

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
June 29, 1989

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

**PRESENTING REPORTS BY STANDING, SELECT AND
SPECIAL COMMITTEES**

Standing Committee on Non-controversial Bills

Mr. Gardner: — Mr. Speaker, as vice-chairman of the Standing Committee on Non-controversial Bills, I present the eighth report of the said committee, which is as follows:

Bill No. 17 — An Act to amend The Change of Name Act

Mr. Gardner: — I wish to report Bill 17, An Act to amend The Change of Name Act, as being non-controversial.

Hon. Mr. Hodgins: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move the said Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 28 — An Act to amend The Psychiatric Nurses Act

Mr. Gardner: — Mr. Speaker, as vice-chairman of the Non-controversial Bills Committee, I wish to report Bill No. 28, An Act to amend The Psychiatric Nurses Act, as being non-controversial.

Hon. Mr. Hodgins: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move the said Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

**Bill No. 36 — An Act to incorporate the Wanuskewin
Heritage Park**

Mr. Gardner: — Mr. Speaker, as vice-chairman of the Non-controversial Bills Committee, I wish to report Bill No. 36, An Act to incorporate the Wanuskewin Heritage Park, as a Bill being non-controversial.

Hon. Mr. Hodgins: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill and amendments thereto be waived.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move that the said Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 39 — An Act to amend The Statute Law

Mr. Gardner: — Mr. Speaker, as vice-chairman of the Non-controversial Bills Committee, I wish to report Bill No. 39, An Act to amend The Statute Law, as being non-controversial.

Hon. Mr. Hodgins: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move that the said Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

**Bill No. 40 — An Act to amend The Public Utilities
Easements Act**

Mr. Gardner: — Mr. Speaker, as vice-chairman of the Non-controversial Bills Committee, I wish to report Bill No. 40, An Act to amend The Public Utilities Easements Act, as being non-controversial.

Hon. Mr. Hodgins: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move that the said Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

**Bill No. 33 — An Act to amend The Regional Parks Act,
1979**

Mr. Gardner: — Mr. Speaker, as chairman of the Non-controversial Bills Committee, I wish to report Bill No. 33, An Act to amend The Regional Parks Act, 1979, as being non-controversial.

Hon. Mr. Hodgins: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move that the said Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 43 — An Act to amend The Highway Traffic Act

Mr. Gardner: — Mr. Speaker, as vice-chairman of the Non-controversial Bills Committee, I wish to report Bill No. 43, An Act to amend The Highway Traffic Act, as being non-controversial.

Hon. Mr. Hodgins: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move that the said Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 44 — An Act to amend The Liquor Board Superannuation Act

Mr. Gardner: — Mr. Speaker, as vice-chairman of Non-controversial Bills Committee, I wish to report Bill No. 44, An Act to amend The Liquor Board Superannuation Act, as being non-controversial.

Hon. Mr. Hodgins: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move that the said Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 26 — An Act to amend The Planning and Development Act, 1983

Mr. Gardner: — Mr. Speaker, as vice-chairman of the Non-controversial Bills Committee, I wish to report Bill No. 26, An Act to amend The Planning and Development Act, 1983, as being controversial.

The Speaker: — Being controversial it will go back on the order paper under second readings.

ORAL QUESTIONS

RCMP Report on Guy Montpetit and GigaText

Mr. Koskie: — Thank you, Mr. Speaker. I'd like to direct a question to the Minister of Justice. The Minister of Justice may be aware of press reports in the *Globe and Mail*, wherein a business associate of Guy Montpetit has indicated that he has been in contact with two members of the RCMP, who have indicated to him that the investigation is completed and that one Mr. Ken Waschuk will be absolved of any criminal charges.

I ask the minister: can you confirm this information? And if indeed the investigation is finished, would you be

prepared to file the RCMP report in the House?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, I did read the press statements in the . . . I believe it was *The Globe and Mail* this morning. Having read those, I checked with the officials of the Department of Justice, was advised by the officials of the Department of Justice, who were advised by the RCMP that: one, the investigation has not been completed; that number two, no report has been filed with the Department of Justice; and number three, no recommendations have been made to the Department of Justice. Until such time as they are, Mr. Speaker, there is precisely nothing that I can do, and I do not think that I nor anyone else should comment on a police investigation until such time as it has been completed.

Mr. Koskie: — New question to the Minister of Finance, or the Deputy Premier, whoever wishes to take it. I think the key question here, Mr. Minister, is the accountability of taxpayers' dollars in respect to some over \$4 million waste.

Some Hon. Members: Hear, hear!

Mr. Koskie: — It's the question of the competence of your government in respect to the expenditures. And what I'd like to ask you: would you be prepared to file with this House a complete financial statement detailing all of the expenditures that have been made by GigaText in respect to the \$4 million of taxpayers' money that have been squandered. Will you file before this House a complete financial statement?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, we have said from the outset that we will rely on the outcome of the civil action in Montreal, and we will rely on the outcome of the RCMP investigation, Mr. Speaker. The RCMP investigation, or at least one of the areas of the RCMP investigation, is to make the determination as to whether or not the Government of Saskatchewan got value for its dollar. We're quite prepared to wait for that report to be filed, Mr. Speaker. And as it relates to complete financial statements of GigaText, Mr. Speaker, they are in the hands now and controlled by SEDCO.

And I think that that's not appropriate, Mr. Speaker. I don't think that you would ask SEDCO — I should back up a little bit — I know that you have asked SEDCO in the past to lay financial statements before this Assembly of any number of companies. I think it's inappropriate that that's done, and so I would recommend that it not be done this time either, Mr. Speaker.

Mr. Koskie: — A new question to the Deputy Premier. Mr. Deputy Premier, you can't hide behind the criminal investigations by the RCMP. This issue here is the accountability of taxpayers' money, and you have an obligation to lay any information to clear the cloud of the waste and mismanagement of your government.

Some Hon. Members: Hear, hear!

Mr. Koskie: — You have said that you have assets that guarantee the investment. I want to ask you, Mr. Minister, are you prepared to have the assets of GigaText — the 20 Lambda computers that you bought, the second-hand ones — are you prepared to have an independent appraisal as to the value of those computers which you paid \$2.9 million for? Will you do that?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, as I've said earlier, I'm prepared to wait for the RCMP investigation, who have the responsibility during the course of their investigation to determine whether or not the Government of Saskatchewan got value for its dollar.

Now, Mr. Speaker, it has been common practice under the previous administration, under this administration, I think since time immemorial, that the financial statements of those organizations that SEDCO deals with are not tabled in the House, and it's inappropriate for the member opposite to ask. I think it's inappropriate, Mr. Speaker, for him to ask. And as I said earlier, I am prepared to rely on the RCMP investigation and the outcome of the civil action in Montreal.

Mr. Koskie: — New question to the Deputy Premier. Mr. Deputy Premier, this is an unusual case. We have seen direct evidence from the trial, indicating in excess of a million dollars transferred into the private account of one business man from Ontario; we have seen the purchase of condominiums; we have seen the rental of Mercedes Benz; we have seen flights paid by GigaText to California. We have seen waste, and we want accountability, Mr. Minister. That's what we want.

Some Hon. Members: Hear, hear!

Mr. Koskie: — And I ask you, Mr. Minister, you have an obligation to clear the cloud of suspicion of waste, mismanagement, and incompetence. I ask you, I give you another option: will you give a special assignment to the auditor in order to investigate all the financial transactions relating to the GigaText affair?

Hon. Mr. Berntson: — Mr. Speaker, I've said several times now that I'm prepared to rely on the RCMP investigation and the outcome, Mr. Speaker . . . and the outcome of the civil action in Montreal.

Now he knows — and let's talk about the record of members opposite for a while. There was a thing called Shane Industries in Saskatoon several years ago, and I think there was some criminality alleged there, Mr. Speaker. And did members opposite, when they were here, did they table the financial statements? No, Mr. Speaker. There was the Nabu fiasco that members opposite were involved in. Did they table the financial statements of Nabu here? The answer is no, Mr. Speaker. There was the cost overruns at Biggar malt, at Biggar malt, Mr. Speaker, horrendous cost overruns at Biggar malt, and did they table those financial statements? No, Mr. Speaker, they did not.

I have said time and time again, and I think most fair-minded people agree with me, that I will rely on the

RCMP investigation and the outcome of the civil action in Montreal, Mr. Speaker.

Some Hon. Members: Hear, hear!

Protection of Saskatchewan Assets

Mr. Koskie: — New question to the Deputy Premier. Mr. Deputy Premier, I'd like to ask you whether you have independent legal advice as to whether civil action should in fact be commenced to protect the assets of the investors of Saskatchewan.

Hon. Mr. Berntson: — Mr. Speaker, I've said time and time again that I will rely on the outcome of the RCMP investigation, Mr. Speaker, on the outcome of the RCMP investigation, and, Mr. Speaker, the outcome of the civil action in Montreal. And I don't know how many times they want that question answered, Mr. Speaker. Obviously there are no urgent and compelling issues because they burn up question period every day with a re-reading of the transcript of the day's activities in a Montreal court, Mr. Speaker.

It seems to me that the fair and reasonable thing to do would be to wait for all of the evidence to be put before the court and for the judge to hand down his decision.

Some Hon. Members: Hear, hear!

Mr. Koskie: — New question to the Deputy Premier. Mr. Deputy Premier, you can't hide behind the civil action commenced in Montreal.

Some Hon. Members: Hear, hear!

Mr. Koskie: — There the Japanese business man went and took action to protect his assets. I'm asking you: have you commenced any action? Are you intending to commence any action? Have you sought any legal advice in respect to it, and why haven't you?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, there are no new questions here. There are no new questions. I have said . . .

The Speaker: — Order, order.

Hon. Mr. Berntson: — I have said long ago, Mr. Speaker, long ago, Mr. Speaker, the minute there was any suggestion of any inappropriate behaviour relative to GigaText or shareholders of GigaText or relationships with GigaText that we became aware of as a result of the initiation of the civil action in Montreal, the minute we became aware of that, we took . . . moved to take control of the company, Mr. Speaker.

We now have control of the company, 100 per cent control of the company through SEDCO, Mr. Speaker, and that is the action that we took. That is the action that we took to protect our investment, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, I have listened to the answer of the Deputy Premier and I want to direct my question to him. We have asked, my colleague has asked several questions. We have received not one single answer to any of those questions.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — This is not a matter of what the RCMP is investigating. The RCMP is not investigating waste and corruption and mismanagement, or certainly not waste and mismanagement. I want to ask the minister, therefore: Mr. Minister, why are you not prepared to allow the Provincial Auditor to do a reading or an investigation of the books and the expenditures so that the public of Saskatchewan can know what is wrong? What is it that you're covering up, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — As with any other company, Mr. Speaker, it will be subjected to audit. And I'm prepared to accept the audit of any professional auditor. I mean, that's what they do, Mr. Speaker. That's what they do. They laugh; they question the integrity of professional auditors as they do from time to time.

Now he says we're not questioning here the RCMP investigation. If he takes a look at *Hansard*, he will find that the very first question that was asked by the member from Quill Lakes was a question relative to the RCMP investigation.

I said I'm prepared to rely on that, and I hope that it's tabled soon, or filed, I should say, with the Minister of Justice soon, so that we can rely on it and take what appropriate action is considered to be necessary, Mr. Speaker.

I'm also prepared, Mr. Speaker, to wait until all of the evidence is before the judge at the civil action in Montreal so that he can hand down his decision based on all of the evidence, not just today's transcript or yesterday's transcript or the day before, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Koskie: — I want to ask a question to the Minister of Justice. Mr. Minister, could you indicate whether you know when the RCMP is likely to complete the report and when you're likely to receive the report from the RCMP. Is there any timetable on it? Could you advise us.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — If I was to go by *The Globe and Mail*, I would answer that next week.

The Speaker: — Order, order. I think we should allow the member to answer the question. Order, order.

Hon. Mr. Andrew: — Mr. Speaker, if I was, as I said, to look at the press comments it would be that it was next week. Now the Department of Justice officials tell me in their conversation with the RCMP that the matter has not been completed and that it will be brought to us in due

haste.

I posed the question, will it be here next week? because that's what it says in the paper. And the answer back was, they can't be sure. So that's all I can advise the hon. member. I would like to see the report in as soon as possible. I have no authority to tell the RCMP when and how fast to bring that report in.

Expansion Plans for SGI

Mr. Lingenfelter: — Mr. Speaker, my question is to the minister in charge of SGI (Saskatchewan Government Insurance), and I have here an internal memo that I intend to table after question period, from a Mr. L.F. Urschel, the assistant vice-president of operations and support services, dated June 15 of this year, which I want to quote from. And it says that:

For those of you who were in attendance at the last expansion committee meeting on Wednesday, June 14 '89, you are aware that all expansion activities are on hold until further notice.

Mr. Speaker, I want to ask the minister if he will confirm that the so-called expansion plans refer to expansion plans for SGI outside of the province, that they are now on hold, and will you confirm that your privatization plan for SGI has, as a result of this memo and decision by your government and your caucus, been now put on hold?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Mr. Speaker, I think we all know that the proceedings of this House have been somewhat held up in this session, to say the least. I have seen in here, in the 11 years that I've been in here, more obstructionist tactics than I ever have before. I have seen a 17-day strike. I have seen needless hours of endless, useless filibuster by the opposition, which makes it rather difficult to say as to whether all the legislation that we have planned will be able to be introduced in this session of the House.

But getting back to his question about SGI, certainly, certainly, Mr. Speaker, it is the intention of this government to look at taking the general insurance side of SGI out into the private sector, to expand it into other provinces where, as we see, it has had its best year in 45 years in Saskatchewan since its inception. And I believe it can do that in the province, it can do it outside of Canada, outside of Saskatchewan, and it can build and grow and diversify the same as Saskoil, the same as WESTBRIDGE, and it is our intention to do so.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, I had thought I'd asked the minister a very straightforward question. I'm not sure what he's ranting and raving about.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, I want to ask the minister. Your government has said consistently that the reason for wanting to privatize SGI is so that you could expand outside of the province.

I want to quote again from the memo that was sent to the committee that is actively working on privatization from Mr. L.F. Urschel, the assistant vice-president of operations, where he says that they are all put on hold until further notice.

Why are they being put on hold if, as you have indicated here, you're moving ahead and going hastily along with the privatization of SGI? Who is telling the truth here, you or Mr. Urschel? I want to get that cleared up for the public of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — If you would understand insurance and understand business and operation, I think you would realize that there is no difference in what Mr. Urschel and I am saying. I think if you understand general insurance, you would look at the markets in Manitoba and you would look at the markets in Alberta and British Columbia, and that would have an impact upon when you were going and what your plans would be, if he really understood general insurance.

To that extent, Mr. Speaker, to that extent, so that we don't play our cards up on the table, so that when we go forward we have a strong company, a competitive company, and with the hold-ups there've been in this House — at this point in time we are looking at the option, we are doing our planning, and perhaps some of the things are on hold. But for him to cast an aspersion that there's some difference between what Mr. Urschel, a dedicated employee of SGI is saying, and what I'm saying, is simply untrue.

We are doing our planning, and we will do the planning in SGI that is best for the people of Saskatchewan. And I can tell you when it goes forward it will be a strong company, and the benefits of it will flow back to the auto fund to hold insurance rates down in this province, and I think that will be darned popular.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, I want to get back to the point of my first question, and that is to the minister. Why are the plans put on hold as indicated by this memo? The simple question is that the planning has been put on hold. The committee working on privatization — I won't list the names but they're clear here — has been told that these plans are put on hold. What is the reasoning for this?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Mr. Speaker, as I said in my opening remarks, in 11 years I have never seen anything like this. It's rather difficult to get legislation through here. In all likelihood we'll see another strike, another likelihood we'll see the bells ring, or we'll see useless filibusters. I can tell you that SGI will come forward when we decide it should come forward, and when it does it will be wrapped in sufficient clothes to make it a very profitable company for Saskatchewan taxpayers.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, a new question to the same minister, sir. Mr. Minister, would you confirm that earlier this year you hired a national accounting firm to study privatization in SGI, and will you confirm that that company is being paid, or was being paid, \$100,000 per week? And will you at this time undertake to table the results of that study that in fact if it was being done by that company.

Hon. Mr. Taylor: — Mr. Speaker, I don't know what we pay an outside firm; I don't carry that around in my pocket. But I can tell you, in privatization and public participation, we engage a lot of outside firms so that we get a third picture of this, that we get an independent viewpoint on evaluating assets, on looking at markets, and giving us the best professional advice from a third party that we can possibly get. And I think that's in the best interest of the people of this province.

Mr. Lingenfelter: — Mr. Speaker, I understand how a government that would waste over 5 million on a GigaText scandal would see 100,000 a week as being mere petty cash. I want to say, Mr. Minister, you've indicated that you have hired such a company. Can you give me the name of that company?

Hon. Mr. Taylor: — I've indicated that I hire many companies in looking at various aspects of public participation to get an independent third-party value — to get a value on assets, to get an ascertainment of markets, to see that it is in the best economic interest of the public of Saskatchewan to go forward with these ventures.

There's a number of these I've had in public participation, and they'll be coming to estimates. And if he wants to know the dollar costs, I'll be more than pleased . . .

The Speaker: — Order, order.

Mr. Lingenfelter: — Mr. Speaker, a new question to the minister. Mr. Minister, you have now indicated not only do you have one company working on the privatization scheme of SGI, but you have many of them. I want to deal with this one specific company that is being paid 100,000 a week, or \$5.2 million a year.

That may not seem like much to you, but I want to ask you now: how many companies have you got working, national companies, on the privatization of SGI? You've indicated that there's more than one. How many are now working on it? And what is the total cost of those studies, and will you table those studies here in the Assembly?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Mr. Speaker, it's very evident that the member opposite doesn't listen. First of all, for him to think that we have a company hired for a year to look at SGI at the figure that he says, is rather ridiculous. Secondly, he says, you have a number of companies . . .

The Speaker: — Order, order. The hon. member is asking a question. If the members are not satisfied with it, they have the opportunity to ask another one. But to interrupt him and begin a debate across the floor is not in the best

interests of the House, and I believe we should allow him to answer the question.

Hon. Mr. Taylor: — I said in my reply that I . . .

The Speaker: — Order, order.

Hon. Mr. Taylor: — I said in my reply, Mr. Speaker, that I have a number of companies that look at various aspects of public participation. I am responsible for a number of initiatives in this government, SGI being one of them. But there are many public participation initiatives, and certainly we use third parties to evaluate those.

It's interesting though that the member opposite chooses to ignore that in each case — in the case of Weyerhaeuser, in the case of WESTBRIDGE, in the case of Sask Minerals — all documents were tabled in this House for their perusal, for the perusal of the press, and the public of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Well final supplement to the minister. He's indicated here clearly that he has a national company working on the privatization of SGI. He's indicated that. We have here a memo that now says that it's all been put on hold; that you have a company working for a hundred thousand a week to do a study on privatization . . .

The Speaker: — Order, order. We're having some difficulty hearing the question. I'd like to ask all members to give the member an opportunity. Order, order.

Mr. Lingenfelter: — Mr. Speaker, a new question to the minister. Mr. Minister, you've indicated here that you have a national company working on the privatization of SGI, in an earlier question. We say that it's a hundred thousand a week. Now if it isn't a year, how many weeks is it? That's the obvious question.

The point is, we also have a memo, a document here which we will table, that says that privatization, the planning is on hold. What we would want to know is, how much money have you wasted on studying privatization of SGI to this point, and what is the name of the company? That's all we're asking.

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Well, Mr. Speaker, it seems evident to me that the member opposite feels there's no value in having a third independent party look at a large-scale business transaction, and I differ with that.

I want to tell you the difference between us and those fellows, because I said in my previous answer that every public participation initiative, WESTBRIDGE, Weyerhaeuser, had been tabled in this legislature — Sask Minerals. They spent millions and millions of dollars nationalizing the potash industry and never ever tabled a thing in this House.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Question period's over for today. Let us move on to further business. Regina Victoria, let us move on to further business.

INTRODUCTION OF BILLS

Bill No. 72 — An Act to raise Revenue for Hospitals by the Imposition and Collection of Taxes with respect to Participation in and the Operation of Lottery Schemes

Hon. Mr. Lane: — I move first reading of a Bill to raise Revenue for Hospitals by the Imposition and Collection of Taxes with respect to participation in and the Operation of Lottery Schemes.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

ROYAL ASSENT TO BILLS

At 2:39 p.m. Her Honour the Lieutenant Governor entered the Chamber, took her seat upon the throne, and gave Royal Assent to the following Bills:

Bill No. 17	An Act to amend The Change of Name Act
Bill No. 28	An Act to amend The Psychiatric Nurses Act
Bill No. 33	An Act to amend The Regional Parks Act, 1979
Bill No. 36	An Act to incorporate the Wanuskewin Heritage Park
Bill No. 39	An Act to amend The Statute Law
Bill No. 40	An Act to amend The Public Utilities Easements Act
Bill No. 43	An Act to amend The Highway Traffic Act
Bill No. 44	An Act to amend The Liquor Board Superannuation Act.

Her Honour then retired from the Chamber at 2:41 p.m.

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that **Bill No. 20 — An Act respecting the Reorganization of the Potash Corporation of Saskatchewan** be now read a second time.

An Hon. Member: — By the way, no more notes, you guys.

The Speaker: — Order, order. Quite frankly, at the outset I don't think it's in the best interest of the House to resurrect an issue which hopefully is laid to rest. Order, order. I just wish to point out to the House that it is not in the best interest in the House that we resurrect an issue here. Order, order. We don't want any heckling on it, and I have the right to interrupt and we will not have heckling

across the House.

Mr. Goulet: — Thank you, Mr. Speaker. This afternoon I'll be presenting more information about the potash history and potash debate. And for the purposes of information, Mr. Speaker, I would like to maybe talk about, number one, the sources on the information that I'll be presenting this afternoon.

Over the past couple of days I had a chance to read some more literature in regards to the potash debate, and I was reading a book called *Natural Resources in U.S.-Canadian Relations*. It was volume 2, *Patterns and Trends in Resource Supplies and Policies*. This was edited by Carl Beigie and Alfred O. Hero Jr. This book was published by Westview Press, and it was published in 1980. It does a review of the minerals industry, the fertilizer industry, and also has a chapter on potash. So part of the information I'll be presenting will be based on that.

(1445)

The other thing that I did talk about quite a bit on the last was the taxation history and many of our policies regarding the overall debates with the prorationing legislation by the Liberal government and later on by the NDP.

And a lot of the provincial mineral policies are covered by a book by Ronald Murray. It's called *Provincial Mineral Policies Saskatchewan: 1944-75*, and it was published by the centre for resource studies at Queen's University in Kingston in 1978. So that's another basis of information.

And the other one I do have, of course, is I collected some information from the *Mineral Statistics Yearbook* all the way from 1965 to 1987, and these are published by Saskatchewan Energy and Mines.

I also had a chance to look at the information from the department of mineral resources' annual reports from about '65 to 1975 because I wanted some information comparing not only the PC government strategy on their new privatization route, but also the NDP period of what was happening on PCS (Potash Corporation of Saskatchewan). But also I wanted to find out what had happened in the Liberal years, so I did a more intensive review on the information so I could cover the period on when it was all privatized during the Liberal era and the NDP period when it was still privatized, then the public corporation period, and so on. So I've delved into the annual reports, Mr. Speaker.

Some of the other . . . I've also, in regards to the annual reports, I found very good information from the 1984 annual report which looks at the previous five years, and also the 1981 annual report, which also looks at the previous five years, and so on, and also at 1988. These were key books in doing some of the statistic summaries that I will be presenting.

The other major book was a book called *Prairie Capitalism, Power and Influence in the New West*, and this book was by John Richards and Larry Pratt. It was published by McClelland and Stewart in 1979. This is a

fairly good book because it outlines the history of public ownership and also CCF. And also it does make a comparison between what was happening here in Saskatchewan and also the oil industry, because a lot of the same central issues were happening throughout Canada, but more particularly in Alberta and Saskatchewan.

And I saw in that book as I was reading it . . . although the policies over a year in terms of, let's say, getting returns from the revenue . . . although the Alberta government, which was a Conservative government, although they were getting about 39 per cent return and we were dealing with around 6 and 12 per cent, they weren't making such a fuss and making legal issues in Alberta, whereas they were here in Saskatchewan.

So this is a good book that covers it, and it must be remembered that John Richards did a Ph.D. on potash history.

So the information I am presenting, Mr. Speaker, is based on my own research in regards to annual reports tabled in this House and also the *Mineral Statistics Yearbook*.

I might add, Mr. Speaker, that while I was doing research in this issue, it became very clear to me that the information I was getting was very general information. And I must assume that all of that information is fairly accurate because of the general taxation laws, and so on, and the reporting that you have to do with the federal government and also the provincial governments.

But one of the things became very clear. I was unable to access any of the private corporations' information. While I was able to access public information and the documents from the Potash Corporation of Saskatchewan, I simply wasn't able to access the information from the private corporations, IMC's (International Minerals and Chemical Corporation (Canada) Ltd.) information, or any other information from the different private companies that we do have in the province.

And it became very apparent to me that the debates that were taking place in the early '70s, when the Blakeney government was taken to court by the private companies, was coming out through my own research. Because here I was, I was trying to make sure that I had good data. I didn't want to come up to the House and present data that was incomplete. But here I was forced to a situation of not being able to come out with the full information in regards to the private companies because I was unable to access them.

And this was the same problem that the Blakeney government had during the '75-76 debates, and even from the '74 debates, in regards to the potash industry. And it was well recognized by everybody that you cannot govern properly unless you have the proper information. So that's the first thing I'd like to say as I start, as I do a summation of the debates.

And I wanted to go back a little bit and do a bit of a history as to what the throne speech really said, as we debate it now in '89, back in November 12, 1975. So I delved into

Hansard and looked at that speech to find out exactly what it said in regards to the potash.

And the very first mention in the speech, of course, was general information on potash and its usefulness, and so on. But the very first thing that was important was the aspect of foreign ownership, that the majority of potash was owned outside of Saskatchewan. The very first, on page 7, it says:

Current production (and I quote, current production) of potash in Saskatchewan is exclusively in the hands of private corporations, most of them subsidiaries of giant multinational conglomerates. None has any significant ownership or control by Saskatchewan residents.

So right off the bat, it is outside ownership that was an issue during that debate back in '75, which is also a very strong part of the debate today, Mr. Speaker, because I understand that certain sections will deal with the question of ownership and to what degree we will have ownership in the province and to what degree we have external and foreign ownership.

But I don't know that even if there is small-scale ownership by large-scale corporations, a lot of them have interlocking directorates so that when you have only, let's say, even 5 per cent ownership and another company has 5 per cent ownership, they meet quite regularly and there is a lot of collusion in that respect from the interlocking directorates.

I might add, Mr. Speaker, that there was concern at that time that a lot of the concern on the potash was directly with our major competitor in New Mexico, you know, with Hudson Bay — not with Hudson Bay, but the United States' big corporations. And that's where the major competitors would be.

Although they were, in historical terms, going to have lower grade ore than we did and we would somehow create a strong, competitive climate right here from Saskatchewan, the basis of the majority of foreign ownership was from American corporations.

The other aspect I noticed on page 7 of that debate is — and it's an ongoing debate also today on how much return we get from the people. And it says — and this is on taxation and regulations, and this is the situation that they were put in at that time. He says:

My government has attempted to work out an accommodation with these companies which would, through regulation, taxation and participation in their future expansion, guarantee greater production capacity, an assured fair return to the province and a greater ownership role for the people of Saskatchewan.

My government has attempted to work out an accommodation with these companies which would — through regulation, taxation and participation in their future expansion — guarantee greater production capacity, an assured fair return to the province and a greater ownership

role for the people of Saskatchewan.

My Government has been frustrated in these attempts.

So although there was a great attempt at trying to work with the companies and not trying to get into public ownership on the initial basis, most of the work was trying to do it straightforward by taxation and regulation. But because we weren't getting a fair return, and because the company was taking us to court for daring to up our amounts of money on our return, their response was very negative.

And I would add, on page 7 again there it says, in regards to the legal suit by the big companies and the problem of information that was presented to the Blakeney government, the NDP government of the day, it states here:

That the response of the majority of the companies has been to decline to provide information required to be provided by law, to decline to proceed with expansion required to meet anticipated future demand, and to challenge in a series of legal actions the right of the Province of Saskatchewan to conserve the resource and to collect taxes from the industry.

So a direct challenge had been provided, and this was again stated at the throne speech then. Of course the government had three options at that time, and they could of course retreat and stay on course and get into a lot of legal actions with the big companies, or the third choice was for the NDP government of the day to regain provincial control of the potash resource.

And the answer of the day, on November 12, said on page 8 and page 9, they say that:

My Government believes that by achieving effective control through ownership of a major part of the industry it will be possible:

- to ensure orderly expansion of production in Saskatchewan to meet growing world needs;
- to regulate production to conserve potash in the best interests of Saskatchewan people;
- and to ensure a secure flow of revenue to all the people of Saskatchewan.

So here we had a situation where the question of orderly expansion and regulation and security were the basis of achieving effective control of the potash industry.

It also more or less stated at the end that the industry would additionally offer new and challenging . . . and this is on page 9:

The industry will offer new and challenging opportunities in research and senior management to Saskatchewan people here at home. Through Saskatchewan control of potassium fertilizer, there may be opportunities to see that

Saskatchewan farmers are guaranteed adequate supplies of nitrogen and phosphate fertilizers at reasonable prices.

In summary, (then, during the 1975 document it says) my Government's objective is to assure the greatest possible benefits for Saskatchewan people by gaining effective control of the Saskatchewan potash industry through ownership.

And that was the throne speech during 1975. And I would just like to quote confirmation of what was happening in the throne speech by the then premier, Allan Blakeney. This was his point of view in regards to the reaction by the potash industry, in regards to the new policy, let's say, on regulation and increasing taxes and government participation.

And on page 104 on November 19, 1975 he had this to say. He says that:

First of all, the majority of the companies have refused to provide facts and figures that the law requires them to provide. They were first requested to submit financial statements in April 1974. Nothing happened. In November of 1974 regulations were passed requiring facts and figures from each company. Most ignored the regulations.

After a number of discussions between the industry and the Government in some of which I participated, a joint committee was set up in February 1975, to come to an understanding on what the financial facts were, what their investment was, what they expected the rate of return to be and the impact of our taxes on each of the companies. Some progress was made by early May. Some information had been exchanged. But still, nearly all the companies refused to provide the financial and production information required by the law.

So there was tremendous opposition of the day. And although there was a willingness to try and co-operate and sort it out, it became to be very clear that the only option was to follow the strategy that was set out in '71 to get into public ownership.

(1500)

I might add, Mr. Speaker, that the public ownership debate in general, in historical terms, has been a long debate. It's been there for a long time. Most of the historical information that I can gain from reading the early days, from the slave days even during the time of the Greek and Roman days and all through the Middle Ages until the present, most of the systems were initially under collective ownership or community ownership. Most land and most resources were, in that sense.

Then it went through a period of slave ownership, and then people thought that would be too much harm. And also there was even slave ownership on people, so they thought that wasn't the way to turn. So most of the world

turned into a combination of collective ownership and private ownership.

And it's only in the more recent past 100 years and 200 and 300 years that a greater degree of private ownership has taken place. And we have seen during the rise of the Industrial Revolution in England and also in France and many other areas, that a lot of people were displaced from their collective land and a lot of lands were privatized.

And a lot of people, you know, from Europe did come across to Canada after they were displaced by a large scale, the new industrialists that were taking over much of the land. And a lot of the collective land that was developing in Europe was displaced and expropriated by the new-forming states, and then a lot of the new way came to be on private ownership.

As we look at the more modern era, we are coming back and recognizing that there needs to be a joint strategy. And when I looked at the modern phase of public ownership here in Saskatchewan, we look back in 1929 when the early days of public ownership came to the fore. Of course we saw public ownership in the public realm through education and so on, but we saw it with the Liberals in 1929.

It is very interesting to know that the Conservatives of the day were not opposed to the public ownership concept. As a matter of fact, they made it a very strong point in 1930. They said that they were not in opposition to that, that when they came into power they said they wanted to see it.

So that was the first phase. The first phase of public ownership was done through the Conservatives and the Liberals, and the NDP came later in regards to a larger-scale public ownership system during the 1940s and on to the '70s.

So the idea is not a new one of trying to combine economics in regards to both public and private ownership. And my own feeling is I think most people are beginning to see that one system monopolizing, completely monopolizing the economic system may prove to be to disadvantage the other system. And a complete system, let's say, by public ownership, may not be to the benefit of the people where a few large, big-scale, monopoly capital people would completely control everything. So a lot of people have come to the conclusion that you need a balanced approach, a mixed economy approach. And this is where the essence of the debate has been.

And I'd like to make an analogy, Mr. Speaker, on this whole debate in modern day terms. When I look at the concept of public ownership and private ownership, I see it more in relation to the fact that whatever we do, whether we do mining or we do forestry, a lot of it is governed by what happens in the weather.

And it's very important to look at, let's say, to create an analogy between the sun, the clouds, and the rain. And as I look at this analogy, Mr. Speaker, I'd like to say that in regards to, let's say, the farmers, we know that the farmers require the sun for the crops to grow and they also require

the clouds, you know, for shade so that there's not too much sun. And also, people require the rain. So we require all three components — we require the sun, we require the cloud, and we require the rain.

I would look at that in the same way as we do a mixed economy if it was today, Mr. Speaker. I would look at the sun in the same way as I would look at public ownership. And I would look at the clouds in the same way as I would look at the co-ops. Then I would look at the rain in regards to the private ownership debate.

And I would like to make this point very clear, Mr. Speaker. When I looked at that analogy, I thought it fit quite well. I thought that you needed a balance. If you got too much sun and didn't get enough rain and clouds, it would not grow. So you would also need some clouds so that the plants wouldn't get burned so that you would also develop an interaction between the sun and the water system to create clouds and the rain. So that all three would be required in regards to the development of our system.

And when I looked at it, I started looking also at the aspect of rain in regards to small-scale development and large-scale development. And my analogy has to take into consideration, Mr. Speaker, that many of the small business and medium-sized private businesses are very important for Saskatchewan. And I might state that very clearly as I debate the potash.

And I must say, Mr. Speaker, that in regards to that analogy, it's also very clear that when you get a decent amount of rain, the crops go quite well. But as soon as you go to have too much rain, as soon as you get a large amount of rain and we get into the larger-scale corporations, then it becomes to have a controlling element. It becomes to be a flood on the land and the land gets destroyed. So that what you do need is a fair balance. And what we are saying here is that we don't mind the aspect of the mixed economy approach, where we have a certain degree of rain and the clouds that we need, and also the sun, in regards to public ownership.

We need all three aspects to create a proper economy, because when I entered into the debate I saw that it was very important to create a rationale of why public ownership, especially in potash, came to be. Because most of the thought of the day in the early '70s was not to go into public ownership of companies, of business. While it was okay for schools, it was okay for hospital, it was not okay for services or business.

But then later on through the services in hospitals, people said, well it's okay for insurance also; it's okay for these and it's okay for power, but not for potash. So there was a great debate taking place, of the day, and a lot of people felt, no, it can't be. A public owner could not be as efficient, could not compete with the private entrepreneurs in the same way as we had seen it.

But the government of the day was caught in a trap. It had provided information, it had provided an opportunity for the private industry to come here, but the returns were very low. And when I examine the overall information, I would like to do a little bit of a summary on the different

aspects then of the potash debate.

I looked at and did a comparison . . . (inaudible interjection) . . . The member from Weyburn figures I am filibustering. But I would like to educate him on a few of the facts based on the annual reports on the potash industry, which are very important. He's the Minister of Education and he has to know a little bit about the factual nature of our potash industry and the debate that we are having in regards to privatization and public ownership today. So I'd like to give him a bit of the factual information.

So I look at the royalties and taxes' base and the revenue base. When the companies are around, both private industry and public industry, what return do we get? Our schools need royalty money; our hospitals need royalty money. We need royalty and taxes to run seniors' places, and so on. We need to get a fair return from the resources that are here.

Now I looked at the annual reports and I looked at the phase between 1965 and 1971 on the royalties and taxes in the potash industry. And lo and behold!, how much return did we get at that time? And here it was, 1965 and 1971 we got \$15.7 million. And that was the Liberals.

Now how much for the NDP? The NDP came into power and they did the public ownership system. So I would like to examine the information base on how much return when we, as the people of Saskatchewan, control the potash corporation, establishing our own potash corporation. We had a great return . . . (inaudible interjection) . . . The member from Weyburn over there is as usual yapping from his seat and talking about the credit union when we should be dealing with the issue of potash.

Some Hon. Members: Hear, hear!

The Deputy Speaker: — Why is the member on his feet?

Hon. Mr. Hepworth: — Would the hon. member permit a question, Mr. Speaker?

Mr. Goulet: — I will continue, Mr. Deputy Speaker. The NDP in 1976-1981 produced \$985.4 million. Let's compare that to the Liberals, \$15.7 million; the NDP government, '76-81, \$985.4 million . . . (inaudible interjection) . . . Now I notice that one of the members from the other side said that we should be chicken into getting the debate. It's very interesting that all of them are chicken to get up and debate the potash corporation Bill. None of them are standing up. None of them want to debate, so I guess who's calling who chicken? None of them are standing up to debate this potash Bill.

Some Hon. Members: Hear, hear!

Mr. Goulet: — I guess in regards to the Tory period, the PC government years, how much royalties and tax; how much return did we get? And I looked at the period from 1982 to '86, and a total of \$274.2 million was gotten for the people of Saskatchewan. Now when you compare the NDP years for those five-year periods and compare them to the PC years — in five years — the NDP years were able

to collect \$711 million more than the PC years.

Now talk about the great management effort that was shown by the NDP government as compared to the PC government. I think that's pretty impressive, and I would like to make a concluding statement. The Liberals were able to produce \$15.7 million, close to \$16 million. We were able to produce, NDP, 1976-81, \$985.4 million, and the Tories, \$274.2 million, again, \$711 million more during the NDP years. And I guess that speaks well for the management of the potash corporation by the NDP government.

When I looked at the production, and this is where the proof really lies in the pudding, because I said, I thought to myself, well maybe it was because there was a greater amount of production during the NDP years. Maybe the price was better during the NDP years. So I examined those facts, too. I thought, my goodness, this couldn't be. We couldn't make \$700 million more than the PC government in the same number of years.

(1515)

So I looked at the facts. I looked at 1977 to 1981 in terms of production, and we produced, during the NDP years, 32,682 million tonnes of potash. Then I looked at the PC years, 1982-86, and what was . . . Oh, pardon me. What was sold was 31,369,000 tonnes.

So the fact that I gather from that is this: the production was very much the same from 32 million and 31 million, so it was insignificant in regard to the amount of production. Approximately the same amount of production occurred during the NDP years as there was in the PC years. The question arises, how come we made 700 million more dollars — 711 million more dollars.

Then I looked at the price. What was the price? I thought that there was a tremendous and exorbitant amount of difference in price between the NDP years and the PC years. Then I looked at it — 1977 to 1981 the average price of potash was \$109.50. Then I looked at the average price between 1982 and 1986. What do you think the average price was? One hundred and six dollars and sixty-nine cents.

In other words, there was very little difference in regards to the price between the NDP years and the PC years. There was \$109 to \$106. So it was very insignificant. If the production was very much the same during the NDP years and the PC years, and if the price was very much the same during the NDP years as was in the PC years, how come the NDP was able to recover \$711 million more money? How come they were able to get . . . and I'll leave it up to the people of Saskatchewan who had the better management system.

The other thing that I looked at was we always talk about the debt. And a lot of the people say, well those NDPers are always spending more money, and so on. Of course we do. We always spend more money in regards to various aspects of social and economic development. They're always true on that.

But let's look at the question of debt. I looked at the

long-term debt and there was . . . in 1981 when the NDP left it was \$88 million. That was the long-term debt. Now I looked at the 1986 figure, and it was way up to \$558 million — 558 million — an increase of close to \$500 million. That's again a sign of PC mismanagement.

When we look at the long-term debt, and they're always blaming the NDP for long-term debt, and when I look at the facts from the mineral statistics of Saskatchewan published by the government of Saskatchewan, what do I find? That the PCs, in terms of debt during their five-year period as compared to five years of NDP, was \$88 million to \$558 million. That's a great big difference. I would estimate that is six times higher than what the NDP rate was. So here you have again another example of PC mismanagement of the PCS.

I also looked at the issue and I looked at the analysis in regards to Saskatchewan investment. How much have we put into the potash corporation? And of course the NDP had put in by 1981, Saskatchewan, \$490 million. That's how much of our money that we put in. Then we looked at the PC years, and I examined it. By 1987 a total of \$724 million was put in from our Crown investment corporation into the potash corporation, basically because all during those times PCS was badly mismanaged and they needed money from the other Crown corporations to support it, and a total of \$724 million was put in. And that was also in one year in 1987. Most of it was put in in 1987 to the tune of \$662 million.

And I might add that this money was only put in there because they were trying to make PCS look a little bit better just prior to selling it off. And that was the only reason that money from the other Crowns were put into Crown investments and reutilized by the potash corporation. Because nobody in the world would have bought PCS because of the way the Tory PC government has mismanaged it in the past five years from '82-87, so they had to throw in \$662 million from the public purse to make it as attractive as possible to the big, private, foreign companies to get a shot at ownership of potash.

Then I also examined the specific nature of royalties and taxes, not on the general potash industry as I produced the documents before, but in the annual reports. I decided I would look at the specific nature of royalties and taxes, and again I used the five-year period as a basis for comparison. And again this information is extracted from the annual reports, 1981, '84, and '88. And here I looked at the records.

During the NDP years in 1977-81, the total number of royalties and taxes that we were able to get from PCS was a total of \$270 million — \$270 million.

An Hon. Member: — What if they'd have just put the money in the Weyburn Credit Union? Could you answer that question.

Mr. Goulet: — And a lot of this money . . . The member from Education is asking whether the money should go to the credit union. A lot of the money went to the Department of Education and to the health services and many other services in the province of Saskatchewan, to the tune of \$270 million. And that was what was paid in

by the potash corporation to the Saskatchewan public purse.

Now the member from Weyburn isn't really paying attention, because what I'm going to show is, and the reason why he doesn't want to listen, is because the next figures I'll be presenting . . .

The Deputy Speaker: — Order, order. Why is the member on his feet?

Hon. Mr. Hepworth: — I'm wondering if the hon. member would answer the question relative to the potash: if we had put the money in the Weyburn Credit Union . . .

The Deputy Speaker: — Order, order.

Mr. Goulet: — It shows I guess, Mr. Deputy Speaker, the ridiculous nature of the response by the minister in a sense that he's not paying attention to the potash debate, and he's still worried about his credit union, which is probably a fine credit union, in his area.

But what I would like to get at is at the potash debate. And what he was really scared of is the fact that I was going to produce a comparative example between the royalty and tax rates on the returns we got for the province during the NDP years, and I was going to present the ones for the PC years.

PC government, 1982 to 1986 — how much did we get? — \$68 million dollars. I mean \$68 million. Now you compare that during the NDP years, during NDP-style management of Potash Corporation of Saskatchewan, it was \$270 million. That's \$202 million we were able to get. And it shows that the NDP government therefore was able to get for the schools, for the education system, for the seniors, for everybody in the province of Saskatchewan, we were able to recoup four times more than the PC government years during the same period of time, same five-year period. And that is absolutely amazing.

Now a lot of people that are listening out there might be figuring, well maybe during the NDP years the production was a lot higher. Maybe the fact is that the prices were better during the NDP years.

The Deputy Speaker: — Order. The member is being repetitious in his remarks. He went . . . Order. I've been going through the *Hansards* from the last day when the member was on his feet, and the member is just repeating the speech that he made on Tuesday night. So I would ask the member to refrain from his repetitious comments. Order, order. I'd ask the member to refrain from using his repetitious comments by himself or other members in the debate.

Mr. Goulet: — Thank you, Mr. Deputy Speaker. The point I was making, Mr. Deputy Speaker, is that . . . and I'm not doing repetitious, tedious remarks in regards to going point by point. I'm making summary comments on a five-year period, which I understand were acceptable before, so I will just do that.

So I looked at the selling price and I looked at the production level, and really there was very little difference on the production margins. I found during the time — and I didn't quote these figures in the last day — in '77 to '81 the production was 17.616 million tonnes. Now during the Tory years in '82 to '86 it was 17.321 million tonnes, so there was very little difference. And I looked at the sales, and both of them were 17 million tonnes worth of sale. So there was no difference in regards to amount of production or amount of sales.

Then I looked at the selling price to see whether or not there was a big difference, and I didn't quote this the other day, so this is new information. From 1977 to 1981, in regards to price per tonne on potash, it was \$50 per tonne during the NDP years. During the PC years, 1982 to 1986, it was \$53 a tonne, and that's new information again, Mr. Deputy Speaker. And I was absolutely amazed. I had thought that during the NDP years the prices were more. But when I looked at this fact and I went to check out the facts, the PC government years actually paid a little bit more in terms of selling price. Not very significant.

But I guess the point I'm trying to make, Mr. Deputy Speaker, is this, that when I looked at the tremendous amount of return of over \$270 million, I thought it was basically because of the selling price and because of the production. But that's not the case. The case shows very clearly on the record that it was just straightforward good management during the NDP years versus poor management in the PC years.

Now I looked at the . . . the following is also new information. And again, of course, the member from Weyburn is refusing to pay attention. But I would like to look at the summary statements — and this is new information — from '77 to '81, the profit/loss margins. During that period of time we were able to make a profit, during the NDP years, '77 to '81, of \$413 million — \$413 million. Then I looked at the PC years, '82 to '86, and what do you think? They were in a hole.

An Hon. Member: — Oh no, how much?

Mr. Goulet: — How much do you think? Was it five or 10? No. It was \$164 million in the hole — \$164 million in the hole.

An Hon. Member: — How do they do that, Keith?

(1530)

Mr. Goulet: — I think . . . the member asks from Regina, he asked me: why do you think that has happened? And I think I'll just leave it to the public of Saskatchewan to look at the fact that the NDP government, when you compare the two figures, made \$577 million more money than the PC government for the people of Saskatchewan. And that becomes very clear. Close to \$600 million more for the NDP government during that five-year period versus the PC government.

Then I looked at the aspect of return on equity, and again this is new information in regards to the averaging of it. I found that the return on equity between '79 to '81 — I wasn't able to get the '78 figures — was 21.4 per cent

average, over 20 per cent return on equity on those three years. And then I looked at the PC years, and from '82 to '86, it was a minus 5.1 per cent. We were losing. We were losing all through the PC years. And this is just another . . . this PC potash corporation and the way the PC government has handled it has been straightforward mismanagement after mismanagement.

And the member from Regina Wascana, I think it is, has mentioned that they are going to fix that. They are going to fix it and return it back to the good old days when the only returns we got from the industry was 2 per cent return. We only got about \$2 million a year on return — very little for the hundreds of millions of dollars that we provided for basically foreign corporations.

So I would like to also make a point in regards to wages. And this is straightforward, because on my concluding statement I would like to say that privatization, there's always promises for jobs. They're always saying that PC-style management of the economy in the system is a way to produce jobs. But we know that when the PC government handles not only economics but social services systems or anything, everything goes not the way it's supposed to. And when I looked at the promises made on jobs, I can attest to the fact that in northern Saskatchewan, in regards to the mining industry, that the government did not even live up to the legal regulations in getting people hired in the North. Very similar to the fact that a lot of the big corporations refused to follow the law back in '75.

Now in the wages, there was \$63 million in wages in 1981; 1988 that had dropped by \$10 million down to \$53 million. So we lost \$10 million in wages. There was also 2,267 jobs in '81. In '88 . . .

The Deputy Speaker: — The member is going over the exact numbers and the exact speech that he did on Tuesday night. And I would remind him that 25(2) of the *Members' Handbook*, page 15:

The Speaker, or the Chairman, after having called the attention of the Assembly, or of the committee, to the conduct of a Member who persists in irrelevance, or tedious repetition, either of his own arguments or of the arguments used by other Members in debate, may direct him to discontinue . . .

So I'd ask the member not to be repetitious.

Mr. Goulet: — Thank you very much, Mr. Deputy Speaker. I think I have made my point very clear. And whether I was talking about royalties or taxes in the general industry or in PCS alone, the NDP government came clearly ahead of the PC style by four times.

We also know that in terms of many other aspects of management, from dealing with long-term debt, from dealing with Saskatchewan investment, from dealing with return on equity, all of these things show very clear that the NDP government in its management of PCS has shown that it was an outstanding example in Saskatchewan history. What we saw in regards to the PC history and the privatization strategy is that it is going

downhill; that indeed everything is going downhill in this province; and that the complete reliance on foreign corporations to effectively deal with our economy, rather than relying on Saskatchewan people and Saskatchewan workers to do the job for us, is simply not the way to go.

The privatization debate shows very clearly that the PC government does not have any faith in Saskatchewan people. They do not have faith in the fact that we built this province and that we built PCS. The PC government wants to dismantle those very things that T.C. Douglas, Allan Blakeney, Romanow — pardon me, the member . . .

The Deputy Speaker: — Order. Members are not supposed to refer to other members by name.

Mr. Goulet: — The member from Riversdale. All of these important leaders in the province of Saskatchewan have shown that they had firm belief in the people, that Saskatchewan people could be a world-class example in production, and that's precisely what happened.

Some Hon. Members: Hear, hear!

Mr. Goulet: — That Saskatchewan people, when they come together to form their Crown corporation, could be a leading example in providing the best returns in terms of royalties and taxes that the history of Saskatchewan has never seen before. That in regards to the mixed economy approach, that indeed we saw an example where we had a thousand more jobs even in the Potash Corporation of Saskatchewan when the NDP was around than when the PCs were around.

No wonder the people of the province and the young people are leaving our province these days in record numbers, because the PC-style management of Crown corporations and of providing huge give-aways to big companies is simply not providing us with the opportunities that our children need for building the future of this province. They are dismantling the very basis of what has been a very important part of Saskatchewan heritage. And with this, I would like to say that I am completely and thoroughly opposed to the strategy of the PC government in their privatized giveaways to the foreign corporations of the world and their lack of trust in Saskatchewan people.

Some Hon. Members: Hear, hear!

Mr. Solomon: — We need a little construction work here, Mr. Speaker, before we get under way and start with my remarks.

Mr. Speaker, I'm very pleased to participate in this very historic debate. We have in this Assembly heard a few colleagues from the opposition raise their concerns about the sell-off of the Potash Corporation of Saskatchewan, Mr. Deputy Speaker. It's a very historic debate.

We have seen in this legislature this spring a number of historic developments that have preceded the introduction of the debate on this Bill, Bill No. 20, the privatization of the Potash Corporation of Saskatchewan Bill. We've seen, Mr. Deputy Speaker, a number of scandals hit the legislature.

We've had questions raised in question period in this historic legislature, in this historic session, on the Northern Lights game farm. We've had questions raised about the preferential influence that certain members opposite have had in that regard, with regard to the Northern Lights game farm.

We have seen an attempt by the government opposite, Mr. Deputy Speaker, with regard to privatization, to sell off part of Saskatchewan Power Corporation. Their original intention was to divide the power corporation into two, into the SaskEnergy branch and the SaskPower branch. The government attempted through their short-sightedness, contrary to their own promises in the past, to take a public utility like Sask Power, which has served this province and the people of this province over the last 30 years in very good stead, and sell it off at discount prices to friends of the Conservative Party living outside of this province. We've seen not the debate in this House but the debates in the public during the course of this session on this issue.

We have seen as well, Mr. Deputy Speaker, in this historic session where we're now debating the potash Bill, the Provincial Auditor's scathing report in which Willard Lutz in 46 occasions in his reports outlined how this government broke the law, their own laws, the laws of Saskatchewan, without answering or responding to what they did.

And it was really a shocking yet historic event in this House, Mr. Deputy Speaker, when the Provincial Auditor, who is the watch-dog of the expenditures of this government through legislation, tabled this report which was a scathing report outlining in 56 different circumstances how the Conservative government broke the law. And what happened, Mr. Speaker, very clearly was that rather than respond to the allegations, rather than to . . .

The Deputy Speaker: — Order. The question before the Assembly is Bill No. 20, An Act respecting the Reorganization of the Potash Corporation of Saskatchewan. I'd ask the member to keep his remarks to the question that is before the Assembly now and not bring all the other remarks into the debate.

Mr. Solomon: — Mr. Speaker, what I'm attempting to do this afternoon is introduce my speech with an outline that I feel is really important to the body of my remarks. An Act respecting the Reorganization of the Potash Corporation of Saskatchewan, Bill No. 20, is before this House, and I am making some remarks pertaining thereto, as I'm elected to do. But I want to share with the people of this province some of the other historic elements which have led up to the introduction of this Bill and that have led up to the inspiration of myself being involved in this debate. It's not an issue which can be taken in isolation.

And when I talk about Bill 20, about the Potash Corporation of Saskatchewan, the reorganization thereof, I think it's pertinent to people in this province to be aware that this is not one attempt by the government to sell off a very important asset that is owned by the people of this province, but in effect it is one of a game plan.

And, Mr. Speaker, I want to inform the House, and I want to inform those people that are planning to listen to my remarks, that I would like to proceed with some introductory remarks, but I want to talk about privatization as it pertains to potash corporation. I want to talk about privatization in the sense of a definition.

I want to talk about, Mr. Deputy Speaker, about the history of the Crown corporation sector in this province — why they were set up; why they were started by Tommy Douglas and the CCF; and why they were created by Mr. Ross Thatcher, the Liberal premier of this province; and why they were created by the former member from Elphinstone, the former premier of this province, Allan Blakeney; and why even the government opposite are participating in creating Crown corporations. I want to talk about those.

I think it's pertinent in this debate, Mr. Speaker, in regards to my outline, that I raise the record of this government with respect to commitments made in the past, the promises made, and the promises broken. That is pertinent to this debate in my view, Mr. Speaker. I want to talk about the privatization elements as they pertain to other Crown corporations and how they have impacted on the oil revenues of this province. I want to talk about the Deputy Premier's remarks in Crown corporations regarding the sale-off of Crown corporations, including the Potash Corporation of Saskatchewan.

I want to give a little history of the potash corporation as I see it, as I interpret it, not as a historian but as an elected official of the people of Regina North West. I want to talk about the Bill itself in as much detail as I can as is allowed under the rules in second reading.

I also want to talk — this is my outline, Mr. Speaker, I'm going over — I also want to give the examples of the Saskoil Corporation, a privatized corporation, and draw the connection to Bill No. 20 and how the privatization of Saskoil has been a negative, negative experience in the province of Saskatchewan.

(1545)

I want to talk about not only Saskoil but some of the other Crown corporations, including the Saskatchewan government printing company, and explain to the people of this province how they botched the privatization of Saskoil and how the government opposite botched the sale of the government printing company and others.

And I also want to talk about the Crown corporation, the potash Crown corporation annual report of 1988.

And Mr. Speaker, I have some surprises at the conclusion of my remarks sometime in the next few days about what I plan to say. So I've basically laid to you, Mr. Speaker, and to the people of this province, an outline of what I plan to say in this debate, in this historic debate on Bill No. 20, An Act respecting the Reorganization of the Potash Corporation of Saskatchewan.

Mr. Speaker, I want to continue some of my remarks as they pertain to this historic session. And I will try and keep

as close attention to this Bill as I possibly can, and your comments are well taken and I appreciate that. And I would ask you to bear with me, if you feel I'm getting a little far off the topic; I ask you to interrupt me as politely as you have and just give me some caution; I'd be happy to try and keep it more precise.

But what we've seen from this government in this historic session where we've been in this opposition talking about the sell-off of the assets of the people of Saskatchewan, including the Potash Corporation of Saskatchewan, is a government that has not been responsible in their own actions.

They have talked, Mr. Speaker, not about the allegations that the auditor has made with regard to laws that they've broken, their very own laws, but rather we had a long debate in this House, not about that auditor's report but about a *prima facie* case of breach of privilege that the member from Kindersley initiated as a result of his comments in this House regarding the auditor. So you've seen those debates go through this session, and I won't get into the details.

We've also seen, Mr. Speaker, a government raise an agenda that they feel is important — the sell-off of the Crowns of this province as a number one priority. Rather than deal with the large tax burden that is in front of the people of this province that is crippling the economy of this province; rather than dealing with a program which would be a consistent, long-term program that would help the agricultural sector; rather than deal with problems in the health care area; rather than rectify those; rather than deal with starvation of the education system and starvation of the opportunities of our young people; rather than deal with the out-migration problems that they are the authors of; rather than deal with the jobless that are here, Mr. Speaker, they've decided to raise Bill No. 20, to introduce Bill No. 20, a Bill to sell off the Potash Corporation of Saskatchewan.

Rather than deal with those problems that I've referred to, Mr. Speaker, they've decided to try and sell off, in a quick fashion, SaskPower. They've tried to do that. We've seen over 100,000 signatures in a matter of three or four weeks come to this Assembly, opposing what they've done with regard to the sell-off of the Saskatchewan Power Corporation and SaskEnergy.

We've seen as well a historic, albeit not necessarily a tantalizing experience, of 17 days of bell-ringing in this Assembly. And that bell-ringing was a direct result, Mr. Speaker, of their initiatives, their warped sense of priority in this Assembly in this province, because they believe that rather than deal with the issues and problems which concern all of the people of this province, they want to sell off an asset, SaskEnergy; they want to sell off SaskPower, a revenue-generating asset, at discount prices to their friends, big business, inside this province and outside this province.

And that, Mr. Speaker, is an unacceptable — an unacceptable — systematic ripping apart of our Crown corporations, unacceptable to the opposition. And I can assure you, Mr. Speaker, that we will rise in this House with the support of the constituents of our constituencies,

and in my case the constituency of Regina North West, and express their viewpoints to the best of our ability, because that's why we are here. We're elected to express those opinions. And I can assure you, Mr. Speaker, that I have a great deal to say on this issue, and I plan to commence in a few minutes. As a matter of fact, I'll start right now.

We've talked about the session, Mr. Speaker, in brief form. We have seen as well, rather than dealing with business of the province, this government deal with the GigaText scandal. We've had questions in question period after question period about GigaText because the newspapers in this country in the front pages are reporting about the . . .

The Deputy Speaker: — Order, order. I can't see the relationship between this and the question before the Assembly. I'll repeat it again. The question before the Assembly is Bill No. 20, An Act respecting the Reorganization of the Potash Corporation of Saskatchewan. And the member seems to be wanting to bring in all kinds of other debate into it.

So I would ask the member to . . . Order, order. I would ask the member to keep his remarks on second reading of Bill 20.

An Hon. Member: — On a point of order, Mr. Speaker, Mr. Deputy Speaker.

The Deputy Speaker: — State your point of order, the member for Elphinstone.

Mr. Lingenfelter: — Mr. Deputy Speaker, you've been indicating that the member from Regina North West can't talk about anything but the potash corporation, and you've said that a number of times. I want you to refer back to *Hansard*, April 19, when the minister, in introducing the Bill, gave his speech, which was not ruled out of order.

I want to talk about several of the issues that he was allowed to talk about and that he raised. He raised the issue of public bond share offerings in Saskoil and how much money was generated. He raised the issue of the ICG (Inter-City Gas) Resources Ltd. and marketing. He talked a great deal about that.

He talked about WESTBRIDGE corporation, computer corporation. He talked about the P.A. Pulp corporation and Weyerhaeuser and that privatization. He talked about Kam-Kotia and that disaster where we sold off a corporation that had made a great deal of money for a song to a Quebec and Ontario company. He talked about the Meadow Lake privatization. He talked about Printco and DirectWEST. And, Mr. Deputy Speaker . . .

The Deputy Speaker: — Order, order. The point of order is not well taken. Order, order. The minister may have very well made very short reference to, very short reference to other subjects, and I've allowed the member from Regina North West to make reference to other . . . but the member is going into detail.

The process, the process is certainly . . . Order, order. The

member is getting into detail in other issues that are not before the Assembly. So with that, I ask the member to keep his remarks to Bill No. 20 which is before the Assembly in second reading.

Mr. Solomon: — Mr. Speaker, Bill No. 20 is an example of this government's economic performance, in my view, Mr. Speaker. Bill No. 20 is an example of the government's economic policies.

It's my view, Mr. Speaker, that on one hand they're saying their economic policy is okay in terms of selling off the Potash Corporation of Saskatchewan, yet the other part of their economic policy, investing in GigaText, is acceptable.

Now I can't understand, and I don't think the people of my constituency can come to grips with understanding, how on the one hand: do as I do, but don't do as I say; or do as I say, but don't do as I do. This is an example, Mr. Speaker, of the government doing one thing as a thrust of their economic policy that is selling off the heritage of the people of this province, the Potash Corporation of Saskatchewan, a profitable one that's produced . . . And we'll get into those numbers. I've got many things I want to say about the profits and the revenues and the production; I'll get to that shortly with regard to the potash corporation. Yet on the other hand the mixed message is that GigaText, an investment of this government, is okay.

We're getting into Cargill in a few minutes, Mr. Speaker. But we've got here a government which has not put together a plan of any sort for the economic problems of this province. They stand in this House and they tell us that our economic plan is to sell off the revenue generating assets of this province — the corporations that subsidize the taxes and the taxpayers of this province to produce programs like dental programs and health care programs and education and minimize the tax burden, albeit how it's very high already, but minimize even the high taxes they've levied on the people of this province. And they want to sell it off.

Yet they'll spend five and a quarter million dollars on a company called GigaText without doing their homework, without doing the proper checks, without doing the proper inquiries, without striking a proper deal. And when the courts in Montreal finds that the GigaText corporation has ripped off the government to the tune of five and a quarter million dollars, what's their response?

They've got two responses: well, it's an RCMP investigation, let's sell the potash corporation, that'll be the answer. Well I say to you, Mr. Speaker, that is not the answer. That is the reflection of this government's lack of economic direction.

Some Hon. Members: Hear, hear!

Mr. Solomon: — We have seen in this session as well, Mr. Speaker, with regard to their economic thrust of the selling of the potash corporation, all of the questions arising around the Cargill deal. We have seen Canadian "88" Energy Corporation come to this government and say: for an interest-subsidized loan of \$10 million, give us

a loan at 7 per cent. We'll pay the 7 per cent costs on it, so subsidize it by 5 or 6 per cent a year, and we'll invest \$60 million of our own money, and we'll set up a fertilizer plant in Rosetown; we'll set up another . . .

The Deputy Speaker: — Order, order. The member is getting into details of other issues that are not before the Assembly. He's getting in . . . Order! I've asked — order, order — I've asked the member for Regina Rosemont to be quiet while the Speaker is on his feet, and I would ask the member for Regina Elphinstone the same. When the Speaker is on his feet there's to be silence in the legislature.

So I would ask the member from Regina North East not to get into specific details on other issues that are not being debated at this time before the Assembly.

Why is the member on his feet?

Mr. Lingenfelter: — Mr. Deputy Speaker, I just want to say again that I quoted from you, when the minister was introducing the Bill, large numbers of other issues that he talked about. And in your statement you referred to the member from Regina North East, and the member for Regina North East isn't even in the room . . .

The Deputy Speaker: — Order, order. Regina North West, I'm sorry. I ruled the member's point of order out of order before. He made reference to other issues. He did not get into specifics of the other issues, so I would ask the member from Regina North West to keep his remarks to the Bill before the Assembly.

Mr. Solomon: — Mr. Speaker, I think it's pertinent to the debate that the people of Regina North West, the people of Saskatchewan as well, understand — and hopefully maybe the government might understand some of this as well — that Bill No. 20, the potash Act, An Act respecting the Reorganization of the Potash Corporation of Saskatchewan, is an economic policy of this government. The sale-off of this corporation, if this Bill is passed, will result in the sale-off of this corporation. That is one of their economic instruments that they're putting forward to the people of this province.

My concern and the concern of the people of this province and the people of my caucus, Mr. Speaker, is that it is a mixed message. On the one hand, they're saying to corporations, here's our money, no strings attached. We're not going to check into things like all of the details that we've raised with regard to GigaText. We're not going to help out a company that'll come in here to set up a fertilizer plant that'll provide \$60 million of their own investments for a very modest subsidy in a number of communities rather than in one. They're saying that, and they're going to say, we're going to sell off the Potash Corporation of Saskatchewan as well.

But they're saying, we're going to — instead of supporting a company which is prepared to put in their own cash, they are prepared, on the other hand, to support a company by the name of Cargill, which is the largest U.S. private corporation in the United States with sales last year of around \$38 billion.

And, Mr. Speaker, it seems to me that what we've got to do . . .

Some Hon. Members: Hear, hear!

The Speaker: — Order, order.

(1600)

Mr. Solomon: — Thank you, Mr. Speaker. Mr. Speaker, the debate on this legislation on Bill 20 is truly a debate about the kind of future that we want for ourselves in this Assembly, for the people of this province, for our children, and our children's children. I say that because this legislation will determine how our province will manage and develop and sell an important non-renewable resource like potash well into the 21st and the 22nd centuries.

Unfortunately what this legislation offers Saskatchewan people is rather than hope and benefits and revenues, on the other hand, it offers a future of economic servitude to outside investors. It doesn't offer Saskatchewan people control of their future, but a future controlled by others. And it's my view that this Bill will long be remembered by Saskatchewan people as the Act which sold out their future. Bill No. 20 should be retitled an Act to sell out the future of Saskatchewan. That's the name of this Bill.

Mr. Speaker, today is day 68. We have been in this Assembly for 68 sitting days. An average session is 70 days. We have not seen in this Assembly half of the work that we have to conduct and do, and the session, in terms of previous sessions, is almost over — only three or four or five more days left. But I can tell you that if you don't count the 67 days, you add on the 17 days of bell-ringing, we're looking at . . . or 68 days, you're looking about 85 days.

But Bill No. 20, prior to today we've spent about 20 hours speaking on this Bill, or about eight separate days. And in 1976 when the potash industry was nationalized in Saskatchewan, the second reading debate of the nationalization of the potash corporation took up about 76 hours in total of debate, which is over 19 days. So from those figures, Mr. Speaker, you can see that second reading is just getting under way.

And I don't plan to speak for the next 56 hours on this, but I can tell you that I plan to speak on this Bill until my constituents feel that they've been heard, until the people of this province feel that we have represented them in an adequate way, and to speak on this Bill for as long as it takes, Mr. Speaker, to ensure that the future of the people of this province is protected from these scoundrels opposite.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Committee of the Whole in 1976, with regard to nationalizing the potash, took up 29 hours of House time — Committee of the Whole took 29 hours and over 10 days. So you look at the second reading and the Committee of the Whole, Mr. Speaker, and the total number of hours debating the nationalization of the potash was 105 hours in a total sitting length of about 24

sitting days.

Now today is hour 22 out of 105 hours that it took to nationalize. We are only into hour 22 of the debate in second reading in opposition to the selling off of this corporation. And I can tell you, Mr. Speaker, that when this was done in 1976, we in this legislature — I wasn't part of the debate, but the NDP was part of the debate — debated this Bill and allowed the opposition all the time that was necessary for them to take to debate the Bill.

And I can recall from reading some of the *Hansard* that the member for Qu'Appelle-Lumsden, the current Minister of Finance, stood on this opposition side as a Liberal and he looked over at the Conservative opposition, the third party in this House, and he chastised them for not taking a stand in opposing the sell-off or the nationalization of the potash industry in Saskatchewan.

And now that he's turned his coat — he's now not a Liberal but he's a Conservative, and he brings in this Bill to sell off the potash corporation as a Conservative.

And I wonder what kind of message that says. Earlier I was trying to make the point that the government in their economic policy makes the number one priority selling off a revenue producing and a profitable series of corporations at discount prices to their friends outside of this province.

That's the economic policy or part of the economic policy of this government.

The other part is that although they're saying that we should get out of owning assets, that people should be getting out of owning assets in this province through Crown corporations, they sink in \$222 million for a minority share of 17.5 per cent in the Lloydminster heavy oil upgrader.

As well, they sink in five and a quarter million dollars to a company called GigaText which has unproven technology, which was unchecked by their government. The potash thrust of their economic policy does one thing, and the other examples of their economic policy — the investments in the Lloydminster upgrader, the GigaText scandal, and now we're witnessing a massive flip-flop on their policy with regard to Cargill. Rather than assist the company to come in to invest money to construct a fertilizer plant, they're now saying, well we'll drop in \$60 million as well and we'll guarantee \$230 million on top of that. And, Mr. Speaker, I appreciate your reference to the Bill.

Rather than be consistent on their economic policy, they're inconsistent. They're doing one thing today; they're doing another thing tomorrow. And I think what the problem is, Mr. Speaker, with this government, is that they are inconsistent. You don't know where they stand from one day to the next, and I'll get into some of the examples.

But I want to talk to you about, Mr. Speaker, some of the history of the potash corporation in this province.

In the 1950s, the 1940s and 1950s, Tommy Douglas,

premier of this province, leader of the Co-operative Commonwealth Federation party, experimented with a number of social programs. He saw, as a result of years of Liberal and Conservative governments in this province, wide-strewn poverty. He saw firsthand a mismanaged economy.

He came to power in 1944 and the province was bankrupt. And what he did is he made Saskatchewan into a social laboratory. He and the CCF in those days created a social laboratory right here in Saskatchewan, Canada. And that social laboratory basically was an experimentation of programs that benefitted people, that were created by people, and were created to serve people.

And you've heard the stories about hospitalization, how Tommy Douglas and the CCF built that. You've heard stories about medicare. You've heard stories that the Leader of the Opposition has relayed about Tommy Douglas saying his greatest achievement was the electrification of rural Saskatchewan. But the bottom line in that, Mr. Speaker, was that we in Saskatchewan did it ourselves. We didn't go cap in hand to all of the large big businesses and the large corporations in this country and beg them to do what we could do ourselves.

We had a problem with SGI . . . with government rates, I should say, with high insurance rates. And what we did, Mr. Speaker, is we created a corporation, a Crown corporation similar to the potash corporation in theory, that was owned by the people of this province, that was providing a basic service at the cheapest possible rate, and providing a service in a universal fashion with the profits and the jobs remaining in Saskatchewan. We did it ourselves.

We go from that period of the '40s and '50s and the early '60s of the social laboratory of Saskatchewan to when Allan Blakeney and the NDP gained power in 1971. And what happened in 1971 and through the '70s and early '80s, Mr. Speaker, when the NDP were in power is that Allan Blakeney and the NDP looked at ways to provide revenues to pay for some of those programs that Tommy Douglas and even Ross Thatcher instituted so that taxpayers wouldn't have to shoulder the full burden. And he also improved the programs that were there.

So he created in Saskatchewan and the NDP created in Saskatchewan in the '70s an economic laboratory. We saw the social laboratory which worked well, was copied throughout North America in the 1940s, '50s, and early '60s. And under Allan Blakeney, we saw a leader who had vision, who really followed up on the vision of Tommy Douglas, because Tommy Douglas used to dream about ways to pay for these programs for people that wouldn't burden those that the program served.

So we saw Allan Blakeney introduce a number . . . and the NDP government introduce a number of programs and school-based child's dental program. We saw them bring in the Potash Corporation of Saskatchewan which produced millions of dollars of revenue and millions of dollars of income to the treasury of this province.

And what we saw as well is the NDP in the '70s introduce

not only the new corporation, the Potash Corporation of Saskatchewan, but we saw a very clear initiative with regard to resources and ensuring that resources of this province and the benefits therefrom accrued to the people of this province.

And that was done through the creation of other Crown corporations. And just as an example, in comparison to the Potash Corporation of Saskatchewan, we saw the Saskatchewan Mining and Development Corporation be created; we saw Saskoil be created — and I'll talk about Saskoil in a little bit; and we saw a number of other corporations that were profitable. They were created by Saskatchewan people; they were run by Saskatchewan people; they served Saskatchewan people; they employed Saskatchewan people; the profits remained in the province for the benefit of Saskatchewan people, and they benefitted this province immensely, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Solomon: — But the corporations weren't set up purely as an economic experiment. That's how I describe it — I had described a social laboratory and the economic laboratory in those terms. But what we saw, Mr. Speaker, very simply was a government elected by the people, for the people, who undertook their responsibilities in a very serious fashion, and in hard-working and in honest and in a long- or distant-visioned fashion they looked at what Saskatchewan was and who was going to be helping our province. It wasn't going to be the Cargills of the country; it wasn't going to be the Bronfmans; it wasn't going to be the Black family, Conrad Black and his family; it wasn't going to be all of those large, powerful Bay Street boys looking after our province.

If we're going to have something for our young people in terms of jobs and programs, the only route to go was to do it ourselves, and we did that. But we created Crown corporations for a number of reasons. We created them so that jobs and economic activity were here. Saskatchewan people were given preferential treatment if they were qualified, and they went through the process and they were hired.

Crown corporations were also established, Mr. Speaker, so that head offices could be located here and the spin-off benefits accrued to the people of this province. Rather than have Great-West Life located in Winnipeg, or London Life in Toronto, or Sun Life in Toronto, we have SGI located in Regina. Coming with that is the SGI building which provides some construction benefit; it provided taxation benefit, grants in lieu of taxes, and so on.

We also, Mr. Speaker, with regard to the potash corporation, through the potash corporation, wanted to get into these Crowns so that when they became profitable — and all of them did — but when they became profitable, revenues . . . that the profits they earned were sent to the treasury as revenues to the treasury, and the tax cost to the people of this province was, by that amount, reduced. So that was an important factor with regard to the potash corporation.

But the other reason for setting up Crown corporations

was to minimize the amount of foreign investment and control. If the people of this province own the potash corporation and they control the potash corporation, decisions affecting the business of the Crown corporation of potash will be in the best interests of those people that they serve and that are owned and controlled thereby.

And I can recall, Mr. Speaker, on many occasions travelling about the country and outside the country, that people in various local economies and state economies and provincial economies are looking for opportunities, are looking for the gifts that Saskatchewan has. Thousands of years ago God gave us potash in Saskatchewan. We have enough potash in this earth to produce at the current levels for 2,000 to 3,000 years. That will cover the lifetime of our children, our children's children, and their great-grandchildren and beyond. And what that means, Mr. Speaker, is that if this corporation remains a Crown corporation owned by them, controlled by them, and benefits accruing to them, they will have some economic clout in this country.

Once the corporation, the potash corporation, is sold off, it will be like many other corporations that are sold off. It will be run by those who own it. It will be controlled by those who own it. The revenues from the profits will go to those who own them — who own the shares. And we'll get into Saskoil in a few minutes.

(1615)

But I want to set the stage for my remarks, Mr. Speaker, by talking about the credibility of this government. They have on many occasions made a number of promises in previous elections. They have talked about a number of key elements in their economic policy. They've proceeded to convey those commitments in writing to a number of people. And we'll talk about those right now because I think it's important and pertinent to the debate.

And what we have, Mr. Speaker, is a government that is now saying, after they denied that they would do it, saying they're going to sell off the Potash Corporation of Saskatchewan and others like SaskEnergy.

I have here a copy of the Conservative digest. It's called *Pocket Politics*. It's a commitment in writing, a number of pages, of what a Progressive Conservative government would do if it became elected. And I want to say that the government, the party, the Conservative Party that is now government, on many occasions in the past made commitments through advertisements, through pamphlets, and indeed through writing in their own documents, that they would do a number of things for the economy of this province.

They talked about cutting personal income tax by 10 per cent. And what do we have, Mr. Speaker? We have not a 10 per cent cut in personal income tax, but we have over the last seven years an increase in personal income tax, when you include the flat tax, of about 108 per cent increase in seven years.

I'm trying to develop, Mr. Speaker, if I might, the argument about commitments made, commitments broken, and how it ties in to the potash corporation. They

promised, and I have here, that they will remove the sales tax on gasoline. It was 6 per cent at that time, 6.2 per cent I believe in 1982 before the election. They promised that if they got elected they'd eliminate the gas sales tax.

What happened is in May of 1982 the Conservatives got elected with a very significant majority. This promise helped them get elected. And the Premier of this province, the member from Estevan, stood in front of this Legislative Building — in front of the media, in front of the hundreds that were there to witness the swearing in of the government — his first action as Premier of this province, after swearing in his cabinet, was to promise . . . was to do away with the gas tax, the 6-cent a gallon gas tax. And I quote him, "never, ever reintroduce the gas tax in this province as long as there's a Conservative government." And that's the end of the quote, Mr. Speaker, but he made those commitments in front of this Assembly in 1982 in May.

He didn't comment about the fact that his advertising said if you elect a PC government you'll have a 40-cent a gallon break on your gas tax. Actually it wasn't 40 cents a gallon; it was 27 cents. Whoops, a little mistake.

He also said in May of 1982 that we were going to do away with this gas tax and never reintroduce it. Well he's broken that promise. He's not only reintroduced the gas tax, but he's increased it by 67 per cent — a 67 per cent increase in gas tax.

He talked about in this little brochure about eliminating the 5 per cent sales tax. And I guess he got it half right. He eliminated the 5 per cent sales tax. The thing he forgot to tell people is that he was going to increase it to 7 per cent. So the 5 per cent tax is gone; we've got a 40 per cent increase in that tax.

The Speaker: — Order, order.

An Hon. Member: — A point of order, Mr. Speaker.

The Speaker: — What is the point of order?

Mr. Martin: — Well, Mr. Speaker, he's talking about the gas tax. He's said nothing whatsoever about the mortgage protection plan, neither of which have anything whatsoever to do with the issue at hand here this afternoon. Would you please rule on whether or not he's on track, relevant to the issues.

The Speaker: — I listened to the member's point of order. And I'd like to remind the hon. member that while we allow some latitude in members' remarks and we also allow some latitude in the building of an argument, I don't think we should interpret it in a sense that we can argue a litany of events or policies that may or may not have taken place and use that as an argument that, I'm building my case for the debate under consideration. I'm sure the hon. member realizes that, and I'm sure that on reflection he will not continue to go on at great length or, as I said earlier, introduce litanies of issues.

Mr. Solomon: — Thank you, Mr. Speaker. Your point is well taken, and what I'm attempting to do — I agree with what you are saying and I will stick as closely as I can to

Bill 20 — but what I'm attempting to do is to build the case where a government that is incompetent, that has mismanaged the economy of this province, and that has not done the job they were elected to do — we can go over those commitments and basically we've done, Mr. Speaker, is we've shown . . . they have shown themselves in spades that all the promises they've made, they've broken. That's the basic message here.

They promised to balance the budget, and we have not seen a balanced budget out of the last seven or eight that they have produced — the last eight that they've produced. And in fact we've seen not a balanced budget but a deficit budget in every case, to the point now where we're hampered with \$4 billion in operating debt.

We've also heard the promises made about improving medicare and bringing our young people home, and the medicare system according to their definition has been approved by the gutting of the children's dental program and the elimination of the drug program as we once knew it.

But we've seen, Mr. Speaker, as well in this document, some reference to the Potash Corporation of Saskatchewan, and I want to just quote from this if I may. What I see, Mr. Speaker, is that on page number 14 of this document some reference regarding the dismantling of Crown corporations. And the question it says here, and I quote: Is it true the Conservatives plan to dismantle the Crown corporations? is the question to the, at that point, leader of the Conservative Party who is now the member from Estevan. And his answer is . . . Here is the question:

Is it true the Conservatives plan to dismantle the Crown corporations?

His response was:

Absolutely not. That's a scare tactic the NDP is using.

And I continue with his quote, Mr. Speaker. This is the now member from Estevan, Leader of the Conservative Party.

A PC government will revitalize and improve the crown corporations of the province of Saskatchewan in such a manner . . .

Some Hon. Members: Hear, hear!

Mr. Solomon: — And it goes on to say, Mr. Speaker, this is in direct relation to what they're doing with regard of the sale-off of the Crown corporations. The member from Assiniboia-Gravelbourg applauds the fact that selling off the potash corporation and selling off SaskEnergy is a good thing. The member from Shaunavon applauds the same sentiment of the Conservative Party. The member from Pelly sits back there and he applauds, Mr. Speaker, his leader misleading the people of this province in this written document.

An Hon. Member: — What was the question, and what did he say?

Mr. Solomon: — The question, Mr. Speaker, that was asked of the now Premier when he was leader of the Conservative Party: Is it true the Conservatives plan to dismantle the Crown corporations? And the members opposite applaud that question. But the Premier's response, and I quote, was, "Absolutely not. That's a scare tactic that the NDP is using." That was his response.

I want to mention one other quote here, if I might. It says here, Mr. Speaker, and I quote, regarding the same question that the Premier responded to:

A few points are worthy of clarification in this regard. The first is that the Saskatchewan Progressive Conservative Party has not suggested the dismantling of SPC; nor for that matter, have the PCs suggested the same for any other natural monopoly where the obvious advantages of scale, and the confusion of added costs of competition, dictate against duplication or government divestiture.

That's what he says. So we see another circumstance where the Premier, in an effort, I suppose, to get elected, says one thing, and with Bill No. 20 and previous to this the effort to . . . the weak, incompetent effort to sell off SaskEnergy, says another; he does another — opposite actions.

I'm not sure whether the dictionary defines Conservative as opposite or not, but every suggestion or every statement that has been made by this government leading up to elections, during elections, and during the course of being in government, have always turned out to be opposite of what they've said. Their actions have always been opposite of what they've said.

But we've seen, Mr. Speaker, as well, a comment with regard to mineral resources. And it says here with regard to the potash corporation under a section, page 16, entitled, "Industry and Commerce":

A Progressive Conservative government will:

... develop mineral resources through Saskatchewan and Canadian companies under government regulation and taxation policies which maximize returns to the province . . .

Now how does that square with selling off a Crown corporation which will only maximize returns to the shareholders outside of this province and outside of this country? It doesn't make any economic sense. It's opposite to what he said.

We've seen the Conservative government, Mr. Speaker, mismanage this economy — and I'll get to that in a second — so badly that they have lost the confidence in the people of this province to have faith and in trusting what they do any more. Nobody trusts what they say, let alone what they do, because it always ends up being confusing and complex, and obviously in every case, to the benefit of the big business interests of the Conservative government opposite.

The other thing, Mr. Speaker, I want to mention, because I

want to get into this for two minutes if I might, it says here on page 23 in the same Conservative document, *Pocket Politics*, authorized by the Premier of this province, the member from Estevan, and I'll quote here:

(An) NDP provincial government debt. In 10 years, the NDP government (this was done in '71) has created a debt of over \$2.3 billion . . . (in Crown corporation debt). This means that each family of Saskatchewan is responsible to pay \$9,500 of this debt.

They attacked the NDP for having a \$2.3 billion Crown corporation capital debt which was self-liquidating, yet what we have now, Mr. Speaker, is not \$2.3 billion. We don't have 5.5 billion. We don't have 6.5 billion. Mr. Premier, the Leader of the Conservative Party and his government and the member for Qu'appelle-Lumsden, the Minister of Finance, have created a Crown corporation capital debt not of \$2.3 billion, but of \$9 billion. On top of that we have an operating deficit of \$4 billion — \$13 billion in debt.

The Speaker: — Order, order. I know the hon. member is trying to tie it in, and if we take the issue of Crown corporation debt, for example, which is the argument he's using, perhaps to tie it in properly he should be relating it to the potash corporation itself, instead of in general terms.

Mr. Solomon: — Mr. Speaker, thank you. I appreciate that. I was slow in drawing the analogy, but I have a reputation of being a very thorough guy and I tend to get too much into detail.

Basically the connection is this, the connection is this for the members of this Assembly and for the people of the province. They have accused the previous governments, after 11 years, of having \$1.1 billion in assets in the Heritage Fund, of having \$150 million surplus operating, and a 2.3 Crown corporation billion capital debt, for a net debt of about \$1.2 billion. We now have not 1.2 billion; we have 13 billion — over 10 times in 7 years the debt of what we had before.

And the point I'm trying to draw here, Mr. Speaker, is that they are telling the people of this province that if they sell off the Crown corporation called the Potash Corporation of Saskatchewan, this debt is going to go away. That's what they're trying to tell the people of this province.

You look at the annual reports, and the net value of the corporation is somewhere around a billion dollars, or 1.1 according to their figures, which are suspect in my view. So if they sell off a part of it at a discount price and maybe get 4 or 5 or \$600 million, what does that do for \$13 billion in debt, 12 billion of which is theirs in the last seven years? How does that square with their rationale for selling off the Crown corporation and making it less pressure or exerting less pressure on the \$13 billion of debt that they've created?

I can't figure that out, Mr. Speaker, and I don't think they are being honest with the people of this province. I don't think the government opposite is being honest with the people of this province when it comes to the Potash

Corporation of Saskatchewan and other Crown corporations.

But we've seen, Mr. Speaker — and I'm going to be less thorough than I'd like but I want to draw some more analogies — that we've seen the Conservative government since 1982 go from a province under the NDP where we had the lowest taxes in the country, to where we're now the highest taxed province in the country. We've gone where unemployment was a low rate to where it's now doubled. We've gone from a province that had the highest minimum wage to a province that now has one of the lowest minimum wages in the country.

(1630)

The Speaker: — Order, order. I must interrupt the hon. member again, and I know he's trying to be thorough, as he indicated. However, perhaps he's being too thorough and not being on the topic. Now he's going to have to relate his topics to the Bill No. 20 more directly than he has. I must remind him of that, and I'm going to have to continue to remind him as long as he strays off the topic, which I'm sure he must realize he's doing.

Mr. Solomon: — Thank you, Mr. Speaker. What I wanted to try and bring into this argument was the fact that the Government of Saskatchewan, the Conservative Government of Saskatchewan has mismanaged this province. And I wanted to go through some economic indicators, because economic indicators are pertinent to Bill No. 20 in creating the atmosphere and the environment for the sale-off of the Potash Corporation of Saskatchewan.

And the argument the government puts forward with regard to this Bill, Mr. Speaker, is that the economy is booming, things are going well, and it's going well like never before. And I don't think that's an accurate reflection of reality. And they want to set the stage so that they can sell off this corporation and sell off the corporation at discount prices to their friends without telling the people of this province what some of the real economic indicators show.

And I've gone over the minimum wage and the unemployment rate and the tax situation, but in '82 we had the fastest growing population in all of Canada, and now we've got the fastest declining population in all of Canada. The out-migration of young people and others in the first quarter of this year was 1 per cent of the entire population; 12,000 people in this province, Mr. Speaker, in the first four months of 1989, left.

Mr. Speaker, I just want to finish some economic indicators here. I'd like to do that for two more minutes, if I might. But maybe I would perhaps draw back from my well of information and come back and speak another day.

But I want to also point out that economic investment in this province used to be, in 1982, at the highest levels in the province's history. We've now seen in 1988 and '89, economic investment is at its lowest level in the history of the province.

Housing starts is another economic indicator, Mr. Speaker. In 1988 the Saskatchewan Home Builders' Association said to this government and this caucus that it was their worst year in the history of the province of Saskatchewan for housing starts in Saskatchewan. In 1989 the first quarter was half of 1988, so it was 50 per cent of the number of houses started in 1988 were commenced in 1989 for the same period. So we've seen the worst year in 1988 fall by the wayside. This year will now be the worst year in terms of housing starts, in terms of economic indicators.

We've seen building permits — in 1981-82 the building permits in this province were at their peak; now they're at rock-bottom.

We've seen as well, Mr. Speaker, a job-creation record that was unparalleled in all of the nation in the 1970s and the early 1981-82. Now we've seen another record set by this government, in terms of their economic management, of the worst job-creation record in the history of our province in the last 50 years, Mr. Speaker.

We've seen a billion dollar Heritage Fund go by the wayside — that is now gone. In 1982 we had \$150 million surplus, which I referred to; we now have a \$4 billion debt and an 8 or \$9 billion Crown corporation capital debt.

So what we're seeing is roughly an 867 per cent increase in Crown corporation capital debt. It's increased 8.67 times over 1982. And that's an indication of what the government has been doing with regard to their economic performance.

And now they have the audacity to come to this House, and as their number one economic program, rather than deal with these problems in the economy that they've been the masters of and the authors of, they bring forward a Bill to sell off one of the most productive assets for now, for the past, and for the future of this province, that we've ever had.

It's a resource that is owned by everybody, a 3,000-year supply of a non-renewable resource, owned by the people of this province that they want to give away to people living outside of this province. There's a Scottish band by the name of the Proclaimers — you may have heard them, they're a new band — and they sing a song about their native land, Scotland. And they talk about the song . . . The song sings about the fact that in Scotland many of the resources are now owned by people outside of their country, and they say, we can't understand why we go, cap in hand, to people who rule our land and live outside of our country.

And here's what we're going to be faced with, Mr. Speaker, and I don't think most people understand why we let somebody else rule our land and then go cap in hand afterwards begging for pennies and dollars as they fall by the wayside. Why do they want to do this? Why do they want to sell off one of the most productive corporations yet to come in this province, at discount prices?

Mr. Speaker, I've now outlined to you and to the Deputy Speaker the outline of my remarks. I've touched on some of the things that I want to talk about, and I've got a significant amount of things that I want to raise, including the legislation comments that I have on it. I want to talk to the people of this province, and I want to say to the people of Regina North West, what has happened at Sask Oil and Gas Corporation, how that corporation has been given away for nothing to people outside of this province. And I want to talk about the Saskatchewan Government Printing Company, and I want to talk about the Sask Minerals corporation, and I want to talk about the annual report for 1987-88. And I want to get into some of the history of the potash corporation *per se*.

And, Mr. Speaker, I want to do that, but I, at this moment, beg leave to adjourn the debate.

Some Hon. Members: Hear, hear!

Debate adjourned.

The Assembly adjourned at 4:38 p.m.