attorney General) moved second reading of Bill No. 98 — **An Act to amend The Coroners Act.**

He said: Mr. Speaker, it is my pleasure to move An Act to amend The Coroners Act. This act is introduced for three reasons:

- (1) The feeling of the government is that it's no longer necessary in most cases in which a coroner acts, for the body of the deceased to be viewed by a coroner's jury prior to the holding of an inquest.
- (2) It's also felt that it's not necessary to more appropriately define and clarify the powers of a coroner to order a post-mortem examination.
- (3) The third amendment proposed in The Coroners Amendment Act is intended to ensure continued adequate supply of human growth hormone to ensure that children who suffer from a deficiency of this very important hormone are able to obtain the treatment they desperately need. If I may, Mr. Speaker, I'll elaborate on each proposed amendment.

First, section 17, sub 1 of The Coroners Act. This section currently provides that if a coroner considers an inquest necessary, he must proceed to call a jury so the members of the jury may view the body of the deceased. This frequently means that a jury has to be called in a very short period of time and assemble to view the human remains. After this task is done, an autopsy may be proceeded with and the body then returned to the next of kin for burial. This means that juries have to be chosen in a hurry and are

frequently chosen from a small number of the population who have previously indicated their willingness to act as jurors for coroners' inquests.

Therefore, the privilege of jury duty is not spread among all the members of the community. It's frequently found, after some lapse of time and continued investigation into the fatality, that an inquest need not be proceeded with. The coroner may now be in a position to close the inquiry without proceeding with a full formal inquest hearing. This has occurred in approximately 50 per cent of the inquests opened in Saskatchewan in the last three years.

In the past, the viewing of the body has been utilized and considered necessary as a means to prove to the jury the identify of the deceased and to delineate the injury sustained by the deceased. It is my feeling that this is no longer necessary. Witnesses can be called before the coroner to state their knowledge of the deceased and his identity. In addition, it is now normal practice to call to the inquest expert medical testimony to outline the mechanism and cause of death and the injuries of the deceased.

This proposed amendment I feel is a wise one. It will reduce the number of times in which an inquest is opened, the jury summonsed on short notice and then the inquest not proceeded with. It will also permit for the sharing of the privilege of jury duty.

Mr. Speaker, it is the intent of the proposed amendment to section 24, sub 1 of The Coroners Act, to more appropriate define the authority of a coroner to order a post-mortem. Coroners have always had the authority to order a post-mortem, though the circumstances under which a coroner may order a post-mortem are not fully and appropriate defined. The wording of section 24 as it is now proposed brings this section of the act in line with section 4(1) of The Coroners Act, which defines the duties of persons to notify a coroner of a death.

Section 5(1) of The Coroners Act outlines the circumstances under which a coroner should issue this permit to take possession of a body, view a body and make inquiry into the death. I feel that it is only proper that the coroner, having determined that it is a death which merits inquiry by a coroner, should have the authority to order (when he considers it a necessary investigative tool) a post-mortem of the deceased. It's also the view of the government that if section 24(1) of The Coroners Act is amended as proposed, section 24(4) will no longer be necessary. I would respectfully recommend to the House that this section of the act be repealed. Further, Mr. Speaker, it's recommended that section 24(5) of the act should also be repealed.

Mr. Speaker, I now wish to address myself to the third proposed amendment of the act. It's the wish of the government to recommend the addition to The Coroners Act of proposed section 24.1. This amendment is similar to the amendment introduced in the province of Ontario during the International Year of the Child. It was introduced at that time because Ontario has experienced a severe shortage of human growth hormone, a hormone necessary for the growth of children and to prevent dwarfism. This hormone can only be obtained from human pituitary glands and cannot be made by artificial means. I should point out that the provinces of Alberta and Manitoba have also passed amendments of a similar nature to their fatalities inquiries acts. It is my wish to ensure that this province is always assured of an adequate supply of this hormone and that is the reason for this amendment.

Mr. Speaker, I move second reading of The Coroners Amendment Act, 1980.

Motion agreed to and bill read a second time.

HON. E.L. TCHORZEWSKI (Minister of Finance) moved second reading of Bill No. 113 — **An Act respecting Corporation Capital Tax.**

He said: Mr. Speaker, I'm pleased to say a few words this evening on the record reading of Bill No. 113 — An Act respecting Corporation Capital Tax. One of the difficulties faced by every society is to design a tax system that ensures all segments of the economy contribute an equitable portion of the cost of establishing the diverse and wide-ranging services provided to all residents. To achieve a fair distribution of the wide-ranging services provided to all residents. To achieve a fair distribution of the taxation burden over the whole of society, many different types of taxes are utilized. Substantial reliance is placed on a taxation of income of both corporation and individuals, but governments also tax expenditures through various types of sales taxes, and property is taxed through local mill rate levels.

In Saskatchewan, Mr. Speaker, the proceeds from the taxation of property have traditionally been used by local governments to provide local services. The innovative revenue-sharing program introduced by the government assists in the provision of local services by providing unconditional funding to municipalities based on changes in certain taxes collected by the province.

The taxation system in Saskatchewan has suffered from one major shortcoming. All hon. members will be aware that the major source of taxation to corporations operating in Saskatchewan is from the corporate income tax. Income tax is an equitable taxing device only if taxable corporate income is a good measure of a firm's use of public services.

In recent times, the calculation of corporate income taxes has become more and more complex, and with the ever-expanding number of special exemption rules like super-depletion, accelerated depreciation, exploration allowances, and so on, the final taxable income of a corporation bears less and less resemblance to its ability to pay taxes. Any hon. member can verify this statement by examining the financial statements of any major corporations. In all too many cases, the amount of net income reported to shareholders and the amount of income that is taxable under The Income Tax Act are as different as night and day.

Mr. Speaker, Bill No. 113 introduces a corporation capital tax for Saskatchewan in an attempt to redress some of the inequities that have crept into our taxation system. Just because a corporation utilizes all legal allowances and exemptions to reduce or eliminate its income tax for a year does not mean the corporation ceases to use the legal and the administrative structures of society funded by the general taxation system. Just because a business firm pays no corporate income tax does not mean it forfeits all the privileges of our society. The legal and the court system is still there. The transportation network is still there. The benefits of a well-educated and healthy work force are still there. In fact all the advantages of our society are available to the corporation.

However, in a number of instances, the corporation will not pay its fair share of the costs of building and maintaining a viable economic infrastructure in our society. The tax introduced by this bill is patterned on similar taxes introduced in Quebec and Ontario in the late 1800s and enacted in British Columbia and Manitoba in the last

decade. The tax is imposed on the paid-up capital of corporations that have permanent establishments in Saskatchewan. The tax is essentially applied on the net wealth of corporations operating in the province. It will ensure large corporations with significant activities in Saskatchewan will at least pay some taxes to the province even if the income of the corporation for income tax purposes is reduced to zero.

All hon. members will recall that Shell Canada last year reported substantial net profits to their shareholders but in fact paid no income tax. If the corporation tax had been in place in Saskatchewan in that period, at least some tax revenue would have been received by the province by the operations of that corporation. The Corporation Capital Tax Act before this House provides by far the most generous exemption levels of any similar tax enforced in this country. The act provides for an outright exemption of the first \$10 million of capital employed by a corporation. The exemption level in B.C. is only \$1 million. The level in Manitoba was only \$500,000 and in the budget introduced yesterday in the Manitoba legislature, Mr. Speaker, that exemption of \$500,000 was raised to \$750,000.

Now provisions in these province are not for outright exemptions of the capital. But are only threshold values below which a corporation is not taxable. This means that in B.C. for example, a corporation with \$900,000 is paid-up capital will be exempt, but if the firm had \$2 million of paid-up capital the whole \$2 million would be taxable. This does not happen in Saskatchewan, Mr. Speaker, because the \$10 million exemption level is an actual deduction from the total paid-up capital of a corporation.

Corporation capital taxes in other provinces, Mr. Speaker, result in a substantial amount of dissatisfaction on the part of small businessmen. In some of the other provinces all corporations must file a return and pay a minimum tax. In Quebec, for example, the minimum tax is \$100. Because Saskatchewan exempts all corporations with less than \$10 million of paid-up capital from the requirements of the act, small businessmen will not be harassed by government because they will not be required to file annual tax returns. Furthermore, incorporated family farms will be exempt and will not be required to file tax returns under this legislation.

Mr. Speaker, there have been complaints over the years that the Government of Saskatchewan created unfair competition for businesses operating in this province through the use of Crown corporations which in some always unspecified fashion are given preferential treatment. This bill contemplates imposing the tax on provincial Crown corporations operating in this province will be taxed in the same fashion as any other corporation.

Excluded from the provisions of this act, Mr. Speaker, are all corporations that are exempt from the provisions of The Income Tax act, such as charities, universities and municipal government authorities. Credit Unions and co-operatives will also be exempt from the tax as they are in Quebec, Manitoba and British Columbia.

As I mentioned earlier, family farm corporations are exempt from the provisions of the act as they are in Manitoba and British Columbia. Ontario levies a flat rate of \$50 on those corporations, while Quebec imposes the full level of taxation on the corporation part of the agricultural sector.

Three of the four other provinces in this tax field provide for deductions on credits for exploration and development expenditures related to mining. We have gone one step further, Mr. Speaker. We recognized the importance of this activity. To maintain a high

profile for future exploration and developments in Saskatchewan. The Corporation Capital Tax Act provides a deduction for exploration and development expenditures related to petroleum, natural gas and mining activities.

Additionally, Mr. Speaker, special benefits will be provided for major new industrial projects on a case-by case basis through remission of all or a portion of the tax during the period that such major new enterprises are under construction.

The rate of tax imposed by The Corporation Capital Tax Act is three-tenths of 1 per cent of the paid-up capital used by a corporation in Saskatchewan. And this means that a corporation with \$20 million of paid-up capital, all of which is used in Saskatchewan, will after the \$10 million exemption be required to pay a tax of only \$30,000. Since, Mr. Speaker, paid capital taxes are deductible when calculating corporate income taxes, the net cost to the corporation will be approximately one-half of this amount or about \$15,000.

Banks, loan and trust companies will be taxed at four-fifths of 1 per cent of paid-up capital because the experience in other jurisdictions reveals that the tax base of these corporations is substantially lessened by their very nature. I point out to our hon. members that this same type of split rate exists in most other provinces which levy the corporation capital tax.

I would now like to briefly explain how the taxes are to be actually determined. As all hon. members will realize, the wealth of a corporation is reported on its balance sheet. The balance sheet lists all assets on one side and the sum of liabilities and owner's equity on the other side. The amount of paid up capital of the corporation is essentially the sum of long-term liabilities and owner's equity. To make the calculation of the tax as simple as possible for corporations, the act very closely parallels the structure of the tax in other provinces. This means, among other things, that any depletion or depreciation allowances provided by the federal Income Tax Act will be allowed as adjustments to the book figures normally found on financial statements. There will also be a credit for investment in other corporations to ensure that the same capital is not taxed twice.

Mr. Speaker, a corporation capital tax for Saskatchewan was first announced in the budget speech brought down on March 13. At that time, it was announced that the tax would take effect on April 1, 1980, for corporations with fiscal years ending on or after April 30. For the first year of operation, the act contemplates payment of the corporations' estimates of the tax within two months of the end of its fiscal year. Because we have had some difficulty in drafting the legislation, and because the implementation date of April 1 is creating problems for some corporations, I am pleased to announce that for those corporations with fiscal years ending between April 30 and June 30, 1980, the deadline for paying the estimate of the tax due will be extended to September 30.

It is anticipated that within the next twelve to fourteen months, the mechanism for collecting this tax will be fully developed so that the requirements for filing and paying Saskatchewan's corporation capital tax will be just one simple extra step for the limited number of companies involved.

To summarize briefly, Mr. Speaker, the tax imposed by this act is similar to the tax presently in place in the provinces of Quebec, Ontario, Manitoba, and British Columbia. The tax is based on the paid-up capital of a corporation, rather than on its profits, and Saskatchewan has provided by far the most generous exemption from the

tax which exists in the country today. The tax is imposed upon our own commercial Crown corporations, and we have exempted all family farm corporations, credit unions, co-operatives, and virtually all small businesses operating in the province. We believe that the corporation capital tax is a good measure to round out the tax system of Saskatchewan, and will ensure that large corporations operating here will pay some tax to the province.

Therefore, Mr. Speaker, I am pleased to move second reading of Bill No. 113.

MR. P. ROUSSEAU (Regina South): — Mr. Speaker, I won't be speaking on this for very long tonight. This is a bill which I have briefly looked at, and it's my opinion after glancing at it that it's a very complicated bill. I may be corrected on that, but I think it is. I've noted with interest some of the comments made by the Minister of Finance that one reason for the bill is inequity in the present system of corporate income tax. The statement doesn't really make much sense, since he's indicating a \$10 million amount to be collected which is only about 8 per cent of the present tax being collected from corporate income tax at the present time. When this was first introduced in the budget speech, I recall making the statement that it was opening the door for another taxation method which would be increasing as time went on. I think the very fact that the amount involved is only \$10 million confirms the comment I made. I can't understand why Crown corporations are included, and I'd like to know how much of the \$10 million will be coming from Crown corporations because after all, Crown corporation profits are from the pockets of the taxpayers of this province, in effect. The profits would go to them, and if you take it out of there then it's just that much which isn't going to them.

I noticed definitions and I'd like the minister to explain this at some time, but the definition under 'permanent establishment' glancing at that under subsection 2(t)(i)(b):

where a corporation carries on business through an employee or agent who . . . has a stock of merchandise owned by the corporation from which he regularly fills orders . . .

To me that would indicate that every farm machinery dealer in the province would be subject to this tax, because they stock the company's tractors, or inventory. Well, if it isn't and he shakes his head that it's not . . . The way the bill reads now, my interpretation would be that they would be subject to this tax. I couldn't help wonder why the minister was also trying to justify this bill by comparing it with what other provinces were doing.

Mr. Speaker, I definitely will need some time to study this bill. Now that the minister has given explanations for it I'll be able to get it from Hansard on Monday, unless the minister would make available his explanatory notes to me tonight. I would appreciate it very much. And as such, I would move that the debate on this motion be adjourned.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cowley (Provincial Secretary) that Bill No. 105 — **An act to amend The Legislative Assembly and Executive Council Act** be now read a second time.

MR. COLLVER: — Well, Mr. Speaker, here we are again. I don't think anyone in this legislative Chamber tonight could agree more with me that the kind of display which we witnessed tonight, if allowed to continue, would jeopardize the very institution in which

we are.

I want to say I was extremely proud of every single legislator in this Chamber tonight. I think all legislators here must agree that we cannot continue as legislators if this kind of display is allowed to interrupt the proceedings. Because of the fact the proceedings continued that there was no interruption in the flow, that all legislators got together. I say tonight, for the first time since I've been in the legislative Chamber every member of the legislature stood together, and I'm proud to be one of them.

SOME HON. MEMBERS: — Hear, hear!

MR. COLLVER: — Now, that having been said, I don't think every member is going to stand together on the issue on which I'm talking tonight.

Mr. Speaker, may I make this suggestion to you. Sometimes there's the necessity for legislators to be gracious and forget past sins. May I suggest that tonight is the night for at least a few moments where both the Attorney General and others forget past sins and pay attention to the important issues that I am drawing to his attention tonight. Because you see, Mr. Speaker, as legislators we want this institution to continue. We don't want the kind of Hitler like tactics these people, who I hope are going to be ignored totally, use. I hope they are ignored by the press. I hope they are ignored by every legislator in this Chamber. We don't want those kinds of tactics to be used. But I don't think the people of Saskatchewan . . . (inaudible interjection) . . .

Mr. Speaker, I must tell you that since the start of committee of finance it has been most difficult to overcome the words of the Attorney General from his chair. Mr. Speaker, I sincerely hope with all my heart that the Attorney General enters this debate at some time in the future. I welcome tonight the appearance of the Premier of our province, so he can hear some of the arguments which I have put forward in the past about Bill No. 105 . . . (inaudible interjection) . . . Well, now I am not going to repeat myself, but there is no rule, for the benefit of the member for Regina Rosemont, against summarizing the remarks from another day. I intend to summarize my remarks from another day for the benefit of the Premier of the province who was inadvertently detained on the other occasion. Well, Mr. Speaker, the Premier didn't give any indication. The member for Moose Jaw South suggests that the Premier read the Hansard. Now, you see he shook his head and said he didn't. Now, you see, Mr. Speaker, that just means that it is absolutely essential that my remarks of the other day be summarized. But before I do that, something new which no one in the legislature has yet heard is an editorial that appears in today's issue of the Saskatoon Star-Phoenix.

MR. BLAKENEY: — I read that one.

MR. COLLVER: — Now, the Premier says he read that one. I don't know how he got today's copy of the Star-Phoenix because I had to have it telephoned to my secretary and then typed. I provided it, Mr. Speaker, to the Attorney General. You can see what the Attorney General did to my only copy of this editorial. You can see what happened to it. I sent it over to him; I had the good grace, Mr. Speaker, to provide a copy of this editorial to the Attorney General. And you can see what he did to it. However, it is a little crumpled and a little messed up but I think the members opposite should listen to this

editorial. Now I don't hold much with editorials in the Star-Phoenix or for that matter with editorials in the Leader-Post.

AN HON. MEMBER: — Or the Commonwealth.

SOME HON. MEMBERS: — Hear, hear!

MR. COLLVER: — The member for Bengough-Milestone mentions the Commonwealth in the same breath with the Leader-Post and the Star-Phoenix. Actually for the information of the member for Bengough-Milestone, I think the Commonwealth is fairer.

SOME HON. MEMBERS: — Hear, hear!

MR. COLLVER: — However let me record for the record, Mr. Speaker, if you will, this editorial which is right on topic, right on point. Now, I am quoting for the benefit of members opposite from an editorial in the Star-Phoenix of today:

Nobody is denying Dick Collver and his merry band of one the opportunity to voice their opinion in the legislature. (Well, now there I disagree with the Star-Phoenix, however). Their freedom of speech, despite what Collver says, is by no means being impeded by the government's recent retroactive dictum that the sky is falling . . .

Now, Mr. Speaker, again I must take issue with the Star-Phoenix. Now, mind you, I usually do with their editorials. However, now they get into the meat of the issue and let's listen to what the editorial writer in the Star-Phoenix says about Bill 105.

In fact stories for and against and about the former PC leader turned secessionist . . .

Well, again I'll have to disagree. I'm not a secessionist, Mr. Speaker.

. . . are among the best read copy coming out of the legislature.

I don't know about that either. And I quote:

However, that does not detract from the odious plans of . . .

Did you hear that, Mr. Speaker? For the first time in the last five years I have seen an editorial writer of the Star-Phoenix or the Leader-Post call the plans of Premier Allan Blakeney odious. We're getting to that, Mr. Premier.

. . . the odious plans of Premier Allan Blakeney and his NDP government to change retroactively The Legislative Assembly Act to state, in effect, that the Unionist Party of Collver and follower Dennis Ham (Swift Current) does not exist, and therefore does not qualify for some \$50,000 in public funds as a heretofore legal and legitimate third party in the legislature.

Blakeney's government, in the past, has not been reticent to pass retroactive legislation to get its own way glossing over the principle that the law is the law, by saying the end result is so obviously good as to justify any means of attaining it.

Now, Mr. Speaker, I hate to interject with this wonderful editorial at this point, But you know, there's a point this editorial writer is making: government must not be allowed to be retroactive in nature and must not be allowed to do this kind of thing to political opponents because the same kind of attack on the government and the same kind of attack on that principle will be used as it was with the people who came into this legislative Chamber tonight.

If governments can step on opposition by changing the rules of the game in midstream, without any logic and without reason, just to get rid of political opponents, then in reality they are no better than those who would not allow proceedings to be carried on at all in government. What possible value is a legislative Chamber that is not free to allow any idea to be presented, any idea?

Now, Mr. Speaker, no one is talking about the idea of shouting 'fire' in a crowded theatre. But to present choices to the people is the responsibility of the legislators of this province. It is not the responsibility of the legislators of this province to sit in their chairs and abstain when motions of issue are at stake. It is the job of the legislators to present options and to do just that.

What is The Legislative Assembly Act about? Why did we pass The Legislative assembly Act last year? Why did we establish those rules? We established those rules, Mr. Speaker, to provide to this Legislative Assembly and to the members therein an opportunity for research and secretarial help, so that they could present their side of the argument in this legislative Chamber. That's why it was passed and we established rules to that effect.

Last year, and suddenly this year, the government of Premier Allan Blakeney, brings in a law that changes those rules. They are saying the Unionest Party is not worthy of receiving research help or secretarial help to present its ideas — is not worthy! They are making a comment as government about the worthiness of the ideas of members of this legislature.

Now, Mr. Speaker, to suggest for one moment that legislators in the parliaments in Canada or in Saskatchewan, because they change their views between elections, should have to go before the people on a by-election or a general election is the highest form of insult to the intelligence of the people of Saskatchewan. The reason it is insulting will be carried on. I will read from the editorial in the Star-Phoenix. I have alluded to it in my past address to this Assembly. But I say to you, that kind of argument is unworthy of the members opposite and unworthy of the government which presents it. Here are some of the reasons. I'll go back to quote from this editorial:

The mistake made by critics in the past, when the government has used this 'ends justifies the means' methodology of retroactive rule changes, is that they weren't vociferous enough probably because they also believe in the end result of the changes themselves.

I must say to the members of this legislature that I, as a member, supported a retroactive move by the Government of Saskatchewan at the time of the oil crisis in Saskatchewan, the time when the NDP mistakes were so large it could have cost the people of Saskatchewan half a billion dollars. I did so at that time, not on behalf of freedom and not because it would detract from freedom, but because the mistakes of the government should not be borne by the people.

. . . (inaudible interjection) . . . Hear, hear is right says the Premier. But, Mr. Speaker, that has nothing whatsoever to do with the issue in this bill. Ah, the Premier laughs and he seems to think because someone thinks differently from him that's a mistake. Because they don't think on the very same terms the Premier does, that's a mistake. That mistake must be ruled out and eliminated. Step on it. Stomp it out.

I say to the Premier of Saskatchewan and I say to you, Mr. Speaker, that is not the way a democratic institution should be run. That is not the way we can preserve democratic ideals in this province. That is not the way a free society operates. You do not stomp out ideas. Ideas will happen no matter what you do. If you don't believe that, then you forget our own history. You forget what happened to the CCF members who had ideas reviled in the '30s, who were looked upon as the lowest form of humanity who would change society to such an extent that the old-line parties couldn't stomach it. You forget your own history. The CCF idea survived because of hard work and in spite of what others did to them.

I say to you that our idea too will be presented to the people of western Canada, and if that idea is good and worthwhile the people will choose it. It's not for the NDP or the Conservatives to decide whether or not the idea is right. Mr. Speaker, I'll return to the editorial for the benefit of the members opposite so they can hear that their arguments in favor of this bill are not being bought by the people of Saskatchewan. The Star-Phoenix says:

. . . under the proposals affecting Collver, the government plans to alter The Legislative assembly Act which currently states that a third party can be formed, recognized and publicly funded when two or more MLAs make up such a party. Under the bill before the legislature this would be changed to require that a party be registered at the last provincial election to receive third party status. The government's rationales for these amendments presented by NDP flak catcher, Elwood Cowley, is that when third party status sections of the act were drawn up nobody thought a third party would be formed by elected members.

Now, Mr. Speaker, I must interject to talk about history and about parties being formed by elected members in-between elections. Surely every single member of the government caucus is not unaware of the historical precedents of members between elections either deciding to switch parties or to form their own party because the ideas of all the parties may not coincide with their ideas. You see, Mr. Speaker, there's the point; there's the issue. The ideas do not correspond with any of the parties.

The Premier says but you must have appeared at the last election to have presented that idea to the people in order to be recognized as a party, even though historical precedent is against it. And I am now going to return to the editorial from Star-Phoenix:

. . . in effect since the changes are aimed specifically at the Unionest Party nobody thought Collver would begin espousing western union with the United States when he was elected. On the other hand, nobody thought the NDP would take over the majority of the potash industry when it was re-elected in '75, a point which seems to have escaped the legislature to date in the debate.

Now that part of the editorial I must take total issue with. I am sure the reporter for the

Star-Phoenix will realize when I rose in the debate last, I pointed out to this House that this was precisely the case. Unfortunately the editorial writer wasn't here and didn't realize it had already come before the legislature. But I remind the government again that even in Saskatoon at the Star-Phoenix, editorial level, they recognized what happened in '75.

I recall as a green legislator, here in this Assembly, rising on numerous occasions during that debate (the potash debate) and saying to the Premier, the Attorney General and to this Assembly, withdraw the bill or resign. I recall that. As a matter of fact if you look up Hansard, Mr. Speaker, (and you were sitting in the Chair at that time) I am sure even you will recall that sometimes I sounded like a broken record. Withdraw the bill or resign, I said. Did the Government of Saskatchewan resign? No. Did they withdraw the bill? No. I appreciate the comments from the member for Bengough-Milestone, please continue helping me sir, because I need all the help I can get. The point is, Mr. Speaker, they didn't withdraw the bill and they didn't resign. Even the editorial writers at the Star-Phoenix noticed that. But they go on to say:

The government's rationale is further weakened when one recalls the forerunner of the New Democratic Party, the Co-operative Commonwealth Federation, became the CCF-NDP federally in 1961 by legitimizing its embrace of organized labor between elections. Although this change was achieved at a party convention with approval of the party, the fact remains the reorganized party had no trouble maintaining party status in the Commons until the next election.

Ah yes, Mr. Speaker. Thus sayeth the Saskatoon Star-Phoenix and I recall that well. As a matter of fact it is one of the few times that I want to quote the Star-Phoenix. I want the members to know I had forgotten that when I spoke to this House last. I had forgotten that the CCF, a farmer-backed party, a progressive organization, in 1961 went to a convention and formalized links with organized labor. I forgot all about that. They represented themselves at the New Democratic Party.

Mr. Speaker, not one NDP member resigned from the House of Commons, not one, Mr. Speaker. No one in the House of Commons attempted to thwart the aims of the NDP, a newly-organized, newly-named, newly-directed party. No one tried to thwart those aims by retroactively legislating them out of business. Oh no, they didn't do that, Mr. Speaker.

I am very pleased for once about the Star-Phoenix because they brought this to my attention. They reminded me that was true, Mr. Speaker. Interestingly enough it's right on point.

Mr. Speaker, the Attorney General wishes to attempt to denigrate this debate by making political suggestions which have the least sense anyone in this province could ever possibly imagine. Of all the nonsense I ever heard in my life! Any disputes, Mr. Speaker, which may exist between the Attorney General and the member for Indian Head-Wolseley as a result of the childish behaviour of both of them tonight should remain outside the legislature, because since both of them were childish they should forget it. If they're going to continue to draw attention to it, everyone's going to call attention to their childishness.

I return to the Star-Phoenix editorial because I honestly believe members opposite are

not aware of some of the ramifications and the history in the background of this bill. Ah, Mr. Speaker, the degree of holiness . . .

MR. SPEAKER: — Order, order! Could I ask the Attorney General to come to order, please. I'm having some trouble hearing the member for Nipawin. I know all members are seriously interested in this debate and want to hear what the member for Nipawin has to say.

MR. COLLVER: — Thank you, Mr. Speaker. I am certain, too, that every members of the Chamber will want to hear this debate and I am sure, in due course, will want to participate in the debate. I am certain of that because I am sure somehow they perhaps could justify their behaviour. I'm sure they could justify this bill which is nothing more, Mr. Speaker, than a political ploy to capture the imagination of those people out in the boondocks who say, my goodness gracious, we mustn't reward people who are breaking up Canada.

Now I have to address myself just for a moment tonight to this particular statement. It is the least worthy of reasons because at not time has the Unionest Party or the member for Swift Current or myself, ever suggested at all that we did not believe in working within the institutions of our country to present an option to the people.

It's for the people to decide, Mr. Speaker, whether they like the idea or not. It is not for members of this legislature to decide, and it is not for individuals in the boondocks to say, we have to step on them because they are suggesting break up Canada.

The point is that we mustn't allow ourselves in a free society, whatever that free society may be, to subject ourselves to mob rule. That's what we saw tonight and, Mr. Speaker, I suggest o you that's what members are subjecting themselves to if they listen t that kind of argument. They are subjecting themselves to mob rule.

I quoted Edmund Burke the other night. I am not going to do that again, Mr. Speaker, because I'm sure you would call me to order for being repetitive. I will try my very best during the course of this debate not to be. I mentioned the other evening I have a great deal to say on this issue. I have a great many points to make and I don't want to repeat quotations. But I do wish to return to the Star-Phoenix editorial which I have not yet finished for the edification of the members opposite.

The degree of holiness (says the Star-Phoenix) of such legislation is further revealed by harking not so far back to the 1978 Saskatchewan election, when the Liberals came within a hairbreadth of the 15 per cent of the popular vote needed to qualify for public funds under The Election Act.

Today's hypocrisy is illustrated by the two-year old crocodile tears . . .

I'm sorry, Mr. Speaker, it was messed up on my paper and I couldn't quite read that word there. I want to repeat it because it's so beautiful:

Today's hypocrisy is illustrated by the two-year old crocodile tears cried by Attorney General Roy Romanow, Blakeney, et al.

Perhaps some of the members don't understand Latin, Mr. Speaker. Et al., for the benefit of the members in Chamber who don't understand Latin, means and the rest. So they say:

... crocodile tears cried by Attorney General Roy Romanow, Blakeney, et al, when they said it was unfortunate that when the Liberals came so close there was no way to help them.

... (inaudible interjection) ... Mr. Speaker, do you really believe ... I know the Attorney General is off the record but does he honestly believe that calling someone childish is somehow defending him? Saskatchewan perhaps the Attorney General believes that is in defence of someone. I don't believe that's particularly the case. Now I want to return to this editorial, Mr. Speaker, because it's important. It's key to this discussion. Says the editorial:

There were suggestions of retroactive legislation to change the qualifying percentage for public funds since the Liberal vote reflected a substantial portion of the population, but the law's the law, said Mr. Blakeney.

The law's the law, said Attorney General Romanow. The law's the law, said et al. Mr. Speaker, there was no retroactive legislation to help those poor Liberal fellows. There wasn't because the law was the law, and the Government of Saskatchewan had to obey the law. There was no retroactive legislation to help them. I return again to this editorial, Mr. Speaker:

That fleeting display of principle apparently has been filed on some dusty shelf with a note made of its location on the off chance that it might again be needed for political expediency.

Mr. Speaker, the Saskatoon Star-Phoenix says that the NDP in brining this law in, is being politically expedient. Gosh, a sudden revelation by the Star-Phoenix that the NDP is being politically expedient.

And so the principle (says the Star-Phoenix) that the law is the law and no person or party is above (or below) it is out of sight and out of mind. With the rule banished, all that is left is a matter of justifying the ends, which becomes a matter of degree. And that degree will probably be defined the next time the government is intellectually unable to deal with a predicament.

Now, Mr. Speaker, an editorial writer in the province of Saskatchewan has said, in effect, with this editorial that the Government of Saskatchewan is intellectually incapable of dealing with the predicament of the Unionest Party. That's what they are saying.

Mr. Speaker, I have listened over the course of the last nine years to how intellectually superior the Government of Saskatchewan is. I have listened with interest and enthusiasm about the intellectual superiority of the Premier of the province of Saskatchewan. I have listened with enthusiasm about his abilities as a civil servant, about his marvellous academic achievements, about the Rhodes scholarship, and about all of the other heights he has attained.

Mr. Speaker, are the members opposite suggesting they no longer have faith in the intellectual capacity of their own leader? Because that's what this bill is doing. They're saying that he doesn't have the intellectual capacity to deal with a party which is suggesting we can make a better union with the United States than we have with central Canada, that he doesn't have the intellectual capacity to deal with a party which

suggests Canada is falling apart now and unless we take moves now to take the best possible position for western Canada, Mr. Speaker, we could shortly find ourselves in the position where we have to follow that course and then we might find ourselves like Puerto Rico as a commonwealth without citizenship and without statehood.

But where you agree with my position or not, whether you believe that to be true, or whether you believe that standing with Canada is best, you must believe in the principle that I have the right in my own beliefs, and that others have the right to those beliefs. Mr. Speaker, there are some who suggest the Unionest Party is a fringe organization. The Canada West Foundation released a study that said, and I agree with John Diefenbaker that polls are for dogs, 10 per cent of the people of western Canada would be receptive to that idea — at this point in time, 10 per cent!

Now, Mr. Speaker, that is 500,000 people. That's more people that exist in the city of Saskatoon and the city of Regina combined. There are 20 members of this legislature who represent less than 500,000 people. They are the members of the city ridings in Saskatchewan. I'm not trying to suggest for one moment that's meaningful. The only meaningful poll is the day of an election. That's the only time when polls are meaningful. That's the only time when people express their views for specific reasons, having looked at all of the facts.

But, Mr. Speaker, how can people look at all of the facts if all of the facts are not presented to them? How is it possible, Mr. Speaker? How can they possibly examine every aspect of the situation unless all of those facts are presented to them in a fair way? Now I ask you, Mr. Speaker, to consider this. Suppose you say to yourself the Conservative Party is a national party. How in the world can the Conservative Party put forward the alternative that perhaps we would be better off with a union with the United States? The answer is, they could not.

Mr. Speaker, The NDP is a national party. How could they put forward the idea that western Canadians would be better off in a union with the United States and remain a national party? The answer is, they couldn't. They couldn't and some member said they wouldn't. Fine. That's their right. The Liberal Party is a national party. How could you be a Liberal and put forward this idea? The point is you couldn't which leaves you without the alternative, Mr. Speaker, to cross to another party as has been the tradition in the past in this Assembly and members were not jeopardized because of it.

You have no alternative if you believe that's the best option. You then, Mr. Speaker, must go your separate way and create your own organization to present those views. If, Mr. Speaker, sufficient numbers of people support those views at the next election, then there will be more members elected to the legislature. But if they do not, then there will be no members elected to the legislature. But I say to Mr. Blakeney and Mr. Romanow and the rest of the et als that if they persist in this kind of legislation, if they persist in carrying this bill forward, there will be people who join the Unionest Party for the wrong reasons. And that's a mistake, Mr. Speaker; people should understand what the Unionest Party stands for and they should support the party for the right reasons, not the wrong reasons.

But, Mr. Speaker, in the last week along we have had so many letters addressed to the Unionest Party saying . . .

SOME HON. MEMBERS: — Table them.

MR. COLLVER: — Mr. Speaker, what nonsense I hear from the other side of the House; table letters that . . . Forget it, we haven't had any letters. Mr. Speaker, he doesn't need to find out from tabled letters. He can look at a Star-Phoenix editorial. What do you think people are saying out there? Don't you ever go home to your constituents? What they're saying out there, Mr. Speaker, is quite simply that we don't support that guy, we don't like what he's going, we don't think he's right, but by gee, we believe in the institution more.

AN HON. MEMBER: — They say to kick him out.

MR. COLLVER: — Well, Mr. Speaker, I think that indicates the level of intelligence of the member opposite to suggest that the people out there are saying kick out a duly-elected member of the legislature.

There are some people, Mr. Speaker, who come into this legislative Chamber as well and attempt to disrupt the proceedings. But I wouldn't suggest that they represented zip of public opinion in Saskatchewan. Because the people of this province are more intelligent than you're giving them credit for. What you're trying to do is to listen to that kind of person, and that, Mr. Speaker, is a big mistake. When you listen to people who would destroy democratic institutions then you are putting yourself in jeopardy. You're not putting anyone else in jeopardy but yourself and your children, and your grandchildren. I suggested the other night, Mr. Speaker, that I was going to have to refer to a few reference works in attempting to build up the case on this bill. For the benefit of the Premier of Saskatchewan, I just want to summarize the areas which I touched on (and I say to you, Mr. Speaker, touched on) the other evening. I hope he's paying attention to this because — well, obviously he's not. Anyway, if the Premier doesn't want to pay attention, it's O.K. Others will want to hear this summary, Mr. Speaker, because of the importance of the issue.

The emphasis which the government tries to place on this situation is on grants. We say the emphasis is on removal. What this bill does is to remove the Unionest Party from recognition in this legislature. Now there's a difference between money and recognition. Mr. Speaker will know that it also applies to the membership on committees in this legislature. It also applies to other privileges in the legislature which have nothing whatsoever to do with money.

Also, Mr. Speaker, I mentioned the fact that the Government of Saskatchewan made a grant of some \$18,000 to the Franco-Canadian cultural association which in turn supported a yes vote on the referendum in Quebec. If, for heaven's sakes, you don't want to give grants to people who want to work within confederation to present the side of things on behalf of western Canadians, why in the name of heaven do you want to give grants to somebody who wants to support the break-up of Canada for eastern Canadians?

MR. ENGEL: — Do you want us to censure them?

MR. COLLVER: — Oh, the member for Assiniboia says, do you want us to censure them? I say to the member, absolutely not. Then why are you trying to censure me? Then why are you trying to censure me? You see, Mr. Speaker, the shoes' on the other foot. When people become politically frightened (and I suggest that's the case) they have a tendency to act differently than when it doesn't mater to them because it's 5,000 miles away. They can present the moneys to people to break off in eastern Canada. In that part of the country everything's fine; keep pouring money to them. But the minute that

maybe western Canadians should be thinking about a different idea, then we say chop it off at the pass. Well, that's their business, if that's the way they want to behave, that's their business.

I quoted the Premier of Saskatchewan, as a matter of fact the other night, Mr. Speaker. I'm pleased he's here again because he will love to hear his own words back. He's said to members of the news media, when we created the Unionest Party, he wasn't surprised. He said the system doesn't accommodate independents well. Yet not a week later he brought forward a bill through (I'm not personally going to call him a flak-taker, that's for the Star-Phoenix to do) the provincial secretary, suggesting the member for Swift Current and the member for Nipawin should once again be independents because, he said, the independents don't fare so well.

Well, I suggest couple that with the Premier's previous quotes, that he was a little bit afraid of the organizational talents of myself and others, that we would have to be taken seriously. I suggest to you that indicates, without doubt, a blatant attempt by the government to shut off a political expression in this province.

We've talked about history not requiring a by-election. I won't go into that any further because I've already discussed that. The Star-Phoenix editorial discussed that. I talked about McConnell's comments. I especially want to draw to the attention of the Premier of Saskatchewan the comments by the constitutional expert, Mr. Howard McConnell, in Saskatoon, at the University of Saskatchewan.

Mr. Speaker, I mentioned during the remarks the other day it wasn't the Unionest Party that was holding up legislation. I explained to members of the press and others that it is the House Leader who brings forward the order of the bills and the order of the legislature. If he brings this bill forward, I've already told him we have a great number of remarks to make on it. If the Attorney General wishes to bring forward other business, I'm sure it will proceed as rapidly as it has since the last time I remarked on this bill.

Mr. Speaker, in summary of the other evening, I asked the question, what has happened to democracy when organizations are individuals working within the law of the country can possibly have that law changed retroactively to thwart their aims as individuals? I went into considerable detail, as Mr. Speaker will recall, on that. I alert the Premier of the province to that particular section of my remarks, because I think it's very important.

And then, Mr. Speaker, I talked about the Saskatchewan Bill of Rights and I quoted from the principal clause of that bill which says every person and every class of persons shall enjoy the right of freedom of conscience, opinion and belief, freedom of religious association, teaching practice and worship. And that was law we just passed last year.

As I say, Mr. Speaker, there are others who have made comments about the Bill of Rights in Canada and about The Saskatchewan Bill of Rights Act in our province and I will want to bring before the Assembly, during the course of my remarks, some of this outside opinion to help to convince members that by bringing forward this law, Bill 105, they are thwarting their own aims as individual members of the legislature.

I talked about the other evening, for the benefit of the Premier, Mr. Notley in the province of Alberta, and the way he's being treated there. He's being treated fairly. He receives \$75,000 from the government of Alberta and the ND Party is recognized with only one member in the legislative Chamber. Can you imagine that? Mr. Speaker,

surprisingly enough, the NDP received less popular support in the province of Alberta at the last election than the Canada West Foundation estimates is the support of the Unionest Party now.

I think that is particularly fascinating that the Premier wants to bring forward this kind of legislation. I talked about the Regina Manifesto and I mentioned I would be bringing this document before the members of this legislature. I don't have it this evening, Mr. Speaker, but I just wanted to include it in my summary of remarks from the other day.

I mentioned that the NDP is not always in agreement federally and provincially. When you disagree with the federal members of the NDP, should you resign and seek office in a by-election?

I asked the question of the Minister of Labour (for the benefit of the Premier) since he guaranteed his followers in the labor union movement that he would never bring to this House a bill which sent members back to work, should he be required to resign in a by-election because he broke that promise?

I hope the member will rise and deny it, Mr. Speaker. I invited him last time. I invite him again. He has the right to rise in this Chamber and deny the remarks I just made. Since he's not doing so, one would have to presume he made the remark to his followers.

I talked about members all over the place resigning, going to other parties. Winston Churchill for one; Hazen Argue, our present minister responsible for the wheat board, for another; Ross Thatcher, former premier of the province; Gary Lane and Colin Thatcher . . . (inaudible interjection) . . . I am trying to give a summary. I honestly don't want to interject to try to delay these proceedings in any possible way but when the members opposite persist in shouting these gibes across the floor, I am holding myself back with a great deal of difficulty.

I suggested the people have to become aware of the fundamental issue of the bill, and I must say that they seem to be (in the light of the editorial in the Star-Phoenix) becoming aware of the real issue of the bill. As that comes more to their attention I am certain they gradually will bring more and more pressure on their individual members and perhaps the members will see the light in due course.

I mentioned, in terms of the province of Saskatchewan, the percentage of people who are watching American television in Regina since it has just come in. That didn't have a heck of a lot to do with the bill, Mr. Speaker, but thank goodness you didn't cut me off at the pass that time.

I then brought to the attention of this Assembly Par 1 of the Canadian bill of Rights. I am sure the Premier will be aware of that. It is specific in that it allows the rights of association of people and that they shall not be jeopardized by their government for associating in any way they believe is reasonable.

As a matter of fact, Mr. Speaker, I wouldn't be surprised if the people who were here this evening belong to organizations which are even more onerous than the Unionest Party. I wouldn't be surprised if those people belong to organizations that would attempt through non-legitimate means to achieve their ends.

But may I say to the Attorney General and to the members of this Chamber that although

I disagree with those people totally — I disagree with their aims and I disagree with their ideals — I will defend to the death their right to have them. I will defend to the death the right to associate as they see fit. And I wish other members of this Assembly would understand the principle involved here in terms of an association. Mr. Speaker, the Attorney General suggests, as they saw fit tonight. I don't happen to appreciate that. I don't approve of it. I sincerely hope the press of Saskatchewan will make nothing of it in order that we not have 800 other kook groups coming in here and behaving the same way. But the point is that what we cannot possibly condone, even more than the display this evening, is a destruction of what we hold sacrosanct in the country (stopping their right to believe that way and their right to associate with each other). If we use governmental action to deny them those rights or to thwart them in their step forward, then we betray our forefathers; we betray everything we stand for in this legislative Chamber.

I thought the member for Indian Head (on record for the benefit of the Attorney General, so he stops yapping) behaved almost as childishly as the Attorney General of the province. He started it; you tried to finish it. Children behave that way, you know.

MR. SPEAKER: — Order, order! I want to encourage the member for Nipawin to resist the temptation which earlier he was resisting, since it's out of order, and if he can, to stick to the debate which is before us.

MR. COLLVER: — Mr. Speaker, I appreciate your remarks and I will definitely resist them to the absolute utmost of my ability.

I mentioned the other evening on behalf of the Premier, Mr. Speaker, that we complied with The Elections Act in the province of Saskatchewan. We registered with the chief electoral officer. The Unionest Party is in fact a party. It exists in Saskatchewan. For the benefit of the Premier of Saskatchewan, the idea is not going to go away because you pass this bill. I can assure him of that. We're not going to disappear and fold our tent and silently steal away, if that's your hope by passing this bill. If it's your hope to appease the kind of people we had in the Legislature today, I suggest that's not a very good motive either. Why you would want to become involved in the presentation of a bill like this is beyond me, but that's beside the point.

I mentioned that this ignores the rights of minorities, Mr. Speaker. Just one brief moment to say once again that I cannot understand how members of minority groups such as the Attorney General, such as the member for Yorkton, such as the member for Pelly, and a great many others, could possibly support the legislation that tramples on the rights of the minorities and does so retroactively. How they could do that is beyond my comprehension.

Ah, Mr. Speaker, the Premier laughs because we call ourselves a minority. You see, Mr. Speaker, to the Premier of Saskatchewan only if you represent the majority are you right. Well, Mr. Speaker, I suggest o you and to the Premier of Saskatchewan that he should read again the remarks of Mr. Howard McConnell, the constitutional expert from the University of Saskatchewan. Mr. McConnell, by the way, was never a Conservative supporter. Of that I am certain. He certainly isn't a supporter of the Unionest Party. Mr. McConnell believes in democratic institutions and believes in the right of free speech and free association. He presented to the people of Saskatchewan one radio broadcast which I read into this debate, a dissertation of the rights of minorities and he likened this bill to an attack on minorities. For the benefit of the Premier what he said was that the test of democracy is how you treat your minorities.

Not how you deal with the majority, but how you treat your minorities.

Now, Mr. Speaker, I also mentioned in passing the Saskatchewan Human Rights Code. Now, Mr. Speaker, I want to get into some detail on a few points I've raised in the past on this bill. I'd like to just read to you from a book called *Free Speech in the United States*. You will recall that I consider this bill an infringement on free speech, and there is one particular chapter that I think would particularly interest this Assembly in terms of free speech. It is written by a Mr. Chaffee. It's published by Harvard and it's from the Legislative Library in Regina. I'm sure the members would be happy to pick it up in due course.

Now, Mr. Speaker, it's chapter 6 and it's called, *Purifying the Legislature*. The indentation at the top of this chapter says:

If Charles wished to prosecute the five members, a bill against them should have been sent to a grand jury.

And that's quoting from Macauley, an *Essay on Hellion*.

It is of the unfortunate results of governmental action against freedom of speech that the persons who retain sufficient courage to come into conflict with the law are often of a heedless and aggressive character which makes them unattractive and devoid of personal appeal.

Now, Mr. Speaker, I sincerely hope that the members opposite do not suggest that I am either a headless or an aggressive character, unattractive or devoid of personal appeal. I hope that's not the case. I hope that's not why they have brought this bill into effect. It may be . . . Well, one member opposite. I believe it was the Minister of Agriculture said, we have to think about that. If that's why you brought the bill forward, because I am devoid of personal appeal, then, Mr. Speaker, it's even worse. It's even worse than I said before. Not only are they attacking ideas, now, Mr. Speaker, they are attacking on the basis of appearance and that could be even worse.

Too often we assume that such persistent troublemakers are the only persons injured by a censorship of sedition law.

Mr. Speaker, you will recall Mr. Howard McConnell believed this law is a censorship law. He's the constitutional expert from the University of Saskatchewan and he believes it's a censorship law . . . (inaudible interjection) . . . I'm sorry, I didn't get that interjection from his chair by the Minister of Industry and Commerce — I'm sorry, the Minister of Mineral Resources. I do apologize. But in keeping with Mr. Speaker's directive, I won't reply to the statement I didn't hear.

Too often, we assume that such persistent troublemakers are the only persons injured by a censorship or sedition law, and conclude from the indiscreet and unreasonable qualities of their speech and writing that, after all, the loss to the world of thought has been very slight.

Perhaps, Mr. Speaker, that's what the members opposite think. Perhaps they believe as the opening paragraph in this dissertation says, that the thoughts we have in the Unionest Party are very slight. In this case, the wouldn't bother to change the law retroactively. If they thought there was only a slight suggestion, and it wasn't worthy of the government, then the government would say, well, the legislation is reasonable; we

perhaps should have thought of this particular amendment some time ago. But in light of the fact that what they say is so, and I'll just go back to quote again, 'the loss to the world of thought has been very slight,' if that's what the Premier of Saskatchewan believes, he would never have brought in this bill. He must believe, Mr. Speaker, that the loss to the world is significant or he never would have brought in a censorship bill.

Mr. Speaker, if the loss to the world is significant, no amount of legislation is going to stop the thought or idea. If the loss to the world is insignificant, Mr. Speaker, then the Premier should never have countenanced bringing forward a censorship bill to the House. The point is, Mr. Speaker, this bill is onerous; in fact, it's very rude. I'll return to the dissertation because I think it's of merit.

Too often we forget the multitude of cautious and sensitive men, men with wives and children dependent upon them . . . men who abhor publicity and prefer to keep silent in the hope of better days.

Did you hear that, Mr. Speaker? There really are people in this world who prefer to keep silent and who don't go around saying, we should kick them out of the legislature. There are people who don't say, cut them all off at the pass, pass the censorship rules, ruin the rights of every member of this legislature, take away the rights of every individual in Saskatchewan by kicking them out, or by removing them as a party, or by saying they don't exist.

Mr. Speaker, we forget that there are as this gentleman has suggested, men who abhor publicity. There aren't any here, there's not one in this Chamber who abhors publicity. But there are men and women in this world who do and who prefer to keep silent in the hope of better days. We cannot know (this goes on to say) what is lost through the effect upon them of repression.

What this man is saying, Mr. Speaker, is that when you repress me you repress others, because they would prefer to remain silent. I don't think anyone in this chamber would accuse me of abhorring publicity. The Premier shakes his head in agreement and I also pay him the same compliment. I don't think he abhors publicity either; the point is, none of us do. But there are people out there who are afraid sometimes to come forward and prefer not to come forward. When you repress those who are prepared to come forward, you take away the rights of those silent people who are afraid.

As this gentleman has said, we cannot know what is lost through the effect upon them of repression, for it is simply unsaid.

Tolstoy once wrote:

You would not believe how, from the very commencement of my activity, that horrible censor question has tormented me. I wanted to write what I felt but at the same time it occurred to me that what I wrote would not be permitted and involuntarily I had to abandon the work. I abandoned and went on abandoning and meanwhile the years passed away.

The effect upon the silent of repressing those who would be vocal.

Mr. Speaker, I believe it's 10:00 o'clock.

The Assembly adjourned at 10:00 p.m.