

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 17, 1981

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

WELCOME TO STUDENTS

MR. MOSTOWAY: — Mr. Speaker, I believe students from Clavet School are here and ordinarily they would be welcomed by the member for Rosthern. For some reason he is not able to be here. At any rate, I would like to welcome the students from Clavet School, just a few miles out of Saskatoon, who are accompanied by their vice-principal, Mr. Barnett. I know that you will find the question period this afternoon very interesting. I hope the rest of your day is interesting and that you have a safe and pleasant journey home.

HON. MEMBERS: — Hear, hear!

MR. TAYLOR: — Mr. Speaker, on behalf of the member for Rosthern, who is detained at this moment, I would like to welcome the students from Clavet School to the Assembly. I assure you that Mr. Katzman will be meeting with you after the question period to discuss your concerns and your impressions of what happens today. I think he has a bit of a treat in store for you at that time.

HON. MEMBERS: — Hear, hear!

QUESTIONS

Inflation and High Interest Rates

MR. ROUSSEAU: — Thank you, Mr. Speaker. My question will be directed to the Premier in the absence of the Minister of Finance. Mr. Premier, given yesterday's report from the Bank of Canada indicating that high inflation and high interest rates are not coming down, in the foreseeable future, and also recognizing that we, as legislators in Saskatchewan, have absolutely no influence on federal monetary policies, will you now admit that your budget of last week was misguided in its priorities, and the practical and financial assistance such as our suggestion of a 10 per cent across-the-board reduction on income tax and freeze on utility rates would have been of much more direct benefit to the taxpayers of Saskatchewan?

HON. MR. BLAKENEY: — Mr. Speaker, we have spent one week discussing the budget. The hon. members have had an opportunity to present their views and members on this side have had an opportunity to present their views. In general, I believe the budget is well-received, not only by members on this side of the House but also by people all across the province. I do not agree with the hon. member that the particular nostrums their party offers when in opposition (but not when in government in this province, which is a long time ago, or in other provinces, which is very much the case now) are not likely to be any more effective, and in fact will be a good deal less effective, than measures contained in the budget.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — The comparison to other provinces opens the subject to a lengthy debate, Mr. Speaker, and I won't get into that. I agree with the Premier that we debated the budget last week. However, what we didn't have last week was a report from the Bank of Canada and we didn't know where the inflation and interest rates were going.

Mr. Premier, will you not now admit that the results of your budget from last week were exactly what Mr. Bouey was talking about when he said that inflation and high interest rates were going to continue, and I'm referring particularly to inflation. For example, your increased expenditures, instead of a reduction in taxes, are more a cause of inflation than a fight against it. You have not decreased taxes at all when we talk about the 1 per cent which amounts to some \$10 a year. In fact, you really haven't shown any true concern for the people of this province.

HON. MR. BLAKENEY: — Mr. Speaker, I heard the hon. member's statement, which he characterizes as a question. All I can say is that it is fairly clear that when a government balances its budget, when it takes in more money than it pays out, it is not contributing to inflation. And from an economic point of view it does not matter at what level it does this. It can be a low-tax, low-spend government, or a high-tax, high-spend government; it has the same effect on inflation.

The fact is that we very substantially cover all of our expenses and, in fact, taking the two accounts together, have a very substantial surplus. This means that while other provinces, like Manitoba and Ontario, run vast deficits and thereby contribute to inflation, no one can say that that is the stance of our government. We are not guilty of that sin.

MR. LANE: — The head of the Bank of Canada was giving a very clear warning to the people of Saskatchewan that they can expect high inflation and high interest rates for the foreseeable future. Are you saying, in your response, that you as a government have no obligation to the people of Saskatchewan to minimize the effects of that high inflation and high interest rate, that is to take some direct remedial action for the taxpayers of this province?

HON. MR. BLAKENEY: — Mr. Speaker, I have asked the hon. member to read in tomorrow's *Hansard* what I do say. I cannot believe that his paraphrase of what I said is anything like what I said.

Mill Rate Increases for Regina and Saskatoon

MR. SWAN: — I have a question for the Minister of Urban Affairs. Following along the line of the discussion about the budget, I'd like to draw your attention to the proposed mill rate increases in the budget for the city of Saskatoon and the city of Regina.

I think you'll find that both of these cities are indicating, in their preliminary budgets, the necessity for very high tax increases. My question to you is this: are you prepared to try to go part way, at least, to meet the cost of inflation for these cities to meet the ongoing costs that they have to face in order to operate for the coming year?

HON. MR. SMISHEK: — Mr. Speaker, if the hon. member looks back at what has happened over the last few years, we not only went part way with the cities and urban governments, we went many miles with them. I might remind the hon. member, since he

has only been sitting in this House for a short period of time, that when we took office, the grants for operating purposes to urban governments in Saskatchewan were less than \$1 million. This year we are providing \$54 million in unconditional operating grants.

Mr. Speaker, in case of capital, when we took office there was only \$2.5 million. This year we are providing \$43 million. Mr. Speaker, we have not only assisted, we have in many ways picked up a big portion of the cost. In fact, for the information of the hon. member, when we took office, property taxes represented 67 per cent of local government revenue taken in small communities. This year they represent 43 per cent. That means that we have helped the local governments in a major way.

In the case of the cities of Saskatoon and Regina, these are only preliminary estimates submitted by the officials. I can tell the hon. member that both cities have expressed a good deal of satisfaction with the operating grants and capital grants which we are providing in this budget.

MR. SWAN: — Supplementary to the minister. During the budget debate we discussed your provisions for municipal governments. At that time I pointed out to you that you were not even meeting the inflationary costs. My question to you now is: are you prepared to at least meet the inflationary costs that these people are experiencing? You are not meeting them. Are you prepared to meet them? Do you realize at the same time that you're bragging about how much you have increased government spending, these same governments have brought their tax rates up to something like 200 per cent of what they were at the beginning of your term?

HON. MR. SMISHEK: — Mr. Speaker, if the hon. member would also check the case of Saskatoon, for three successive years the city of Saskatoon has had no increase in its mill rate whatsoever. And I think, over a five-year period, there has only been a 10.6 per cent increase, which has been a very modest increase in relation to inflation and rising costs. It is a result of the province picking up a large portion of the cost increases by providing very substantial revenue sharing and capital grants. In fact, we have had a 130 per cent increase in revenue sharing since the 1978-79 budget. I think that basically local governments are fairly satisfied with what we have done, and in fact recognize that we have matched the increase in inflation.

MR. LANE: — Mr. Minister, local governments, in fact, are indicating a degree of dissatisfaction. As a matter of fact, SUMA (Saskatchewan Urban Municipalities Association) indicates that it is going to have to have dramatic tax increases because the provincial grants were not adequate to keep up with inflation.

My question to the minister is: you've had access to the same economic indicators as Mr. Bouey, and would you not admit that having had access to those economic indicators showing high interest rates and high inflation for the taxpayers, you have really defaulted in your obligation to the people of Saskatchewan to use heritage fund moneys and resource revenues to reduce taxes dramatically for the taxpayers of this province?

HON. MR. SMISHEK: — Mr. Speaker, we are, in fact, using resource money to help local governments. If the hon. member takes the trouble to examine the estimates he will find that under the heritage fund, \$18 million has been provided for capital grants to local governments. As well, he will know that \$550 million has been taken from the heritage fund, or the resource money, into the consolidated fund, part of which goes to

providing substantial grants to local governments.

Mr. Speaker, I am sure if the hon. member rolled his mind back a little bit, he would find that the high interest rate policy of the present Trudeau government and the high interest rate policy of the Joe Clark government were, both of them, burdensome on the people of Saskatchewan and the people of Canada in the last several years. So the problem is with the free enterprise governments which do not have an economic policy, and which have also opted out in assisting local governments with such programs as the community capital grants, or rather the CSCP (community services contribution program) fund to which neither the Clark government or the Trudeau government were prepared to make any long-term commitments.

Letter to School Boards re Power Rate Increase

MR. GARNER: — Mr. Speaker, a question to the minister in charge of Sask Power. On February 1, 1981, you announced an average increase in power rates for commercial consumers of 12.6 per cent. Now recently, one of your departmental staff, a business representative, Mr. J.B. Rose, has sent out a letter to the Regina school boards (separate school boards). My first question is: did this letter go out to all school boards in the province of Saskatchewan telling them that their costs for power for elementary schools was going to be increased by 28 per cent? For high schools, a 16 per cent increase. Mr. Minister, has there been an announcement made about an increase in power rates that you have not made public to the people of Saskatchewan? Has Mr. Rose sent letters out to all school boards in the province of Saskatchewan about this astronomical increase in power rates?

HON. MR. McARTHUR: — Mr. Speaker, as to whom letters have been sent by individual employees of Saskatchewan Power Corporation, I understandably could not answer that question here. I don't know to whom this gentleman has sent letters notifying them of the impact of rate changes. However, I certainly could determine the answer to that question for the hon. member and provide him with it in due course.

I should mention to the hon. member, with respect to the question about the application of different rates on different users, that certainly there will be, because of the structure of rates and consumption, different impacts on different users with the roughly 12 per cent increase in commercial rates that was brought into place. As I'm sure the hon. member will appreciate, not every user would be affected in the same way. I would assume that what has happened in this case is that Sask Power has looked at the consumption pattern and has looked at the peak demand on the system, which is one of the things that makes a difference.

Understandably, the system must be built not only to supply a certain amount of power over the year, but must be built to meet peak demands when a peak is hit. In order to meet those costs, there is a demand charge placed on certain users as well. Depending upon what their peak demand is, they will have a different pattern of bill increase take place and affect them. And so I would assume that what Sask Power has done, in the interests of communicating to users what they can expect to happen over the coming year, is try to communicate to them what the impact of the peak demands will be on their overall power charges.

MR. GARNER: — Supplementary, Mr. Speaker. Mr. Minister, you stated 12.6 per cent was the average for commercial; oil field production is a 16 per cent increase; large industry is 18.4 per cent. Now churches are also into this. Are you telling me that you

are going to start classifying churches and schools as large industry in the province of Saskatchewan? Also, will you tell me how, for example, the Regina School Board is going to find \$61,000 extra to pay its power bill next year (and this year too)? How and where are they going to find that money if they are not going to get it from the government? In light of the fact that you turned a \$40 million profit in 1979, you are going to be starting to deprive the people and the students of Saskatchewan of a better education.

HON. MR. McARTHUR: — Well, Mr. Speaker, in response to the member's speech, I would indicate again that certainly if there are users who place very high peak demands (and this has always been the case of all of the general service users, which includes a range of users from commercial facilities and halls, schools and the like, right through to business establishments) on the system in the preceding period (that is to say if they have a period of time in which they put a very heavy demand on the system for power) then certainly, if you're going to have any kind of system of rates based on conservation, those users will understandably have a greater charge increase levied upon them. That is a logical extension of the notion that the high peak uses should come into the rate-setting. We have brought that concept in, in order to encourage people to spread out their use of power, to encourage users not to put high demands for short periods of time onto the systems, so that we don't have to invest in extensive capital facilities in order to simply meet those peaks.

Now I understand that that will, if users continue to use power in that way of very high peaks for short periods of time, have some impact on their charges. But hopefully it will encourage them to spread out their use and not put the demands on in that fashion. Granted, not all users can respond to that, but it is very hard to design a system that puts rates selectively on each and every user.

MR. TAYLOR: — Mr. Minister, are you not really just going further in your attempt to gouge taxes out of the people of this province, now that you are taxing the churches of this province, the community halls of this province, and the schools of this province? With a corporation that is turning a profit, how can you possibly justify increasing the power rates to these community organizations?

HON. MR. McARTHUR: — Mr. Speaker, with all due respect, I really think that question is a silly question. I certainly understand the concern of the member in terms of costs of operating these facilities, but charges for electrical use are not a tax. They are a charge for the consumption of electricity — electricity which must be generated and produced, as the hon. member well knows, through generating facilities which cost money.

We must structure a rate that recognizes the costs of generating that electricity, not only in terms of the overall production, but in terms of the very high peak demands that are placed on the system and therefore force us to build very costly capital facilities to generate that power during those high peaks.

If the hon. member has some alternative way of structuring rates that will try to encourage conservation in such a way as to maintain a distribution of power use in a better fashion, I would be pleased to consider it at any time, and I would invite the hon. member to give me such suggestions.

SOME HON. MEMBERS: — Hear, hear!

Demand Meters

MR. BIRKBECK: — I would just direct a question to the Minister of Education in light of his comments regarding demand meters. He indicates, Mr. Speaker, that a demand meter is a mechanism that's going to provide for a higher use of power. The fact of the matter is, Mr. Minister, that the demand meter, when it is placed on a system, does not change the wiring or anything at all. In fact, Mr. Minister, would you not agree that the demand meters that are placed in these instances are nothing more than Sask Power's one-armed bandits perpetrated on the people of Saskatchewan, particularly in our schools?

HON. MR. McARTHUR: — No, Mr. Speaker, I would not agree. I don't believe that the hon. members opposite, from the comments they make, understand what a demand meter is.

The demand meter, essentially, Mr. Speaker, measures the peak use of power in order to recognize the kind of generation demand that is placed on the system by that user during a period of time. It is part of what goes into calculating the amount of charges that will go for use of power. The hon. members simply seem to suggest that we should not have demand meters in place, and I would ask the hon. members what suggestions they have, in terms of structuring the rates, that would be better than the utilization of demand meters? I think demand meters are essentially an important part of any conservation-oriented measurement of the use and charges for electricity.

MR. LANE: — Supplementary to the minister. The minister has asked for suggestions. Sask Power has made a profit in the last couple of years, and has, at the same time, increased power rates to the churches and the schools and the recreation and community associations in this province. Would the minister be prepared to consider a very positive suggestion — that there be an immediate freeze on all Sask Power rates in the province of Saskatchewan, to last as long as SPC is making a profit?

SOME HON. MEMBERS: — Hear, hear!

HON. MR. McARTHUR: — Mr. Speaker, I think if the hon. members would take some time to study the financial statements of Sask Power Corporation, they will find that the amount of net income generated by Saskatchewan Power Corporation has been very modest indeed. It is not a very significant figure.

The hon. member should be aware that with the understandably rising costs, which are regrettable but unavoidable, the rising costs that apply to production of anything whether it be electricity or grain or livestock or whatever, it is impossible to do otherwise than to apply some reasonable level of increased charges for the use. Sask Power Corporation, if we look at the experience elsewhere has been following, I think, a very moderate policy of adjusting their rates, when and only if necessary. And, of course, that does, I agree, involve some extra charges for users but there is no avoiding that. I would ask the hon. members to look at the financial statements of the Sask Power Corporation and tell me that those profits are excessive.

Saskatchewan's Estimated Oil Revenue

MR. ANDREW: — Question to the Premier, Mr. Speaker. Last evening, Mr. Premier, Mr. Lalonde was on national television and he indicated that he was, like Mr. Leitch from

Alberta, not very optimistic as to a resolution of the Alberta-Ottawa energy pricing agreement. Mr. Lalonde indicated further that at the earliest, he probably saw the matter dragging on for a further six months, and perhaps a year from now before it came to any kind of resolution. My question to you Mr. Premier is this: are you likewise pessimistic as to a solution to that problem? Can you advise the Assembly whether the \$600 million in the budget which you described as a cautious figure is in fact perhaps now in jeopardy?

HON. MR. BLAKENEY: — Mr. Speaker, I like to think that I am optimistic and not pessimistic on most matters. On this matter of a resolution of the dispute between the producing provinces and the federal government, I also must be somewhat realistic and, accordingly, cannot look forward to an early resolution of the difficulties, given the positions taken by several parties. We believe that the estimate of oil revenues contained in the estimates laid before this House is realistic, even though the likelihood of additional development is perhaps very much less than it might have been, had not this dispute been in place. I think that the effect of the dispute will be not so much to reduce the production of oil from existing wells, but rather to greatly diminish the number of new wells which will be drilled. Accordingly, it is our belief that the revenue figure will still be attained. We would, of course, wish that the dispute were resolved and that the revenue figure would be substantially exceeded.

MR. ANDREW: — Supplementary question, Mr. Speaker. Given the statement of Mr. Gillard in the most recent *Oilweek*, which indicates that the loss in the southeast part of the province because of the Alberta cutbacks is in the order of \$320,000 a day; given the statement of Bob Blair of Nova, that unless some agreement is in place by late March or at the latest, the first part of May, that there is going to be a massive shutdown of production in Lloydminster in the range of 50,000 barrels a day; given those two situations along with the shutdown presently by Murphy, as well as the Swift Current problem that we are addressing; Mr. Premier, would you not agree that perhaps now that cautious thing has in fact moved to more like improbable, and that we are not going to raise the \$600 million that you project in your budget?

HON. MR. BLAKENEY: — Well, Mr. Speaker, that's always possible. I think hon. members understand that budgeting in this particular circumstance is hazardous. We believe that the money will still be forthcoming. However, we take the point raised by the hon. member for Kindersley and, therefore I think must resist the many suggestions for spending the money before it comes in which are being offered by members opposite with respect to utility rates, or higher grants to urban governments or whatever the suggestions may be from the various members who are suggesting additional expenditure. We believe that the budget as it now has been presented to the legislature, is one which will be met. We are still confident that the \$600 million or thereabouts, estimated as revenue from oil, will be forthcoming.

ANNOUNCEMENT

Recognition of St. Patrick's Day

MR. ALLEN: — Mr. Speaker, before the orders of the day, I would like to bring to the attention of the House that today is a very special day, not only in Saskatchewan but all over the world. It is the feast day of the patron saint of Ireland, St. Patrick. I don't know how many members are aware of the history of St. Patrick, but St. Patrick was a very remarkable person. A lot of people, particularly Irish people, don't own up to it (I know my mother never did) but the Irish have the English to thank for St. Patrick. St. Patrick first went to Ireland when he was kidnapped by a band of Irish brigands. He subsequently escaped and went back to England, which at that time was a Christian

country. He studied for the priesthood and returned as an archbishop to the pagan land of Ireland and spent the remaining 30 years of his life bringing the Irish people to Christianity. He was really a remarkable fellow.

I never knew until this weekend, upon reading the *Leader-Post*, how March 17 was arrived at. I don't know how many people saw the article. But apparently when St. Patrick was canonized in the 1700s, they were trying to figure out what day he died so that they could set that as the feast day. There was some argument as to whether or not it was March 8 or March 9. In typical Irish fashion, they settled on a compromise, added the two together and set March 17 as the feast day of St. Patrick.

I'm sure all hon. members of the House would want to join with me in expressing sincere congratulations to the Irish people of Saskatchewan on their special day.

HON. MEMBERS: — Hear, hear!

MR. LANE: — My mother was very proud of the fact that she was a Flanagan and didn't hesitate to tell anybody, I might advise the hon. member. I would like to join the member for Regina Rosemont in wishing all Irishmen in the world a very happy St. Patrick's Day. Of course, today is the day when everybody wants to be Irish. It's too bad, and I think the hon. member will agree, that it isn't 365 days of the year. The Irish, in addition to the matters raised by the hon. member, are very proud of one other fact. Not only did they invent the bagpipes, but as soon as they found out what they sounded like, they gave them to the Scotchmen and got them off the Emerald Isle. For that all Irishmen are eternally grateful.

HON. MEMBERS: — Hear, hear!

POINT OF PRIVILEGE

MR. LANE: — As a matter of privilege, Mr. Speaker, a news report today indicated that there was a radio taping indicating an obscenity had been made in the Assembly. I would ask Mr. Speaker if he has taken action on that news report and reviewed the tapes and to see whether the story is true, and if true, what appropriate action he would take? I would ask Mr. Speaker to consider those tapes. I believe the story casts an aspersion on all members of the House.

MR. SPEAKER: — Order, order! The matter of privilege is a very important and serious matter to raise in the Chamber, and while the member had not advised me prior to this time, I think if the member gives me a little more detail on the matter I will investigate to see if there is any substance to the charge, which he raises as a matter of privilege.

MR. LANE: — I'll bring it to your chambers, Mr. Speaker.

SECOND READINGS

Bill No. 01 — An Act to amend An Act to Incorporate Radville Christian College

MR. PEPPER: — Mr. Speaker, I move that this bill be now read a second time and referred to the select standing committee on private bills.

Motion agreed to, bill read a second time and referred to the select standing committee on private bills.

Bill No. 02 — An Act to amend An Act to incorporate the Congregation Agudas Israel

MR. MOSTOWAY: — Mr. Speaker, I move that this bill be now read a second time and referred to the select standing committee on private bills.

Motion agreed to, bill read a second time and referred to the select standing committee on private bills.

Bill No. 04 — An Act respecting Montreal Trust Company and Montreal Trust Company of Canada

MR. WHITE: — I move that this bill be now read a second time and referred to the select standing committee on private bills.

Motion agreed to, bill read a second time and referred to the select standing committee on private bills.

Bill No. 06 — An Act to amend An Act to incorporate Notre Dame College

MR. ALLEN: — I move that this bill be now read a second time and referred to the select standing committee on private bills.

Motion agreed to, bill read a second time and referred to the select standing committee on private bills.

Bill No. 07 — An Act to incorporate the Canadian Baptist Theological College

MR. PREBBLE: — I move that this bill be now read a second time and referred to the select standing committee on private bills.

Motion agreed to, bill read a second time and referred to the select standing committee on private bills.

MOTIONS

Resolution No. 4 — Potash Development Study

MR. SKOBERG: — Mr. Speaker, it gives me a great deal of pleasure to introduce resolution no. 4. I am certain that there will be a good number of members on this side, and the other side of the House, who would like to speak on this resolution in support of the wording as found in resolution no. 4.

I believe it is important that we address ourselves to the fact, and also look at the whole situation, of resource ownership in this province. I see, Mr. Speaker, three reasons why it is important for us to discuss our potash development, particularly, and the performance of that policy as demonstrated by the chief instrument, which is the Potash Corporation of Saskatchewan, established in this province to carry out that policy. I am referring specifically to the Potash Corporation of Saskatchewan — the people's potash corporation.

The first major reason, Mr. Speaker, is simply that the people's potash corporation is a huge success. I think that we can repeat in this House, out of this House, throughout this nation, and throughout this country the success story that we, on this side of the

House are going to tell and retell and retell until even the reactionary Conservatives opposite understand that the success story is evident. Then there is some question about the ownership of this potash corporation.

The second reason, Mr. Speaker, why I believe this Assembly should address this issue is that I believe the people opposite owe this House and the people of Saskatchewan an explanation. They owe this House and they owe us an explanation of their policy respecting the development of our potash resources and an explanation of their policy respecting the operation of the Potash Corporation of Saskatchewan. Of course, I am looking forward to hearing that explanation at the end of my remarks and at the end of other people's remarks. I would like to document, Mr. Speaker, why I believe they need to come forth with that explanation.

It is important that they do so immediately, particularly in view of what I see as the third major reason attaching importance to this discussion and the resolution which, of course, is on the order paper. That reason, Mr. Speaker, is the clear and unmistakable suggestion by the Ottawa Liberals, as mouthed by their agriculture minister from Ontario, that the Potash Corporation of Saskatchewan is making (in his words) "exorbitant profits," and that profits we are obtaining for our resources are too high. "Immoral," I believe is what he said in the press.

Mr. Speaker, we've heard these sorts of suggestions from the Ottawa Liberals before. And we continue to hear about them concerning other natural resources which belong to western Canadians. This Ottawa Liberal sabre rattling sounds a warning to us, as it has done in the past. It is a threat, and in view of that threat, Mr. Speaker, I think we deserve to know which side the Conservatives opposite are on at this time. And we deserve to know that today — not tomorrow, but today. We ask: are they going to side with us and the people of Saskatchewan on this particular issue, or are they going to side with the Ottawa Liberals and the multinational resource companies as they so clearly did when the resource battle started over the windfall increases in the revenues available from our oil resources?

Mr. Speaker, I will want to make a couple of other observations about the statements of the Liberal Minister of Agriculture a little later on. I believe there is some real importance underlining those statements which he did make.

But, first of all, at the outset, not only is it important for us to discuss this matter, but I believe it is most important for this Assembly to pass judgment on the motion which I intend to propose at the end of these remarks.

It will be interesting to see if the members opposite are prepared to debate the matter as quickly as possible and pass judgment. In view of the fact that they have had since last November to do so. We will see if they do that, or whether they are going to try to duck the issue as raised in this resolution. We will see if they duck the issue or whether or not they will stand up and be counted in defending the real Saskatchewan ownership and control of Saskatchewan's potash resources, and our right to profit from our resource. We will see whether or not they will stand before that issue and before that resolution, and whether or not they will try to stand this off the order paper by proposing some paper-tiger amendment. I would like to invite them at this time, Mr. Speaker, to really debate the issue. I would challenge them to make the stand at this particular time.

For the good of Saskatchewan, Mr. Deputy Speaker, I hope they smarten up and get on the right side of this one. Politically, if they blindly continue on the right, with a capital R,

our party could find no better political advantage. I might suggest, Mr. Speaker, I said in this discussion and will be saying that this debate is very important for the simple reason that it will give us an opportunity to talk about the great Saskatchewan success story, and that is potash, Mr. Speaker, the background of the potash corporation success story. In fact the Blakeney government resource development success story, is important to keep in mind. I know that this information has been stated before and put on the record of this Assembly, but I believe at this time it is necessary to recall a small amount of it.

In 1971, against a background of what we in the NDP regarded as unnecessary and intolerable resource giveaways, this party detailed an election program known as the New Deal for People. In that program, Mr. Deputy Speaker, we made the following points (and these are direct excerpts from *The New Deal for People*):

1. Development of our resources must be aimed at maximizing benefits for people, not maximizing profits for big business and its promoters;
2. With respect to new resource development, the NDP will give first priority to public ownership through Crown corporations. Partnership management between government and co-operatives or private developers will be undertaken and limits will be established with respect to foreign equity capital;
3. An NDP government will review existing royalty and other arrangements;
4. Where feasible we will reclaim ownership and control of foreign-owned resources.

I stress the fourth point that I just read, and that of course was in our 1971 program. I would like to have the members opposite fix in their minds what that said, and I want them to get a fix on one other thing as well, Mr. Deputy Speaker, because I will refer to it in a short while. I want them to realize what was said back in those days, and this is a direct quote:

In another plank, it was referred to by the Leader of the Opposition this afternoon . . .

And this is a quote from the then government:

. . . that nationalization of the potash industry was promised. That election promise has to be the silliest ever made in the history of this province. Apart from being silly . . .

And I am still quoting, Mr. Speaker,

. . . that promise is dangerous. Saskatchewan could lose her potash markets overnight.

Parts of this quote sound like it could be from the 1975 potash debate, but no, Mr. Deputy Speaker, there's only a little bit more to that quotation, and the speaker of the day went on . . .

If any government tried to expropriate the industry, several thousand

workers could lose their jobs. And I say that even if the NDP by some miracle did form the government, they wouldn't dare to proceed with that plan; they wouldn't dare.

And that's the end of that particular portion of the quote of that day.

I suggest that they were definite scare tactics, and that's exactly what the speaker intended. They suggested that that promise was dangerous, that we'd lose our markets overnight, that thousands of workers could lose their jobs. And that was scare tactics in those statements. They were made in 1971 and actually statements like them were repeated in 1975 by members opposite in this House and around the province. But in 1975 and since then, members opposite have tried and still try to peddle another myth. They tried peddling the myth that the NDP moved in 1975 to get into potash without a mandate from the people.

Of course, Mr. Deputy Speaker, those statements are less than the truth. The quote I just read into the record proves it's pure baloney. The quote was from *Hansard*, February 18, 1971 of this House. The speaker was the then Premier Thatcher, and his statement made about our 1971 election program, as enunciated by the then Opposition Leader Blakeney, is the most crystal clear evidence as you'll ever find that our program was indeed understood only too well by the people of this province.

In 1971, the then so-called miracle that Mr. Thatcher referred to did happen, and Mr. Blakeney and the New Democratic Party were elected. The power over decisions about potash taxation moved from the board rooms in the United States and Johannesburg to the board room in this building. We still hear those debates and we still hear those scare tactics.

Mr. Blakeney moved to increase the province's share of the returns from our potash resources. He was opposed, naturally, by the corporate enterprise spokesmen, then the Liberal opposition. The boys in the foreign board rooms decided to flex their muscles. They refused to expand and they dragged the taxation and the production management schemes into court.

Then the 1975 election came, Mr. Deputy Speaker (as elections do come very often in this province, and when they do, they're comparatively favourable), and we in the NDP reaffirmed our intentions. We said at that time that we would:

Act to see that the people of Saskatchewan get the greatest possible benefit from our resources.

And we also said:

This may well involve new approaches to public ownership, to joint ventures, between government and private enterprise, and to resource royalties and taxation.

Mr. Deputy Speaker, that's what we did say, and make no mistake about it. The people of this province knew exactly what we were talking about. They knew we were talking about potash as well as other resources.

Mr. Deputy Speaker, as a comparison to the scare tactics that were used here in this House, one has only to turn back to a wee bit of history. Go back into the country of

Mexico. When Mexico decided that she would have to nationalize her oil industry, she did so. In 1938, the Mexican government expropriated the foreign oil companies that held complete control of every phase of the oil industry. An immediate outcry went up for armed intervention to recover the expropriated properties, but the president of the United States of that day (President Roosevelt) resisted that pressure, as the international oil companies used every means to boycott Mexican oil.

Does that sound familiar? I have just finished suggesting what happened in the potash story of Saskatchewan. We go back to 1938 in Mexico, and we see a similar situation, but with a more sophisticated type of approach, not using the armed intervention.

Despite the worldwide boycott, Mexico managed to keep the oil industry from collapsing and met all financial obligations to the pride of the Mexican nation. Actually, Mr. Deputy Speaker, shortly after the 1938 expropriation, the Mexican government did form Pemex, which ran every aspect of the oil industry, from oil fields to refineries to filling stations, and at this particular time, it is recognized as the fifth largest oil-producing corporation in the world. It has 34 tankers, the loading ports and drilling and exploration expertise that's necessary.

Really, what I am saying, Mr. Deputy Speaker, is what does this say for us here in Canada? When we in Saskatchewan did our utmost, and are being successful in creating Crown corporations such as SPC and SaskOil in order to bring about some ownership by the people, we hear those opposite say, "That is not permissible and we will fight it to the end."

Mr. Deputy Speaker, there is no question that if the leader of the previous federal government had been re-elected, we would not have even had Petro-Can in Canada. There is no question that it was only because the federal New Democratic Party members of parliament took their place in that Ottawa scene and retained Petro-Can for the people of this country, and they are to be congratulated.

SOME HON. MEMBERS: — Hear, hear!

MR. SKOBERG: — Mr. Deputy Speaker, as we go on, the 1975 election came and the election went. It went pretty much as we would have wanted it. Premier Blakeney and the New Democratic Party members again were re-elected with a good majority. But still, the boys in the foreign potash corporation board rooms wouldn't move. They refused to expand to meeting growing markets and the court cases challenging the taxes continued. Since they refused to move in their board rooms, it was time to move the board room. That decision was announced in the 1975 throne speech and resulted in the Potash Corporation of Saskatchewan — head office, Saskatchewan; board room, Saskatchewan — being formed.

We all know the story, since it is more current, about how the opposition, then made up of Liberals and Conservatives, fought the move tooth and nail. The scare tactics were revived and amplified. My colleagues may want (and I'm sure they will) to say a word or two more about that period of time so that the more gross examples are all neat and tidy in one place, enabling future social studies teachers to easily point to them as examples of the ridiculous and short-sighted nonsense which accompanied this change in the direction of public policy in this country by those opposite.

I will confine myself, Mr. Deputy Speaker, to a short summary of what some of the opposition said. They said that our markets would collapse; they said that our workers,

overnight, would become inefficient lay-abouts. They said we'd lose millions of dollars on the venture because world prices would collapse and the balance of the industry, which we didn't take over, would flee the province. They also said that those companies we did take over would take us to the cleaners on the price we would have to pay for the mines. It would cost too much and, on the other hand, because of the threat of expropriation, we wouldn't pay a fair price for the mines. We would be paying the industry too little for them.

Mr. Deputy Speaker, they also said we would go broke because those inefficient lay-abouts we had hired or acquired would forget how to mine potash, forget the technology; no new techniques would be used and improvements would come to an end. And of course, the grand-daddy of them all was that we were buying used holes in the ground that would be nooses around our necks financially and politically. I just wonder, Mr. Deputy Speaker, whether the members opposite remember who invented that cute bit of sloganeering.

We heard warnings about how the mines would flood and we were asked what we would do with them after they flooded. In fact, there was even a day during that great debate when the former member for Estevan wanted to know what we were going to do when an earthquake wiped out the Cory Mine. I remember the member for Biggar, the minister at the time, rejoining Mr. Larter that we had contingency plans. We even had such plans for the occasion when lightning struck Boundary Dam. Many of those here remember those days.

Well, Mr. Deputy Speaker, what actually were the results? They said our markets would collapse; of course the opposite has been the trend. Our markets have expanded, in part due to this government's own efforts in promoting sales in the Pacific Rim. They said the private companies would flee the province; the opposite has happened. They are still here and they are still expanding. They said we'd lose our shirts because we were paying too much for these used holes and prices would collapse. Again, nothing could be further from the truth, Mr. Deputy Speaker. As this House knows, the average prices have gone from somewhere near \$40 per ton in 1977 to nearly \$60 per ton in 1979, in excess of \$70 per ton in 1980, and are now in the \$95 to \$100 per ton range.

What was the response of the those opposite? Did they admit to the people of Saskatchewan that their lack of confidence was found wanting? No, absolutely not, Mr. Deputy Speaker. They would not for one moment tell the people of Saskatchewan the truth. You check the record of April 16, 1980, of a Crown corporations committee meeting, on page 299, and you see a pretty sick response. I quote the Conservative response of that time, voiced by the previous member for Estevan:

I must say that when you have as much of a product and as extensive a market as PCS (Potash Corporation of Saskatchewan) has in the world today, it is hard to sit here and criticize something that no matter what you do, if you fall flat on your face, you're still going to break even.

And that was the former member for Estevan speaking. Mr. Deputy Speaker, that's what the Tories were saying in 1980. But that's not what they were saying in 1975. It isn't this government and the Potash Corporation of Saskatchewan that fell flat on their faces — it was those opposite. And what a poor performance in eating crow, but I'm not surprised; they are still no doubt trying to swallow all the volumes of *Hansard* wherein they predicted a horrendous financial disaster. I am sure that the Potash Corporation of

Saskatchewan can stand a few more disasters such as that.

My proposed motion, Mr. Deputy Speaker, would commend the policy because of the financial returns, so actually we should look at some of those returns. The net income for the corporation, for the people of Saskatchewan, after paying taxes and royalties on the same basis as any of the other producers was substantial — in excess of \$270 million since the corporation was established. On a calendar year basis it runs like this: 1976, approximately \$500,000; 1977, just over \$1 million; 1978, \$25 million; 1979, \$78 million; 1980, \$167 million — with a total of \$271.5 million in that period.

Mr. Deputy Speaker, \$271.5 million would have gone out of the province of Saskatchewan if the members opposite had their way back in 1975. The members opposite also said at that time, and in fact they continue to say, that was still a poor investment. They say, "You could have invested the money elsewhere and gained a better return." And I presume we will hear that, "You could have put it in a bank account" — a whole range of alternative Conservative proposals they made then and are probably still going to make.

So I want to relate to the members of this House just what kind of return this really is on our equity — the equity in which all share because the equity capital came from our heritage fund. What is the rate of return? On a cash basis (which includes income and depreciation), again calculated on a calendar year, our rate of return on our equity, and the direction it is going, is impressive. In 1977, Mr. Deputy Speaker, 3.4 per cent (and of course the members opposite might say that the banks were paying better, but just wait until we get a little more current) 1978, 8.8 per cent. In 1979, in excess of 19 per cent, and 1980, in excess of 30 per cent. And that, Mr. Deputy Speaker, is an impressive rate of return on anyone's equity. It represents, as well, a return in excess of 24 per cent for 1979, and a return in excess of 46 per cent for 1980 on the heritage fund investment in the potash corporation.

I would like to suggest to those opposite that they can tell us where their friends can invest their money any better, or whether in fact the Alberta Heritage fund has invested its money with any better return on its equity; we would like to hear just exactly where that is.

You know, Mr. Deputy Speaker, even including depreciation in calculating the rate of return to the heritage fund, investment in the Potash Corporation of Saskatchewan will likely exceed a 40 per cent return on 1980. And that, Mr. Speaker, is worthy of being recommended — worthy of being commended and recommended by those opposite, even if they do take exception to the structure of the Crown corporation, and in spite of their predictions.

It was also pointed out to members last year in this House that the rate of return on invested capital of the Potash Corporation of Saskatchewan was better than that achieved by IMCC (International Miners and Chemical Corporation). It was also pointed out at the same time that PCS enjoys no competitive advantage in this respect because IMCC uses, injects into its operation, non-interest bearing shareholder equities just as we do by injecting heritage funds as equity at this time. But this difference, Mr. Deputy Speaker, is that when the dividends are paid, the PCS pays its dividends to the people of Saskatchewan. I think that we deserve to hear from those opposite if they reject, if they oppose, or if they condemn the \$50 million dividend that PCS will pay to the heritage fund in 1981. If they condemn it, I think they should tell us who, in their way of thinking, it is who should get that dividend instead of the people of

Saskatchewan.

Mr. Deputy Speaker, it is obvious that the Potash Corporation of Saskatchewan is a financial success, a huge success. It is easy to bring out more statistics, but I think the ones which I have already referred to certainly prove the point which I am making. It is a success story for more reasons than its high profit ability.

It is a success story because it has resulted in more and better jobs for Saskatchewan people. We have more than 240 head office jobs, good jobs, which wouldn't have been here in Saskatchewan right now. That would not have happened if this government's far-sighted policy of extending ownership and control of the potash resource had not happened.

There have also been literally hundreds of jobs created because of the ambitious program of debottlenecking and expansion undertaken at the mines acquired by PCS. It created 700 jobs in construction during the Lanigan phase 2 expansion, and 200 jobs alone during constructing during Rocanville phase 2 expansion — just to use two examples. And the number of permanent mining jobs is on the increase by about 250 at Lanigan, and probably in excess of 100 permanent jobs at Rocanville. This is now the success story in these particular examples.

Mr. Deputy Speaker, now members opposite might try to say it would have happened no matter what might have happened in the potash industry. And they no doubt, will continue with such nonsense. But I remind you that one of the most compelling reasons for the takeover was the outright refusal of the foreign-owned corporations to expand and their refusal to co-operate with the legitimate government of this province at that time (and all of that is well documented). No amount of twisting and turning of the facts is going to change those situations.

The Potash Corporation of Saskatchewan is also a success story because of where it is going in research and development work, and in where it is headed in technical exchange. Members should know that the corporation plans to commit in excess of 1 per cent of gross sales to research. These efforts will be directed toward such things as:

1. Broadening our product lines;
2. Improving existing products;
3. Increasing the value of our product through better mining and refining techniques;
4. Improving production efficiency by various means, including greater energy efficiency;
5. Applied research to aid future expansion plans, including the likelihood of the construction of a new mine at Bredenbury which could come on stream as early as 1986.

Mr. Speaker, many of these activities are inward looking, but not all of them. Members should know that the Potash Corporation of Saskatchewan has an agronomy department which will provide technical expertise and advice in overseas countries. The people engaged in this work have set up programs involving the visit to Saskatchewan of a delegation of Chinese farmers. Assistance is being provided to a study team in China working under the auspices of the agricultural development corporation to provide technical assistance for dry-land farming there involving the

use, of course, of Saskatchewan's potash.

Mr. Speaker, members will know that initiatives were undertaken and continue to be followed up in respect to the exchange of technological knowledge in the industry. There is no denying that the Potash Corporation of Saskatchewan has been a success story in this regard as well. As proof of my point, I will quote no less an authority than the same Mr. Bob Larter, the former member for Estevan, from page 319 of the Crown corporations committee meeting on April 16, 1980. Mr. Larter, who was then the critic, (and we had high respect for him, I might say) was asking about technological exchange. He was promoting the idea. He had this to say, and I quote *Hansard* on that date:

The reason I asked that question of course is that you, as a government, can open a lot more doors than the private-sector can (interesting). I just feel the exchange (he was talking about the exchange with the Soviets), that you have had through entering the private sector business and the people who are in both private sector and the Potash Corporation of Saskatchewan, it would be very beneficial that they do attend these meetings with you.

I am sure we agree with Mr. Larter on that point.

Mr. Speaker, I don't vouch for the authority or the correctness of the assumptions contained in many of the things Mr. Larter has said. But I do say, that it is an outright endorsement of my contention here that the Potash Corporation of Saskatchewan, even in its infancy, has shown promise of huge success in the area of research and technological change.

Contrary to the grave forebodings and the consequences predicted by the Liberals and the Conservatives, this government's policy on potash (and our instrument which is the Potash Corporation of Saskatchewan, for effecting that policy) has been and will continue to be a huge success. I have detailed the financial success in terms of jobs and opportunities. I might say that the industrial relations in the potash industry are leaping ahead by bounds. They have good management and a good industrial relations set-up, and the employees are appreciating that. Its future in terms of research and expansion, I have already alluded to.

As I said in my opening remarks, it is a story that needs to be told and retold, not only to the people of Saskatchewan, but to those opposite and to the people of Canada and the world.

As I also mentioned earlier, I am delighted to have this opportunity to retell the story and open this debate for a second reason. That reason is to give the people opposite an opportunity to state their position to which I referred in my opening remarks.

I want them to state their resource policies, and, more particularly, their potash policy and their policy regarding our resource Crown corporations. In particular, what would they do with the potash corporation? The finance critic for the Conservatives, the member for Regina South, is here now. I think he should get into this and say what he would do with the Potash Corporation of Saskatchewan. I think this House and the people of Saskatchewan have a right to know. I have my suspicions as to what the hon. member for Regina South would do, but I would like to have it on the record very clearly, I say, if they had the power, would the Potash Corporation of Saskatchewan be on the chopping block? Or for that matter, would SMDC (Saskatchewan Mining Development

Corporation), or Saskatchewan Power, or Sask Tel, or SGI (Saskatchewan Government Insurance) be on the chopping block? When the people opposite get up in this debate, I want them to tell this House and the people of Saskatchewan what is on their hit list. We see their policy in the little paper they put out (a rather interesting part of it) but it doesn't say what corporations are on their hit list at this time. I say, without question, they do have a hit list. I think the Potash Corporation of Saskatchewan is on that list. I will tell you why.

Last year, the member for Moosomin said perhaps just a little too much in the Crown corporations committee. (Of course that's not unusual and, I might say, is not limited to that committee alone.) This is actually what the hon. member for Moosomin did say, on behalf of the Progressive Conservative Party. I understand he is now the critic in the Crown corporations. I do quote it, in case he wants to look it up, from page 358, the April 17 record of that particular committee.

We are now, on behalf of the people of Saskatchewan, and out of their concern, beginning to question whether or not the government's involvement — even in utility corporations, let alone resource development through the Potash Corporation of Saskatchewan — is the route to go.

It will be rather interesting to note whether or not, when the Potash Corporation of Saskatchewan is before the Crown corporations committee, the member for Moosomin will get up and say, "You are on my hit list." We will see what we can do about it.

Mr. Speaker, we have a right, and the people of Saskatchewan have a right, to know where the people opposite stand. I'm asking them now to make it very clear in their responding remarks. If it were within their power, would the Potash Corporation of Saskatchewan be a success story, or would it still be on the chopping block if ever (and I doubt if that time will ever come) they form the government? Would it be on the chopping block, so that the more than \$50 million dividend to the people of Saskatchewan would go elsewhere? No more of that \$167 million profit to the people of Saskatchewan would be seen by this province.

Mr. Speaker, we deserve an answer, and to know the extent of the hit list they have drawn up — no doubt with the help of their happy hacker friend, Sinclair Stevens. I challenge them now to produce that list. I would like the member for Moosomin to get to his feet in this debate and produce the list, particularly in view of the fact that I understand he is judging who shall ask questions in Crown corporations estimates. Tell us what list they have made since they have been questioning Crown corporations — even the utility corporations, let alone the resource corporations.

Mr. Speaker, the attitude of the people opposite, as expressed by the member for Moosomin, is a pity and a shame. It's a pity that they can't admit, in the face of all the evidence, that they were wrong about the benefits of this government's resource policy, as seen in the results obtained by the Potash Corporation of Saskatchewan. It's a shame, in view of what I regard as threatening and menacing noises coming from that bench, and from the Ottawa Liberals.

It will be a shame that the people opposite, through their lack of support for the Potash Corporation of Saskatchewan, encourage the federal Liberals, and yet another revenue is grabbed from the people of this province.

I don't want to be accused of raising spectres, or setting up straw men, Mr. Speaker, or

using scare tactics, but I want to relate to the members opposite excerpts from a story in the November 22 issue of the *Leader-Post* to demonstrate what I am about to say. The article is headlined, "Whelan Slams Potash Profits." Let me read some of the select excerpts from that article:

He told an audience of delegates at the Saskatchewan Liberal Party convention that the Potash Corporation of Saskatchewan is making more exorbitant profits.

I wonder what the former member of this House, the Hon. Ted Malone, felt about that after predicting or suggesting that there would be a financial loss. Here's another one, and I quote:

He claims Saskatchewan is in almost the same position in respect to potash as the OPEC (Organization of Petroleum Exporting Countries) nations are with oil.

And here is a third one:

Some of the excess potash profits should be ploughed back into underdeveloped nations.

I'm sure Saskatchewan takes no back seat in helping developing nations.

Mr. Speaker, this article demonstrates and highlights Ottawa's thinking. I say it spells trouble for Saskatchewan, as it is a clear indication of another threat to the people of this province. It is clear that it is an undeniable threat to beware of — yet another revenue grab from our resources.

I think, Mr. Speaker, that is significant, and purely illustrates Liberal thinking, that Mr. Whelan couldn't identify the IMCC (International Minerals and Chemical Corporation) or the Potash Corporation of America, or any of its other multinational and friends, as a target. But he did concentrate on the Potash Corporation of Saskatchewan. That's the one he has set his sights on.

Mr. Speaker, I think it is significant that Mr. Whelan couldn't identify the auto manufacturers' headquarters in Windsor, who, until recently, have had huge profits. He couldn't identify with them, and explain to Saskatchewan Liberals, and the rest of us, why they and Massey-Ferguson are on the dole, and he wants to grab revenues from the potash corporation to make those welfare payments to those two firms.

I think it's significant, Mr. Speaker, that Mr. Whelan couldn't identify Inco (International Nickel Company of Canada Ltd.), which ripped off profits on Ontario nickel all these years, or Quebec's Asbestos Corporation, as a target for his wrath.

I also think it's significant, and I think it indicates that the Ottawa Liberals are dead set and determined to see to it that Saskatchewan and western Canadian don't get the maximum benefits from their resources, from any of our resources that you can think of no matter what they are, and particularly if we choose to develop them in a way that dictates that the profits will stay here, in Saskatchewan (in western Canada) for the

benefit of our people in order to build for the future.

I believe that to be the situation at this time, I do hope that I am wrong. If I am right, Mr. Speaker, we are in for another fight — probably a more bloody fight than the fight over our oil resource.

I expect the people of Saskatchewan will again be on our side that fight as they demonstrated in 1971, 1975, and again in 1978. For the sake of our province, I hope that the people opposite will be on our side on this resolution as well. I do hope I can be optimistic in expecting that.

It is important, however, that we send a message to Ottawa, and that we send it now with this resolution in clear and unmistakable language. That message is:

First, we set about developing our resources for the maximum benefit of Saskatchewan people, measured in financial returns, jobs for our own young people, and future development.

Second, we have no intention of sitting idly by if Ottawa tries to snatch the heritage of the people of Saskatchewan as represented by our potash resource. Any attempt to do that will be regarded as a declaration of war on our future and will be responded to in like manner by the people of this province and by this government.

Mr. Speaker, we can send that message, and those opposite can join with us in sending that message. I hope that by approving resolution no. 4 they will be able to send it to Ottawa very quickly and also to make the position very clear in this House. I would so move at this time, seconded by the member for Canora, Mr. Matsalla:

That this Assembly commend the Government of Saskatchewan's far-sighted policy of extending ownership and control of the province's potash resource which has resulted in employment opportunities and substantial financial returns to the people of Saskatchewan and urges the provincial government to resist any federal government attempts to take away the financial returns, as recently suggested by the federal Minister of Agriculture.

MR. MATSALLA: — Mr. Speaker, it is a privilege for me to second the motion of the member for Moose Jaw North. Indeed, I relish every opportunity to talk about our outstanding record in potash. I know that it is a topic that members opposite would like to very much avoid these days. It is not difficult to understand why the opposition does not like to talk about potash.

Five years ago, Mr. Speaker, when the Potash Corporation of Saskatchewan was established, members opposite (some were Liberals at the time) embarked on what can only be described as a shameful campaign of deceit and outright dishonesty about the state of the industry, and about the government's determination to secure a fair return from the resource.

Thousands and thousand of dollars were spent by Liberals, Conservatives and their friends in the industry to spread their tissue of distortions across the province. "It's a bad business deal," the Conservatives said. "It's grossly inflationary," they hollered. Their ads proclaimed that the risk for Saskatchewan was too great. Their leader toured the province howling about holes in the ground.

Meanwhile the potash multinationals unleashed the infamous "There's a Better Choice" series of ads. Indeed, Mr. Speaker, the campaign waged by the opposition against the people's right to control their resources was probably one of the most vicious and misleading political efforts undertaken in the last decade. Our government was portrayed as taxing the industry to death, and it was berated for undertaking what members opposite said would be an unmanageable debt.

All this was at a time when provincial revenues represented only 5 per cent of the value of production. That's how irresponsible the opposition was. They had the unabashed gall to suggest 5 cents on the dollar was an unfair return for the people. What hypocrisy and what irresponsibility! Just whom were the supposed representatives of the people trying to protect anyway? Prior to 1975 the potash industry was no doubt set up in a way that warmed the hearts of their political front men in the opposition benches.

We can see why when we examine who controlled the industry: the Potash Company of America — head office at Denver, Colorado; International Minerals Corporation — head office, Liberty, Illinois; Kalium Chemicals — head office, Pittsburgh; Duval Corporation — head office, Houston, owned by Penzoil with subsidiaries in Argentina, Ecuador, and Paraguay, as well as Saskatchewan; Alwinal — head office, Castle, West Germany.

Prior to 1975, Mr. Speaker, all companies mining potash in Saskatchewan were 100 per cent owned by foreign multinationals. That is the model of resource development members opposite fought so hard to preserve and protect. The head offices were everywhere but Saskatchewan; profits flowed out of Saskatchewan in every direction; decisions affecting one of our most vital resources were made everywhere but in Saskatchewan. It was a typical Tory mining policy — the multinationals get the ore, and the people get the shaft.

And just how did these corporate citizens manage our resource? Well in the late 1960s the unbridled free-enterprise approach led to overproduction, depressing prices and creating widespread stagnation in the industry. Indeed, Mr. Speaker, it was the potash industry itself that requested the new NDP government elected in 1971, to continue prorationing. Provincial potash revenues were only \$2.5 million.

As production increased our government introduced a prorationing fee. Prices rose to over \$40 per ton and the prorationing fee was set at \$1.20 per ton. Suddenly prorationing was unfair — even unconstitutional. These good corporate citizens simply refused to pay their taxes. By the end of 1975, they owed the people over \$30 million.

Mr. Deputy Speaker, the industry and their friends in the opposition said taxes were too high. The companies also challenged prorationing in the courts, even though Ottawa had approved a plan when it was first instituted. We in Saskatchewan said to the companies, "Let's have a look at your financial records; if you're really broke, let's have a look at your records." Again, the industry refused. They refused to pay their taxes, as required by the law, and they refused to submit financial statements again, as required by the law.

Mr. Deputy Speaker, for such arrogance, for such utter disregard and contempt for Saskatchewan, the industry and Conservatives and Liberals alike, embraced each other with open arms. An unholy alliance was thereupon joined — an alliance that desperately attempted to perpetrate a great resource rip-off by means of the vulgar, slanderous propaganda campaign mentioned earlier.

Mr. Deputy Speaker, neither did those supposed representatives of the people opposite raise any voice to object when the multinationals began to strangle the industry by refusing to expand. The industry's tactics were quite acceptable to them. Let a private citizen attempt to refuse to pay his taxes — let him try to ignore the law — and then see what happens!

We all know what would happen. The citizen would soon be a confined guest of Her Majesty for an indefinite time. Yet, this represented typical Tory policy — one law for the corporations, no taxes, a free ride and another law for the people who own the resources. It just doesn't make sense.

In 1975, Mr. Deputy Speaker, the industry as a whole owed over \$50 million in deferred taxes — income used by the companies as an outright grant from the taxpayers, income which the companies created as part of their investment and income on which they felt a reasonable return was due.

What was Saskatchewan to do? The opposition offered two alternatives — either reduce taxes and increase incentives, or eliminate taxes and royalties altogether. The opposition took its usual stance, either big giveaways or bigger giveaways. The only real option available to the people of Saskatchewan was to move into an ownership position, if they were to get a fair return for their resources. Naturally, the opposition backed their corporate friends in Denver, Houston and Europe.

There was an air of desperation about the opposition campaign to keep the people out of potash. The undertaking cost too much, they said. The industry was too risky, they said. Well, in the five years since Potash Corporation of Saskatchewan has been in business, things have proved otherwise. PCS profits in 1976, the first year of its operation, were \$0.5 million; in 1977, \$1.5 million; in 1978, \$13.5 million; and in 1979, profits reached \$78 million. This year the Potash Corporation of Saskatchewan's annual report shows profits are \$167 million. That's \$167 million, Mr. Deputy Speaker — not bad for a risky investment, not bad for a hole in the ground.

Mr. Deputy Speaker, in its first five years of operation, the Potash Corporation of Saskatchewan has made profits of over \$250 million, over 50 per cent of the original investment, and met its debt repayment obligation along the way. And PCS pays its taxes and royalties — over \$90 million from 1977 to 1979. Taxes and royalties in that same period were over \$75 million, and in 1980 royalties and taxes were over \$60 million. So, in its first five years of operation the Potash Corporation of Saskatchewan has earned over \$400 million in profits, royalties and taxes — a sum nearly equal to the original investment. Mr. Speaker, in terms of common sense, could this be termed too risky? Could it be said that it is a bad investment? The Conservative members opposite believe so.

There are more benefits from PCS, not the least of which is a workforce of close to two million people, and a payroll of some \$45 million. The Potash Corporation of Saskatchewan, with its head office at Saskatoon, Saskatchewan, is an industry Saskatchewan people can rightfully be proud of and say, "We own a greater portion of this industry, and it is ours!"

SOME HON. MEMBERS: — Hear, hear!

MR. MATSALLA: — Today, Mr. Speaker, the future of PCS is bright, and although the

opposition continues to attack the concept of public involvement in resource development, no one believes their condemnation any more. The PCS has now embarked on a 10-year, \$2.5 billion expansion in Saskatchewan, and of course that means more jobs for Saskatchewan workers at Cory, Rocanville, Lanigan, and a brand new mine at Bredenbury.

More taxes and royalties for the province mean fewer personal taxes. Now, if the Conservatives opposite had succeeded in stopping PCS five years ago, taxpayers in Saskatchewan would today be facing an extra tax bill of nearly \$100 million a year. It would be Tory economics with a vengeance, and the profits would be in another country.

But even today, Mr. Speaker, our misguided colleagues opposite continue their attacks on programs designed to ensure a fair return for the people from their resources. Those attacks still include potash — the industry where, after five short years, the return from profits, royalties and taxes has nearly equalled the original investment. Of course, members opposite would rather the \$400 million had flowed out of Saskatchewan — out of Saskatchewan to Denver, to Houston, and to Europe.

Now, if anyone doubts the opposition's basic hostility to PCS, and to public resource companies generally, they have only to examine the more recent Tory policy. Last March the opposition finance critic, the member for Regina South, had the gall to tell this Assembly that revenues from potash would have gone up with or without public ownership. He said in this Assembly, and I quote him directly, "This province should have stuck to a policy of royalties and taxation." He claimed that the role of government should not be that of the developer.

Now, do the member for Regina South and his colleagues honestly think that their friends in the industry should refuse to pay their taxes? Do members opposite really think that the people have forgotten how the industry refused to expand unless its taxes were lowered? Do they think the people of Saskatchewan can just forget that kind of blackmail? Revenues from potash would have increased, all right — and that money would be in the bank accounts in New York, in Switzerland, in everywhere but Saskatchewan.

Mr. Speaker, less than a year ago, the former opposition finance critic told this Assembly, "Stay out of the non-renewable resource industry. The government's initiative in potash," he said, "has created no new jobs." Tell that to the people of Bredenbury. Tell that to the PCS employees. They know differently.

Do you recall, Mr. Speaker, what the member for Thunder Creek had to say on this issue? Last spring, he had the audacity to describe the buying of potash mines as a tragedy, and was joined in his incredible attack by the ever-muddled member for Arm River. Conservative policy is that when a public company is a huge success like the PCS (Potash Corporation of Saskatchewan) it's a tragedy. Yes, that's Conservative policy. Mr. Speaker, the success of companies like the PCS clearly shows how bankrupt their resource policies are.

SOME HON. MEMBERS: — Hear, hear!

MR. MATSALLA: — In the 1978 general election, Conservatives, under the leadership of the member for Nipawin, called for the selling-off of the people's resource

companies, including PCS. That policy has not changed under their new leader, the would-be member from the public galleries.

Prior to 1978, the current member for Qu'Appelle, now the PC Party president, but then a Liberal, said that the potash move was ill-thought out. Now, this is the same member for Qu'Appelle who in 1973 said the NDP government was "selfish" (to use his word) for trying to get more oil revenue for the province. He said that more oil revenue for Saskatchewan was selfish. He also said, "Canada would be upset if the oil-producing provinces got world prices for their resource." Last spring, this politician dismissed government concern with foreign investment as fad politics.

Mr. Speaker, in the last 10 years, Conservatives have consistently spoken out for multinational corporations and against public involvement in economic development. "Give it back to the private sector," they say. "Investors are being frightened out of the province," they bleat. Utter hogwash! Investment in Saskatchewan, both public and private, has increased every year since the NDP was returned to power in 1971, and has more than doubled since 1975.

Mr. Speaker, Saskatchewan's experience in potash over the last six years has not taught the opposition anything. The more offensive aspects of their campaign against a fair return for the people from resources has been toned down, perhaps because the number of opposition members has been whittled down. We on this side of the House will continue to support initiatives in resource development like the PCS. We continue to say that the people of Saskatchewan, the people who own the resources, have a right to a fair return for their resources.

SOME HON. MEMBERS: — Hear, hear!

MR. MATSALLA: — The Government of Saskatchewan should be commended for its far-sighted policy of extending ownership and control of the province's potash resource, which has resulted in employment opportunities and substantial financial returns to the people of Saskatchewan. Mr. Speaker, I take great pleasure in seconding the motion and I urge all members of the House to give it their support.

SOME HON. MEMBERS: — Hear, hear!

MR. ANDREW: — First of all, Mr. Speaker, this being the first day of the 1980-81 session of private members' days, I thought the people opposite could come up with a bit of a new approach to the concept of the private members. Here we see a situation where, because of our system, the members of the back bench on the government side do not get much of an opportunity to participate in the debate in this Assembly. That's because of our system, and I accept that. They get to join in the standard throne speech debate and the standard budget debate; other than that, they probably get one speech during the session. Therefore, they have to use it, I would suggest, to address a particular concern of theirs. Like the member for Saskatoon-Sutherland, they have concerns in a particular field and they want to lead the way, to throw up the flag on new policies, if you like. That's what the time allotted for the private member is all about. It's for the private member to have input into what new policies the government should consider, what new avenues or directions they should take.

But no, they take their time, Mr. Speaker. They talk about what a great bunch of guys they are because of what they've done in the past. That is basically what they want to talk about. They say, "Hey, our Premier did a good job; and our Minister of Mineral

Resources did a good job," and that type of thing. Really, I ask the member for Moose Jaw, how does that contribute? How does he really contribute as a private member?

The motion the member put forward is really in two parts. Part one wants to go back and rehash the potash debate that has been in this province for the past four, five or six years. I don't know how far; it was way before I came into the Assembly. Anyway, what are we doing, on private members' day, talking about the past? What are we doing talking about what happened in 1971, and what happened in the debate of 1975, and what Ted Malone said about this, or somebody else said about that? That's the government living in the past.

Mr. Speaker, the one part of the motion which I might say has some credence (and it's not a question of talking about the potash debate of 1975), the one credible issue raised by the member for Moose Jaw relates to the whole question of what is going to happen to the taxing scheme in Canada. I think that is a legitimate question and clearly a question that can be brought before something like private members' day in advance and argued. But I ask the members opposite and the member for Moose Jaw, the mover of this motion, and the seconder of this motion, precisely what did you say about the second part of the motion? You said nothing. You spent your entire speech going through the *Hansard*, going to past debate, talking about the past and when you came to the main concern of the entire motion, what did you have to say? You read a couple of shots out of the *Leader-Post* as to what Hazen Argue said. Did you not bother to look at the question?

When I talk about the whole concept of the private member addressing something, surely he can do a little bit of research and deal with things that are going to be addressed in this Chamber down the road? One is certainly going to be the question of taxation of Crown corporations, whether it's this year or 10 years from now. I agree with the member that it is going to be argued, but I think it is incumbent upon the member for Moose Jaw and the seconder to the motion to say a little bit more and to advance a little more about the entire taxing scheme which is facing confederation today.

They had nothing to say about it, so you kind of question, Mr. Speaker, the sincerity of the hon. member saying, "Well we should have the support of the entire Assembly and communicate it to Ottawa." What would be the sense in communicating to Ottawa a resume of the potash debate in this province for the past five years? They've heard it, it's old news. Surely, in this Assembly, and on this day (one of the few and perhaps, the only day the member will have to advance the motion), we could talk about something. Last year, for example, to his credit, he talked about the transportation of dangerous chemicals and the railways. I think that was an excellent motion. I don't know whether it passed; I think probably it did. You had the support. You were advancing something new; you were advancing a modern concern. I congratulate you for that.

Surely, private members' day is not for a member on the back bench, who has one chance to speak, to get up and ask the opposition what its position is on something. Is the function of private members' day to get up and do something like that? You have to use your single chance — the hon. member for Moose Jaw — to advance something new.

There are two parts to this motion. There is the part talking about history and the past. We could have a history lesson from any of the members over there. We don't need that. We've heard that before — five years, ten years ago.

What we do and can speak about is the second part of the motion. I think it's a pretty good motion — a pretty good question being advanced. I've raised the very question in this House on a couple of occasions, as the hon. member might know. That question is: where does the federal government fit the potash corporation into its total plan? I think it's a good question. It's a question they raised, but said absolutely nothing about. Because of that, Mr. Speaker, I'll have to say with regard to that part of it, I think, probably, down the road we can work out a common resolution that we can communicate to Ottawa. I don't think there's a great deal of difference.

Here, Mr. Speaker, is the problem we face in this country. It's no different than the national energy program or the extension of the national energy program into potash, uranium, or whatever. The reality of the situation is this. In the 1970s the federal government injected itself into many of the jurisdictions in the social fields of the provinces.

I think that everyone will agree that that was the creation, if you like, of the resource-question problem. What happened there is that there have been increased payments by the federal government. For example, welfare payments since 1971 (for as long as these people have been in power) amount to something like a 500 per cent increase. Equalization payments by the federal government have increased by 350 per cent. As you know, costs have gone up for hospitals, housing and for various other government-funded programs. The net result, Mr. Speaker, is that we find some of the resource provinces in a buoyant, have position and the federal government flat broke, with the cost of something like \$6 billion a year simply to service its debt. As a result, the federal government is now saying this: "The primary function of our new policy, as it relates to national energy (and, I suggest, it is going to come down to the potash corporation as well) is that we have to narrow the gap between the rich and the poor provinces. Therefore, we're going to have to take the money away from the have provinces by way of taxation." That's the only vehicle it has. You can see that happening now in the national energy program. It's a planned effort by the national government. It is discouraging development of the oil resource base of the West and transferring that resource to the frontier land — whether it's in the Beaufort or Hibernia.

That is exactly what is happening. The reason they are doing it is twofold. First, they need the political power; and secondly, they need the economic revenues or rents that are coming from that. I think we can all agree that what is, in fact, happening is the federal program is failing. The federal deficit is increasing, and the cost to service that debt is increasing. And, therefore, the federal government is left again with no other option, quite frankly, except to say it has to find some money some place. They have a one-track mind in Ottawa and all members of this House agree what that one-track mind is. They are going to attack, not only the oil, but the potash, uranium and the other fields. And that is where the problem exists.

Whether it's the hon. Minister of Agriculture or the good senator from Saskatchewan, I think the federal government is going to make that attack. I don't know when it's going to be. Obviously we're going to have to see the impact of the present negotiations as they relate to the constitution and as they relate to the national energy program. Obviously, they're not going to throw a third one in.

But I would like to refer the member, as it relates to Crown corporations, to the editorial in the *Leader-Post* of today. It doesn't relate to the potash corporation, but I think it does relate to the SMDC (Saskatchewan Mining Development Corporation) and I think the same philosophy applies to the potash corporation. And here's what it says:

A well-informed SMDC insider noted recently that the corporation is in business to make money and not to provide service for the people of Saskatchewan.

Now if that is the attitude and that is the view of the Crown corporation's resource sector (we're in the game to make money), then I quite frankly think we are running an extreme risk, and I have said this before concerning opening ourselves to taxing problems with the federal government. The resolution also calls for urging the provincial government to resist any federal attempts to take away the financial returns, as recently suggested by the federal Minister of Agriculture. I think I made this point in the House before, but I think it's worth restating it so that the members opposite can understand.

The whole dispute we're talking about there is section 125 and its interpretation in the British North America Act. I'm sure the members opposite knew that and I would have called on them, I think in their motion and addressing the motion, to talk about that issue. Section 125 of the BNA Act, as you all know, basically says one government should not tax the property of another government. And, therefore, the federal government shouldn't tax the Crown corporation or shouldn't tax anything else that belongs to, or is the property of, the provincial government. I agree with that and I agree with that interpretation.

But what is happening is that the whole question is being challenged. It is being challenged now in the Alberta Court of Appeal. The decision will be down very shortly. It will then move from there to the Supreme Court of Canada.

My information from the Government of Alberta is this: they encourage the province of Saskatchewan to join with them as an intervener in that particular court trial. And now, they still request that the province of Saskatchewan join with them as an intervener in that trial. But the Premier says no.

The issue in that question before the Alberta Court of Appeal is simply this: if an enterprise belongs to a province, can the federal government tax that enterprise, as being different from property? And I simply say this to members opposite: if the Alberta Court of Appeal, and if the Supreme Court of Appeal of Canada come down with a decision that the Alberta oil situation, dealing with natural gas, is not in fact property of the province of Alberta, as interpreted by the British North America Act, but is a commercial venture by the province, then the province stands in no different position than any other company, and should be subject to taxation. And that is really the dispute. So how can we simply say as a province that we're going to fight Ottawa with everything we have in our power, and as soon as the first battle comes up on section 125, what does the Government of Saskatchewan do? Absolutely nothing. All I simply say is that perhaps it's not all on foursquare with the pending case against SaskOil and the power corporation.

The precedent that is going to be set down by the supreme court is going to have a mighty important effect on the pending decision on the SaskOil case that will no doubt find its way to the Supreme Court of Canada as well. So that's basically what we're talking about, Mr. Premier. And if that decision goes against the province of Alberta as it relates to its natural gas, then clearly the Potash Corporation of Saskatchewan and SMDC (Saskatchewan Mining Development Corporation) are

similarly going to be subject to taxation.

So those, I say to the member for Moose Jaw, are the questions that you should have been addressing in this motion, because I think they are extremely important. But the motion as advanced, and the way it was presented, quite frankly simply talked about the past, talked about the potash debate that took place in this House five years ago. For my money I think the private member in this Assembly surely has better things to do than to simply talk about the past and raise the flag up — "Here's what we did;" go into *Hansard* and read a quote; "Here's what so and so said; here's what so and so said." How do you think you are going to change the direction of the government doing that? If all you're doing is practising to get out onto the hustings, well, it's fine, I suppose. You can practise on private members' day. The use of this forum for that type of thing when, as I say, you have one speech a year and you cash it in, talking about five years ago . . .

AN HON. MEMBER: — You have to let them in on the throne speech and the budget.

MR. ANDREW: — All right. But they get the one speech and they cash it in and blow it away, talking about the past. Perhaps that's a message on the exact direction of this government. It's not looking ahead; it's looking back. Maybe that is what in fact the message of the hon. member's speech in this House was today — looking back, trying to live in the past.

Having said that, Mr. Speaker, and noticing the time of day, and what I think was really a poor use and a dismal effort on the part of the two members, I am simply going to ask to leave to adjourn this debate.

I don't think it really would hit very hard on the federal government. I think that it could be done by the two sides getting together to try to draft a joint communique or a resolution acceptable to all sides, cognizant of the fact that we have different philosophical views on various things. I think that's the obvious reason why there's a line between the two. But if we can get together and can find some common ground, as it relates to section 125 of the constitution, then I do think that we can come back here with a proposal and a resolution that perhaps can hit the government in Ottawa, if anything can (and I'm not sure anything can these days).

With that, Mr. Speaker, I simply say that I would ask for leave to adjourn debate.

Debate adjourned.

Resolution No. 6 — Western Development Fund

MR. MOSTOWAY: — Mr. Speaker, today I am putting forward a motion that calls on this Assembly to urge the federal government to allow direct provincial participation in the administration of the so-called western development fund. This fund, as we all know, was announced last October in the federal budget, and we are told \$4 billion has been set aside for it. Mr. Speaker, we want participation in its administration so that the decisions on the priorities for development in the West will be shared by the provinces whose resources are paying for the fund.

I do not feel it is unfair to say to Ottawa that if you are going to spend some of the resource money you have taken from the West, then you ought to at least allow us some say in determining what projects will be undertaken with our western money.

There is unfortunately, Mr. Speaker, a scarcity of information about this new western development fund proposed by the federal government. The October budget mentioned \$4 billion was to be put into the fund. As well, there have been recurring reports that the fund would be used for such things as water development, grain handling, transportation, energy, industrial development and native programming. Maybe we should add, to do something for the voice of the member opposite, Mr. Speaker, because he certainly isn't coming across.

We are unfamiliar with who is in charge of it, Mr. Speaker, but it appears Lloyd Axworthy is to be the minister of largesse. We are all familiar with Mr. Axworthy's achievements. Thanks to him, a great many women from all across Canada recently held a very successful conference on the constitution. Mr. Axworthy has a great following among women, so great in fact that it is all he can do to keep one step ahead of them.

To be fair, Mr. Speaker, other federal ministers have also been talking about what they would like to do with the \$4 billion fund made up of western money. Transport Minister Jean-Luc-Pepin, for example, says he hopes to use a large chunk of the fund to pay for changes to Crow's Nest Pass freight rates. "Give it to the railroads," he says. That's the kind of creativity that earns one a Senate seat. Apparently that is the way you get in there. I do not think Westerners, and farmers in particular, will take very kindly to that suggestion, Mr. Speaker. We know, even if Mr. Pepin does not, that the crowrate is an historical right for farmers, and not one which they can be bribed with their own money to give up. If Ottawa wants to give the railroads more money, as they have been doing for years, that money ought to come from the federal treasury. The development fund ought to be used for new projects in the West, not for more giveaways to such outfits as the railways.

Another prominent Liberal, Pierre Trudeau, has a broader though more nebulous view of the fund. Last November, he told a Toronto audience that the fund, along with the resource dollars remaining in the West, would create a new centre of gravity in our economy. As is his style, the Prime Minister failed to give any specifics of how this fund would be used to create a new centre of gravity. We can be assured, Mr. Speaker, that any new gravity centres created by federal Liberals will be dearly taxed by them.

There has also been talk about using the fund to further the development of transportation, such things as public ownership of rail beds and developing the infrastructure for the port of Prince Rupert. Buying back rail beds paid for over several decades is a novel idea. It reminds me of double talk about double tracking.

Just last February there was speculation that the federal government might use a portion of the fund to pay for Regina's rail relocation project. Now, this is a worthy project and one which Ottawa ought to help with, but it also disturbs me that every time the railroads are mentioned, the western development fund seems to be a channel for funnelling money to them.

There has been yet another suggestion emanating from the Liberal government in Ottawa. This idea was reported last month in *Micros* journal. Again, it is Lloyd Axworthy spreading his vision of the fund. He wants to see the western micro-electronics industry built up by the judicious use of our western money. Mr. Speaker, this is also a suggestion that ought to be considered. I suggest it is evident that not much thought has been given the matter by the minister. The use of micro-electronics involves several

modern technologies. Students of the subject will know of the very exciting future for micro-electronics. Indeed, this is an industry in which significant developments are reported regularly. It is an integral part of the computer and data communications industry, and, as such, has a very bright future.

Mr. Speaker, micro-electronics is also a high technology industry. The successful players in this industry will be the ones who make the most serious efforts in research and development. I cannot understate the importance of research and development (R&D) funding in the modern electronics and computer industries. It is in the area of research and development that the poverty of federal development policy is so clearly shown. Canada spends less than 1 per cent of its gross national product (GNP) on research and development, one of the smallest amounts of any industrialized nation. Germany and Japan, by contrast, have much larger GNPs. They spend two to three times the percentage of their GNP on R&D than Canada does. And it shows. The Japanese micro-electronics industry is a fine example of the dividends research investments pay. Those investments are made over a period of years.

In the United States, IBM (International Business Machines) is a major industry in itself. Twenty years ago it spent \$5 billion on research to develop one computer system, and in so doing, catapulted itself into the forefront of the computer industry. It is a fact that there are countries where one or two companies have larger research and development staffs than does Canada as a nation. That is one of the reasons why Canada is today in the process of deindustrialization, and in terms of developing new technologies, is already a technological colony of more far-sighted nations.

That is why it causes me some concern to hear Mr. Axworthy say he is enthusiastic about micro-electronics, because the products are generally not difficult to transport. The Japanese have known this for years. In fact, they do not seem to have much of a problem transporting cars across the oceans and remaining very competitive.

We need research and development, Mr. Speaker, in a host of areas in this country. We need a substantial long-term commitment to research and development in Canada, to reverse the deindustrialization trend brought on by the Liberals themselves. That commitment ought to be a national commitment, shared equally by all Canadians in the best interests of Canada.

To try to jump into a modern technology without an infrastructure for research and development and an ongoing financial commitment is, I fear, putting the cart before the horse.

Mr. Speaker, the evidence so far would seem to indicate the \$4 billion western development fund is an idea dreamed up by the Liberal cabinet to drum up support in the West. The West is indeed entitled to such aid after years of neglect and exploitation by central Canada . . . (inaudible interjection) . . . I hear the hon. member answering me or making some remarks, and I presume that he is not in agreement with my contention that the West has really been done hard by central Canada over the past number of years. His failure to speak will indicate that he realizes the error of his ways.

Speakers in this Assembly have eloquently pointed out the hundreds of millions of dollars Ottawa annually takes away from Saskatchewan alone through its taxes on our oil. I believe that the federal government now takes more in revenue from Saskatchewan oil than does the province of Saskatchewan.

I want also to point out another statement by Mr. Axworthy regarding the spending of this fund:

\$350 million is earmarked for expenditures in 1981 to 1982, \$750 million in 1982 to 1983, and \$900 million for 1983 to 1984.

That will be just about the time the next federal election is due. I wonder if current Liberal plans call for the second half of the fund to be spent in progressively increasing amounts, peaking in the next election year?

Mr. Speaker, if the federal government is serious about using the western development fund to benefit the West, it is only logical that the western provinces, which are, after all, paying for the fund, ought to have a direct say in how it will be spent. The fund is not some gift being benevolently bestowed on the West by the mandarins of Ottawa. Indeed, when one considers the proposed federal cutbacks in spending on health, education, municipal share-cost programs such as RCMP policing, and adds it to Ottawa's increasing resource revenue grab all across the West, the so-called development fund might be compared to a nickel deposit on a 50-cent cone.

Be that as it may, Mr. Speaker, if the western development fund is to be spent constructively, the provinces must have direct input. We in Saskatchewan, for example, have long sought the construction of a heavy oil upgrader in the province. Indeed, we might have that upgrader today if Ottawa had not taxed away \$1 billion through its oil export tax from 1973 to 1979, and I'm sure it's a tax which the hon. member for Meadow Lake would disagree with. The oil export tax, incidentally, shows the western development fund for what it really is — the returning to the West of but a small portion of the money taken away from it. It is sort of like Peter robbing Paul to pay Paul. Nonetheless, a heavy oil upgrader would enable a more effective utilization of our heavy oil resource.

Another use which has been suggested for the fund is that of water development. Our experience to date with federal drought assistance, and such things as herd maintenance programs, has not been particularly encouraging, Mr. Speaker. Indeed, western agriculture has also suffered greatly because of federal neglect of the transportation system. We can only hope that federal transportation policy changes to bring it in line with the general guidelines set down by Mr. Justice Emmett Hall in his well-know report. We would welcome the opportunity to discuss water development with the federal government, but in light of our previous experience with federal agricultural policies, direct provincial input would be essential on the nature of the particular developments.

Similarly, Ottawa ought to consider assisting in the development of the communities where our people live. Again, the Saskatchewan experience with Ottawa in this area is not very encouraging. The federal Liberals have killed the community services contribution program. Now they propose to drastically cut back RCMP service funding. That move will increase the province's policing costs by 50 per cent or more and double the policing costs for our municipalities.

Mr. Speaker, the Ottawa Liberals are sadly mistaken if they think they can plunder our resource revenues and cut back their programming, then placate the West by handing back a small portion of what they have taken. The western development fund should only be viewed as a small first step towards rectifying the serious imbalance in our nation. Viewed as a first step, the fund might provide some room for optimism and hope

for fairer treatment of the West in the days ahead. I fear, however, that the federal government views the fund as the answer to western problems and discontent. It is not, and will not be viewed as such. If the federal government wants, as it says it does, to improve grain transportation, let it first start on the publicly-owned national rail company. Perhaps, then, a portion of the fund could be used to help transportation. It is unacceptable to give that money to the railroads as they now stand.

Mr. Speaker, the West has been extremely patient with Ottawa over the years. Again and again, we have called upon them and pleaded with them to live up to their promises and responsibilities. Again and again, we have been disappointed. Yet, as Canadians, we must continue to try and we must not give up. Therefore, Mr. Speaker, I move:

That this Assembly urge the federal government to allow direct provincial participation in the administration of the western development fund so that decisions on the priorities for development in the West will be shared by the provinces whose resources contribute to the fund.

This is seconded by the hon. member for Redberry. I would, Mr. Speaker, urge all members of this Assembly, in the interest of the West, to support the motion.

SOME HON. MEMBERS: — Hear, hear!

MR. ROUSSEAU: — Mr. Speaker, I reviewed that motion yesterday, and I sat here looking at it today. I would have thought that, perhaps, what the member for Saskatoon should have moved should have been, "... so that decisions on the bungling of the development in the West will be shared." That's exactly the situation we have in the West between this government and the one in Ottawa.

We could, perhaps, at some point, support this kind of motion if it weren't so pathetic, so feeble and hypocritical on their part. We could support a motion of this kind if they spelled out what they meant by sharing in the decisions on the priorities and what they would consider to be the development of the province. This would include raising the average income in Saskatchewan to the national average, reducing taxation in this province, moving in an industrial strategy for Saskatchewan, developing our renewable resources or developing our agriculture through, for example, irrigation. Yes, Mr. Speaker, if they could spell out something like that, instead of leaving it to their mandarins in Ottawa as the member for Saskatoon Centre suggests, then I suppose we could support this kind of motion.

However, what I am very concerned about in giving them this blank cheque, which is what it amounts to, is that they would use it for some more of their ill-gotten plans (as they've done in the past), such as more compulsory marketing boards, or further control on our everyday lives or perhaps further acquisitions, which they seem to live on so well.

They have made investments in so many businesses in this province today; Ipsco (Interprovincial Steel and Pipe Corporation), the Prince Albert pulp mill, Intercontinental Packers; I could go on and on with the list. That would be their goal: to take the money and acquire more businesses and get into more industries, which they have no business being in, which they don't know how to run and which they never will know how to run. Perhaps it would be used to build further political empires and to provide more political patronage. That would be the danger of supporting the motion as it stands.

The member for Saskatoon Centre dwelt for quite a while on the dangers of allowing the Liberal government in Ottawa to decide how the money in the western development fund would be spent. I am going to use an example. He mentioned grain handling and he also mentioned the comments by the Hon. Jean-Luc Pepin regarding the Crow's Nest rates, or the statutory grain rates. If you're so concerned about the government that is in Ottawa and how it's going to spend your money, why did you put it there? That's something that no one will ever understand. You don't like the way it's running things; you're afraid of it; you don't trust it (and so you shouldn't), but why did you put it there? It was your party which defeated a government which was progressive, a government which wanted to move ahead in this country, a government which had the West's interests at heart, a government which was concerned about western Canada. But no, you didn't want it, you moved it out.

Did you ever have a minister in Ottawa who did a better job than did the Hon. Don Mazankowski on grain handling and transportation? No, you never did. You didn't want that so you put in the Liberal government. You're right, you shouldn't trust them, but you put them there and that responsibility will be on your shoulders forever. You talk about grain handling. I would hate to give you the kind of money that you are talking about to decide how you are going to spend it — because all you would do with it is what you did with the rolling stock and all those cars that were built in the East. Instead of doing something here, you took \$55 million and sent it east to have the manufacturing done down there. Now that's real good thinking on the part of your government. So we're going to give you \$4 billion to do the same thing? That wouldn't really make a lot of sense.

Mr. Speaker, I know I would be out of order in replying to the previous member, who spoke on a motion regarding the potash industry. Perhaps I could tie it in, but rather than be called out of order, I will say this to the member: when the opportunity comes, I will certainly lay down our position on potash. However, as I'm afraid you would call me out of order, Mr. Speaker, I am going to leave it.

Mr. Speaker, the principle of the motion is not that far out of line. In its present context there is absolutely no way that we, on this side of the House, can support it. The government is always demanding from this side of the House, "Tell us what you want. Tell us your position, What do you stand for?" Well, we'll do that.

We'll do it in the form of amending this resolution, Mr. Speaker, so that the members opposite understand exactly what we would do in conjunction with the federal government in that western development fund — which, by the way, we disagree with. There is no reason why that government should have anything to say about the money that is taken from western Canada. I don't recall you mentioning it in your discussions or in your speech. But seeing that the federal government will be doing it, then we will have to accept it in the best way possible. Therefore, I would amend the motion presented by the member for Saskatoon Centre, as follows: that the words "so that decisions on the priorities for development in the West will be shared by the provinces whose resources contribute to the fund" be deleted, and that the following be substituted therefore:

and that the province of Saskatchewan supports: (1) incentives to encourage exploration and development of Saskatchewan's marginal oil wells, (2) the development of Saskatchewan's heavy oil reserves, (3) the

construction of a heavy oil upgrading facility at Lloydminster, (4) the encouragement of energy conservation, (5) encouragement for use of alternate fuel sources, (6) a limited temporary equity participation in new industrial development, (7) development of a rural gasification program, (8) construction of the infrastructure such as sewer and water facilities to serve the economic industrial growth of the province, (9) development of an irrigation program for agriculture, (10) introduction of a family farm purchase program, (11) construction of agricultural and food processing plants, (12) creation of a rural community development program, (13) development of other renewable resources, such as tourism, forestry, and fisheries, and (14) the reinstatement of the farm cost reduction program, as priorities for development and funding for the western development fund to participate in, because our resources contribute to the fund.

MR. SPEAKER: — I find the amendment in order and debate continues concurrent on the motion and the amendment.

MR. ANDREW: — This is an interesting motion. With regard to this \$4 billion western development fund, I wonder if the member for Saskatoon Centre honestly believes that there is in fact a \$4 billion energy fund coming through from the federal government. It seems to me it's the same as all its other promises, like the double-tracking of the CNR between Winnipeg and Edmonton, or Winnipeg and Calgary — whatever it might be.

Or it is like the federal government promise about the western economic summit or conference held back in 1972-73. The federal government is prepared to put \$4 billion in a fund only when it has its 50 per cent share of the oil revenues coming into the federal coffers from western Canada. I don't think that we can anticipate receiving \$4 billion, so I'm not sure that we should be looking at how we're going to spend it, until the day that money is on the table.

In fact, what we're seeing is not a matter of \$4 billion coming down. It seems to me that what we're seeing is the cutback on all federal programs, whether it be the RCMP, whether it's this, or the next thing. The federal government, instead of advancing money to the western provinces, has taken away much of it in the revenue grab on the oil question and is not, in fact, going to be giving us any money. They're going to be sitting on that whole question.

It's the same proposition that we talk about with regard to the Crow's Nest Pass freight rate. The debate isn't even there, because the federal government hasn't any money to put on the table, and that's the simple fact of the whole matter. It's the same question when you relate to various other federal programs, where you can talk about it and you can explain, "Well, we're going to move it this way or we're going to move it that way."

But they haven't any money. They're broke down there, and they're not about to give us a whole lot of money. So I think that to look at how we're going to spend the money is somewhat presumptuous on behalf of all members of this Assembly. If we are to receive \$4 billion (and that's a big if), I think the proposals advanced by the member for Regina South are very sound.

But what we have to in fact do with money (and I would prefer that money to be the resource dollars of Saskatchewan) is use it as the hon. member for Regina South has said. He advanced the view of looking a little bit ahead, rather than always looking back. You have to set your sights ahead over there, boys. That's the only way we're going to

get ahead. You'll have to look at building that infrastructure and the irrigation systems that the hon. member talks about. They're excellent programs, all of them. That's the only way that this part of the country is going to take its full place in the confederation and the economics of this country. That is the only way we're going to do it.

I think the member for Regina South has advanced a very credible position, one with which all members of this Assembly could join. We could have that motion as amended, package it up, and send it down to Mr. Trudeau. I'm sure it will have an extremely favourable impact. Maybe we're going to get this process on the road.

SOME HON. MEMBERS: — Hear, hear!

MR. BANDA: — Mr. Speaker, I was listening to the members opposite. The member for Kindersley just said that the federal government has no money — that it is broke. I don't think we will argue about that. Then the member for Regina South lists about 12 or 15 programs — things which should be done with the money which isn't there. It sounds just like the budget debate the member was reciting over again. I want to go through *Hansard* and review exactly a little more of what he said. Mr. Speaker, I beg leave to adjourn debate.

Debate adjourned.

Resolution No. 8 — Labelling of Industrial Chemicals

MR. ENGEL: — Mr. Speaker, the subject to which I will address myself today is one of vital concern to me and, I am sure, to most of the members in this Assembly. The proliferation of industrial chemicals and highly toxic and volatile substances and their subsequent use is a matter that ought to be of concern to everyone — workers, farmers, consumers and industry alike.

Modern industrial societies utilize a variety of chemical substances, both natural and man-made, in the production of all manner of goods for use by nearly every segment of our population. Many of these chemicals are extremely dangerous, whether due to toxicity, flammability or other causes. Mr. Speaker, I believe that the people in our society who are exposed to, or working with, hazardous substances, whether on the farm or in a factory, have a right to know of any threat to their health and safety, be it a known or only suspected hazard.

Today, I will ask this Assembly to call upon the federal government to implement regulations requiring adequate labelling of industrial chemicals for the protection of the public. Labelling of both industrial and agricultural chemicals must be improved to protect the health and safety of all of us. Access to information about the known and suspected hazards of these substances and compounds is, I submit, an inalienable part of any worker's right to know what his job entails. That is true whether the worker operates a fork lift in a factory, or is a Saskatchewan farmer for whom the handling of herbicides and pesticides has become an integral part of his operation. I believe that workers have the right to know what they are dealing with. The only practical way to get this information before workers, farmers and the public is through improved labelling by federal regulation on a nation-wide basis. That, Mr. Speaker, is the heart of the issue. Unless adequate standards are enforced nationally, any effort by an individual province will be unlikely to have a worth-while effect. The simple truth is that an individual province lacks the economic clout to force a manufacturer to improve the labelling of his product.

A large manufacturer, for example, would not need to comply with any provincial regulation. Rather than comply with stringent provincial labelling standards, the manufacturer could simply withdraw his product from a provincial market, much to the detriment of users in the province. A company like Monsanto or Dow Chemical will not voluntarily incur the costs of a new labelling program because a tiny fraction of its customers in a foreign country demand it.

We should also bear in mind that most such chemicals are imported into Saskatchewan from other provinces and nations. It only makes sense, therefore, that the labelling of these chemicals be regulated by a federal authority. The multinational chemical conglomerates will not spend one thin dime on improved labelling unless they are forced to — members should make no mistake about that.

In the past few months, indisputable evidence has come to light that many 2,4-D herbicide products have for some time been contaminated with dioxins, one of the most toxic substances in the world.

Mr. Speaker, I might add that just because our federal Minister of Agriculture says he'll drink some doesn't make it a safe product. The contaminated herbicide is being taken off the market, but most of it will have been sold by the time the regulations take effect. We cannot realistically expect adequate labelling of all hazardous substances until it's required by federal regulation.

Mr. Speaker, the registration and labelling of pesticides in Canada is now administered and regulated by Agriculture Canada. The registration and labelling of industrial chemicals ought now to be undertaken by Labour Canada as well. Certain guidelines should be followed by Labor Canada or any other federal authority moving into that field, if they are serious about truly protecting the health of working people.

For example, containers of chemical substances are now usually identified only by a trade name or a manufacturer's code number, or they are not labelled at all. These containers should be marked prominently at the point of manufacture with the common or generic names and the chemical names of the ingredients. Thus a worker, his physician, or his union representative, as well as his employers, would be immediately alerted to, for example, possible exposure to carcinogens and other hazardous substances in the workplace. As well, exposure hazards along with symptoms of exposure or overexposure, emergency treatments and precautions for safe use should be prominently displayed on this label.

We all know that in the last few years, more and more public concern has been expressed by scientists, environmental protection agencies, and working men and women about the long-term hazards of industrial chemicals to health and safety. These hazards include chronic diseases, malignant tumours, reproductive disorders and genetic damage.

It is the working environment where these highly toxic and volatile chemicals are used, which are the first to be polluted by these contaminants. It is those who work directly with these dangerous chemicals who must bear the brunt of the unknown. It is those who work directly with chemicals who first suffer the ill effects of exposure and overexposure. It is the workers who, often years after the fact, are discovered to have had their health irrevocably damaged by exposure to hazardous chemicals. Similarly, Mr. Speaker, farmers who work with herbicides and pesticides also face hazards.

Farmers also have the right to know.

In Canada the practice of pesticide labelling is carried out under the Pest Control Products Act. That act is deficient in that there is a neglect of the long-term effects of pesticides, even where these harmful side effects are known or strongly suspected. Thus, if a pesticide is conclusively known to be highly toxic, a warning and directions for safe handling are given on the label. So too, under "toxicological information" are the symptoms for some of the more toxic pesticides.

However, if a pesticide is, for example, only a suspected cancer-causing agent, or is known to cause birth defects in laboratory animals but only suspected of causing birth defects in people, that warning is not given. This situation is, quite frankly, alarming. Those who use pesticides, herbicides and industrial chemicals have a right to know all about the associated long-term and chronic health hazards — both known and suspected.

In terms of specifically improving pesticide labelling in Canada, Canadian pest control products regulations could be rewritten to include a broader definition of "toxicological information." Agriculture Canada should require that pesticide labels be revised and updated as soon as is possible and practical, when new information about these chemicals is discovered.

Mr. Speaker, there is ample evidence before Canadians to indicate that improved labelling of hazardous chemicals is necessary to protect the public when accidents occur. Train derailments at Mississauga, Ontario, and near MacGregor, Manitoba, and the reports by the subsequent investigations clearly show that the inadequate labelling poses a serious threat to public health and safety.

A few minutes before midnight on Saturday, November 4, train 54 on the CP Rail from London, Ontario derailed. Nineteen of the derailed cars carried what the Canadian Transport Commission's red book calls "dangerous commodities." Involved were cars carrying toluene, propane and deadly chlorine. In the subsequent inquiry, CP Rail proposed that the producer and shipper of such goods be compelled to supply a response team for such accidents. That proposal has merit.

However, as Mr. Justice Samuel Grange of the Supreme Court of Ontario pointed out in his report on the accident, one of the very serious problems in Mississauga was the inability of emergency service personnel to immediately identify the contents of the derailed cars. Normally, a cardboard placard, about the size of this paper, is used for identification purposes on a train car. Such placards are often destroyed in transit. It is plainly absurd to rely on them for information when a major fire ensues following an accident. Justice Grange reported:

It seems to me that a system of colour coding, not necessarily involving painting the whole car, could be worked out for tank cars carrying the more dangerous and more commonly transported commodities . . . It is easy to visualize situations where colour coding, which would have to be well-publicized, would be of great assistance.

Clearly, it is unreasonable, as well as unnecessarily dangerous, to expect emergency workers called to an accident to enter such a situation in ignorance of what they are dealing with.

Similarly, there are important lessons to be learned from the CNR derailment at MacGregor. That accident occurred last March 10, and involved a spill of a highly toxic compound called vinyl chloride. As in Mississauga, an inquiry concerning MacGregor ensued. The Manitoba Naturalists Society submitted a brief to the committee expressing concern about the secrecy maintained on the volume of the spill, delays in releasing accurate information to the public, whether provincial or federal bodies have listings of hazardous commodities being transported, and so on. The society also wanted to know why vehicles transporting hazardous products are not "labelled more specifically as to their contents and potential hazards." It went on to recommend that all such carrier vehicles should be clearly and completely labelled as to contents and potential hazards.

From the Manitoba hearings, also, came the suggestion to establish a 24-hour toll-free telephone number for emergency response teams with information on chemicals pertaining to their physical, chemical and toxic properties, safe handling procedures and a list of authorities to contact for additional support. Even the train crew involved in the accident was unaware of the nature of the dangerous commodity they were hauling. Yet, the knowledge of a car's contents is essential if the initial evaluation of an accident's potential hazard is to be accurate.

The hazards of the workers involved were clear, but only after the fact. The train crew, identified in the MacGregor inquiry as the only ones who did take immediate action, did not have protective clothing available to them. Documentation of the train listed the cars as carrying dangerous gases. Then, it was thought the contents were chlorine. There was no specific information available as to the potential fire hazard, health risk and immediate clean-up actions required. A check on vinyl chloride information stored by a computer found that in an accident tank cars may rocket, down-wind evacuations should be considered and, in the event of fire becoming uncontrollable, evacuation of all people within a half-mile of the site should be undertaken. The Manitoba inquiry made several recommendations, including a complete and detailed review of the hazardous forms for every dangerous commodity carried on the CNR. The inquiry also called for a plan to remove ambiguous information and instructions, and to ensure all pertinent physical and chemical characteristics and other relevant details are included on content forms.

Several other recommendations were also made. But the point I wish to stress here is that the public has the right to know the hazards, known and suspected, of dangerous commodities to which they might be exposed, whether in the workplace or simply be being in the proximity of an accident.

MR. KATZMAN: — Mr. Speaker, I have a point of order.

MR. SPEAKER: — Order! What's the point of order?

MR. KATZMAN: — I believe Bourinot's rule 309 indicates that only during the throne speech are we allowed to read speeches in this House.

MR. SPEAKER: — If the members will give me a moment, please.

I want to thank the member for bringing this matter to my attention. The members will be aware, especially the more senior members in this House, of the gravity of uttering someone else's words rather than his own in this Chamber. I take it that all members are

using their own words and thoughts in this Chamber, pursuing the debate most vigorously at all times. Upon checking Beauchesne's *Parliamentary Rules and Forms*, I see nothing that allows a member to use a written speech during the throne speech, as the member has cited. I'm sorry. The member cited rule 309. Would the member make up his mind which rule he is citing.

MR. KATZMAN: — Rule 309 says you cannot read them; rule 310 allows it during the throne speech only.

MR. SPEAKER: — Perhaps the member should have brought his complete case to me so that I could have made a decision on the basis of that.

It has been the tradition in the past that members who are giving detailed speeches in this legislature and others (this particularly applies to cabinet ministers) would bring prepared speeches into the House which contain a number of figures, and perhaps involve legal argument.

It is a subject worth considering, and which should be given a fair deal of consideration by all members of the House. I would urge all members, in view of the practice of the House over a number of years, to give this matter some thought. I would be prepared to accept the guidance of the members. I think the best place to consider this matter would be in the rules committee. We have a very good opportunity for all members to approach their representatives on the rules committee, bring this to their attention, and I'm sure the members of the rules committee will raise it at the earliest opportunity when the rules committee next meets.

I take it that the member has rather copious notes to which he is referring in his speech, if that is all he's doing, I suppose that that is suitable to the House. I want all members to consider this matter, since it seems to be a matter of some seriousness which has been raised on more than one occasion, although it hasn't been raised in the rules committee as yet.

MR. LANE: — Is Mr. Speaker now ruling that the practice of the House, as you just indicated, is overruling Beauchesne's in the rules of this Assembly? I think you've just made a rather significant ruling, Mr. Speaker, and I'd like you to state that concisely, if you would, please.

MR. SPEAKER: — I think that if the members would go back and read my discussion which I just brought forward on the point of order, it would be quite clear that there seems to be some contradiction between what is practice here and what it says in the rules book. When a situation of that nature arises, I think it behoves the members of this Chamber to give it some attention. I say that there is a certain practice which is accepted in this Chamber and in other Chambers, and perhaps the rule book seems to be different. I would say that the members should take the opportunity to have a look at this matter.

MR. LANE: — That's a very significant ruling, Mr. Speaker is making about what the practice of the House has been, but the rules are different. I ask Mr. Speaker to consider, very carefully, his ruling that all of a sudden the practice of this Assembly is going to overrule the rules. It opens up a tremendous new practice in parliamentary debate, Mr. Speaker, and I'm sure that with your years of experience, you don't want to go quite that far. I know that you know full well the import of your ruling. It may come back to haunt many of us here if we attempt to go to defend the practice of the House as

opposed to the rules. I'm sure again, Mr. Speaker, with your years of experience you would want consistency in the matter and I'm sure you would consider the import of the ruling you've just made.

MR. BYERS: — Mr. Speaker, on a point of order. The hon. member for Rosthern raised the point of order at the time the hon. member was giving some specific information relating to the signing of the transport of hazardous chemicals. I think the rules of Beauchesne are quite explicit in that when a member is giving information of a technical nature, he is permitted to refer to a script so that there is no possible misconstruction of the information and to ensure that the information given to the House is accurate. I, therefore, suggest that the point of order is not well taken and that the member was referring to some very specific regulations with respect to the signing of the transport of hazardous substances when the hon. member rose on the point of order. I think Beauchesne is quite clear that a member speaking is permitted to refer to a written script when giving that kind of information to the House.

MR. KATZMAN: — In speaking on the point of order, Mr. Speaker, I agree with part of what he said. It indicates in Beauchesne that if you are quoting documents and figures . . . But, Mr. Speaker, I have a copy of the member's speech. He has delivered it verbatim. There are no figures in it; it's words. The rule suggests that exception is for notes only and that is what I am questioning. If he would, at least, go off a prepared text once in a while, as most members do, but he has followed it word for word from a prepared text.

MR. SPEAKER: — Order, order. I realize we've opened up a very important subject here. I would be the last member, from my vast experience in this House, to attempt to define rules here on my feet, before these members. I have, sometimes, some difficulty in enforcing the rules which we have in the book already. I would suggest to the members, if there is a conflict . . . Order, order. If there appears to be a conflict in the member's mind about this matter, then I would suggest he take it along the route that all rules go, before they arrive at this Chamber. There is an opportunity to discuss the matter in the rules committee, and I think the members should direct their attention there rather than haggling as to whether the member has prepared his speech and is reading it or whether he has notes, or whether people on either side of the House prepare speeches and read them in this Chamber or whether they give them extemporaneously.

I think it is up to the members to consider this matter very seriously. For the time being while they are considering this matter and how it should be presented in the rules committee (which I'll look forward to seeing), I think we should allow the member to go ahead with his comments.

MR. TAYLOR: — I rise on a point of privilege, Mr. Speaker. One of the members opposite just accused my colleague of stealing the speech. He said, "Where did you steal the speech?" I don't think that's the type of remark we want in this House. I ask him to withdraw that.

MR. SPEAKER: — I'm afraid I didn't hear that. Unfortunately, there are a lot of speeches going on when I'm making my speeches. I get so few opportunities to make a speech that I wish you'd listen to mine and then make yours afterward. I think that if someone has offended someone in the Chamber, that is unfortunate. That happens from time to time. I'm sorry, I didn't hear anything. I'll allow the member to go ahead.

MR. ENGEL: — Mr. Speaker, when I put this resolution on the order paper last fall, I did a

lot of work and study on this speech. I wish they'd take it as seriously as they did the delivery of it. I'm sorry they didn't like me referring to my notes as closely as I did. But if he had followed that speech he would have held on to it and I'm not sure how he got it . . . Maybe I should start the same kind of story the member for Arm River did when he said he lost his entire briefcase. I just lost one copy of a speech. It's good that he has it, because now he can take it home and see the details that I discussed in that speech about hazardous chemicals.

I quoted from several sources, as far as the investigations that were made on the two train derailments and actions which we had last year. To give those figures accurately, I read them. I was enjoying reviewing the study of it.

There is only one other area about hazardous chemicals that I would like to point out to you, Mr. Speaker. That is that a worker who is exposed to these (in the workplace or in its proximity), should know the kind of chemical with which he is dealing. For reasons I stated earlier, it is impractical for an individual province to undertake to rectify a problem which is this serious. I think it should be a federal matter, and that this Assembly should speak out on this question, as well.

I know farmers, and I have neighbours, who were hurt handling dangerous chemicals. Maybe flushing with water is a good thing. It didn't say on the can, and the labels weren't included there. So, the matter of the health of my constituents, as well as the constituents of the entire province, is a major concern of mine and is what I was trying to deal with in my speech today.

If the members opposite take it lightly, and it just means to them the matter of how the delivery was made (that is, I read it, instead of I heard it), if that's the excuse they're trying to use to create a smoke screen so they won't have to take a stand on this issue, that's as political as they want to be. I'm not that political.

Mr. Speaker, I move, seconded by the member for Saskatoon-Sutherland:

That this Assembly call upon the federal government immediately to implement regulations requiring adequate labelling of industrial chemicals for the protection of workers and the public.

MR. PREBBLE: — It will be my pleasure to second this motion, but I have a number of remarks to make and I see the time is now 5 o'clock. I suggest we call it 5 o'clock and I begin my remarks at 7 o'clock.

The Assembly recessed until 7 p.m.