

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session - Eighteenth Legislature
11th Day

Thursday, November 27, 1975.

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

On the Orders of the Day.

WELCOME TO STUDENTS

MR. D.D. MOSTOWAY (Saskatoon Centre): — Mr. Speaker, I should like to introduce to you and this House, a group of 64 Grade Seven and Eight students from River Heights School in Saskatoon. They are accompanied today by their teachers, Mr. Lamb, Mrs. Morgan and Mr. Sylvester. I believe that they have visited certain points of interest in Regina, and it is to be hoped that they will find this place just as interesting. Later on Mr. Dyck, who is absent for a little while, will be meeting them at the centre place, and the photographer will be there to take some pictures and we will have a little bit of a chit chat, if I may put it that way.

I know you will all join with me in welcoming them and in hoping that they have a very enjoyable stay in Regina today, and a good trip back home.

HON. MEMBERS: — Hear, hear!

QUESTIONS

SETTLEMENT WITH LIQUOR BOARD EMPLOYEES

MR. D.G. STEUART (Leader of the Opposition): — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Premier in the absence of, at least I thin, the Minister in charge of the Public Service Commission. In regard to the recently settled strike of the workers in the Liquor Board stores, which I am sure was welcomed by almost all Members opposite and a few on this side as well, we were told, at least it seemed tome that the implications were, that the information would be coming out fairly soon as to how much this settlement cost, what the percentage of it was. Would the Premier inform the House, what percentage or what was the total cost of the package that was offered to this union that brought them back to work?

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, I find myself in difficulty. I don't know what commitments may have been given to the union not to disclose the nature of this proposed settlement before they finish their voting. If the Hon. Member will permit me to take that question as notice, I will find out whether commitments were given. I noticed no statement was issued. If no commitments were given with respect to the terms of the settlement going to the union having an opportunity to consult its members and find out what the situation is, we'll be happy to disclose what the arrangement is. In any case when the settlement is either accepted or rejected we would be happy to disclose.

MR. STEUART: — I appreciate the Premier's position. I would hope and request that when he does give us this percentage - and there has been some indication it is as high as 21 per cent — I would hope that he would then relate it, if it is that high, which would be almost getting close to double the guidelines, that he would relate it to the position of his government generally on the guidelines in relation to the federal government's proposals. Also what his government intends to do with other groups that have been mentioned by Members of the Cabinet that may be given extra consideration. I hope the Premier will agree it is time that we outlined who these groups are and fairly quickly inform the public as to what we are talking about in the way of catch-ups so that as this knowledge goes out people can understand and relate it to their own position, both the workers in the province and people with professional incomes and so on. I hope he will give us this information at the same time.

MR. BLAKENEY: — Yes, we would try to accommodate the Hon. Member although he may be looking for percentages and many of these things are concepts rather than percentages. With respect to the Liquor Board employees I think it will be known that not only was bargaining underway, but indeed, I think the work stoppage was underway at the time that the guidelines were promulgated and we have said, and indeed the federal government has said, with respect, for example, to the postal employees, that where offers were on the table that exceed the guidelines, then the guidelines wouldn't apply. That was the situation with respect to the postal employees. That is certainly one of the explanations which will be offered.

COLLECTION AGENTS FOR SPC

MR. R.H. BAILEY (Rosetown-Elrose): — Mr. Speaker, I should like to direct a question to the Minister in charge of the Saskatchewan Power Corporation. Is it true that the credit unions and the banks who are authorized agents to collect the power bills, the customers' power bills, were issued a directive that as of December 1st that they would no longer receive a fee for the collection of these bills?

HON. J.R. MESSER (Minister of Industry & Commerce): — I believe the Member is partially right. It was just brought to my attention yesterday that there had been a decision to change the collection practices for power bills and it was intended to appoint more agents throughout the province of Saskatchewan to make it more convenient, especially for rural customers of power, to pay their bills. In so doing the amount of money that was paid, I believe 25 cents collection charge, to the credit unions, was terminated. I have not been able to investigate that fully. I have notified my assistant about it and expect his reply later today in regard to whether or not it was terminated, or whether it was simply expanded to yet other people who would have longer hours so that collection would be more convenient than it now is with the banking agencies.

MR. BAILEY: — A supplementary question, Mr. Speaker. If the banks

and the credit unions were to perform this service for the Saskatchewan Power Corporation and were not to receive a fee for doing so, I wonder if the Hon. Minister would like to explain then why other collection agencies would receive a commission, while it was being denied to the credit unions and the banks?

MR. MESSER: — Well, I would have to assume that if it was being denied to the credit unions and the banks, and it is too early for me to say as I am not clear in that regard because it was just brought to my attention, it would be because the Saskatchewan Power Corporation did no longer designate them as the agents collecting the fee for them in that particular area. In other words, it had been transferred to some other individual and I think that would be the only legitimate reason. If they had not designated another agent in the area, then I would assume that they would continue as a collecting agent and be paid the fee.

SYLVITE & IMC POTASH MINES

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, I should like to direct a question to the Minister in charge of the Saskatchewan Potash Corporation. I have been informed by members of the potash industry, that the government is actively negotiating with certain potash mines for outright purchase. Is this a fact, Mr. Minister, that the government is now actively negotiating with certain potash mines for purchase in the province of Saskatchewan? Can you tell me, (1) has it made a concrete offer to, or is it negotiating with, the Sylvite mine at Rocanville, (2) is it also negotiating with IMC at Esterhazy?

HON. E.L. COWLEY (Provincial Secretary): — Mr. Speaker, in response to the Member's question, I think it is difficult to be precise in the answer in the sense that we, we being the government and including, but not exclusively, the Potash Corporation of Saskatchewan, have met with all the potash producers of Saskatchewan, as of yesterday afternoon. We have discussed, in a general way, our approach and their possible approach to the newly announced government policy. I think it would be wrong to state at this time, that we are in active negotiations with any of the producers in the sense that we have a particular offer, on the table. It is simply a matter, to date, of having discussed their particular positions and what their particular corporate objective might be vis-a-vis the government's new policy. At some date in the very near future, I think that we might be entering into, depending on the stance taken by the various people in the potash industry, what you might call concrete negotiations, but it would be, I think, not quite true to say that today. I think it is less than concrete and more in the initial stages.

MR. MacDONALD: — What with these two Bills on the table, it reminds me a little of the Mafia that made an offer for a house down the street, and when the person refused the house, they blew it up

that night and came back the next morning and offered them half price.

Would the Minister tell me than, is it also true, because there is no question about it, they are negotiating, that they have also indicated to certain other potash mines that they will not be interested in their purchase at this time? I can think of two or three of them, the Minister well knows which they are, they have indicated that for the next few years there will be no interference in their operation, and that the Government of Saskatchewan is not interested in purchasing them or expropriating them at this time. If so, how did you come to the decision to expropriate or seize Sylvite and IMC and leave others alone, for the time being?

MR. COWLEY: — Mr. Speaker, the Member's statement is not true.

ANTI-INFLATION RESTRICTIONS RE FIRE, POLICE AND AMBULANCE SERVICES

MR. J.G. LANE (Qu'Appelle): — Mr. Speaker, before the Orders of the Day, it is properly a question for the Minister responsible for Municipal Affairs. After yesterday's indication the Premier has no confidence in the Minister of Mineral Resources, perhaps the question should be directed to the Premier.

The Throne Speech makes it clear that there will be other restraints on public spending and they will be announced in the Budget. I believe the federal anti-inflation legislation is to apply, and the guidelines are to apply, to municipal governments, these being properly within the domain of the provincial government, and with the stated possibility in today's paper of the Provincial Anti-inflation Board, will the government give the direct assurance to the people of Saskatchewan that there will be no restriction of fire, police and ambulance service spendings and that these services will be exempted either at provincial level, i.e. the Royal Canadian Mounted Police, or at the local government level, from any guidelines in the province of Saskatchewan.

MR. BLAKENEY: — Mr. Speaker, we find it quite difficult to answer many of the questions put by Hon. Members. First, they apparently assume that there are some laws or regulations somewhere applying 10 per cent guidelines, or 8 per cent guidelines, or 12 per cent guidelines. As we all know, those are press release guidelines. They are not in any statutes before the House of Commons. They are not in any regulations. These are simply, press release guidelines. Now, everybody on the opposite side of the House, or a number, are asking us to assert that we stand foursquare with a press release. When the government of the day decides that it is going to put its policy in law or in regulations, then we will be able to respond in some rational way. But while that government is restricting its approach to inflation to issuing press releases about what they are going to do, characterized by Mr. Stanfield, very properly, as being one particular position in the Bill, but quite another position when talked about by the Minister, then it is exceedingly difficult for any government, or anyone else, to make a rational response. This is the situation we are in.

I want to say again, there is no law, no regulations talking about 8 per cent, or 10 per cent, or 12 per cent. These have been confined to press releases and when the government of the day decide that they are going to take the public into their confidence and say what they are going to do on a legal basis, we will be in a better position to respond.

SOME HON. MEMBERS: — Hear, hear!

MR. LANE: — By way of supplementary, I think it has just been proven that the Premier has taken his lessons on answering questions either from the Minister of Social Services or the Minister of Mineral Resources.

By way of supplementary, will the government be prepared to divert money to be borrowed to nationalize, expropriate, or buy the potash industry, divert those monies into local government to guarantee the maintenance of fire, police and ambulance services, as a recognition that these services are of a much higher priority to the people of Saskatchewan, than is the nationalization of the potash industry?

MR. BLAKENEY: — Mr. Speaker, the question indicates that the Hon. Member does not understand the nature of the anti-inflation exercise. The position of whether or not the guidelines are applied to anybody's income is not based upon the presence or absence of money. The fact that an organization may be wealthy is no reason why they should employ their employees at higher wages. Accordingly, the fact that municipalities may, or may not, have money, is no reason why, if we talk about inflation, they should pay their employees, be they full employees or part employees, above or below any alleged guidelines. It doesn't matter whether a municipality is wealthy or not wealthy, if they pay more money, it contributes just as much to inflation. So, there is no way I can respond to the Hon. Member's question, because it is misconceived. It assumes that the difficulty is absence of money. The whole problem with inflation is that there has been too much money, and the fact that money may be supplied to municipalities will not in any way deal with the question of inflation. All I can say to the Hon. Member is, if he is asking that we divert money to municipalities so they can pay higher wages to combat inflation, I don't think I can answer that question because it is clearly one which misconceives the whole program.

SOME HON. MEMBERS: — Hear, hear!

MR. LANE: — Mr. Speaker, by way of a second supplementary, it is unfortunate that the Premier also doesn't understand the anti-inflation program, because it does indicate a limit on spending and I never used the figure 10 per cent or 8 per cent.

Will the Premier now be prepared to call attention to the Press that he failed to give the assurance to the people of Saskatchewan that these services will be adequately maintained in the province of Saskatchewan when limitations are put on the expenditures by municipal governments?

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MR. BLAKENEY: — Well, the Hon. Member clearly does not have any confidence in the municipalities of this province. I don't share his lack of confidence.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — I believe the municipalities of this province, if called upon to render police and fire services, will do so as they have in the past, and will render those services at an appropriate level. I know that this government, which I have the honour to lead, has provided more funds for municipalities in four years, then the government which he was supporting as an executive assistance to one of the Members, provided in seven years, and I could have made it seventeen.

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — I think the municipalities of this province will take more comfort in the hard dollars that this government has provided, than in the soft words of the Member for Qu'Appelle.

SOME HON. MEMBERS: — Hear, hear!

ANSWER TO QUESTION ON INCREASE IN SGIO INSURANCE

HON. E.C. WHELAN (Minister of Mineral Resources): — Mr. Speaker, I should like to answer a question that was raised in this House before the Orders of the Day, yesterday, by the Hon. Member for Wascana. At that time I said I would accept it as notice. His question was, and I quote:

and I wonder whether the Minister will indicate whether if, and when, an anti-inflationary policy is brought down, the inflationary rate increases by Saskatchewan Power and SGIO will be rolled back?

Mr. Speaker, I should like to carefully proceed with my answer, so that the Hon. Member for Wascana will not miss any of the facts that he has apparently been searching for; and will not, therefore, be forced into incorrectly drawing his own conclusions.

Mr. Speaker, roughly 50 per cent of the natural gas sold by the Saskatchewan Power Corporation has been imported from the province of Alberta. As a Crown corporation, the Saskatchewan Power Corporation supplies gas to Saskatchewan customers at cost. As everyone must be aware, even the Hon. Member for Wascana (Mr. Merchant, the price of energy commodities has risen markedly in the past year. The government Liberal government and the Government of Alberta agreed that the price of natural gas should be increased to the level where the same price would be paid per BTU of natural gas, as is now paid by BTU for oil. This will occur, according to the federal policy during the next three years.

The net result of these adjustments, Mr. Speaker, is extremely significant in that the cost of natural gas purchased from Alberta will increase from just over 30 cents per MCF, two

years ago, so in excess of 72 cents per MCF in the current year.

Let me point out to the Hon. Member for Wascana, Mr. Speaker, that this increase represents an increase in excess of 100 per cent. We purchase something like 50 to 60 million cubic feet of natural gas from Alberta. Annually. It is just fortunate that we in Saskatchewan have our own natural gas, enough to supply one-half of this province's needs, or else we would be in real trouble.

Mr. Speaker, with increase of this size, it is not too difficult to understand, even for the Hon. Member for Wascana, why the rates charged users of natural gas would be increased.

AN HON. MEMBER: — We didn't ask for a speech.

MR. WHELAN: — I might also point out, Mr. Speaker, that this question should have been asked in Crown Corporations. This is the sort of answer that he wants, he is going to get it, it is going to be in detail.

I might also point out, Mr. Speaker, that the federal government's attack on inflation excludes the pricing control of energy commodities. In their publication "Attack on Inflation: A Program of National Action", they note:

a need for further increases in the relative prices of some forms of energy (and that the government has also recognized the necessity of allowing Canadian prices of oil and gas to rise at a measured price, toward world levels.

Mr. Speaker, I would just suggest that if the Hon. Member for Wascana is going to ask these sorts of questions, he should get the background material first. I will loan him a copy of "Attack on Inflation: Program of Action", if he is unable to obtain one himself through connections he has in Ottawa. If it ever comes to the point where we appear before the Anti-Inflation Board, we will not hesitate to call to our defence, federal Cabinet Ministers, people whom he knows and whom I know very well.

Now, Mr. Speaker, I should like to deal with the question raised by the Hon. Member for Wascana regarding the Saskatchewan Insurance Office.

Mr. Speaker, the Hon. Member asked, and I quote:

Would the Minister indicate what the percentage increases were by SGIO in private dwelling insurance recently announced, and by SGIO in automobile insurance, recently announced?

May I remind the Hon. Member that one of the major objectives of Government Insurance is to provide insurance at a price in line with its cost. First of all, what about the rates for private dwelling insurance? He wants the question answered. Premium rates increase average 25 per cent for private urban and rural dwelling risks. They became effective October 8. Why? Because the cost of repairs had increased. Wages of employees were boosted under a new union agreement. The number of claims had increased. And the Member for Wascana may recall,

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that on June 25 in Regina, there was a storm which cost the Government Insurance more than \$5 million. The simple facts were, that there were not enough premium dollars being taken in to cover the losses and expenses of doing business.

Here are some facts for the Hon. Member. Using 1961 as a base of 100, the index of September, 1974, for the components of the consumer price index . . .

AN HON. MEMBER: — We didn't ask for a speech.

MR. WHELAN: — You've been asking goofy supplementary questions for a half an hour today; we didn't get anything out of it.

Regarding the consumer price index: (1) owners' repairs have risen to 222, furniture has gone up to 158, linens and draperies have gone up to 149.

Quite apart from the increasing level of costs, of prices, and values, there have been other important facts. An increase in the number of claims arising from causes other than fire and auto insurance rates; they were increased too, by an average of 25 per cent. Higher accident frequency and increased costs to repair or replace are the major causes. In July this year there was an increase of over 20 per cent in auto claims reported. The Hon. Members should also know that negotiations were carried on with private auto body shops; an agreement was reached which increased the hourly rate for body shop work from \$10.75 to \$14.50 an hour.

There were four major factors which brought about the rate increases on October 8. The continuing increase in claim frequency and costs in property and auto lines. Also, a new agreement with the SGIO union cost over \$1.5 million. A new agreement with the private auto body shops, effective July 15. A storm in Regina, June 25, costs over \$5 million.

Finally, Mr. Speaker, the Hon. Member for Wascana said, and I quote:

The rate increases have been as much as 50 per cent.

The facts are, that the average rate increases were only 25 per cent. The Hon. Member suggests that SGIO rate increases be rolled back. Does he suggest SGIO should not spend money for auto repairs? Does he suggest SGIO should not spend money for claims for home repairs? Does he suggest that the victims of the June 25th storm should not have been paid? Mr. Speaker, SGIO will present facts to the Crown Corporations Committee in this Legislature, and if SGIO is asked to go before the federal government's Anti-Inflation Board, we will call the Hon. Member for Wascana as our first witness. Why? The Hon. Member has told his constituency how he allegedly helped flood victims, and I quote:

Following the June floods I contacted the government, including the Minister in charge, to encourage them to take steps to help Regina flood victims.

Mr. Speaker, the Member for Wascana asked in the House yesterday, and I quote:

Whether the Minister will indicate whether he considers this good government policy, and the type of leadership that this government will be giving in the fight against inflation.

My answer, Mr. Speaker, is that it is good policy to help flood victims, even the Member for Wascana agrees. I think it is responsible and reasonable leadership, Mr. Speaker.

MR. MERCHANT: — Mr. Speaker, I had some difficulty hearing some of what my friend was saying because of all the interruptions.

MR. SPEAKER: — Order!

MR. MERCHANT: — It seems to me, Mr. Speaker, I know that I used both supplementaries yesterday, but on the Point of Order, quite clearly what the Minister gave was a speech with comments that were taken out of context. He made a presentation and it seems to me that we are allowed to respond to the speech made by the Minister.

SOME HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — The Minister was answering a question; I would be the first one to agree that the Minister was toying with the practice of having short answers to short questions.

HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — That doesn't necessarily mean that you have an opportunity to answer at this time. As you stated, you exhausted your supplementaries yesterday, and the questions for today are exhausted as well.

However, I will take this opportunity to make a ruling, or make a statement; I had better not phrase it in the term of ruling.

STATEMENT

QUESTION PERIOD

MR. SPEAKER: — Within the last few days several points of order have arisen pertaining to the oral question period. I would like to make a statement at this time to clarify the situation for all Members.

I first want to remind all Hon. Members that there is no Saskatchewan Rule which governs or makes provision for an oral question period before Orders of the Day.

A practice of the Assembly has developed over the years that approximately three oral questions with two supplementaries per question are allowed each day before Orders of the Day. I am prepared to allow four oral questions with two supplementaries per question due to the composition of the Assembly.

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Although this practice of the Assembly is quite informal, I would remind all Hon. Members that certain guidelines must be followed. It is in order for a Member to ask an oral question regarding any Saskatchewan Crown Corporation or Department of Government. The question must relate to an urgent and important matter.

The answer from the Minister must be, in like manner, short and to the point without a speech. The purpose of the oral question period is to have a quick exchange of questions and answers on topics that need to be cleared up before the Assembly begins its other business.

The Minister, in replying to an oral question, has several choices. First, he may give a brief answer. Second, the Minister may ask the Member to submit a written notice of the question. Third, the Minister may take the question as notice and reply to the question at a later sitting of the Assembly. Fourth, the Minister may reply that the information sought is "not in the public interest". (Beauchesne's Parliamentary Rules and Forms, 4th edition, p. 1531. Fifth, the Minister may ask for a written notice and then refer this written question to the Crown Corporations Committee. I wish to stress though, that oral questions pertaining to Crown corporations are in order in the Assembly and can be answered in the Assembly, if the Minister so wishes. The practice of allowing Members to ask questions in the Assembly on Crown corporations is important because the question can then pertain to the current operations of the Crown corporation. The proceedings in the Crown Corporations committee must pertain to the past year under review and all written questions referred to the Committee by the Assembly. By referring a question on current operations of the Crown corporation to the Crown Corporations Committee, the Committee is thereby authorized to examine that matter in the current year.

Regarding supplementary questions, two are allowed per oral question. The purpose of a supplementary question is to seek specific clarification of the answer to the main question. The supplementary question must also be brief and to the point and must seek and not offer information to the Assembly.

It is therefore reasonable that if a Minister replies that he will take the question as notice or asks the Member to submit a written question, a supplementary question would then be out of order. A supplementary question can only be asked if an answer is given.

I have outlined the practices of the Assembly regarding oral questions in some detail so as to try to clarify this matter. I would ask all Hon. Members on both sides of the Assembly to adhere to these guidelines so that the organ question period can be a productive period of time in the Assembly, i.e., a quick exchange of questions and answers.

MR. C.P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, we agree with your ruling and accept the indication as to how you would like to proceed with oral questions in the House. But I would ask you with due respect, the Premier answered those questions yesterday, not the Minister of Mineral Resources. The Minister of Mineral Resources used up in excess of ten minutes, which is in clear violation of the practice which you have just indicated to Members of the House.

The Minister did not take notice, the Premier prompted him and said that the government was asked the question and he was taking the option. I once again ask on behalf of fairness and according to the policy that you have just enunciated that the Member for Wascana be permitted the opportunity to reply to the statement, not the question.

MR. SPEAKER: — With respect to the matter you raise, I do not intend to allow the Member for Wascana (Mr. Merchant) or any other Member to follow with a statement or a supplementary question at this time. During the time that the Member for Regina North West (Mr. Whelan) was giving his answer, any Member of this Chamber had an opportunity to rise on a Point or Order. I heard Members saying Point of Order at the same time I heard other Members saying, no, continue, Ed, if I may phrase it that way. No Member rose on a Point of Order, therefore, I took it there was no Point of Order to be raised. Had they risen on a Point of Order about the length of the Minister's answer, I would have made a ruling at that time with regard to the wordiness of the answer.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — On a Point of Procedure, I am holding the record from yesterday's proceedings and I said in answer to your ruling, I will take the question on notice. Here is the record.

SECOND READINGS

HON. R.J. ROMANOW (Attorney General) moved second reading of **Bill No. 2 — An Act respecting the Potash Corporation of Saskatchewan**

He said: Mr. Speaker, yesterday I had the privilege of moving second reading of Bill No. 1, The Potash Development Act and at this time it gives me the equal pleasure of moving second reading of its companion Bill — Bill No. 2, The Potash Corporation of Saskatchewan Act, 1975, which I will formally move at the conclusion of my remarks.

I want to say, Mr. Speaker, that the Potash Corporation of Saskatchewan is in legal existence now. It came into existence on the fourth day of February, 1975 and has continued to the present as an Order in Council Corporation under The Crown Corporations Act.

This Bill, Bill No. 2, the Potash Corporation of Saskatchewan Act, 1975, will establish the Potash Corporation of Saskatchewan as a statutory corporation replacing; and at the same time continuing, if you will, the Order in Council incorporation established under The Crown Corporations Act and the Order in Council, February 4, that I have talked about.

This is set out in Section 3 of the Bill which is before the Members and the Members had an opportunity to consider it.

Mr. Speaker, perhaps the reasons for changing the Potash Corporation from an Order in Council incorporation to a statutory incorporation will be self-evidence to some of the

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Members, especially in the light of Bill No. 1 - The Potash Development Act. Simply put, the government felt that the importance of the potash project and the police that has been announced and subject to some debate now, for some considerable time, required that the vehicle that was to give effect to the policies of the government, that that vehicle should have its powers, its' privileges, its duties, its obligations clearly set out in a statute in proposed legislation for approval or rejection by the Members of the Legislature.

I think this becomes even more important when one realizes that much of the activities of the Potash Corporation of Saskatchewan, by its nature, will be conducted outside the borders of Saskatchewan. And indeed, on occasion, as we know by the nature of the matter, much of the business could very well be conducted, on occasion, outside the borders of even Canada.

As a result, it is important that we provide an element of clarity, statutory clarity, stability also for the Corporation and to base that in a statutory, rather than on an Order in Council, on a statute enacted by a duly-elected government and the duly-elected Members of the Legislative Assembly in considering this Bill.

I should also say, Mr. Speaker, that this Bill will clarify some of the powers which are presently in the hands of the Potash Corporation of Saskatchewan by Order in Council. This Bill will also expand on some of the powers that are given to the Potash Corporation of Saskatchewan. This will be seen by Members by perusal of this Bill. I will make a brief reference to some of the key sections of that statute later on in the course of my remarks this afternoon.

Mr. Speaker, before I do go into the detailed discussion of the Bill, quite obviously, the principle of this Bill is the establishment of a Crown corporation. To a large extent, Members will be asked, in considering the principle of the Bill, now in second reading, to either approve or reject the concept of a Crown corporation. There is another aspect of the debate, of course, the concept of a Crown corporation as it is tied to this particular activity. A Member might say no to the concept of Crown corporation, and that answers the second question. He might say yes to the Crown corporation, but say no to the combination of answers to the Bill, But, nevertheless, one important aspect of this, is the principle of Crown corporations.

Before I specifically talk about the sections of the Bill, I do want to speak to that principle, namely, the concept of Crown corporation activity in government generally, and as it relates to Saskatchewan in particular. I feel that I must do so, Mr. Speaker, because I have heard many Members of the opposition, Liberals and Conservatives, certainly I have read the newspapers' comments, which directly seek to attack or at least undermine the confidence of the people of Saskatchewan in some, or all, of the Crown Corporations that we have. In fact, even with respect to the potash policy, there is the direct or indirect attack on the principle of a Crown Corporation. It is argued by the newspapers that it is unwise for government to get into this activity, unwise, because one of the reasons advanced is that government, though the public Crown corporation, can't do the job. This is, in effect, a very rough paraphrase, but that I think, is the substance of the argument

which is contained. It is an attack on the mechanism of a Crown corporation as an instrument for developing, or tool of business activity in the public sector in society.

In effect, I have heard some Members argue that Crown corporations are not as good as private corporations; that private corporations can do the job better than Crown corporations; they are not as good as the private corporations. You hear this from time to time, it flares up, especially from the Liberal Party and on occasion from the Conservative Party as well, but I must say in fairness, not to the same extent.

MR. COLLVER: — Point of Order, Mr. Speaker. Could the Attorney General give evidence to this House that the Conservative Party has, in fact, stated such a position?

MR. ROMANOW: — Mr. Speaker, speaking to the Point of Order, the Member really is trying to make a debating point. He is really saying that my statements are not accurate and I debate with you on those statements. That is not a Point of Order. It is a debating point, of which the Hon. Member will have to rebut, if I am in error when he enters this debate.

MR. SPEAKER: — Agreed, proceed.

MR. ROMANOW: — Mr. Speaker, I want to say that the Crown corporations in the judgment of the Members on this side, are a very legitimate vehicle and mechanism to be used by governments in society. It is part of the mix of public and private in the market. I have heard this from Members opposite, about shoe factories and tanneries and leather; I see the Member for Assiniboia (Mr. Nelson) agreeing with me, that I have heard this in the criticisms. I have heard this type of attack on Crown corporations and since this Bill is establishing a Crown corporation, Mr. Speaker, I expect that this attack will come again from the Liberals.

I want to speak to the question of Crown corporations. Mr. Speaker, let's just take a look at the record. Since 1944, successive governments of Saskatchewan, including Liberal governments — fortunately, there was only the one Liberal government for seven years, which in the minds of some would be a little bit too long. Successive governments established a total of 28 Crown corporations in the province of Saskatchewan. These Crown corporations were established, obviously, to do business on behalf of the government, on behalf of the people here in the province of Saskatchewan. I am not including, for the purposes of my remarks today on this business of Crown corporations, other entities established by government and clothed with corporate structure, but which do not do business in the normal sense of a Crown corporation. There are variation in the definition as to what a Crown corporation is, but in the second reading debate you can challenge it or modify it where I am in error. I am really talking of such Crown corporations as, to give examples, the Saskatchewan Potash Products, Saskatchewan Minerals, Saskoil, Saskatchewan Computer Utility, Fur Marketing Service, Saskatchewan Power Corporation . . .

MR. STEUART: — You didn't start that.

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MR. ROMANOW: — I said since 1944, successive governments. I am not talking who started them.

. . . Saskatchewan Telecommunications, Saskatchewan Transportation Company, Water Supply Board, Saskatchewan Development Fund, Saskatchewan Housing Corporation, Saskatchewan Government Insurance Office, Crop Insurance Corporation, Municipal Financing Corporation and SEDCO (Saskatchewan Economic Development Corporation). Mr. Speaker, those were the Crown corporation carrying on normal business operations in the province of Saskatchewan at the year end of 1974. I think to this list, we obviously have to add, Saskatchewan Mining Development Corporation, Saskatchewan Trading Corporation, and with the establishment of the Order in Council and the passage of this Bill, the Potash Corporation of Saskatchewan, if and when this Bill is passed. This brings a total of 18 Crown corporations functioning now within the province of Saskatchewan.

Mr. Speaker, because they have recently been established, I am going to exclude the last three corporation, Mining Development, Trading Corporation and Potash Corporation from the global figures and the statements that I am going to make, because the figures to which I will refer, relate to the year 1974 and previous to that.

Mr. Speaker, I ask all Members to take note that to the end of the year, 1974, the obvious can be said; that some Crown corporations have shown profits consistently over the years, and some have shown losses, almost as consistently. However, to the end of the year 1974, I draw this to the particular attention of the Member for Prince Albert-Duck Lake (Mr. Steuart) that the family of Crown corporations in Saskatchewan, if I may describe it in those terms, has shown a total accumulate profit since 1944 to the year end 1974, in excess of \$350 million, to the people of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — Mr. Speaker, \$350 million in profits earned by public corporations owned by the people of Saskatchewan, and responsible to the people of Saskatchewan, though the elected representatives in this Legislature.

I want to also say to the Members opposite, those who are even now criticizing Crown corporations, criticizing Saskatchewan Power and criticizing Sask Tel and SGIO . . .

MR. LANE: — We would get rid of Cody.

MR. ROMANOW: — The Member for Qu'Appelle is particularly one who would see SGIO undone; I believe, if the Liberal Party should ever be re-elected, it would be undone. I want to say that in addition to the \$350 million in profits, Mr. Speaker, they have made a total accumulated payroll of slightly under \$700 million.

MR. LANE: — We'd get rid of Cody and Koskie!

MR. ROMANOW: — The Member said that he would get rid of two people. The

Member says that he would, if they were re-elected, reinstitute what they did when they were in power, namely, institute a witch-hunt on a political basis in the Crown corporations and public service. That is what the Member says. I am asking the employees of the Crown corporation to take note, the Liberal Opposition, not the Conservatives, if they should be re-elected, they will be acting to dismiss numbers of employees based on what the Liberals think are the politics of the employees involved. That is an attack on the Crown corporations.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — Mr. Speaker, I know that the Leader of the Opposition agrees with that approach because that was his. I know that the Member for Qu'Appelle agrees with that approach because he was working in government at the time they were doing it. I don't think that the Member for Regina Wascana (Mr. Merchant) and I don't think the Member for Regina South (Mr. Cameron) agree with the Leader of the Opposition, because I think they, at least, have some belief in the integrity of the Crown corporation concept.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — I tell you that these new-look Liberals that we have about, don't anybody be fooled with that; it is the same old bunch of Liberals who are opposed to Crown corporations, and will use their political test to the hirings and firings of the employees involved.

I want to come back to the point about the total . . .

MR. STEUART: — Point of Order, Mr. Speaker, we must call it to your attention, would the Minister get back to the Bill. I tell him in rising, we won't send him a letter this time, we'll phone those political hacks you hired to make it quick.

MR. SPEAKER: — Order. I believe the Minister's remarks were rather tenuous.

MR. ROMANOW: — Tenuous, but warm and sincere, Mr. Speaker. Mr. Speaker, what I wanted to say, I was provoked by the Member for Qu'Appelle who was shouting out names — I don't want to be involved in that.

I want to say this, the \$350 million profit was shown from the family of Crown corporations. In addition, it is important to note that the concept of Crown corporations has been good for the province of Saskatchewan in another way. We have paid out, estimated in round figures, for accumulated payroll during this period, 1944 - 1974, over \$700 million back into the economy, to Saskatchewan people; \$700 million in wages and benefits to employees and managers within, right here at home, the province of Saskatchewan.

I also want to say that at the end of 1974, these very same Crown corporations, the 18 or so that I have referred to, showed staffing in excess of 7,000 people, and not concentrated, may I

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say, in Saskatoon or Regina only. This is staffing which is scattered in the smaller towns and villages of Saskatchewan, as the country MLAs will know, and playing a very important part in maintaining the lifeblood of rural Saskatchewan, which is, as everybody knows here, a very important issue for the people of this province. I just want to repeat that again, \$350 million in profits shown, \$700 million paid out in salaries and benefits, 7,000 employees throughout the province. That's what the family of Crown corporations does for people of Saskatchewan in Saskatchewan. I say that certainly is proof positive that the family of Crown corporation of the people of Saskatchewan is a very important part of the economy and the fabric of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — I said at the beginning there have been 28 Crown corporations established since 1944, and 18 now are in existence. Someone says, what happened to the other ten? I want to deal with them very briefly.

Mr. Speaker, two of the Crown corporations, the Re-construction Corporation and the Re-construction Housing Corporation, were established, and I think everybody would agree with specific short-term objectives, to meet certain specific needs right after the war. When these objectives were met, the corporations were dissolved — dissolved, Mr. Speaker, I might add, showing a combined net accumulated profit of \$486,000 from their operations.

Another Crown corporation, Saskatchewan Marketing Services, which comprised the fish marketing division and a government trading division, was turned into northern co-operatives and continue to operate as such, as two northern co-operatives. I want to tell the Member who says, that — that was a winner, that was a real embarrassment; that when it ceased operation, it did so showing a net accumulated profit of \$134,000.

I want to deal with another one of the ten that are no longer in operation. Wood Enterprises, which included the notorious Prince Albert Box Factory, which the government took over after 1944 for several reasons, but one of which was that the owners flouted the Labour Relations Board orders and denied collective bargaining rights of the employees, flouting the law at the time, and losing money. And the government of the day took it over. It continued to lose money under government management, as it had under private management. It was wound up in 1957 with an accumulated net deficit of \$497,000.

Saskatchewan Industries Limited, which included a tannery division, a wool product division and a leather division, was closed between 1949 and 1954. It showed a loss also, an accumulated net loss of \$1.27 million. In 1949, the Saskatchewan Fish Board was closed, shown an accumulated net deficit of \$364,000, and in 1965, the Liberal government closed Estevan Clay Products, showing an accumulated net loss of \$255,000. Clearly, Mr. Speaker, each of these four corporations, I say, no matter what you argue about the wool, the tannery, or any of them, were honest efforts to create indigenous industries for the province of Saskatchewan, at a period, when I remind the Members, was during war and post-war years, when we did have social and economic problems. These were honest efforts to get businesses operating here in Saskatchewan. Even at that, the combined net

losses totally only (it's a lot of money) \$2.3 million.

Now, Mr. Speaker, clearly the biggest dollar disaster (because the Member for Prince Albert-Duck Lake very much wants to talk about dollar disasters and to pin it to socialism) clearly the biggest dollar disaster of any Crown corporation was the Crown corporation called Sask Pulpwood. I don't know whether the Hon. Member for Kindersley (Mr. McMillan), because he is a relatively young Member who was not here, would know much about Sask Pulpwood Crown Corporation, but I would tell the Member for Kindersley that Sask Pulpwood was a Crown corporation not established by the socialists, but it was established by the good old-fashioned, free-enterprisers who were in power from 1964 to 1971. This was their attempt to run a Crown corporation. This was established in 1966, and when it was wound up in 1971, I tell the Member for Kindersley, because I know he is very interested, and I know he will want to ask the Leader of the Opposition (Mr. Steuart) some questions about this after the debate, when it was wound up, the accumulated net loss of Sask Pulpwood was \$1.36 million. Mr. Speaker, that was more than the combined losses for the tannery, wool and leather operations put together. That was the Liberal enterprise in Crown corporations. But I tell you, even Sask Pulpwood isn't an indictment against the principle of Crown corporations, or the concept of Crown corporations' business being done by the people for the people. Even that's not an indictment, because I think it actually did what the Liberals wanted to do. Sask Pulpwood did what it wanted to do. The Liberals didn't want Sask Pulpwood to run as a Crown corporation of business in the marketplace, really. I say that it appears from an examination of the operation, that it was really established as a method to giving a form of subsidy to the Prince Albert Pulp Company.

MR. STEUART: — Right on! Correct!

MR. ROMANOW: — The Leader of the Opposition says that was the objective and that's what it did, and that's right. So it wasn't really a Crown corporation; it was a manner of channelling funds through the pulse of a Crown corporation to a private company, Prince Albert Pulp Company.

Now, of course, I won't make the comments about welfarism of how it was a loss of public money. I'm not going to get into that debate, but it was not a proper use of the concept of a Crown corporation. Maybe it served a legitimate need of the government of the day in other areas, that's for them to decide, but I'm talking about the principle of Crown corporations.

But, unfortunately, Mr. Speaker, the Liberal record on Crown corporations does not end there. You have to add to their track record, the fact that they sold Sask Air, another Crown corporation. They sold Sask Air when it had an accumulated net profit of \$334,000. They sold Estevan Brick when it had accumulated net profit of \$64,000. They sold Saskatchewan Guaranty and Fidelity (the former Member for Milestone - Mr. MacDonald want to hear this) when it had an accumulated net profit of \$275,000.

So, all in all, Mr. Speaker, it certainly was a sorry picture during the Liberal years 1964-971, when Crown corporations were under attacked everywhere in this province, because it was they who tried to blacken the good name, indirectly or other-

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wise, the Saskatchewan Crown corporation family by their actions.

Mr. Speaker, if you total up all of the profits and losses of the ten Crown corporations that have gone out of business for one or more reasons, the total accumulated net losses — all of them, regardless of the politics, whether under Liberal or NDP, whatever the government, there were errors in judgment, there were embarrassments — but when you total all of that up, the total accumulated net loss is slightly over \$2 million; and you have to compare that, Mr. Member for Kindersley, to the accumulated net profit of over \$350 million. Imagine, losses of \$2 million in the family of Crown corporations and profits in excess of \$350 million. That's the record of Saskatchewan Crown corporations.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — If one only looks to the Crown corporations which have operated in the resource sector, which, like the Potash Corporation of this Bill, still finds the total accumulated net profit of over \$17 million. That figure could have been increased by a further \$4 million, if it had not been for two major losses. One, I have already talked about — the Sask Pulpwood loss; and the other one is the Water Supply Board loss.

The Water Supply Board, again the Member for Kindersley was not here, but I can tell the Member that the Water Supply Board was set up in 1966, and when you are asking the Leader about the Sask Pulpwood, you might also ask him about the Water Supply Board. That was set up in 1966, and again, it's intention (I think the Leader would agree with me) was to basically subsidize the private sector. Why was the private sector subsidized? Some of the potash companies at that time were coming on-stream. The very same potash companies which are the subject of the current policy debate.

MR. R. L. COLLVER (Leader of the Progressive Conservatives): — Would the Attorney General permit a question?

MR. ROMANOW: — At the end of my speech.

AN HON. MEMBER: — When is it going to end?

MR. ROMANOW: — Very shortly. I see that I have a full House, and therefore, I'm encouraged.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — Furthermore, it's so rare that the Leader of the Opposition (Mr. Steuart) and the show Leader of the Opposition (Mr. Collver) are here together. I thought you might have the benefit of any words that I might have to say, the wisdom of those words. So I won't be very much longer.

I want to say, Mr. Speaker, that the record has been a very good one, a very beneficial one to the people of Saskatchewan, and I say this record alone justifies, certainly doesn't warrant the type of attack that the Liberals continually mouth against

the principle of public ownership and Crown corporations, as I m sure they will when they join us in debate on this Bill.

Now, Mr. Speaker, that is one of the principles of the Bill, establishing a Crown corporation, and now it is the Potash Corporation of Saskatchewan and I want to briefly discuss some of the details of the Bill, clause by clause.

The first series of sections — that is, from Sections 3 to 8 inclusive, establishes the Potash Corporation of Saskatchewan and as I said earlier, provides continuity with the Crown corporation already in existence under the Order in Council.

These are the generally accepted sections contained in most other Crown Corporation acts which have set up this family, giving the corporation legal entity and the power to function through a Board of Directors.

Section 9, Mr. Speaker, contains the broad general powers of the Corporation, and those of you who had experience establishing companies in the practice of law, will recognize the sweeping terminology to make sure that the Corporation has a sufficiently broad corporate power base to carry out its activities. Notice especially, if you will, the power to participate in the mining industry with all the necessary powers ancillary thereto.

Note as well, the power in the Corporation to form associations, partnership or joint ventures with other person or companies, to achieve its objectives.

Section 10 of the Act provides power to acquire property and interlocks with The Potash Development Act of 1975, Bill No. 1, and also provides powers to acquire property independent of that Act.

Section 11 provides similar powers to acquire shares, debentures and securities or other evidences of indebtedness.

Mr. Speaker, perhaps the more important sections of this Act are Sections 14, 15, 16, and 17, which provide that the Corporation may borrow to finance its activities on the basis of a guarantee by the province. These are the standard sections, similar to those in legislation establishing he Power Corporation and the Telephone Corporation, and in fact, the procedure which normally we have followed.

The remainder of the sections are generally standard sections, supportive of those which I have referred to.

Now, Mr. Speaker, this is a rather hurried look at The Potash Corporation of Saskatchewan Act. The detailed questions about the Bill and the operation of the Crown Corporation alike can, of course, be handled in Committee of the Whole. As I have earlier stated, the principle of Crown Corporation is sound; the principle of a Crown corporation in potash, given the statements of the government and others, is also sound. I urge all Members to give support to Bill No. 2, and I take pleasure, therefore, in moving second reading of The Potash Corporation of Saskatchewan Act of 1975.

SOME HON. MEMBERS: — Hear, hear!

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MR. COLLVER: — Mr. Speaker, before the Attorney General takes his seat, since he obviously has the considerable financial data at his disposal, would the Attorney General please provide this House information as to whether or not, first — the financial information being given as profit is in accordance with generally accepted accounting principles and practice, and second — how much in Crown corporations' profits, even with the Attorney General's own figures, did the Government of Saskatchewan earn in corporations in which it did not have a monopoly in Saskatchewan?

MR. ROMANOW: — Well, Mr. Speaker, I would answer the Hon. Member in this way. That, first of all, the question of proper accounting practices, I am certainly convinced that the Crown corporations' accounting practices are as proper as the usual account practices. If the Hon. Member disputes that, and I know, not by way of the tenor of the question, that he, in fact, disputes this, and I have read some newspaper statements made by him in which he does, but really what he should do is to put that under very careful scrutiny in Crown Corporations Committee where actually, the activities of the Crown corporations are indeed under scrutiny and the accounting methods can be argued. I would simply advise the Member opposite that this is an old argument about the proper accounting methods.

The late Premier, W. Ross Thatcher, tried to campaign on that issue, and I think, was defeated, among other issues on that issue in 1971. It is an issue which has long been put to bed. I think if the Member want to resurrect it as an argument, my answer to him is, yes, it's proper and normal, the accounting, notwithstanding your statements. If you challenge that, then test it in Crown Corporations and we'll see.

MR. COLLVER: — Mr. Speaker, just a clarification on the point, if I may, The word 'profit' in accordance with generally accepted accounting principles and practice, is not used in Crown corporations' statements and the Attorney General has been misusing the word all afternoon.

AN HON. MEMBER: — That is in your opinion.

MR. COLLVER: — It's not used, not in the statements.

MR. ROMANOW: — To answer the question, because I will term it as a question, is that's a matter of debate. Obviously, we have a lot of point of debate, policy and other points of debate, which the Hon. Member will have full opportunity to question the Minister in charge and the management in Crown corporations, as to whether or not it is proper accounting.

I simply tell the Hon. Member that I'm satisfied and the government is, that it is proper and that the statements made by the Hon. Member in this area are wrong and I say underlie (which I said in my remarks earlier) the basic contempt for Crown corporations that the Conservatives have, together with the Liberals.

SOME HON. MEMBERS: — Hear, hear!

MR. S.J. CAMERON (Regina South): — Would the Attorney General permit a very short question? Does the Act require that the head office of the corporation be located in Saskatchewan?

MR. ROMANOW: — The answer is 'yes'.

MR. CAMERON: — Under Section 7?

MR. ROMANOW: — I believe it is under Section 7. I haven't seen it lately, but it should be in the Bill.

MR. E.C. MALONE (Regina-Lakeview): — Mr. Speaker, it's interesting to hear the Attorney General talk about a Bill and not say anything about the basic contents of the Bill. Now it's true that this Bill does refer to a Crown corporation, and it may be well within the future we will discuss whether Crown corporations are good or bad. But the contents, the guts of this Bill, Mr. Speaker, refer to money, the raising of money to take over potash companies.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — That's what this Bill is all about.

Now I think, Mr. Speaker, it is appropriate at this time to review some of the speeches of the government Members about money, and remind you we've had a Speech from the Throne, no mention of money; we've had the Premier on television, paid for by the taxpayers of Saskatchewan, no mention of money; we've had the Premier speak in the Legislature on potash takeovers, no mention of money; we had the Attorney General speak yesterday on, and on, and on, and no mention of money. Well, there was one mention of money — he said that he wasn't going to tell us how much it was going to cost to take over these potash companies. We heard the Attorney General speak again today on the very Bill that will deal with the raising of money to take over potash companies and not one word.

Now, I say to the Attorney General, and I say to the Members opposite, that we feel, on this side of the House, that it's your obligation to give us this information. And I say to the Attorney General that he may very well take the position that it would be inappropriate to give us this information because of dealings with the potash companies. But I say as well, that you are ignoring a very fundamental principle, Mr. Attorney General, when you refuse this information. That's the principle that this Legislature, this Assembly, votes on supply. That is why it is here. That is the historic role of this Assembly and the House of Commons in Parliament.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — I say, Mr. Speaker, to the Attorney General, that when you do not give us this information, that you are not only showing a contempt for this Legislature, you are showing a contempt for the people of Saskatchewan, because this information is critical as to whether they will understand and approve the measures being taken by the government.

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Now, I'm saying right now, Mr. Speaker, that this is the information that we want. We want to know how much, or approximately how much, the government is prepared to risk in this venture. We want to know where the money is coming from. If it is coming from the province of Saskatchewan, we want to know whether it is coming from retirement funds, whether it is coming from the Energy Fund. If it is coming from the Energy Fund, will there be a delay in energy exploration for petroleum, natural gas, uranium, or whatever? If it is coming from outside the province, Mr. Speaker, we want to know from where. Is it coming from the Americans, from the Arab nations, from multi-national corporations that you so despise? We want to know the interest that is going to be paid on this money. We want to know the total cost of negotiations for this money — whether that is finder's fees are being paid, legal fees. We want to have all of this information, Mr. Speaker, before we will allow this Bill to pass.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Now I repeat, Mr. Speaker, it is the function of this Assembly to have this information. It is the right of the people to have this information.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — And, I put the Attorney General and his colleagues and the Premier on notice right now, that we will do our utmost to delay the passing of this Bill, until this information is forthcoming.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Mr. Speaker, I shall have further things to say about this Bill at a later date, and at this time I beg leave to adjourn the debate.

SOME HON. MEMBERS: — Hear, hear!

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Romanow, that Bill No. 1 — **An Act Respecting The Development of Potash Resources in Saskatchewan** be now read a second time.

MR. E.C. MALONE (Regina-Lakeview): — Mr. Speaker, on rising again on Bill 1, I should like to make a few comments about the remarks of the Attorney General yesterday, before moving into the more formal parts of my contribution to this debate.

Well, I was going to say, Mr. Attorney General, that your speech yesterday, in my opinion, wasn't one of your better ones. I put it on a scale of one to ten, at about five. However, it appears, Mr. Speaker, and Mr. Attorney General, that the speech

was enough to convince the Tories, the Members to my left, that if they are not going to oppose the Bill, I take it and I think the people of Saskatchewan will take it as tacit approval of the Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — In fact, Mr. Speaker, it wouldn't surprise me in the least if we walk in here tomorrow and find seven chairs missing from this side of the Assembly and sitting over on that side of the floor.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Because, Mr. Speaker, for all they have contributed to date in this debate, they might as well be sitting over there with the other backbenchers of the NDP.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Now, Mr. Speaker, as well I think it's proper to raise the question as to why the Attorney General is introducing these two Bills.

MR. ROMANOW: — I like to make public speeches.

MR. MALONE: — Yes, we know you like to make public speeches.

Now, the Member for Wascana (Mr. Merchant) said the other day, that it was a lawyer's Bill and that's why the Attorney General is leading the debate. Now, I'm not quite as kind as the Member for Wascana, because I think the Bill is not really a lawyer's Bill, except for possibly one section, Section 45. The rest of the Bill is very easily understood, and is in fairly straight-forward language. So I think, Mr. Speaker, that there are more devious reasons for the Attorney General to be introducing this Bill. I can think back, Mr. Speaker, to just a few months ago, when we had the spectacle of the Attorney General again presenting a Bill that had nothing to do with his department, nothing to do with his position as House Leader, nothing to do with his position as Deputy Premier, that was the bill that put the SPC workers back to work.

At that time we all recall the spectacle of the, then Minister in charge of the SPC, sitting quietly beside the Attorney General like a puppet, whispering answers to him, and we all know the reason why the Minister in charge of the SPC, Mr. Thorson, was not allowed to introduce that Bill. It was because he would have to answer questions in the Committee of the Whole and the government was not prepared to allow him to do so.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Now, one would think, Mr. Speaker, that the Minister of Mineral Resources would have more than a passing interest in these potash Bills. He's the Member of the Cabinet

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that's responsible for the development of resources in this province. I would think that he would be concerned about the development of the potash industry in Saskatchewan, but he is not introducing the Bill. I suppose he can be forgiven, Mr. Speaker, in that he is relatively new to the position and perhaps at this time does not have enough knowledge to answer questions in Committee of the Whole, so I excuse him. But then, Mr. Speaker, we turn to the Minister responsible for the Potash Corporation of Saskatchewan. Ah, he's here today.

Mr. Speaker, we all know that this Minister is a very articulate and able Minister, so there is no reason whatsoever, Mr. Speaker, for him not to be introducing this Bill, except for one thing, Mr. Speaker. Unlike the Minister of Mineral Resources, this Minister knows too much. He knows what's happened in the negotiations with the potash companies.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — He knows it in detail because he was the Minister of Mineral Resources and he was the Minister of Finance for a period of time, when negotiations were taking place. I suggest to you, Mr. Speaker, that the reason that this Hon. Minister is not involved is because he does not want to be put under the scrutiny of the opposition by answering questions in Committee of the Whole.

I remind you, Mr. Speaker, and the Hon. Minister, as to the fate of Mr. Thorson, when his political career was destroyed because he was not allowed to participate in the debate, and I predict, Mr. Speaker, that the Hon. Minister will receive the same fate in three and a half years.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Now I wish the Minister of Finance (Mr. Smishek) was here, because I had some choice words for him, but I'll save them until he returns from his visit to Ottawa.

But, I say, Mr. Speaker, that those Ministers whom I have referred to, and those Members who sit opposite who have potash companies in their constituencies, had better participate in this debate and not sit back and hide behind the oratory of the Premier and the Attorney General like they tried to do on the SPC Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Because the people of Saskatchewan want to know where they stand. The workers in the potash mines want to know where they stand. But I warn them, because the same fate will happen to them as happened to the Ministers who had oil in their areas. The same fate will happen to the Members who had oil in their areas.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — When they discussed Bill 42, they were roundly defeated. Now, again, Mr. Speaker, we've heard from the Attorney General

and I think it's been made obvious by him, and by the Premier, in public statements, that they want this Bill pushed through before Christmas. But, I remind the Premier that some years ago he indicated that we would be holding a fall session of the Legislature, so that the government could table what it calls controversial legislation or any legislation for that matter, to be considered by the opposition, to be considered by the people, between the fall sitting and the spring sitting of the session, so that we would have an opportunity to examine the legislation and to consider the implications arising from it.

I suspect, Mr. Speaker, and I haven't been in this House very long, but I suspect that this is probably the most controversial Bill that's ever been brought before this Assembly. I say to the Premier and to the Members opposite, what's your hurry? Surely, this is the type of Bill that demands public scrutiny and public criticism. Surely this is the type of Bill . . .

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — . . . the Premier was considering when he made his announcement some years ago about holding a fall sitting of the Legislature, and I say to you, Mr. Speaker, that at a later date in this debate, one of my colleagues will present an amendment to this Bill before us, along the lines suggested by the Member for Regina South (Mr. Cameron) so that the Bill can be held p, so that we can hear from the people of Saskatchewan, not only from those having interests in potash mines, but the workers, the business people, indeed Members of the New Democratic Party.

I remind you, Mr. Speaker, that the last time a Bill was rammed through this Legislature before Christmas, was when we considered Bill 42, The bill that destroyed the private oil industry in Saskatchewan. That Bill was a disaster, Mr. Speaker, and perhaps the reason it was a disaster was because of the hurried consideration that was given to it.

I suggest, Mr. Speaker, that Bill 1 will meet the same fate as Bill 42, and that the people of Saskatchewan will be the losers thereby.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Another thing that occurs to me, Mr. Speaker, is that here we are debating potash and the takeover of potash, but I think the people of Saskatchewan, and the people of Canada, have a greater concern, that's not saying they don't have a concern about potash, but they have a greater concern at this time about another topic. That topic is inflation.

I suggest, Mr. Speaker, that if the government was properly doing its duty, we would have some legislation on the Order Paper about inflation.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — I believe it's more than six weeks since the Prime Minister of Canada made his famous speech about inflation. It's been more than six weeks since that time, Mr. Speaker. We still do not have a Bill dealing with rent controls, we still do not

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have a Bill dealing with professional fees, we still do not have a Bill dealing with anti-inflation measures. I suggest, Mr. Speaker, that this is what the people of Saskatchewan are concerned with, more than they are with potash.

But once again, Mr. Speaker, it demonstrates to me that the priority of the NDP is not people, but power.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Their priority is to ram through legislation as quickly as they can, to take even more power unto themselves than they have had in the past. Their priority is not the people of Saskatchewan, to give them some relief from the ravages of inflation. People! Their priority is power, more and more and more every day.

SOME HON. MEMBERS: Hear, hear!

MR. MALONE: — Now, Mr. Speaker, as well I think it's fair to indicate that the Speech from the Throne said it was going to deal with inflation, the Premier has said publicly that he's going to deal with inflation, but other than making these remarks, other than paying lip service to the requests of the federal government, they have done nothing. And the reason they have done nothing is because of their commitments to organized labour.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Now, I must say, Mr. Speaker, that I was to a certain extent proud of the Premier at his convention in Saskatoon, when he apparently stood up to organized labour and said that he was going to put the interests of the people of Saskatchewan above the interests of one narrow group. But we've yet to see, Mr. Speaker, what the Premier intends on doing. They are stalling because of their commitments to labour. In fact, Mr. Speaker, they are waffling and they will continue to waffle until they can make some deal with labour.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Now let's turn to some of the remarks of the Attorney General yesterday. These aren't in order of importance, Mr. Speaker, they are just in the order that I could get them down.

I think one of the first things, or one of the most amusing things the Attorney General said yesterday, was that the potash companies were reaction against the request of the government to pay, and I quote, "a little more tax". Well if that is a little more tax, Mr. Speaker, I'd hate to see what the NDP consider to be a lot more tax, because the tax is almost confiscatory as it is.

Now, as well, the Attorney General kept referring to multi-national corporations in the earlier remarks in his speech. I think he must have referred five or six times to this great bogey man, multi-national corporation. I say, Mr. Speaker, that I disagree with the Attorney General's tactics in this regard,

because while they may not be scare tactics, they are throwing up a bogey man to the people of Saskatchewan. They are throwing up something that's really not an issue here. I take exception to the manner in which he did this.

I can't help but be amazed too, Mr. Speaker, because on one hand the Attorney General attacks what he calls multi-national corporations, on the other hand the government is going to be running down to New York or wherever to borrow money to finance this very venture, and the money is going to come from multi-national corporations, one way or the other.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — So when it suits their purpose, they attack and when it doesn't suit their purpose, they remain quiet.

A few remarks, Mr. Speaker, about the prorationing scheme. The Attorney General was very bitter about the actions of the potash companies on the prorationing scheme, but he didn't tell the whole story. He didn't tell this Assembly and the people of Saskatchewan that when the prorationing scheme was introduced, that the price for potash was at an all-time low, that the prorationing scheme was introduced as a protective device and a conservation device for the potash companies, and at no time was it ever suggested that this scheme would continue in effect forever. In fact, I can well remember hearing the press report on it and always the reports were that as soon as the world market recovered, the prorationing scheme would be taken away.

The prorationing scheme was introduced by the Liberal government as I indicated, as a protection and conservation scheme for the potash companies. The prorationing scheme was used by the NDP government as a taxation scheme.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — I may be incorrect in this remark, Mr. Speaker, and I'm sure the Attorney General will correct me, but if I recall, there is one company that did not want to go along with the prorationing scheme. That was Central Canada. I believe they made their views very well known at the time and continue to make their views well known, and the reason they didn't want to go along with the scheme was because of contractual obligations in the United States. I believe it's this very same company that started the action which ended the prorationing legislation when it was held to be unconstitutional. So I suggest that this company is not acting in any manner that is inconsistent at all, that they've been consistent throughout, and that it is unfair to describe them as anything else.

Now again, the Attorney General said there was a meeting on April 29, where proposals were made by the government to the potash companies, presumably about the reserve tax. I wonder if those were proposals, Mr. Speaker, or whether it was a *fait accompli* at that stage, whether the potash companies were told here it is, take it or leave it. I wasn't at those meetings and I don't know, but I suspect that was the case, and I suspect, Mr. Speaker, that the tax was only reduced at the meeting of October 23 when the potash companies demonstrated to the government that they simply did not have the productive capacity

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to pay that tax.

The Attorney General, as well, has been very unkind to the federal government. Sometimes I agree with being unkind to the federal government. But, he talks about their legislation to disallow the deduction of royalties from federal income tax and I may have something to say about that later, and I'm not sure that's good legislation, whether I like it or not.

I remind the Attorney General that the Liberal Party of Canada fought an election on that very issue, and that the Liberal Party of Canada was re-elected, not perhaps on that issue directly, but that was one of the issues of the last federal election. I remind the Attorney General as well that the people of Saskatchewan did not have an opportunity to vote whether they were in favor of nationalizing potash companies.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — I say, Mr. Speaker, that they very well could have had this opportunity if the government had been honest in the last election campaign and put this up as one of their campaign issues. At least the federal government had the courage to go to the people on this very issue. The provincial government has not got that same courage.

Now just a couple final words. The Attorney General indicated as well, that while the government negotiations with the potash companies were going on, that at the same time the potash companies must have been starting to draft the legal documentation required to start their various legal actions. He says, terrible, this is awful that they were doing this. He accuses them of breaching good faith, but I'll tell you, Mr. Speaker, I've read these two Bills and especially Bill 1 and that Bill wasn't drafted overnight. That Bill, I'm sure, took six weeks to two months to be drafted, because it's a very clever Bill. It's very well drafted and I suggest that while this government was talking to the potash companies in "good faith", that they were taking the very steps that we are discussing today, to take them over and to nationalize them.

As well, the Attorney General said yesterday, that the Bill assured security to unsecured creditors. He said that after an expropriation, the unsecured creditor would be exactly in the same position as he was prior to the expropriation. Now this is a small point perhaps, but I point out to the Attorney General that this is not the case, because prior to the expropriation, the company involved has assets in the province of Saskatchewan which the unsecured creditor can get a hold of and seize to realize his claim on, but after expropriate, Mr. Speaker, I don't think any potash companies will have any assets in the province of Saskatchewan. They will be so far away from here that you will never be able to find them. So I suggest that while many are small criticisms of the Bill, that is a very real criticism.

The Attorney General also ended his remarks by saying this Bill would be a milestone for Saskatchewan. May I suggest to him, Mr. Speaker, that he got the word wrong. I suggest that this Bill is going to be a millstone in Saskatchewan, around the necks for years to come.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Mr. Speaker, I should like now to turn to the more formal part of my remarks. I hope not to go on as long as the Attorney General did yesterday. I promise when I finish my prepared speech, I will sit down and not continue to run out the clock.

Mr. Speaker, in rising to take part in this historic debate, and it is proper indeed to refer to this debate as historic, for never in the history of this province has such an important potentially disastrous issue been brought for consideration and discussion. I should like to examine the reasons stated by the government for taking the drastic measures that they propose.

The Premier has referred to the nationalization, or provincialization policy of this government as a great challenge to the people of Saskatchewan. A challenge, I remind you, Mr. Speaker, that the people of Saskatchewan were not consulted about. It is indeed that — it is much more than that.

It is a great gamble — a gamble not only with hundreds of millions of dollars of the taxpayers' money, but with the very future of ourselves, our children and our children's children.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — A gamble with the very future of the kind of province that we will have in the years ahead.

Sadly, Mr. Speaker, it is a needless gamble. For we do not have to risk the entire economic well-being of this province - for we are. We do not have to risk our very future - for we are - to ensure that the great resource of potash is developed not only for the benefit of the people of Saskatchewan, but for the benefit of the people of the world. It is a gamble because of the NDP's unchanging conviction that they must take unto themselves the control of the means of production, for better or for worse. It is a needless gamble because the potash companies can be made to pay, and will pay, a fair return to the people of Saskatchewan through taxation, if they themselves are dealt with fairly and decently, and with justice.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — The Premier and other speakers have indicated basically two reasons for the steps that they are proposing. The first of these reasons is what I would describe as a trite, pious phrase that says, "The resources of the province of Saskatchewan belong to the people of Saskatchewan." I will return to that in a moment.

The second reason advocated by the government is that they have been frustrated in their dealings with the potash companies to date.

Let me, firstly, deal with the Government's allegations against the potash companies.

The government justifies its actions in their attack on the companies, on the basis that the companies, firstly, would not

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provide the government with financial information required by it to properly assess and collect the tax money, owing to the people of this province. And secondly, that the potash companies have dared to challenge the validity of the provincial legislation in connection with these taxes, in the courts of Saskatchewan.

It should be pointed out, Mr. Speaker, and remembered that in any taxing statute, whether it be from the federal government or from the provincial government, there is provision whereby the taxing authority — in this case the provincial government — can demand this information from the party being taxed, and if the information is wrongly withheld, that the books and records of the taxpayer can be seized and examined by the government to ensure that proper tax returns are being filed and that the person involved is not cheating the government of the tax that is properly payable under law. This is the case whether the taxpayer is a potash company, an oil company, a farmer, a businessman, or professional person.

If the government feels that the potash companies are hiding facts, which by law they are obliged to disclose, they have the necessary powers to acquire those facts, and if necessary to bring prosecution where required and collect arrears of taxes with interest, if they have been wrongfully withheld.

Federal taxing authorities, and indeed the provincial taxing authority, take these steps almost on a daily basis where they feel that tax laws are being wilfully avoided, or where they feel that duly enacted tax laws are being frustrated by some guise or some ruse of the taxpayer.

So this is not a case, Mr. Speaker, that the government is powerless to enforce their laws, if the laws have been properly enacted. This is the case where the government has refused to enforce its own laws, because it has very real doubts on the validity of those laws . . .

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — . . . and it seeks to use its own wilful failure as a justification to take the drastic steps of nationalization.

Now let us take a look at the court actions involving the government and the companies.

Never let it be forgotten, Mr. Speaker, that the potash companies have every right to challenge the legislation of this province if they feel that the legislation is unconstitutional or unfair or unjust. This is a right that is held by every person in the province of Saskatchewan until now and indeed is held by every person within the whole nation.

But by virtue of this Act, this right is being taken away from the potash companies because the government is in effect saying, that even if our laws are wrong, we intend on enforcing them in another manner. The government does not want our laws to come under the scrutiny of the courts, for if they do, justice will prevail, and it is conceivable that by prevailing the laws of this province will be held to be illegal and all monies collected under those laws will be deemed to have been collected illegally.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — The government has made it very clear that even if the money that has been collected is deemed to have been collected improperly or illegally, that they will not return that money to the taxpayer but will retain the same and hide behind the provisions of The Proceedings Against the Crown Act as they are entitled to do under a law that is unique to the province of Saskatchewan and is found nowhere else in Canada in provincial jurisdictions.

I ask you, Mr. Speaker, who is acting improperly? Is it the potash companies who are merely exercising their basic right under law - in fact doing the only thing possible in a free democratic county when they feel aggrieved by the government in power - in challenging legislation which may be unconstitutional? Or is it the NDP Government of Saskatchewan who is saying we are going to collect this money and if it is deemed later that we have collected it illegally we are not going to pay it back.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — By this Bill, Mr. Speaker, the NDP government are taking away a basic democratic right from the potash companies. The fight to disagree and challenge a government in the courts, the fight to challenge laws that may be unconstitutional in the courts and by so doing have taken away a basic right from all people in Saskatchewan because if they can do it to the potash companies, they can do it to you and me.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Mr. Speaker, the government has destroyed this right because it knows that its law, as drafted, could not stand the scrutiny of the courts. This is not a matter of a government acting to avoid the results of a possible loophole in the law as the Premier would have us believe, this is a case where the entire law proposed by the government is wrong, illegal, and unconstitutional and the government knows it.

They knew it when they passed it, but at that time they were afraid to nationalize the potash companies because an election would not accept that action. But now, with the election out of the way, they do not hesitate to act in the manner which their philosophy demands because they think that in the next four years people will forget. Mr. Speaker, the people will not forget.

Let's look at the issue in another way. It would be much like having a government in Saskatchewan, an NDP government, levy an indirect tax of some nature against all farmers in the province who are making record incomes in recent years on the basis that the land from which these record incomes result belongs to the people and that the people are therefore entitled to a higher return from it because the farmers is receiving a higher return from it. The tax would clearly be illegal and unconstitutional

However, the government if they follow the same position as they are following with the potash companies would require

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that all farmers must pay this tax until such time as the courts declare it to be invalid and further, that even if the courts declare it to be invalid the government will refuse to return any money to those farmers that was paid under the illegal tax because the provisions of The Proceedings Against the Crown Act protects them from doing so.

Furthermore, if the farmers of this province reacted in a joint effort against this legislation as the potash companies have done, the government could then say we'll nationalize the farm land on the same rationale that they have used to nationalize the potash industry.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — That is that the people of Saskatchewan must be assured a fair return, fair being defined by the government, from the income being generated from an asset owned by the people of Saskatchewan, in this case land, and that the government is being frustrated in collecting this income or tax from those who work the land, the farmers.

Mr. Speaker, the Premier and other speakers have indicated the other reason for nationalizing the potash industry is that the resources of Saskatchewan belong to the people of Saskatchewan and to best protect the people's interest nationalization is required.

They used the same argument when they passed Bill 42 and no doubt will use the same argument when they pass legislation in the future to nationalize other resource industries.

Mr. Speaker, no one denies the fact that the people of Saskatchewan are entitled as of right to their fair share of the return from a resource industry. This statement has never been challenged to my knowledge by anyone on this side of the House or from any of those directly involved in the resource industry.

This is not the issue that is before us today. This is not the issue that was before us when we dealt with Bill 42 and this will not be the issue in the future when we deal with legislation of this nature.

The issue before us, Mr. Speaker, is how can we best ensure that the people of Saskatchewan receive their rightful share of the profits from the resource industries.

The government's answer is by advocating state control, by putting into effect socialistic principles which their party stands for, by piling bureaucrat upon bureaucrat allegedly to ensure that the people's rights are being protected but in reality an action that merely stifles future development and effective processing of the resources that have already been located that are being exploited.

If the doctrine of socialism had worked in this province or for that matter in any other developed country of the world, one could understand and perhaps support the steps being taken by the government. But one only needs to look at other areas where the private sector has been invaded by socialist governments to determine how effective this method has been.

One only needs to look at Great Britain to see how effective socialism has been to develop the resources — natural or otherwise of that once great country.

One only needs to look closer to home — to this province and consider the economic disasters of the late 1940s and early 1950s when the old CCF government became involved in many business enterprises. I say business enterprises, Mr. Speaker, not public utilities. One only needs to look at the record of Saskoil to determine how successful the socialists have been in developing the oil industry in this province.

When Bill 42 was passed there was no doubt that the private oil operator would leave this province as he has done. But the government's answer to this was that Saskoil would replace the private oil developer and that the industry would continue at a greater rate than it had in the past.

But let's look at the figures. In 1973, before Bill 42 was passed, 660 oil wells were drilled in this province, in 1974 after Bill 42 was passed, 286 wells were drilled in this province. And up to October of this year only 212 oil wells have been drilled. This, at a time when the demand for oil is at an all-time high.

The NDP, of course, would have you believe that the reason for the decline in activity in Saskatchewan in the oil industry resulted from the laws passed by the federal government in Ottawa. But I would remind you, Mr. Speaker, that this government passed laws before the government in Ottawa did. I disagree with those laws, that is Ottawa's laws, the export tax and the disallowance of provincial royalties as a write-off against federal taxes. And if the government would take steps to challenge those laws, they would have my support in such a challenge. I speak only for myself, Mr. Speaker. However, this is another matter which can be debated at a later date.

However, the laws imposed by Ottawa are equally applicable to the Province of Alberta as they are to the Province of Saskatchewan. In that province the oil industry has continued to expand. The oil industry has drilled more wells in the past year than it did before Ottawa's legislation was passed.

The NDP government, through its recent announcement of changes in provincial oil royalties, has in effect admitted that Bill 42 was a gigantic mistake. But they still will not amend the royalties to the extent that it will ensure the return of the private oil industry to this province and until they do so the oil will remain under the ground and so will the tax revenue that should be accruing to the benefit of the people of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — I was interested to hear, Mr. Speaker, that the Premier at the NDP convention that was held recently in Saskatoon said that it was not the philosophy of socialism that brought about this action on behalf of the government, but merely economic reality. But I say to you, Mr. Speaker, and I say to the Members of this House that the Premier is kidding nobody when he disclaims the principles of socialism on which his party is based. There is one reason and one reason only that the government is taking over the potash companies and that is

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because they believe in socialism. They believe that the means of production should be controlled by the state. They should at least have the courage of their convictions and admit that this is why this legislation is before us at this time.

It is not because the government has been frustrated by the potash companies for they have the tools to and that frustration if they choose to do so. It is not because they feel that the resources of the province of Saskatchewan belong to the people of Saskatchewan. For there is no disagreement or argument from anyone about this. It is because this government is a government that has as its fundamental reason for being in existence the spread and enactment of the ideals of socialism.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — This is not to say that nationalization or indeed socialism in some countries and in some cases is not warranted. I can think of some countries where there is a complete lack of technological expertise, a complete lack of capital required to develop resources where to induce private capital to such a country the cost would be too great for the people who live therein. There, of course, in order to properly develop a resource a form of nationalization or socialism may be required.

The Members opposite in recent days have spoken of such countries. But these are countries that are not comparable with Saskatchewan or to Canada in sociological and economic development. I do not accept the comparison that equates Saskatchewan with Venezuela or Cuba. In this country, in Saskatchewan, we have technological expertise. We have people breaking down our doors to invest capital at no risk whatsoever to the taxpayers. We have laws that can be enforced to ensure that the right of the people to receive their fair share of the revenue from resource development is guaranteed.

Mr. Speaker, we in the Liberal Party believe that the best way of ensuring that the people of Saskatchewan receive their proper share of revenues derived from the development and exploitation of our natural resources is through the free enterprise system. A system, Mr. Speaker, that will ensure not only a fair return to the people of Saskatchewan but will ensure the resources are developed and that those who develop them receive a fair return as well. I say the free enterprise system, Mr. Speaker. I do not say a privileged enterprise system whereby the status quo is preserved for vested interest and an equal opportunity is not given to all.

I do not mean, Mr. Speaker, an unchecked or uncontrolled enterprise system that permits our resources to be developed without the needs of future years being considered and permits the profits that accrue from those resources to be held in the hands of the few with the resulting disadvantage to the many. I say, Mr. Speaker, a free enterprise system that recognizes the rights of all, that ensures equal opportunity for all, that ensures that the citizens of this province receive their rightful share of development profits and at the same time ensures that those who have risked their capital and who have done the work necessary to develop the resources should receive their fair and equitable share as well.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — This is the system that I advocate and that the Liberal Party advocates. This is the system that has developed this great country and other great countries in the western world and which will continue to develop and ensure that all of the people, not just a few, share in the bounty of our resources.

Mr. Speaker, I should now like to examine some of the implications arising from this Bill. I want to say at this time, Mr. Speaker, that in my remarks today, I will not be dealing with Section 45 of the Bill and I will not be dealing with Section 60, 61 and, I believe it is 68. These two parts of the Bill are of such a nature that I think will take some time to be developed properly by one of our Members, but I can assure you, Mr. Speaker, at a later date you will be hearing from two of my colleagues who will deal with these important sections of the Act. But I should like to briefly deal, Mr. Speaker, with the constitutional and legal aspects of the legislation that is before us.

One of the reasons for the Bill, if I understand the Premier correctly, is that it will remove the disagreement between the government and the potash company from the court and the uncertainty that has caused the delay in receiving tax revenues and the lack of expansion of existing potash mines. I must say, however, Mr. Speaker, that if the Premier and his colleagues opposite believe that they have seen the last of court actions involving the potash industry, they are sadly deluding themselves and the people of Saskatchewan. The constitutional issues that are raised by this Bill are many and varied and only can be settled by the courts. My colleague, the Member for Regina South (Mr. Cameron) alluded to some of these recently and later in this debate will deal with them at greater length.

However, let me at this time point out to the Premier, the Attorney General and the people of Saskatchewan only a few of the possibilities. Firstly, this legislation deals with companies incorporated or chartered under the federal, or the Dominion Companies Act. The result, of course, of this legislation will be either to stop completely or severely restrict the federally incorporated companies from carrying on business in this province if the government chooses to expropriate.

The question that must be surely raised then is can the Provincial Authority, through expropriation legislation, infringe on the constitutional right of the Federal Authority, Ottawa, which licenses companies to carry on business in the provinces of Canada? The only time that this type of case, to my knowledge, has come before the Court, I believe, was in British Columbia in a case involving the Bennett government's takeover of power companies. On that occasion the British Columbia court ruled that the provincial government could not interfere with the federal power to license companies to carry on business. If that decision is upheld by the Supreme Court of Canada to be correct and applied to the Bill before us, it would mean, of course, that this legislation would be invalid and ineffective.

Secondly, the whole question of the exemption of Crown corporations both inside of Saskatchewan and outside from federal income tax provisions could conceivably be raised by the federal government and bring about a constitutional crisis involving all of the provinces in the nation.

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The federal government is duty bound not to stand idly by and see their traditional sources of tax revenue disappear and they will not do so. So if other provinces indicate that they will follow the lead of Saskatchewan in attempting to develop resources through government controlled crown corporations, the federal government will and, I think, must act.

Thirdly, the potash companies which do not wish to be expropriated or which do not agree to sell their assets to the government will no doubt attempt, I'm not saying they will be successful, but they will attempt to seek an interim order from the court by declaration or otherwise staying the provisions of the Act until such time as the constitutional or any other legal questions are settled by the courts.

Those are but three obvious possibilities that come to mind. There are others. So it is quite likely that if the potash companies do not agree to sell their Saskatchewan assets there will be litigation concerning the Act for years to come and nothing will be finalized until the litigation is settled, all of which will certainly mean a further delay in expansion of the potash mines because of the uncertainty of the situation and most important a possible delay in the payment of revenues by the province. As I indicated, Mr. Speaker, these legal and constitutional problems will be further expanded upon by the Member for Regina South when he participates at a later date in this debate.

Let us next, Mr. Speaker, consider the risk involved in this needless gamble with the taxpayers' money. The government is expropriating Saskatchewan assets of the potash companies and as the Attorney General quite correctly pointed out, it is Saskatchewan assets defined in the Act, when they will no doubt be valued at an all-time high notwithstanding the depreciation factor that the Attorney General referred to yesterday. That is, even though those assets have been depreciated by the companies over the years pursuant to federal income tax regulations, the inflationary times will negate any depreciation in real value and if the government is sincere in its declaration that it will pay fair market value for the assets, you remember a willing buyer and a willing seller, the price to be paid will conceivably be almost the same as the original cost to the potash companies.

I can give you some examples, Mr. Speaker. I bought a car in 1974. I have a friend in the automobile business and he advises me that I could sell that car now for more money than I paid for it in 1974, just because of inflation. Farm equipment, farm machinery, again I have had personal examples of selling farm machinery at estate sales and so on, where there was more money paid for that equipment that was in many cases years old, than was paid for originally. I feel, Mr. Speaker, that the government is going to find the same position when they start looking at the value of the potash mines.

Furthermore, the government is taking these steps at a time when the price for potash is at an all-time, or near all-time high. I understand the price has dropped recently slightly. There is no guarantee whatsoever that the price will remain at that level and further that the government will be able to maintain what is almost at this time a captive market for the potash produced in Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Indeed it is logical that just the opposite will result. The companies involved will seek new sources for their expertise - the development of potash mines. That is their business. They will be able to finance these developments with the monies being paid to them by this government and we have the ridiculous situation of this government, in effect, financing the future development of other potash mines in other parts of the world with our taxpayers' money. This money will, of course, be used by the potash companies to not only develop new potash sources, but to develop new markets and to compete for existing customers and new customers for the markets that this government hopes to retain and develop. So while we may in the short run be successful in maintaining the price of potash and keeping traditional customers, in the long run we will have absolutely no guarantee whatsoever that our markets will remain and that the price will stay at its current high level. Indeed the indications will be just the opposite.

Let us also, Mr. Speaker, examine the cost to the taxpayer of Saskatchewan of the government's action. To date we have still not received any estimates whatsoever of the cost of this unnecessary expropriation. I spoke on this early today and to be fair I have just recalled that the Premier apparently at a news conference indicated that the cost would, I am told, I didn't see the newscast, would be between \$500 million and \$1 billion. Now this leaves him quite a bit of leeway, Mr. Speaker. Another way of putting it, it could either cost us nothing, or \$500 million. \$500 million is a lot to play around with.

The Premier has sneered at the figures suggested by the Leader of the Opposition but he has not given any exact or reliable figures of his own. I can only conclude, therefore, Mr. Speaker, that either the government does not have any idea as to what the cost will be and they are afraid to admit this, or they know full well what the cost will be and it is of such a magnitude that they dare not make public the obligations that they are incurring.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — We are being asked by this government to support legislation that by some estimates could cost as high as \$3 billion. I remind you that those are not the estimates of the Liberal Party but estimates that have been contained in the newspaper. This is approximately triple the highest budget the province of Saskatchewan has ever known. A budget of \$1 billion last year was to pay for the entire goods and services and operation of the government for only one year. Even if the government is only required by the Act to pay immediately in cash 30 per cent of the compensation found by the arbitration board, it will still mean the payment of millions and millions of dollars.

The government will not be able to rely simply on the sources of funds it has at its disposal such as pension funds and monies collected in the energy fund, but will have to borrow this money in the money markets from the traditional sources of supply. I should point out as well, Mr. Speaker, that the money being collected in the energy fund, according to the Premier and the Members opposite, was to be used for the development of new

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energy sources such as oil, natural gas and uranium. At no time have they indicated to us that they planned on using this money in any other manner and obviously if this money is to be used to buy out potash companies, it cannot be used to develop other sources of energy supply in this province.

Furthermore, Mr. Speaker, I doubt very much whether those who contributed to a pension fund that has been controlled by the Government of Saskatchewan ever dreamed that the government would gamble with their future source of income, their future security, in the manner that it proposes.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — The Premier and other Members opposite have sought to justify this legislation by saying that it will put the control of our resources in the hands of the people of Saskatchewan and its duly elected government. But is this the case? If the government is required to go to traditional money markets to finance this gamble, it knows full well that the traditional sources of money are foreign, mostly American and in recent years the Arab nations. In order to borrow this money the government will have to give security, a security that will amount to a mortgage on our future, a mortgage for our successors' future.

I, for one, am not prepared to mortgage the future of Saskatchewan to these people. The Liberal Party is not prepared to mortgage the future of Saskatchewan to these people. And I believe that if the people of Saskatchewan were consulted that they would vote overwhelmingly 'no' to such a proposal.

This country is now trying to divest itself from obligations to foreign interests, be they American, Arabian or otherwise. And it ill behoves this government to put the partial control of our destiny in the hands of those who do not have the development of Canada by Canadians as their primary concern; to those who are controlled by the same multi-national corporations that they say they so despise. We know at this time, Mr. Speaker, that the government collects taxation revenue from the potash companies of approximately \$140 million per year. We do not know what they will collect in future years if their proposal is proceeded with. I think it is fair to ask, Mr. Speaker, what further amounts of money will accrue to the government on behalf of the people of Saskatchewan when the government owns the potash companies.

Even if this gamble, which is so fraught with pitfalls and difficulties succeeds, will it be an extra \$10 million, will it be an extra \$100 million? The Members opposite have not given us these facts to date and we do not know. I think, Mr. Speaker, that even the most compulsive gambler will always inquire as to what the stakes are. He will always determine what he is gambling for. But in this case we do not know what the return will be from the gamble even if the potash prices remain at the same level and even if we are able to keep our traditional customers.

Mr. Speaker, one could understand the desire of this government to bring in this legislation if it had a mandate to do so. If they had campaigned in June of this year on a policy of nationalization of the potash industry, if they had told the people of Saskatchewan of their intentions. They did

not do so because if they had they know what the answer would be from the voters of Saskatchewan. They would have said resoundingly 'No' and the Members opposite would not be forming the government.

But let us look at the mandate the government did receive. They lost every seat in the province that still had some remnants of the oil industry remaining in it. They lost these seats because of their oil policy, because of Bill 42, all seats which had been held previously the New Democratic Party. They received less than 40 per cent of the vote in the entire province of Saskatchewan. Most people in this province do not want the NDP as the government of the province.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Most people of this province rejected the resource policy of this government and I say that most people of this province are 100 per cent against the nationalization of the potash companies. However, the government still proceeds with their socialistic policies, policies that have been roundly condemned by the people of Saskatchewan. The only mandate that this government has for these measures comes from the membership of the New Democratic Party and this membership is not representative of the people of Saskatchewan. This government is not representing the wishes of all of the people of Saskatchewan but only of their supporters, whether those wishes are for the general good and well being of all of the people of this province or not.

Mr. Speaker, the Premier also in his Throne Speech remarks indicated that the nationalization plan would result in the creation of several hundred jobs in this province. However, I think it is fairer to say that on their past record, this government has failed miserably in attracting the type of highly qualified personnel required to make such a scheme workable. One need only look at the failure of this government to attract a new general manager for the Saskatchewan Power Corporation, even though they are offering up to \$75,000 per year for this position. One needs to look to Saskoil and the difficulties the government found in attracting qualified personnel to that corporation. Indeed, Mr. Speaker, the government, according to my information has already lost the senior official in the Potash Corporation of Saskatchewan and I suspect we will lose even more employees from that company in the days ahead.

It should be abundantly clear by now, Mr. Speaker, to this government that employees of the private sector do not want to come and work for this government to further their aims of socialism. By their very nature such highly qualified personnel are reluctant to become bureaucrats, are reluctant to become tools of politicians who will dismiss them if their political beliefs do not coincide with those of their employers.

I predict, Mr. Speaker, that the government will not be able to attract the necessary qualified personnel to manage the potash mines and even maintain that production at its current rate.

Mr. Speaker, the Premier and his colleagues have assured us that this scheme will not result in a general increase in taxes to pay for the liabilities that will be incurred. This

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may be the case, Mr. Speaker. However, I say to the government that in the years ahead you will not be receiving from the potash company the revenues that you have received in the past and that you could anticipate receiving in the future. So that while taxes may not necessarily be raised to pay for the acquisition of the potash mines, it will follow that taxes will have to be raised if we intend on keeping government services at the same stage they are not because the revenue from the potash mines will not be forthcoming and the money must be found somewhere.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — This raises, Mr. Speaker, the whole question of the priority of this government in spending money. The hundreds of millions of dollars that are being used to acquire the Saskatchewan assets of the potash companies, in my opinion, could be used for things more important to the people of Saskatchewan. This money could be used to supplement the income of senior citizens; this money could be used to expand upon the quality of health care in this province; this money could be used for desperately needed housing; there are any number of things, Mr. Speaker, that this money could be used for which would be of far greater benefit to the people of this province than the acquisition of potash mines.

Mr. Speaker, it is, of course, obvious that I am opposed to this legislation, both for philosophical and practical reasons. But I am also opposed because the legislation is so unnecessary. The government already has the power to ensure that the people of Saskatchewan receive their proper and legitimate share of profits from the potash industry. They can receive those profits without risks being taken, without mortgaging our future.

The Speech from the Throne, Mr. Speaker, refers to three alternatives. I suggest to you, sir, that there is another alternative. That fair tax laws be imposed on the potash companies and that those also be rigorously enforced.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — I am opposed as well, Mr. Speaker, because I fear for the future development of this province because of this legislation. Saskatchewan has everything within it that the world is crying for. We have agricultural production second to nobody in the world, and for the first time in our history we have an alternative source of income. We have oil reserves that could be developed to supply not only Canadian but other people in the world. We have hard rock minerals in northern Saskatchewan that could be developed so that they would be a source of revenue equal to the possible revenues that could be acquired from the oil and gas industry and the revenues that could be acquired from the potash industry. But because of the actions of this government, because of its insistence on controlling the means of production we are not realizing our full potential.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — Saskatchewan is being offered by the rest of the world the greatest economic opportunity that it has ever known or is likely

to know in the future. This province could make Alberta look like a poor sister by comparison; this province could be the most economically wealth province in Canada. But this will not happen, because the narrow and grasping attitude of the Members who sit opposite . . .

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — . . . who are so determined to force their socialistic point of view on everyone, even when that point of view acts to the detriment of the people of Saskatchewan.

The only question now to be asked, Mr. Speaker, is who is next? Is it the insurance industry in the field of sickness and health insurance? Will it be the farmers who have been obtaining deserved and record returns for their labors? This is the question, Mr. Speaker, that the people of Saskatchewan should be asking themselves in the days ahead.

For make no mistake, Mr. Speaker, Allan Blakeney and his colleagues are determined to implement their philosophy of socialism into every person's way of life and it will only be a matter of time before this philosophy of state control will dominate the small businessman, the farmer, the professional person, in fact everyone who resides in this province.

Obviously, Mr. Speaker, I will not be supporting the Bill.

SOME HON. MEMBERS: — Hear, hear!

HON. R.J. ROMANOW (Attorney General): — Mr. Speaker, if I might, this is totally out of order, but yesterday somebody asked about the Agribition, adjourning early for Agribition. We've got a problem here because the speaker here . . . Do you want to go straight through the afternoon, or do you want to adjourn and come back at 7:00 o'clock?

Okay. Let's do it right now, Ed.

HON. E.C. WHELAN (Regina North West): — Mr. Speaker, as I listened to the Hon. Member for Lakeview (Mr. Malone) I couldn't help but recall those long and lengthy debates which took place over Medicare, and the threats that were made over the way that Bill would be fought. I recall the KOD (Keep our Doctors), and I recall the organized almost insurrection that took place. I remember every kind of hoist that you could think of was moved at that time, but eventually it passed. Now the question I want to ask, Mr. Speaker, is there a Member of the opposition, any Member of the opposition at all now that would vote against Medicare? The Hon. Member said that this wasn't a lawyer's Bill. Strange that a lawyer should be handling it. Why didn't they use the lawyer from Indian Head - Wolseley (Mr. Lane)? It seems to me if it isn't a lawyer's Bill, why didn't they use the Leader of the Opposition (Mr. Steuart)? At least the Leader of the Opposition would have given us a lively and entertaining performance.

They say we deceived the public in the last election. When

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we look at what's happening today in the federal field with wage control, there was no more perfect deception ever perpetrated on the people of Canada than took place in the last federal election. They were against it. Now we have this deceptive performance, a half-hearted attempt to introduce wage and price control after they got elected on the basis they opposed it. Now could you be more hypocritical.

AN HON. MEMBER: — Speak up, we can't hear you!

MR. WHELAN: — Oh that's too bad, I wouldn't want you to miss any of these words of wisdom.

It has been said over and over again that we didn't tell the people of Saskatchewan that we were running on a public ownership of resources ticket. I'm coming to the conclusion, Mr. Speaker, that people in the Opposition can't read. I refer them to the New Deal for People, 1971. I'm quoting now?

We have faith in Saskatchewan people. We believe them capable of developing their own resources for their own benefit. Outside help is sometimes necessary, but a sellout is not. Development must be aimed at maximizing benefits for people, not maximizing profits for big business and its promoters.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — Then it goes on, on page 8:

The New Democratic Government will oppose any further sellout of our resources. With respect to new development, the NDP will give first priority to public ownership through Crown Corporations, and . . .

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN:

. . . every effort will be made to limit foreign investment in resource development to non-equity capital. Review existing royalty and other arrangements with a view to renegotiating, where necessary, those not in the interests of Saskatchewan people. Where feasible, we will reclaim ownership and control of foreign-owned resources.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — that was in the year 1971, and I point out to the Hon. Member for Qu'Appelle (Mr. Lane) that was the year that we got 55 per cent of the vote, and that's the ticket that we ran on.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — Just to make sure that there as no mistake about it, on page 5 of the New Deal, 1975, the last election, we said:

Defend and protect the right of Saskatchewan people to the full benefits from their rightful heritage - the

natural resources of this province.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — We said we would:

Speed up direct government participation in exploration for and development of potash and hard rock minerals to achieve a greater measure of public ownership of these resources and industries.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — The Hon. Member for Lakeview (Mr. Malone) was exaggerating and he did this early and often in his speech. One of the things he said was that we had lost all of the oil seats. He has been around for quite a while and I would have thought that by now he would have met the Hon. Member for Weyburn (Mr. Pepper) and the Hon. Member for Cutknife (Mr. Kwasnica). Maybe he doesn't know them. But if these people haven't got more oil wells than most of us . . . this is the kind of thing that happens, a little exaggeration here or there to emphasize a point . . . but there is no doubt about it, the Weyburn seat probably has more oil wells than any other seat in the province.

I think it is wrong too to assume that all those who will vote for another party might vote with the Hon. Member for Lakeview. All you have to do is look back when there was a straight fight and a straight head-on collision and what happened in the 1971 election. When you count up the votes that might be cast for one of the two groups on the other side then when you get only two groups betting against each other, the 1971 election tells you the true story of what happens in this province. We shouldn't jump to conclusions in any other manner until we look at the results at that particular time. The New Democrats received 55 per cent of the vote in a two-way fight.

Mr. Speaker, I rise to speak in support of the Bill before this Legislature. I want to touch on four areas of interest and concern. I will briefly take inventory of the industry and I will indicate how this government intends to finance the takeover of the industry, and I will discuss our decision as to the direction we have chosen to take in the development of our rich potash reserves.

Mr. Speaker, Saskatchewan has the largest, richest, most accessible supply of potash anywhere in this western world. The next competitor of any consequence is the Soviet Union. We have ten mines in Saskatchewan, nine of these are conventional mines where the ore is dug out of the ground. One uses the solution method of mining. This involves the pumping of hot brine into the potash beds, dissolving the mineral, circulating the brine back to the surface, and refining it. The total capacity of these ten mines is 8.3 million tons of potassium oxide equivalent a year. Over 95 per cent of this potash is used in the manufacture of fertilizer.

At present, Mr. Speaker, 70 per cent of our potash is purchased by the United States. As the ores in the New Mexico Carlsbad mining operations are depleted (or will be depleted probably in the next 20 years) it's likely that this figure would increase significantly. Other major buyers include Pacific

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countries such as Japan, China, India and Latin America. You name them. There is a great list of them. And as other nations become able, they too, will contribute to this growing demand for potash. Because they are now aware, Mr. Speaker, that where soils are old, where populations are larger than what the land will bear, the use of fertilizer is the only means of increasing the production of food that is so badly needed.

As this government sees it, the future development of the Saskatchewan potash industry can only be viewed in the context of world populations and the problems of producing adequate supplies of food.

The problem of feeding the world grows in magnitude, Mr. Speaker, every year. By the time 2000 A.D. rolls around, the population of the earth will be over six billion people. The distressing fact, right now, is that less than one-third of the inhabitants of this world live in areas where food supplies are adequate. Less than one-third of the world population gets enough to eat. And this figure, Mr. Speaker, is shrinking every year. It's in these countries that are poor and over-populated and where the people struggle with the soil that has supported man for hundred of years and now needs replenishing where there is a real need for potash. It's in these countries where our potash will do the most good.

As these countries overcome financing difficulties and become aware of the miracle that potash can work in food production, the demand for the product will grow. As the population of the word doubles, by the end of the century potash will be considered vital. So vital, that it calls for responsible control of the industry. Mr. Speaker, how can a multi-national corporation, I ask you, whose chief motive is maximization of return of profit, be trusted to be socially responsible? Saskatchewan, they're not responsible enough to pay their taxes.

In their Labour Day message, the Catholic Bishops of Canada raised their voice with many other voices in this country and called for, and I quote:

Greater care of the environment, and responsible stewardship of the energy resources of this country.

Responsible stewardship. And that, Mr. Speaker, is what the Government of Saskatchewan will bring to the potash industry in this province. We will, Mr. Speaker, we will be responsible stewards of the potash industry. Responsible to the people of Saskatchewan, and secondly, to the people of Canada, and thirdly, to the poor people, to the have-not nations of the world who are in such desperate need of increasing their food production.

The Catholic Bishops went on to say in their Labour Day message, and I quote further:

Future resource development, which is largely controlled today by multi-national corporations, must be made more accountable to the Canadian public.

Let me ask you: How accountable has the potash industry been to the people of Saskatchewan? They have refused to supply

us with the facts and figures required by law; and they have refused to pay taxes to the people who own the resource in the first place. Since these companies would rather be accountable to no one, Mr. Speaker, we are acting now to see that a responsible attitude to the development of this vital resource is taken.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — Mr. Speaker, the starving millions of the world wouldn't have to be at the mercy of profit-motivated multi-national corporations who have cornered the market. And the people of Saskatchewan shouldn't have to tolerate their blatant, and openly defiant disregard of the law.

Mr. Speaker, the acquisition of control of the potash industry in this province will be one of the best investments ever made for the people of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — Why do I say that? Mr. Speaker, the mines are the most up-to-date and modern in the world and I think that's very important. It means we will not be acquiring a broken-down or outdated industry. Certainly there will have to be money spent on expansion, the expansion which is much needed and which the potash companies have not proceeded with. But, Mr. Speaker, to remind this House that the government's aim is effective control, not necessarily total ownership, I should just say that the government is not committed to acquiring all of the mines. However, the assets we do acquire will be first-rate assets. Mr. Speaker, they will be good investments which will serve the people of Saskatchewan for many more years to come.

Growing world demand for potash leaves no doubt that we need to expand potash production in Saskatchewan. World potash production at the moment is growing at five or six per cent per year and current forecasts state, Mr. Speaker, that by 1980 world potash demand will significantly outstrip world potash production. The five or six per cent per year current growth of demand represents an increase of something like one and a half million tons a year, about what a good-sized potash mine would produce. One new mine a year could just about keep up with the world demand.

But, Mr. Speaker, building a new mine takes time and we can't wait. If we are to maintain a good position in the international market, if we are to hope to be able to fill new orders, Mr. Speaker, we have no choice, we have to expand and we have to expand now. This is something that the potash companies have refused to do because they say they are not making enough money. They say they are not making enough money. Mr. Speaker, I would be willing to bet that if a Saskatchewan cattleman or farmer realized the same growth of increase in the price of his product as the potash companies did, he, Mr. Speaker, would be overjoyed. He would be excited.

In 1969, Mr. Speaker, potash was selling for \$20 a ton. They weren't getting enough to break even. If the Liberal government of the day hadn't stepped in, at the industry's request and introduced what we call prorationing, the whole industry would have gone belly-up.

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Today, potash is selling for as high as \$100 a ton, with an average price now of about \$75 a ton.

AN HON. MEMBER: — Down a shade isn't it?

MR. WHELAN: — Well, they are getting \$105, they don't need prorationing any more, they are getting as high as \$105 under some contracts. But at \$75 a ton that's almost four times as much as they were getting in 1969.

Mr. Speaker, a Saskatchewan cattleman or farmer, on the other hand, received roughly 27 cents a pound for cattle he sold in 1969. Last year, his slaughter cattle brought him about 35 cents a pound. He's nowhere near to realizing the kind of profits the potash companies are. Compared with potash if his price would have been three and a half times, \$20 compared to \$75, three and a half times 27 cents comes to 95 cents a pound for beef. Would he have gone broke? Ask him. Give him the same deal. Try him. I'm not going to start explaining for Liberals, you know. I wouldn't want to do that, I couldn't, couldn't possibly.

And we're prepared to bet that our cattlemen, with the kinds of increases they've had to bear lately in the price of farm machinery, in fuel, in feed, in fertilizer, have had far greater production costs and increases in their costs than any potash company.

If the farmer had realized the same rate of increase as the potash companies, he'd be receiving more like a dollar a pound for his animals. Now I ask you, would he, or would he not be in a financially good position.

So the potash companies have said that they wouldn't expand. You know at \$75 a ton they wouldn't expand. Mr. Speaker, that was just another threat in a series of threats used by the potash companies over the years, to browbeat the provincial government, Mr. Speaker, but this time it backfired.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — This summer, the potash companies publicly stated that they were cancelling expansion plans. Potash Company of America said it had planned a \$40 million expansion but cancelled it. Central Canada Potash said it had cancelled plans for an \$8 million expansion. Hudson Bay Mining and Smelting said it had deferred plans for a \$40 million expansion. Even companies which had no plans to expand, Mr. Speaker, were cancelling them. It will be interesting to see what other kinds of threats these companies will come out with in the next several months.

Mr. Speaker, expansion is necessary. The companies did not feel a responsibility to expand, but we shall. We realized that there was absolutely no point in arguing with companies which march to the beat of their own drum; they won't do what's best for Saskatchewan. They're interested only in making a return on their money. So, Mr. Speaker, the only way we can be sure of getting expansion in the way Saskatchewan needs it is to do it ourselves. And that's what we're going to do, working through our own company, Mr. Speaker, with the head office in Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — Mr. Speaker, I should now like to turn to the area of financing.

In order to take effective control of our potash industry, we must raise some hundreds of millions of dollars. How do we propose to find it?

To begin with, we in Saskatchewan have the lowest debt per capita in Canada, and a credit rating that's as good as that of Ontario. It's better than nearly every other province in the country, Mr. Speaker. Our reputation is well known and well respected, and with credentials like that, half the battle is won.

There is no question that the long-term future of potash is bright. The world must have fertilizer, and we have the potash, in large, high quality, easily accessible deposits. The demand is high and growing higher, and prices are climbing. The potash industry in Saskatchewan will be a sound investment, with relatively low, long-term risk.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — We might say investing in potash is something similar to buying a quarter section of land. You assess what the land will produce and schedule your payments accordingly. The land produces grain, and grain sales meet the payments. Mr. Speaker, it's a self-liquidating debt. It'll be the same with the potash company and, in the end, the people of Saskatchewan will own both the potash and the means of producing it.

Mr. Speaker, one point should be made clear. The gaining of effective control of the potash industry will be a financial venture that will be separate and independent from the regular flow of money through the provincial budget. It will be a self-liquidating debt and is not likely to create a burden for taxpayers.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — Both the purchase and the payout are to be separate from any tax funds of the province. Loans will be repaid from income generated within the industry itself. Income taxes should not be affected, and government programs and operations should not be affected. But once the mines are bought and the province of Saskatchewan holds clear title, the profits will go to work for the people of Saskatchewan. For once these profits will stay here, where the resource is found, where the resource is owned, in the province of Saskatchewan.

There are those who argue that the money Saskatchewan will spend to buy out the present mine owners will not stay in the country. I ask you, is the money staying in Saskatchewan right now? No, Mr. Speaker, it's leaving the country, flowing into the coffers of the American and multi-national corporations who now control the potash industry.

There are those who say the purchase will increase the debt of every Saskatchewan citizen by \$1,000. Mr. Speaker, this

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is simply not true. As I said, the purchase will be self-liquidating, with payments made from the profits of the operation. And rather than increasing our per capita debt, it will, in time, enable us to reduce it even further.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — There are those who are crying that our action will be unfair, Mr. Speaker. I should like to alleviate their fears. The Potash Development Act now before the House sets out clearly, in great detail, leaving no shadow of doubt, that the companies will be paid for their mines, and properly paid, as will the creditors of the companies, secured and otherwise, regardless of the political nonsense emanating from the Hon. Members opposite. In this respect, Mr. Speaker, the Bill is crystal clear.

There are those who are worried about the effects this Bill will have on small businesses. Mr. Speaker, I should like to remind the Hon. Members opposite, that the all-time record for the collapse of small business in this city and in this province, was set during the last Liberal administration.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — What tender regard these people have for small businesses. What tender regard.

In the Throne Speech we indicated that a fair and equitable price would be paid for the assets of the potash producers. The Bill tabled in this Legislature clearly indicates this intent. Section 45, subsection (1), states:

The compensation payable by the corporation for assets expropriated shall be an amount equal to the fair market value of the assets at the time of expropriation.

The Bill also sets out the formula for valuation based on earnings. Section 45, subsection (5) even provides when determining value, that a company not be penalized because of the double taxation which now exists by virtue of the federal government's policy of non-deductibility of provincial royalties in the calculation of federal income tax.

Further fairness is illustrated by the neutrality of the arbitration committee, and in the potash companies' right to appeal to the courts. There are also indications in the Bill that where an affected company, Mr. Speaker, is a integrated company that needs potash in the operation of other arms of its business operation, if such is the wish of the company to make it possible to reach an agreement whereby the supply of potash is guaranteed to these companies.

Mr. Speaker, I have indicated four areas where this Bill clearly illustrates its fairness.

1. It provides for a neutral arbitration committee.
2. It provides for compensation at a fair market value.
3. It allows the right to appeal.

4. It has provisions for a guarantee of potash to the companies who require it.

Of course, it is our hope that we can reach agreement with a number of potash companies on the question of mines, and as a result never have to use the expropriation powers of The Potash Development Act. A negotiated settlement would be favourable from many aspects. It would provide for an orderly transition of ownership. It would considerably decrease uncertainty in management and in employees. And it would provide for confidence on the part of the purchasers of Saskatchewan potash.

Mr. Speaker, I gave an inventory of the industry, voiced concern about the need for expansion, discussed financing. I hope the Members opposite have been enlightened.

Mr. Speaker, we as the government, have made a decision regarding the development of our potash resources. We feel that it is the only alternative that will work. We believe that most people in Saskatchewan want the major benefits of their resources to remain in Saskatchewan. And we believe that our decision to gain effective control of the potash industry is the right one, one that makes good business sense.

The private corporation approach to development of potash has not worked. We no longer have tolerance for companies who show disrespect for the people who own the resources. Attitudes are hanging. Even Malcolm Scott, Director and General Manager for Central Canada Potash Company Limited, said during a CTV interview on November 19th last, and I quote:

I don't think that anybody can deny the citizens of Saskatchewan, and in a broader sense, the citizens of Canada, the right to share in the revenues for the development of natural resources.

Mr. Speaker, we are going to be forerunners in the area of responsible resource development in Canada, as we were with automobile insurance and with Medicare. When Mel Hurtig heard the news that the potash industry would be nationalized by the Government of Saskatchewan, and I remind the Hon. Member for Qu'Appelle (Mr. Lane) he was a federal Liberal candidate, he said on a radio interview on CBC, the morning of November 18th, that it caused him pure joy. He also said why. That would be a matter of interest to everyone here. I think everyone of you people right across Canada would be interested, but particularly the people who are sitting in this House. This is what he said. He said that in the last 25-year period, ending last year, 1950 to 1974 inclusive, non-residents brought into Canada in the form of long-term and short-term capital just over \$23 billion; if you add it all up, they brought in \$23 billion.

And in the same period of time, the same 25-year period of time, they sent out of Canada \$17 billion worth of dividends, \$7 billion worth of interest payments, and \$16 billion worth of, to use Mr. Hurtig's words, "Mickey Mouse things, the service charges that the multi-nationals used to transfer payments from one country to another."

There it is, Mr. Speaker, \$23 billion flowed into Canada, and in the same 25-year period, \$40 billion left the country.

I say, as Mel Hurtig said, and I quote him:

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The next time somebody threatens not to invest in this country, you tell him thanks very much, we've already had too much of that kind of investment.

Thus said a former prominent Liberal candidate.

Mr. Speaker, the Liberal set the scene for this legislation way back in 1964 when they extended to every potash company the low royalty guarantee until 1982, regardless of the fact, Mr. Speaker, that most of the potash companies didn't experience mining hardships or the high costs in development for more than a three or four year period. Yet the Liberals of the day thought, in their short-sighted giveaway policy as the private development advocates that they are, that they should extend these unreasonable concessions for a period of, what, 17 years. They extended them for 17 years.

At that time, the giveaway of our potash had begun, Mr. Speaker, the giveaway of something that belonged to all of the people of the province of Saskatchewan. That was their way of attracting business. Well, companies came so fast that by 1969, Saskatchewan potash was flooding the market and prices had dropped to as low, in one case, as low as \$6.20 a ton, but about \$20 per ton on the average. That giveaway policy cost us tons of millions of dollars in lost royalties. When we took office in 1971 we found our royalties' rights locked up for 10 years, yet potash prices were rising, Mr. Speaker, and larger and larger profits were being made.

In 1969 the average price of potash was \$20 a ton, total value being shipped out of the province, \$69 million; this year the average price is \$72 per ton, the total value of the potash shipped out of the province somewhere between \$400 and \$450 million.

Mr. Speaker, when the people of Saskatchewan back in those days, 1969, were benefiting very little, our decision was to levy a fee, prorationing, something that saved the private corporations. This was intended to retain at least a minimum of revenue here for the people of Saskatchewan.

Mr. Speaker, one company was so outraged by this small act it began a challenge in court. Potash prices continued to climb, creating very substantial profits but very small public revenue. Mr. Speaker, by 1974 it appeared that a new approach was needed, a tax tied to the sales volume and profitability. It was designed to give the province a fair share of the windfall profits created by sharply rising prices. Mr. Speaker, this too was challenged in the courts, not only challenged, Mr. Speaker, but some of the companies refused to pay the taxes, something no other citizen can do. This was defiance, it was an illegal act, Mr. Speaker, yet it was one supported by the opposition in this House who seemed to feel more loyal to foreign corporations than to the people in their own province.

Mr. Speaker, the Bill before the House is a result of that giveaway philosophy. The potash companies have come to expect a free ride from the taxpayers of Saskatchewan. Mr. Speaker, that ride is now over. Now at least the owners of the resource will be able to benefit fully from their resource. Mr. Speaker, I will support second reading of the Potash Development Bill.

MR. A.N. McMILLAN (Kindersley): — Mr. Speaker, the Members opposite are in for a real treat. They are going to get a close look (as the Attorney General referred to it) at the new Liberal look.

SOME HON. MEMBERS: — Hear, hear!

MR. McMILLAN: — I assure you, Member for Saskatoon Riversdale (Mr. Romanow) that I am the newest. However, I must thank you for making reference to my lineal descendants yesterday, and I assure you it is a luxury — and a luxury which I am not sure you enjoy, to know who your parents are.

However, I will be speaking at some length on this debate before the House. I feel that I have something to contribute for not just the people of my constituency but for young people in this province as well. My remarks will be directed to some degree on their behalf. I may be making some reference as well to some of the comments that were made before me. I will take the time to do that tomorrow, and I will not burden you any further with remarks today. At this time, Mr. Speaker, I should like to beg leave to adjourn debate.

Debate adjourned.

The Assembly adjourned at 5:24 o'clock p.m.