

In the world situation of escalating oil prices we now face the possibility of private interests—in terms of the large multinational corporations and oil companies operating in the province of Saskatchewan—having the opportunity to gouge massive profits and windfall gains from the province of Saskatchewan. If they take that profit and those windfall gains, there is no guarantee that one cent will be spent on research, development and exploration for new fields and new sources of petroleum in Saskatchewan. They could spend it, because of their multinational interests, in any part of the globe where they have business interests. Therefore, the government of Saskatchewan last week introduced legislation to prevent these private interests in the province gouging the rightful heirs to the resources—that is, the people of Saskatchewan. The government of Saskatchewan will not allow them to take windfall profits and invest them anywhere the private interests like: it has moved to a program of public control. This action of the government is related to almost every field in the oil industry of Saskatchewan: it is related to exploration, to production, to refining, to profits, to utilization and, indeed, to conservation.

Mr. Speaker, I have heard a lot of comment to the effect that this proposal of the socialist government of Saskatchewan is somewhat congruent with the position of the government of Alberta. I think we could test this contention best if we examined the remarks of the president of the Canadian Petroleum Association when he had read the legislation introduced in the provincial legislature. He said that the legislation proposed by the Saskatchewan NDP government that in effect takes control of the province's oil and natural gas is probably the most vicious piece of legislation ever enacted in North America.

● (2010)

Of course, we have heard similar contentions before. We heard them in connection with the government auto insurance and in connection with hospitalization and medical care. Yet those programs were expanded across the Dominion of Canada. I predict that the kind of policies enunciated by the government of Saskatchewan will become the criterion for public action by governments and people who will be concerned in future with the development of our energy resources. The petroleum association did not attack the activities of the Alberta government in the same way that it attacked the activities of the Saskatchewan government. That alone should show any member the difference between the action taken by the province of Saskatchewan and that of the province of Alberta.

What are the powers being established by the government of Saskatchewan? The legislation is to establish an oil conservation board which is to phase-in production controls. That government is moving in the direction in which I believe every level of government concerned with this matter ought to move. It is doing something to conserve our resources and to make sure they are properly utilized in order that future generations will have enough energy for the production of the primary commodity, food. The province of Saskatchewan has not been satisfied just with establishing an oil conservation board: it has already established a potash conservation board. The jurisdictional rights of that conservation board have been challenged

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by the government of Canada and by the Minister of Justice (Mr. Lang). The federal government has said that natural resources such as potash should be left in the private hands of the potash industry.

Therefore, in dealing with a natural resource such as oil, Saskatchewan has moved not only to establish its constitutional right over natural resources but to establish the province's legal holding or legal right with regard to oil within the province. It has done this to avoid the kind of challenge that was encountered regarding the potash conservation board. Although the oil and gas freehold rights within the province of Saskatchewan are in the hands of large private companies, the provincial government has moved to assume control and ownership of these freehold rights. Before the introduction of the legislation the province held 66 per cent of these legal holdings; now, however, it will be in control of 90 per cent of all reserves. The only people to be exempt from the provisions of the legislation will be farmers operating the many small holdings throughout the province. The multinationals, the holdings of the CPR and of the Hudson's Bay Company are to be challenged.

As the legislation relates to windfall profits, the province is moving to make sure that the difference between the wellhead price of \$3.98 a barrel and the domestic or international price will not go into the hands of the private oil corporations who can invest the money anywhere they want, but will go to the province of Saskatchewan which will use it for investment in Saskatchewan—for exploration, research and the development of oil supplies and reserves. This investment will meet the needs of Saskatchewan and of the people of Canada. There is a fundamental difference between the actions of Alberta and of Saskatchewan in that regard. Further, there is a price, called the base wellhead price, of \$3.08 and there is also the barrel price of \$3.38. Under the legislation, the oil companies will be allowed to keep the 30 cents, with the proviso that they spend it on exploration and development in Saskatchewan. If they do not, the moneys accrued will go to the province and to the people of Saskatchewan.

The tax on non-producing mineral land is to increase from 20 cents per acre to 50 cents per acre. If this tax is not paid, the mineral land lease is to revert to the Crown, the only exemption, again, being for farmers who hold some of these lands. There is provision for the production costs of oil companies in Saskatchewan to be reviewed twice yearly. This provision is included in case there is need to revise the wellhead price, in order to meet any legitimate increase in production costs. Further, there is provision for companies to receive a rebate from the treasury of Saskatchewan for exploration and development carried on within the province. If there are new findings, the province is to be given the right to gain an equity in those findings. The legislation also allows for control of wholesale pricing within the province.

So, Mr. Speaker, the democratic (socialist) government of the province of Saskatchewan has said that our non-renewable resources are not to be handed to the private interests: these resources are to be utilized as a public utility for the benefit of the province and the people of Canada. I submit we ought to follow that government's lead and treat and develop our non-renewable resources as