

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session - Eighteenth Legislature
27th Day

Monday, December 22, 1975.

The Assembly met at 2:30 o'clock p.m.

On the Orders of the Day

QUESTIONS

LETTERS OF PROTEST RE POTASH INDUSTRY

MR. R. H. BAILEY (Rosetown-Elrose): — Mr. Speaker, I should like to direct a question to the Premier.

I have on my desk again this morning a number of letters which have come to me and they have indicated that he has a copy of these letters. The letter in particular to which I refer, Mr. Premier, is a resolution passed at the council meeting, unanimously I might add, by the Rural Municipality of Milden, in regard to the provincial plans in the potash industry. I should like to ask the Premier if in view of the fact that I have a number of letters, and I'm not going to ask him to identify this particular one in itself, but is it true, Mr. Premier, that your office is in fact receiving a goodly number of such letters of protest to the government proposed plan regarding the potash industry?

HON. A. E. BLAKENEY (Premier): — I will take the question as notice.

\$400 MILLION IN LIQUID RESERVES

MR. W. C. THATCHER (Thunder Creek): — Mr. Speaker, I should like to address a question to the Premier.

In his speech to the Canadian Society in New York the Premier indicated that this province has, as he termed it, something more substantial than \$400 million in liquid reserves to draw on. Would the Premier be so kind for the benefit of this House, to give us just a very general breakdown on what this \$400 million of liquid reserves is composed of?

MR. BLAKENEY: — Mr. Speaker, the Member may inadvertently state my position fractionally different than I stated it. I said we had about \$400 million available in liquid assets. Not necessarily to draw on. I was illustrating the health of the province rather than the immediate funds available.

MR. THATCHER: — On a Point of Order, Mr. Speaker. May I . . .

MR. BLAKENEY: — Mr. Speaker, do I have the floor or not?

MR. LANE: — On a Point of Order, no!

MR. THATCHER: — The Premier is suggesting that I misquoted him. I should like to quote his own information service.

MR. BLAKENEY: — That's not a Point of Order!

MR. SPEAKER: — I don't think that's a Point of Order.

MR. BLAKENEY: — Mr. Speaker, the \$400 million I referred to is as follows:

The Energy and Resources Fund - \$250 million; the surplus on current account - approximately \$150 million; the Community Capital Fund - around \$40 million; what used to be called the School Lands Fund, which is now called, I think, Special Investment Fund - \$35 million; and miscellaneous annuity. This adds up to something more than \$400 million and those were the figures referred to.

MR. THATCHER: — Supplementary question, Mr. Speaker.

First off, I should like for the benefit of the Premier, to quote his own information service.

MR. BLAKENEY: — Mr. Speaker!

MR. SPEAKER: — I think I might remind the Member of the answer that the Premier has given in this case.

MR. THATCHER: — Mr. Speaker, then since the Premier has conceded that they do have somewhere in the neighborhood of \$400 million in liquid reserves, is the Premier prepared to give assurance to this Legislature that such funds will not be used in any form in order to purchase an existing potash mine?

MR. BLAKENEY: — The answer is No.

MR. THATCHER: — Second supplementary, Mr. Speaker.

In view of the fact that this would appear to reflect some change in government policy since both the Premier and the Attorney General have referred to a situation where the purchase of any mines would be a self-liquidating debt. Therefore, Mr. Premier, would you elaborate on this new government policy?

MR. BLAKENEY: — I would, although it's pretty obvious it's going to be a long elaboration. If the Hon. Member thinks that to borrow money from the Energy and Resources Fund to purchase a potash mine is not a self-liquidating investment, it's going to be pretty difficult to explain anything to him

SOME HON. MEMBERS: — Hear, hear!

YELLOWHEAD HIGHWAY BRIDGE

MRS. E. G. EDWARDS (Saskatoon-Sutherland): — Mr. Speaker, a question please to the Minister of Highways (Mr. Kramer).

In view of the fact that the Federal Government has announced an allocation of, I believe, \$21 million for the improvement of the Yellowhead Route in Saskatchewan, would the Minister of Highways say whether he is prepared to take the lead in organizing a meeting between the federal, provincial and local governments to arrange joint financing of a Yellowhead Highway Bridge in Saskatoon?

SOME HON. MEMBERS: — Hear, hear!

HON. E. KRAMER (Minister of Highways): — Mr. Speaker, the fund that the Hon. Member speaks of is one that accrues to the province from our oil revenue. Therefore, whatever is done and however this fund is brought into our road building budget will be a Treasury decision and I should like to refer the Member to either the Premier or the Provincial Treasurer.

MRS. EDWARDS: — Mr. Speaker, a supplementary. What recommendation would you suggest so that the matter is not just dropped where it is right now?

MR. KRAMER: — Well, the recommendation that I suggest of course is immediate upgrading of the Yellowhead. I believe the 42nd Street bridge could be part of the Yellowhead complex, or it could be part of the regular assistance that is provided to cities for local urban traffic. So, therefore, it really doesn't matter too much whether it is part of the Yellowhead development or not. There was a question raised by the city council about a year ago asking the Federal Government to participate in this as part of the Yellowhead assistance fund. Now, having said that, let us make no mistake that this fund which has been incidentally allocated to Yellowhead makes no difference whatever in the total request of the four western provinces to have an upgrading policy on TransCanada Highway traffic, not necessarily on on the Yellowhead. It has been some 20 years now, Mr. Speaker, since we have federal participation in assisting with TransCanada traffic. Since Highway No. 1 was completed, our traffic has quadrupled and yet there has been practically no assistance whatever in upgrading, widening or four-laneing on any of the TransCanada Highways throughout western Canada. This is a policy that is still to be agreed upon and brought forward by the Federal Government. This Yellowhead fund, the Yellowhead Improvement Fund, really has no bearing on the western request for a national policy, and if by some chance the Federal Government does bring forward a policy of assistance to Yellowhead Route construction, it shall be assumed and deemed to have been part of that agreement and the money that is spent out of that fund will be refunded for further construction because this is a special fund and not part of the proposed national policy.

MRS. EDWARDS: — Second supplementary then. In view of the remarks, I presume that what the Minister of Highways has said, that there is a possibility that some of this money could go towards this bridge and I wonder if the Minister of Highways could tell me, is the onus on the local government, or the provincial government to begin the discussions?

MR. KRAMER: — Yes, the onus for requesting the bridge is on the urban government, and there is a study going on right now which the Department of Highways is paying for at 75-25—with the city paying 25, which will determine the traffic needs in the city of Saskatoon for some time to come, and it has been deemed advisable by the traffic committee that we do not make any move, although possibly 42nd Street may be a foregone conclusion, and that we do not move in this direction until the traffic study is completed.

MRS. EDWARDS: — Could I have a third supplementary, if I may?

MR. SPEAKER: — No, two supplementaries are allowed.

BUILDING OCCUPIED BY PROVINCIAL GOVERNMENT

MR. E. F. A. MERCHANT (Regina Wascana): — Before the Orders of the Day, Mr. Speaker, might I direct a question to the Minister in charge of Government Services. I have a couple of enquiries regarding office buildings.

First, is it true that the Provincial Government has occupied all of the building that was the Westman Chambers, and is it true that secondly you have agreed to take all of the new office building going up at College near Smith Street, the Pettick Building for provincial space, and secondly is it true that the Government is negotiating for property along 8th Street in Saskatoon for the construction of an office building there?

HON. G. SNYDER (Minister of Government Services): — Well, Mr. Speaker, the Member asked a number of questions. I think I can assure him that the general move of the Department of Municipal Affairs into the renovated Westman Chambers has already been accomplished and I believe that office space, all that has been prepared at this moment, has been occupied or will be in the very near future. There is some additional office space that is to be rented by the Department of Government Services for other agencies, departments of government on College and Smith.

With respect to the property in Saskatoon that he draws attention to, I'm not sure of the precise location. I am aware that the Government of Saskatchewan, through Government Services is presently making arrangements to provide for some lease space in Saskatoon to the extent of some 35,000 square feet that has not yet been constructed.

MR. MERCHANT: — Mr. Speaker, a supplementary. I wonder why that might be necessary with the construction of an office building in Saskatoon and secondly would the Minister indicate why the government office building going in Saskatoon is downtown taking away prime office leasing space, taking and creating problems—traffic problems and over the objections of some of city council and really against the better interests of the city of Saskatoon?

MR. SNYDER: — Well, I think it would depend on whom it is you speak with, Mr. Speaker, with respect to the purchase of office space or the occupying of office space in downtown Saskatoon or downtown Regina. And I imagine the dialogue will continue for a considerable period of time with respect to that particular matter. I suppose the question arises to a degree, as to the obligation of senior governments to play a part in the rejuvenation of the downtown core.

It will be known that the government office building in Saskatoon will be part of a blend of office space that is owned, as well as some that will be leased, and there will always be, I expect, a blend of owned and leased office space. It has been indicated to me that while the decisions were made prior to my arrival in the department, that the intention is to have some lease space other than in the downtown area, believing that it will better serve the needs of some departments which will have more ready access to 103 parking spots at an area somewhat remote from the downtown core. In general terms, as I said before, I believe that there will always be something of a blend of owned space and that which is leased, and governments also keep in mind the future needs of the different agencies, the different users of office space. Accordingly to build more than about four or five years in advance creates some real problems in terms of leasing the additional space that the department has overbuilt as a great many other users that are outside of government are reluctant to occupy on the basis of a short-term lease.

I don't know whether that answers in total the Member's question. I think it reflects the attitude not only of this Government but the one that preceded it in keeping something of a blend of owned and leased space.

MR. MERCHANT: — A supplementary, Mr. Speaker. Again a two-part question. With respect, I'm afraid that the Minister did miss the nub and substance of the question that I directed. I wonder if the Minister would not agree with me that taking prime office space off the tax rolls in the city of Saskatoon in a way though it may redevelop the core area does a disservice to the city of Saskatoon, and the second question, moving back to Regina, since the Government has apparently rented all of the space that it requires, who might we expect will be moving into the palatial new office building that you are now constructing, or will you just hire a few thousand new public servants to fill it when it goes up?

MR. SNYDER: — It's my understanding that when the determination was made to construct the office building of, I believe, something like 100,000 square feet in downtown Saskatoon there was no opposition raised either by Members opposite or by city council at that time. For my part I'm somewhat reluctant to see office space built in the downtown core because I happen to occupy an office in the Toronto Dominion Bank building and I find that parking is a perennial problem there, and in my own particular case when we moved from what we regarded as adequate facilities provided by Sask Tel, we discovered that when we moved we had something like 34 parking stalls for employees and gave them up to go to a location where there were approximately 11 parking stalls. So I do recognize the problem. At the same time I

think in the overall plan perhaps the Government does have some overall obligation to assist, and they do, in terms of consultation between Municipal Affairs and various city councils in terms of their long-range plans. At this point in time we have really received nothing in the way of opposition from Saskatoon City Council and I think they gave general approval to the idea. At least, if that was not the case, it has not been drawn to my attention that the municipal government had any objection to the building of an office in downtown Saskatoon. Certainly I know that has not been the case in the city of Moose Jaw where we labored for many long years to get a provincial office building there. Having acquired the space pre 1964 we saw the space lie there dormant without any services being provided to agencies and departments of government. And finally after the NDP was returned to office, we did see the office building built in Moose Jaw. It came as a very welcome happening as far as the city of Moose Jaw is concerned and I would be surprised if the city of Saskatoon didn't greet it in somewhat the same way. I was being coached by the Member directly behind me when you were asking the final part of your question. I think perhaps I may have missed the final part of your question. If I haven't answered it totally I wonder if the Member would be prepared to repeat it.

WELCOME TO MR. BOB STRACHAN

HON. A. E. BLAKENEY (Premier): — Mr. Speaker, I wonder if I might ask the indulgence of the House to introduce a guest whom we have with us. In the Speaker's Gallery is Mr. Bob Strachan the Agent General for British Columbia in London, a former long-time Member of the British Columbia Legislature, a former Cabinet Minister in British Columbia. He is here in Regina visiting his son for the Christmas season. I know all of us would like to extend a welcome to this fellow legislator or former legislator from British Columbia.

HON. MEMBERS: — Hear, hear!

MR. D. G. STEUART (Leader of the Opposition): — Mr. Speaker, I'd like to join with the Premier. I met Mr. Strachan down at lunch and he pointed out we had a great deal in common, that he was at one time a Leader of the Opposition before he got out of politics and took this non-political position in London. I would also thank him, I don't know whether he knows it or not, but a British Columbia car was put at my disposal recently when I was in London and I appreciated it very much.

HON. MEMBERS: — Hear, hear!

GOVERNMENT MOTION

SPECIAL COMMITTEE TO AMEND THE RULES AND PROCEDURES OF THE ASSEMBLY

HON. R. ROMANOW (Attorney General) moved, seconded by Mr. Smishek (Minister of Finance):

That a Special Committee consisting of Mr. Speaker as Chairman plus seven Members, to be named at a later date, be appointed to consider and report with recommendations

the advisability of amending the Rules and Procedures of this Assembly to provide for an oral question period similar to the Rules of the oral question period in the House of Commons and to consider the possibility of improving on the Debates and Proceedings of the Assembly and the feasibility of producing the Debates on a daily basis; and

That this Special Committee be instructed to include in its report, drafts or proposed Rules drawn to give effect, if adopted by the Assembly, to any change or changes that may be proposed by the Committee; and

That this Special Committee be instructed to consider and report with recommendations the advisability and feasibility of televising the proceedings of the Assembly and to consider and recommend on any mechanisms which may be needed to control the said broadcasts; and

That the Committee review necessary renovations to the Legislative Chamber and sound system; and

That this Special Committee be further instructed to submit all or part of its report to the Assembly not later than March 1, 1976.

He said: Mr. Speaker, I will be moving at the conclusion of my very brief remarks the motion with respect to the Special Committee on consideration of two or three pressing matters as they relate to the conduct of this House. This Special Committee, if this motion is passed, will be set up with a view to determining and examining into questions relating to an oral question period of the Legislature. An oral question period along the lines of the House of Commons, if I can put it in that sense, not necessarily in terms of length but on the Rules for putting of questions and the Rules for answering of questions. We thought that we might take an opportunity as well to consider the question of our Hansard. There has been some suggestion that our Hansard perhaps has fallen behind other Legislatures. At one time I think we were leading the country in terms of Hansard and this may not now be the case. As well, the question of television and the feasibility and advisability of televising part or all of the proceedings of the Legislature. Needless to say, one of the difficulties there will be is the question of control or monitoring. As legislators we have introduced radio broadcasts now for a very considerable number of years and I think as well there is an experiment which is continued on the questions and answers. There is a form of recording there, but, as Members, we are pretty jealous and rightly so, about making sure that we control the content through Mr. Speaker of what comes out of this House.

There is also the question of renovations to the Chamber and renovations to the sound system. All matters which have been raised for our consideration at this stage of the game.

It seems to me, Mr. Speaker, that this is a motion which should meet the approval of all parties. I'm hopeful that some time, as soon as we can get together after other pressing business is a little bit further away from us, to be able to get together as a committee and to examine these matters and to recommend to us, as a House, on all, if not all, on part of them before March 1.

It's traditional that we reconvene some time in the spring and maybe we'll have some new ground rules for a question period and so forth, and some other matters by that time which will put this on a proper and more satisfactory footing as far as all Members are concerned.

I should point out that we have had some discussions with all Members, all parties in the House on this and the proposal which I will make after passage of this motion, hopefully very shortly and would be to set up by way of a second motion, a committee, headed by Mr. Speaker, Mr. Brockelbank as Chairman and Messrs. Berntson, Dyck, Larson, Malone, Pepper, Romanow and Wiebe, to be members of the Special Committee. This is a result of discussions and conversations with all party members.

So, Mr. Speaker, I would move, seconded by my colleague the Minister of Finance (Mr. Smishek), by leave of the Assembly that the Special Committee on the Rules and Procedures of the Legislative Assembly appointed today, December 22, be composed of the following Members: Mr. Speaker Brockelbank as Chairman, and Messrs. Berntson, Dyck, Larson, Malone, Pepper, Romanow and Wiebe; and that such committee will have the power to sit during the inter-sessional period and during any legislative session except when the Assembly is sitting and that such committee will have the power to send for persons, papers and records and to examine witnesses under oath and to hold meetings at and away from the seat of government, in order that systems and other legislatures can be studied.

Motion agreed to.

ADJOURNED DEBATES

SECOND RECORDINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. R. Romanow that Bill No. 1 - an Act respecting the Development of Potash Resources in Saskatchewan - be now read a second time

and the proposed amendment thereto moved by Mr. Lane.

MR. D. G. STEUART (Leader of the Opposition): — Mr. Speaker, speaking to this amendment, I'd like to just remind the House at the beginning of my speech what this amendment asks the Members of this Legislative Assembly to do in regard to Bill 1 and that is refer it to an intersessional committee. We'll take the amendment as read.

But, Mr. Speaker, we should each read that amendment because I think it's important that as we consider it and attempt to convince the Government or a majority of the Government supporters to vote for this amendment, we know exactly what we are doing. We just finished passing a motion setting up an intersessional committee with exactly these same powers, to consider something that we think in this Legislative Assembly is important and that is to look at the rules, look at the procedures, with special emphasis on things like television and the question period, the oral question period and so on. While this is of vital importance to the future of this Legislative Assembly and all the Members in it, it pales in significance

when compared to Bill 1 and Bill 2, but especially Bill 1, which in effect, if passed, will give the power to the Government to nationalize all or part of the second largest industry in the Province of Saskatchewan.

So there is nothing I don't think and I think Members opposite would agree there is nothing that this Legislature has done, certainly in the short time we have been in session, or in the history of this Legislative Assembly, nothing that is as important, certainly not financially as Bill 1 and Bill 2. So when we consider that we are now setting up an intersessional committee to consider the procedures of the House and we have set intersessional committees up to consider a host of problems and issues over the years, none of which I submit, have approached the significance, both now and in the future, for the people of Saskatchewan as does Bill 1. I think that Members on all sides of the House should willingly and gladly speak in favor of this amendment and support it.

Mr. Speaker, I say this has become even more important these last two or three weeks than it was when we had the first indication of the Government's intention to nationalize part or all of the potash industry as indicated in the Speech from the Throne.

Recent events have made this amendment and the action that is suggested in this amendment of even greater importance. And I'm going to refer, if I may, Mr. Speaker, to some of those events in an attempt to convince the Members of this Assembly to support this amendment, to point out why I think it's even more important now than it was three or four weeks or a month ago.

What's happened since the Speech from the Throne that should convince the Government to stop, to pause and to consider more fully than they have to this point the very serious step that they are taking in regard to the potash industry, the serious consequences it will have not only to the potash industry and the people of Saskatchewan but the future of investment in this province now and in the years ahead?

Well to begin with the potash markets are down and that's a fact. The potash industry right now is running at something like 62 per cent of capacity. Now this is dropping. It has dropped in the last month. It has dropped in the last six months. It has dropped in the last year. If my information is right this trend is likely to continue for some time. Now surely if this is a fact, then this should give the Government cause for thought. The Government should stop, slow down and take a look at where they are going.

Mr. Speaker, the only way we can be sure of this and the only way they can be sure of it, is that they are prepared to invite people to come and speak to an intersessional committee and give them the facts. People in the potash industry, not just people in the production of potash are here in Saskatchewan, but people in the marketing of potash and people who are consumers of potash, and this wouldn't be too difficult because 70 per cent of our market is on this continent, is in fact, in the United States of America. But surely, with every indication being that markets are off, that markets are down, this changes the whole situation even in the last month. So this alone, if for no other reason, should make the Government

slow down and take some time. We have said over and over to the Government, what's your rush? As the Member for Saskatoon-Sutherland (Mrs. Edwards) said, the potash isn't going moldy, the market isn't on the upswing, so that we should have to move in and get it right now or we lose it. There is no rush, in fact, there is everything in favor of slowing down, taking a second look at this, having Members of this Assembly call witnesses, consider the situation, travel if they have to to the United States, take a look at the markets, talk to the people who buy our potash and find out what their reaction will be if in fact the Government goes ahead with this very serious step of nationalizing part or all of the industry.

Another factor that should be taken into consideration, an event that's happened within the last month or so, is the fact that the price for potash is softening. There is ample evidence in the daily press and in other publications, publications having to do with the potash industry, to indicate that the price for potash, the world price for potash is not nearly as strong today or as firm today as it was a month ago or six months ago or a year ago. Again there is a great deal of evidence to indicate that it may soften even further in the months and the year or two years ahead. So again, this must have a serious bearing on what we in this Legislative Assembly do about the potash industry. Is this in fact the best time if we decided to move into this industry? Even if all other factors, all of the things being equal, if all other factors were tilted towards the Government moving in and I say they are not, I am convinced that they are not. In fact, they are just the opposite to that. But even if they were, surely markets being down and price softening, these would decide the timing of any thoughtful, sensible government before they rushed headlong into investing \$500-\$1,000 million of the taxpayers' money in an industry that isn't looking nearly as good as it was a month, two months, six months or a year ago.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Again, Mr. Speaker, the Government is in the position that they don't have to take the word of press reports, don't have to take the word of people in the Opposition although I am sure they suspect and I don't blame them. I would do the same thing if I was sitting over there because they know we are opposed to what they are doing. But they don't have to take our word, they don't have to take the word of the press reports. They can call people who are involved in the buying, the selling and the marketing of potash. This intersessional committee could call them first hand and under oath, examine all the facts concerning both the future markets and the price of potash and how it is likely to be affected, if in fact the Government moves in in a major way and nationalizes all or part of the industry.

Mr. Speaker, there is something that has happened recently that is even more serious in the long run than the price and the demand. There is no question that in the long run, the long haul, the demand for potash is going to grow, for the people in the world the demand for food is there, so the demand for fertilizer is there and will continue to grow. I am positive as I am sure as are all Members on both sides of the House that eventually the people who need the potash, the people in the third world, the people in the Orient who are now

having difficulty in buying our potash because of their difficulty in finding a foreign exchange, hard currency because of the price they have to pay for oil, and that has to be their first priority, that this will be overcome. That we must find some way as a producer of potash and as people who are concerned about the hungry people in the world, we must find some way to get out potash to the people who need it. And I am sure we will. So there is no question that in the long run the demand and the market for potash will grow and continue to grow and that Saskatchewan potash will, if we play our cards right, play an ever important and an ever growing role in the supplying of this vital chemical to the hungry people of the world, to all people of the world who need it. So there is no argument about the demand. There is certainly an argument and a question about the demand for the next year or two years, or three years. Certainly there is a question about price. I think there is a very serious question about whether a great many of our present buyers are in fact prepared to continue to buy off a nationalized potash industry here in the Province of Saskatchewan.

But there is something that is far more serious than that. And that is the development of alternate supplies of potash. This is something, Mr. Speaker, that has come to the fore since the Government of Saskatchewan announced in the Throne Speech about one month ago that they intended to nationalize all or part of this great industry. We have seen a continual number of press reports to the effect that people in the potash industry are developing alternate sources right now. We know that they are doing this in New Brunswick; we know that mines in New Mexico that were apparently mined out reserves that are nearly as good, tho' not nearly as rich, as the potash reserves in Saskatchewan are being looked at again, they are taking a second look at them because of the extremely high taxation rate placed on the industry by the Government of Saskatchewan. And the relatively high taxes even though the price is not as good as it was a couple of months ago or three months ago, but still there's a relatively high world price for potash. We are aware also from press reports that there is a great likelihood of Russia moving in in a major way on our chief buyer of potash, our most important market the United States. There have been indications, again press reports, I think from very reliable sources that Russia has either concluded a deal or is concluding a deal to supply about a million tons of potash to the United States market in exchange for grain or for other commodities that they need in two or three years.

From all we hear, and again a great deal of it is hearsay, the only other great source of potash relatively untapped source of potash at this time in the world is in Russia. We know that up to this time Russia has not attempted to move in any major way in markets that have been traditionally looked upon as markets for Canadian or Saskatchewan potash.

They have been competitive with us in the past in the Oriental market but they haven't moved in for example on the American nor have they attempted to. We are not sure and we can't be sure that with the new situation that is being brought about by the hasty and I think ill-advised action of the Government of Saskatchewan the Russians may decide to move in in a major way and they may find a ready market. They may find an open invitation from the Americans as a result of what the NDP Government is contemplating in Saskatchewan.

We can prove that, Mr. Speaker, we don't have to rely on

hearsay, we don't have to rely on wondering if this might happen. I don't think there is any question that this intersessional committee as proposed in the amendment could call the people in the United States who we understand, who are now negotiating this deal or in fact have negotiated this deal. I am sure they would lay the facts before such a committee. Then the Government would be armed with some very solid information about the kind of competition that they might be facing in the years ahead when, and if, they invest \$500 million, \$600 million, \$700 million, \$800 million, \$900 million of the taxpayers' money in this potash industry, which if you study the history of it has not at all times been that profitable but indeed has had a rather roller coaster effect. It has been up and down and those people in the industry in Saskatchewan as we know have had far more bad years than they have had good years. But again to me this overwhelming argument why Members opposite should vote in favor of this amendment.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — We have no idea whether the new potash development or the development that is being examined and looked at in Montana will be viable but there are people who will come and give evidence to such a committee, an intersessional committee. We might not even at the end of the hearings have a totally firm idea, because I don't think anybody will know whether they can mine potash at 7,000 or 8,000 feet and that is the depth of the potash in northern Montana. But there are people who know about these things. We have the first successful solution potash mine in Canada, in the western hemisphere just half-way between Regina and Moose Jaw, Kalium. Now Kalium is taking potash up from about 4,000 to 5,000 feet, using a solution type of mining.

These people I am sure, while they wouldn't be prepared to come and reveal the secrets of their mining methods, but I am convinced that they would be prepared to come before an intersessional committee, the kind of intersessional committee that is proposed in this amendment and give expert testimony about some of their problems. It may well be that the people from the Farmers Co-operative who are carrying out that test drilling right now and examining into the possibilities of mining potash in Montana might come themselves and under oath give the MLAs on that committee the benefit of their experience.

This organization is the largest purchaser of potash in the world. As you know and as the Members of this House know they hold 45 per cent of the shares in the Central Canada Potash Mines near Vanscoy, near Saskatoon but what may be not so well known is that they buy a tremendous amount of potash from other Saskatchewan producers. As I say they market well over a million tons of potash, I am told, in the United States alone. So if these people who are the largest single purchasers of Saskatchewan potash, right now and they are an American company, a company that we have no control over, either our national government or our provincial government. If even at this stage of the game just from the very threat from nationalizing the industry as was indicated about a month ago in the Throne Speech in this House, if they are prepared to spend the hundreds of thousands of dollars that are necessary to attempt to develop a new source in Montana and I understand this is not the only new source they are looking at, then I say surely the

Government will consider that this is serious enough to stop, slow down and all Members of this Legislative Assembly to call these people and ascertain as definitely as possible just how serious a threat this is to the potash future in Saskatchewan. And if the Government is prepared to back off and take a different course, what we call a more commonsense course, would not this organization along with others, back off their plans to attempt to develop other sources.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — There is no question that there are at least two potash mines and there may be more which have done extensive drilling in the Province of New Brunswick and as of two or three months ago, their findings had been extremely encouraging.

Now, again, to announce that one, or two test holes brought about some encouraging findings, I admit is a long way from developing a source of potash that could, or would or might threaten the fantastic potash reserves, known reserves, we have in the Province of Saskatchewan.

However, again, Mr. Speaker, this is an unknown. The Government opposite doesn't know. If they do know they haven't shared that knowledge with us or with anyone else. I am positive that they don't know how serious a threat to Saskatchewan potash potentially is that potash in New Brunswick. And again I say that by the simplest needs for referring Bill No. 1 to an intersessional committee and having that committee and the majority of members on that committee supporters of the Government, asking that committee to bring in witnesses from New Brunswick and reveal how much, how serious, how good the deposits look today. I am sure they would get more information than they have now. Again, they could put that particular factor up on the balance, put that on the scale and weigh it in the balance along with the markets, along with the price, along with the possibility of Russia moving into our major market, along with the potential in Montana.

Now this isn't the only place. There is potash being developed in Great Britain, very low grade but areas where they have known deposits of potash that were extremely low grade and were considered not viable, not economic, three or four years ago or five years but the situation has changed today.

But the action that is contemplated by the NDP has added even another factor. As one member of the mining fraternity pointed out to me that when they now look at the viability of potash from New Mexico or Montana or Great Britain or New Brunswick, they have already got anywhere from \$15 to \$20 a ton. They have got that much to play with because in the reserve tax alone it amounts to some \$12 to \$15 a ton. That tax alone, that extremely high tax, that tax has made the potash industry in Saskatchewan the highest taxed industry, not only anywhere in Canada but anywhere, any time in the history of Canada. That means that companies that look at deposits in other parts of this country, other parts of the world and dismiss them as being uneconomic or said we can do better in Saskatchewan are now taking a new look and a totally different look at these areas after the tax that was placed on the potash industry this last year by the Government

of Saskatchewan. But especially a new look after they are threatening to push these very industries completely out of Saskatchewan through nationalization.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Mr. Speaker, I think it is the height of irresponsibility if this government does not support this amendment and refer this whole question to an intersessional committee and call these kind of people before them. I think it is the height of irresponsibility if this Government doesn't gather every scrap of solid hard evidence that it can about every aspect of the mining, the shipping, the marketing and the sale of potash and the alternate sources that might be in the years to come into competition and then present all that evidence to the public, weigh all that evidence before they make the final irreversible step of nationalizing all or part of the potash industry; before they have all the facts in hand and before they have given all the facts to this Legislative Assembly and to the public.

Now, Mr. Speaker, who else would they call before this intersessional committee? I am sure that Members opposite, every Member in this House could think of a host of people, experts in every field who should be called and could well be called before we commit the people of Saskatchewan to an investment of - I have been saying \$500 million to \$1 billion. But it is really far more than that because the Government has announced its intention to nationalize all or part and I think they have used the word the major part of the potash industry which means over half of it, that's only the beginning. If we do that alone, I say over a billion dollars, but they have also announced their intention to expand production. That is one of the basic reasons, excuses if you want but the basic reasons they use for their need to nationalize the industry is to expand production. And with the expansion of potash costing now anywhere from \$150 to \$200 a ton and we must recognize that we are talking - every time we add a million tons we are talking about adding anywhere from \$150 million to \$200 million to that investment - so we are talking about the largest sum of money that has ever been contemplated by any government in this province. I would almost suggest in any province. I don't think that there is a Crown corporation in any province where the total investment begins to reach the figures of \$1.5 billion to \$2 billion. There may be, B.C. Hydro is an extremely large venture and the additions they are making to that make it an even larger venture. But if it isn't the largest single venture ever entered upon by any government in this nation's history, certainly it would rank in the top one, two or three.

The fact, Mr. Speaker, that we are not the largest province population wise, nor the second, or third (I think we are the sixth, less than one million people) makes it even more vital that we slow down; that we check every avenue, that we look at every factor, we examine every scrap of evidence that we can find to do with the mining, the marketing and the sale and the future competition in potash before we make this move.

I think, for example, already of the threats of confrontation with the Federal Government, this is very real. Now at the

beginning I tried to show you, Mr. Speaker, how this situation has changed this last month and how more necessary than ever is our suggestion that the Government slow down and refer this to a committee to take a second look at it. The fact that at the beginning (I call the beginning of this nationalization in the Throne Speech) the Attorney General himself in a press statement that I saw and an interview over the television said that there was no chance at all that the Federal Government could collect any taxes from the potash because under the British North America Act one government cannot tax another. So they couldn't tax this Crown corporation. Now I may have misunderstood him but later on I saw statements made by the Minister of Finance for the Federal Government, Mr. Macdonald and other federal authorities that the Federal Government had no intention of being pushed out of a very large and lucrative tax field, that is, the mining field. That they would in fact take whatever steps necessary to protect their legitimate tax interest in the potash industry. Then we heard statements from the Attorney General and I think from the Premier (although I'm not sure) to the effect that there may have to be negotiations and that it may very well be that the Federal Government would be able to tax the Potash Corporation of Saskatchewan that the Federal Government would not be squeezed out.

Well, the point is that this is so serious that even now before they have completed the legislation before they have nationalized the industry the Government of Saskatchewan admits that this is a problem. Surely when they started out to say they would nationalize the potash industry, and they said as the Premier said in this broadcast and subsequently repeated it, that this was a good deal, surely from the statements made by the Attorney General that they had not calculated on paying any federal income or corporation tax, now they know they are going to have to pay federal corporate income tax, surely this changes the mix. Surely this changes the whole economics of the situation.

Well, now again if the Government had thought this through, if the Government had studied this, then why haven't they told this House and the public and say Yes or No we didn't calculate paying any corporate tax at the beginning, now we calculate that we will have to because of the attitude of the Federal Government, and this in effect will mean for one potash mine \$3 million, \$4 million, \$5 million, but this will still leave us 'X' million dollars. And then say now, it's not quite as good a deal as we thought, but maybe from their point of view and using the socialist arithmetic that they love to use when they figure things out for their own benefit or the rose colored glasses they put on when they look at business deals, even so, maybe they figure now that this is not quite as good a deal but it is still a good enough deal to have them go through and carry on and nationalize all or part of the industry.

But, Mr. Speaker, we don't know. We are not even sure that they know. And if they don't know what better way to find out than to refer this to the committee, an intersessional committee, that could call witnesses and subpoena people. Call Federal Cabinet Ministers, call federal tax experts, call people who are experts on constitutional matters of federal taxation and find out exactly what the Federal Government is contemplating. Find out exactly what rate of taxation the Federal Government is talking about and then place that alongside the other evidence to do with markets, to do with price, to do with

possible new sources, to do with the future of the potash industry. Put that on the scale and again weigh that in the balance. So I say that these are two or three kinds of experts whom they should ask to this committee to bring evidence, when it is set up and if it is set up. Who else should they invite before this committee?

Now, Mr. Speaker, again something that has happened in the last month, in the last two or three weeks as a matter of fact, has been a clear indication from the American Government from the government in Washington, maybe not all of the government, but part of the government, certainly a great part of the business community in the United States of America, are extremely perturbed about the move that is being contemplated by the Government of Saskatchewan.

Well, now it is all very well for us to say, and we can say it, that it's none of their business. What we do in Saskatchewan, in Canada, with our potash, and it is our potash, this industry is our business. Let the Americans mind their own business and stay on their own side of the border. It's netted a great deal of appeal. It's sort of patriotic and we can do a little tub thumping, a little breast beating and we can sort of say, tell those damn Yankees to mind their own business!

Well, I think that's an exercise I think from time to time we should indulge in. I think that we should make it very clear to the Americans that we are not a colony, economic or any other kind of colony of the United States and that what we do is our own business. And I would join the Government of Saskatchewan and fight for their right to nationalize any industry they want, without interference from anyone else, including Ottawa. I think it's the clear right of the Government of Saskatchewan to nationalize the potash industry, take it over. I disagree with them totally but I think it's their clear right. And certainly it's their clear right to do so without undue interference by a foreign power.

However, as refreshing as that might be, and as soul-satisfying as that might be, to tweak the feathers of the American eagle, let's stop and take a look before we indulge in that rather questionable exercise. Whether we like it or not the Americans buy 70 per cent of our potash. Whether we like it or not if any amount of those purchases are diverted, all or any significant amount of that 70 per cent is diverted, either to New Mexico or New Brunswick or Russia, or Germany, or England, or any of the other many places where they are mining or attempting to sell potash, it will mean the loss of hundreds and maybe thousands of jobs here in Saskatchewan. Now that's a fact. It will mean that this great industry, which is the second most important industry in Saskatchewan, potentially a far more important industry than it is now, could face very serious and very bleak times. Now that's a fact. So while we might be beating our breasts and showing how independent we are and pleasing some people we could be doing irreparable harm to the economy of our province and bringing down hardship on working people, men and women in this province, who depend on that industry.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Now, Mr. Speaker, I don't

know how serious this threat is. There has been a note sent to the State Department in Washington through our External Affairs Department. There's been a statement about I think what was an intemperate comment from the retiring Ambassador from Washington to Ottawa. I think it was an ill-advised statement, but nevertheless this note has been sent and that statement has been made. These are facts and we know it. And so if we don't stop and take a look at this then I say we are being irresponsible.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Because the future of the second most important industry may well depend on the attitude of those people.

Now I say that before we take this irreversible step, before we break the egg, before we go down this slippery road, that we can find out how important this is. I am as positive as I am standing here that people would come up from the United States, or this committee could go down to the United States and they could call these people before the committee and they could question them - senators from the State of New Mexico, to find out what public attitude they intend to take after this potash industry is nationalized.

Mr. Speaker, we've got some experience in Saskatchewan, of what attitude the Government of New Mexico, the State of New Mexico and the Senators from the State of New Mexico could take. That government, the governor of that State and Senator Montoyo for one, the senior Senator for New Mexico mounted an all-out campaign a few years ago to have a virtual ban put on Saskatchewan potash entering the United States of America. This was, at that time, and still remains the most serious threat to ever face the 12,000 jobs that are held in the potash mines directly and indirectly, the thousands of other people who depend on it. Had they succeeded we would have seen at that time (and that was only about five or six years ago) four, five or maybe six mines either reduced to 10 or 15 per cent production or in fact I think closed up altogether.

So, Mr. Speaker, what happens down there and the attitude of the potential buyers of 70 per cent of Saskatchewan potash, and the responsible government officials must be of vital concern to whomsoever has the responsibility of government in this province.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — And so in view of this, in view of this for a government to proceed without having even the courtesy or the common sense to sit down and listen to our best customer and say, what will you do if we do this? What will your reaction be? What kind of guarantee can we get? It's just mind boggling that this Government won't do this. And that's why I ask the Members not to just vote like sheep against this amendment, but in their caucus, convince, or try to convince - I think maybe they could - convince the Members of the Cabinet to accept this amendment, have this Bill referred to an intersessional committee, call the kind of witnesses and many more that I'm talking about here, and find out what the attitude of our best customer will be in the future.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — To do anything less than this, as I say, is totally irresponsible and absolutely unacceptable and when the people of this province know the facts, I say they will hold that Government accountable. They'll hold the Premier, who doesn't even both to sit in this debate, hold the Attorney General, who I must say usually does sit in this debate, and he isn't here.

Let's take a look at the Ministers who aren't even bothering to sit in when this debate goes on, important debate, a debate that may well change the future of this province. I see the Premier is coming in now. The Minister who is to be in charge of this potash corporation (Mr. Cowley) doesn't even both to sit in the House when it is being debated most of the time and he has never even bothered to enter into the debate. The Minister of Finance (Mr. Smishek), who has got the serious responsibility of being in charge of the finances of this province and who will have the responsibility, I presume, of raising the hundreds of millions of dollars necessary, hasn't been in this House one hour while this debate has been going on, and has never entered into the debate, and doesn't give any indication he will, and I don't know how he could sensibly, he hasn't heard anything that has gone on, he doesn't appear to know anything about, and doesn't care anything about it, I might say.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — So, Mr. Premier, I say to you, that I hope that you will stop and consider this amendment and refer this to an intersessional committee and call witnesses about the markets, call witnesses about the price, call witnesses about the potential of potash in Montana, that you so blithely said the other day you knew about but didn't seem to be worried about. But I don't think you knew anything about it if the truth were told. Call some witnesses and find out about it.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — I suggest since you have changed your position at least once on the question of federal involvement in the taxing of the potash industry - at first you were extremely confident that they couldn't touch you, now you know that they can, but you haven't given any indication at what rate, or how much it is going to cost or whether this change is what you said very confidently offering no proof, very confidently said was a good business deal for the people of Saskatchewan. Then call some witnesses, put facts on the table as to how much the Federal Government intends to take out of the pie and whether in fact this means it's now a questionable deal, or is still in your opinion a good deal. Give us the facts, find out the facts.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — You know in a question directed to the Premier, Mr. Speaker, to indicate to you and to Members of the House the vital necessity of having some MLAs sit down and take a second

look at this during a recess, when the House isn't sitting, before we make a final passage of this Bill, or before, I would hope that it's withdrawn. To indicate the seriousness of this is that the Premier himself has indicated that he has little or no knowledge of alternate sources of potash that may end up being serious competitors to our potash here in Saskatchewan. Serious competitors to the men and women who depend on potash for their livelihood in the Province of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — I hope the Premier stands up in this debate on this amendment and says, look, I don't need to recommend this, that I don't need to support this amendment to refer this to an intersessional committee because I know all about the potash in Montana, I know that it can't be mined and here are my facts, I know the extent of the potash discoveries and reserves in New Brunswick and here are the facts, I know exactly how much the Federal Government will take of the pie in federal corporate taxes and here are the facts, that this is still a good deal. I hope he can stand up and say I have discussed this at length with people from the American Government, people who are purchasers of potash in the United States of America and I have as solid evidence written agreement, exchange of notes and letters to indicate very clearly that when we, the Government, take over half or all of the potash industry our markets will be there just as they are today. I hope he rises and says that. If he does, tables the proof, then I will be the first to admit that we don't need to consider this Bill any further, we'll have the proof, we can look at it, we may or may not agree with it, but at least we will be confident the Government has taken a responsible course and looked into this and presented us with the facts and is proceeding in a proper commonsense manner. But unless he does that, then I am just as satisfied that the only sensible honest responsible course of action is to support this amendment, refer this to an intersessional committee, call these witnesses, to give us the proof that we need before we go any further with this.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — What about calling as witnesses the people from Toronto. And we understand that's where they are from. Nothing wrong with that. People who have done, we understand, the feasibility study about the proposed mine that was promised so glibly in the election at or near the town of Bredenbury in Saskatchewan. No, I am positive that the Government had this feasibility study carried out. I am just as positive that the results were very unfavorable, that as a result it was indicated that it would cost anywhere from \$500 million to \$600 million to bring a mine of one and one-half or two or two and one-half million tons a year into production and as a result, that option was closed off to the Government. Now, have they done this? If they have, they have spent a great deal of the taxpayers' money and I think they have a responsibility to tell this committee when they set it up, here is the company that did it, here are their names, and have the committee call those people as witnesses and give us the facts.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Why do I say that? The Premier's own words, but he hasn't spoken in this debate, he hasn't bothered to give the House any benefit of his knowledge. He has spoken outside the House, he has spoken in the corridors, he has spoken on paid television, paid by the people of Saskatchewan, he has evidently spoken through a host of ads placed in there by the Montreal advertising firm of Dunsky, I guess, who are still doing NDP advertising. I'm not sure after the British Columbia election if they won't be sent back to Montreal, the bloom will be off that rose somewhat I imagine now. However, he has not indicated in this House if that's taken place, and if it has then I say he is being less than honest to the people of Saskatchewan by not giving us the facts. Here's why.

He said one of the reasons he is going to take over all or part of this industry is to expand it. The Premier has stated and so has the Attorney General who spoke on this Bill, one of the reasons is that we have to get our fair share of the world potash markets by us here in Saskatchewan for Saskatchewan jobs and for government revenue, and with this I agree. He said the only way we can do that is to seize, confiscate part of the industry and then expand it. So this means that the proposed expansion of this industry is of vital concern to the Members of this Legislative Assembly through them to the people whom they represent all over this province.

Now if you are going to talk about expanding something and if you are going to take the word of the Premier, very glibly given, that this is a good deal and it will be a self-liquidating debt, then surely we have to be told how much this expansion is going to cost. How much per ton, for example? Is it \$100, \$150 or \$200 per ton, or is it more? Now I say they have those figures. I'm positive they have them. Then let them allow this committee to be set up and let's allow this committee to call those witnesses and let the people know.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — If they don't do that, Mr. Speaker, they are not being honest. They are not being honest, and they are not being responsible. And it is inconceivable that they would try and rush this Bill through the Legislature which was their hope in something like three weeks, or four weeks, and at the same time consider the Speech from the Throne, and a rent bill, and private Members' resolutions and so on. So what they have said in effect, we'll only consider this, or we'll only allow the Members of this Legislative Assembly to consider this Bill, these two important Bills, for a matter of, if they had had their way, maybe 12 or 13 days. Maybe 14 days. That's the total time they really expected and hoped that these two Bills would take before they would be the law of the province. They wanted to rush them through in actually 12 or 14 or 15 sitting days. Offering not one shred of evidence that they had done any research, that they had any hard facts about the price, about the markets and about the threat from the United States and the proposal by the Federal Government to put their hand in the Crown corporation's pocket and take out a fair share of taxation. No shred of evidence, nothing at all.

So, Mr. Speaker, those are reasons we say it is important for this amendment to pass.

Now something else has happened in these last few weeks that I would think give the Government cause for thought and that has been public reaction. When the Speech from the Throne came down there was a little reaction. The Regina Chamber of Commerce first reacted very unfavorably to this Bill. There were maybe one or two editorials questioning it, as there should have been. There was a little reaction from some of the public, but by and large it went unnoticed or unrecognized, the importance of it, by most of the people. But since that time there has been a growing public concern about this move in power grab takeover, confiscation by the Government and about the very serious implications that it holds for the people of Saskatchewan in the years ahead.

How do we know, how can I say there has been a growing public reaction? Well, if you listen to the phone-in shows, the talk shows on the radio, you hear this being brought up more and more. In spite of the fact that for the man of the year, there was a marshalling of the NDP supporters to make Premier Blakeney the man of the year again on the CK talk show, I understand. I don't know how much time that took the organizers to whip up the phone calls. Man of the year maybe a year or two ago, but man of the year this year, I would say that he should go down as architect of the blunder of the year or the blunder of the half century if he goes through with this piece of nonsense.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — However, I think the most devastating proof of the growing public reaction, bad reaction to this legislation, is the amount of government advertising that has been foisted on the public with their own money to try and counteract this growing anti-Bill 1 and Bill 2 reaction that's growing here in Saskatchewan.

If the Government was confident that they have the support of the majority of the people, despite the poll that was taken, in spite of the interviews - the man in the street interviews, in spite of the interviews that have been carried out with workers of the potash industry, all of which indicate that 60 or 65 per cent of the people who were against this three weeks ago, and I say that number has increased by now. If the Government was as convinced as I am that this is a fact, then they would never have embarked on this very questionable, I say immoral and wasteful super government advertising campaign to attempt to sell this power grab or this take over to the people Saskatchewan. I think they stand condemned by their own actions.

So, Mr. Speaker, I am positive that the public reaction is growing and the public really wants to be heard. How can they be heard? Well they can be heard when they phone the Premier, if he will answer his phone. They can be heard if they phone us, which they are doing. They can be heard if they write letters, which they are doing. But surely the best way and the most responsible way to let the public be heard is to have an intersessional committee. Go around the province, advertise. We are doing this for freight rates, we are doing it for retention of rail lines. We do it for most of the things. Why not do it for this very vital Bill? If people don't want to be heard or if people flock out in their dozens or their hundreds to say they favor this, then surely the Government can

proceed then with absolute confidence they are reflecting the wishes of the majority of the people of the province.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Surely that's the job of the Government. If in fact they find out, as I think they will, that a very significant majority of the people in this province are frightened, are worried, are concerned, then I would think that a responsible government would stop, slow down and find some other course. I would think in that case that at least discretion would be the better part of valor and if for no other reason than their political hides, they might slow down. But to blindly push on, if they do, to blindly ignore this amendment, which I hope they won't do, I think is not only bad government, but irresponsible government, and I'm afraid from their point of view it's going to turn out to be pretty bad politics as well.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Mr. Speaker, what kind of witnesses should be called? Well I have mentioned some, people who are experts in markets, people who buy our potash, people who market potash, people who have some deep knowledge and have made a study of constitutional matters to tell this Assembly and the Government of this province where they stand vis-a-vis the Federal Government, the people who are experts and some knowledge about the kind of search that's going on for other sources of potash. I think there are some other people that they could call and should call.

I want to remind the House that if this intersessional committee is set up, Mr. Speaker, by this Legislative Assembly, it will be given certain powers. It will be given certain powers that are normally only given to courts and to other bodies that have the power of government behind them or the power of the courts behind them. That is they can call for witnesses. That means they can summon witnesses and if they are here in this province, Canadians, they will be expected by law and required by law to attend. They can put those witnesses under oath.

Okay, what does that open up? One of the controversies that has raged about this whole question of potash has been the question of the financial responsibility of the potash industry. The Government says we have asked the potash industry to give us their financial statements so that we can judge in fact whether the taxes we have imposed are far too heavy, or whether they are a reasonable share for the people of the Province of Saskatchewan. The Government has said they are fair and reasonable and what should be coming to our people, the people who own these resources, and the potash industry have said they are far too heavy and they have in fact crippled them and have made it impossible for them to expand. Who is right and who is wrong? The Premier says one thing, the potash industry says another. The Premier in effect says that the potash industry is not telling the truth. In fact, if they are telling the truth I think that he has made statements that could almost be considered libellous.

However, the question of who is right and who is wrong,

and who is telling the truth and who is not telling the truth - the point of view of the public, I don't think they know. They don't have all that confidence in big business. They may feel well, these people are going to put their best story forward and they are not going to tell us the whole story if they don't have to, and why haven't all of them given their statement if they have nothing to hide? I've had people say this to me, who are socialist-minded, who don't want to see the Government do this, but they will say in fairness why hasn't the potash industry handed over those statements if they haven't got anything to hide?

Well, it's interesting. One potash company has handed over their statements, Central Potash Company of Canada and all they got for their pains is more abuse by the Government. The government officials, Ministers of the Crown, have said in effect, we don't believe them. We've got their statement but we think it's a cooked-up statement and it doesn't tell the true facts.

All right, the other companies haven't given their statements and I suppose looking at the above you can't blame them. One of the Members on this side said they are damned if they do and they are damned if they don't. However, if this intersessional committee is set up they can call the potash companies, the manager, the accountants and under oath demand that they give them this information. Then we'll know.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — I say that when they call them under oath and they give this financial information, which they have to give under oath or face the consequences, there'll be no backing away then, you can't hide then, nor can the Government hide, because once we've got the facts I say if the Premier is right then we would immediately back down from the filibuster, which is exactly what it is, we would immediately back down. We still wouldn't support nationalization, but we would say in this case the Government is right and they had some provocation to take very serious action against the industry. I don't think they need to take the action they are taking but we'd support them in taking some other kind of action to bring the industry to heel, if the Government is right. If the Government is wrong and the potash industry is right, then I would think that the Premier should back off this Bill, he should apologize to the industry and they should change course and sit down and reopen negotiations.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Mr. Speaker, we would have facts. Now I think there are a great many other people, experts whom they could call before an intersessional committee to give us hard facts and good information. I think that committee could sit starting as soon as we adjourn, and if they pass this amendment, we should then refer this Bill and maybe Bill 2 to that intersessional committee. Then I think we should adjourn, ask them to call witnesses immediately, take every step we can to co-operate. I'm sure that everyone else would. I think they should hold their hearings in January, they could hold them in February and I think they could report back in the middle of

February or early March at the latest and then after having the facts on markets and prices and so on, if the Government still felt like proceeding they should proceed, of course. They are the Government and that's their responsibility. But surely, surely if all the facts indicate the contrary, or enough of the facts indicate that this is a very risky venture, it will prove a bad deal for the people of the Province of Saskatchewan now and in the future, then surely the responsible course would be to stop and find some other way.

Mr. Speaker, I have a great deal more I want to say about this amendment because I'm doing my best to convince the Members opposite they should support it, and Members on this side of the House, the Conservatives as well.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — I want to talk about financial experts, I want to talk about experts from the mining field, I want to talk about bringing in workers from the union and the non-union people who are directly involved in the potash industry and who depend on it directly and indirectly for their living. I should like to talk about having on that committee some Cabinet Ministers from the Government of Saskatchewan to go on record under oath to talk about what they know about potash before they commit the people of this province to this multimillion dollar venture. And so with that in view, Mr. Speaker, I beg leave to adjourn this debate because I have a great deal more I want to say the next time it comes up.

SOME HON. MEMBERS: — Hear, hear!

Debate adjourned.

The Assembly resumed the adjourned debated on the proposed motion by the Hon. Mr. Romanow that Bill No. 2 - An Act respecting the Potash Corporation of Saskatchewan be now read a second time.

MR. W. C. THATCHER (Thunder Creek): — Mr. Speaker, it is a pleasure to take part in debate on Bill 2 for the first time. And in many respects Bill 2 is perhaps the crux of the entire potash legislation, for therein lies what is the cost, what is the tab to the taxpayers, either directly or indirectly.

There has been a lot of discussion in this House as to the Government's vagueness on the matter. When questioned on the subject the Premier has referred to the terms \$500 million to one billion. Well, now I suppose for some people in this House an explanation as to the difference between a million and a billion may possibly be in order. And so to put it down in the simplest terms possible - a million dollars is as follows: That is if your wife came to see you and wanted to go shopping, if you told her to go out and spend \$1,000 a day until she was out of money - \$1,000 a day every single day, it would take her three and one-half years to spend your million dollars.

Now on the other hand, if you wished to dispose of a billion dollars you would have to tell your wife to take \$1,000 and spend it every day. But the only difference is that she wouldn't be back for 3,500 years. There is quite a difference between three and one-half years and 3,500 years. When you

are talking in terms of \$500 million or \$1 billion, it means very quickly, that you are talking about an awful lot of years before seeing your wife.

In other words, Mr. Speaker, the reference that the figure between \$500 million and \$1 billion is no figure at all, it is very simply a put-off. I don't think that we as Opposition are in any way being unreasonable, as we attempt to play our role as Opposition critics. I don't think we are in any way being unreasonable in asking for some degree of a much fuller accounting from the Government before they start off on this adventure.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Certainly, Mr. Speaker, this is the origin of Parliament going back into the medieval days when Parliament was called at the King's pleasure to appropriate funds for him to go war. It is most unfortunate that the Legislature has evolved to the point where it must be called in order to make war on business.

Mr. Speaker, we have asked the Government on many occasions where is the money going to come from. I believe the question was asked today. I think it is a justifiable question. We have asked the Premier whether surplus funds that the Government may hold in a variety of forms are going to be used. We have not received such assurance that they will not be used. It has been suggested by many of the speakers in this House that this debt, that this amount of funds to be used in its exploration into the potash industry will be self-liquidating debt.

Obviously we have to define what is a self-liquidating debt. I think the self-liquidating debt in the strictest accounting terms is where the entire funds for a capital purchased are borrowed from another source, another outside source. There is no equity position assumed by the person doing the borrowing and that the entire amount of capital is then paid back through the revenue derived from operating that business or capital expenditure whatever the case may be.

The Premier when in New York, indicated that Crown corporation debts are normally self-liquidating. That is they are paid out of revenue in the same way any company pays its debts without any call for tax increases. That is fair enough. Sask Tel, SPC goes out and borrows \$100 million whether they do it in bonds or by means of direct borrowing and they pay that off without any use of provincial general revenue, whether it be general revenue or capital revenue put away, that is a self-liquidating debt, unquestionably.

But if you take funds which you have in the Provincial Treasury regardless of what form they may be and you take this and say well, we are going to borrow X-number of dollars or X-number of millions from the Energy Fund, and we will pay it back over so many years. That is not a self-liquidating debt, that is strictly called robbing Paul to pay Peter.

Mr. Speaker, I don't think that we as an Opposition are being unreasonable in asking you to indicate to us exactly what are your plans for the public funds which are being held in trust.

The Premier this afternoon has indicated that I was misquoting him when I made the following statement and I just simply read it off from what they call Saskatchewan Government Information Services and if he is misquoted I think he will have to talk to Mel Hinds about that.

Mr. Blakeney said Saskatchewan has more than \$400 million in liquid reserves to draw on (that is the word he took exception too) before it needs to go into further debt. This includes more than \$250 million in oil revenues accumulated in the Energy and Resource Development Fund. This fund is growing at a rate of more than a hundred million.

Mr. Speaker, I think it is wonderful that we have this kind of money in the Provincial Treasury in one form or another. I think it is wonderful because the energy situation in the times that we live in is a very fluctuating thing. I think the more one listens to experts, the more confused one gets. I think we have all heard a variety of experts tell us that we are going to be out of oil in 1985, then they will up it, well, we're good to the year 2000, then all of a sudden they drop it, we are in trouble in 1979. Frankly, I stopped a long time ago trying to keep up with them. I sometimes wonder if they know very much more than the general public.

The point of the matter is, it is a very volatile, flexible subject. Who really does know what our energy requirements are? Who really knows what kind of money is going to be required to suddenly be put into energy on very short notice?

I think we can take a look at the Syncrude project in Alberta for example. Inflation has taken these risk projects virtually out of the reach of private people. The only way that many of them can even be considered is by forming a consortium, almost virtually a cartel. Syncrude has shown us that. But even that, even with the major powers, the major multinationals that were willing to go into Syncrude, it still took a very healthy injection of capital from the Federal Government.

The point of the matter is, Mr. Speaker, that at some point in time if a crisis does arise is we have spent this \$400 million plus by a useless incursion into the potash industry, it is funds that are certainly an asset, but they are not liquid and they cannot be drawn on on very short notice in order to do what may be required at some point in time somewhere in northern Saskatchewan or somewhere else that may be required to assure Saskatchewan of its future energy requirements.

I think it would be a very tragic thing if the Government were to use this Energy Fund or for that matter any other liquid cash to go into something that will not produce one more additional job in potash, it will not get any increased production, in fact it will invariable result in a decrease in production. In short, to go into something that is already being done, something that is already being taxed to the limit, in fact, I would suggest to you, taxed much too heavily, which undoubtedly accounts for the fact that the expansion has not been to the satisfaction of this Government.

It is interesting to note that many of the potash companies involved were very definitely considering expansion up to a

couple of years ago. In fact, some as recently as six months ago. They all cancelled their planned expansions. I wonder why?

Mr. Speaker, it is like a farmer who may possibly consider, I sure would like to buy that quarter section next to me to square off my section or to run a few extra cows. If the thought the Government was possibly going to expropriate that quarter five years down the road at about half of what he was going to have to pay for it, do you think he would buy that? Mr. Speaker, I really wonder with this sort of logic being applied to the potash companies now, why anyone should be surprised why they have no particular desire to go out and expand.

I suppose this brings us to the entire concept of Crown corporations and . . .

MR. ROMANOW: — Stu Cameron is listening very carefully.

MR. THATCHER: — Would you like the floor, Mr. Attorney General? Very well, would anybody else like the floor? Mr. Speaker, must I put up with this barrage of interruptions?

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Mr. Speaker, this brings us to the entire concept of Crown corporations. I was most surprised at the Attorney General as he introduced Bill 2 some time ago. He went way back into I suppose ancient history in many respects when he went back to the old shoe factory, the box factory and the woollen mill, and he took that flip flop accounting procedure that they used in those days, and somehow justified them into a surplus position.

Mr. Speaker, at some point I propose to go into this in a much more detailed fashion than I am today. But when we get to Crown corporations, I suppose we say what are we looking for in a Crown corporation. Do we want a Crown corporation just for the sake of having one so we can say that it is owned by the people or it is owned by the Government? Or do we want a Crown corporation that exists only because no one else will do the job or because no one else can do the job in an effective manner? I suggest to you that it is the latter.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — We have examples in this country where Crown corporations have grown to become almost Frankenstein monsters. I suppose the Crown corporation that has always irritated me the most, the one that I think probably irritates more people than anything else, it is still a Crown corporation even though it hasn't been fouled up by you people yet, in fact, I don't think you will ever get the opportunity to foul it up and that is the CBC.

The CBC upset me because I always have that feeling that in no way, shape or form are they accountable to the government that represents me in Ottawa, except to send the bill to them and have them sign the cheque. And they are in no

way accountable to the advertisers whom you must view at the appropriate commercial time. The CBC is a corporation of 9,800 employees. I suppose that isn't all that serious until one stops to consider that that is more employees than CBS has in the United States, in fact, it is more employees than NBC has in the United States, that's more employees than what ABC has in the United States. As a matter of fact that is more employees than CBS, NBC or ABC together have in the United States.

Mr. Speaker, when I say this I mean no disrespect to any employee of CBC. The positions are there and somebody has to fill them. If it appears that I do mean any you are quite mistaken. Because the job is there and somebody has to do it. If it wasn't they it would be somebody else. But who are they accountable to? Does it really matter to the CBC whether you or I watch a program, not one bit. Are they concerned about what their viewing ratings are? Of course you get a publishing of the viewer ratings periodically, of course they mean nothing because they compare themselves to CTV which has about one-third the number of outlets that the CBC had. So obviously when you prorate it in terms of the number of people watching, CBC wins hands down. Are they accountable to their advertisers? Not really because the advertisers, well, they really don't want the advertisers in the first place. They are trying to get rid of them. So consequently they are not accountable to them. Are they accountable to government? Not really. They go through the charade once a year of submitting their estimates to government, they submit them probably 20 per cent higher than what they really need and the Government cuts them 20 per cent and then writes them a cheque.

I suggest to you that the CBC has become a Frankenstein because it is accountable to nobody but its own bureaucracy. Some time ago - I am going back five or six years now - when CBC used to come into Taylor Field to do a football game, they used to come in with something like 37 employees. CTV would come in the next week to do a football game, they came in with six. I would suggest to you that there really wasn't all that much difference in calibre of coverage, in fact, I think if it weren't for the commentators you would hardly know which was which.

Part of the matter is CTV was accountable to its advertisers. CTV was accountable to its shareholders to turn a profit, CTV was accountable to you and me and the general public to watch it because if we didn't watch them, then they simply didn't have a network. CBC just continues to roll on and on not caring one way or the other.

I suggest to you that that is the example of what can happen to a Crown corporation. It can become a complete and unadulterated Frankenstein.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — You know, Mr. Speaker, I still haven't learned the gentleman's name who is in the back there. About all I can suggest that if ignorance was a virtue he would be a candidate for sainthood very shortly.

Mr. Speaker, I have considerably more to say on the

question of Bill 2, I would propose now to adjourn the debate. Would you like me to go for another hour . . . all right very well.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Mr. Speaker, at some point in time I propose to move into some of the questions raised by the Attorney General when he introduced Bill 2 because the Attorney General went very deeply into the merits of Crown corporations. Whether they are relevant to this debate or not, Mr. Speaker, I don't know. I suppose it's a moot point. But nonetheless they have been raised and I think at some point in time I think that these must be dealt with.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — The Attorney General has referred to the old Crown corporations set up by the old CCF Government. I don't think there is any question that they have been a dismal failure. Yet the Attorney General somehow managed to place them in a surplus position. I started to do some research, Mr. Speaker, and go into the subject of the Crown corporations of some 15 to 20 years ago. There is a lot of dust on those records. Then I recalled an instance that happened almost 20 years ago. It was a very interesting one. Some of the older Members of the House may recall it, I was still in high school when it took place. But it happened in Mossbank, on May 20, 1957 and on that date a very strong conflict came to head and the subject was Crown corporations. So I fished out the document.

So I fished out the document, probably the only written transcript which is left on the particular subject and read it through and I must say it is a superb debate because it was by two very competent people having a debate on a very touchy and sensitive subject. The thing that impressed me about both people was the superb research that had gone into the Crown corporations from the point of view of both sides.

Speaking for the NDP, and he did a very creditable job, was the former Premier, T. C. Douglas. Speaking for the Liberals at that time was the candidate for Assiniboia, W. Ross Thatcher.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — The chairman on that particular evening was a very well known Conservative from Moose Jaw and I regret to say that he is still a very strong Conservative, although periodically I think that he is weakening, certainly as he watches the performance of the current crop of Conservatives, which I know is . . .

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — . . . a very definite friend.

But, Mr. Speaker, this was a great debate and I propose at some time to read this debate into the records for two reasons, because I think it settled once and for all the situations of Crown corporations and secondly, I think it is

something that should be preserved in some form in the record.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — I don't know how many of you were there that night in Mossbank but it was muddy and it was pouring rain and it was just an unbelievable night. That was back in the days when we had the traditional CCF roads down in Mossbank and the gravel roads on No. 2 Highway and for some of the lucky people that were able to slide through the ruts that night it was quite an evening. That hall was packed, there was a tension and it was a superb presentation of two very strong people. The interesting thing that came out of that result was that one of them, the Liberal candidate for Assiniboia, had it not been for that debate upon losing the subsequent election probably would have slid into political oblivion and probably would never have been heard of again in a political sense, but that debate in Mossbank probably undoubtedly terminated that and ultimately meant the defeat and downfall of the former CCF Government.

AN HON. MEMBER: — The beginning of the end!

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Well, Mr. Speaker, before I go into this, I will adjourn debate shortly but just to give you some idea of what is coming I should like to read into the record the opening remarks of the chairman and then I would propose to adjourn debate.

The chairman, as I mentioned was Dr. F. H. Wigmore from Moose Jaw, who is still a practising physician there and rapidly becoming an enlightened Tory because I think he is about to switch.

Ladies and gentlemen; I am sure you are all waiting anxiously and patiently for the commencement of this debate on the record of Saskatchewan Crown corporations.

Before you have the pleasure of listening to the two gentlemen who are engaged in this debate it is in order for the chairman to tell you that the debate will be conducted under the rules and regulations of parliamentary procedure and according to the rules that have been generally adopted to govern all well regulated public debates. It is not necessary that I enumerate all these rules and regulations for either of these speakers with their long record of public office. But for the benefit of the listening audience who may not be so familiar with and used to these procedures, I am going to point out certain rules of order and rules of debate.

Neither speaker may refer to the other man by his name. Each speaker must adhere to the subject under discussion. No discourteous or personal remarks may be made. No one may interrupt the speaker except on a Point of Order and all remarks must be addressed to the chair. The audience may applaud but heckling in any form is not permissible.

It is the duty of the chairman to see that these rules are

followed and that a fair hearing is given to each speaker. I believe this audience is fair-minded and I ask you to give each speaker your close attention.

I do not anticipate that either of these speakers of the audience will deviate from what they know to be good conduct but if either do I shall not hesitate to fulfil the duties of a chairman. The first speaker will be the Premier of Saskatchewan. The second speaker the Liberal candidate for Assiniboia. The first speaker will be given 40 minutes and he will be warned in a light manner. The second speaker will then have 40 minutes and a 10 minute rebuttal period.

Now, Mr. Speaker, when the appropriate time comes to read this into the record I do not suggest for any moment that I can do it credit for one of the great orators of our time, Tommy Douglas. I think probably one of the best orators in the House is the Attorney General and I would be very willing to yield the role of Tommy Douglas to the Attorney General . . .

SOME HON. MEMBERS: — Hear, hear!

AN HON. MEMBER: — Good idea!

MR. THATCHER: — And I suppose the real reason why I would make that offer is, as Mr. Douglas makes a point I don't think I could stand to have you people applauding for me.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Go ahead, Roy.

AN HON. MEMBER: — Do you want to do it, Roy?

MR. STEUART: — It's like a replay, we don't know how it comes out until we hear it.

MR. THATCHER: — Well, Roy, how much longer do I have to go. Just another couple of minutes?

Well, Mr. Speaker, I suppose that one of the disappointments of this Bill 2 debate so far has been the lack of hearing from the Conservative Party to my left.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Mr. Speaker, I suppose the natural thing for a party when they have all brand new people in this Legislature that it is a natural thing to be hesitant to get up. Let's face it there are some very capable people on that other side that are certainly able to knock your head off.

AN HON. MEMBER: — Yes, but he isn't in right now!

MR. THATCHER: — But at the same time, Mr. Speaker, I don't know how one learns anything until he gets knocked down a time or two.

I must say that there are some people to my left whom I am looking forward to hearing from at some future time. We have heard from their leader and with all due respect I would say that I haven't been exactly disappointed there, he has made some valid points. I have been impressed with some of the comments from the Member for Rosetown-Elrose (Mr. Bailey). I think he is just an excellent speaker and I have been impressed with his performance.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — I heard a good speech from the Member for Estevan (Mr. Larter) but we haven't heard from him since. But there are four others whom we have heard virtually nothing from and, Mr. Speaker, I should like to say that I am one of those from this side of the House who is really looking forward to hearing from them and looking forward to hearing just what is the position of the Conservative Party on this potash thing. At that point, Mr. Speaker, I would beg leave to adjourn the debate.

SOME HON. MEMBERS: — Hear, hear!

Debate adjourned.

MOTION

ADJOURNMENT OF HOUSE FOR CHRISTMAS BREAK

HON. A. E. BLAKENEY (Premier): — Mr. Speaker, by leave of the Assembly I move, seconded by my colleague, the Attorney General (Mr. Romanow):

That when this Assembly adjourns on Tuesday, December 23, 1975, it do stand adjourned until Monday, January 5, 1976 and

That notwithstanding Rule 3, this Assembly shall meet at 10:00 o'clock a.m. on Tuesday, January 6, 1976, and on each Tuesday, Wednesday, Thursday and Friday morning thereafter.

MR. R. L. COLLVER (Leader of the Progressive Conservatives): — Mr. Speaker, I should like to speak briefly to this motion. For the benefit of everyone here last Friday we heard from the other two parties, their undying and strong reasons for sitting through Christmas Day and any other day that might possibly be available, that they were going to gain the maximum benefit of the Press for that great strong stand. And now just a weekend later, we now have an agreement . . .

AN HON. MEMBER: — Why . . .

MR. COLLVER: — Well, I'll beg leave to adjourn the debate then at 5:30.

SOME HON. MEMBERS: — Hear, hear!

MR. COLLVER: — And now just three days later we have those same

two parties in agreement to adjourn between now and the 5th of January. I want both the Members opposite and the Members to my right to know that leave was granted for the introduction of this motion in the spirit of Christmas, in the spirit of goodwill.

MR. C. P. MacDONALD (Indian Head-Wolseley): — Well I think it is for the edification of the House and the Leader of the Conservative Party that it is important to clarify what our position was, that we would simply not permit the debate to be concluded on Bill 1 and Bill 2 prior to the Christmas break. We thank the Members of the Government for realization of the importance of the Christmas season and we look forward to spending it with our wives and our children and our families, but we also look forward to the debate on Bill 1 and Bill 2 on January 5th.

MR. R. A. LARTER (Estevan): — Mr. Speaker, I should like to make it clear on behalf of the Conservative Party that we believe that this motion should be unanimous.

MR. BLAKENEY: — Mr. Speaker, I am looking at you, and not the clock. I am pleased that the spirit of Christmas has permeated this Assembly when there was every evidence last week that it had passed by this particular Chamber. I think that the proposal put forward is one which offers Hon. Members an opportunity to consult their constituents on the matters that are before the House, to spend the holiday period with their families and friends and also to give additional time to the consideration of the material before the Legislature when we come back after the first of the year. I thank the Hon. Members on the other side for agreeing to the extended period of time. That certainly suggested to us that the work of the House would be forwarded by what is essentially a compromise that is before us. I think it represents an intelligent way to deal with a problem which was arising and which, on occasion, suggested that it might be dealt with in an unintelligent way. I cannot and I won't burden the House with naming those unintelligent suggestions. Each Member will make his own assessment. I am not able to say that the motion will be unanimous on this side. Feelings are strong on this side of the House as well as on the other side, although that point has sometimes been missed. But I propose to support the Motion and I think it deserves support.

Motion agreed to.

The Assembly adjourned at 9:32 o'clock p.m.