

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session - Eighteenth Legislature
13th Day

Monday, December 1, 1975.

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

On the Orders of the Day

WELCOME TO STUDENTS

HON. E.C. WHELAN (Regina North West): — Mr. Speaker, through you I should like to introduce to all Members of the House 85 Grade Eight students in the Speaker's gallery, from St. Peter School in Regina North West.

They are with their principal, Mr. Gerald Small and two other teachers, Mr. Richard Leontowich and Mr. Norman Pelletier. Mr. Small has brought many students to this Chambers; wherever he has taught he has taken the time to introduce his classes to the procedure in this Chamber.

I plan to meet these young people in the rotunda when they leave the gallery.

Members join me, I am sure, in extending to them a warm welcome and their best wishes for an informative, pleasant stay this afternoon.

HON. MEMBERS: — Hear, hear!

QUESTIONS

ROLLBACK ON RENT CONTROLS

MR. E.F.A. MERCHANT (Regina Wascana): — Mr. Speaker, before the Orders of the Day, I wonder if I might ask the Minister of Culture and Youth in the absence of the Minister of Housing when the government will be taking some action on rent controls. Would the Minister indicate whether there would be a rollback to any specific date when the rent control legislation is passed and second, if not, will the legislation affect increases of which notification has now been given but which have not come into effect as yet? In our constituency we have a large number of notices that were sent out for the 1st of March and I am concerned about them particularly.

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, the question was directed to the Hon. Mr. Tchorzewski who is Minister of Culture and Youth and Minister of Education. It might have been directed to the Minister in charge of the Housing Corporation, Mr. MacMurchy, or alternatively to Mr. Shillington, who is the Minister of Consumer Affairs, but neither of them is in his seat. In that circumstance I will attempt to answer the question.

I think that notice of First Reading of the Bill has been given today and we may expect to see the Bill on the Order Paper very shortly. The Bill will contain provisions for

rollback and the rollback in a sense is to October 14 and the sense is to earlier than that. The Bill will contain provisions which in effect will render inoperative any increases over a given amount of the type which the Hon. Member is now referring to. The arrangement is fairly complicated. I won't try to outline it since the Bill will be very soon before us, but I can say that landlords do not profit their position, do not improve their position by giving notice of rent increases at this time.

MR. MERCHANT: — Mr. Speaker, I take it then that I may tell these inquirers and other people in the province faced with this situation that they can be confident that this legislation and perhaps the entire anti-inflation package will be passed in the fall Session and not put over until the spring Session. Because if it is to be put over until the spring Session many people now faced with increases might have to begin making payments notwithstanding the fact that a rollback would be forthcoming at some time. Will this legislation, Mr. Speaker, be passed in this Session?

MR. BLAKENEY: — Mr. Speaker, it has been many times said the government introduces legislation and the opposition say when it is passed. But we will be introducing the rent control legislation very promptly, subject to co-operation from all sides of the House. It will be passed during this Christmas portion, if I may call it that, of the Session. I will not necessarily say that the entire anti-inflation package will be passed at this initial portion of the Session. I am not saying it won't be. I am simply saying it may prove to be more controversial and accordingly it may become delayed in debate in this Chamber. I think the Hon. Members know that the government has expressed some views with respect to Bill 1 and Bill 2, and the opposition has expressed other views and it may well be that the opposition is right and the government is wrong. Who knows about when some of these Bills will pass?

SOME HON. MEMBERS: — Hear, hear!

RESIGNATION FOR LEASING AGENT FOR POTASH CORPORATION

MR. S.J. CAMERON (Regina South): — Mr. Speaker, in the absence of the Provincial Secretary, perhaps I can direct a question to the Minister of Mineral Resources (Mr. Whelan). I am informed that Al Drummond of Drummond Mineral Services, which has been the leasing agents for Saskatchewan Potash Corporation, has resigned in view of the intention of the government to take over the potash mines in the province. Would the Minister confirm if that is the case, inform the House as to whether or not a resignation has been received?

HON. E.C. WHELAN (Minister of Mineral Resources): — Well, Mr. Speaker, I have no knowledge of the person having resigned that the Hon. Member for Regina South is talking about. I just can't supply the information he is asking for.

MR. CAMERON: — Perhaps as a supplementary, Mr. Speaker, I might ask the Minister in charge of the Saskatchewan Power Corporation whether he has notice of resignation of Al Drummond of Drummond

Mineral Services from either the Power Corporation or Saskatchewan Potash Corporation?

HON. J.R. MESSER (Minister of Industry & Commerce): — I have no such information, Mr. Speaker.

POSTAL STRIKE

MR. E.C. MALONE (Regina-Lakeview): — Before the Orders of the Day I should like to direct a question to the Minister of Labour (Mr. Snyder), but I see he is not here today. In his absence perhaps the Premier or some other Minister could answer the question. There was an announcement today, Mr. Speaker, on the radio that CUPW (Canadian Union of Postal Workers) have been voting on the proposed settlement of the strike that has been dragging on for some time. I heard a member of that union, one of their officials in Regina, indicate that the workers who belong to that union who have returned to work in the past few days would not be allowed by the union to participate in the voting, that is would not be allowed to vote. Now, I realize of course that this is a federal matter and that really this government does not have the jurisdiction on it, but I would ask the Premier if he would in turn ask the Minister of Labour to intercede and use whatever influence he has to ensure that all of the workers that are members of this union, and I include those workers that have returned to work in the past few days, are allowed to vote on this particular proposal.

MR. BLAKENEY: — I'll ask my colleague, the Minister of Finance to reply.

HON. W.E. SMISHEK (Minister of Finance): — Mr. Speaker, perhaps the Hon. Member answered his own question. It comes under federal legislation, under federal jurisdiction. Perhaps he might have some influence or more influence with gentlemen like Hon. John Munro and Hon. Bryce Mackasey than we have and he might communicate his feelings to those hon. gentlemen and see what kind of response he might get. I am certainly prepared to discuss the matter with the Hon. Minister of Labour to see whether any representations will be made and whether he has considered making any representations to the federal authorities.

MR. MALONE: — In the way of supplementary, Mr. Speaker. I believe Mr. Mackasey and Mr. Munro have made their position very clear, that they want all members of the union to vote. Is it possible, Mr. Minister of Finance that he can communicate the wish of the Opposition what I have said to the Minister of Labour today, because you know the vote is taking place tonight?

MR. SMISHEK: — Presumably the Opposition is capable of communicating their own wishes.

MR. MALONE: — A second supplementary then, Mr. Speaker. I assume therefore then that it is not the wish of the government that all

members of the union be allowed to vote?

INCREASE IN SWITCHING FEES TO RURAL TELEPHONE COMPANIES

MR. W.C. THATCHER (Thunder Creek): — Before the Orders of the Day, I should like to direct a question to the Minister in charge of Sask Tel. In view of the fact that some rural telephone companies have been notified of a 54 per cent increase in switching fees, I am curious as to whether this meets the approval of the Minister in view of the fact that it is very much at variance with federal guidelines. In essence, do you approve of such an increase and if so do you plan to justify it to this House?

HON. N.E. BYERS (Minister of the Environment): — Mr. Speaker, on the question of the increase in switching fees this has been part of the adjustment in rates that Sask Tel recently approved and those increases were approved I understand prior to the announcement by the Prime Minister of any guidelines.

MR. THATCHER: — A supplementary question, Mr. Speaker. These rates came into effect November 1. I will again ask the Minister when will he justify these to this House — well, when will he adjust them and how soon can we expect them?

MR. BYERS: — Mr. Speaker, while the rates became effective November 1st, the rates were approved by this government prior to October 14th.

MR. THATCHER: — Mr. Speaker, in view of the Minister's answer perhaps it would be in order to ask the Minister when we can expect him to go and visit Sask Tel and find out what is going on down there?

MR. BYERS: — I was there as recently as Thursday.

MOTION

HOUSE ADJOURNMENT

HON. R.J. ROMANOW (Attorney General): — Mr. Speaker, I would move, seconded by the Hon. Minister of Finance (Mr. Smishek):

That when this Assembly adjourns on Thursday, December 4, 1975, it do stand adjourned until Monday, December 8, 1975.

Motion agreed to.

SOME HON. MEMBERS: — Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

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

MR. A.N. McMILLAN (Kindersley): — Mr. Speaker, I appreciate the opportunity to enter this debate for many reasons. Firstly, because I so severely disagree with the principles of this Bill and the implications that it has for the province of Saskatchewan. Just as importantly I appreciate the opportunity to speak on the implications that this Bill has for the future of this province and particularly to the young people raised in this province.

We have more reason to be concerned about this legislation than any of you here today. I am the junior Member of this House and I expect to live in this province longer than the vast majority of Members here so this Bill is of particular importance to me personally and to young people of this province that share the same chronological advantage that I expect to. I don't expect to speak specifically for young people in this province but I do share many of the same things in common with them.

I share a hope for prosperity in this province and I think resource management in Saskatchewan will play a large part in the degree of prosperity that we enjoy in the years to come. I am very concerned about resource management policies in this province, make no mistake about that. I share a hope, as do most young people in Saskatchewan, for opportunity in this province; opportunity for young people like myself to pursue a myriad of job opportunities. I also share a hope for the opportunity to enjoy a high standard of living and to enjoy a sense of security and a sense of fulfilment in the work that we participate in, in this province. Our resources in this province are the key to this opportunity. The government and those Members sitting on the far side of the House currently hold the key. You have been charged with a rather serious responsibility. You can turn the key in one direction and open the door to opportunity in this province. You can open the door to prosperity for young people and for people indeed of all ages. You have in fact the power to control the standard of living in this province, a serious responsibility indeed.

You can open this door to prosperity and to opportunity for all people or you can turn this key in the other direction and lock the door for years to come. You have the responsibility to the people of this province to ensure prosperity and at the same time you have the power to deny young people in this province the opportunity to pursue meaningful careers or in fact careers of any kind.

Let me explain to you the situation that we are faced with in Saskatchewan as far as the province and specifically with respect to young people in this province. It is often stated by Members on both sides of this House that one of our most valuable resources is our young people. Let me point out to you some statistics which I researched with the aid of Statistics Canada about young people in this province and in

the two neighboring provinces of Alberta and Manitoba. I dealt really with two areas, firstly and most specifically with people who fell into my age group. Because I have been of the opinion that there are a lot of people between the ages of 20 and 24 who were convinced that they didn't have the opportunity to find meaningful careers in this province and I wanted to see if statistics bore this out. Secondly, I checked to see what percentage of people in this province fell between the age group of 20 and 44 because I am of the opinion that those tend to be, as far as contributing to the gross national produce, the most productive years in a person's life. I checked on 1971 statistics, the most recent available, and Statistics Canada's extrapolation of the direction that we were headed. I found that in Manitoba, 8.6 per cent of their population fell between the ages of 20 and 25; Alberta — 8.7 per cent, and Saskatchewan — 7.4 per cent. I found that when I looked at the statistics for those percentages and population that fell between the ages of 20 and 44, in Manitoba 31.4 per cent of their population fell in that age group, the most productive years of a person's life; Alberta 34.1 per cent fell in that age group and in Saskatchewan 28.8 per cent. Estimates that Statistics Canada has done for the year 1974 would indicate that 29.8 per cent of our population in 1974 fell between the ages of 20 and 44, significantly lower than the provinces of Manitoba and Alberta. Now I don't stand there in this House to make apologies for the direction that any government has taken in the past but I think it is an indication of a situation that we would be trying to correct in the future. Now we have had a one per cent increase in that age group as far as our population goes in the last four years and I wouldn't be the least bit scared to stand here and tell you that that one per cent increase is due strictly to the increase in agricultural prosperity in this province.

SOME HON. MEMBERS: — Hear, hear!

MR. McMILLAN: — Now I pointed out that you have the opportunity and the responsibility to provide young people who are raised in this province, particularly, with meaningful job opportunities and meaningful careers. I said you hold the key to those opportunities and I also pointed out that you can turn it in two directions. You can turn it left, no pun intended there, and kill any hope for industrial prosperity in this province, and I think we are all agreed that industrial prosperity would be a great asset to the province of Saskatchewan. I have also said that you have the power to turn it to the right, again no pun intended, and to give this province the opportunity to move ahead in resource development.

Let me explain what happens to you people because I am under the impression that you don't really have a clear understanding of what you are doing with this potash Bill. Let me explain what happens to the province of Saskatchewan when you turn that key to the left and in fact lock the door to opportunity. First and perhaps most important, you have indicated by your taking over the potash industry that you are not the least bit interested in seeing private investment come in from outside of Saskatchewan. I didn't think there is much argument about that. You have guaranteed young people in this province for the next four years that no new money will come in to help develop wealth in Saskatchewan. You may, if things go as well as you seem to think they will in the potash industry be able to maintain production at its present level.

What happens if there is no growth in Saskatchewan's economy? Let's look at it from this point of view. Let's consider all wealth or all productive wealth in Saskatchewan to be included in the gross national product. In fact, the gross national product is a measure of all, in a general sense, material wealth in Canada.

Each segment of our society and each individual in Canada has a share of that gross national product and well they should. Our potash industry in Saskatchewan has contributed quite substantially to the gross national product, and certainly to the amount of wealth that is available to the people of Saskatchewan.

The bigger our gross national product in Canada is the more wealth there is available to people in this country. The more wealth there is available the higher the collective standard of living in this country will be. And the same is true for the province of Saskatchewan. I am not convinced that the Members opposite really understand that.

Almost everyone makes a contribution to the gross national product in this country and indeed in this province. There are some exceptions; those people who are unable for physical or mental reasons to contribute. Some people make more of a contribution than others do. It is in fact true, Mr. Speaker, that a relatively small percentage of people in this country contribute to a great majority of the gross national product. That is an unalterable fact. Through the government's use of taxation this small percentage of people are forced to give up a good deal of their wealth to people who take more out of the gross national product than they put into it. This is probably as it should be as well. It is in a sense a redistribution of wealth. These people create wealth that is shared by all people in society.

Such is the case in Saskatchewan with the development of our potash resources. A relatively small number of people brought a good deal of wealth into this province and created a good deal of wealth for people in this province of Saskatchewan. A small number of people have as I said created wealth in this province which I say would otherwise not be here. These people have as I said created wealth in this province which I say would otherwise not be here. These people have brought to Canada and to Saskatchewan in many instances a large part of the United States gross national product. And they have shifted it to Saskatchewan and that can't help but increase our standard of living here. Because it brings more wealth into this province.

These people have risked their share of the United States gross national product or of the eastern gross national product, or of Ontario. They have risked their share of that to create wealth in the province of Saskatchewan.

It is standard procedure . . .

MR. TCHORZEWSKI: — Tell us how much they get back.

MR. McMILLAN: — You want to know how much they took back . . . To see that they are rewarded by getting at least a bank rate return of interest on their investment and I don't think the Members opposite will argue with that point.

I would imagine without exception among those Members opposite that would invest money in stocks or bonds or shares of co-operatives or companies in other parts or other provinces would expect to get at least a bank rate return of interest on their investment and probably something more for the risk, provided those securities weren't guaranteed.

This too, is as it should be. If you are going to risk part of your share of the gross national product, investing it somewhere else, you deserve a bank rate of interest on it, plus something for the risk. I don't pretend to be a protector of the great companies but that is something they expect as a return and I think it is something that they are entitled to.

This government has not only said that individuals in this province will not receive remuneration for risking their wealth to create wealth, but chances are that if you try to invest in this province, you will have your wealth taken away from you. And that as well is an unalterable fact.

You won't see anyone else coming into his province to create wealth, Mr. Speaker. I don't blame them. If I had enough money to invest anywhere, I wouldn't be investing it in Saskatchewan potash industry or the Saskatchewan oil industry right now.

The Members opposite don't seem too worried. I can only assume why. I assume that you must as individuals be satisfied with the amount of wealth that is already in this province. This is acceptable if two things are taken for granted. (1) If our population is stagnant as far as growth goes, then it is acceptable. Then you're saying we don't have to provide more wealth for a growing population. That's fine. (2) If this government is satisfied with the standard of living that people in Saskatchewan enjoy, then that is fine. I say as well if you meet those two criteria then why worry about creating more wealth.

I don't know about the Members opposite, Mr. Speaker, but I'm certainly not satisfied with the standard of living in this province. I am not satisfied that our population of our growth rate is stagnant.

People in this society as well are demanding a bigger and bigger share of the gross national produce without putting more into it. Perhaps this is right and that is not an argument here. But people are continually taking more and more out of the gross national product without creating any more wealth or contributing to it and if that is going to continue and I don't say it shouldn't then we have got to create significantly more wealth in this country. When those people take more out of it it has got to come from somewhere.

Government, the intermediary has been taking more and more from the wealthy, from the gross national product and giving it to the less wealthy. This redistribution I say probably is as it should be. The problem is, Mr. Speaker, that the small percentage of people that this wealth is taken from create an un-proportionately large percentage of the wealth in this country. If you take away their incentive to come into this province and create wealth, then you are putting a lid on industrial growth and in fact the growth of the gross national product in this province. When they quit risking their money in this province they quit creating wealth.

The gross national product isn't going to grow in this province. In fact, aside from the agricultural contribution, I say it hasn't in the past four years. It doesn't grow but our population still grows and our people collectively demand a higher and higher standard of living. This means that there is less wealth to go around in this country and naturally if the gross national produce isn't being increased either one of two things happen. Either the standard of living goes down collectively or we have inflation. This government and those Members opposite have guaranteed that creation of wealth in this province is going to come to a halt and in fact you have guaranteed that it has come to a halt. I hope you understand that.

The number of young people who are raised in this province hasn't come to a halt nor has the demand for a higher standard of living. Young people continue to grow up and move away because they can't share in the creation of wealth in this province. In fact that is the only way they can expect to get anything in return. Anything back. You can't expect to get something out of the gross national product unless you are prepared to contribute something to it.

I am assuming that the vast majority of young people who are raised in this province are perfectly willing to get involved in careers that create something, that in fact produce for the gross national product. I have always been under that impression. That is the way I feel and I think most young people do. They haven't had the opportunity in the last four years to do that in Saskatchewan nor will they have the opportunity in the next four years to do that because of your Bill No. 1 that you have tabled in this Legislature.

You are denying young people the opportunity to participate in the development of this province. You deny them the opportunity to contribute anything to the gross national product. They have to go somewhere else in fact to participate in society. The figures that I tabled in this Legislature prove that. They have been going to Manitoba and Alberta and in fact may of them go down East or across the line into the United States.

I don't think you can argue with that situation for the most part. You have put this province into a position where no one is willing to come in and help us create wealth or develop our resources and increase our standard of living and give our young people jobs to stay here. I don't know where you think they are going to get the opportunity to do that, if you are not prepared to create wealth in this province. That is what you have done when you have said to anyone who wanted to invest that their money wasn't welcome in this province. That's what you get when you turn the key on industrial development to the left and lock the door for opportunity.

You had an option, an alternative, one that I don't think you considered because of your philosophical backgrounds and your narrow attitudes towards development of business and industry in this province. You could have turned the key to the right as I said. You could have taken a different approach. You stood in this Legislature and said, well, we may have considered that but we couldn't control potash corporations or the oil industry so we had to abandon that approach.

The Member for Lakeview (Mr. Malone) stood here and told you, that you had regulations and legislation which enabled you

to take all the control over private investors in this province that you needed to take. I didn't hear of any of you jumping up to argue with that point. You have that opportunity. You have the ability to control through taxation and regulations, private investors in this province. They expect those controls. They have said that for years. They bent over backwards in the past four years to accommodate your wishes for regulation and control. They expect that and you have the opportunity and the power to do that. If you exercise that power with discretion, there is no reason in the world why people will not continue to come into this province and invest money here. There is no reason in the world while instead of us being faced with the situation where we may have to borrow a billion dollars off our own backs, we could have encourage someone else to bring a billion dollars from the United States or from France or Mexico, bring it into this province to help us create wealth.

You have said, we can't do that because we can't cope with them. We pointed out here the other day that you have all the regulations and all the laws and all the legislation you need to cope with them. If you can't it is your own fault through your own inability.

SOME HON. MEMBERS: — Hear, hear!

MR. McMILLAN: — You can and you have the opportunity to encourage people to invest in this province. I told you earlier that I intend to live for the rest of my life and hopefully that will be for a long time. I am concerned about the way we develop our resources.

The Attorney General sat here yesterday and insinuated that we are all in the back pocket of the corporations and intoned that perhaps the Member for Kindersley sits on the Board of Directors of the Potash Company of America. I have no particular love for multinational corporations. My first allegiance comes to the province of Saskatchewan and to the young people that live here and the poor people that live here.

SOME HON. MEMBERS: — Hear, hear!

MR. McMILLAN: — I think you are denying both those groups of people, the poor, the young; those people that would like an increase in the standard of living, would like the opportunity to take a different job. I think you have denied them that opportunity because of your attitude. I don't think you had to do that. You had the opportunity to set up strict regulations for companies and people that invest here. And you did. You did it to a point where you squeezed them right out. You have the ability to see that if people invest money in here, they don't take any more money out of this province than a reasonable rate of return on their investment. You have that power. If you can't do that it is because of an inability on your part. So you have taken a second alternative. Instead of having someone else bring a large percentage, let's say of the gross national product from the United States, and bring it into Saskatchewan and provide new wealth for the people in this province and new job opportunities, instead of that you have said, no, your money isn't welcome. You didn't just leave it at that. You didn't just say, well we will have to put up with the amount of industrial development we have here and make the best of it.

No, instead you say we are going to borrow — who knows, we haven't been able to find out — between \$500 million to one billion dollars to invest in the potash industry. Not only do you not create any new wealth, you say, well, we will bring 450 people back here and there are new jobs. That remains to be seen. I understand that Saskoil's head office has been established in Calgary. Correct me if I am wrong. You have the opportunity to do something but instead you go to the people of Saskatchewan and say, we are going to borrow \$500 million to one billion dollars to invest in resource development in this province. You had a resource industry that was functioning in this province despite your attitude. You could have brought if you had to, if you are so dogmatically committed to bringing in a billion dollars to invest in resources, you could have invested in new resources. I would be interested to see the study you are going to table or have been asked to table on the Bredenbury mine. You had the ability to bring in a billion dollars if you are so darn concerned about borrowing it to create a billion dollars worth of new wealth in this province.

But you didn't even do that. You are talking about bringing that money in and investing it in an industry that is already here. You may, if things go as you predict create 450 new jobs. And at the same time the tremendous risk you burden the people of Saskatchewan with already is unjustifiable in my mind.

I may become a cynic like the Members opposite in years to come. I may find that there is no way I can cope with a large multinational corporation operating within my boundaries. I expect in four years to sit on that side of the House. I hope I will have the opportunity to find out then.

SOME HON. MEMBERS: — Hear, hear!

MR. McMILLAN: — I think, if you have taken the attitude that you have because you can't cope with the potash corporations and the oil companies, then at least have the guts to stand and say so. There are lots of us here who will give you a hand in doing it.

Instead of creating new wealth or inviting new people or even if that fails you, if you can't overcome your narrow philosophical attitudes to allow someone else to come in and help us develop our wealth, if you would even take that money you plan to borrow and invested it and create new wealth, there would be some opportunity for young people like myself to stay in this province. And you have not even done that. Instead you have risked — how much of Saskatchewan's money — we can't even find out, on an industry that is already here and established.

I don't know what else to say about this, Mr. Speaker. It upsets me no end as you people on the other side of the House are well aware. You also are well aware of the fact that I will not support Bill No. 1. I hope it is amended so that I may get an opportunity to stand up and speak about it again. Because I don't feel that I have said everything that could be said.

Mr. Speaker, I oppose Bill No. 1.

SOME HON. MEMBERS: — Hear, hear!

MR. R.A. LARTER (Estevan): — Mr. Speaker, it is with great feelings of humility and trepidation that I rise to speak on Second Reading of Bill No. 1, which has been titled The Potash Development Act.

It is with this feeling of humility, as this being my maiden speech in the Legislative Chamber that has seen over the years so many able speakers and debaters.

In dealing with this Bill, Mr. Speaker, I do not have and will not pretend to have a great display of oratorical ability. My sole concern will be to attempt to show the concerns of thousands upon thousands of people in the province of Saskatchewan and trust that the NDP will realize that they have perhaps overreacted to an unfortunate situation.

Mr. Speaker, I have been appointed Mineral Resources critic for the Conservative Party. This Bill has made my job an extremely important job and with limited research staff and without experience I feel even more humble and inadequate. If I am able to express the feelings of the people of the Estevan constituency, which I represent, then surely the NDP government will realize that I am being critical from a genuine feeling of concern. My constituency probably has more connections with resource industries than any other constituency in our province. Not only is it the centre of the once flourishing and vibrant oil industry, but it is also the centre of the coal industry and the generation of electrical power and has a close association with natural gas. We are known as the energy capital of Saskatchewan.

In the last Legislature Estevan constituency was represented by an NDP Member, who had been at various times, Minister of Industry and Commerce, Minister of Mineral Resources and Minister in charge of the Saskatchewan Power Corporation. Following in his footsteps also makes me feel humble, as he is well known for his speaking and debating ability.

It is with feelings of trepidation that this proposed law raises in me as it does in most every citizen of this province, except perhaps those of extreme socialist beliefs, feelings of fear, mingled with uncertainty. I do not represent, nor do any of my teammates here of the Progressive Conservatives represent the potash companies. I do not attempt to justify their actions, nor to espouse their case or their cause. I will not attempt to whitewash any of their mistakes. I am sure that they have made some errors and certainly they have acted differently than I would have acted. At the same time I do not have to wear their shoes and therefore, do not know how I would have reacted if I had been caught in a fight between the federal Liberal government in Ottawa on one side and the socialist government of Saskatchewan on the other. Maybe when you are caught in the squeeze or backed into a corner with a feeling of nowhere to turn, you come out fighting.

They chose not to fight the measures in court on constitutional grounds. Because of past representations I might not have taken those steps, however, I'd always thought our courts were available to everyone, that everyone was entitled to their day in court. This government, made up of people who know they are correct, who have been referred to by many as the master planners, apparently cannot tolerate anyone who questions their wisdom.

One of the reasons give for proposed expropriation is that these companies have dared to challenge in court the actions of a dictatorial government. That, Mr. Speaker, is the reason for the fears in the hearts and minds of the common ordinary people of this province. When a government which has virtual, absolute power, resorts to this kind of action, that must strike a note of fear in everyone's thoughts. This attitude of eliminating the opposition if they question the rules, particularly when the rules are set by one side, raises many fears in everyone's mind.

Does a person dare to be different? Does a person dare to be different? Does a person dare to oppose the thinking of an all-powerful government? If you would spend \$1 billion or \$2 billion needlessly to eliminate an industry that chose to have their day in court, what prevents such a government dismissing employees who do not follow the socialist doctrine? That fear, that feeling of being afraid to speak out or participate in any anti-NDP activity is becoming more prevalent amongst the people of this province, particularly employees of government departments, Crown corporations and people who deal with government departments.

The feelings of uncertainty that I spoke of arise of not knowing what industry or business will be next to be moved down by the socialist sickle. We must also remember that sickle is just as dangerous being wielded by a socialist federal Liberal government as it is by a socialist provincial NDP government.

Mr. Speaker, we in the Progressive Conservative Party say there is no need whatsoever for this vicious piece of legislation. The government has overreacted to a situation. They had many other alternatives than expropriation. Some Ministers say, nationalization of resource industries has taken place elsewhere and therefore is justifiable. It is done in Arab countries, in Africa and in some areas of South America. Is that therefore justifiable for expropriation? This province is fast becoming known as the banana republic of the North American continent, with all of the sinister motives and methods implied therewith.

This proposed legislation will do more to harm the reputation of this province than most people even dare to imagine. Investment by the private sector will be virtually non-existent and I'm not referring to the investment by the so-called multinational corporations. I am referring to investment by private individuals. No one will invest their savings and earnings where an atmosphere exists as presently exists in this province.

If the government wanted to get involved in the potash business and they seemed to have been bent that way for a long time, why didn't they negotiate the purchase of one or more mines? Failing that, why didn't they start their own? If they are so convinced the government can run a potash mine better than the private sector, why didn't they just get into business as they in the federal Liberal government did with their own oil companies? Instead they reacted like a little boy who wanted to play ball. His friends wouldn't let him play. He then had his daddy buy the ball diamond. That's what our big daddy is trying to do now. He's threatening to buy the diamond, but he's not using his own money — he's using our money.

These people were wooed and encouraged to come here by the CCF under Tommy Douglas. Now they are being made out to be the

bad guys. Because, as the Throne Speech says, they challenged the constitutionality of the provincial law. I should have thought that the theory of the rule of law would have applied to governments as well as individuals. I guess if one knows they are infallible and they can plan everyone's life better than each individual can plan his own, they need not be bothered about such things as constitutionality in Saskatchewan.

Whenever a Minister refers to and tries to justify their actions I almost expect to hear him sing the old song, "You can't play in my yard, I don't love you any more."

Mr. Speaker, as I have said this law is not needed. If the question is one on money and the amount of royalties, then there was another alternative. As I understand it, Mr. Speaker, there are agreements with all of the potash companies that were signed in 1964, fixing the royalties until 1981. While we would have opposed legislation declaring such a contract void as dirty pool, nevertheless it would have been all that was necessary and then any royalty rate could have been set by the government at that time. The government is using all of this as an excuse to nationalize this industry.

The government throughout has acted in such a manner as to provoke a fight and now we realize why. The master planners wanted to condition the minds of the people of this province to this unjustified involvement in the business world.

Firstly, they demanded some time ago an increased share of the potash revenues without being specific. Then they got into an argument about saying the potash industry was only entitled to a proper return on investment without indicating what was proper. Next came the suggestion that the government should receive potash in kind as their share. Doesn't that indicate their long time desire to get into the potash business? Then they insisted that the potash companies could only expand if the government participate as a partner. Apparently the companies don't want to go to bed with the government.

Then came the increased prorationing fees and the reserve tax, which the companies said is so excessive that it's prohibitive and doesn't warrant any expansion. Now, the government says the companies won't expand so that is justification for expropriation. This confrontation has been provoked by a government so steeped in greed that it will stop at nothing in its attempt to completely socialize all means of production, distribution and demand.

In the past few years we have heard a great deal about industrial espionage and how dirty it is. I concur with that totally. For one company to spy on another, to learn its methods and contacts is considered not only illegal but immoral. If that's wrong what would you call the provisions of this Bill, giving the government not only the power to snoop but to gather all the same kinds of information that would be obtained in industrial espionage. What is even more appalling is that this information must be given before or after the government decides what mines to expropriate and if a company doesn't want to give all that information requested their executives can be sent to jail for two years.

Because of the very technical method of mining and due to

other unseen matters, no doubt some mines are more profitable than others and the government can obtain all this information and then move to expropriate the most profitable. On one hand they are being condemned for being profit motivated and yet the government wants this information, no doubt to expropriate the most profitable.

Mr. Speaker, it is beyond my wildest imagination how anyone could justify these provisions. Could it be that, what's wrong if it's done by the private sector suddenly becomes right if done by the public sector? Apparently this government has two standards of conduct.

Mr. Speaker, if the potash companies are not supplying the government with the information that the government properly needs, then surely steps could have been taken to force the information to be provided without resorting to these steps. This could have been done either by legislation or by negotiation. It is already admitted that this government couldn't negotiate in good faith with the potash industry. That, Mr. Speaker, is an admission of inadequacy; it shows the inability of this government to control the affairs of our province.

The same inability was evident, Mr. Speaker, when dealing with the oil industry, and that comes closer to home in my country. Bill 42 as it was so infamously known, amounted to virtual expropriation. Another case of over-reacting. We were told Saskoil would fill the vacuum, that didn't happen. Now the government wants to make amends and get the oil companies back; Mr. Speaker, that will not happen, particularly now with this legislation. They were chased out once by excessive taxation on the part of the government and oppressive tax legislation by Liberals in Ottawa. Now we expect them to come back with more clouds over their heads. Mark my words, Mr. Speaker, the damage will be irreparable unless the government quickly moves to withdraw this Bill.

All industries and businesses, not only in the resource field, but in every area will be extremely hesitant about the vesting or carrying on business with a government that displays such a complete lack of concern for the rights of people.

Expropriation, Mr. Speaker, was not necessary. The government has the power to tax and therefore, could have taxed as much of the profit as they wished. This means they could have taken much of the profit without any of the risk. Now they are going to gamble with the people's money in a game they know very little about. All of this in a pursuit of a doctrine.

The July 4, 1975 issue of the Mining Journal published in London, England says:

That fertilizer has gone from famine to glut. Particularly two products, Phosphates and potash.

Notwithstanding this, this government intends to spend a billion dollars or more in their relentless and futile attempts to prove a theory. Their risks and chances would be about the same as if they shot craps with a billion dollars never having played the game before.

We have been told, Mr. Speaker, that this industry must be expropriated because it is profit motivated. Is that the avowed

policy and intent of this government? Is it wrong to make a profit? The Hon. Minister of Mineral Resources, Mr. Whelan, made a big point of this. I ask again, Mr. Speaker, for the government to tell everyone in Saskatchewan, if they are against businesses and people making a profit? Is it wrong for people to make a profit from being employed? What about farmers? Is it wrong for farmers to make a profit? Is profit making a sin? Is losing money virtuous? Will that be the policy of the Crown owned potash company? In that case the people of Saskatchewan don't need or want the government in business.

Perhaps, Mr. Speaker, one of the most frightening things about this legislation are the threats contained in the expropriation provisions. These companies have been referred to by government supporters as multinational corporations, leaving the impression that therefore, it didn't matter how they were treated. They are relying on the age-old feeling in the West, that we've been exploited for years by the eastern moneyed interest. I'm not, Mr. Speaker, sticking up for the potash mines, but I do feel and feel strongly that government as well as people should be judged by their actions and their words. If they would do it to the potash companies, won't they do it to the uranium mine and the coal mines? If they do it to the resource industry, won't they do it to the service industry? And why not agriculture? This is the way the threat works.

Suppose a farmer owned a quarter section of land and the government wanted that land for Land Bank or to be incorporated into a state farm. Firstly, the government sends an agent to the farm and offers to buy the land for \$30,000. The farmer repeatedly says no, as he doesn't want to sell and he's been making a modest profit. Then the farmer is advised the government is preparing legislation that gives the government the power to expropriate that land, and the price will be determined by a special formula contained in the legislation. The Bill is introduced then the farmer realizes the formula will only net him \$20,000 on the land. Mr. Speaker, if you were the farmer what would you do? Sell quick for \$30,000 or wait to be expropriated and receive \$20,000. That is the situation with this present Bill. It is a form of blackmail. If it works and two or three potash companies sell under agreement, then this Bill can be withdrawn and the NDP can say that the companies sold voluntarily, and the government didn't expropriate anyone.

I suggest to you, Mr. Speaker, that that was the plan of this government and that is the very reason why the Progressive Conservatives will not participate in a filibuster on this Bill. It plays directly into the hands of the government. The longer they have to negotiate and the more the potash companies are convinced of the futility of it, the grater the chances are that one or two will sell. Not voluntarily, but under the threats contained in this Bill. If the government doesn't see that they are wrong and withdraw this legislation now, then we want them to be accountable to the people for their actions and not give them the chance to withdraw after they have accomplished their purposes in this dubious manner.

Mr. Speaker, we want the government to be accountable. We want them to indicate who's next. Does it make a difference who's on the receiving end? Is not rape still rape, regardless of who is the victim?

Mr. Speaker, a point has been made that profits are going South. That's a terrible thing. This apparently justifies expropriation. If it was wrong for profits to go South where does the government go for their money? I understand the Premier is going to New York to borrow some needed funds. There could very well be more money going South in the form of interest than now goes South in the form of profits. With the attitude of the Premier, I wouldn't be surprised if some of those Americans told him to go home empty-handed.

Mr. Speaker, we all know the power of advertising. Sometimes advertising is used for the purpose of brainwashing people's minds. It worked successfully in the Second World War in Nazi Germany where swastikas appeared everywhere. What is the purpose of these buttons that we have seen so much of? Surely this government wouldn't spend out money in an attempt to brainwash the people. I'm sure that it's only coincidental that Saskatchewan mineral have advertised extensively since the Throne Speech extolling the virtues of a Crown corporation operating mines. Would this be a further attempt to brainwash the people of Saskatchewan? Mr. Speaker, if this government wants to gamble with my money, and the money of every working person in Saskatchewan by proceeding with this scheme of state managing the potash industry, then they should be prepared to put up their own money as well as everyone else's. Therefore, we are putting the government on notice that if they are bound and determined to operate a potash mine, or potash company, which is going to compete in the marketplace, that we are considering proposing an amendment by which all Members of the Legislature who vote for the creation of such a creature shall be required to invest 75 per cent of their savings and equities and 20 per cent of their income as government officials in the company on a prorated basis, to share in the income on the same basis as the government. In that way, each Member who says it is such a good idea will have to put his money where his mouth is.

Mr. Speaker, the government has indicated it has a mandate to bring in this legislation. That is nothing but utter hogwash and nonsense. This nefarious scheme was never mentioned in the election campaign. The NDP played down their socialist doctrines. Over 60 per cent of the people of the province of Saskatchewan voted against the NDP. That obviously is a rejection of their policies. In Estevan constituency, where the resource policy more directly affected the people, only 30 per cent voted for this government and over 52 per cent voted for these seven wonderful fellows. If the NDP want to know what the people of Saskatchewan think of their socialist policies of expropriation of businesses because they made a profit, I strongly suggest they call an election on this issue. The Conservatives would welcome the opportunity on increasing their numerical strength sufficient to form the government. In that fashion, confidence could be restored in what could be one of the finest areas in the world.

Mr. Speaker, I will not support the Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. J.L. SKOBERG (Moose Jaw North): — Mr. Speaker, it gives me a great deal of pride to take part in this debate on Bill No. 1. As has been suggested by our Leader and House Leader, Bill No. 1 is significant at this particular time in our history and I think every Member in this House will realize after some years have gone by that the type of objections they are now putting up are strictly ones that are trying to scare the people of this country and scare the people of this particular province.

I couldn't help but note the remarks of the previous speaker, Hon. Member for Estevan (Mr. Larter) when he said that every citizen of this province is against the Bill, and in fact the Liberals are suggesting that. He is suggesting here that we should probably put in so much money insofar as the purchasing of those particular potash mine are concerned, or purchasing or putting money into that particular area. I can only remind the Hon. Members opposite that they seem to have the money available to even purchase candidates. They seem to have the money available to put into an indemnity that provides a certain monthly benefit for certain members of that particular party. And no doubt that's the type of people they'd support when the campaign comes up.

I should like also to suggest, Mr. Speaker, that if we look at the type of remarks that were made here on Friday by the Hon. Member for Elrose (Mr. Bailey), and by the Hon. Member for Estevan (Mr. Larter) again today, we can well remember the book "The Rise and Fall of the Third Reich", and I'm suggesting, Mr. Speaker, that this is exactly what could well happen insofar as that party is concerned and their type of accusations against the people of this province who are the citizens and the people who are concerned with this province and concerned with the equal say and freedom and rights no matter which way you want to look at it.

Mr. Speaker, there's no question in the world that when the Hon. Member opposite for Estevan made his great announcement that they may consider introducing a bill that all Members who vote for this Bill would have to put in a certain amount of money through their monthly indemnity, it has taken a good deal of thought to put that into that type of expression, because I'm sure that if all of the Members of that party will stand and speak that we'll soon find out exactly what they believe of the people of Saskatchewan and the economy of this province. There's no question in my mind that the power of this province is tremendous. There's no question in my mind whatsoever that the people of this province are prepared to do things that many other people in other provinces have not seen fit to do, or did not think it ever possible to do. We don't have to go back into history very far, Mr. Speaker, to find that out.

The Hon. Member for Kindersley (Mr. McMillan) of course, spoke on behalf of the young people suggesting that the young people in this province were not being looked after. I would say, Mr. Speaker, that I'd be ashamed to stand in this House and suggest that we were not prepared and not concerned about keeping our resource in this province, because the people in this province and our young people in particular, are concerned with the resources of this province. They are concerned that they do have a basic right to the resources of this province and of course as the Hon. Member for Kindersley has just left, we can let that go. As far as I'm concerned the young people

of this province are entitled to active participation in the resources development and it's only through proposals such as Bill No. 1 can these particular young people have that active participation.

SOME HON. MEMBERS: — Hear, hear!

MR. SKOBERG: — If you can suggest to me, Mr. Speaker, that the young people in this province believe that they are part of our society when there are no decision-making processes available under the present system that we do have, then I fail to understand many of the young people whom I have spoken to across this province, particularly in the Moose Jaw federal constituency, which takes in Dinsmore and some of the areas where my hon. friend across the way is the superintendent of schools and I understand that he has some jurisdiction over those certain areas.

Mr. Speaker, I am sure that when we look at Bill No. 1 we realize that there are about 920,000 people living in Saskatchewan and that these people should own and have a say insofar as the potash development is concerned. We have in Bill No. 1, Mr. Speaker, an opportunity of setting the example and providing leadership for all Canadians by making this move to attain effective controls through ownership of a most vital mineral resource, potash. Mr. Speaker, I know that the Saskatchewan people, through the government we have today, will never have a better opportunity of bringing about this resource ownership than we have right now. I also know, Mr. Speaker, that far from being what is said across the way, the people of this province are interested in Bill No. 1, the people of this province are interested in having a say in the resource management and the ownership of those particular resources.

I might suggest that at the last convention of the Saskatchewan Federation of Labour, a standing unanimous vote was conducted at that convention of some 300 to 400 people subscribing to the principle of resource ownership of potash in this province. You may say, more NDP, but I think those opposite will well realize that the labour movement is not necessarily only New Democratic Party members or supporters. These very people will take us to task when they see us doing things that they do not agree with.

The Hon. Leader of the Conservative Party (Mr. Collver) can smile, but it will be rather interesting when the labour movement finds out exactly the position that he has taken insofar as various things such as Labour Relations Board, where he condemns the Labour Relations Board for being too partisan against the managers in this country. I would suggest that Bill No. 1 is another indication, Mr. Speaker, that those people opposite may smile, but they will find out that the people in this province are prepared to take initiatives as we have seen taken in this Bill No. 1 at this time.

Mr. Speaker, I say that this is the time, and now is the time for the Saskatchewan people to stand and be counted. I say that they were counted in the last election — the New Democratic Party has never hidden any of their programs insofar as resource management and ownership is concerned. We attend conventions which are open to all that wish to attend as observers or from the Press. We attend those conventions and they are

open conventions, decision are made insofar as the type of policy that we are prepared to accept and the type of a program that we put before the people of this province and before the people of Canada generally.

Mr. Speaker, the best investment portfolio Saskatchewan people can get right now is in this particular potash area, and I'm sure that all of us here can appreciate the fact that although the rest of Canada is going through a period of inflation and high unemployment, Saskatchewan is enjoying record prosperity and virtually full employment. Our taxes are relatively low, our provincial budget is balanced, and if you listen to the Hon. Members opposite you would think Saskatchewan is in a terrible situation. Our credit rating is AAA, and we are able to afford an investment like this and the time is right now, Mr. Speaker.

At the same time, because of our resource policy in another area, and that is oil (including the Estevan area) we have built up a reserve fund of several hundred million dollars called the Energy and Resource Development Fund. For the first time we have here in this province, right here, a large pool of capital to use or to borrow against. What could be better business management then to set up that particular type of a fund?

SOME HON. MEMBERS: — Hear, hear!

\ **MR. SKOBERG:** — Mr. Speaker, there is a desperate need for economic leadership in our nation. And again, if you listen to the Hon. Members opposite, you would almost think that there is absolutely no leadership in this province whatsoever. The record shows it, the financial record shows it, and we do know that that type of leadership has been brought about through the leader that we have at this particular time, and the leaders that we have had in the past. This province has more to offer than any other province in Canada, and it is not true that the young people will leave because there is not opportunity. If it is true the only reason is that there is no decision-making possible in this province which will be brought about under Bill No. 1. The private corporation owned by people in distant cities in other lands, and managed by the corporates are not the ones that we need to make decisions where in Saskatchewan. Decisions which must be made here for the benefit of the people of this province and the benefit of the people in the nation by leading the way and letting them know exactly what we are doing in this particular area.

Mr. Speaker, there appears to be a position taken by the Members opposite, and it's rather ironic when the Hon. Member for Estevan suggested that he wasn't talking for the potash corporations, but then if you listen closely you heard him talk about the potash corporations and the terrible situations that existed in that particular area and I should like to suggest, Mr. Speaker, that there is only one effort being made by those opposite and that is to strike fear into the people of this particular province at this particular time. If there has ever been a situation of blackmail it is the type of blackmail that's going on now through those opposite. I can assure you, Mr. Speaker, that the farmers that we have in this province are not going to be hoodwinked by the type of claptrap that we heard this afternoon insofar as losing their farms for state farms.

In fact, I'm amazed that someone didn't suggest that we were going to start burning the churches down.

SOME HON. MEMBERS: — Hear, hear!

MR. SKOBERG: — Mr. Speaker, every worker and every farmer and every small businessman in this province would be only too delighted to have some type of self-decision process put back in his hands, and I'm suggesting that that is possible if we really look at the Bill and we do believe if there are any meaningful amendments to be made, then I would suggest that the Opposition could make those amendments in the interest of the people of this province.

I should also like to suggest, Mr. Speaker, when I listen to some of those opposite when they talk about the state farm and the holy terror of having these farms taken over by this terrible government, that one of the main reasons that we now see in a revitalized agriculture economy is because young people are getting back on the farms. These people are getting back on the farms because of the Land Bank program . . .

SOME HON. MEMBERS: — Hear, hear!

MR. SKOBERG: — . . . and we can go down into the area of the Hon. Member for Elrose and you will find out that there are hundreds of young people now that are back on the farm that could never have got on that farm if it hadn't been for the Land Bank program.

SOME HON. MEMBERS: — Hear, hear!

MR. SKOBERG: — I can well remember, Saskatchewan as far as the whole cost of programs and the likes of that, of living on a farm my father homesteaded in 1905, in Alberta, at a place called Loughheed (by the way) for the Leader of the Conservatives. He homesteaded there in 1905 and for dozens and dozens of years he kept paying interest to the bank in order to try to own that land. If he wanted to trade that land, or let that land go down into the family, he couldn't do it, but with the Land Bank we have been able to see young people get back on the land, and this too has resulted in the great increase in agriculture economy and a great increase of the participation by young people in communities. I'm suggesting, Mr. Speaker, that Bill No. 1 will do exactly this same thing and that there will be participation by these young people who they will be able to get back onto the land.

Mr. Speaker, we are well aware of the fact that in one of the last campaigns, a bitter campaign that we had in this particular province in the Medicare days, that the Chambers of Commerce dedicated themselves to try and destroy the program of what this government was trying to do. We now see that the Chambers of Commerce are being enlisted and subscribed to by the potash companies and any of those opposite, also are trying to use some of the small businessmen as pawns in their program. They are trying to say that this is a bad move. Well, Mr. Speaker, I can well realize and appreciate the fact that man of the Chambers of Commerce and Boards of Trade across this province, many of the small businessmen, have never stood

up against the multinational corporations. I am suggesting that if we want any form of economic independence then they should rise to the challenge and I ask them to rise to that challenge because it's in their best interest to realize exactly where the decision-making comes from.

Mr. Speaker, it is no longer necessary to depend solely on foreign investment for if foreign investment is one way to create jobs, then so also is the public investment through Crown corporations. The instrument of Crown corporations is a reliable and logical vehicle to create and generate new activities and jobs and are generally more creative than those jobs in a branch plant economy. Trading with the Enemy Act, Mr. Speaker, is a good example of what has happened in this country. That has happened and we all know exactly in what area that has come about. We know that their trucks couldn't be sold to China; we know that drugs could not be shipped to North Vietnam; we know that flour could not be exported to Cuba. Oh that particular point, Mr. Speaker, not many years ago we had a flour mill called Robin Hood Flour Mill in Moose Jaw, owned by Minneapolis Milling. It so happened they put up a little sign inside of that flour mill and it said "Trading with the Enemy Act". There was a large shipment of flour to be sent to Cuba at that particular time. However, because of the ownership of that Robin Hood Flour Mill that flour was not shipped to Cuba. Now I think all of us here know that bullets are not made with flour. Rather flour is to be made into food, so the people of that particular area would have that type of food.

Another example, Mr. Speaker, is that the potash industry of our province, entirely owned by the multinationals was able to fill orders from China only by obtaining special exemption from the American State Department. If that is a manner of self-determination by the people of this province and the people of Canada, then I fail to realize the real objection that the Hon. Members opposite are making.

Mr. Speaker, we know that no sensible company lets the managers of a subsidiary have complete autonomy. We know that foreign ownership means the decision-making in the private sector takes place outside of Canada and anyone must be naive indeed to believe that where such decisions are made by are mad in the best interests of Canada. We know that is not so. We know that is not so, insofar as Saskatchewan is concerned and our young people are not going to be led into believing that decision-makings are made in their interest when they re made from outside the boundaries of our nation here in Canada.

Mr. Speaker, I am certain a growing number of Canadian and Saskatchewan people are concerned about regaining effective control of the economy and the repatriation of the economic decision making as a pre-condition of a democratic social order. We must have that type of control to curb the influence of external corporate power over our physical and social environment. If we do not regain this power we are in effect striving for continuation and destruction of Canadian and Saskatchewan cultural, economic and political independence.

I might just at this time, Mr. Speaker, read a quote from the then President of Privy Council and Chairman of a sub-committee of Cabinet, a Liberal government which had the responsibility to enquire into the effects of foreign investment on the Canadian economy. Walter Gordon had this to say:

During the last 50 years we have freed ourselves of traces of colonial status insofar as Britain is concerned but having achieved our independence from Britain we seemed to have slipped almost without knowing it into a semi-dependent position in relation to the United States. While the relationship is a benevolent one, if present trends are allowed to go unchecked, if we fail on a consensus of national goals and objectives, then as I have estimated Canada may not exist as an independent nation for another 100 years. The choice is clear. We can do the things that are now necessary to regain control of our economy and thus maintain our independence or we can acquiesce and become a colonial dependency of the United States with no future except the hope of eventual absorption.

Walter Gordon continued:

Already in my view we have surrendered too much ownership and control of our natural resources and our key industry to foreign, notably those in the United States. History has taught us what economic colonialism is all about. Indeed it is sadly ironic that in a world torn asunder by countries who are demanding and winning independence, our free and independent and highly developed country should be haunted by the spectre of a colonial or semi-colonial future.

Mr. Speaker, I believe Walter Gordon was speaking with sincerity in those days. I believe that his Cabinet who ousted him and shot him down is exactly the same as they are today, they have no concern about the economic return from our resource in this country. They have no concern about the political future of this country. I suggest that the Hon. Members opposite are not concerned about the political future of Saskatchewan nor in fact are they concerned about the economic return to the people of this province.

SOME HON. MEMBERS: — Hear, hear!

MR. SKOBERG: — Mr. Speaker, one only has to look a short distance around the world — Venezuela seeks economic liberation. We know what is going to happen there the first of the year. I had one opportunity in 1971 with a parliamentary committee to visit Central and East Africa. Zambia at that time was going through the throes of economic independence. Zambia said they were going to gain control of their resources for the benefit of the people of Zambia. Tanzania, Malawi, Kenya, all of the developing or so-called developing nations are going in that direction. Here we are in Canada still arguing a fight that shouldn't be argued but should be accepted by everybody in this country and everybody in this province and everybody in this House.

Mr. Speaker, if we do believe and if we are concerned about creating a great independent country and province, we have to get together. We have to sit down and realize that this is what the people of our country want. This is exactly the position that we should be heading for.

Mr. Speaker, unfortunately, the Hon. Member for Thunder Creek (Mr. Thatcher) is not in the House at this particular time, but it distressed me somewhat to hear him speak the

other day (of course) then he had the advantage of getting about a half page in the Moose Jaw Times Herald on his Throne Speech address and some of us haven't had that advantage). He said the government has made it socially acceptable for one to be a parasite on society in the province and the number of people who take pride in not working for a living is increasing by leaps and bounds.

Mr. Speaker, in connecting this with Bill No. 1, I am suggesting that in this province we do not have that type of parasite. I am suggesting we have in this province those who are dedicated to making this province a great place to live in and are dedicated to working to their utmost in this particular area.

I should like to refer to some of the actual figures when we talk about parasites. At present — and I'll use our particular situation in Moose Jaw — we have the Valleyview Centre where the disadvantage people are looked after. There are 882 individuals in the Valleyview Centre, the vast majority, at least 500 are severely retarded. Many of these people have multiple handicaps with a high percentage confined to wheelchairs. The provincial social assistance figures in 1971 — that might strike a nerve opposite — there were 58,000 people on social assistance programs. In September 1975 there were 36,000 people on social assistance program, of these 58.9 per cent were senior citizens or handicapped persons — I referred to some of these folks just a few moments ago when we talked about the Valleyview Centre — 21.7 per cent were single parent families, of the remainder only 3.9 per cent are considered employable.

Mr. Speaker, I think it is very derogatory where we have Members stand in this House and call our workforce in this province parasites and looking for handouts consistently. If we look at the complete breakdown, you will find in March 1974, the provincial total of individual recipients was 49,631; January 1975, 15,941 and they include the single person cases and these are the unmarried mothers, deserted spouses, separated and divorced, spouses confined to an institution, and deaths of spouse. The absence of the spouse is 27 per cent. Insufficient earnings capacity is 32 per cent. Unclassified, just 74 people.

Mr. Speaker, I think that if we want to be responsible in this Legislative Assembly here, then we should realize that you can't go about trying to use people as pawns in this game that is being played right now. I think it is a disgusting position being taken by the Hon. Member for Thunder Creek in his speech to this House when he refers to the parasites living in our society at this time and suggesting that they are increasing by leaps and bounds. I am confident, Mr. Speaker, that in Saskatchewan we do have the expertise, we do have those people who are concerned about the social and economic areas of this country that will be able to fulfill the obligations in Bill No. 1.

I am suggesting that these people are available and will be available. When Bill No. 1 is passed, then I can assure you that we will not and should not have the type of repetition we have seen in this House most recently.

Mr. Speaker, I think that when a Member plays with the truth, the way we have seen done, then there should be some

obligation on his part to prove that type of situation before this House. I believe that when we are talking about people being employable and not being employed under Bill No. 1, then I am suggesting to you that these are the people whom we have to be considering. Bill No. 1 does include people and what I have to say this afternoon does concern itself with Bill No. 1, Mr. Speaker.

Mr. Speaker, when I listened to the Members opposite talk about 100 per cent of the people of Saskatchewan against Bill No. 1 and the New Democratic proposal, I'm wondering if they then would put on the record some of the statistics that they have. It could be that it might have been another random survey. I am suggesting that there is not 100 per cent. In fact by far the majority of the people in Saskatchewan are telling the government of this province, it is finally time that we move to bring our economic decisions back home.

SOME HON. MEMBERS: — Hear, hear!

MR. SKOBERG: — Mr. Speaker, I am suggesting that the Opposition Members when they are saying that they are not speaking on behalf of the potash companies, are playing loosely with words. I am suggesting that they along with their friends are doing their best to divide the farmers in this province, they are doing their best to divide those people on fixed incomes, they are doing their best to divide the labourers in this province, one against the other in order to bring about a defeat of this particular Bill.

I am suggesting, Mr. Speaker, that the farmers and the small businessman and the labour people and the senior citizens in this province know what has been done and can be done if we have the resource material that will be brought about by ownership of the potash industry. Scare tactics will not work now as they did not work many years ago. Mr. Speaker, I am interested in this province. I am vitally interested in this province. I am interested in the destiny of our young people and the destiny of those people who need added resource benefits through the resources we do have. I have confidence in the people of this province and I have confidence that the Members in this Legislature when they finally admit that Bill No. 1 is a logical position to be taking, and when they finally admit that, they will wholeheartedly stand in this house and support Bill No. 1.

SOME HON. MEMBERS: — Hear, hear!

HON. M.J. KOSKIE (Quill Lakes): — Mr. Speaker, I am pleased to rise and participate in this debate on Bill No. 1. I want to say that in rising to speak I want to congratulate the Attorney General (Mr. Romanow) for a very exhaustive and complete introduction of the Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — Mr. Speaker, this House waited impatiently to hear the Member for Nipawin make his first pronouncements. Expectations ran high. The Press anxiously awaited his first pronouncements. Then, Mr. Speaker, he rose to speak and in 24 short minutes, no longer clothed in the trappings so elaborately placed around him by his advertising agency of his last campaign,

he stood exposed. A hush, Mr. Speaker, fell over this House as each Member realized that the Conservative Party in Saskatchewan had perished from a self-inflicted wound.

Mr. Speaker, I have attempted to analyze the Conservative Party and its leadership and I have reached the conclusion that it is but a mutation of the Liberal Party. Now genetically a mutation can produce a superior offspring, quite unlike its parent or there can be a mutation which produces a very inferior offspring, sterile and weak. Mr. Speaker, I think that we have ample evidence provided to us that the Conservative Party is sterile of ideas and incapable of reproduction of more of its kind.

Mr. Speaker, provincial governments who decided that they need to promote local industry appear to have a choice of three partners in any development, a Canadian company, a Crown corporation or a foreign owned company. Unfortunately, distressing though the implications may be, for long term control of Canadian economy Canadian companies although they have the resources often lack the imagination and even sometimes the inclination to build a major plant in a province where underdevelopment exists. For example, before Saskatchewan entered into an agreement with Parsons and Whittemore of New York for a pulp mill, it asked for proposals from major Canadian companies and received none. Crown corporations are usually not acceptable, although at first glance there would appear to be many Canadian precedents for the creation of Crown owned development corporations but in fact few of Canada's corporations are inspired by the need to create jobs and to assist where needed.

The Canadian National Railway was formed by the merger of several private railway companies which were unable to operate profitably but were needed for development of such places as Sudbury, Timmins in our northern areas. Air Canada was created because there wasn't sufficient private capital or interest in establishing a Canadian owned airline. Polymer Corporation was formed during the World War II because Canada needed a rubber producer in a hurry. From time to time there have been movements to have these companies transferred back to the realm of private enterprise and out of the hands of government ownership rather than to make more Crown corporations.

The shunning of socialism has driven several provincial governments into arrangements in which they have paid all or most of the expenses of establishing a plant, sing a promoter or a company as a private enterprise front that gave political respectability to the project. Such attempts to attract industry in this fashion, were initiated by premiers Duff Roblin of Manitoba, and Robert Stanfield of Nova Scotia, both agencies were responsible to a board of directors which though appointed by the government was not directly responsible to the government for the activities of the corporation. The directors were all members of the business establishment, well versed in the folklore of free enterprise. Both corporations were headed by drum beating promoters, plus hard-working salesman who would travel around the world to personally persuade businessmen, tycoons, to come to Nova Scotia and to Manitoba.

The result of those promotions were a series of financial disasters, culminating in the Churchill Forest Industries project, the project which eventually cost the taxpayers of Manitoba \$200 million. This indication of the credibility of people so enamoured

by the concept of private as opposed to public enterprise that George Dirksen, publisher of the Manitoba Business Journal, angered by what he considered “the carping critics of the Manitoba NDP with the then government’s involvement in the project,” devoted some 20 pages of his publication to the project. In his introduction he loyally stated:

One thing is certain about this project, Manitoba needs it. I don’t care if a hundred million is being spent on it. It wouldn’t matter to me if the province spent \$200 million, as long as it is good for the province.

Dirksen was so intent on justifying industrial growth at The Pas that he lost sight of the important distinction between the value of the forest complex in reducing unemployment and the proper price.

Mr. Speaker, there have been many who have worshipped at the false idol of economic growth at any price, who have only considered one option in the development of Canada, that of attracting foreign investment. But there are precedents for province-owned development corporations even in non-socialist government. Liberal Premier Jean Lesage, Quebec Government, set up in 1964 Sedbec, the province-owned steel mill after unsuccessfully talking to big companies in the private sector. Other provincial governments faced with the loss of major private enterprises have even nationalized them in the hope of salvaging some security for workers cut adrift by companies who used comparative profitability of capital as their only rationale for existence. For example, the Conservative government of Nova Scotia took over Cape Breton Steel Mills and Mines. Other governments have nationalized resource projects that initially were attracted to their province by government guarantees and loans. The most recent example of this was Premier Moore’s takeover of Brinco, the huge Churchill Falls power project.

Yet there remain those who refuse to believe that huge projects can be developed by the people of this country through public or Crown corporations. Syncrude is perhaps the worst example. Here the Alberta and federal governments have bent over backwards to ensure that Canada’s last major source of energy reserves will be left in the hands of giant, foreign, multinational corporations.

Perhaps, Mr. Speaker, we should look a little more closely at this concept of private enterprise, when the industrial and unimagined productive capacities of the machine age and the last remnants of the old conceptions of social hierarchy were swept away. The new society was to be a society of free and equal individuals. The dictation of economic morality were henceforth summed up in obedience to the laws of the market; the individual pursuing his own economic interest was assumed to be promoting the welfare of the whole society. In this society of free and equal individuals harmoniously competing against one another for the common good, the state had no need to intervene.

However, what ultimately discredited this theory was realization that the competitors did not start free and equal and that the longer competition continued the less scope was left for freedom and equality. And so, it happened, Mr. Speaker, in the industrial society of the nineteenth century that the story of the industrious errand boy who became the managing

director and of the lazy son of the managing director who became the errand boy, became an agreeable myth which took little or no account of the facts of life.

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — Other changes took place, Mr. Speaker. Instead of competing against one another on equal terms for the good of all, businessmen began to combine with one another into groups for their exclusive profit. The nightmare of competition was replaced by the dream of monopoly. During this period the individual businessman was ousted by the company, the company by the corporation., the corporation by the conglomerate, the conglomerate by the trust, cartel or multinational corporation.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Economic reality changed but the philosophy of “rugged individualism” or “laissez-faire” remained.

The defence of private enterprise became a required article of faith of an established group. Many professed, with varying degrees of sincerity, to believe in something they no longer really believed in. Others sincerely believed in what they no longer practised. Most of them repeated the creed without asking what it meant.

Mr. Speaker, here in Saskatchewan this credo of “laissez-faire” or “private enterprise” has been the rallying cry of Progressive Conservatives and Liberals alike. When the CCF through Crown corporations and joint ventures attempted to attract industry — the free enterprisers united in their derision.

When the CCF guaranteed \$5.5 million in bonds to bring in a cement plant to Regina one Liberal critic had this to say:

If this is a sound venture, then why can't it be built without government assistance.

IPSCO, the largest industrial employer in this province was brought into this province by a guarantee of \$10 million in bonds and further working capital advances. The government took a calculated risk and here is what the Liberal leader is quoted as saying at that time in the Star-Phoenix of June 6, 1961:

Liberal Leader Ross Thatcher charged today in Regina that the government's financial dealings in IPSCO are approaching proportions of a scandal. For all practical purposes, he said, the company would appear to be bankrupt.

Mr. Speaker, IPSCO today is still healthy enough to attract a tour of conservative dignitaries as part of their travelling leadership road show last week.

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — And it rated such comments as: “an excellent industry”; “A boon to the prairie provinces.” So much, Mr. Speaker, for

the predictive skill and financial acumen of the Members opposite.

But then, Mr. Speaker, the Liberals came to power in Saskatchewan and in the words of Patrick Nicholson, a news columnist at that time, and I quote:

April 23 dawned fresh and clear. Freedom was once again in the air. The sight of the oppressed were no longer head, but only the groans of those who had grown fat from socialist favour.

The citizens of Saskatchewan could now lift their heads with the knowledge that opportunity had come again — that an individual had inherent worth, that initiative, profit and private enterprise were no longer forbidden terms, but a representative of a free way of life.

And Mr. Nicholson was not alone in issuing these pious platitudes, these ringing sentiments of a long past fantasy. For the Premier himself saw the election as a mandate for free enterprise.

He used to regale his audience with his pithy comment that, “I have found that there is not too much wrong with Socialism, except that it won’t work” and he made the philosophy of his government crystal clear:

We make no apologies for saying that the welcome mat is out to big business and private investment. Private enterprise is on trial here, and it will be the duty of our government to show that this system, the private enterprise system in the next 20 years, can accomplish more than socialism did in the last 20 years.

Mr. Speaker, the public did not need to wait 20 years to render their verdict. In 1971 they returned a New Democratic government to office.

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — Seven lean years were enough.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — . . . seven lean years were enough. And yet today, Mr. Speaker, when we have this opportunity again to strive forward, to continue to believe that the people of Saskatchewan are capable of developing their own resources, we hear the same discredited philosophy from the Members opposite. We are told that it is too great a risk. We are told we will drive out investment capital. I say, Mr. Speaker, the people of Saskatchewan have an opportunity to take a giant step forward. I am pleased to be a part of that epic step.

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — Mr. Speaker, the Bill, The Potash Development Act is the vehicle by which the proposed resources policy of the Government of Saskatchewan is to be implemented. It seems to me that we can look at the Bill under four different headings.

- (1) The method of acquisition.
- (2) The mechanism for determining the value of assets expropriated.
- (3) Determination of the amount of compensation.
- (4) Payment for the assets acquired.

It seems to me that Section 3 of the Act provides that the Saskatchewan Potash Corporation may purchase any of the assets as defined in the Act. Under such agreement, the corporation and the private company could mutually determine the purchase price, the terms of payment and the date that possession of assets are to be transferred.

I suggest the purchase price in any agreement will be guided by the establishment principle of law, namely an amount equal to the fair amount value of the assets. Mr. Speaker, I would expect that this method will be used.

If no purchase agreement can be reached, the Act, Section 3(2) provides for the expropriation of the assets of a private company. It should be noted, Mr. Speaker, that a vesting order would issue, vesting all assets expropriated to the corporation. A mechanism has been established in the Bill to protect secured creditors.

Where the assets have been acquired under the Act, and where the corporation and the owner are unable to reach an agreement respecting the amount of compensation payable by the corporation for assets expropriated, the Act provides that either party may request setting up a board of arbitration.

It indicates that the board of arbitration shall be composed of three persons, one chosen by the corporation, one by the private company affected and a third member chosen by those two representatives. If there is no agreement on the choice of the third member, application can be made to the Chief Justice of Queen's Bench Court who has the power to appoint a Judge of the Court of Queen's Bench as the third member of the arbitration board.

Mr. Speaker, it seems to me that in introducing that section in the Act this is a clear and unequivocal indication that we respect the fairness of our judiciary and it clearly illustrates the fairness of our approach to the companies that may be affected by an expropriation order.

A further clear indication of the fairness of this Act is provided by Section 47. This section provides that any party not satisfied with the valuation of the assets as set by the arbitration board can appeal to the Court of Appeal. Such appeal, reviewing the amount of the award is not restricted to a question of law but may be reviewed both on a question of law or fact or both. Ordinarily, Mr. Speaker, any case reviewed by the Court of Appeal is normally restricted to a question of law. It seems to me that this is a further clear indication of the fairness of this Act.

Mr. Speaker, I would suggest that there are a number of ways in which the government could approach the question of acquiring the assets of the corporation.

I suggest that they could legally expropriate without compensation. They could pay the companies the amount equal to

investment — if the total investment was \$700 million as is suggested, some would say that that would be reasonable compensation.

They could calculate the total investment of the companies and give the company a reasonable return on this investment less the profit already received by the corporation. But, Mr. Speaker, this government is fair and to illustrate this fairness, the Act, Section 45 specifies that the amount of compensation payable shall be an amount equal to the fair market value of assets at the time of expropriation. Mr. Speaker, a fair market value of assets expropriate is the amount that would have been paid for such assets — in the open market by a willing seller to a willing buyer.

This is a fair method of determining the amount of compensation payable. This is a just method and there can be no complaints.

The Act provides for the method of payment for assets expropriated. It should be noted that (1) the corporation shall pay the compensation for the assets expropriated after the amount has been determined — within 90 days as provided in Section 53; (2) a person entitled to compensation may agree to accept refined potash towards satisfaction of a portion of the compensation; (3) the amount paid in money shall not be less than 30 per cent of the compensation.

Mr. Speaker, I am convinced that the people of Saskatchewan will endorse our potash policy and that they will endorse our method of implementing this policy.

I think that the people of Saskatchewan want to own their own resources, but I think that they would want the Government of Saskatchewan to be fair with companies whose assets we are acquiring. The government, under Premier Blakeney was fair and reasonable when they negotiated out of the Athabasca Pulp Mill agreement and this Bill will provide for a fair and reasonable payment for any assets, acquired from any of the potash companies. Mr. Speaker, this is a good Bill.

Mr. Speaker, for too long in this country, in the name of private enterprise we have allowed our resources to be exploited. No more cynical example can be brought to mind than the \$5 billion sellout of our oil reserves in this country.

Twenty years ago, Mr. Speaker, the National Energy Board was formed with a mandate to ensure that Canadians would be guaranteed long term supplies of petroleum energy and natural gas. Year in and year out we increased exports of our most easily accessible fossil fuel at “fire sale” prices, and year in and year out the National Energy Board composed of men steeped in the oil business, utilizing oil company data gave us an ever-increasing estimate of Canada’s known reserves.

We have had a classic example of hiring a fox to guard our chickens. And too late we found there had been an error, a slight miscalculation, a trifling misunderstanding, a several billion dollar misunderstanding, for suddenly we are no longer self-sufficient in oil and what we exported at \$3 a barrel two years ago, we must now purchase at \$11.50 a barrel. Mr. Speaker, I think that there can be no more crushing denunciation of allowing private entrepreneurs, motivated purely by profit, to

determine the resource policy of this country than this.

Mr. Speaker, if any further evidence is needed of the social consciousness of these corporations let us look at what happened in Ocean Falls, British Columbia. Crown-Zellerback owned a town site and pulp mill employing some 457 people, the sole industry of this community. One day when profit margins fell, Crown-Zellerback decided to close the mill and put u the town for sale, lock, stock and barrel. The impact on the town and community was total. The people of Ocean Falls faced annihilation of their community. The British Columbia government under the leadership of Dave Barrett stepped in, purchased the town site and mill and promptly commenced operating the company at a profit.

Yes, Mr. Speaker, it is possible with rational economic planning to have your profits and help people too, but only if you have the courage to reject outworn dogma, only if you truly have faith in the individual.

Mr. Speaker, "I don't see too much wrong with private enterprise, except that it doesn't work."

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — Private enterprise when applied to the policies of our multinational corporations is a misnomer. The only area where private enterprise still operates is in the area of small business and the family farm. Only here do they still have competition practised, thrift, individual initiative and industry. Mr. Speaker, ask your small businessman and farmer in Saskatchewan today how well he is served by the railway conglomerates, the grain companies and their grandiose projects for inland terminals, and the implement manufacturers. Mr. Speaker, the farmers are ill served and they realize it.

Mr. Speaker, in conclusion, what the Members on the opposite side know full well, and yet have omitted in their contribution to this debate, a contribution that has been as I have described, a recitation of pious platitudes based on an absurd and obsolete philosophy totally removed from today's social and economic realities.

What they have obscured is their real and well deserved fear of the implications of this action. Not just for Saskatchewan but for Canada in the future development of a resource policy.

Premier Blakeney has, in the tradition of the progressive actions that we have come to expect from government in Saskatchewan, in the tradition of Sask Tel, Sask Power, Government Insurance, Medicare, provided the people of Canada with an alternative to the folly of unlimited corporate development of our resources.

More significant says Eric Kierans, and you know who Eric Kierans is, "The political pressure on other government to do the same things is going to be tremendous".

And for those who suggest that the United States buyers will be reluctant to deal with a government agency, we have only to examine the relationship of the large multinational

corporations and their dealings with the Arabs.

Mr. Speaker, by this decisive action posterity may know that we have not loosely through inaction, permitted things to pass away as in a dream.

I'm most pleased to support the Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. E.F.A. MERCHANT (Regina Wascana): — Mr. Speaker, as this House well knows it is not our intention to set conditions on the passage of Bill 1. It is, however, our position that Bill 1 is the companion piece of Bill 2 and as the Member for Lakeview (Mr. Malone) said when Bill 2 was called, we will oppose passage of this financing legislation Bill 2, until we know what we are financing and we are reluctant to see Bill 1, the companion piece, pass without some further consideration in that regard.

I suggest to the Members opposite that their Cabinet has been in the money market, they do know the interest rates. You know the markets that you are in and that the people of Saskatchewan are entitled to know, as the investors in this proposed scheme, how much they are in for.

Members opposite essentially ask me and my neighbours and the people of Saskatchewan to invest in an investment that they would not choose on their own. Very curious for the Member for Moose Jaw to say that we are not concerned about the economic future of Saskatchewan. It is directly because of our concern about the economic future of Saskatchewan that we ask Members opposite to tell us the bottom line of this deal, that we as the people of this province are expected to place our money in.

Any investor in any program would want to know the approximate final Bill, would want to know the bottom line of the transaction that they are involved with.

AN HON. MEMBER: — Prices and incomes.

MR. MERCHANT: — I'm not sure that that's relevant to anything. I can't even follow the logic of the Member. When you've been told about the cost, the cost of the prices and income legislation not in this House and you compare that in apples and oranges to the people of Saskatchewan. What is this legislature, Mr. Speaker, if not a House to vote supply? What is any parliament, if not a House to vote supply? That has been the development of our legislatures, that is what this legislature is within the British tradition of parliaments. An organization to vote supply and we're entitled to know those answers.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — I suggest, Mr. Speaker, that the government makes a mockery of the House in asking that Bills 1 and 2 be passed without giving us the bottom line, ignores the simple request made by the people of this province to know what the cost will be and how many generations will be paying off this folly.

I again, Mr. Speaker, ask the government to reconsider their position of silence. Every Crown corporation has a maximum borrowing entitlement, set by this House. Is it so curious that we on this side on behalf of the people of this province, ask to know the same maximum borrowing entitlement of this Crown corporation? Give us the information, tell us the source of borrowing, give us the approximate figures and because I again ask the government to consider their position and to give them an opportunity to consider their position, I beg leave to adjourn debate on Bill 1.

SOME HON. MEMBERS: — Hear, hear!

Debate adjourned.

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

HON. E.C. WHELAN (Minister of Mineral Resources): — Mr. Speaker, rumour has it that the Liberal Members opposite, and the Hon. Member for Regina Lakeview (Mr. Malone) in particular, have pledged a lengthy opposition to the passage of Bill 2, An Act respecting the Potash Corporation of Saskatchewan.

Mr. Speaker, as I rise to speak in support of Bill 2, the companion Bill of The Potash Development Act, I ask, why? Why is this particular piece of legislation, which is clear, and which, in Mr. Malone's words, is, "Easily understood and in fairly straightforward language", why is it promised the lengthy castigation that the Hon. Member promised to the Press within the last few days?

Mr. Speaker, in my defence of Bill 2, I hope to alleviate the opposition's worst fears and concerns that this is the result of, to quote Mr. Malone's comments in the November 28, issue of the Leader-Post, "A doctrinaire attitude on the part of the government."

Mr. Speaker, this can be done by showing that the sections within this Bill, including sections pertaining to capacity, to contract, to staffing, to matters of finance, are not now in this Bill, and have in fact, been parts of other acts, almost word for word, other Acts that have come before this House, Mr. Speaker, including The Power Corporation Act, The Saskatchewan Telecommunications Act, The Saskatchewan Oil and Gas Corporation Act, 1973, and others.

Mr. Speaker, the Liberal opposition has indicated that they will fight tooth and nail to delay the Act until it has received public scrutiny. Mr. Speaker, I feel that the motive is not as much to give time for adequate public scrutiny, as to give the private potash producers time to prepare their cases against this government. Mr. Speaker, they claim to be acting on behalf of the people of Saskatchewan when they are actually acting on behalf of private multinational corporations which have such disregard, Mr. Speaker, for the people of Saskatchewan. Mr. Speaker, I urge them to show their true position for once, that they are the advocates of a giveaway philosophy that would milk this province dry for the benefit of huge and powerful multinational corporations.

On the other hand, Mr. Speaker, the Progressive Conservative opposition has indicated to the Press that they will not delay passage of the Bill in this House, because delaying it would lend the government a helping hand. The article in the November 28, edition of the Leader-Post said the news conference held by the Leader of the Progressive Conservative Party left reporters, "visibly confused."

Mr. Speaker, I guess I feel a little bit confused too. Does either party in the opposition really believe that they, in their numbers, will be able to stall, or speed up passage of this Bill indefinitely? When the time comes the Bill will be passed. This government is not so insecure, or so unsure of its decision, that it has to act based on whether or not the Bill is delayed in the House.

Mr. Speaker, the Bill is clear, concise, complete. This is a majority government. It will go through. It will become law, Mr. Speaker, and it will win back for the people of Saskatchewan something that is rightfully theirs.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — Bill 2 is a routine bill. The powers in the Bill to acquire shares, real or personal property, are found both in corporations under The Corporations Act and in specific Crown corporations such as Saskatchewan Power. Bill 2 is not an Act which gives extraordinary powers to the corporations. It is an amalgamation of input from existing sources, including the federal Liberal government's Petrocan Crown Corporation.

Bill 2 is not a contentious bill. It has broad objectives and it shows foresight in that it authorizes the Potash Corporation to act in the future, even to get into the business of manufacturing fertilizers. It also foresees the time when it may be in the corporation's best interests to register outside the province.

Mr. Speaker, this Bill has envisioned a broader role for the Potash Corporation of Saskatchewan in the future, and the Act has the provisions that will enable the corporation to deal with future needs.

The financial provisions are all standard and as I continue, this will become evident.

Mr. Speaker, Sections 1, 2 and 3 are clear and straightforward, and it is difficult to see how anyone can take exception to them. Section 4(1), (2), (3) and (4) read as usual, as they would generally appear, in the Potash Corporation of Saskatchewan Act.

Mr. Speaker, these sections have all been debated in this House at other times. If they were as contentious as our opposition would make out now, how did they ever come law? Upon examination, I am certain the opposition would not find cause to be alarmed in section 5 of the Act. Even this is similar. I quote Section 5(3) in Bill 2 and it states:

The Clerk of the Executive Council shall publish in The Saskatchewan Gazette a notice of any appointment made under this Act and the appointment shall have

force, etc.

Mr. Speaker, in both The Power Corporation Act and the Saskatchewan Telecommunications Act, there are similar provisions for the publication of the appointment of members. And upon examination the provisions for the selection of chairman, vacancies, quorum, members of the corporation, are not unusual. The Lieutenant-Governor-in-Council will hold the same powers in these concerns in Bill 2 as he held in The Saskatchewan Telecommunications Act, The Power Corporation Act, The Saskatchewan Oil and Gas Corporation Act, and others.

Mr. Speaker, with respect to the establishment of the head office of the corporation, Bill 2, Section 7 states:

The head office of the corporation shall be at the place designated by the Lieutenant-Governor-in-Council.

This is virtually the same as Section 3 of The Saskatchewan Oil and Gas Corporation Act which reads approximately word for word.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — Mr. Speaker, have I got the floor or are these people suffering from some illness and they are crying out? I just don't understand what's going on. I thought I was speaking and they were listening to me and they are constantly interrupting and it's a very difficult situation.

Mr. Speaker, contentious? Different from any other bill? How can it be, how is it? In Section 9 of Bill 2 the powers of the Act are set out. They are not so different from the powers of other legislation that's appeared before this House.

In conclusion, Mr. Speaker, with so many precedents in so many different acts, particularly Acts like Sask Tel, Saskatchewan Power Corporation, I find it difficult to understand the opposition's objections.

Mr. Speaker, I will support the second reading of Bill 2.

SOME HON. MEMBERS: — Hear, hear!

MR. E.F.A. MERCHANT (Regina Wascana): — Mr. Speaker, I am delighted to rise, to give the first three-quarters of an hour of what I am sure the Hon. Attorney General will find is an hallucinating and long address that may ramble from time to time but will have a tendency to return like a homing pigeon to the problems of potash and if in any 15 minute period I fail to return, I am sure that the Hon. Attorney General will correct me and I will do my best to come back to the legislation before us.

Before I go further, Mr. Speaker, I feel called upon to comment on the most recent remarks made by the Minister. He says Bill 2 is not a contentious Bill. The biggest gamble in Saskatchewan history and the Minister of the Crown describes it as not contentious Bill. He draws the comparisons of that Bill to other pieces of legislation establishing Crown corporations, other pieces of legislation which are minuscule in

relation to the money involved. Don't take over and expropriate but develop or choose to develop from time to time but most crucial as a financing Bill, it fails to indicate the total amount that this government asks the people of Saskatchewan to invest in their program. This is the very legislation to finance the potash expropriation and the Minister says that it's not contentious and again refuses to give the figures that I suggest, Mr. Speaker, the people of Saskatchewan have every right to expect.

Mr. Speaker, this legislation is part of the piece of the total approach of this government to Saskatchewan resources. An approach to the resource industries that suggests that high taxation, strangling taxation, and government participation will lead to a better future for all of us.

The Blakeney government has in oil, increased the taxes drastically. They've demanded in all of the resource industries, since 1971, increased taxation in the 300 and 400 per cent range and they demand government participation in any new resource venture or any expansion in existing facilities.

I suggest to you, Mr. Speaker, that the operation of Saskoil is worthy of comparison in relation to the way that this government approached potash and other minerals. The government suggests that by raising taxes they may increase government revenues and this is true in the short term. It is the long term that worries our side of the House and I suggest it is the long term that worries the people of this province. Because of the new tax rate most resource companies in Saskatchewan are operating at the break-even level or in the case of the oil industry, have pulled out or are in the course of pulling out. This has resulted in the potash legislation as a part of the piece. There is virtually no mineral exploration in the North. With that possibility I directed questions about uranium legislation and the possibility of an uranium reserve tax to the Minister of Mineral Resources six or seven weeks ago, and those questions were ignored and no reply was forwarded. We have had virtually no mineral exploration in the North, a decline of development in the oil industry and the cancellation of many potential expansion in the existing potash mines.

What of the future? It is our belief that these policies which have resulted in short term benefits to Saskatchewan will have very serious consequences in the future. I suggest to Members opposite that the drying up of investment in this province will result ultimately in a loss of jobs and the loss of income for our citizens and a continued loss of Saskatchewan population. You have dramatically said and are continuing to say to the investment public of the world, you've got to go the government way in Saskatchewan and have said to the investment public of the world, you won't make a buck in Saskatchewan and they won't be coming in. You have failed to allow the resource companies a reasonable profit. You have failed to give reasonable concessions and incentives and in essence you have lost an NDP war on business.

Mr. Speaker, I am reminiscent of a man on Winnipeg Street who said to me when I was at his door, that the old CCF might have had a war on big business but that this government quite clearly was launching a war on all business. I gave him a carnation for his reward.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Now, Mr. Speaker, the Premier has indicated and we have heard some talk of how Alberta has been in the same situation in the resource industries, and particularly in the oil industry, that we face in Saskatchewan. I suggest again that that is a valid comparison. The treatment by this government of the oil industry was a tip-off of the way that they are going to treat the potash industry. The Globe and Mail, Thursday, January 16, in an article indicating that there had been a dramatic drop in the resource industries, and oil particularly in this province, that oil wells drilled were 285, down from 654 of the year before in this province, because of the resource policies of the government. That in the province of Alberta there had been a rather large increase in the number of wells drilled, notwithstanding the fact that the same legislation federally was in place. The government in the potash debate thus far, particularly the Attorney General in a number of passing references a few days ago, seems to imply that the decline and the absence of expansion in the potash industry in this province was in some way due to the actions of the federal government. I suggest to you, Mr. Speaker, that that is not the case and that the attitude of this government in the past few years was only in the foreboding, the forewarning of the legislation which you now have before you.

Now, Mr. Speaker, I won't dwell at great length on the comparison between oil and potash. I think it is a valid comparison in viewing the resource industries and I think it is very valid and very crucial to the argument that will be presented to you in these next few days, which essentially says that this affront to the investing public will most assuredly result in a decline if not a complete drying up of any industry in this province.

The government in oil was faced with the classic problems of first meddling and destroying oil investment and then, in what I referred to as the New Year's package, but it may be the improper reference, then having to subsidize the service industries of the oil companies. The Financial Times quoting one oil spokesman puts it very well and very close to the thoughts that I would have about that particular affront to the investing public and then meddling to solve the problem. I quote the Financial Time of May, 1974, about that particular policy, Mr. Speaker:

This is socialism at its bloody best. Industry was a success without any subsidies, now it is destroyed by taxes which are then passed on in social benefits to those who used to make a living because of the oil industry.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Policies, Mr. Speaker, which really resulted and were analogous to a form of corporate welfare which my friends opposite seem so frightened and determine to break down. The very government that fought two elections unsuccessfully federally on a 'corporate welfare bum' policy, thought to created a corporate welfare policy for people in the oil industry.

Mr. Speaker, I suggest that the provincial government's intention of becoming involved in the business of mining potash is not one that should be viewed by the people of this province with any great relish. This policy may be in line with the government's social objectives but I suggest to you that it is of little monetary value to the people of this province. That particularly in view of the effect that it will have on the return that the government has been receiving from the potash reserve tax, a return which essentially will mean that they will be pouring those monies which they have been using for social development of this province for some generations back into paying off the industry which I expect will take the money that we give them and put it down as a down payment on a massive larger industry elsewhere to compete against Saskatchewan. The companies, quite naturally, when faced with, Mr. Speaker, the shocking announcement on April 29, 1974 of massive taxation increases, four times; to take the reserve tax which was never intended of course to be used as a taxing endeavour, to take the reserve tax which was yielding something in the \$20 million range and expect the companies then to bear \$80 million plus their ordinary tax, the companies quite naturally didn't show a great deal of interest in starting new mines, didn't react well to the prospect of the government of holding a minority partnership with a government that had demonstrated that they have a very different view of partnership than the view commonly held by the rest of society. The entire plans laid by the government them of which this legislation is the culmination, were restrictive of private development, destruction of private development.

Now the greatest crime and the greatest shame for the people of Saskatchewan is that we have potash reserves in the 1500 year range. I believe the proven possible reserves at 1973 levels would allow production to continue for 1479 years. I don't quite know what the government is hoping to save the potash for, the maiden saving it for marriage - 1479 years, Mr. Speaker. And the potash industry in these past few years, the years when it would have been easiest for them to expand, to move into the market, were deprived of the opportunity to move into that market by the taxing policies of this government.

Now, Mr. Speaker, who could blame the potash companies in these last years for their failure to expand and for their failure to modernize their plants to an extent greater than the amount that they did, which I suggest was nothing more than an amount to permit their continued survival and their continued operation. The potash industry was painted into a corner and this legislation I suggest is the engulfing of that corner. The government told all of the companies involved in potash production in one way or another that they would be competing with the government, that the government intended — this was part of the April 29 bombshell that they cast upon the industry — that they might well be setting up a marketing agency for the sale of potash, that the very companies within Saskatchewan who were asked to come forward with their information and make a clear breast to the government would not be faced with a competitor in that same government, a competitor in a government that proposed, or was rumoured it proposed, the opening of their own mine and a competitor in markets.

Now what, Mr. Speaker, has happened to the proposals by the government to open their own mine? We know that a large number

of capable and qualified people were brought into this province, Schultz included, to work on the development of a potash mine in this province. We know that a large amount of money has been spent by the government. I have been fascinated to know why all of the engineering and research studies were done by companies from outside of the province, but that is best known to the government. A great deal of money was spent by the Power Corporation laying in the cable and preparing for the establishment of a potash mine and then the government backed off that policy, or appears to be backing off that policy. They decided they wouldn't go it themselves, that they would steal somebody else's.

The action of the government now establishes that the potash companies were right in the view that they took of this government in the past year. The potash companies that went into the April 29 meeting prepared to deal fairly with the government, realized in that meeting that the NDP Government of Saskatchewan had no intention of dealing fairly with them. Potash, Mr. Speaker, may present the appearance of a profitable, no-risk kind of industry but we well know that in the decade or so that the potash companies have been in this province in any meaningful way, they have in the majority of these years actually lost money. In the decade that they have operated the potash industry it has not been a no-risk operation. But the amazing thing is that if you look back to the way the potash companies come into this province, they came into this province at the pleading of Tommy Douglas; they came into this province at the pleading of Clarence Fines and were given by a government of which Allan Blakeney was a Member of that Cabinet, was given by that government a promise that if they came in and developed our potash resources they would not face the kinds of taxes, never mind expropriation, that they face now.

I was amazed to hear the Attorney General quote from the address of Mr. Douglas. I wanted him to read the next paragraph to the paragraph to that speech that he quoted. It wasn't convenient for me to throw that at him and at some point in the few hours that I may well be addressing myself to you, Mr. Speaker, I will read that paragraph and portions of that speech to you. But I suggest, Mr. Speaker, never has there been a more obvious backing off in the word of a government, a government doing immoral things as a government.

Now, Mr. Speaker, the figures would seem to indicate as I have said that the potash companies to date have only been scratching the known reserves of potash in this province. Indeed one of the reasons and one of the justifications that the government gives to us for this greatest gamble in Saskatchewan's history is the fact that they believe that they will now be able to develop that industry; that they will be able to develop the industry which the potash companies for obvious reasons have failed to do.

Now, Mr. Speaker, I address myself to you about the financing Bill and our need and I suggest the need of the people of Saskatchewan to know what their final cost will be of buying the industry. You now where you propose to acquire the money. You know, I suggest, the people from whom you will be acquiring the money whether that be European capital or Eurodollars, or Arabian capital. You know full well that in choosing to expropriate these terrible multinational companies that even the calmest amongst you seem to only spit out the word. You know that in expropriating the multinational companies you will be

going right back to those same multinational companies to borrow money from them at 10 or 11 per cent which the people of Saskatchewan will have to pay off. But if you are paying that money the buy-out money to the New York money market and we are entitled to those figures, I suggest that we are also entitled to know how much the expansions are going to cost. You know it is one thing to say we are going to take over industries that are now making two and three per cent on their money. Somehow that two or three per cent is going to pay off the cost of the takeover. I suggest, Mr. Speaker, that we are entitled to know what the plans of the government are. I, as an investor from Saskatchewan, compulsory investor albeit, I as an investor am entitled, I'd suggest, to know what kind of money will be involved in these expansions.

We know full well, Mr. Speaker, that the potash reserves tax deterred the potash firms from proceeding with an expansion themselves. There were, over the summer and late fall of 1974, continued announcements from the various companies of their expansion which would not be proceeding. Can anyone blame them? The Hudson Bay Mining and Smelting Company, for instance had plans for a \$40 million expansion of its potash plant at Rocanville and according to their president at the time they had to put off that expansion. They were not prepared to proceed with that expansion because of the excessive and strangling potash reserves tax. The use of a tax that was intended as control legislation, which was then to be the tax that was to strangle the industry that the control legislation had tried to keep afloat.

That story, the story of the deterred expansion is certainly a part of the debate on Bill 2 and a part of the debate on Bill 1. The expansion of the Hudson Bay Mining and Smelting Company at Rocanville would have twinned the existing plant. It would have increased production from 1.2 million tons to 2.4 million tons. Indeed, Mr. Speaker, as I go through various discussions of the possibility of expansions I will point out to you that the potash industry was in a position to double the expansion.

And what happened? What has been happening as a result of the failure to expand? Those expansion dollars have gone elsewhere. New Mexican production is coming onstream which would never have come onstream. The Minister of Mineral Resources (Mr. Whelan) said that we were second in the world. We're not. I've got new for him, we're third. The two Germanies are second, and I suggest, Mr. Speaker, that as a result of these lost years of expansion that Saskatchewan must inevitably fall behind. The lost years of expansion put the two Germanies together, if you've got the figures.

MR. ROMANOW: — That's a filibuster!

MR. MERCHANT: — Oh! It will be awhile . . .

MR. ROMANOW: — . . . filibuster . . .

MR. MERCHANT: — I have nothing to say about a united Germany, though if the Hon. Member deters me in that regard I will be pleased.

I suggest to the Hon. Member that it is nothing irresponsible for the opposition to ask the government of the day to tell

the investors what the bottom line of this investment is.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — It's a simple request, and don't come to us with the argument that you will go . . .

MR. ROMANOW: — We gave you the figure.

MR. MERCHANT: — What was the figure?

MR. ROMANOW: — Check second reading.

MR. MERCHANT: — There is nothing irresponsible about asking on behalf of the people of Saskatchewan, the investors in this project, what the cost will be. Will it be \$500 million? Will it be \$3 billion?

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Oh, the Attorney General shrugs. Perhaps Allan Blakeney hasn't told you. Perhaps you don't know the figure. Ask your deskmate!

I expect, Mr. Speaker, that the argument will be presented to us from time to time that to give these figures would in some way prejudice the position of the government in their dealings with the potash companies. Indeed, I expect that the government is now dealing with some of the potash companies and is painting a picture of this legislation in the foulest, blackest terms they can think n hopes that they can make under-the-table a better deal than they could get from an expropriation.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — But the argument will be presented to this House that somehow the government would be prejudiced if, for instance, they told us what they've got in mind for Sylvite. We have reason to believe that Sylvite is one of the mines that is sort of the apple of Allan Blakeney's eye. Now the argument will be that clearly if that figure is given in this House that somehow forewarns Sylvite. That Sylvite then, if it comes to an arbitration, will be in a stronger position.

Mr. Speaker, let me analyze that argument because it is an important argument and it's a simple argument and therefore appealing.

I think, in understanding the fallacy of that argument it is important to understand the way the arbitration will clearly operate. First, the arbitration, happily enough, will go back into the hands of the lawyers of Saskatchewan, and go back into the hands of some judges of Court of Queen's Bench. About the second question that a Mr. Justice MacPherson, or a Mr. Justice MacLeod, or whoever will ask . . .

AN HON. MEMBER: — Mr. MacLeod!

MR. MERCHANT: — We can get you Mr. Justice MacLeod if you'd like, and you could look forward to a fair hearing too. I can arrange it.

About the second question that whichever judge it is will say, if he will look down his nose at George Taylor, Q.C. and say — 'what have you got in mind — what has the government got in mind?', and George will expeditiously (in about an hour) come to a figure. It may take a day, but he will get to a figure, and finally, whoever the judge on that arbitration is, he will know that the figure is perhaps \$190 million. I don't know, what is Sylvite's worth in your mind? And What will that be, Mr. Speaker,? That will be the most optimistic guess that the government thinks they can buy Sylvite for and the most optimistic figure that they have kicking round in the back of their brains. And in that arbitration a Mr. Justice MacPherson will turn to Bill Elliott and say, 'what have you got in mind?', and he'll say, \$340 million, or \$260 million or \$290 million', or whatever it is. I don't know the figures. All that will do is narrow the issue and that's all we ask on behalf of the people of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Now, does the government suggest, can the Attorney General n refusing to give us the financing of Bill 2, can he really suggest . . .

MR. ROMANOW: — We gave you the figures.

MR. MERCHANT: — Well, I've always got my pen ready. What's the maximum borrowing rights of the potash companies? Just right now, I'm ready.

MR. ROMANOW: — I told you, look it up. Why don't you listen?

MR. MERCHANT: — I was here for every minute, made lengthy notes. How much, surely you remember? It's a simple figure. I suggest to you, Mr. Attorney General, that if that figure was given in your speech, the maximum borrowing — just a simple figure — it's the same figure that exists with every other Crown corporation. We get it with every other Crown corporation, passed by this Legislature. What is the figure for the potash corporation? You gave us a lengthy dissertation about Crown corporations. What's the figure for the potash corporation? Is that so unreasonable? How much?

MR. ROMANOW: — Look it up.

MR. MERCHANT: — Thank you, thank you. All of our memories are bad. I don't know why you are even suggesting it's there unless you are trying to misrepresent the matter to the Press.

Now, Mr. Speaker, I was giving a comparison. I was dealing with an argument that I know is crucial to the government's refusal to give the financing. I don't know whether that's the reason they don't give us the financing. I suspect it's not, but I should like to continue in dealing with that myth about why

they can't give us specific figures, why they can't tell us where they will be borrowing, why they can't give us some ballpark figures of what they will buy for. I was suggesting, Mr. Speaker, (you were absent, so I'm sure you will be interested in hearing again), that the figures that we are asking for on behalf of the people of this province, are none other than the figures that the government will have to disclose on the first, or the third, or the fifth day of their arbitration, which may last six months. The figures that we ask are really little more than the figures that are disclosed in any lawsuit in the statement of claim and the statement of defence. It happens in a statement of claim — a figure comes down saying our interest loss was \$65,400, or whatever and the defence comes back and says the interest loss was \$39,000, or whatever, and that narrows the issues for the judge so that the judge may then deal with the matter and deal with the matter more expeditiously. On behalf of the people of Saskatchewan, Mr. Speaker, we ask that the government narrow the issue for them. Narrow the issue . . .

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — . . . as the people of Saskatchewan try to decide whether this is good legislation or bd.

Now, the undue haste with which the government proposes to pass this legislation, it may make it difficult for the people of Saskatchewan to reach a consensus view in any event, but surely Members opposite would not suggest that we on this side, or they on theirs, should not be referring back to the people that they represent to find out the view of the people of this province.

Now, Mr. Speaker, before I become sidetracked somewhat on this question . . . it's a cyanide pill from the opposition. Thank you, I'll take it after I've concluded . . . I can't read the writing, but I know it was sent in good taste . . . this is an anti- (where are they school teachers amongst us in case you get into trouble), Now, Mr. Speaker, I was referring to the buildup which led to this act by this government in expropriating. Part of the justification for the proposal to expropriate comes to us from the Attorney General and from other Ministers who have indicated that the failure of the potash companies to expand is the reason that they are compelled to come before you with Bill 2 and its companion piece, Bill 1.

Now I think in understanding that, as I have said, some review of the industry and some review of the failure to expand is important. It's important in two ways. First, because that's the justification for the expropriation and the very harsh legislation which is before us. And second, it's important because that financing bill (this is the financing legislation) the financing bill will include a major bill for expansion. For instance, if we know that Hudson Bay Mining and Smelting a year ago would have taken \$40 million to double their production, I suggest it's some indication of the kind of money that the government will have to put out to double the expansion for instance of the Rocanville Mine, if they choose to expropriate that particular mine. The Hudson Bay Mining and Smelting was also faced with not proceeding with an expansion of their Flin Flon operation, so that here was a company that for western Canada, found itself, through government action,

deprived of the opportunity to expand, to increase the number of people working in this province and to increase the tax base upon which this province could then survive.

Those thousand employees in the potash industry, a major portion of the provincial taxes, but also a major portion of the municipal taxes throughout the province flow from these companies to the various taxing bases. I don't know, for instance, and I should be interested in this financing bill, in knowing from the government whether the various rural municipalities may look forward and will have the opportunity to discuss the matter with the government. Will the various municipalities, the RMs which increasingly now depend on the tax base of the potash companies, are they going to be cut off from the tax base? A government run operation is not a taxable operation and I'd be very interested in knowing in the course of debate of this financing bill, whether the various RMs can look forward to some compensatory grants so that they won't suffer the loss of what has become a large portion of their tax base.

Now Mr. Speaker, what of other expansion that would have gone ahead, except for the April 29 bombshell, except for the massive strangling taxation that this Bill chooses to finalize. An expansion of Central Canada Potash was to have cost about \$8 million. That was indefinitely suspended, according to management, principally because of the poor investment climate in Saskatchewan.

MR. ROBBINS: — Like the investment climate in Quebec?

MR. MERCHANT: — There isn't a poor investment climate in Quebec. I'm not familiar with what the expansion or lack of it was in Quebec and I am sure that the Hon. Member when he has an opportunity to speak will be delighted to inform me.

I ask leave to adjourn debate.

Debate adjourned.

The Assembly adjourned at 5:20 o'clock p.m.