

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Eighteenth Legislature**  
**31st Day**

**Wednesday, January 7, 1976**

The Assembly met at 10:00 o'clock a.m.  
On the Orders of the Day.

**QUESTIONS**

**IMPLICATION OF THE PATENT LEGISLATION**

**MR. R.L. COLLVER** (Leader of the Progressive Conservatives): — Mr. Speaker, before the Orders of the Day, I would address a question to the Attorney General (Mr. Romanow) in the absence of the Premier.

Is the Attorney General aware of the implications of the patent legislation in Canada, in fact, in the world as it relates to the proposed potash expropriation and potash legislation in the Province of Saskatchewan?

**HON. R. ROMANOW** (Attorney General): — I think I can answer the Hon. Member for Nipawin, that I suppose that we are as aware as we need to be subject to your first and second supplementary. Maybe you should ask the first supplementary and we will see where we go from there.

**MR. COLLVER:** — Mr. Speaker, I gather then from the Attorney General's comments that he has reviewed the patent legislation and as it relates to the potash takeover. Is the Attorney General aware that many of the processes and some of the equipment that is used in the mining of potash in the Province of Saskatchewan is either under lease or protected under the patent legislation and that no expropriation of potash equipment, that is under patent or under lease, is possible under the laws of Canada and the international patent regulations? And that if an attempt is made to expropriate these processed and this equipment and the organizations do not allow or want them to be expropriated that there will be no equipment or modern machinery left to mine the potash and you will be left with a hole in the ground with nothing to mine it with.

**MR. ROMANOW:** — No, I would say to the Hon. Leader of the Conservative Party that here he is totally wrong with all due respect, because the law in expropriation is very clear — at least in our judgment it is very clear and I don't think that even the Opposition in course of the discussions of Bills 1 and 2 have offered any different point of view, and that is that the province has the right, unchallengeable right under the constitution, for expropriation of physical assets and other assets, perhaps not strictly related to the physical aspect of plants, that are within the jurisdiction of the Province of Saskatchewan. That is clear, whether there are patent provisions or whether there aren't any and I would also dispute further the Hon. Leader of the Conservative's statement which prefaces the question and that is all, or almost all, of the mining operations are under some form of patent or some form of similar protection. I don't believe that to be the case, but in any event the power

of expropriation for the province is a very sweeping one and I think an absolute one.

I want to repeat again, which has been a stated policy of the Government, it is our hope that once Bills 1 and 2 are passed that, in fact, we may never need actually to use the legislation that is there, that some arrangements can be made with the companies involved.

**MR. COLLVER:** — Mr. Speaker, a second supplementary question. I am certain that the Attorney General is aware that the laws of expropriation do not apply to lease equipment, with all deference and respect, the equipment that is under lease from manufacturers in Germany and in other areas of the world, who hold patent rights who may not wish to lease their equipment to the Province of Saskatchewan because of the expropriation legislation in the province.

Is the Attorney General not aware that the expropriation legislation is not applicable to lease equipment; that he cannot expropriate lease equipment that is controlled under patent legislation? Is the Attorney General then and the Premier and the remainder of the Government of Saskatchewan now prepared after all of the facts that have been presented, in every different area, to withdraw the legislation or call another provincial election on the issue?

**MR. ROMANOW:** — Mr. Speaker, I think on the question of the power of expropriation and leasing and patents I already made my remarks in response to the first supplementary question.

To answer the second part of the Leader's question respecting withdrawal, I think I can say quite clearly and unequivocally on behalf of the Government that there will be no withdrawal of Bills 1 and 2.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — The policy of the Government is stated and we will proceed with Bills 1 and 2.

As to the question of the second part of the supplementary, the matter of an election, all that I can tell the Leader of the Conservative Party is that there will be an election and whenever the date of the election is called, it will probably be much too soon for the Conservatives.

**SOME HON. MEMBERS:** — Hear, hear!

### **CHALLENGE TO A SERIES OF FORMAL DEBATES**

**MR. S.J. CAMERON** (Regina South): — Mr. Speaker, I direct a question to the Attorney General in the absence of the Premier.

Yesterday, you may recall I asked the Premier a series of questions. (a) Whether or not you were prepared to have public hearings around the province on the potash question. (b) Whether you were prepared to reconsider referring it to a sessional committee for public participation, and (c) Whether you were

prepared to institute a system of public discussion forums around the province.

He rejected, as you remember, the latter two very promptly. That was followed by a formal challenge by us . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. CAMERON:** — ... to formally debate the potash question in centres around the province on the 15th and 16th of January, next week.

**MR. SPEAKER:** — Order, order! I think I should just ask all Members to respect the House with regard to the practice of the House with regard to asking questions. I notice that the previous questioner prefaced his remarks considerably and in fact was changing it into a debate. I know that the Member who is asking the question now is not getting to the point of the question. I wonder if he could hasten that.

**MR. CAMERON:** — Perhaps, I could be more brief, Mr. Speaker. Perhaps at the same time the hon. gentlemen opposite can be less sensitive. Yesterday we delivered a letter to the Premier, by the Leader of the Opposition covering the question, challenging the Government to a series of formal debates around the province, seven in total. We noticed Cabinet was meeting last night and late last night and we wonder now whether you are prepared to accept our challenge and go forward with the debate?

**MR. ROMANOW:** — I tell you, Mr. Speaker, indeed Cabinet was meeting late last night but I can also tell the Hon. Members in the House that one item that was not on the agenda for any serious consideration was the Leader of the Opposition's letter on the question of debate.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — I think that that letter — and with all due respect to the Member for Regina South, can be characterized in a way that the Leader of the Conservative Party is quoted on television and radio as having characterized it, as a political ploy and that the people can see through it very easily. The debate of this important Bill has been going on for some considerable number of weeks and months here in the Legislature. This is the parliamentary procedure. We think that the debate has been very fully reported. We may quarrel with some aspect of the reports of the press, but generally it has been fully reported, fully reported for all sides and I think not very often I agree with my friend, the Leader of the Conservative Party, but I do in this case, that that is a transparently obvious political ploy and the people of Saskatchewan will recognize it as such.

We are prepared to debate with you anywhere we can. We have here in the Legislature and might say that here in the Legislature and everywhere have consistently, in my judgment, whipped the Liberals on the questions of the day.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. CAMERON:** — Mr. Speaker, despite all the comments of the Attorney General I don't think he in sum and substance answered the question. Do you in fact reject the challenge that we issued to you yesterday. Is that the answer?

**MR. ROMANOW:** — Mr. Speaker, I can answer the first supplementary of the Member, Yes, categorically rejected because it is clearly a political ploy as I have indicated. It is not serious. Any debate which takes into account no requests or no consideration of the Conservative Party, treats the Conservative Party with almost arrogant disdain in the letter. It is something which we cannot abide by, but apart from that what better place to debate than in the great debating chamber in the Province of Saskatchewan, this Legislature.

**MR. CAMERON:** — Mr. Speaker, I gather that at long last the Attorney General has said no, the Government is not prepared to accept our proposal in total and I ask as a last supplementary — Are you and the Minister of Education (Mr. Tchorzewski) prepared to meet with Mr. Penner and me in Yorkton next Friday evening at 7:30 or 8:00 o'clock where we have a hall booked with a neutral chairman and prepared to debate the issue?

**MR. ROMANOW:** — Mr. Speaker, I would be very interested in that type of a debate personally because I feel quite confident about the merits of the argument and the ability of both the Minister of Education and with some modest regard, with myself in this area.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — You know, Mr. Speaker, that didn't come out right. But I have two reservations, Mr. Speaker. The first one is that the Legislature will in all likelihood still be sitting on either Thursday or Friday. That bothers me very much because of legislative and other commitments. And the second one that bothers me equally, is that while I would very much like to debate with the Members from the Liberal Party or any Liberal Party and let the audience judge the outcome of that, I am very, very hesitant to provide a forum for at least one or two of the leadership aspirants on the opposite side.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — I would simply say that if you want to fight for the Liberal leadership and to get it, good luck to you but please don't ask the Minister of Education and me to provide the audience for you.

**SOME HON. MEMBERS:** — Hear, hear!

#### **INVESTIGATION INTO FEASIBILITY OF PRODUCTION OF GAS FIELDS**

**MR. A.N. McMILLAN** (Kindersley): — Mr. Speaker, I have a question to direct to the Minister of Sask Power (Mr. Messer).

I am sure that the Government opposite when deciding or

contemplating the purchase of Consumers Oil, initiated some sort of investigation into the feasibility of that purchase. I wonder if the Minister in charge of Sask Power can inform me if the Provincial Government initiated or SPC initiated any studies to investigate the productive capabilities of the gas field located in west central Saskatchewan and east central Alberta that are holdings of Consumers Oil Limited?

**HON. J.R. MESSER** (Minister of Industry and Commerce): — Yes, Mr. Speaker.

**MR. McMILLAN**: — A supplementary, Mr. Speaker. I should like to know if the Minister in charge of SPC is willing to table those investigations in the House?

**MR. MESSER**: — The answer to that is, No. I don't believe it is in the public interest, Mr. Speaker. There have been a number of comments made, by independent observers, knowledgeable observers in regard to gas production, oil production in both Saskatchewan and Alberta. My understanding is that without exception all of them have recognized this transaction as a very good one for the Province of Saskatchewan and for the Saskatchewan Power Corporation.

**SOME HON. MEMBERS**: — Hear, hear!

**MR. McMILLAN**: — Mr. Speaker, a second supplementary. If the Minister is so confident that the information in those investigations would meet with the agreement of the Saskatchewan public, I can't see how it wouldn't be in their best interest to see that.

**SOME HON. MEMBERS**: — Hear, hear!

**MR. McMILLAN**: — I should like to ask then if the Minister would provide this House with the names of those firms that investigated or that conducted the investigation into Consumers Oil and the holdings?

**MR. MESSER**: — Well, Mr. Speaker, I think that this can be handled much better in Crown Corporations Committee. It is a matter for Crown Corporations and if the Member wants to get into a debate I would suggest he put the question on the Order Paper and we will also debate the sale of the Hatton Gas Fields under the Liberal Government in 1965.

**SOME HON. MEMBERS**: — Hear, hear!

#### **THE ANNOUNCEMENT OF TRANSACTION OF OIL FIELDS**

**MR. E.F.A. MERCHANT** (Regina Wascana): — Am I correct in saying, and correct me if I am wrong, that the deal went through in mid-December and I wonder why if the deal did go through in mid-December, why the Minister kept this matter from the House when the House was sitting and why the Minister then announced the matter not in the House, but announced the matter by way of a press release?

And, secondly, I wonder if the Minister would indicate whether my information is correct, that an estimated one-third value of the Consumers Oil deal is their three per cent gross royalty on the Grizzly Valley gas field in British Columbia. I wonder why the Saskatchewan Government is using Saskatchewan money, not just to create jobs in Alberta, but to create jobs in exploration in the Province of British Columbia?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MESSER:** — Mr. Speaker, it was by mutual agreement between the shareholders of Consumers Oil and Saskatchewan Power Corporation that the announcement come early in the Near Year, 1976. That was mutually agreed to and I don't think that is unusual in such a transaction.

In regard to the reserve or the field in British Columbia, the deal was to purchase the total holdings of Consumers Oil. There was some modest reserves in comparison to reserves in Saskatchewan and in Alberta held in British Columbia. We know that it is highly unlikely that we will be tapping those reserves for Saskatchewan use but if there is proven gas in that area, we know that it is still a good business venture to undertake to develop those gas reserves and sell them in the immediate area, which will, in return, give us some income on that investment to purchase other reserves or seek and find gas for the Province of Saskatchewan.

I know that primarily the intent and objective of the transaction was to find and assure a supply of gas for Saskatchewan consumption, but in this instance there was a small percentage of the holdings that we know that we will unlikely be able to put into the province but nevertheless it will be a good business venture for the province and for the Corporation.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MERCHANT:** — Mr. Speaker, if the Minister might indicate to the House that he would check further because, indeed, I'm told that one-third of the value is the Grizzly Field and that part of the reason — check this and if I am incorrect advise us — but part of the reason that many people are saying it is a bad deal, is that they are underemphasizing the value of the three per cent gross royalty.

Secondly, I wonder if the Minister would agree that this is the first time that the Government of Saskatchewan is entering into a deal not to buy products, but a deal to — as the multi-national companies that you hate so much — but a deal to go into investment in another province, that you are now going into the straight business of putting money out and that because of the way the British Columbia Government operates, that they buy all of the gas product, there is no possibility that we can ever buy the gas product from the Grizzly Field, but instead we would only be able to buy from the British Columbia Government.

**MR. MESSER:** — Mr. Speaker, let me say that the Member for Wascana's information may be correct but it certainly is not the information that has been conveyed to me in regard to the quantity of gas that is in the Grizzly area. It has been conveyed to me to

be somewhat less, much less than one-third of the total reserves.

I may then say, Mr. Speaker, that I don't believe there is any other real attractive or legitimate way of acquiring extensive reserves of gas in areas other than Saskatchewan by the purchase of Consumers Oil or by similar ventures where we undertake through joint participation, to seek out not only gas exploration and purchase but by development of our own gas.

**MR. MERCHANT:** — Mr. Speaker, I have a second supplementary. Might I only suggest to the Minister that if there were no other means that you might have considered buying the Saskatchewan assets instead of buying the company.

But, Mr. Speaker, the Minister has indicated that he will check those figures and I wonder if he would as well check other figures. The Alberta new gas rate is about 60 cents, if I am correct. The British Columbia new gas rate (the price paid by the NDP Government that then was when it set the price), if I am correct is 65 cents. That's without royalty. And in Saskatchewan it's 22 cents and on that you pay a royalty so that it's a 10 or 11 cent price. I suggest to you that the reasons that the gas company and Saskoil are exploring in Alberta and British Columbia is they can't make a buck here.

**MR. MESSER:** — Mr. Speaker, in response to that, let me simply say that both the Member for Wascana and the Member for Estevan yesterday in the Legislature and on television, say that the answer to finding adequate gas reserves in Saskatchewan is to drill and drill and drill and encourage more participation in Saskatchewan.

They know, and it is common knowledge to anyone in the industry, that there is not sufficient gas in Saskatchewan to meet our demands in the next twenty or thirty years. It is totally logical, Mr. Speaker, that there be undertakings initiated now to explore and develop gas in other areas than in Saskatchewan to acquire reserves so that we can have confidence in being able to supply our consumers in Saskatchewan.

I know the Conservative Party and the Liberal Party in Saskatchewan wouldn't do that. They would sell the Hatton gas field, they would use up all the gas in Saskatchewan and wake up some morning with absolutely no gas for the consumers here and consequently pay a ridiculous price for it. Well that's not the policy of this Government, Mr. Speaker.

**SOME HON. MEMBERS:** — Hear, hear!

#### **HAS GOVERNMENT ENGAGED EASTERN CONSULTING FIRM**

**HON. R. ROMANOW** (Attorney General): — Mr. Speaker, yesterday, I took as notice a question (I think we have had four questions today and I just took as notice yesterday) a question asked by the Member for Saskatoon-Sutherland (Mrs. Edwards), which was whether or not the Government had engaged (and I'm saying by the Government — we as the Government and of the Potash Corporation of Saskatchewan) engaged consultants to help to recruit employees for the Potash Corporation of Saskatchewan? I have now had an opportunity to examine that question and have been informed that the answer

is 'yes', on or about the 1st of November 1975. This was the effective date when the consultants started work to assist in the engaging of employees for the Potash Corporation.

**MRS. E.G. EDWARDS** (Saskatoon-Sutherland): — Mr. Speaker, in view of the fact that the Attorney General has answered the first part of my question, would I be allowed to ask a supplementary?

**MR. SPEAKER:** — Yes.

**MRS. EDWARDS:** — In that case, I should like to ask the Attorney General what was the name of the firm and how much they are being paid?

**HON. R. ROMANOW:** — Mr. Speaker, I must say that I am not in a position to reveal the name of the firm at this time, for quite obvious reasons, and that is they are involved in the search for very highly skilled, high-profile people for the Potash Corporation of Saskatchewan. To reveal the name of the firm may very well jeopardize the operations that they are undertaking as headhunters for the Government and, therefore, I cannot consent to answer the question.

**MRS. EDWARDS:** — Second supplementary. I really can't see any reason that the name of the firm could not be . . .

**AN HON. MEMBER:** — Order, order!

**MR. ROMANOW:** — What's the question?

**MRS. EDWARDS:** — Second supplementary. Where and what companies is this firm recruiting from and in what salary ranges are they offering and whom have they recruited to date?

**MR. ROMANOW:** — Again, Mr. Speaker, I think that there are three questions there. As to announcement as to future employees, these will be made by the Potash Corporation of Saskatchewan in due course, as we have already made some, some considerable appointments and future ones will be made. The announcements as to salary ranges will be obviously competitive. They will have to be competitive if we are going to get the type of people that I think are necessary. The salary ranges will be the kind to attract the top-flight people necessary for this operation.

As to the first part of the question, namely what companies have been contacted, I can't reveal that for the very same reason that I responded to the first supplementary question. That the recruitment is important and it is going on now, and that could only jeopardize the sensitive discussions with individuals and/or companies that may or may not be going on with the company. In due course, I think we can reveal all this information, and as people are hired the Legislature will be almost the first people to know.

## ANNOUNCEMENT

### MESSAGE RE ERNEST BOYCHUK — OMBUDSMAN

**MR. SPEAKER:** — Before the Orders of the Day, pursuant to Chapter 87 of the Statutes of 1972, I have received a message from the Ombudsman. I will read the message and table the letter. It is addressed to me and it says as follows:

I have the honour to submit my resignation as Ombudsman for the Province of Saskatchewan effective January 6th, 1976.

I am resigning my position to assume the duties of Chief Judge of the Magistrates' Court for the Province of Saskatchewan.

It has been a great privilege for me to have served the people of Saskatchewan in the position of Ombudsman.

I have the honour to be  
Sir  
Your obedient servant

E.C. Boychuk, Q.C.  
Ombudsman

**HON. R. ROMANOW** (Attorney General): — Mr. Speaker, before the Orders of the Day may I be permitted to make just a brief statement and this is following on your reading of the letter from Mr. Boychuk. The statement I wanted to make was to announce (and it has already been done in the letter) that the appointment of Mr. Boychuk, Q.C. as Chief Judge of the Magistrates' Court for Saskatchewan, effective today, Wednesday, January 7, 1976.

I think most Members of the Legislature will be familiar with Mr. Boychuk. He is a native of my home city, Saskatoon, received his education in Saskatoon, obtaining a Bachelor of Arts in 1956 and a Bachelor of Law in 1958 from the U of S. He practised law in the law firm of Rees and Smigelsky of Saskatoon from 1960 to 1963 and served as the city of Saskatoon's prosecutor from 1963 to 1967. From 1967 to 1973 he was judge of the Magistrates' Court and in 1973 he was appointed as Saskatchewan's first Ombudsman, a position that he has held until the date of the resignation letter.

I should like, Mr. Speaker, before taking my place, to stress how important the appointment of Mr. Boychuk as Chief Judge really is to the Government and to the people of the province. I think it is an essential move towards the fulfilment of this Government's commitment to improve our court system and in particular that court with which the majority of people must deal — Magistrates' Courts.

Members will know that we have proposed, and details will be coming out in the budget, as we have developed them further, some far-reaching changes in the administrative operations of the Magistrates' Courts.

The appointment of Mr. Boychuk as the Chief Judge, following upon the appointment several months ago of Mr. Marvin Bruce as

administrative director for the Magistrates' Courts, will permit the province to move ahead with improved procedures at an accelerated pace.

Now as everybody will know, in Mr. Boychuk I think we have an excellent person as Chief Magistrate. His past experience as I have enumerated, city prosecutor, city solicitor, magistrate and Ombudsman, really show that Mr. Boychuk has not only the competence, but the integrity to really ensure that the job can be done in the Magistrates' Courts area. I am confident that the new Chief Judge will ensure the independence and the integrity of this very important level of court services — the Magistrates' Court of Saskatchewan.

I should also like to say, Mr. Speaker, that pursuant to The Ombudsman Act an Order in Council has been passed, late last night, appointing Mr. William Keith Barker who is presently the assistant Ombudsman to the position of acting Ombudsman, pending selection of a permanent replacement for Mr. Boychuk. The Ombudsman position will now be advertised by the office of the Legislative Assembly and a new Ombudsman will be appointed by the Cabinet on the recommendation of the Legislative Assembly.

In closing, I should like to pay a word of tribute on behalf of the Premier and the Cabinet and the Government and I suppose all Members of the Assembly to Mr. Boychuk for what I think have been two years of outstanding service as Ombudsman for the Province of Saskatchewan.

It is very difficult to start a new role. It is very difficult to start something which is as new, or was as new, to the Province of Saskatchewan as the position of Ombudsman. There are difficulties with the bureaucracy. There are difficulties with interpreting legislation. There are difficulties in hiring personnel and I'm sure many disappointments and frustrations on the way to setting up the credibility of the office. I am convinced that Ernest Boychuk, as our Ombudsman, has done one great service to the people of the province, and that is to establish the credibility of the Ombudsman as a permanent and valuable feature for the citizens in their attempts to gain redress to bureaucratic inaction or bureaucratic wrongdoing, not wrongdoing but wrong decisions by the bureaucracy, the type of role that the Ombudsman should be involved in. I know that all of us have received recommendations from Ernie from time to time. We have tried our best to make the changes. Sometimes we disagree with them. I'm sure in the future we will disagree with the Ombudsman but on balance it has been a good healthy process for government, one that I was very proud to be associated with.

So, Mr. Speaker, I should like to thank the indulgence of the House for giving me the opportunity to make this announcement of Chief Magistrate and say these few words on behalf of all of us if I conclude this the transfer of Mr. Boychuk as Ombudsman to Chief Magistrate.

**HON. MEMBERS:** — Hear, hear!

**MR. S.J. CAMERON** (Regina South): — Thank you, Mr. Speaker. Perhaps I may be given a minute or two to respond briefly on behalf of the Opposition.

The announcement by the Attorney General on the resignation received by you, Mr. Speaker, is in a sense both good news and bad news. Bad news in the sense that Mr. Boychuk will be leaving the post of Ombudsman. In the short period that he has been there, and I can quite agree with the Attorney General, he has among other things, established clearly the credibility of that office. He always approached the problems of that office in an energetic and effective way. He was most approachable and I know that many people, what we have commonly come to and refer to as the little people, with a whole variety of problems arising from dealings with government, have found in him a champion of them and of their problems and he always pursued them with energy and with vigor, even though it led to government offices and government offices at a rather high level. A very, very effective Ombudsman, I think, for Saskatchewan in the last two years and as I say in that sense it is bad news because we will be losing him.

Good news, in the sense that he is eminently qualified to be the Chief Justice of the Magistrates' Courts. Mr. Justice Hall, you may remember, a year or more ago recommended to the Provincial Government that we should have a Chief Justice of the Magistrates' Courts. We are pleased now that we will have a Chief Justice in the first place. We are pleased secondly that the Chief Justice will be Ernie Boychuk, who as I say is certainly eminently qualified to fill that post. We look forward to dealing with a number of other areas of concern that we have with the Magistrates' Courts. As you know we have a long period at the moment between arrest and trial, which is not very satisfactory. We have other suggestions to make in that respect and we will be making them as time goes by. As Members know, we too, have been pressing for some time to have a Chief Justice. We are very pleased that we now will have it and we are very pleased indeed with the choice of Chief Justice.

**HON. MEMBERS:** — Hear, hear!

#### **MERRY CHRISTMAS TO UKRAINIAN CITIZENS**

**MR. ROMANOW:** — Mr. Speaker, before the Orders of the Day, if I may be permitted just one further privilege.

As Members will know, today is Ukrainian Christmas Day.

**HON. MEMBERS:** — Hear, hear!

**MR. ROMANOW:** — As soon as I heard the word Christmas, somebody said

to me that they hadn't seen my motion for extended hours of sitting yet. But that doesn't apply for Ukrainian Christmas. I am sure that all Members of the Legislative Assembly would join with me in wishing the hundred thousand or so Ukrainian citizens who make up the Saskatchewan population a very Merry Christmas, Happy New Year coming up. The Ukrainian-Canadian people are very proud of their cultural and religious background. Many, indeed, maintain and celebrate these traditions on Ukrainian Christmas Day. I know that in my household my mother does to this day, and if it weren't for the House I would be there, and the contribution that is made by the Ukrainian-Canadian people is one that I am sure all Saskatchewan people agree and share in. Accordingly, I should like to wish on behalf of the Members of the Legislative Assembly Khrystos Razhdayetsya — Merry Christmas.

**HON. MEMBERS:** — Hear, hear!

## **ADJOURNED DEBATES**

### **SECOND READINGS**

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

**MR. G.H. PENNER** (Saskatoon Eastview): — Mr. Speaker, I rise to speak to the amendment to Bill 1 with mixed emotions. I'm pleased to be able to once again speak on behalf of the majority of the people of Saskatchewan who obviously are not interested in seeing the nationalization of the potash industry go forward, but I am a little saddened as well by the fact that it's likely the last opportunity I'm going to have in second reading to debate the matter.

Mr. Speaker, I have prepared very carefully my remarks, recognizing the amendment that is before us and recognizing the fact that I have already spoken to the original Motion. I have prepared my remarks very carefully because I don't want to stray from the intent of the amendment that has been put before us. I should like to take an opportunity just to refresh the memories of the Members of the House in terms of what the Motion says.

The amendment, Mr. Speaker, indicates that Bill No. 1 be not now read a second time. That the subject matter of the Bill be referred to a special committee on the nationalization of potash and lists a number of Members of the House who ought to be on that committee. It indicates that the committee should have power to investigate the effect of the purchase and the ownership of potash mines by non-residents, foreign and corporate persons and government. This committee will have power to sit during the intersessional period and during any Legislative Session, except when the Assembly is sitting, and that notwithstanding certain sections, allowances and expenses shall be paid to Members of the committee when they are sitting.

It says further that such a committee will have power to send for persons, papers and records and examine witnesses under

oath; to receive representations from interested parties and from members of the general public, and for this purpose to hold meetings away from the seat of Government in order that the fullest representation may be received without unduly inconveniencing those desiring to be heard. And that the special committee be further instructed to submit its final report to the Assembly with all convenient speed.

I read that, Mr. Speaker, very carefully when I prepared my remarks. I reread it and in attempting to come up with some reasonable logical way of expressing my views with regard to the amendment I have enumerated ten reasons, Mr. Speaker, ten reasons why I think that Members of this House ought to support the amendment. Now, I had another reason given to me this morning in response to the question from the Member for Saskatoon-Sutherland (Mrs. Edwards) and the reply given by the Attorney General which would really give us 11. I'll just deal with that one very briefly first.

I think the reply that the Attorney General gave to the question about whether a firm had been hired to look for, to search out a manager for the Saskatchewan Potash Corporation. His reply was that up until now there had been no one who has been hired. Now, he may have not said it in those words, but I think that's what he was getting at. That a search was done some time in the early part of November. I'm rather surprised in the light of that, that the Government wouldn't be quite anxious to accept this amendment. Now we have been told a number of times, Mr. Speaker, that this is a great deal, that this is a great new venture, that the Government's going to have no difficulty in getting people to operate it, that expertise is not going to be a problem. They have been over six weeks now, I understand offering a pretty fancy salary, I don't know for sure what it is, I expect it will be something in the range of \$50,000 to \$70,000. I don't know what you have to pay to get potash corporation executives.

**MR. ROLFES:** — How much do you pay the city commissioner?

**MR. PENNER:** — Not that much. Well, I'll tell you. It's about half. It's about half of \$65,000 or \$70,000 and I understand, I can understand that you would be upset about my reaction, about my comments about the fact that you are having difficulties hiring someone. It would seem to me that in the light of that, that it would be well worth your while and as I say I had ten reasons, this is the eleventh and I'll give it first. To give yourselves time to do a good search, to find out whether in fact you are able to get the expertise because we haven't had any indication yet that you are going to be able to get the expertise. But if we had an intersessional committee the Member for Saskatoon Centre says yeh, we have. We have got indications that we have the expertise. Well, you know if that's true then I think that this House and I think that the people of Saskatchewan ought to have some assurance that it is true. Certainly, an intersessional committee that would examine all of the implications would have an opportunity to bring that forward, Mr. Speaker, and be able to tell this House and be able to tell the people of Saskatchewan that the claim and that's all it has been, it's been a statement, we can get the expertise. No evidence. I think that in a matter as important as this one, as significant to the people of Saskatchewan as this one, that

we should have the information presented to us, tell us. The only way that can happen before these Bills become law is ... I really don't care Herman, do you know that? I really don't care.

I indicated a moment ago, Mr. Speaker, that I had ten reasons why I felt that the amendment should be supported, why I think that Members opposite should accept the amendment, why I think that Members to my left — thank you, there are at least two of you here this morning, it's good to see you sitting there — why we should have the support of the Members from my left as well. Because the amendment is very clear, it's very logical, it's very supportable.

I support the amendment, Mr. Speaker, I think it's a very logical, a very reasonable approach to what is becoming the great potash situation in Saskatchewan. I know that those of you who are listening on the other side of the House are listening with bated breath and anticipation about what kinds of reasons I could possibly have for wanting to see this amendment accepted.

The first reason is this. That the people of Saskatchewan are entitled to more information than they have now. They are entitled to the marketing and the economic analysis that the Government has done. That's the first reason. That the people of the province are entitled to more information than the Government has provided up until now.

You know, it's important to understand in the debate so far we haven't heard from very many people on the other side of the House. We heard the Attorney General this morning say he's not afraid to debate. He even indicated he had some talent in debating. That may be. If it is, I invite the Attorney General to get up on the floor of the House, as we invited him to come out to the people of Saskatchewan and debate the issue. We heard that other Members on the other side have debating talent. We understand that the Minister in charge of the Potash Corporation has some debating talent. If that's true I invite the Minister to get up and speak in the debate. I understand that the former Minister of Education and I keep forgetting what his new portfolio is, has some debating talent. We'd like to hear the Members of the Cabinet get up and tell us and tell the people of Saskatchewan why it is that the Government is going ahead with this takeover. On what basis have they made the decision? Where are the marketing studies?

**MR. MacMURCHY:** — Mr. Speaker, on a Point of Personal Privilege. I want to point out to the Hon. Member for Saskatoon that I spoke in this debate and if he'd like me to speak again in this debate if he sits down I might even make the attempt.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — I'm sorry, Mr. Speaker, that I said that about the former Minister of Education. I guess what he had to say didn't really impress me very much. I guess what I was really meaning was the Minister of Social Services, that I wished he would get up and I wished he would tell us a little bit about why it is that the Government of Saskatchewan is embarking on this potash nationalization. I still haven't had any real facts given. None at all. If you have studies, we implore you to give them

to us. If you can show us that there are in fact some economic reasons . . . well, Mr. Speaker, I wonder if you might ask the Member for Saskatoon Buena Vista (Mr. Rolfes) that if he wants to get into the debate that he should get up and get into the debate when I'm done. We'd be delighted to see him get up and get into the debate. It would be the first time. We in Saskatoon went for four years and we had the silent whatever number it was, never got up, never said very much. We never heard very much about anything that was done. It would be nice to have him get up. I'd be delighted to see him get up and as soon as I sit down I hope that he'll do that.

Now before I was interrupted, Mr. Speaker, I was trying to determine whether or not the Government has got any studies. Are there any marketing studies? Are there any economic studies to show how this move to nationalize the potash industry is in fact a realistic move.

We have heard people comment, well now wait until we get into committee and maybe we might show you something. Well, I'll tell you, that's not good enough as far as we are concerned. Common sense. I don't know whether very many Members over there have got much but just a little bit of common sense would indicate that if in fact the Members opposite have some studies that they would at least in their comment that we'll discuss them in committee, hold them up and show them and say we've got them, but we don't want to do it here, this is a debate in principle, we'll debate it when we get into committee and you'll see what the story really is. Now we haven't even seen that. How long have we been going in this debate? A long time. Twenty days, 18 days, we may be going for a long while yet. I really don't know it depends on whether we can get this kind of information. Well let me give you the kind of information that is available. There are some facts available, Mr. Speaker.

**MR. McMILLAN:** — I'd like to hear them.

**MR. PENNER:** — Well, that's good because you are going to hear them as a matter of fact whether you really want to or not. These are some of the facts that have been made available. Some of the facts. Now we don't know whether they are all of the facts or not but here are some of them. These are the facts that have been distributed by the potash companies.

**AN HON. MEMBER:** — Fairly presented too.

**MR. PENNER:** — Well, I don't know. We would know though if they were fairly presented if we saw the kinds of facts and the kinds of studies that they have got. But have they shown them to us? No they haven't. Of course, they haven't.

Well there has been a bit of a potash story told by the potash companies. Since they are the only facts we have got to go on I guess we have to assume they are the only facts around. We haven't had any facts presented to counter them, so let's listen and see what is said.

It says:

That potash along with nitrogen and phosphate is a major

ingredient in the fertilizer family so necessary to enrich the land in certain areas of the world to provide the farmer with a greater crop yield. As the map would indicate (and there is a map here and it tells about where you get the potash and where it's marketed and so on) and figures above show the reserves of potash in the world are enormous. Productive capacity however must be increased to supply growing world demand.

**MR. SKOBERG:** — Is that the second one or first one?

**MR. PENNER:** — No, that's the first one and there are four. I'm on the first one. I'll keep you up to date, Mr. Member for Moose Jaw North.

To meet the challenge new production facilities will be required. Where will these be located?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — I'll tell you Mr. Attorney General I had the comment made earlier by my friend the Member for Saskatoon Buena Vista (Mr. Rolfes) and he pointed up and said only one and I really don't care. I really don't care. Well, that's fine. I'm really not concerned about that. You see the people whom I really hope will learn to care, are the people on the other side of the House. One of the things I am beginning to learn in Opposition is a very important lesson that I hope I will not forget when we form the government. That is to learn to be sensitive to people. To learn to be sensitive to what's going on out there, and not to become cloistered in, you know, a closely knit little group who do not really care about the people out there. That's a lesson I hope I'm not going to forget. It's a lesson that I see that you people have already forgotten.

Now where will the potash be located then? Where are all these reserves located? Are they all in Saskatchewan? No, not necessarily.

This fact sheet says.

Eastern Europe and Russia are rapidly expanding their potash production. Modernization of existing mines is under way in West Germany and France. There are known deposits in Thailand, in Laos and Brazil and Jordan which could become economically attractive as world demand increases.

I'd like to know what position the Government has with regard to that. How do you analyse that kind of information? How have you justified in your own minds the fact that you are going to take money from Saskatchewan taxpayers, and you are going to pay corporations who presently exist in Saskatchewan, allow them to go out into the world markets whether they be in North Dakota or Montana or whether they be in Brazil or Thailand or New Brunswick, use our money and become our competitors. What's the rationalization for that? How have you justified that in your minds? We should like to hear that and hopefully there will be a speaker or two who will get up and talk about that.

Clearly Saskatchewan does not have a monopoly on potash reserves or production. I think that we would all accept that, that's a matter of fact. Nor have we any guaranteed position in the international market place.

Now recognizing that, what do your marketing analyses show you? What have they shown you with regard to markets five years down the road, ten years down the road, fifteen years down the road? Maybe that's too far, maybe you can't get an analysis that far down the road. But at least over the next five years.

Well, that's the first sheet my friend, the Member for Moose Jaw North, now let's go on to the second.

**MR. SKOBERG:** — Two?

**MR. PENNER:** — No there are four, this is the second one now. I hope the notes that you are taking are good notes.

Saskatchewan, it says on this sheet and I won't read it all. I'm not interested in delaying things in here, but I want to make a few points, so I'm not going to read it all, but there are a couple of paragraphs on this sheet that I've got underlined.

Saskatchewan is the largest individual producer and exporter of potash in the free world.

But, I guess we all knew that.

But we can't hope to maintain our position without expansion. Expansion which was planned by the industry. Expansion which is stalled by high taxes. Expansion which may fail if undertaken by amateurs.

Well, what you are prepared to do as owners of the potash industry in Saskatchewan with regard to expansion? Where are your economic studies. Have you done any economic studies? What kind of guarantee do you have that we are not going to have another branch of bureaucracy that's handled by a bunch of amateurs? You have been running around the country, maybe you have been running around internationally looking for someone to head up the Potash Corporation.

The Attorney General indicated to us this morning that so far you haven't found anybody yet, despite very high salaries offered. What guarantee that it's not going to be handled by amateurs? An intersessional committee would give you an opportunity to show the people of Saskatchewan and if you are really serious about your ability to do it all, you wouldn't be afraid of an intersessional committee.

Anticipated increases in world prices could make the development of productive capacity and expansion of existing facilities economically attractive for potash producers in other parts of the world.

Saskatchewan's hard earned share of the world potash markets is not captive. Unless present tax loads are eased to permit expansion Saskatchewan will lose its competitive edge and our customers will look to other suppliers for their increasing needs.

Well what have you done with regard to the business of competition? What kinds of studies have you done to indicate that you have even thought of that, that you have even looked at it?

Now surely to goodness the Attorney General wouldn't be bringing a Bill through the House if they hadn't thought of that.

**MISS CLIFFORD:** — Yes, he is.

**MR. PENNER:** — Well, but that's pretty fundamental. You know, it is, it's really pretty fundamental to the whole business. I would think the Attorney General and he's a fairly bright individual, at least I have always felt that, would have some kind of study and I don't think that it's asking too much for this House, for the people of Saskatchewan to see those studies. It would be interesting to see them compared to the study they have done of the Bredenburg mine. Maybe lots of the answers about why they are buying all the industry in Saskatchewan are related to what the studies of the Bredenburg mine situation told them. That's only speculation obviously, but it would be great to hear it. It would be great to know.

Well to my friend the Member for Moose Jaw North I just turned to fact sheet No. 3. Now remember please Hon. Members that these are fact sheets that are not provided by the Government. They are fact sheets that have been provided by the industry. Remember too that this first reason that I have given why we ought to have an intersessional committee is because we need some more facts.

This one says this:

To build and operate a potash mine successfully . . .

**MR. SPEAKER:** — Order! I just take this opportunity to, I am sure I don't have to remind the Member that he spoke on the main motion, he spoke on the first amendment, he's now speaking on the second amendment. Therefore, he must confine his remarks solely to why he believes that the subject matter of this Bill should be referred to a special committee to study the matter. I have been listening very carefully for quite some time now and I'm not able to connect it to what you are supposed to be debating. Perhaps the Member can make the connection.

**MR. PENNER:** — Mr. Speaker, I tried to point out initially and I certainly don't want to do anything that is against the regulations of the House. But I tried to point out that in looking at the amendment, I felt that in order to be fair to the intent of the amendment, which says that we ought to refer the question to an intersessional committee, that I should then give reasons why I feel that way. The first reason I have given is, that I feel that we need more facts. And what I am doing, Mr. Speaker, is showing that while we have had some facts from people who are party to the total question, that is the potash industry, we haven't had very many facts come from the Government yet. That is where I am at in terms of trying to keep this very closely in line with the intent of the amendment.

**MR. MERCHANT:** — Mr. Speaker, may I speak to

the Point of Order for a moment? I suggest to you, respectfully, both on behalf of my colleague and also because I have some comments to make later in the day about the amendment that the second paragraph and the fourth paragraph of the amendment are the broadening paragraphs of the amendment. Now I don't say that you may not be right in this particular instance at this particular time, but I know that Your Honour is viewing the matter. Those are the broadening paragraphs, I suggest. I may at some time be arguing that position to you further.

The second position particularly, in asking an investigation of the effects of the purchase and so on, I think broadens into some examination of the facts. Not anything like as broad and far reaching an address for instance as was presented to you by the Hon. Member for Indian Head-Wolseley yesterday. But a broader effect than simply a direction to an intersessional committee.

**MR. SPEAKER:** — The interesting aspect of the debate yesterday was that the Member for Indian Head-Wolseley was speaking on the main motion and the amendment, so he had complete latitude. If the Members are to interpret a Resolution, the broadening aspects as you refer to of the Resolution was before us as a licence to talk about the whole issue again when they have already spoken about it twice, then I am certainly going to have to look more closely at what kind of amendments I allow in the House. I would say that the Member has to consistently relate to why he thinks this should be referred to the committee. I agree with the Member, I heard his initial comments about why he should have a committee, but then the Member might have been debating the original motion later on because I was unable to make the connection. That is the point I was making, that the Member should consistently relate to why.

**MR. PENNER:** — I thank you, Mr. Speaker. I recognize that in terms of debate in the House I am new to this. As I said I am trying to relate to reasons why I feel that there should be a referral and I expect that if I begin to stray that you will let me know.

The point that I was making then in terms of this business of facts about the potash nationalization, facts which I feel the Government needs to provide to us, facts, which in my mind as yet the Government has not provided, indicate that there is no highly trained pool of experts around to run a complicated industry like the potash industry. I think that it is incumbent upon the Members opposite despite the fact that they are not particularly interested in listening to what I am saying this morning, I think it is still incumbent upon them to give us an opportunity to find out whether in fact there have been studies done; whether or not in fact expertise is available.

**MR. LANE:** — The committee might be able to find out.

**MR. PENNER:** — That is right. If it were referred to an intersessional committee, at least we would have the assurance of that intersessional committee.

I think another thing, Mr. Speaker, that the intersessional committee would be able to do it would be able to clarify the

position with regard to the tax question. There has been a lot of talk and a lot of debate about the question of the tax matter. I am on fact sheet number four now, Mr. Member for Moose Jaw North. I think the business about the tax matter is extremely important.

Since the early 1960s potash companies have been faced with a series of tax increases and the most recent has been the reserve tax. It was introduced by the Government in '74 and it is the one tax that threatens to break the potash camel's back.

It goes on to say, and

the graph shows how taxes have increased since 1962.

This is the way the potash industry puts it. As I say they are the only facts we have got to date. What facts do the Members on the other side of the House have to put forward? It goes on:

In 1972 a prorationing fee was levied, it doubled in 1973. It was about this time that potash companies emerging from a soft market situation and moved toward capacity production and began to plan for expansion. Then came the reserve tax, November 1974, made retroactive to July of the same year. Last month without warning the provincial government announced its plan to take over effective control of the industry.

If your business was faced with a similar situation would you fight to protect your investment and your future or would you pack it in and move elsewhere? The potash industry has chosen to stand firm.

We think, Mr. Speaker, at least, I believe, that reason number one, the reason why we need to refer this matter to an intersessional committee is clear. There are some facts around. Most of those facts have been produced and made available to the people of Saskatchewan by people other than those sitting on the other side of the House. I think it is incumbent upon them to complete the story. Let's see it all. An intersessional committee will give us an opportunity to do that.

I want to go on to my second reason. If the Member for Moose Jaw North is still taking notes, heading number two, you can call it if you like and then we will go on from there. People of the province have been continually asking questions about what this thing is all about. I suppose this reason, Mr. Speaker, is related to the first reason. The fact that there aren't very many facts around would lead us logically to say, that people are then going to be starting to ask some questions. What kinds of questions are being asked? What kinds of questions could an intersessional committee look at?

An intersessional committee might begin by asking first of all, why? Why is the Government interested in nationalizing the potash industry? People have been asking me that question. I tell them I haven't had an answer yet. I haven't had a reasonable answer from the other side of the House yet. We have been going for five weeks. So I have to guess. Now I don't think that as a Member of the Legislative Assembly in discharging my responsibilities to the people in my constituency that when I am

asked that question I should have to guess the answer. But my guess is that they are interested in state control. Because there hasn't been any other answer given. I guess they are interested in state control. I look over the last few years. I look at the Land Bank; the oil industry. I look at the remark that was made by the Minister of Natural Resources when he was speaking in Saskatoon after the NDP Convention when he was asked by a reporter, "Is it safe to assume now that all other industries in the province are going to be left alone?" and he said in the long-term it isn't safe to assume anything. He was concerned about uranium. I think we need an intersessional committee to start giving some answers. Why is the Government embarked on this kind of a crash course with disaster? Because that is all it is. Until the people on the other side of the House are prepared to get up off their rear ends and tell us why they must do it and justify it in their own minds, and justify it so that it looks at least reasonable even though we may never support it in principle; and justify it so that the people of Saskatchewan can understand it, then you are abrogating your responsibilities to the people of this province.

I think, Mr. Speaker, we need an intersessional committee to tell us why. Somebody suggested to me the other day that the bedrooms of the province aren't even safe any more. Maybe that is overstating it, maybe that was my reaction too. Maybe I groaned and said, oh, come on now, that is going a bit too far. But there are people out there talking that way. There are people who are talking about the motive of the Government being state control. Is that the reason? If it isn't then come out and tell us the reason. Give us some justification. Get out some studies and show us why it is a reasonable move for the people of Saskatchewan to take. Don't just sit there hiding behind the curtain of government and not get up and debate it.

There is another question that has been asked. I think it is another question, Mr. Speaker, that as far as I am concerned an intersessional committee ought to ask, and it ought to give an answer. That is, how much money? We have asked that question in the House and we have read an answer in the newspapers and we have heard it in the House. The Premier has said, ladies and gentlemen of Saskatchewan, Members opposite it is going to cost you between \$500 million and \$1 billion. I will tell you that is really great. That only allows for a 100 per cent error. That doesn't tell us how much of the industry either. I would suspect that that might buy one or two mines or three maybe when you look at inflated rates, inflated costs. What part of the industry is \$500 million to \$1 billion really going to buy for the people of Saskatchewan?

I know that the people of Saskatchewan, and most of them are like me, they don't understand big money. Talk about a billion dollars, it boggles my mind, I can't even picture it, I can't picture what \$500 million is all about either. All I know is that it is a lot of money.

How do you justify spending \$500 million to \$1 billion? I ask the Member for Saskatoon Mayfair (Mr. Dyck) what justification has he got for that? How does he justify that in a logical sequential reason? I challenge him if he does have an answer, to get up off his rear end in this House and tell us what the answer is. If he can't do it then have one of his

colleagues get up and do it.

C.D. Howe a few years ago, in the great pipeline debate, made the statement, "What's a million". I think we all know what happened to him. Here in Saskatchewan, a few years later we have the Premier come into the House and on the media and when asked what is this going to cost the people of Saskatchewan, between \$500 million and \$1 billion. In effect what is \$500 million?

I think there would be an opportunity if we had an intersessional committee to study the economics of that. To take a look at the debt the province already has. I think the debt the province has right now, Mr. Premier, and if I am wrong, I know you will correct me, is about \$900 million, a little less. Some of that is liquid debt, or self-liquidating some of it is a dead weight debt or whatever. I don't care whether it is self-liquidating or unliquidating, it is debt. What is being suggest to me is that we double the debt. If we are going to double the debt let's see some figures economically given that justify it. We haven't seen any yet. That gets back to the marketing studies, the first reason why I suggested we ought to have an intersessional committee.

I think the suggestion that the Premier gave when he was asked the question what is the amount of money that this is going to cost, and he said between \$500 million and \$1 billion is an affront to this House and an insult to the intelligence of the people of Saskatchewan.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — I think there is another darn good question that an intersessional committee could address itself to. And that is where is the money coming from? Is it coming from investors in North American, is it coming from investors in Europe, is it money that is going to be coming from those big bad multinational groups? Where is the money coming from?

Another question, what will the interest rate be? Are we going to get it at 10.25 per cent, or 10.50 per cent. Is it going to be 11 per cent? You know when you start talking about those great big huge fantastic sums of money that I said a little while ago, I really don't understand — I understand it well enough to know that a half per cent on a billion dollars or \$500 million is a pile of money. What is the interest rate going to be? A committee might be able to find out. I think we need the answers to those kinds of questions before we get into the kind of position that Bill 1 is going to put us into.

I think another question that we need to have an answer for is what kind of money do the mines make right now, what kind of income? What kind of a statement can you give us indicating what the profit of these mines really is?

You know, Mr. Speaker, it is strange but this debate has been going on in this House now for four weeks, there hasn't been a statement from the other side of the House yet about what the financial situation of the mines is right now. I suppose there are some mines in this province, Mr. Speaker, it is fair to say that would just dearly love to sell out because they are not doing very well. I have got some figures here that

represent, I think a fairly average kind of Saskatchewan potash mine. I think that it is important that when we look at reasons why this thing should be referred to a committee that Members on the other side of the House have a chance to think about this. I think there are some Members on the other side of the House who haven't really done very much thinking about this whole thing. They have sat day after day, but they haven't thought much about it.

Here is a potash mine that is producing 1.2 million tons of product. It cost about \$100 million to construct and is valued at a minimum of \$225 million today. That is an average potash mine. For the fiscal year '74-75 its profit and loss statement is as follows. The volume of the product about 1.2 million tons; revenue at \$42 a ton — \$50.4 million. Cost of doing business and here I am talking about the wages and the supplies and the sales and the costs and everything else about \$18.65 million. Gross profit before taxes \$31.75 million. Those figures are out. And the Premier would know whether those figures are out or not. And I invite him to stand up in the debate and tell us what the figures are. Give us an indication of what the actual financial situation of these potash mines really is. So we can find out whether in fact we are or are not buying a pig in a poke.

Let's go on, provincial taxes in millions. Royalties about \$.98 million. Prorating charges \$1.5 million; mineral tax \$.14 million; lease rental \$.02 million; E & H tax \$.43 million; provincial corporation tax \$5.56 million; reserve tax \$11.6 million. A total of \$15.23 million. Municipal tax on top of that.

Another thing this intersessional committee could look at is, what is the position going to be of the potash mines once owned by the Government? I think that the Minister of Municipal Affairs (Mr. MacMurchy) might be able to answer this, if he has answered it forgive me. I have forgotten the answer. What is the position going to be with regard to local taxation once these mines are no longer paying taxes as private companies to municipalities. Is the province going to pick that up and pay that out to the municipalities? That is a pretty important question for me. My school unit has a couple of potash mines in it and it has a pretty significant impact upon the revenue that is collected. Not only as far as the school unit is concerned but upon the revenue collected by the municipalities in that area. I wonder if we might have that clarified, Mr. Speaker, if that money is going to be paid in lieu of taxes then we had better add that to the cost factor, because that is then going to be paid out by the people of Saskatchewan. Right now the companies are paying that out to the municipalities. You and I as taxpayers are going to start paying that, if in fact there are going to be grants in lieu of taxes paid out to the municipalities.

Well, as I was saying, we have got municipal tax, we have got federal corporation tax, depreciation at let's say five per cent and so the net profit for this mine, an average 1974-75 profit for this mine is \$6.95 million.

Now let's take a look at another statement, this is profit and loss statement for the same mine after government takeover, based on no loss of market or of efficiency. This statement is predicated on the Government paying \$225 million for the

mine. I think that is too low a figure, it is likely going to be higher. If we are talking about \$500 million we are probably talking about a mine and a half, maybe two. If we are talking about \$1 billion, we are maybe talking about three mines, just that everybody understands what we are really into. Revenue of \$50.4 million, cost of doing business, \$18.6 million, gross profit before taxes, depreciation and interest payments, \$31.75; municipal tax \$.43 million; interest on \$225 million at 10.5 — there's an assumption that it is going to be 10.5 per cent interest rate — it may not be — it might 10.25 per cent, it might be 11 or 11.25 per cent; I don't know. Nobody has told us. The committee might be able to tell us, maybe they could find out some of the answers that the Government hasn't been prepared to put to the House.

This statement is predicated on the assumption of 10.5 per cent interest rates, depreciation is five per cent for 20 years, and that again is an assumption. We don't know for how long this whole business is going to be amortized, it might be 20 years, it might be 30 years, maybe 15, I don't know. Nobody has told us. A committee might be able to find out. Anyway depreciation is five per cent for 20 years, \$11.25 million net profit \$8.27 million. Repayment of principal over 20 years \$11.25 million, cash flow to the Government for the first 20 years, minus \$2.98 million.

I say to the Government Members, the Attorney General, the Minister of Municipal Affairs and the Minister of Finance if he was here, we don't see very much of him. The Premier he's here. If this is wrong, if this does not represent a true picture, but we think it does, then tell us what the true picture really is. What in fact is the position of the potash mines today that you are interested in nationalizing? Because we would sure like to know.

**MR. McMILLAN:** — So would the people of Saskatchewan.

**MR. PENNER:** — Yes, I think the people of Saskatchewan would be interested too.

Well, these are the kinds of questions. I am speaking now on reasons why there ought to be an intersessional committee and one of the reasons it seems to me is because there are lots of questions that we haven't had any answers to. I have just gone through some of them.

I get all kinds of questions, these are questions that have come to me from people who stop me on the street, they don't all stand there and ask all six or whatever number I listed. Those are the kinds of questions I hear, when I go out for an evening. Those are the kinds of questions I hear when people phone me, when they write to me. Yes I have had some letters. You know there is a song, lots and lots of letters. Well I have had a number of letters.

**MR. McMILLAN:** — Read some of them!

**MR. PENNER:** — No, I better not do that. A couple of days ago when the Member for Indian Head-Wolseley was speaking he talked about the kind of communication he had had from people in his

constituency. I was interested in the Attorney General, he sat over there and he held up two hands, one with five fingers and the other with two. He said, "I have had five letters for it and two against." Well I am doing almost as well. I have had four letters for it. He has five letters in favor of the potash takeover. He is the Attorney General of Saskatchewan, I'm just little "ole MLA Penner from Saskatoon Eastview. I have just as many letters in favor of the potash nationalization as he has. But you know, I have had a few more opposing than he has. He said he had two. Well, I have had all kinds of communication from people who are concerned and upset. If I were to give you a ratio, I am not going to exaggerate that ratio one little bit. I want to tell the Attorney General and the Members opposite that we are looking at a ratio of 10 to 1 who are opposed.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — I see the Attorney General laugh. I am not surprised, I knew he would sit there and laugh. The reason he is sitting there and laughing is because he doesn't really stop to analyze the situation. He knows darn well that he has become in effect, rather cloistered, because he doesn't really listen, it is that insensitivity that I talked about a little while ago, a lesson that I have already learned, and I hope Members of my caucus have learned. When we become government, we are not going to forget that lesson, we are still going to listen. We are going to be open to the people of Saskatchewan. We are going to invite them to comment, whether we are right or whether we are wrong. I have written letters to every person who has written to me and said they support it. I said good for you for expressing your point of view.

I want to tell the Member for Saskatoon Riversdale the ratio without exaggeration is between 8 and 10 to 1 who oppose it. I have letters from people who are opposed. I should like to give you an indication of some of the things they are saying in the letters in which they are opposed.

Here is one letter . . .

**MR. KOSKIE:** — The first one is in favor!

**MR. PENNER:** — No, as a matter of fact the first one is a second letter that is opposed from the same person. Yes, he is so concerned he has written twice! He happens to be the only one who has done that. If you want me to read them both, Mr. Member for Quill Lakes, I'll do that. If he would prefer, maybe he would like to see them afterward and save me the time and the trouble of the House to read them both. I really hadn't intended even to read all of one, I really only intended to read a couple of paragraphs of each. I am not interested in wasting the time of the House.

**AN HON. MEMBER:** — Sit down!

**MR. PENNER:** — I will when I am done. If you keep interrupting me I will be longer and longer, just let me get on with it.

On several occasions, both you and the Government

have made references which leads me to believe you feel you are talking and acting on behalf of the majority of the people of the province.

This letter is a copy of a letter addressed to the Premier. It goes on to say:

This to me seems very much like an overstatement or maybe a matter of somebody having forgotten the last election results. The fact of the matter is that the NDP suffered a setback of elected representatives to the House as well as only polling less than 40 per cent of the votes cast. Under these circumstances I feel it is very questionable to talk in these terms and thus leave this kind of impression both in and outside of the province.

Then in the last paragraph — the Member for Quill Lake, I hope you are listening to me. He says:

These are some of the points I wish to bring to your attention. In conclusion I should like to make a suggestion. If you believe, if you are fully convinced that you are acting in the best interest of the people of our province, please take it to them. Call for a plebiscite. Ask the people if they are interested in investing and operating potash mines. I am not so sure that this was part of the mandate you were given in the last election.

You know, Mr. Speaker, one of the amazing things about Members opposite is as I said a minute ago, they really don't give a darn what the people of Saskatchewan think, nor are they particularly interested in getting the facts out to the people of Saskatchewan. We have made many suggestions about how you can get this out and let the people of the province know what you are doing.

The Attorney General laughed a minute ago when I said the ratio is 8 to 10 to 1. Stop and think for a minute. Mr. Speaker, 80.3 per cent of the people who were eligible to vote in the last election got up and voted and of that 80.3 per cent, 40.7 of them voted for you. You put it around another way, six out of every ten people in the Province of Saskatchewan who are adult and of voting age did not support you. Let's also recognize the fact that there are some people who are NDP members in the Province of Saskatchewan who supported you in the last election who are opposed to the potash nationalization. You know it, and I know it, if you don't know it, it is only because you haven't been listening.

I have had people come up to me and say, look I voted NDP in the last election, they never indicated that that's what they were going to do. I said, of course they never indicated that that's what they were going to do. That's the ploy of government, you get in and then you tell the people what you are going to do. They did with the Power Corporation rates. They knew what the rate increases were going to be before the election. What did they do? They said there would be some increases. You knew what the rate increases were going to be. You say that are justifiable, there is no problem in having people understand that they were needed. They weren't announced beforehand, however. They were announced after.

The same thing applies here. Of course they weren't going to come out and say we are going to nationalize the potash industry. They are going to say afterwards, if they were elected and you were. Oh no, we have got 40.7 per cent of the popular vote, the people out there like us, they elected us. Now we are going to do it. We are not going to tell anybody we are going to do it. We are not even going to give the people any reasons why we are going to do it. We are just going to do it. We are going to do it because we are the Government. We are going to do it because we decided we wanted to do it. We are not concerned about what the implications are for the province, we are not concerned about the kind of debt this province is going to be in. We are not concerned about the fact that this may frighten off investment, that this may kill the province. We don't care about that, we know this is our last term in office, we are not going to get re-elected in 1979 anyway. So let's do it! Well, I don't think those are good enough reasons.

I will tell you they are the only kind of reasons available to be given, because in the time that we have been in this House we haven't had any other reasons given. But a committee might. I am not even sure that a committee could get the answers but at least there is a chance. We have tried a number of ways to get some of these reasons. We suggested in another amendment that there should be a study, that was defeated. We have proposed this amendment, all it says is, let's get the facts out. I don't see anything the matter with getting the facts out. I think it is a pretty reasonable approach.

**AN HON. MEMBER:** — Unless you are afraid of the facts!

**MR. PENNER:** — Unless there are none! That's a possibility, it could be that there are no facts. I have seen Members over there really excited about this amendment, between their sleeping and reading of the paper. They are obviously enthused about this amendment, it is pretty clear what is going to happen to this amendment, it is going to be defeated. Somebody over there said, defeat it, so it will be defeated. There aren't many reasons given why it is going to be defeated Gordon, ... I'm sorry, Mr. Speaker, I called the Minister, my friend, the Minister of Municipal Affairs by his first name. He says, he was the one who told them.

We proposed another way of getting the story out to the people, let's go out and debate the issue. The letter was sent from the leader of our caucus to the Premier, suggesting that we go out and debate. The Attorney General got up this morning and said, we're not interested in providing a forum for leadership candidates. I think that's what he said. I want him to know, that he is right in one thing, when we proposed that idea we had 15 people to challenge the Cabinet Members. If he says we have 15 leadership candidates on this side of the House, he is absolutely right. It was another attempt to get the story out to try to get the people of the province to understand the answers to some of the questions they have been asking and are getting no answers. I think that is one of the things that a committee could do and could do very well.

How many reasons have I given why we ought to . . .

**AN HON. MEMBER:** — You haven't given . . .

**MR. PENNER:** — I have. But I just want to review and make sure that we don't lose track of where we are at. I suggested that we needed initially to get answers to some questions; I suggested that we are entitled to more information. Those two really go hand in hand, if we had more information, an intersessional committee could get that information, then the intersessional committee would be able to give the answers to the kinds of questions that the people of the province are asking. If that were to happen, then we could get on with the third reason why I think this committee should have the opportunity to study the question.

That is the attitude that some of the Members opposite have shown toward this whole business of nationalization. I think that the kinds of things that have been said by some Members of the Government opposite deserve time to be cleared up. I don't know why I am arguing for the Members opposite, Mr. Speaker. When I wrote this down I wondered how I would justify this. But I really think that some of the Members opposite need time to get things cleared up, get the air cleared and an intersessional committee would give them a chance to do that. One of the Members opposite I am thinking of who needs to have the air cleared a little bit — I noticed in last night's Star-Phoenix that he tried — the Member for Saskatoon Centre (Mr. Mostoway). I noticed in an article, December 5, that the Saskatoon Centre NDP MLA went after the Saskatoon Board of Trade.

**AN HON. MEMBER:** — Again!

**MR. PENNER:** — This was the time. I don't think he would ever do it again, but he did it on December 5. He said a few things that I think indicate why I feel there should be some time given the Members opposite a chance to clear the air and why I think in this intersessional committee would allow some time for that to happen. It is not directly related, Mr. Speaker, but I think it is an indirect by-product that a committee of that sort might be able to provide for them. I quote from the Star-Phoenix, I expect the Member has memorized it:

Saskatoon Centre MLA Paul Mostoway is calling for the Provincial Government to stop supporting the Saskatoon Board of Trade because of the Board's advertising campaign against the Government's potash policies.

In a statement released Thursday, Mr. Mostoway described the ad campaign as irresponsible misrepresentation and outright dishonesty.

The Board's ad campaign has homed in on arguments that the potash takeover plan would be a bad business deal for the province. By jumping onto the potash issue the Board is abrogating its responsibilities to its Members and to the public.

The Saskatoon Centre MLA also said he disagreed with the one ad which suggested that several hundred million dollars collected in the Energy Development Fund could be used to lower provincial taxes rather than to purchase potash mines. This fund is to be used for resource expansion and exploration he said. Any

attempt to use it for other purposes would be to contravene the Federal-Provincial agreement. However that opinion appears to contradict earlier statements by Provincial Government officials including Premier Allan Blakeney.

Well, I think, Mr. Speaker, it is only fair that if in fact the Members opposite are so jumpy and nervous about this question, that when some organization comes out and opposes it, that they have to react as he did, then I think indeed there is need to clear the air. I think indeed there is a need for time to get some answers. I think I am a little concerned about what in fact is being hidden, what is being covered up. I don't know whether there is or not. Surely to goodness if this is as great a move as we are told it is, there wouldn't be any reason for Members opposite to get as jumpy and as nervous about some opposition to it as we have heard.

The Attorney General got into the act a little bit too. He suggested that Saskatoon wasn't going to get the head office if the Board of Trade kept that up. Now that is not really the kind of thing I would expect the Attorney General to say. Why in the world are the Attorney General and the Member for Saskatoon Centre so nervous about this thing. Why are they concerned about the Board of Trade in Saskatoon going out and raising its money, using no money from memberships, no money from the province, no money from the city of Saskatoon in order to conduct a campaign about something it felt very strongly about.

**AN HON. MEMBER:** — No money from the potash companies!

**MR. PENNER:** — That's right, no money from the potash companies, they raised it alone. Now the Attorney General smiles. I don't know whether that smile means he doesn't believe it, maybe it's part of that insensitivity, the cloistered feeling, not really knowing what is going on.

**MR. ROMANOW:** — I don't like criticism.

**MR. PENNER:** — I see, you don't like criticism of any kind or take criticism of any kind. Well, you know, I don't accept that. I think criticism is a great thing and when I think people are on the right course and when I think people know that what they are doing is right, they don't get jumpy and they don't get nervous about a little bit of criticism. They accept, they say okay, there has been some criticism, now here are the facts. They can counter them and they can counter them well, because they have got the story. They can go out and they can tell the people, they can convince the people.

But has the Government opposite done that? Of course not. We still haven't even had questions answered as to why. We haven't had any questions yet about how much money, any answers. Yes, we have had \$500 million to \$1 billion. That's no answer to the cost, that doesn't tell us how much, how many mines, that doesn't tell us about the percentage, what it is going to be on the returns tax, or the interest rate. So I think we really need to provide a little bit of time and the intersessional committee would do that, Mr. Speaker. So that people like the Attorney General and the Member for Saskatoon Centre would have

an opportunity to clear the air.

You know there was an interesting little article about how some people in this case, one individual, reacted to what Mr. Mostoway said. Here is a little article in the letterbox of the Saskatoon Star-Phoenix:

So Paul Mostoway wants the Provincial Government to stop paying its contribution to the Saskatoon Board of Trade. His reasoning behind the statement is that if the Board of Trade is critical of the Government's potash takeover plan then the Government should not support the Board of Trade. In short members should not have to support organizations they disagree with. Does that mean, Mr. Mostoway, that I, as a member of the taxpaying public should stop my financial support of the Provincial Government if I don't agree with its plans? I would be only too happy (the letter goes on to say) to inform the Provincial Department of Taxation that I will not be paying my provincial income tax next. Or should I forget my democratic right of self expression as Mr. Mostoway seems to want the Board of Trade to do?

Now I know that Mr. Mostoway has written a letter back to the Saskatoon Star-Phoenix. I think it was in last night's paper that there was a reply in which he attempted to clarify his point of view and attempted to say, now look, that's really not what I was saying and so on, you know.

**AN HON. MEMBER:** — . . . make it worse.

**MR. PENNER:** — Well, no, I don't think it made it worse. But all my point is, Mr. Speaker, that we are in a situation now where I think we need to give these people time to allow the air to be cleared.

Well, having given three reasons why I feel that this amendment is a good amendment and realizing I have ten to give I would like to get on to number four.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — Before I give the reasons let's just review again where we are at. First of all I said the people of Saskatchewan are entitled to more information than we have got already. Secondly, the people of Saskatchewan are continually asking questions that are fundamental to the issue and they haven't had any answers yet. If we get more information we will obviously be able to answer the questions. Thirdly, the attitude of some Members opposite have been a bit jumpy, a bit nervous and I think there should be a little bit of time to allow the air to be cleared. Now if you don't want to agree with that particular reason I can understand that, because as I said before I don't really know why I should be concerned about the feelings of the Attorney General or the Member for Saskatoon Centre, it is just that they are both pretty good people, I know them pretty well, and I don't want them to be jumpy and nervous. I would like them to be able to get up and tell the people of Saskatoon. After all they are MLAs as I am from the city of Saskatoon, we have a collective responsibility to get the information to the people of Saskatoon, and I would like the people of Saskatoon to

get the information and an intersessional committee would allow that because they might be able to get some information.

Now let's go on to reason number four. We are talking about using the taxpayers' money in the Province of Saskatchewan to pay out to corporations who own potash mines, we are then going to take out money out of the Province of Saskatchewan, and are going to invest it in other mines either in Canada or in the United States, or in Thailand or in South America to get into the competitive market place, and I haven't seen any reason why that makes any sense. I haven't seen one iota of a reason why that makes any sense. Why I should take money out of my pocket as a taxpayer in Saskatchewan, pay it to a potash corporation — I wish it was only going to be a dime — it is going to be thousands and thousands of dollars every year for years to pay it off, so that they can go and be competitive with Saskatchewan. Now that really doesn't make very much sense. I don't know if anybody over there understand it but it is like saying and you know that I have had some people saying to me that I am not interested in misrepresenting anything.

**MR. SNYDER:** — That would be different . . .

**MR. PENNER:** — Oh, my goodness. You know the Minister of Labour got up yesterday evening and he spoke in a reasonably intelligent way. I was really impressed that was the first time I ever heard him up, saying anything of any substance. I accept the fact that somebody probably prepared it for him. I wish I could get somebody to prepare my speeches for me, I have to do it all by myself. But the delivery — I am glad that makes the Premier happy, I'm delighted about that — but I felt, you know, now there is a pretty intelligent presentation. He got up, he read, he could be heard, he could be understood. I know it wasn't his thoughts, somebody else got them for him, but I thought he really knew where it was at. But when you make the kind of statement that you just did, then I've got to wonder. You know, you suggest, for example, that I am different from the others. I am not any different from the others, we are all trying to get some information. I am no different from the other people in Saskatchewan who are asking me these kind of questions. The only reason I am asking these kinds of questions is because they ask me these kinds of questions.

The other day I had somebody come up to me and he said, you know, buying the potash industry in this province makes about as much sense as going out to buy some milk at the corner store when you already own the cow. Now that's a pretty simple analogy and I think it makes some sense. I had somebody else telephone me yesterday and it was a little bit different, it was an analogy like this one. He said, suppose there were two farmers. This is what this potash nationalization meant to him. Suppose there are two farmers, farmer A and farmer B. Farmer A has got a fair amount of land and he has got a quarter section of his land that is under water. It's swamp, it is no good and he can't use it for anything. Farmer B comes along and wants to buy it. Farmer A says okay you can have it, it's no good to me and I don't want it and he pays him for it. Now farmer B gets that land and he does a little bit of thinking about the land and about the problem he has got. He engages a couple of people who are experts in hydrology and they advise him that if he does this and this and this and gets that and does that, that he could drain that land. He finds out in

addition that if he does drain the land it is pretty good land. He could use it for farming and so he goes out and reinvests. He gets the pumps and the pipes and all the other things that he needs and brings them back and he gets that land so that it really is good land. Do you know what happens after he has done all that? He has paid all the expense, he has got the land now so that it works, farmer A comes back and says, I want that land back. Now he used that kind of analogy to say that as far as he is concerned that's what the Provincial Government is doing with regard to the potash industry.

Now these are just ordinary Saskatchewan people, just as I am an ordinary Saskatchewan person who can see that up until now we haven't had enough answers to be able to do anything intelligent about this potash industry. To indicate, as I said just a moment ago, that we are going to take money which is our money, we are going to invest it, we are going to give it to those people who already own the mines, and we are going to ask them to take our money as we paid for it over the years, take our money and go and develop competition against us. It doesn't make any sense up until now and I think we need an intersessional committee to see whether there is any sense in the matter of attempting to nationalize the potash industry.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — You see these two people, the one who had the analogy about buying the cow, the one who had the analogy about the farm land, they recognized something that Members opposite haven't been saying very much about up until now and that is that with regard to the potash industry you can't very much longer hide behind a smoke screen of the big, bad multinationals. Because you already control the potash industry, you already control when the hole will be dug, where the hole will be dug. You are already taxing the companies, taxed to a level of between 80 and 95 per cent, or somewhere in that position, you are already getting \$130 million a year in revenue. We've used that figure many times and since you don't refute it I guess there has got to be some substance to it. Why, when you already control the industry the way you already control it, the tax rates you've got, already you've got prorationing, and I know you didn't bring that in. I know that when this side of the House was on that side and that side was on this side, that's when prorationing came in. I know that most people who know anything about the industry would say that that saved the industry in Saskatchewan. There are already substantial controls that you have over the potash industry. Now if we need to spend a billion dollars to get the little bit that's left there has to be some pretty darn good reasons why. You haven't told us what those reasons are. In four or five weeks up-to-date you haven't told the people of Saskatchewan what those reasons are and I think that maybe with an intersessional committee, maybe we might get some of the answers. I haven't had a reason given, except for the reason that I supposed earlier and I think the Member for Saskatoon-Mayfair (Mr. Dyck) understand this as well as I do, the reason that the Government opposite is fundamentally and philosophically committed to state control. Now if there is one other reason that makes any sense about why the 38 people on the other side of the House had decided earlier that they were going to ram through the biggest deal in the history of this province before Christmas and then underestimate the strength of this caucus by thinking

you were going to ram through extended hours so that you could ram through the Bills before Christmas. Stay on a crash course as I said a little while ago, to disaster for this province, if there is any other reason other than state control., then please would somebody on the other side of the House, the Premier, or the Attorney General or the Minister of Finance, or the Minister of Municipal Affairs, tell us that there are other reasons than state control.

Well, let me get on to the fifth reason why I think, Mr. Speaker, that we ought to have an intersessional committee. The fifth reason is that there have been significant comments from groups and from individuals who have published articles and been reported in the media who have very legitimate concerns and very intelligent questions and points of view to express. I should like to refer to just a couple of them. I didn't bring the entire file. I've just got four but I'm not going to read them all, at least I'm not going to read all of each. I am going to read all of one. Now here is a group that has expressed its view, expressed its view on December 24th, an article in the Star-Phoenix at the top of the third page and it says:

### **Fertilizer Producers Attack Potash Takeover.**

Now I should like the intersessional committee to have an opportunity to examine what in fact this fertilizer industry has to say in detail about the potash takeover. I don't think that this House, and I don't think that the people of Saskatchewan should have to rely on an article in the newspaper to find out what an industry as important to the potash industry in Saskatchewan, that is the Fertilizer Producers of Canada, have to say about the nationalization takeover. Here is some of the things they say though:

The Canadian Fertilizer Industry has added its voice to those criticizing the Saskatchewan Government's move to nationalize a substantial part of the province's potash industry. The CFI are active members of the major manufacturers of fertilizer products in Canada including all the potash companies in the country. The president of CFI in a recent press release called the planned takeover . . .

And I think all Members but particularly the Member for Saskatoon-Buena Vista (Mr. Rolfes), I think if he listens to this it might register. This is what this man calls the planned takeover. He says:

It is an intolerable, intrusion into private enterprise and one which would destroy a healthy industry.

Now, Mr. Neil said that Premier Allan Blakeney has misrepresented two vital facts in presenting his arguments in support of the move. Now there is a pretty significant challenge, Mr. Speaker. Here is the head of a national fertilizer company who says that the Premier of this province has misrepresented the facts. Well, I am not sure whether that's true or not but I think that the people of Saskatchewan that read that newspaper article are not likely to be sure or not whether he did. And I think we had better find out and I think it is another reason why we should refer the matter to an intersessional committee so that this man could be called under oath to testify, to tell how he

feels that the Premier of this province has misrepresented the facts. I think that is a pretty serious charge. But this is what he says about how the Premier has misrepresented the facts. First, Mr. Neil said:

The potash industry's investment in Saskatchewan is valued in dollar terms at close \$2.5 billion . . .

Two and one-half billion, if we have already heard those figures of something between one-half million and a billion, now it is \$2.5 billion.

. . . or several times the asset value quoted by the Premier. This casts a great deal of doubt on the province's ability to buy out the companies at anywhere near their worth, Mr. Neil said.

More important, here is the alleged reason for the takeover:

Mr. Blakeney has accused the potash company of refusing to undertake expansion when it was his Government's tax on potash reserves which raised tax levels to a confiscatory 90 per cent, killing any hope for further private investment.

I had suggested earlier that the reason why the potash industry was being nationalized was because the Attorney General and his colleagues opposite were interested in state control in Saskatchewan. Now I have had it suggested here that maybe it's because the Members opposite have strangled the industry to the point where the industry can't expand and because the industry now can't expand the Government decides that it is going to take them over. Well, I think there is more than one reason why this nationalization is going to go forward, Mr. Speaker, that it should go to an intersessional committee so they can find out whether there is more than one reason why this nationalization is going to take place.

Now the president elect of the Western Canadian Fertilizer Association was also interviewed in this article. His organization says it has contemplated conducting an advertising campaign against the move, but decided instead to help spread the views of the CFI as much as possible. An attempt has already been made, he said, to acquaint federal agricultural department officials with the opinions of the industry and as far as informing the public the fertilizer manufacturer would be giving moral support to the potash companies' efforts.

The president said the potash companies and Canadian fertilizer manufacturing are closely related. Potash is as important as nitrogen and phosphate in the fertilizers used in Ontario, for example. And it is also necessary in British Columbia. Eventually, as crops use up the potash which is naturally available in prairie soils, potash will also have to be applied here, he said. Potash is applied as it is shipped from the mine without requiring further processing and so on.

Now I want to go into a second point. Remember now that I am talking about another reason why we ought to have an intersessional committee, because there are some pretty expert people, some pretty expert groups, who are asking a lot of questions and are not getting any answers.

Now, some of you, including the Minister of Education (Mr. Tchorzewski) may have had an opportunity to read an article written by a professor from the Department of Geological Science at the University of Saskatchewan, Professor Stauffer and he simply entitles his little article, "Bad Business Deal". I think the intersessional committee should have a chance to look at whether in fact, it is.

Prof. Stauffer makes the following points; he begins his article this way:

Premier Allan Blakeney is trying to convince the citizens of this province that buying \$1 billion worth of potash mines is a good deal, that it makes sense. No, Mr. Blakeney, it is not a good business deal and it doesn't make sense.

Now there is a professor and let us assume that he knows a little bit. He might know a little bit about geology, about geological formations, about the economics of those kinds of things. He might have a little bit to contribute to an intersessional committee, Mr. Speaker. You know it might be worthwhile to get a man of the intelligence, of the background of Professor Stauffer and I am sure there must be others at our universities in Regina and Saskatoon, at universities at other parts of Canada, experts in the fields of geology, experts in the fields of economics, experts in the field of marketing, who could come before that committee and give some expert opinions so that we could overcome the little concern, if nothing else, that was presented in a statement I made a little while ago about run by a bunch of amateurs. I have already indicated that it appears that this is another good reason why we ought to refer to a committee, because the Attorney General and his colleagues have been out now for one month and a half, offering a big salary, \$60,000 or whatever it is, to hire someone to run the organization and they can't find anybody.

Well, Prof. Stauffer goes on and I hope you are all getting this. I shall go slowly so that you can take it down if you want to and if you prefer to get the article and look at it afterwards, well that is fine.

One billion dollars could buy five of the existing 10 potash mines. We now receive about \$130 million a year total from the 10 mines whereas if we owned five of them we could get those mines' profits as well and the province would get about \$170 million.

Sounds good so far.

But this depends on the market staying near the early 1975 levels. In all probability the world market will increase its need for potash even though the demand has dropped 25 per cent in the last four months. The question is, who will supply this potash? Saskatchewan, or someone else? Saskatchewan does not have the monopoly on the potash markets of the world. Russia has nearly as much as we do and is starting to sell to countries that were our customers last year. Brazil is developing her potash and should be marketing it within two years. Companies, Mr. Blakeney eyes and buys out can use their new found moneys to build potash mines in Mexico or New Brunswick to compete with Saskatchewan.

I have made that point two or three times already today. I think it is important to drive that point home again and again and again.

It is extremely unlikely that Saskatchewan will be able to sell significantly more potash than we do already and it is highly possible that in five years our sales will drop considerably.

Now this articles says that:

It is highly likely. It is possible that the sales will drop.

Well, I ask the Members opposite: Have they got some information to counter that? There is an expert in this field and he provides that kind of an opinion. Have you given consideration to what experts are saying? Can you counter? Can you table information? Can you tell this House the kinds of answers you have had to that kind of question? I invite the Member for Melfort (Mr. Vickar) if he hasn't already done so to ask the Minister in charge of the potash corporation. If he won't tell it to us surely they will tell it to you. Satisfy yourselves. Where are the studies? Are there marketing studies that have been done? Are there economic studies that have been done? What are the implications of the Bredenbury project which has been staffed and that information in those studies to the present attempt at state control. What are the answers to those kinds of questions? I think that it would be a great idea, Mr. Speaker, if the Member for Melfort would ask in caucus what the answers to those questions are. I think it would be great if the Member for Quill Lakes (Mr. Koskie) — he is a fellow who must ask a lot of questions. What are the answers to those questions? Have you seen the studies? Have you seen the analysis?

I frankly think, Mr. Speaker, that Members opposite haven't seen the studies; they haven't seen the analysis, because, Mr. Speaker, I don't think there have been any studies, I don't think there has been any analysis. I think the Members who are sitting in the back benches on the other side if they haven't seen them, should be ashamed of the fact that they haven't seen them. How in the world can anybody, no matter what side of the House he wants to sit on, rest with his own conscience by supporting the biggest deal this province has ever undertaken, which many suggest is putting us on a crash course to disaster, without having seen something that will substantiate it that it even has a chance, a ghost of a chance, of succeeding.

How can you justify the fact that we are going to spend one billion dollars, that we are going to double our debt? Double our debt, imagine! Double the debt of the Province of Saskatchewan! So that we can take money from our pockets, send it to people who don't live here; let them develop competition for our potash and at the same time not develop one new job in the Province of Saskatchewan. At the same time frighten investment that might be interested in coming into the Province of Saskatchewan. How is that supposed to help the Province of Saskatchewan grow and be healthy?

Well, maybe, because I will tell you there haven't been any answers, Mr. Speaker, that have been provided in the House.

Mr. Speaker, I have talked about why this matter should be referred to committee. I am not sure that the Attorney General has heard them all, but I want to say, Mr. Speaker, that when I am done I am prepared to recapitulate. One of the things that I learned when I was teaching school, and I am sure that the Minister of Health (Mr. Robbins), I am sure that the Minister of Education (Mr. Tchorzewski), the Minister of Social Services (Mr. Rolfes), the Member for Saskatoon Centre (Mr. Mostoway), the Minister in charge of the Potash Corporation (Mr. Messer) have all been at one time or another — and I am sure that they would all agree with me that one of things you want to try and do when you have made a point, if people haven't listened the first time then you make it again. You keep after it until finally they get it. I am prepared, if the Attorney General wishes and I may speak to him over lunch and he can tell me when I come back after lunch whether he wants me to recapitulate, because if he does I would be prepared to do that. Now if he thinks he has it all, we can wait until the test is written and find out, Mr. Speaker.

Anyway, I was suggesting that there are some experts in the province, some pretty sound minds in the province, who have asked some questions and I think an intersessional committee, if it was established, might get some answers that some of these people have and might be able to rest, maybe, some of the concerns that these people have. Certainly, the Government hasn't been able to put to rest any of those concerns and I think it might be a good idea if an intersessional committee had an opportunity to try.

When the world potash situation is considered it is easy to see that the mine expansion promise, by Mr. Blakeney, is unlikely. There will be no new jobs for Saskatchewan people as a result of the takeover. In fact, jobs probably will be lost. Well, I have already made that point a moment ago. Saskatchewan will have to borrow most of the money it uses to buy the mines. An interest rate of 10 per cent for 20 years, I wonder if the Minister in charge of the Potash Corporation would mind just listening to the economics provided here, so that when you get up and speak in this debate, if you ever do, you might be able to tell us whether this is right or not.

Saskatchewan will have to borrow most of the money it uses to buy the mines and at an interest rate of 10 per cent for 20 years on \$1 billion. The province will be committed to \$120 million a year repayment and this will take nearly all the money coming to the province from potash sales and most of what we will receive after the takeover if the market stays high. Should the market drop, this province would be in trouble. Now I am sure that you got that, Mr. Attorney General and if I may direct my remarks again through Mr. Speaker, to you, if the market stays high. All going well, however, we would own five mines in 20 years and during the 20 years the citizens of this province will have had the use of almost none of the profits from 10 mines as nearly all of the income would have gone to New York money lenders to repay the loan. And, that in fact, gets back to a question I asked earlier that the committee might take a look at, where in fact is the money coming from?

This gentleman, Professor Stauffer is assuming that it is going to come from New York. Now, I don't know why he would make that assumption. The Premier was in New York to find out

what the money market would be like down there, but it is also possible that the money could come from Great Britain or from Europe because it isn't so long ago that the Premier was over there testing the market. Anyway, the question is: Where is the money coming from? This particular individual says he thinks the money is coming from New York.

Twenty years from now — how old would that make the Attorney General? Twenty years from now, if the market holds steady, we would receive approximately \$170 million, our first real profit in over 20 years. If we don't buy the mines we would have \$130 million per year profit and 21 years from now we would have received a total of \$2.73 billion from potash sales.

Taking a longer view, 30 years from now we would have received a total of \$3.9 billion without buying the mines and \$2.9 billion if we buy five of them. In fact, we won't break even for 55 years. Of course we might not have to borrow the entire billion in which case the break-even time may be as low as 50 years. Now that is really encouraging. Our loan may be a little older . . . well, I'm not likely to be around.

**MR. MERCHANT:** — Your grandchildren will be sitting here.

**MR. PENNER:** — No, because this is the kind of thing that will drive my grandchildren out of the province. They are not going to be able to stand to stay here, because the implications of the deal are such that they are not going to want to stay here. They are not going to want to live in a sterilized province, a province that isn't even interested in the kinds of investment that this province ought to be interested in. They are not going to want to stay around in a province that apparently has only got one reason, for going into this kind of a crash course to disaster — I have said that three or four times and I hope you are catching onto it. That reason being state control. They are not going to stay around.

Now, I ask the Attorney General is it reasonable that we should expect that it is going to be 50 or 55 years before the industry can break even? I hope that when the Attorney General gets up on his feet and speaks, whenever he does, and I assume sometime he will close debate. Is it going to take that long? I really want him to address himself to this question in a reasonable way. Will it take 50 years before we are going to break even? Now here is an intelligent person who makes that assumption. Do you know why he makes that assumption? For one of the reasons why we ought to have a committee, because maybe he hasn't got enough information in order to make his conclusions. Because the Government hasn't provided any information to this House and because an intersessional committee could get it. So I hope, Mr. Attorney General, I hope Mr. Minister in charge of the Power Corporation that you will address yourself to it and that you would like to have these figures that Prof. Stauffer used when you reply to tell us whether he is right or wrong; whether it is going to be 55 years, 50 or 40 years or 20 or 60 years, you tell us. We should like to hear. Not only that we would like to have the information upon which you base your conclusions.

Few of today's taxpayers will still be alive. That's what I said one minute ago. One could call this planning for the

future if it were not for the fact that much better use could be made of the money for securing the future of the Province of Saskatchewan. Now we are starting to look for alternatives for that money.

I would think that it is likely that the Attorney General and some of the Members opposite thought of some alternatives. Let us just review what kinds of things we might be able to do with the kind of money that we are talking about and that an intersessional committee would be studying.

I should like to suggest some of the alternatives, some of the alternative ways that we could spend \$130 million we received from potash sales each year. First one is pure business, the others are resource oriented.

So firstly the business one. If we invest \$130 million next year in the money markets of the world we could receive \$13 million profit from interest just like the money lenders that Mr. Blakeney wants to make considerably richer. Every year we would invest another \$130 million from potash sales and reinvest the interest. In 20 years we would have invested about the same amount of money that Mr. Blakeney wants to spend on buying mines plus the reinvested interest. In 21 years we could, if we wanted, stop reinvesting the interest and we would have \$7 billion invested and the income to the province each year would be \$700 million, plus \$130 million coming from potash sales. Just about as much as the present budget. You know, you should stop and think about that kind of an alternative.

One of the things that I want the Attorney General to understand, I've really learned two lessons in this House. One is this one that I mentioned earlier about being insensitive . . .

**MR. ROMANOW:** — ... how many times . . .

**MR. PENNER:** — I wish Roy that you would just listen for just a minute. There are two things you have taught me in this House and I have only been here six weeks. One is that I'm never, when we form the government, going to be as insensitive as you people are. Never going to feel as cloistered as you people feel. And the other thing that I'm going to try never to do is only to speak to the gallery. Because what I'm saying is what I'm saying because that's important for me. It is important to the people of Saskatchewan and I really don't care whether there is one person sitting up there or there are 25 people sitting up there. I don't want to get into a situation — as I've said before, I'm far more interested and far more concerned with getting you to care a little bit about the people of Saskatchewan.

Now we were talking about a couple of alternatives before I digressed, Mr. Speaker, and I am sorry that I digressed because I think I did get away a little bit from the amendment. Anyway, I want to get back to the amendment.

One of the things that this intersessional committee is to do is to look at some alternatives, because the amendment gives the committee some fairly wide powers. One of the alternatives is to go out and throw out \$1 billion into the potash industry. All right, that's one alternative. Take that \$1 billion and buy out the mines. Now there are other alternatives, like the one that Professor Stauffer has just suggested and the one that

I'm sure that the Member for Quill Lakes has already memorized, and that is that we would take that money and we would invest that money over that same 20 year period, assumption being that it is going to take 20 years to pay off the debt. Then what kind of money have we got? We've still got the potash mines, mines that we already have a virtual control over now, and then we would also have the money coming in from the investment of all the money that we would be pouring in to just ordinary investment over that 20 year period. And instead of having a debt of \$2 billion our debt would not be changed at all and we would be in a position of being able to recover substantial amounts of money every year that would be able to be used as revenue in the Province of Saskatchewan. Makes some pretty good sense.

Now that's one alternative. Let's go on and look at some other alternatives.

All that money amounts, if we were to use the example that Professor Stauffer has used, the one that you have memorized I think, to \$830 million a year, nearly five times the income we will have a year if we use the money to buy potash mines. Of course, we would have to become businessmen and learn to run an investment business. The province can learn to run potash mines, I see no reason why it can't learn how to invest some money. As a matter of fact it might even have a better chance of being successful at that than it would have at being successful in running some potash mines.

I might suggest that we try to lend this money to large multinational corporations. Anyway, it's an idea and we are talking about alternatives. We are talking about the kinds of ideas that maybe could be put before an intersessional committee.

Multinational oil companies to be used for petroleum exploration in the Arctic, where it costs an average of nearly \$5 million to drill a single exploration hole. By doing this we might not only make money but help assure petroleum reserves for Canada's future. Now that's not a bad constructive suggestion, as an alternative to going out and nationalizing the potash industry in Saskatchewan.

Speaking of oil, he goes on:

It costs an average of about \$80,000 to drill an exploration hole in southern Saskatchewan.

Therefore, \$130 million would pay for 163 holes, over three-quarters of the number of holes drilled in '74. We might consider trying to assure Saskatchewan's future reserves by stepping up exploration in the province. Or \$1 billion would build a coal gasification plant near Estevan. Here's another alternative, Mr. Member for Quill Lakes. Two or three alternatives already that might be used, that might be a good deal wiser than that course of action upon which you people see destined to take the Province of Saskatchewan. A billion dollars, and maybe the Member for Estevan (Mr. Larter) might consider whether this is really a fair estimate that this professor has used or not. He says:

A billion dollars would build a coal gasification plant near Estevan.

Is that close?

**MR. LARTER:** — Yes.

**MR. PENNER:** — Okay, that's a reasonable kind of suggestion. That might even help the province. That might even bring some people into Saskatchewan. That might even create some jobs.

**MR. ANDERSON:** — A committee could study a proposal.

**MR. PENNER:** — That's right. A committee could study the proposal if we could get a committee. Are we prepared to support a committee?

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — Absolutely. Without any question we are prepared to support a committee. Alternately we could begin such exploration for uranium in hopes of developing energy reserves our civilization is going to require, if it is to survive much past the year 2000. We could even step up exploration for other metals that are coming into short supply, such as, copper. Now those are some suggestions. They seem to me to be pretty practical suggestions. I don't know how the Attorney General feels about that. Maybe we are going to do all of that at the same time that we are going to take a billion dollars out of the taxpayers' pockets to buy potash. I hope that if the Attorney General, I hope that if the people on the other side of the House have some plans to do something constructive for Saskatchewan that we are soon going to hear about them.

Let's hear what another person has to say about the question of state ownership. Here's somebody who has already said that we are involved in state ownership. This is an article that was in the Leader-Post. Some of you may have read it. An article written by Mr. Morris Shumiatcher. Now you may not agree with everything that he said, I don't know. I think you have to agree that he's got a pretty sharp mind. I'm glad the Attorney General doesn't find the name to be a strange name. I should like to read just a little bit. We want it all brought out. We would like the committee to give an opportunity for anybody who has any expertise, any thoughts on the matter to be able to come before the committee and provide them with those ideas, provide them with those suggestions, provide them with expertise and give the Government an opportunity to provide the committee and the people of Saskatchewan the studies, the marketing analysis, the economic analysis that have been done and indicate to them that the potash takeover is a realistic move. Because we haven't as yet had any of that kind of information.

Anyway, Mr. Shumiatcher, he makes a few points and I should like to relate some of them to you. He says:

The proposed potash takeover reminds me of the first years of CCF rule in Saskatchewan.

Now I have to rely on the expertise of a man like Mr. Shumiatcher to tell me about the first years because I wasn't old enough at that time to be able to remember. But he says it reminds him of that time.

The socialists in 1944 and 1945 would be keen to apply the Regina Manifesto to the most visible of capitalist enterprises of the day, the brewing industry.

Ah! The brewing industry. Now you know it brings out this question of the Regina Manifesto. Brings up again the question of state control. Brings up again the reason why people in Saskatchewan are concerned about the move that the present Government is taking.

Now the prohibitionists among them rejoiced at the prospect of nationalizing the brewers since this would accelerate the building of the new Jerusalem, the drier the better. The more strident socialist can covet the industry counting the riches beyond the dreams of avarice that the provincial government would amass and ultimately apply to good works and high moral objectives.

**AN HON. MEMBER:** — It means greed.

**MR. PENNER:** — Does it! Is that what it means? I think that's what it means.

And so it was, that delegations from the constituencies attended upon Mr. Fines, who then was provincial treasurer and the Minister in charge of the Liquor Board, each entreating him to act with dispatch. If he were unwilling to do it at once, drain the vice-ridden vats, he should at least purge the brewery barons of their sin and relieve them of their nefarious machines and their unconscionable profits.

Now I witnessed them, and I remember now the reasoned and absolute resistance that Clarence Fines put up to their demands. He pointed out that there was no need for the province to lay out millions in money to buy or expropriate the breweries. The province has the power to fix the price at which all beer would be sold to the liquor board. That the price which the public would pay for that beer when they bought it at the hotel and at the Government Liquor Stores, and the profits of the brewers and vendors and the hoteliers would be whatever the government decided and the profits themselves could and would be taxed. The province was capable of skimming off all the suds it wished and all the money too without spending a dime for brewing pots, buildings or beer bottles.

And the objectives of the most doctrinaire socialist would be accomplished through the legislative process with no need for the trauma and the drama of nationalization.

And so it was. Now what Mr. Fines was saying in 1944-45 with regard to the brewing industry, is quite simple. He said, we already control it, so why should we go out and invest all kinds of money when we already control it? Now I think that the same argument applies to the present Government 30 years later in Saskatchewan. Why is it that you are embarked on a course that is going to take between \$500 million and \$1 billion the Premier says. Probably \$2 billion or \$3 billion is closer to

the truth, out of our pockets, to buy an industry which you already control? And for those Members who aren't aware of it, let me enumerate again, where you drill, when you drill and almost why you drill, when there are prorationing regulations on the books. You are already taxing the industry something between 80 and 95 per cent. Why is that when you have all of that control now you're prepared to go out and risk large sums of money for virtually nothing? No new jobs, no new investment. As a matter of fact you are going to scare off investment. Why not go back, (the Attorney General is great in debate) to talk about the past. He says it's never too far back to use it as a lesson. Well why don't you go back and review the situation in 1944-45? The same arguments apply. Is it because the Regina Manifesto means a little more now than it did then? Is it because state control is really the aim? Have you got other reasons? If you do, I hope that for a change we might get some Minister of the Crown up and speaking to the issue. I should like to hear the Premier, and I wouldn't mind hearing again the Minister of Labour (Mr. Snyder). If somebody will write him a speech he can get up and deliver it pretty well. I think we should hear what you people have to say. We talk about this House being a place of debate. The Attorney General got up this morning in answer to a question from my colleague from Regina South and when asked if he was interested in going out debating around the province and he said, 'oh no, we are not going out and debate around the province, we are going to debate right here'. Well I advise him to get up and do it some time. We'd love to hear Cabinet Ministers get up and debate it. We are getting a little bit tired as a matter of fact, having to stand up here day after day and ask the same questions, simply because we are not getting any answers. I think if we sat down, I think that if we took the course that the Conservatives are taking, and I say this with all respect to my friends in the Conservative caucus, that we would be relinquishing our responsibilities as elected Members, that we would be relinquishing our responsibilities towards a democratic process, because I think that the responsibility of the Opposition is to get some answers to some questions.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — I want to continue to ask the kinds of questions that the people of Saskatchewan, some of them, some of them in my constituency are asking me. And I think they need to know the answers. And I think that they need to have some confidence in what the Government is doing because obviously, obviously the Government has no confidence in the people. If they did they would take it to the people. If they had any confidence in the fact that the people of Saskatchewan would go for the potash nationalization, you'd have asked about it in the last election campaign and you know it.

**SOME HON. MEMBERS:** — Hear, hear!

The Assembly recessed at 12:30 p.m. until 2:30 p.m.

**MR. PENNER:** — Thank you, Mr. Speaker,. Having been involved in education for as long as I have been I know that when new information and ideas are presented to people, there is a tendency for the recall to drop off pretty sharply in the first hour or so after people have heard it, and I think that that fact along with the fact that across the way we have some people who weren't

here this morning. I should quickly review some of the reasons that I gave this morning why this matter ought to be put to an intersessional committee and why this study of the potash bill should be handled by that committee.

Members opposite will recall that I began by mentioning a reason that had been brought to my attention this morning about the need for more time by Members opposite to find expertise to handle the industry. The group that has been out looking for a manager for the Potash Corporation, has been working for a long time and hasn't been able to find anybody yet. I think we ought to be able to provide some time for the Attorney General and his colleagues. That was the reason that I suggested. Then I mentioned the business about the people of Saskatchewan entitled to more information. And I commented for a moment or two about market studies and economic studies, feasibility studies of any sort that the Government has done and would be able to table before this House. Since they haven't done that that they should at least then be able to table them before the intersessional committee. I went on to point out that there are many people in the province who are asking questions about the potash nationalization, questions like why and where is the money coming from, and what interest rate is going to be paid?

The fact that I have received a number of letters. As a matter of fact, Mr. Speaker, it is interesting to note, I had a couple of letters over the noon hour that I think maybe Members opposite might be interested in hearing. It gets back to the question of why again and questions that are being asked. There is one letter here that is addressed to the Attorney General. This particular individual says first of all that the potash takeover is morally wrong; secondly, that even a person with a simple mind can see it is a poor business deal if it is explained to them and they take time to think about it. Thirdly, this person says that energy is our number one crisis and if we must borrow money to develop something why not borrow it to develop energy. Potash has already been developed. This individual says. Fourth, this person says that he knows of people who are dying because we don't have enough kidney machines. There is a waiting list for old age residences and nursing homes. Education budgets are suggested to be cut. Fifthly, did you know the Russians are entering the potash market as well as others? And I think as far as that particular point is concerned we would have to concede that Members opposite do know about that. Certainly if they didn't know about it before we brought it to their attention, they know about it now.

Well, there is just another example, Mr. Speaker, of the kinds of questions that people are asking, the kinds of questions that an intersessional committee should have an opportunity to answer. Another letter that came in over the noon hour is to the Premier. I don't know whether he has had an opportunity to read it, but anyway this particular individual says that he is disturbed at the Saskatchewan NDP Government passing legislation to take effective control of the potash industry. It goes on:

Mr. Blakeney, your Government's philosophy and policy have created a situation to make it economically impossible for the potash industry to expand. Now that the potash companies have stalled their expansion your Government is moving in quickly to take over the industry and telling the people of this province that you

are going to do what the potash industry has failed to do. Your Government was the cause of all this and you know it, the people of the province know it. If an election would be called on this back issue your Government would go down to defeat like the Barrett Government did in British Columbia for playing similar tactics.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — This is a letter that came in at noon today and it goes on:

Each individual in this province has enough imagination, desire and ambition to get things done on their own whether they are farmers, businessmen, professionals, tradesmen or whatever. They have a sense of responsibility, efficiency, productivity more than any government ever put together. Mr. Blakeney, your Government's proposal is absolutely unfair and unjustified, from a business point of view a very poor economical proposal, it will not be efficient and you know that. Most of all you are destroying the initiative of the people of this province and of future investment coming into this province. The question in most people's minds now is, who is next? Is your hunger for power so great that you are giving it priority over the future potential of each individual? Think about it.

That's the way that particular letter ends. Well, there are a number of questions as I pointed out this morning, Mr. Speaker, and that was the second reason why I felt that this matter should be referred to an intersessional committee.

Continuing, in review the third reason I put forward was that some of the Members opposite obviously required a little bit of time to clarify positions, they have been a bit jumpy, they have been a bit nervous, and while I pointed out this morning that maybe I'm not the one who should be arguing that, I have at least put it forward. It was argued the other day, you know, that there were gentlemen in the House and I am prepared to be gentlemanly in this respect. If you need some time to get over the jumpiness and I think that having the matter referred to an intersessional committee would allow that.

I pointed out, Mr. Speaker, that we were concluding prior to the lunch break the fourth reason that all money which would be used for the purchase of these mines is really money that is in effect going to go out and become competition for Saskatchewan's potash industry. I pointed out how absolutely senseless that was since we have had no reasons given by the Government in the last four or five weeks about why this whole move is being taken. I think again it points out the need for an intersessional committee. An intersessional committee to look at the entire economic question and find out what the economic implications really are.

Then I went on, Mr. Speaker, to point out that there are a number of groups in Saskatchewan, I talked about individuals earlier, a number of groups and a number of rather learned people in the province who are raising questions about the nationalization takeover, asking questions that you would have

thought up until now that there would have been some answers to. I referred to a letter from a professor on the campus of the University of Saskatchewan that appeared in the Saskatoon Star-Phoenix in December and I had been in the process just as 12:30 was called of referring to an article by Mr. Shumiatcher, a Regina lawyer, that appeared in the Regina Leader-Post. I don't recall just how far I got. I wonder if the Members opposite recall how far I was in going through this article.

**AN HON. MEMBER:** — . . . Crown corporations.

**MR. PENNER:** — Oh, yes, that's right. About the lesson that was taught 30 years ago with regard to Crown corporations in which the Government opposite has obviously forgotten all about in the intervening period of time.

**MR. MERCHANT:** — I think it was something about Clarence Fines, about an honest man in government.

**MR. PENNER:** — What I was really doing was trying to point out that there was a thought in 1944 and 1945 that in order to control the brewing industry in this province that you had to nationalize it and it was pointed out, Mr. Fines and others at that time indicated to the government of the day and the people of Saskatchewan of that day, that when you already controlled something why would you have to take it over and nationalize it. And the parallel that existed between that particular situation in 1944-45 and the situation that exists to some degree today. I noticed that my friend, the Member for Arm River (Mr. Faris) winced a bit, but there are some parallels. Because in the potash industry today there are some pretty significant controls that the Government already has. I think I mentioned them this morning. If I didn't I would just like to review. The Government now controls where the holes are going to be dug, when they are going to be dug, has control over production through the prorationing scheme and already has a significant take in terms of taxation, something between 80 and 90 per cent, depending upon the mine. Having the heaviest taxed industry of any in this province and in the dominion, bringing in something in the order of \$130 million or so per year and with all of that information they are going to go out and risk a billion dollars or two or three, of the taxpayers' money in order to get the last little bit. Or paraphrasing or paralleling the example of 1944-45, 'the suds on the top'.

After the fanfare of expropriation died down . . .

This article goes on . . .

... the owner was paid more than twice the true value and the government paid the workers more than twice their true earnings. The province lost many times over their purported value that the thirty odd employees gained.

Now that particular paragraph gets into the question of something that happened some time ago about a shoe factory or something. I think probably Members opposite are quite familiar with that and there will be no need for me to get into that in any more detail.

The article goes on:

The present government's purchase of 45 per cent of the shares of Intercon, more than \$10 million is still current history. The avowed object was to support livestock producers, to stabilize the packing industry, to expand the agri-industrial base of the province. No one has been able to suggest how this sizeable outlay of public funds has benefitted a single person in the Province of Saskatchewan with the exception of course of the vendor of those shares of Intercontinental Packers, Fred Mendel, who took his money and with a grin on his face ran to the bank and ended up building and providing jobs for people in the Province of Alberta.

Our money but providing jobs for somebody else. The same thing is likely to happen in this potash nationalization, our money going out to other international corporations. You are going to take our money and are going to invest it in other places and provide jobs for other people. That is a great idea for a government that is supposed to be concerned and interested with development in the Province of Saskatchewan. He says:

I am one among a growing number who believe that we ought to let brewers brew our beer. Let the John Mitchells build our boxes. Let the Fred Mendels pack our meat and let the potash companies who discovered the mineral deposits they are working, continue to mine and market potash.

And I have a feel that maybe that's not a bad idea.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:**

There is an old adage that a cobbler should stick to his last. It is one that applies to governments just as it applies to shoemakers. It is also a thought that sparks a host of memories of great expectations fostered by unrealistic promises of the socialists in 1944 who claimed they could produce cheaper shoes than anyone else with hides bought from Saskatchewan farmers at higher prices than anyone else paid for them. Naturally it all ended up in the celebrated failure of a government shoe factory and a government tannery.

The article goes on and it says:

In the past few weeks beleaguered yet thoughtful citizens in three commonwealth jurisdictions, British Columbia, Australia and New Zealand have made decisions to call a halt to the foolish policies and practices of socialist politicians.

Now I have a suggestion to make to the Members opposite. The suggestion is that if we were to call an election today on the issue of nationalization of the potash industry that the same fate that happened in British Columbia to the socialists there and in New Zealand and Australia would occur insofar as you people on the other side of the House is concerned. I think that there is a simple reason for that and the reason is that you haven't levelled with the people of Saskatchewan.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — You didn't level with the people of Saskatchewan in June. I said in an earlier debate, Mr. Speaker, that I didn't think that this Government could possibly have dreamed this whole scheme up since June. Now there are some who argue with me and say, yes they could have. I doubt it, I think they had this in mind and have had it in mind for some time but they didn't tell the people of Saskatchewan what they had in mind, because they didn't have any faith in the people of Saskatchewan. Because they knew just as well as they are sitting where they are sitting and doing what they are doing that had they indicated in June that they wanted a mandate to nationalize the potash industry, that a very few of them might be sitting on this side of the House but there wouldn't be one of them sitting over there.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — Yes, it is the amendment that I am speaking to. You know I am glad that the Member for Moose Jaw North (Mr. Skoberg) is back. This morning I became a little disconcerted because he was taking notes so faithfully and asking me to keep him on track and then I looked up and he was gone and I felt a little badly, but I am glad he is back.

Reason No. 6 is that there are significant developments occurring in the potash industry which have recently come to light that have a direct bearing on the Government's move to nationalize the industry. Some pretty significant things that have happened since the Government announced in the Throne Speech on November 12 that it intended to take over the potash industry. One of them came out in a news article before Christmas when we saw a news report on one of the television networks of a mine that is being dug, south of the international boundary, just into Montana. Now I think that that article indicated that they are looking for potash and I have a feeling that the reason they are looking for potash there is because they don't have very much faith in the development opportunities that exist in this province any more after what the NDP have done by trying to nationalize the industry. And particularly after it was that same government, or at least a cousin of that government under former Premier T.C. Douglas, which had given a number of assurances that the potash industry was not going to be nationalized and that there were to be some pretty fair tax measures applied. When they found out that there weren't going to be very many fair tax measures, when they found out that there was going to be nationalization anyway, these companies aren't interested in developing in Saskatchewan and I don't blame them for one minute. Because if I were involved in a company whether it was a potash company or an oil company or any other company I'll tell you this is the last place where I would want to invest a cent. I'd be like the fellow from Alberta who announced just a few days after the Throne Speech who was going to come in and was going to invest \$100,000 in Saskatchewan, I'd be thanking the Premier very much too and saying thanks for telling me fellows because now I am not interested anymore.

So here we have a company then which has been involved in potash in this province, which has now gone across the border and is digging a mine there. I wonder what the implications

of that may be if that happens with other companies too, as it will. And again I remind Members opposite that when these do it after we have taken them over, it is going to be our money that is going to do it. Now I don't suppose that anybody on the other side of the House is surprised that a company happened to find potash across the border. If you take a look at this booklet called, "Facts on Potash", produced by the Department of Mineral Resources in the Province of Saskatchewan, we can see that this booklet indicates, it has maps in it, it tells where the potash is. It shows that the famed bed of potash that exists under Saskatoon and Esterhazy and other places also exists across the border. This is a rather interesting book, Mr. Speaker, and it has a number of things in it that I think any intersessional committee out to have an opportunity to look at.

There is a statement on one of the pages in the introduction, Mr. Speaker, that says this: "Saskatchewan's failure to expand its potash industry can be linked to recent political developments." Now what an understatement that is. "Saskatchewan's failure to expand its potash industry can be linked to recent political developments." And how! Of course it has been related to recent political developments. It is too bad that there isn't one more sentence in there to clarify it and say, that the recent political development has been the strangulation of the potash industry by the Government of Saskatchewan.

Now really I don't want to read this whole book. I had some notes about the pages that I want to refer to.

**AN HON. MEMBER:** — You should have.

**MR. PENNER:** — Oh, I have read it all. Is the Member inviting me to read this entire book? Well now that gives me an opportunity to say something that I had intended to say a little while ago. You know I sometimes wonder about the priorities of the Government opposite. We were in the House prior to the Christmas break and a great effort was being made by Members opposite to get a Bill, called Bill 16, through the House. Oh, it was important to get it through. We have got to get it through. There are people out in Saskatchewan who are waiting to find out what this thing means. And I agree with that and Members of our caucus agree with that and we felt that that Bill should go through before Christmas and we came back after Christmas thinking that that would likely be one of the top priorities of the Government. And the Attorney General who calls the orders of what's going to go on in the House, and everybody knows that, has now for the third day in a row, well actually the second, because he couldn't do anything about it on Private Member's Day yesterday, called Bills other than Bill 16.

**MR. SPEAKER:** — I don't like to keep reminding the Member that he is addressing himself to the Resolution which is before us, namely reference to a special committee and should confine his remarks to that. His remarks should have nothing to do with the order of the business in the House unless it specifically relates to this. It may be a temporary deviation. I am sure the Member regrets it on reflection and will desist from any other deflections.

**MR. PENNER:** — Thank you, Mr. Speaker, for drawing that to my attention. I might point out that had it not been that someone suggested that this whole book should be read, I don't think I would have even thought of the question of the priorities of the House. I will go back to the sections here that I had intended to put on the record, Mr. Speaker.

Discussing the question of the history of potash, Mr. Speaker, this particular statement is made. It says:

Between 90 and 95 per cent of world potash production is used as fertilizer. In the trade potash is graded on the basis of its potassium oxide equivalent. Potassium oxide is neither a natural mineral nor a manufactured product but provides standard of comparison for potassium compounds.

Now Members may have difficulty relating why I am discussing this. You will recall that earlier I pointed out an article that had been reported in the Saskatoon Star-Phoenix about the Fertilizer Company of Canada and their concern. I am merely pointing out that there is some co-operation here between what the fertilizer industry in Canada is saying and what is in this book. And again point out that it is groups like this and expertise like this that an intersessional committee really ought to have the opportunity to study and to question. I think for that reason we ought to have an intersessional committee.

On page 19 of this particular report, Mr. Speaker, the short paragraphs here that I should like to draw to the attention of the House.

The principal method of potash mining in Saskatchewan involves the sinking of shafts to ore deposits and mining the deposits by men and equipment.

In Saskatchewan the sinking of a shaft is complicated by an underground formation known as the Blairmore, a 200 to 500 foot thick layer of quicksand deep in the ground. Pressures from the Blairmore run from 400 to 800 pounds per square inch, 24 pounds of pressure in tires can lift a 4,000 pound car off the ground. So you can imagine the pressures involved in the Blairmore require specially engineered shafts.

The first three attempts at shaft mining potash in Saskatchewan encountered serious problems in penetrating the Blairmore and one of the attempts was abandoned. Eventually a method of lining the mine shaft with heavy steel walls was developed and development accelerated.

I go back to the point that I made this morning, Mr. Speaker, about the farmer who had land to sell but the land was covered with water and was from an agricultural point of view absolutely of no value. Farmer B came along and asked him if he could have it and farmer A said yes. He went out and developed the technical expertise to go ahead. After he had done that, expended a good deal of time, energy and money, huge amounts of money farmer A came back and took it away from him. I make the point that I did about the kind of technical difficulties they have had in Saskatchewan, Mr. Speaker, to complete the parallel

because they too and that is contained right in the report. There is nothing to hide, everybody knows it.

The potash companies came in here and risked millions and millions of dollars and brought in expertise and solved the problems and were just getting to the point where their operation on a long-term basis was to become viable and our power hungry friends across the way decided they are going to nationalize the industry. I say again, Mr. Speaker, as I said before, why? What is the reason? Is there any other reason than the fact that you are interested in state control? Since no reason has been given in the House and since Members of the Cabinet and Members of the back benches opposite have not got up and said anything in the House, I think it is incumbent upon all of us, Mr. Speaker, to refer the matter to an intersessional committee so that we can get some of the answers that the people of Saskatchewan deserve to get.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — I think, Mr. Speaker, that another reason why this matter ought to be referred to an intersessional committee is because there are some pretty specific questions that are being asked about the marketing situation. We have asked for the marketing studies and the Government has refused to table them in the House.

An intersessional committee, Mr. Speaker, I think could get at the marketing situation, because there is a bit of controversy about it. I think that as far as the people of Saskatchewan are concerned, if they are going to be asked to pay the tune, they should have an opportunity to find out exactly what the situation is. I am referring, Mr. Speaker, to this question of the marketing situation to an article that I saw in the Star-Phoenix on Saturday, December 13, entitled, "Potash Official Claims World Demand Lagging." It begins this way:

High inventories and lagging demand are causing the bottom to fall out of the world market for potash.

Well now, as a citizen of Saskatchewan I have just heard my government saying what a great idea it is to buy up all the potash in this province. Then I sit down on a Sunday afternoon and pick up this paper and I read that particular paragraph. I have as a citizen of this province to start scratching my head and think what in the world is going on? The government says this whole thing is a great idea and yet I hear an expert in the field make this statement, "High inventories and lagging demand are causing the bottom to fall out of the world market for potash." That's my money that is buying that potash. As a citizen of this province, Mr. Speaker, it seems to me that I then have a right to some answers because that puts some questions in my mind.

The article goes on:

As a result potash firms are offering buyers extended payment periods and offering cash discounts for early payment the spokesman said. He said in a telephone interview from Toronto the agency which handles all offshore export sales of potash is forecasting a

serious decline in demand for potash in this fertilizer year from June 1, 1976 to June 30, 1977.

Well, it may be that the Members opposite are aware of that, it may be that the Government knew that. We can't prove that they know it because they haven't tabled any studies in this House to tell us, which again, Mr. Speaker, points to the need for an intersessional committee to analyze the entire question. I say again as I said at the outset, that an intersessional committee to me is a very clear commonsense approach to a question that is in the minds of hundreds of thousands of Saskatchewan citizens. If it is as great a deal as Members opposite say it is, then that great deal should be explained and if it is that good, people are going to accept it. Therefore Members opposite have no reason in the world why they ought to be afraid of having the matter referred to an intersessional committee. I quote again:

Sylvite's program intended to spur sales which will allow purchasers who normally have a 30-day period in which to remit payment to wait until March 31 before repayment is made. The Sylvite incentive plan will be offered to December purchasers only.

And the article goes on and on. I want to say again, Sir, that here are some experts in the industry and they are saying the potash demand in the world is lagging.

Therefore, Mr. Speaker, my seventh reason for seeing this matter referred to an intersessional committee is a very valid reason. We ought to know exactly what the market situation in the world is. Not only that we should have some idea, the writer pointed out to me in the letter I read earlier this afternoon, what is the effect going to be of the potash industry from Russia moving onto the American scene? I should like to see the figures that the Attorney General and his colleagues have with regard to that, I think they should be before this House, I think they should have been before this House long ago. Since they haven't been, I think the matter should be referred to an intersessional committee.

Well I should like then, Mr. Speaker, to give another reason why I think that this matter ought to be referred to an intersessional committee. I think the people of the province are entitled to an answer to the question; what is the effect of the potash nationalization going to be on the future development of the Province of Saskatchewan? I will repeat it for some Members who maybe didn't get it the first time: what is the effect going to be on the future development of Saskatchewan? I have one article here that I should like Members of the House to refer to, it is an article that was taken from the Leader-Post of November 14, very early on, these kinds of questions were being asked, a couple of days after the announcement. November 14, 1975 . . .

**MR. BYERS:** — We asked them all . . .

**MR. PENNER:** — Well if you did, I would appreciate it very much if you would, instead of sitting there, so piously when we ask the questions, bring us some answers. We would be delighted if you would get up on your feet and tell us the answers to the questions you have already asked.

Again, you see, it is a question of openness, it is a question of frankness, it is a question of being honest I guess. I am not in any way suggesting that the Member is not honest but I think he has an obligation to show to the people of Saskatchewan that in fact this information is available. I find it very difficult why Members opposite if they know all the answers to the questions that I am raising today haven't told us the answers. I would appreciate some Member when I am finished standing up and telling me what the answers are and putting the package together so that it makes some sense. The biggest economic problem this province has ever faced and we haven't had any answers yet that make any sense. I think it is about time that we did.

Here is what is said by one group about the possible future difficulties that this province can face, it is from the Saskatchewan Chamber of Commerce. I expect that all Members opposite have it in their file.

The Saskatchewan Chamber of Commerce has condemned the Provincial Government's proposed takeover of the potash industry and rejected Premier Allan Blakeney's reasons for making the move. In a statement today the Chamber's executive council, it views with great alarm the government plan to control the potash industry and fears the Government may move to expropriate the entire resource industry along with other areas of free enterprise such as agriculture, insurance, banking, retail industries and the professions.

Now you have heard that concern expressed in other statements that I have made today as well, in effect the question that people are asking around the province is: what is next? Is it going to be business? Is it going to be uranium? Is it going to be farming, in a greater way than it is already indicated? What is next?

There are many resource industries to be explored in this province and the risk capital needed for discoveries will not be forthcoming if the Government of Saskatchewan continues to dishonor prior contracts the Chamber said. Confiscating profitable operations is one thing but discovery, development and efficient operation of a resource industry is another.

Then it gets back to the question of expertise:

The Chamber estimates the potash takeover would cost \$2 to \$3 billion, that's probably a reasonably close estimate. It is immoral the Chamber said.

You have heard that before haven't you? I have had prominent leaders in communities in this province say to me, "Glen among all other things, sure it is a bad business deal, it is a bad everything else, but above all else they have said it is immoral." Now here is the Chamber of Commerce that says the same thing.

It is immoral for the Government to say that it supports curtailment of government expenditures to control inflation then commit Saskatchewan to the cost of financing the potash takeover. It is to be remembered that this expenditure is to acquire an industry developing a resource which is already

providing millions of dollars annually without any risk or obligation.

The Premier tried to emphasize that the cost of financing this expenditure would not result in any tax burden to the residents of the province.

No, no more a tax burden, we already have a debt of just under \$900 million. Now we add another billion or two or whatever it is, a horrendous debt in the Province of Saskatchewan.

Then this particular group went on and I wish that the Members opposite would pay attention to this little bit.

**AN HON. MEMBER:** — We're listening.

**MR. PENNER:** — Good, that's great. That makes me feel better. I will tell you, this particular group has done what we have done, they took a look at your track record, when it comes to taking over industry. I should like to tell you what the article said and I am particularly concerned about the Member for Quill Lakes, I hope he is listening.

The Chamber cited three cases where the Government of Saskatchewan has taken over industries in the past and they closed with substantial deficits. The examples included a Moose Jaw wool mill, a leather tannery, (You have heard about that one before) and a box manufacturing plant. The Chamber said it supports abolition of the potash reserve tax in favor of a reasonable tax on profits earned by the potash industry.

Here is a group that is concerned about the question of the future development of Saskatchewan. A legitimate question it seems to me and the kind of question that an intersessional committee ought to have an opportunity to examine.

I want to go back to the meat of the particular article again and re-emphasize it. It talks about risk capital.

Risk capital needed for such discoveries will not be forthcoming if the Government of Saskatchewan continues to dishonor prior contracts.

I don't know how many Members opposite have experience in business. I know that the Member for Melfort has experience in business and I think all he needs to do is stop and think for a minute as a businessman with the attitude of the present government is taking, what kind of future would he feel existed in the Province of Saskatchewan with the Government taking the kind of position that this Government has taken with regard to the potash nationalization. Remember that there are many people who might have been interested in investing in this province who are going to find it a little difficult to be able to swallow it because they are concerned about what their future could be. The handwriting, if what is happening in the potash industry is any example, the handwriting is on the wall.

Mr. Speaker, another reason why we ought to, and for those of you who are keeping track, this is number nine. I think what we have to do, Mr. Speaker, is take time to allow people to digest the kind of statements that have been made in the

advertising that the Government has put forward. It is a rather interesting campaign that I think that the intersessional committee should have an opportunity to evaluate. There has been a very concentrated effort in the newspapers and on the radio to try to brainwash the people of Saskatchewan into thinking that without any facts at all, without any real analysis that this move is a good move. I think that an intersessional committee would have an opportunity to examine some of the kinds of statements that the Government is making about how great a move this really is.

I have one ad here but I don't remember which paper it was cut out of, Mr. Speaker. It would have to be the Star-Phoenix or the Leader-Post, they are the only two . . .

**MR. McMILLAN:** — Maybe the Commonwealth.

**MR. PENNER:** — Well, no it's too big. It's got to be one of the two dailies.

It goes through a number of points. It says the demand is up, but I have already referred to an article that indicates that the market is down. Now what are the people of Saskatchewan really supposed to believe. I think an intersessional committee could sort that one out, Mr. Speaker. On the one hand the Government says the market is up and it hasn't got any studies to back it up and experts in the industry are writing and saying that the market is down. Now I wonder which is really right. I wonder which, as far as the people of Saskatchewan are concerned we are supposed to believe. I know that they would like to be able to believe those who are across the way, Members of the Government. I'd like to be able to believe that too as a citizen of this province, but I haven't seen anything yet that shows that the Government really understands what the market situation is. Then it goes on and says expansion is needed.

Well, I would have thought in reading that headline, Expansion is Needed, that then it would tell the people of Saskatchewan exactly why there hasn't been any expansion. That can be done in a couple of sentences. Expansion is needed but there hasn't been any in this province because as a government we have attempted to strangle the corporations which supply the potash so that they couldn't expand. Now that we have done that and we've put them in a position where they can't expand, now we are going to accuse them of not being able to expand and we are going to take it over.

But you know when I read what's in there, that's not what is there at all. Doesn't say that at all. Just says, that, boy! we really should be expanding the potash industry! Well, nobody is going to argue with that but let's get down to the reasons why there hasn't been any expansion. Let's lay the reasons why there hasn't been any expansion out before the people of Saskatchewan so that they understand it and they know what it's all about.

Now we have tried in a number of different ways to get the message out to the people of Saskatchewan. We have suggested one amendment that was defeated, we got this amendment, I doubt that it's going to pass. We have challenged the people in the Cabinet to a debate to get the story out, on an equal basis. They refused it. They won't get up in the House and talk about

it.

**MR. McNEILL:** — How can we.

**MR. PENNER:** — Well, I think that there are all kinds of ways in which you can and I think the Member who said that knows it.

Then it goes into the same reasons that were in the Throne Speech, Mr. Speaker. I'm sure you remember those. We could back down, you know, makes the Government look like the Toronto Maple Leafs might look if they were playing against the Soviet Army team, a pretty bad mismatch, the Leafs would win. You know, those great big multinational giants out there, they are awful people! Didn't talk about the fact that the people who work there are our neighbors. People who are managers in those mines are our neighbors. We see them every day, we work with them every day. Somehow it's easy to hide behind that skirt and say we'll back down. Gives you the underdog image.

The Member for Touchwood (Mr. MacMurchy) knows what it is to be an underdog. He's been involved in sporting activities all his life. He played hockey, he played ball, he knew the advantage that there is if you are the underdog. Everybody roots for the underdog.

It goes on and it says we could do nothing. I frankly think, Mr. Speaker, that I wish they had done nothing. We would have been far better off. One time if a government had done nothing they would have at least been allowing progress to be made, but they are doing something and so there is no way that there is going to be any progress in this field, no progress for a long time and we are going to be saddled with a debt for years and maybe generations. We are speculating on how long that debt is going to be there, Mr. Speaker, but an intersessional committee might be able to find out.

Members opposite aren't telling us what the information is. An intersessional committee given the powers that an intersessional committee should have is likely to be able to find out.

Then it says it's a sound investment. You know that sounds like a television ad. That sounds like an investment company coming in and saying, come on, boys, this is a sound investment. Well if Members of the House have any business sense at all, when they go to invest their money, they do a little checking into the investment company to find out whether it is a sound investment or not. I think the people of Saskatchewan are asking, is this really a sound investment? There is nothing to indicate that it's a sound investment at all. Nothing whatsoever.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — It's as close to false advertising as I've ever seen. A sound investment! On what basis is it said that this is a sound investment. I invite the Members opposite if they know it is a sound investment, if they can show the economic studies that indicate that this is a sound investment to please get your Cabinet colleagues to get them on the floor of the House and show us and show the people of Saskatchewan it's a sound investment. But don't go peddling this kind of two bit stuff in newspapers saying it's a sound investment unless you can show

that it's a sound investment.

Then it goes on in the article and it says it's a reasonable decision. It says, and those are the facts. Well, I read the article again when I came to that to look for some facts. No facts. No facts at all.

**AN HON. MEMBER:** — Faith.

**MR. PENNER:** — That's right, faith. Accept it on faith. I heard the Attorney General get up in this House and say he wasn't going to take anything on faith. He said we are not going to bring the potash industries in and have them tell us what the economic situation is and just take it on faith. They wanted some facts. They wanted to see exactly what the situation was. I had difficulty arguing with that point of view because I think as a government there is a responsibility to know what the situation is. They ought to know what the situation is and if they don't they are in trouble. But if they know what the situation is, then I say, Mr. Speaker, that they then have a responsibility to tell us what that situation is. They have a greater responsibility to tell the people of Saskatchewan what that situation is, and what those facts are.

You know it would have taken the wind out of anything I wanted to say or any of us would have wanted to say except to debate the matter on a question of philosophical difference, if there had been some facts for us to look at. Not only then is there a philosophical difference between the attitude of those opposite and us, but there is a question that they don't have any information to show us that indicates that it's anything like a good business deal or anything like what this ad says. Sound investment, baloney. There is nothing to indicate that it's a sound investment at all.

A reasonable decision. How in the world would anybody know? There have been no reasons given why it's a reasonable decision at all.

Well, that's one ad, that's the ad that says, The Potash Decision Some Facts You Should Know. I say the potash decision, some facts I wish they had presented.

Then there is another one, Mr. Speaker, and it says, Head Office Saskatchewan, It Makes Good Sense. There is a nice little picture here, people sitting around the table and I think that an intersessional committee should have the opportunity to assess the validity of this ad too.

Says the market is there. Doesn't mention anything about the implications of the Russian move into the North American market. No, it doesn't mention anything about that and you know it doesn't mention anything either about the fact that situated where we are, while we have a tremendous potash bed underneath us, we have some pretty significant difficulties financially in getting that product to market.

You know, all you have to do is take a look at the map of North America and you pinpoint Saskatchewan and you draw some straight lines to the sea ports, that's a long way. Yet there are other places where this potash can be developed and it gets back again to the spiral. The money that is going to come out of

my pocket and your pocket and every other citizen of Saskatchewan's pocket is going to go to companies which are going to develop mines in order to supply potash and they are going to be closer to the waterways of the world than ours is. What impact is that going to have? What in fact is that impact on the market situation? Oh yes, the market is there, but it's another situation where you see half the story.

Says we have what is needed. Well we've got the potash, but I think you need a little more than potash in order to be able to make a marketable commodity. To what extent in fact do you really have what is needed?

Again, where are your feasibility studies? Or have you done any?

Then it says your reputation is good and I wrote afterwards, where? Where? I don't know where your reputation is good. It says, financially speaking, it's better than nearly every other province. Well, tell us a little bit about where you are going to get your money. We'd like to know that and I'm sure the people of Saskatchewan would like to know that. I expect it's going to be that big bad American money that you don't like. It might be Arab money, it might be European money. Terrible stuff. But your reputation is good. Your reputation is about as good as former Premier Barrett's reputation is in British Columbia.

If we want to talk about how good reputation is in the Province of Saskatchewan I would invite the Attorney General, the other day he was talking about some time there would be an election and in a kibitzing way said, "what about '76, fellows." That would be a great idea. Let's go to the people. I don't remember just how many days The Election Act says you have to have to go to the people. Today is the 7th of January, Wednesdays are good days to have elections. We could have an election I think about the 4th of February or the 11th. Let's find out what your reputation really is. If you are back on the other side of the House afterwards, I'll tell you I'll have to be pretty quiet. But I rather doubt that that would be the situation.

Then you say in this ad, Mr. Speaker, this ad goes on and I think that the intersessional committee should have an opportunity assess this about the experience. We've got the experience. I thought they were going to say yes, we have the experience of the shoe business and we have the experience of Intercon. You know they flopped. But no, I don't know of any experience that you have. I'm not sure that you have had any success whatever in recruiting in order to make this Potash Corporation go. The Attorney General indicated this morning and I think, Mr. Speaker, I referred to this this morning, and I'm going to refer to it again. He said, this morning, in answer to a question that, yes, we've got people hired to go out and find us a manager. They haven't got one yet. Paying big money, but they don't have one yet. Says we have the experience. Well, I don't think they have the experience. I don't think they have the expertise. I think that most of the people of Saskatchewan understand that and I think we should have an intersessional committee as well, Mr. Speaker, in order to determine whether that in fact is so. Whether in fact there is the experience, whether in fact there is the expertise. If it is it hasn't been made available in any way, any indication of it at all to Members

of this House.

Then it says, it makes sense. I hope the Attorney General doesn't leave right now because this really gets to it. It says, we're going to bring the head offices from wherever they are, home to Saskatchewan. I was wishing there that he might have told us a little bit about the succession duties and the estate taxes that they brought in a few years ago and how they drove the head offices of other industries out of Saskatchewan because they couldn't afford to stay. Those were the small businesses though.

I suppose it's fair to say, Mr. Speaker, that Members opposite don't really care about them. The fact that we had head offices in Saskatoon and head offices in Regina and head offices in other places in Saskatchewan and because of actions of the Government opposite they drove them out. Forced them out. Put them in Alberta. Put them in Manitoba because they couldn't afford to stay here. But the committee could study that.

But I have a difficult time, Mr. Speaker, understanding an ad that says, Head Office Saskatchewan It Makes Sense, when within the last three or four years we have had deliberate action taken by the Government opposite to drive head offices out of Saskatchewan.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PENNER:** — And so I have today that I really wonder about their credibility, Mr. Speaker. I wonder about the credibility of these ads. I wonder about the credibility of the whole manoeuvre because I haven't seen anything yet in five weeks that shows that the Government has anything that shows any degree of credibility in this nationalization move at all.

Well, there's another ad, Mr. Speaker. What Makes Potash Different? That's a heck of a good question. What makes potash different? It goes on to talk about a number of things like it can help us and others and we have potash for the future and there is no substitute, it's our biggest mineral resource and there is needed expansion. It gets at that expansion thing again. I thought that in that one they might have told a little bit about why there's been no expansion. I know that the Member for Saskatoon Centre knows why there has been no expansion. He's lived in a community very close to a mine. He knows that they can't afford to expand. He knows that there was a mine within 12 miles east of Saskatoon that was all ready to expand and because of the taxation situation had to close down, had to quit, couldn't go ahead and expand.

Now we all know there is no substitute. We all know it's our biggest mineral resource. We all know we have potash for the future. I think that potash facts thing indicates that we have potash for 5,000 years. That's no secret. It's a bit of a motherhood ad. But I was interested in what makes potash different and I concluded, Mr. Speaker, that the answer to that probably is, potash isn't any different. It's only the first that's all. But in terms of industry in this province potash is nationalized first, then it will probably be uranium second and then it probably will be copper or some other third. In the final analysis there will be no difference. They will all be nationalized. The only significant thing about that ad is,

what makes potash different? Well we can say it's first.

Then, Mr. Speaker, reason No. 10. Why I believe that this question should be referred to an intersessional committee of this Legislature in order to study the matter. That is that we do not know the position this nationalization will place us in vis-a-vis the Federal Government.

Now again, there have been a couple of statements made and there has been no clarification in this House though maybe there will be. I suggest that there is no more clarification here than there has been with any other. But there could be clarification insofar as an intersessional committee is concerned. That is what in fact is the position of the Federal Government with regard to the protection of the tax position insofar as they are concerned.

I'd like to refer Members of the House to show how this is still a pretty fundamental issue that has not yet been resolved. Or at least if it has where it hasn't been resolved as far as we are concerned. There has been no mention of it.

Here's an article I picked out of the Star Phoenix. It says:

The Saskatchewan Government could find itself in court in the next few years doing what the potash industry has been doing in the recent past, that is claiming that attacks on potash revenues is unconstitutional. In hypothetical discussions (this article goes on) held by the Federal Cabinet some time ago it was agreed we would have to indicate we would tax a provincial Crown owned operation equally with a privately owned one and it was our view of the constitution that we could do so.

That's a quotation from the Hon. Mr. Lang.

Now whether that's true or not again, I really am in no position to say because I am not a constitutional expert but as I said when I began, Mr. Speaker, I am here, I am trying to represent the views of the people of my constituency and the views of the people in this province and I think that that is the question that needs to be resolved. I think we need to get some answers to that question and I think that an intersessional committee would have some opportunity get the answers to that question.

Now the article goes on, you see, it shows you the conflict that exists just on the one point. It goes on to say:

Provincial Attorney General Roy Romanow has said Section 125 of the BNA Act, which states lands and property owned by government may not be taxed by another government, will protect the Crown potash company from federal corporation taxes. The Attorney General has admitted Ottawa could attempt to protect its tax position by slapping on an export charge on the more than 95 per cent of potash production which leaves Canada. But Mr. Lang says Ottawa will not have to levy an export charge, federal legal experts have advised that losses of taxation of Crown corporation profits would not be unconstitutional.

Well there are some different views but I think it has some kind of an impact on the economics of the potash takeover. Now what in fact is the story? The story hasn't been answered as far as I am concerned, Mr. Speaker, and I think that Members opposite have a responsibility to see to it that that story is told. There are two fairly credible politicians, one at the federal level and one at the provincial level who have different points of view on this point. Now what, Mr. Speaker, since the Attorney General has not answered that kind of question to date, I think that an intersessional committee ought to be struck in order to get the answers. I think that that particular point is reinforced, Mr. Speaker, in a statement again in the Star-Phoenix, that very credible newspaper in which the Minister of Finance, the federal Minister of Finance is quoted with regard to the question. He said this:

There should be no misunderstanding that the principle which we apply to oil will also apply to potash. The Saskatchewan Government has announced that it intends to take over effective control of the province's potash through ownership of at least half of the industry. Under current tax structures provincial Crown corporations are not taxed by the Federal Government. Government owned potash mines would be placed under the Potash Corporation of Saskatchewan exempting income taxation currently paid by private owners.

What is our position going to be with regard to the taxation question at the federal level? Mr. Speaker, I have asked that question in the House and I haven't been given an answer and I have now spent a few minutes of the House's time going through a number of reasons why I think that this matter ought to be referred to an intersessional committee in line with the amendment which has been put before this House. Ten reasons which I had put together prior to today and an eleventh reason that was given this morning by the Attorney General and I want to say, Mr. Speaker, in concluding my remarks that I urge every Member to give their earnest consideration to the amendment and to support it.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. S.J. CAMERON** (Regina South): — As with my colleague I participate in this debate for the last time, having spoken to the Bill itself at some length and having spoken as well to the earlier amendment which the Government defeated. The earlier amendment being the one to refer the potash question to an independent commission for public hearings. Now we come to a second proposal which we have made in respect of this question and that is to refer the matter to an intersessional committee so that it can study the question and assess the information that is available; to call witnesses and conduct hearings; to take the question in a sense to the people to give them the information which we as their representatives can't seem to get; and in turn to give them the opportunity to give to this House and to Members of the Assembly their views and their concerns with respect to this question which is the largest one, most people believe, in the history of the province in terms of what we are asking the people to do.

I want to take this occasion to stand back a little bit from the fray and to look in a fundamental and basic way again

at what we are doing in this process because we have now been here since the 12th of November and have in that period of time directed our attention in the main to this potash question. Despite the fact that we have been here virtually two months and despite the fact that we are staring in the face a government decision which is larger than any other that any government has undertaken in this province, we still find ourselves groping for the most elementary kind of information. We are not talking about questions of intricacy and all the myriad of delicate kinds of questions which this proposal raises, I am talking about a basic elementary kind of information which we still don't have.

I was thinking to myself this morning as I saw the Member for Regina Victoria (Mr. Baker) take his seat, and I thought of his inaugural address to city council last night and I visualized this situation. I saw him coming to city council, because he is a reasonable man, and saying to the city council, gentlemen there are 10 or 12 highrise apartment buildings, in the city of Regina. They cost about \$100 million or \$400 million each or \$200 million and I think we should buy one or all of these highrise office buildings. He said, I should like you gentlemen to consider that and then one of the aldermen would ask him, how many of these highrise office buildings would you buy, Mr. Mayor? He said, Oh, perhaps one or perhaps 12 or maybe six or maybe eight or maybe seven. You can imagine the consternation and the shock that would be on the faces of the aldermen to whom he said that. They would say, well, surely, Mr. Mayor, if you want to buy 10 or 12 of these highrise office buildings you should indicate whether we are looking at one or whether we are looking at 10 or 12, that is the most basic of all questions. He would say, no I am not prepared to say, the best I am prepared to say is that we should buy one or some or all. He is saying, in effect, I don't want to tell you at this stage whether it should be one or 10 or 12. Then another alderman would venture forward, I suppose, with a question and he would say, well, tell us, Mr. Mayor, what is the cost if we undertook this venture you are suggesting? The Mayor would say, well, I don't want to say, I don't think that would be in the public interest but it could be \$500 million or it could be \$1 billion. Some estimates would put it at \$2 billion and some at \$3 billion. Again, of course there would be enormous consternation and shock and they would say to him, well, surely to goodness, Mr. Mayor, that is the most basic kind of information. The second most basic question. The first one being, how many? One, 10 or 12? He says, I am not prepared to say. The second most basic question, how much? Oh, he says, I am not prepared to say. I don't want to tell you that, he would say. Well, I suppose a third alderman might say, well tell us what one of these highrise office buildings could cost us, just one? He would say, well, I am not prepared to tell you that either. We have done some estimates. I have some figures in my back pocket but I can't tell you what those are. The third most basic question. No, he says, I might tip my hand if I did that. I am sorry I can't give you that information.

Well, another alderman might say, well, Mr. Mayor, where are you going to get the money from? Suppose you bought even only one at \$300 million, where do we get the money? He'd say well, we have a little reserve here and we have a little reserve there and we have another little reserve over here but I really don't know. I really don't know. I might have to go to New York, I may have to go to the Arabs, I may have to go God knows where, to rob little piggy banks here, little piggy banks there,

little reserve accounts here, some there. I don't know. But they say, suppose you wanted to buy the 12 office buildings you talk about instead of the one, where then would you get the money if you are looking at \$2 billion or \$3 billion? I don't know, he would say, or if I know, gentlemen, I am sorry, I can't tell you where it is going to come from. Well, how many years do you think it will take us to repay this if we buy these office buildings Oh, I am not prepared to say. What would be the interest rate? Sorry I can't tell you that I don't want to tip my hand.

Again, I can imagine the shock of the aldermen in the city of Regina if the Member for Regina Victoria in his capacity as mayor should put that kind of a situation before them. Of course, the Mayor of Regina would no sooner do that in respect of his problems than one would think a Premier of Saskatchewan would do in respect to his. But, interestingly enough, what the Member for Regina Victoria would never do in his capacity as mayor with respect to problems not near the magnitude we here deal with, the Premier does that very kind of thing with no response to the basic kind of questions we have been asking, information of this elementary kind that we have been seeking for virtually two months. Then I suppose in this whole process one of the aldermen might say, well, are we going to buy one or six or seven or maybe 10 or 12 of these buildings, he won't tell us how many, he won't tell us the cost or where the money is going to come from, but suppose, it's ridiculous to suppose that we would do this, but suppose we did, suppose we said, sure, go ahead. Now what's the interest rate on the money going to be? He said, oh, seven per cent perhaps to 15 per cent, that's the usual commercial rate, somewhere in that neighborhood. The alderman might say, well it makes quite a difference whether it is seven per cent or ten or 15 or 12. How much cash are you going to pay? It is an important question to find out how much we have to borrow. Oh, I don't know, the answer is in my back pocket but of course it is not in anybody's interest to know. You can imagine how long that discussion would go on. That council meeting wouldn't last five minutes and that mayor wouldn't last 15 minutes. And of course here we are now going two months with a government that presumably is going to last another three years, asking us in that basic kind of way to make a similar kind of decision not having given us that kind of basic elementary information.

Of course, if the Mayor had last night at his inaugural address, I am sure if he had put that kind of question to them, one of them would have said, well, Mr. Mayor, maybe the sensible thing here to do is to refer your proposal to a committee of the aldermen. Let them have a look at it. Maybe you can give them some of the information on the questions we have been asking about. Let them assess it and then come back to council and tell us what it is all about. I expect full well that that kind of proposition would be accepted by them and would be accepted by the Mayor.

Now I draw that parallel and I think it is a reasonably fair parallel because what happens in the process here is that we have got caught up in the middle of the forest, so to speak, and we lose our perspective. We get in the middle of the trees and we lose sight of the forest. We get so involved in the debate and the fine points and in the information we are trying to seek and the points that we are trying to make, that we often lose sight of what we are doing. But in that basic parallel

kind of way that's the same process we are engaged in. Now that mayor would never undertake a project of that kind without giving that kind of information asked. Why, as I say, with a much larger question and issue, does this Government not give us this information? I don't know what sort of an attitude it has towards this House or the Members of the House, or, indeed, even for its own Members. I look occasionally at the faces opposite and I ask myself, I wonder what these people know of this gigantic proposal the Government is undertaking, standing in the neighborhood of a billion dollars or two billion dollars? Do you know that our deficit in Saskatchewan at the moment, our debt load in this province is \$900 million. Even if we went the modest route which \$500 million or \$1 billion would produce and that is a very conservative figure the Premier gave us for only a very modest proposal, we would have a debt load in this province of some \$2 billion. If we went further than the two or three mines which that \$1 billion or \$500 million would produce, we would have a debt load in this province of \$3 billion or \$4 billion. There is no question whatever about it. Even a modest advance on the Government's proposal would leave us with the heaviest debt load in the entire Dominion of Canada. We would have a debt load I would venture to say larger than any other government in the North American continent, relative to our size and population. Not that that necessarily is bad, what I say is that that is the enormity and magnitude of the question we are looking at yet we have this paucity of information with which to make a decision.

What we have been trying to do with this amendment and the other amendment and some of our other proposals, including the debate proposal, is to bring the Government back to basics in respect to these questions. Back to discussing with us in a reasonable fashion and in a genuine way what it is proposing here except in the most elementary terms in which they have been doing. And to try to draw to the attention of the people of Saskatchewan the enormity of the decision that they are being asked to take and how we keep getting nothing in return. Nothing.

The committee idea I think is not as good a one as would be an independent commission holding public hearings around the province and making some independent assessments but at least a committee of the Members of the House is perhaps the next best thing. I remind Members opposite who have patterned themselves and their economic nationalization provisions after the British experience, that in those years 1945, '46, '47, '48 and the '50s, when the nationalization program was being undertaken by the labor counterparts in Britain of the Members opposite, each one of those nationalizations was preceded by an in-depth, independent kind of study. They assessed the thing in the most minute detail, looking at the problems in their smallest and most infinite variety. Those studies were in each case made public and in each case the government founded its legislative measures based upon those studies. It laid the studies before the House of Commons, before the people of Britain. We can't begin to get any information of that kind. It is our hope that if we went forward with a committee of this kind, the committee would have the power to summon witnesses, to call forward materials, the studies, and, as my friend said earlier, to call in municipal officials and begin little by little to piece this thing together so that we would begin to understand better what we are really here about.

There's a whole variety of things that that commission would ask in terms of questions and a whole variety of information which that commission could provide.

Why do we suggest that we should refer it to a committee of the Members? Well, we say first because of the enormity of the decision, the enormity of the undertaking. Secondly, because of the tremendous risks involved for the province and there are very real risks in respect to this issue. We say thirdly, it should be referred to that committee because on the surface at least, it appears as though it's a needless measure which is being put before us. I'll have more to say on that in a few minutes. We say as a fourth reason, a fourth reason why, why are we suggesting this kind of committee is to provide people themselves, the province, the opportunity to participate in the decision and to better understand them, because in the end it isn't only the seventeen people sitting opposite that have made this decision, who are going to live or die with it. It's the 900,000 people in the province that are going to live or die with it. If any one of the Members opposite thinks that there isn't an enormous risk inherent in this proposal, then they haven't even begun to look at it.

It's all very well to have an industry which in terms of its investment with some \$700 million several years ago and which may now be worth \$2 billion or \$3 billion, we really don't know; it's all very well to talk about taking over that kind of a business when potash prices are high and demand is strong.

When you talk to rural people, farmers in particular, about this proposal, what they will tell you is that they see in it, many of the aspects of the grain industry. We have had two or three very good years. We have prices of \$4 and \$5 a bushel. Demand has been very strong. We can sell everything we have. All the while though costs have been rising enormously. Their greatest fear is that if grain prices went back to \$2 a bushel they could in the process be wiped out. They say that's the most serious problem facing us. They say, you know the potash takeover is something like it. It's all very well to get into the potash business in that big way so long as prices are \$70 or \$80 a ton and projected, according to one piece of information I saw provided by the Government, a very sketchy projection again, but it's all we have got, that it will go up to \$100 a ton.

But it wasn't very many years ago when that product was selling for \$12 and \$15 a ton. Between the time it was selling for \$15 and \$20 a ton and today the costs of course have escalated like everything else. If those potash prices went back again to the level of \$20 and \$15 and \$12 a ton, it would produce an effect not unlike wheat prices going back to \$1.98 or \$2 a bushel.

What would bankrupt the farmer would in turn virtually bankrupt, if not bankrupt, this province if we had a downturn in the potash markets and in the potash industry in that same way. Anyone who says there isn't risk, an enormous risk involved in this venture is either totally ignorant and remaining deliberately ignorant or alternatively glossing over something, not being entirely fair, misrepresenting the position or as the Premier does, to concede some risk, but to underestimate the enormity of it.

We think that this commission of Members could begin to

assess the risk involved and the benefit weighed against that risk. One surely never undertakes a risk without which there is not, in the event of success, a benefit that will overshadow the risk, in the event of failure, a serious liability.

We think there is a fifth reason why it makes sense to refer this matter to a sessional or intersessional committee of Members. That is to use this Legislature to a greater extent than what we have been doing in the past. Members of the House of Commons sit in that parliament about ten or occasionally eleven months a year. Members of Parliament are full time at their work. We in the Legislature have been sitting with respect or with the exception of this particular period on an average of about three months per year. Members of the Legislature are not being used by any means to their full capacity. Seventeen of the Members opposite are full time, the Members of the Cabinet and the Premier. The balance of them are not. The balance of them apart from doing their constituency work spend about three months a year here. Many of them are very able people. Those people should be put to work as MLAs far more extensively than what they are.

As the Resolution suggests there should be Mr. Kowalchuk, a former Minister. I think he'd be of value on the committee with his experience. It suggests Mr. Thibault who has participated in the past in these kinds of intersessional and sessional committees and from the information I have does a very, very good job, and pursues the questions referred to with vigor and interest and genuine concern. He has enjoyed I understand his experiences with these kinds of commissions. We suggested Mr. Lange, Mr. Pepper, Mr. Feschuk, Mr. Mostoway, I am sure he'd be interested, Mr. Larson, who again has something in genuine terms to offer and Mr. Dyck. Well there is Mr. Lane, it also suggests. I know Mr. Lane could add enormously in terms of his experience as an individual and as a Member of the House to a study of this kind of question.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. CAMERON:** — Now we made an omission which we readily conceded and that is we overlooked the Conservatives when we drafted the Resolution. Someone said that was understandable because we hear so little of them we occasionally forget they are actually there. But we are quite prepared to entertain an amendment to our motion to have at least Messrs Larter and Bailey added to the committee. These two Members are active and no doubt would like to be a whole lot more active if they only had the opportunity to do it.

We would even consider as a matter of fact adding the Member for Nipawin to the committee. Because while he wouldn't be particularly concerned about the substance of the question, at least he would be concerned about the way in which the committee conducts itself.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. CAMERON:** — That's of value too. So we would be prepared to have Messrs Larter and Bailey sit on the committee in terms of the addition that they could make to the substance of the question and we would be prepared to have the Member for Nipawin sit on

the committee in terms of the way in which it proceeds and its points or order and those kinds of things.

Now the question is, what are we asking this committee to do? We say in the Resolution that it ought to investigate the effects of the purchase by the Government, among others, of potash mines. We say it should examine the effects on the potash markets that the industry has built up over the course of the last few years. We say it should assess the effects on our relationship with other Canadians. Once again there are very genuine and real questions arising there. We say it should assess the effects on the investment climate in the province. It would look at the need in this province for capital. Where the capital will come from. The short term needs as well as the long term needs. Where will the capital be needed?

That brings me to another piece of information which I know is in the possession of the Government and it is yet a third instance of information that they have available but which they are not making available to us, which I have seen in the last couple of days.

The first is the Bredenbury study and the assessment in respect of constructing their own mine. Mr. Speaker, what's in that Bredenbury study that the Government is so secretive about? As Members know they undertook not very long ago to hire an engineering firm as well as other experts in the area to study the feasibility of the Government of Saskatchewan building its own mine in the Bredenbury district. A whole lot of engineering went into that study. Our information is that it was conducted by Kilborn Engineering which is a Toronto engineering firm. There were other studies done as well as to the economics and the financing.

We have been trying and I tell Members opposite we are continuing to try to get the information of those feasibility studies. We are getting little by little closer and closer. There is some most interesting information in that Bredenbury study. We are told, although we haven't yet seen the documents, that to build a mine of 3.8 million capacity would cost the Government \$300 million. A mine of larger capacity would have cost \$600 million. We are told that that study was given to Dominion Securities in Toronto the bonding agents to have a look at and to assess the financial end or the financial feasibility of it. Now these are pieces of information that we have been able to put together. We don't know whether it's accurate or inaccurate. One day we hope to find out by trying to get the study.

If the information we have is accurate, that that mine would have cost the province \$300 million on the short side or \$600 million on the long side, then it is very clear that when they are talking in terms of \$500 million or a billion dollars they are only talking in terms of one or two mines. This is one of the significant points of that study. This is to say this. Clearly it took \$700 million to come into this province and develop the mines which we have which took place several years ago. With the effect of inflation, firstly, since the period of construction of those mines, obviously that figure is much higher than \$700 million. Some people will say it is now more like \$1 billion. For the investment alone, that is only for the investment, to build the mine and to purchase the equipment. Secondly, add to that the fact that the companies have been

successful in what they have done. The value of what they have is very much different had they failed than had they succeeded and the fact is they have succeeded and I suggest the value, therefore, is more than the \$700 million invested. As a matter of fact with the demand having been so strong and the price having risen so enormously over the last two or three years, it is a fair bet to say that that \$700 million is very much higher because of inflation and because the thing was a success and they now have markets and have a source of income, which has added again appreciably to the investment base of \$700 million. If the Bredenbury study showed that it would cost the Government \$300 million to \$600 million to build one mine, their mine, very clearly adding all that up we are talking about something much larger than \$500 million to \$1 billion, unless we intend only to purchase one mine or perhaps two mines.

Surely to goodness there is nothing so basic in way of information and those studies and the amount of money that we are going to spend and where the money is going to come from, that ought to be given to the Members of this House. Little by little we are trying to piece together. We have been doing that for two months. We think in the course of the two months we have developed a lot of information, but actually we are only scratching the surface as to what lies behind it.

Those Bredenbury studies would be extremely revealing. The second bit of information, I said that I had an example of a third one a moment ago. This is the second bit information, not directly related to potash, but again, is an example of the kind of information which isn't given to the House and which we ought to have and that is the studies which were done with respect to the gas purchase the Minister announced the other day.

Again, he said there was a study and we think there were two studies. Our information is that there were two and there were some conflicting questions. Again, we can't get them; he told us they weren't in the public interest to give us. The kind of information as I say is of such a basic kind which Members of the House, not only should have as a matter of commonsense and reason, they ought to have it as matter of right, because each one of us sitting here represent 10,000 people in the province. We have a right to have that kind of information. If we aren't able to get it as we haven't been able to do in the two months that we have been here, we say turn it over to a committee with the power to subpoena and we will be well get it.

I expect what is going to happen is that the Government Members will stand up with their 18 Cabinet Ministers and vote down the amendment. Why, I am not sure, because it is the very kind of thing they, too, ought to be asking for. Because I suspect that many of them actually have less information than we. I don't think they have been told any more than we have been told in the House. We have had to get out and try to dig for what we have. The Hon. Members opposite, that is the backbenchers, of course, don't have the same inclination to do this because they are in a different position. So I suspect many of them actually have less information than we. It would be in their own best interests, too, to set up a committee of Members of this kind so that they themselves could subpoena, so that they had the power to subpoena under law to compel some of these studies to be brought forward, some of this information

to be given to us.

We should like the committee to take a look at the relative efficiency of the operation of the mines, either by government, by a mix of government and private ownership or alternatively by the private industry itself. Again, we are told there are two or three very efficient mines; we are told that some of the older ones are no longer so efficient. The experience in other jurisdictions with public ownership and with a mix of private ownership and public ownership has been well considered in respect of industries very much like this. The coal mining industry in Great Britain is a prime example, where they began with a mix of public-private ownership and eventually went to full ownership route and then came back or are now in the process of coming back to a mixed public private ownership of the coal mining industry.

The essential question there has been efficiency. We think the committee could take a good look at that question of under what circumstances and under what particular way would it be most efficient. We would like to see a pretty thorough investigation of that kind of mix. We would give this committee say, the same power to hold hearings throughout the province, to travel from centre to centre. It might travel to those seven centres, the very centres that we challenged the Government to debate in. Those are seven major centres. Then two or three days in each one of those centres holding public hearings, giving to the public the information it has and in turn getting from the public the information that the public has. Despite the attitude of the Members of the Government, that is the 17 of them who make these kinds of decisions, those people out in rural Saskatchewan may very well have a great deal to offer in terms of wisdom and commonsense.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. CAMERON:** — We should like to see the committee have the power to subpoena and examine some accountants, accountants from industry, private accountants might even engage a chartered accountant or two of its own to assess the financial figures, the various statements that come before it. We see it summoning management of the various potash companies, questioning them as to their markets, and all those kinds of associated questions.

How interesting it would be if we could bring under oath, before us this afternoon, the manager of a potash mine and ask him questions under oath as to his operations. How revealing, I think, that may be in many respects. Ask him about the markets; ask him about the price, how much is produced, how much they are capable of producing and why are they not producing more; what they foresee themselves in terms of market development for their own companies. And we wouldn't overlook, this committee summoning some government officials. It would be a most interesting exercise, as a matter of fact, if a committee of this kind should have the power to summon, which I think it would have and is quite proper. Other jurisdictions do it. Parliament does it all the time — to actually summon the Minister, Mr. Cowley, to come before it with his information. He isn't prepared to give to us in this House, and he hasn't been prepared for two months to give us in this House the basic elementary kind of information I asked for. How interesting it would be for us, as elected Members, to have him before us under oath answering

our questions. We would ask him how much here; where is the money coming from there, what contacts have you made for money over here. What is the interest rate? What sort of response are you getting? Very, very revealing questions, for sure. To ask questions of the Minister of Finance (Mr. Smishek) in the same variety. We heard the Premier telling us one day that he had a series of discussions with elected and non-elected officials of the Federal Government with respect to a variety of federal-provincial questions. Again, no indication of what the result of those discussions was, no idea, whatever, what response the Federal Government may take in these many respects we have been talking about. It is very interesting, indeed, to get that kind of information before us.

As I say there is no question but what we see in respect of this proposal, only the tip of the iceberg. All of it lies beneath the water. And believe me it is very, very difficult for 15 private Members to try to dig below the surface and get it. You get little hints there and you get little pieces of information here and you get a little lead there and you follow it up and eventually you come to the point where they climb up out of fear to give you any more.

How interesting it would be if we could have these people before us and we could examine them under oath to get the information. We would have marketing experts come before us, too. We don't even have this kind of basic information. You can't get all this kind of information from the companies, at least we can't, they are hesitant to tell us. Where are you selling your product? We know where Central Canadian Potash sell theirs. Their contract is with the farmers group, the co-operative group in the United States is a fairly open thing. We know how much they sell; we know to whom they sell. We know that it is for a guaranteed period, until 1981 or 1987 — I have forgotten precisely. We don't know the details of the other markets of the other mines. What the long-term future for those mines is. What the likely price is going to be. Again, questions of the most fundamental kind, not questions involving a whole lot of detail, but the most fundamental basic kind of information.

We would like to see this committee look at alternatives. I talked about assessing a number of questions, the effects, various respects, the kinds of powers that we would invest this committee with and how it would get the Members of the House working. Then we would ask them to look at a number of alternatives. We would say, consider this question. Government has said this to us. The potash industry has not been paying its fair share of tax revenue to Saskatchewan in the past. The Government took two moves in that respect — it increased the taxes and the reserve taxes of prorationing and we have a very complex tax system with respect to potash as the Member for Indian Head-Wolseley (Mr. MacDonald) pointed out the other day. We would ask them to take a look at that tax system; take a look at the effect of the Government decision to insist having half of the expansion of the province. And to ask if there is any alternative to that. What is the alternative? The Government says that the bind we are in, is that under the reserve tax which is being challenged, it is conceivable that in three or four years or five years down the road when the Supreme Court finally answers that question, it is conceivable we could have to pay back \$4 or \$5 million, which would put us in a very, very difficult financial bind.

That reminds me to ask the Attorney General, as I one day asked the Premier, and I hope that he will take the question and I hope when he speaks in connection with this that he will give us the answer. Why did you levy the reserve tax which you either knew or ought to have known was going to be of questionable constitutionality. Did you know that under the power you have under the Constitutional Questions Act, you can take your tax system and refer it directly to the Court of Appeal as you have a right to do for a decision. That decision would have been made by a Court of Appeal probably within three or four months, at most six months. If there were a further appeal it could go directly to the Supreme Court and that entire constitutional question, under the reserve tax could have been cleaned up inside of six or eight months.

We think the Government has that option with its reserve tax. I asked the Premier one day why he didn't do it and he wasn't entirely certain because the Attorney General was out at the time and I intended to ask him that question. I want to ask him that question because I doubt whether he will have the chance on this committee although it is another question the committee would ask.

You see when you set up the reserve tax system you put to the potash companies a tax system which obviously they were chafing under, a level of taxation and a system of taxation, not geared to profits, that you knew the potash companies were going to oppose. Having done that, knowing that they were going to oppose it, why did you run the risk of implementing the tax, having them sue, having them tie up for four years, so that ultimately if they succeeded at the end of the line you would have to pay back four or five hundred million dollars.

Let's pause then, Mr. Speaker, and look at that in perspective. I said that the information we have showed that the Bredenbury Study indicated that it may cost the Government \$300 million or \$600 million to build the mine. Set that over in compartment A for the time being. Compartment B is the Government institutes a reserve tax system. It is challenged. If the companies succeed ultimately in their challenge and the reserve tax system is set aside, what's the consequence? The Government of Saskatchewan may have to repay \$400 or \$500 million. That is compartment B.

Now looking on the one hand on the enormous cost to build only one mine of their own and looking at the risk of having to pay back \$400 or \$500 million down the road you begin to see a little more clearly what is going on here. Why the Government is bringing forward a Bill of this kind which is designed, very deliberately to get a voluntary sale over an expropriation. It is the club, there is no question about that. It begins to make a little more sense as to what they are doing.

The alternative, which we would ask the committee to examine is to back off and take another look at it and say to the potash companies — all right what kind of tax system can we devise that may be agreeable? We can get, perhaps, virtually as much revenue without killing the goose with a proper tax system. If we couldn't agree with the potash companies we would then say, very well here is the kind of system that we foresee and recommend to the Government that once we devise that tax system, if taken to the Court of Appeal directly under the Constitutional Questions Act, ask the Court of Appeal, is this a valid tax system? Court

of Appeal could have that answer back to us very shortly. If someone was interested they could appeal it to the Supreme Court of Canada and the answer, again, would be back very shortly and we would have avoided the possibility of four or five years down the road having to pay back \$500 million.

Mr. Speaker, we are very disappointed that the Government rejected our suggestion to have an independent commission to hold public hearings and, secondly, the Premier gave us an indication the day before yesterday, that he would not have this matter referred to an intersessional committee. He said also, and he rejected completely and out of hand the suggestion that we have public forum discussions around the province, to which Government spokesmen and industry spokesmen and some of us might be invited to attend, to discuss and that was rejected. We, as a last resort, said to the Government yesterday, all right let us debate you two on two, as a last resource to try to get this question to the people more directly and to permit them some participation. The Attorney General dismissed that one on two fronts. (1) He used the absolutely oldest ploy in the world for not wanting to meet somebody in debate, and I was a bit surprised at that as I would have thought that he would have been able to devise something a little fresher — and that was, we don't want to build a forum for you.

Of course, that is the oldest one in existence, when someone is challenged to debate and say I don't want to build a forum for you. It is so readily transparent, too, and that is why so many people have rejected that as a response to these kinds of debates and they now give more sophisticated responses when they want to avoid something. Because not only would he be giving us a forum, he would himself have a forum. In those seven debates in the seven major centres of the province, which we proposed on two nights, Thursday and Friday of next week, we would have a forum for half an hour, fifteen minutes each. They, too, would have a forum, half an hour, fifteen minutes each. Then we proposed to give each side five minutes to clean up with a neutral chairman and parliamentary rules.

Take Yorkton as an example. My seatmate the Member for Saskatoon Eastview (Mr. Penner) and I were scheduled to debate the Attorney General and the Minister of Education in Yorkton next Friday evening on January 16, at 7: 30 p.m. The Attorney General would have the opportunity to speak for 15 minutes and the Minister of Education for 15 minutes, my seatmate and I each 15 minutes as well, each given five minutes to clean up.

My guess is that had the Attorney General and the Minister of Education agreed to that, Yorkton would probably had one of the largest public meetings it has seen in many years. The people of Yorkton and the people in the surrounding area would have had an opportunity to hear first hand both sides of the question. As we said we would invite the Member for Nipawin (Mr. Collver) as an observer or alternatively he was welcome to come along and participate if he had changed his strategy and wanted to get into the debate.

**MR. ROMANOW:** — How about as a referee?

**MR. CAMERON:** — As referee. This reminds me of something my friend the Member for Regina Lakeview used to tell me about the Member

of the Legislature for Last Mountain-Touchwood, who I understand used to be an umpire. He was an umpire of some renown in his area and given the experience we had in the House yesterday, when we were just about at the point where a private Bill was about to be passed and get on, the Member rose on his feet and didn't demonstrate the usual discretion that good umpires demonstrate. I understand that having been in Government now as long as he has been I can understand why his discretion has left him and having been out of touch with the common person I can understand too why that sense of discretion has left him.

I said that we should have this committee weighing risks against the likely benefits of this measure. I said, too, that we would have the committee take a look at whether or not this kind of proposal was really necessary.

I remember some years ago the first references to potash that I ever heard were along the line that potash could do for Saskatchewan what oil was then doing for Alberta and goodness knows we need a lot done for Saskatchewan. Since that time we have had the 10, 11 or 12 mines developed; we got to the point where that industry is, today, putting in something like \$200,000 or \$300,000 a day in the provincial coffers. So yesterday I think they have paid in equivalent of \$100,000 or \$250,000, they did it today again. As a matter of fact of each of the 32 days that we have been sitting here, they have been paying in some \$200,000 or \$250,000 a day into the provincial treasury. That is an enormous amount of money which this industry has contributed. It is contributing to the welfare of the people of Saskatchewan.

I don't know nor does any reasonable person that I have talked to, again it is the kind of a question that one would like to put to government and get a genuine answer, is how much better do you think we can do than the \$200,000 or \$300,000 a day out of the interest rate by actually owing it?

Another thing the Bredenbury study said apparently — maybe Members opposite would confirm this, those who know about the Bredenbury study — was that in terms of finances it was folly because it wouldn't return any more to the Government than what the current reserve taxes were returning. Pause and reflect on that for a moment! Our information about the Bredenbury study is that it said that it would be financial folly because that mine wouldn't return any more to the Government than what a private mine would do under the reserve tax. So why spend \$300 million to \$600 million to get what you already can get without having to spend a penny? I don't know whether that is true, I don't know, but I have been told that by three or four sources whom I consider to be reliable and they are in the dark as well as I am. They are guessing, for from information they have heard and from rumors they have had from various people in the industry. That study has gone to various people including, as I said, Dominion Securities in Toronto; other people have had access to it. I understand though that every time it is hauled out Mr. Dombowsky is very careful not to leave any copies around and always takes it right back. It is always treated with the utmost secrecy. The most fundamental piece of information that we should have, not available, all we can do is speculate on it.

This committee would have a most interesting time looking at those studies, looking at the question of whether or not as

those studies apparently indicate, it is a needless move. We have heard much about the need for government to control this industry in some more effective way. My seatmate referred to that at some length — and I don't mean to go into it at any length — but, again, in basic way, what nonsense and folly is that to stand and tell us you need more control over this industry? You have problems with it, you say, controlling it. What this committee would do is that they would say, all right, let us have a look at what kind of control the Government has got. How much does a company produce? As much as the Government allows it. When does the company produce? When the Government tells it. Environmental questions — designs the mines; habits of the companies in terms of the effect on the environment are all controlled by the Provincial Government. Questions of waste, waste of the product and conservation of the product; decisions made by government; questions about disposal of by-products, salt water and salt alike; decisions made by the Government. Even the level of employment and the level of monetary reward to the employees is to some extent influenced by government. How much these companies pay of their revenue over the province, controlled by government.

You can't in commonsense, in reason, find any more items of control except that they already have. It is such utter nonsense to put to us the proposition, we need this measure to have further control. We would like the committee to look at that although we think we know the answer to that one pretty clearly because we don't have to rely on the Government for the information. We can get that information. We can see how utterly totally controlled these industries already are with the powers the Government has. It can take anywhere from 0 to 100 per cent of its profit. It can control its environmental activities. It can control how much it produces, when to produce, virtually to whom it sells it and even price levels under the prorationing scheme.

As I say how much more control? I can't even conceive of more kinds of control than that. But nonetheless we would like to have the committee look at that and see whether the Government is being fair in putting forward that proposition to us.

Then the question that arises out of this is, what is there to gain from having ownership? Why should we go out on the limb for one billion, two billion or three billion if we gain so little from it? It is a question which is a genuine one which I tell you we cannot understand. We go away and have private discussions over coffee in the caucus room or at home in the evenings occasionally and we get talking about potash again, and we ask some basic questions, the answers don't come back in any logical reasonable way. And in a very real sense we keep feeling impotent because we don't have basic information and because what information we have and the common sense we can bring to bear on the question, leads us to illogical conclusions. It defies understanding and defies logic and that committee could have a look at that. To try and understand really what is at the root of this. You know what we are always driven back to, because the answer always defies you in terms of logic and rational application of common sense and intelligence to it, is we are always driven to the conclusion that it is not a logical, reasonable economic decision the Government is making, it is making either a dogmatic decision based upon a socialist philosophy or alternatively, it has been made because of pique as we have suggested before. It got angered with the industry and then made the decision.

We cannot find, having searched, and I tell you this genuinely, having searched as long as we have done to try and find the rationale if there be one for this decision. The only conclusion it always leads you to is the two I have mentioned. And yet the Government has said that is not so. The Premier has said, as Allan Blakeney, former lawyer, speaking as the Premier of the province, has told us that this is not a dogmatic, socialist decision. That is what he said. He also said it wasn't a decision that was taken out of anger or frustration with the potash industry, it wasn't a question of pique. He said it made economic sense. What he has told us and that is all the information that we have, that it is a rational, logical decision based upon cool, hard, economic facts. I tell you that it completely escapes us. I don't say that in any political partisan sense or philosophical bias against a Crown corporation doing it. It is just that it does not add up. I can't think apart from an independent commission of the kind we suggested a better group of people to take a look at some of these questions that this kind of committee we suggest.

Again, I ask some Members opposite how much they really know of this kind of decision. Sometimes we feel that they sort of go along and rise when they are told to rise and told to say nay. We would like to see them become a little more active and begin to ask the kinds of questions that we have been asking; to begin to search for the kind of information we have been searching for. Apart from the politics of the situation, they too have a very real responsibility to the people they represent. If they are going to participate in the decision the fundamental is that they ought to insist on having the facts.

Let me ask the Member for Quill Lakes (Mr. Koskie) has he ever asked the Provincial Secretary if he can have a look at the Bredenbury study? Has he been told it is not in the public interest to disclose it? If I were he and I were told that, I tell you I would have a word to say about that Minister when I had my next caucus. If I were the other private Members over on that side I would be asking the same kinds of questions. And if I wasn't getting the responses, the caucus room would be a pretty hot one. Because that is a basic fundamental responsibility which they have. It is one thing not to give it to us, it is quite another not to give them, and I will bet you they don't have it. I would guess that some of the Cabinet has not seen that study. That is the most basic fundamental piece of valuable information to have on this whole question.

Members opposite seem to think that we exaggerate when we say there is some unease in the province about this decision, and their suspicion about the connection of the wisdom of it. There really is. If you talk to the average man about potash he doesn't begin to understand the enormity of a billion dollars or two billion dollars. He knows that. He is not even philosophically so much opposed to the fact that the Government wants to buy a mine or two; that isn't what bothers him. What bothers him is that in his own commonsense way he can't understand the logic of the thing either. He understands the risk, particularly farmers as I said earlier, looking at grain prices which may go back to where they were some years and they see it on those terms. They get a pretty good handle on it in a rather interesting commonsense kind of way. They may not be all that boisterous about it. Some of them are. And I tell the Attorney General I had one the other day who had an NDP membership and he will

never buy another because of the potash takeover. The Attorney General keeps saying he has got a certain number of letters. Well, I tell you I would like to be a member of this committee and have the Attorney General come before us under oath and tell us how many people have talked to him and his colleagues about potash and what the proportion is and how much — the only question I put to you was that there was a certain unease in the province and a certain suspicion and an appreciation in pretty fundamental commonsense terms of the risk involved. Asking why the government is asking us to undertake this enormous risk. They are not prepared to burn flags, prepared to march, it is not that kind of issue. It is the kind of issue that they look at in terms of commonsense and see the answers aren't there. We think we have been misled. It is an enormous risk and we don't think we are prepared to take it. We can't do very much about it but we will remember. That is all we can do. They will remember.

**MR. ROMANOW:** — What does the Prime Minister say about this?

**MR. CAMERON:** — The Attorney General says what does the Prime Minister say about this. We have been asking you that question for five weeks. Your Premier talked to the Prime Minister and we said what did he say? He says, I am not prepared to say, it is not in the public interest. We ask you what did the Prime Minister tell your Premier. The Attorney General thinks the people are following him, he thinks he is leading the people of Saskatchewan in this decision. The fact is they are not following him, Mr. Speaker, they will soon be chasing him.

We would like to have a committee of this kind also assess the tax position with respect to this proposal. My colleague, the Member for Saskatoon Eastview (Mr. Penner) has referred to an article in which the former federal Minister of Justice said that the Federal Government has the power to tax the Saskatchewan Potash Corporation if it goes ahead with its nationalization plan. The Attorney General has said they don't but we all know, and even he agrees that what you couldn't do with income tax you can do with an export tax.

The potash companies in the figures that they have given us have indicated about 25 per cent of their take goes to pay federal taxes. The figures they have given us is that up until June 1974, the Federal Government was taking about 21 per cent before tax profit in the way of federal tax. The Provincial Government was taking 19.8 per cent. Then with the federal budget that came shortly after that, they indicate the Provincial Government takes 24.8 per cent and the Federal Government 25 per cent. Then the effect of both federal and provincial taxes, I am talking now about the stage three the reserve tax and the prorationing fee, federal tax was at 25 per cent, provincial tax at 62.6 per cent. What is interesting there is that throughout that period the federal tax remained at or about the 25 per cent level. I don't know how much money that has come to each year, I see estimates of \$50 million over the course of some time.

Another question I should like to ask the government, how much has that been? The importance of that would be is that that is the amount which the Saskatchewan Potash Corporation is going to have to pay to the Federal Government one way or

another. That is the minimum amount. The Federal Government has made it very clear that they are not going to have their tax base eroded by this nationalization move.

Let me quote from the statement by the former Minister of Justice, the Minister of Transport. He was asked this question.

The Saskatchewan Government's potash takeover plans seem to erode the Federal Government's tax base in the resource industry. Will the National Government allow this to happen?

The answer was, No.

The Federal Government has not taxed provincial government corporations in the past but this does not mean it cannot do so. In my view the Federal Government has the constitutional power to tax Crown corporations. It has a right to protect its share of revenue from industry. If it failed to tax a regular commercial activity in one province just because the province owned it, that would pressure other provinces to take over ownership to avoid taxation. The Finance Minister, Donald Macdonald indicated the same thing, that it will not have its federal tax base eroded.

So the Saskatchewan Potash Corporation is likely going to have to pay some 25 per cent of almost 100 per cent of what it makes to the Federal Government, according to the figures given to us by the industry. I don't know whether those figures are accurate or not. Again it is information which we cannot get, except from the people opposite who will not give it to us.

Mr. Speaker, as I have said the position of our Members on this Resolution is that we would have preferred to have the Government set up an independent commission with a short tenure to take a look at these things in an expert kind of way and report back to us with the kind of information that we ought to have before we are called upon to make this decision. Having rejected that, we then asked for a committee of this kind, which as I said earlier, is probably the second best thing, to get the Members themselves to look at these questions and to get the information. I expect the Government will say, No, as the Premier has already indicated, they are not prepared to do it.

We asked thirdly, as I said earlier for the debate. The Attorney General on behalf of the Government has said no to that as well.

Now, I go back to the example I used at the beginning of the Member for Regina Victoria. I go back to that little meeting he was having last night with his aldermen. When one of the aldermen said, we are not prepared to accept this. We have asked how many do you want to buy, you said we are not prepared to tell you. We said how much does one cost, he said, we are not prepared to tell you. What if you buy all of them, where are you going to get the money? I am not prepared to say. How much money is it going to be? I don't know, I am not prepared to disclose it. What interest rate? Not prepared to say. Where are you going to get the money? Not prepared to say, none of this is in the public interest. Have you done some studies? Yes. Where are they? We are not prepared to say.

It is not in the public interest.

In other words, treat you with complete utter contempt in respect of a very large decision.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. CAMERON:** — That alderman finally said, well, then isn't the sensible thing to do is get a committee of two or three aldermen together and take a look at this and come back with some information, before we are asked to make a decision like that? The Mayor said, No, I am not prepared to do that either. What you are going to have to do my friends is take it on faith. If I tell you believe it. You don't have to see the studies, where the money is going to come from, how much it is going to cost, what we are going to do. We are not prepared to say.

As a very minimum then maybe the Government would do this. Invite the committee to what we understand is its little war room which is set up in respect to the takeover of the potash industry, where they have charts on the walls, showing the critical flow paths of the potash companies they want to take over. We don't know the list of priorities but we understand it is there, with a telephone complex connected and planning sessions going. They are determining mine by mine when they have the meetings how much they are prepared to pay. Which mine they want to take over now, which they are deferring until later, where the money is coming from and so on. We are told there is a little room set aside some place either in this building or some other building in the basement which is called the war room in connection with the potash takeover where all these critical path things have been plotted on charts on the walls. Maybe as a minimum they might invite us to have a look at that place and look at the charts and perhaps give us a little bit of that information.

Mr. Speaker, I urge the Members opposite, not the 18 who made the decision on their behalf and are making the decision on behalf of the 550,000 voters in the province who minds are closed, obviously, they are not going to accept it. I asked the Members, whose minds may still be open to take a look at sitting on a committee of this kind. Take three or four months, delve into some of these questions. Get the information which you ought to have. And for that reason I urge you to support this Resolution.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. E. ANDERSON** (Shaunavon): — Mr. Deputy Speaker, in rising to speak to the amendment to Bill 1, I would certainly say that I believe that an investigation committee made up of Members of this House is of very great importance. After 30 days or so of sitting in this House, we have asked continually for information. Today we had a Member tell us that, should have watched television last night or we should have read the papers. I believe it is an insult to the House, an insult to the Opposition to tell us that we can sit and watch and ask you for 30 days you tell us we should watch television and read papers to pick up the information we need. This I believe proves the necessity of an investigation committee to get information that is needed, very necessary information, to the Assembly and to the people of this

province.

We are being asked to pass a Bill with absolutely no information except what has been put out on television and the papers, if we have had time enough to watch it. How do you expect us to decide the merits or the demerits of the proposed potash takeover? I believe that the studies that must be taken before we can consider a step of this sort are the type of studies that must go before a committee. They are detailed, I think, outside expertise must be called in, outside opinion must be expressed and to do this the only logical way is to have a committee set up with the powers, as I said, to examine witnesses under oath and draw our opinions.

The feasibility studies we requested should be brought before the House by experts in different things such as marketing, in development, in finance and they should be examined by a committee and that committee digest those reports and bring them back.

**MISS CLIFFORD:** — We would find out the truth then.

**MR. ANDERSON:** — Well at least we would find out enough of the truth and we could make a good decision.

The investigation could go further into the future markets, we could get market analysis of whether we can expect the prices to stay up, or whether we can expect the markets to hold — many of the markets of these mines are closed markets for two of them sell most of the product to themselves. They bring it right on through. If we buy these mines, do we have guarantees that they will continue to buy the product from the Government owned mines or will they take the money and go down to New Brunswick, North Africa, where costs are lower, develop mines and then supply their market from that mine? We should know what agreements have been made before we can even digest the concept whether it is good or bad for the province. I feel that the only way of doing this is under a committee setup. By the list I see there are good men, men that I have respect for, that will sit on that committee. I trust their judgment and I think their report would be very interesting, if they would gather such a committee where they could call in under oath information from even Cabinet Ministers who have refused us any information which they have refused to state to this House and to divulge any information of what studies, if any, they have done.

Another thing I think the committee would find very interesting to study is the effect such a program would have if we are going to lose these markets on the capacity of the Government's budget to carry other needed programs. Will the enormous debt load and debt repayment load cause other programs that are very needed in social services, municipal services and what not, what happens if potash drops, to prices or markets? We still have to pay our bills and it will just cut into our others. This is something a committee could, as I say draw in expertise, collate the findings and allow us to make an intelligent decision as to whether it is a good or a bad deal for the people of this province.

Other implications should be studied, they have not been

mentioned, how will this affect the total tax structure of the Crown corporations? Are we setting a dangerous precedent or are we not? We could call in people who are knowledgeable in federal or provincial jurisdiction to see that, if in doing this, we are going to force all Crown corporations to a tax position; if we are going to destroy a concept that has been set up that they are not taxable when they are in the service fields. This is something that I believe a committee must study. I believe it would be a time consuming study because there are many fields to study.

A committee would also have to study the effects that this legislation by its nationalization could have on the investment climate of this province. They could have witnesses tell them what effect this has had on other countries that have nationalized industries; how this has affected their ability to attract investment in other fields; how it has affected their relations with other countries; how this has affected, not only the effect in investment field but the affect in trade fields. Quite often when other countries have nationalized they have had trade restrictions set up against them by the countries they have nationalized the businesses of. This in some cases has destroyed the economy of these countries. This is something I think should be studied, we should know if this will have the same effect here. We have had rumblings from the United States that if this happens they may restrict potash imports from Canada. They may restrict other imports, they may restrict investment and trade. I think when we look at some of the South American countries that have gone through nationalization we realize that it can be very detrimental to the economy. We don't know if any studies or any decisions or if any agreements have been made. I think this should be known before we take a step as large as the nationalization of the potash industry.

They have studies which have been made that they have refused to table. There is the Bredenbury study. Well, there we know a study has been made but they refuse to table it. The Government says we have it but you can't see it to help you make your decision. A committee could, under oath, request this information. A committee certainly wouldn't make it public information so it couldn't be said it is against Government interest. It would be able to study it and bring a report back to the Legislature without divulging information that would be detrimental to any dealings. The study, as I say, of the Bredenbury Mine is there but we can't see it and we have no information from the Government that tells us that they have actually made studies. I certainly hope they have, if they haven't blindly gone ahead hoping that it will all work out in the end, that we'll buy it and it will work. I certainly hope that they are not that bad businessmen but if they are . . .

**MR. ROMANOW:** — . . . credibility, Sonny.

**MR. ANDERSON:** — Don't worry about our credibility. After all it is Christmas, Roy, everybody believes.

**MR. ROMANOW:** — ... some of the lawyers over there.

**MR. ANDERSON:** — Well, it is true on both sides of the House with lawyers, Roy, but then that's a fault that they have, and you

can't do anything about it.

The Bredenbury study, as I say, we haven't received any information from it. They haven't admitted it. If they haven't this committee should have been set up long ago. I would say that the first thing that should have been done is that a committee should have been set up to study and make a report before the Bill was put before this House. I do believe that after 30 some days of not receiving any information from this House, information that we have requested, we have given arguments why we did, why the people need it before we reach such a decision.

I believe a committee could serve another important use, this committee could make these studies without tying up this House that has 10 other Bills, 12 in total on the Order Paper, important Bills that need debate, such as Bill 16, and other ones that need debate. Rather than tying 61 MLAs up, we could tie this committee up in an intersessional period and during the session it would free the House to put these other Bills on the Order Paper. I do believe it's a shame to the people of this province that if no studies have been made, no information is there, to come and tie us up in a futile exercise when we have other important Bills, I would say it shows a lack of concern for the people of this province by this Government, a lack of the concept of the need for legislation. Why tie us up in the House if we have no studies, you haven't brought them out and you certainly don't expect the people of this province and you certainly don't expect the responsible Members of the Opposition to pass the Bill without any information. Bills of much less magnitude would never be passed without information of some sort. You bring a Bill in that is one of the most far-reaching and will probably have the most drastic effect on this province than any other Bill ever passed will have or has had, and you haven't produced one iota of information.

**MR. ROMANOW:** — I think deterrent fees were the most far-reaching . . .

**MR. ANDERSON:** — Oh, certainly, Roy. I can see where you set your priorities now.

The effect is that while you have now a chance to go on to those other Bills bypassing this and putting it before a committee, a committee that can sit concurrently with the House and after, if needed. Also a very important effect this committee would have, would be to receive representations from the general public to gather the feelings of the people to find out what their concerns are, to find out what questions they feel need to be asked because — let's face it — it is their money that we are talking about, not ours.

I believe the amendment has been proposed in good faith. I believe the need for a committee has more than amply been proved and as I say I am quite surprised it hasn't been here before. I am sure that the Members opposite if they have the information, I cannot understand not tabling it before this House or presenting it, therefore I say that a committee is very necessary, that it will serve a very useful purpose and I would urge you to support this amendment.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. A.N. McMILLAN** (Kindersley): — Mr. Speaker, it gives me a great deal of pleasure to speak on this amendment in the House because as has been pointed out by my colleagues before me we have been disturbed by the distinct lack of information that the Members opposite seem to provide us with. In particular we have been annoyed by the fact that they have virtually to a man been unreceptive to the idea of legislative debate on the subject to the point where I am sure many of us on both sides of the House wonder if some of the more articulate master minds behind the great potash takeover may have even changed their minds since the legislation was initially introduced. I wouldn't be surprised about that considering the quality of suggestions put forward from Members on this side of the House.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McMILLAN:** — I wouldn't be surprised if perhaps the Premier was having some second thoughts about his potash legislation and certainly we aren't aware of it if he is or not because he hasn't stood up in this House to give us some indication about his own personal feelings about it.

We don't either know what the feelings of the Minister who will be in charge of the potash corporation are now. We have no idea. I am sure he has taken many of the points raised on this side of the House very seriously. We aren't aware either what the feelings are of the Minister of Finance, he in fact may be opposed to it as well. I am sure a more obvious example of a change of heart would be the Member for Melfort (Mr. Vickar), who may have given some consideration to the Government's position on this Bill when it was first introduced or have enough confidence in this open-minded approach to business situations to find that he has probably changed his mind considerably since Bills 1 and 2 were introduced. There is good reason for this House to support that amendment. I point out, as people on this side of the House have pointed out before me, because of the lack of debate in the Legislature. It has been particularly frustrating for new Members who would enjoy entering into some kind of discussion with Ministers responsible for legislation of this magnitude. Perhaps some of these Ministers have some of the answers we have requested. I suspect if they did they would have tabled them in this House before this time but I give them the benefit of the doubt. Perhaps they have some of the information we have requested. I, as a new Member of this House and I am sure the new Members feel the same way, we would like to see the information. Maybe it will change our minds. Maybe it will change the minds of the vast majority of the people in this province who are opposed to Bill 1 and 2.

The legislation was introduced in a hasty manner. An attempt was made to run it through this House before Christmas in the fall Session that was established strictly to introduce legislation.

**MR. ROMANOW:** — We would never do that.

**MR. McMILLAN:** — You have renewed my confidence in you, Mr. Attorney General. I am sure you will never do it again, I will grant you that concession. The lesson you learned from this one may be a little more permanent than you would like it to be though.

There are some real dangers involved, I suspect, in introducing legislation that has been hastily composed by Members of the Government and when an attempt is made to push it through the House in a hasty manner. That is another one of the reasons why we have introduced an amendment calling for a committee to give people a little time to study legislation that we certainly sincerely feel has been done in too great a haste. We have examples in this province of legislation that was introduced under those circumstances. Legislation that, and I have pointed this out in three of my speeches, the Members opposite have taken a second look at. And the Member for Biggar (Mr. Cowley) opened his mouth for the first time in a long time, he should know better than anyone what happens when you introduce legislation in this House too hastily and you have the cloud of Bill 42 hanging over your head. Now we have a new Minister in charge of Mineral Resources who is attempting to some degree to clean that Act up. An Act that I suggest could have been avoided had this Legislature established a committee to investigate the implications of that legislation. That legislation did not have nearly as serious implications for the people of Saskatchewan as Bills 1 and 2 do. You people are well aware of that. Oil and petroleum resources in Saskatchewan will not have the same impact on the economy of this province as potash has the potential to do. It was bad enough when Bill 42 was introduced in haste, a tacit admission by yourselves that Bill 42 was a failure and I suggest that you look at it sincerely and you will realize part of the failure was the fact that you were too hasty about it. Now with legislation that will affect our secondary resource, I say, because I consider agriculture our primary resource, legislation that will radically change every aspect of potash production in Saskatchewan and in the world is being introduced in haste. We assume, because this Government did not make any announcement before the last provincial election that prior to June 11 they had no immediate desire, or weren't even seriously considering expropriation legislation or a companion Bill to establish the financial arrangements for expropriating the legislation. If we assume that, and I don't hear any of the Members on the opposite side of the House disagreeing with that, then it is only natural that we have to assume that that legislation was drawn up within four or five months from the time the Government Members returned to Regina after the last provincial election until the time that legislation was introduced in the House.

Now I suggest that that is a little hasty for legislation of this magnitude involving perhaps capital expenditures of \$1 billion or \$2 billion or \$3 billion, that affects the lives of thousands of workers in this province, affects fertilizer production all over the world, not just in eastern Canada and the United States and ultimately affects food production all over the world, I suggest this Government has done it in too great a haste. I would be surprised if the Attorney General would agree with me but I think the vast majority of the people of this province agree with me. We feel that the vast majority of the people of this province would like the opportunity to peruse this legislation in a little more depth and certainly to study some of the implications it will have in a little more depth. There is one reason and one reason only that we are still discussing Bills 1 and 2 after the Christmas break and that was because there were enough people outside of this Legislature who were seriously concerned to give their support to Members who wanted to take a closer look at it. I suggest the vast majority of the population of Saskatchewan was that concerned. Your

letters 8-2 in favor, as I pointed out to you, your hopes for the NDP leadership convention in 1980 aren't dead yet.

However, before I was so rudely interrupted by the Member for Biggar, I was going to explain to you one specific reason why it would be in everyone's best judgment to delay this legislation for two or three months while a committee composed of representatives of the people of Saskatchewan took a serious look at it. The single reason I feel and is one of the most important reasons why this Government should hesitate about going ahead with the legislation, is the question of your markets. A question I believe, a situation I believe, that has radically changed since June 11 when you decided to proceed with your potash legislation.

The entire success of a potash takeover in Saskatchewan and a potash company of Saskatchewan depends on the ability of potash producers to dispose of their products at reasonable price levels. You are well aware, as are most people in Saskatchewan that in the past ten years people in the potash industry, experts in marketing and mining, have had a good deal of difficulty in disposing of potash products. In fact, they have had so much difficulty they have lost money seven out of 10 years and the Government in Saskatchewan was forced to introduce prorationing to enable them to maintain any potash production at all.

It has been serious in the past. Now seven years out of 10 years the experts in the potash industry had a good deal of trouble disposing of their product. The last three years they have met with relative success. Thanks to many reasons, one of which is the increased demand for potash products in the world. Another is the developments, the high degree of development of marketing expertise by the potash companies themselves. In effect, however, potash marketing is subject to a basic supply and demand market. It is beyond the control of the potash companies themselves and certainly will be beyond the control of any provincial government in the Dominion of Canada. So, Members on that side of the House should be seriously considering the implications of potash demand trends in the world, and particularly in light of the amount of money you are willing to spend to get into the potash business. I suggest you haven't done any surveys or marketing, or if you have, to any degree, you certainly don't understand them. You may have done marketing analysis for a mine that you were proposing to build at a time when market strength was relatively high. However, you don't seem to have the courage to table that survey in the House to allow Members on both sides of the House to peruse it.

I have a commentary here in the magazine called "Investment Outlook, 1976". It's the year-end issue, dated December 29, 1975. And this is the kind of thing I think those of you, the architects of the potash expropriation legislation, should be seriously considering in light of your hopeful success in potash marketing. This deals with Russia, "A new realism in trade with Russia", it's called. Russia has the largest amount of potash reserves in the world. Saskatchewan apparently has second as far as the amount of productive potash reserves goes. This analysis describes very briefly some of the things that we on this side of the House have been concerned about, and certainly one of the things that those Members on the Government side of the House should be extremely concerned about.

That's Russia's projected trade balance over the next few years. In other words, what direction are they headed as far as potash production goes? Believe me they can preempt Saskatchewan potash from the market in one blasted hurry if they decide to. We have seen it happen in wheat markets of the world. In short this commentary says:

The draft of Russia's 1976 to 1980 plan released last weekend calls for foreign trade growth 30 per cent to 35 per cent during the period.

It says:

In this area the Soviets have far exceeded their advertised target, pushing up trade with other nations at an annual rate of 13 per cent in recent years.

They expect to exceed that. Now that tells me a lot. When they are talking about increasing their balance of trade, or their trade growth, 30 to 35 per cent in the period of four years, they are talking about a lot of production in a lot of different areas. Certainly one of them, according to the article, is grain trade. The other, I suspect, is trade of manufactured goods. But certainly one of the most significant trading items that this Government should be concerned about is Russian trade in potash. They have the capability of being the biggest potash producer in the world. They certainly have the technology and they certainly have the manpower. They state right here that they are going looking for the markets.

Now I'm not sure, but I would suspect that Members on the opposite side of the House weren't aware of these developments when they decided to go ahead and introduce legislation to get into the potash industry. We suggest that perhaps this situation in itself should be reason enough for the Government to stop and reflect on what it is doing. We say the best vehicle you have to reflect on the direction you are moving in the resource development, and certainly specifically in potash, and on the probable success of your venture into the potash industry, is through the vehicle of committee. We ask you to establish a committee and in the next two or three months call in people who are knowledgeable in marketing. Ask them what effect it would have on Saskatchewan potash production if the Russians plan to increase their trade balance 30 to 35 per cent. I suggest from this article that it may have disastrous effects. You people will have the opportunity to find that out if you establish a committee. The way that committee will operate has been pointed out by Members of the House before me. The value such a committee could have for the people of Saskatchewan in both the short and long run has also been proven by Members on this side of the House. The fact that you seem to totally reject any suggestion that you should pause for reflection in this, I find particularly disgraceful.

I am well aware of the fact that it may be considered a loss of face for the Government at least to slow down in the midst of this introduction of legislation, and I suspect reflects the major principle involved with Members on the far side of the House.

However, we have asked Members on that side of the House to consider this amendment seriously. We have been sincere in our efforts to get you to slow down with your proposed legislation.

We feel that to go ahead rapidly with this legislation at this time is definitely not in the best interest of the people of Saskatchewan. It certainly is not in the best interest of the people of Saskatchewan from a financial aspect and I suggest that the sociological implications of going ahead with the high-risk venture like this are probably in the long run just as severe as those that we continually elude to and that is the financial risk.

For those reasons, because I think we have reached a stage where we must stop and reflect on the implications of this legislation, that I will be supporting the amendment and urge all Members of this House to do so.

**SOME HON. MEMBERS:** — Hear, hear!

**MISS L.B. CLIFFORD:** — I did want an opportunity to give you a few words. I'm afraid I shall go over the time limit, but you can look forward to hearing me again tomorrow. As this is Christmas for some people, I'm sure it will be a special treat.

I have listened carefully this afternoon to the number of reasons that have been given for having this intersessional committee and if you have been listening carefully and trying to pick them out, which was not very difficult, I'm sure that you see that we are very sincere and that we have done a lot of thinking on this matter, because we have given you a number of reasons. Whether or not you feel that our reasons have been all totally valid, I'm sure that even you can see that they are sincere efforts and we feel this legislation is necessary.

I had an experience at lunch today. I was talking to one of your NDP Members and he was saying 'how long do you think the debate is going to continue, Linda?' I said, "Well I don't know, I have a little while to speak yet and it will take some time". He said, "I've always found that an Opposition Member works very hard, perhaps harder than a Government Member because you get more chances to speak". Well, as you can see, we have been speaking long on this amendment, and on the Motion. But it is for one reason, and one reason only. And that is because we feel that the people of Saskatchewan have a right to say what they think should be done regarding these two Bills. This is why we will continue to talk, to speak on this amendment as long as we possibly can.

I think the first question that we have to ask . . .

**MR. ROMANOW:** — We're not in any rush!

**MISS CLIFFORD:** — We are running out. But never fear, we'll find another way.

**MR. ROMANOW:** — As I say, we're not in any rush.

**MISS CLIFFORD:** — Good. Yes! You have been here a long time. It will take a little longer. Enjoy it while you can.

I think, Mr. Speaker, if I can get on to the point here, I think we need to consider whether or not there is a need

for this committee for obtaining the facts that the people would like to know. They would like to know the cost of the expansion, the cost to the people of Saskatchewan in relation to our budget. What will we have to pay in the future? How it relates to markets. You know, I come from a rural area and listening today to the Attorney General's comments that the rural areas are not saying anything that they aren't really opposed to this expropriation. I think he said that — this is the impression that I got at any rate. He said — I've been there. Well, I've been to the rural area too, this is where I come from. And they are concerned and the reason why they are concerned is because in the rural area you know you live from season to season because markets, as you well know, you can't depend on any markets. So they are asking, well, can you depend on the potash markets? I think that any one of you over there can agree, no, you can't depend on grain markets, you can't depend on potash markets, so perhaps this should be a concern. They would like to know what you have to say why you feel this is a good investment. This is why they would like to listen to us. And I feel that this committee could answer their questions. They could call you and other people who have been listed, professors, university professors, economists to give you the information that they are requesting.

You know, it was mentioned briefly the other day that I had a relative who was sitting on your side of the House (a distant one), and I have another relative who comes from Moose Jaw, and she swears by the Members for Moose Jaw. I have a number of NDP relatives, I'm converting them slowly. But he says, 'they are reasonable men'. They listen. You can contact them at any time. This is a problem which I think reasonable people will listen to and they will offer reasonable solutions and vote for reasonable solutions. All we are asking for is for you to be reasonable and to let the people have their say. It was mentioned earlier, fine, maybe you can change their minds if you give them the facts, but the thing is that we want them to have their say and this is why we are asking for this committee. Now we are ready to take our lumps and if we are wrong, fine, but we want the people of Saskatchewan to say yes, they think this is a good deal, or no, we think it's a bad deal.

You may be interested to know that I did a small (and I am not trying to exaggerate), but I did a small telephone survey in one of the seats, and it wasn't my seat by the way, it was one of your seats. So maybe in the next while you can figure out which one it was.

**MR. MOSTOWAY:** — Whose seat?

**MISS CLIFFORD:** — Oh no, I'm not telling that one. If you come individually and ask me, I'll let you know which seat it was. You're in trouble there. But anyway, the survey was taken in regard to this issue. And it wasn't a biased question. I didn't say, "Are you against the Government". Obviously if it's an NDP seat they are not against the Government.

**MR. ROLFES:** — How many did you call?

**MISS CLIFFORD:** — The question was: "Are you in favor of taking over the potash industry?" I think that's a very neutral question. The majority of them were not in favor.

**MR. ROLFES:** — Were they all relatives?

**MISS CLIFFORD:** — No, I didn't call my relatives either. Not like some of the letters that the Attorney General is getting — the eight letters that you have gotten.

The point I am trying to get across is that there is concern and the people want to give an opinion, whether they are for you or against you. And I think that they should have the opportunity.

Now we have asked for this intersessional committee and I have been trying to figure out why, the number of reasons why you will not support this. I suppose you have your reasons. Maybe you don't want to hear what the people have to say. This has been suggested. But perhaps, instead, maybe you've become such a bureaucracy that you don't want to listen to people any more. And I'm afraid that perhaps this is the reason. It could be. We were elected to represent the people so why not listen to them. Are we listening or have you become deaf to what they are trying to say?

Let's just for a minute read a definition of what a bureaucrat is, and although I don't like to be termed one, perhaps anyone sitting in this Legislature is a bureaucrat. It says:

Bureaucracy has been made into a new variety of sin in many people's minds. But bureaucrats doing their jobs conscientiously are on the side of all good men and true.

And I think that's why we are elected. I would hope that we were elected to be on the side of the people.

Bureaucracy is a way of doing business. A way without which we could not carry on today's complex affairs.

And I am sure that you would all agree with this that in this Legislature we are trying to do the best for the people and to carry on the business of the province. But are we being caught up in not listening because we are in this House. Are we forgetting what the people are saying? All we are doing with this amendment, is to get them to give their opinions and listen to what they are saying. It goes on to say:

**AN HON. MEMBER:** — We are listening!

**MISS CLIFFORD:** — I'm glad you are listening, because I found this article interesting and I don't think it's a biased article. It's just on bureaucracy and we could be falling into it in not letting anybody know. It says:

There are people in office who claim supreme authority in all matters, merely because government is supreme or their business complex is so powerful. It may be that such people try to cover their personal deficiencies by arrogance. The self-sure among us are as dogmatic as time tables, brooking no criticism.

These are personal defects, not part of the system.

January 7, 1976

Can we not accept criticism? If this caucus is wrong after what we have been talking about, it is not going to be any harder for us or for you to come back and sit after the public opinion has been given than it is for us. Because we are the ones that have been sitting for 30 days, now saying, look the people want to speak. I am sorry, 31 days.

If we are wrong we are going to sit and take the criticism too, and I don't think that taking criticism from the public is wrong because this is what we are here for, we are here to listen. It goes on to say.

Bureaucracy hurts itself most when it becomes ingrown, (is this what is happening?)  
When it becomes its own advisor, actor, approver or justifier.

Are we trying to justify something that perhaps the people of Saskatchewan do not agree with? I am just putting these questions to you. I don't want to be sitting here thinking that perhaps this is the answer. Again, I say, maybe I am wrong, but I want the people to tell me. It goes on to say:

Some sectors seal themselves off from the world to brood in their cloisters amid loyalties and group agreements, shielded from the disturbances of the spacious world.

Are we shielding ourselves from what the people are saying? It is not hard to be sitting here in Regina and not know what is going on. I think this is the thing we have to consider, this is why a committee that we are proposing would indeed be a realistic and a fair way to judge this question. There have been a lot of comments that the potash companies maybe aren't doing the best for Saskatchewan. Why not get a neutral arbitrator, a committee to judge who is right? If you are right you have nothing to be afraid of, if they are right, you will find out about it. It goes on to say:

Bureaucracy hurts itself too when it claims its people are a special sort of first among equals when it defines its humility by saying I do not think myself half so important as I really am.

Do we begin when we are sitting here to think we are more important than we really are? Are we more important than the people in Saskatchewan? Do we know the answers and is not it time now that we listened, quit thinking that we have all the right answers. I am not standing up here saying I have the right answers, but I think that maybe the people in Saskatchewan will be able to tell me what I should be doing. Is this too little to ask, this is all this amendment entails. It is not a condemnation of the Government, it is not saying, "Hurrah the Liberals are right", it is just saying, "Look, let the people tell us". This is all we are asking.

It is tempting to even the smallest business or government service to close themselves to the importance of attaching to the system he helps to administer seeking to impress on those who need its services the sense of dependence upon the agent who renders them.

Are we trying to impress the dependence of the people by

saying we have the control now that we are government, let's do this? Is that fair? Such people remind us of the Sergeant-at-Arms, in T.H. White's story, the "Once and Future King", which became the basis for the movie, Camelot. He took great pains to keep his stomach in and often tripped over his feet, because he could not see them for his chest. Is this what we are doing? Are we becoming blind to what is going on?

Bureaucrats, and again I mean bureaucrats not as government bureaucrats or as opposition bureaucrats, I am using it as legislators, people that are here. Are we becoming closed-minded? This is all I am asking, this is all this Motion is asking, to say, let's remove it from the partisan area, let's bring it to the people, let's figure out what they want.

Bureaucrats are subject to the infirmities of all mankind. King Arthur is reported to have said "A knight with a silver suit of armour would immediately call himself a have-not if he met a knight with a golden one."

That we made a potash company that has given 80 per cent or 75 per cent or maybe 60 per cent in taxes, but the potash mines say 80 per cent of their profits, now we want to have a gold suit, we really want to have all their profits, no matter the risks we have to take or no matter what ability they have to pay. Is this fair? I think it is time that we give the public through this committee a chance to decide whether it is fair or not, or whether this is a good business deal.

If one is a bureaucrat the thing to do is to avoid developing the unpleasant and inefficient traits. It is part of a bureaucrat's business to have an orderly mind. But this orderliness must not be allowed to become a chief aim in life.

Are you letting part of your philosophy such as socialism take over and begin to control our life whether it is good or not?

When a bureaucrat exercises spontaneity in his dealings with people and develops the instinct for realizing what people are thinking, he becomes not only a more efficient worker but a happier worker, he gets more enjoyment out of life.

Again what we are reiterating, if this is the right thing for the people of Saskatchewan, you could go on with this Bill fulfilling that, Yes, I know the people are behind me. You may think that now, which is fine, but you may not be right. I think all we are doing is asking for them to give their opinion. I think without their opinion even you must have some doubt as to whether this is anywhere near 100 per cent correct.

**AN HON. MEMBER:** — No doubt about it!

**MISS CLIFFORD:** — You don't have any doubts? I sure am glad that someone over there has got all the answers to every question. Believe me you will be my lawyer if I ever get into trouble, because this is what I need. I didn't think anyone in Saskatchewan has all the answers. Least of all, you, but I am afraid I have

January 7, 1976

a lawyer back here picked ahead of you.

He goes on to say. This is a good article. I am not trying to waste your time, I just feel that this is the reason why we are presenting this committee. I would hate to start something that I couldn't finish so that you would forget the thrust of the effort.

A cult of secrecy has been growing. Some bureaucratic officers regard themselves as belonging to an exclusive intellectual body.

Does that sound familiar? There is no one over there who would know all the answers.

Lock themselves in their ivory towers, never let their precious documents be seen on the pretext that they are too secret or maybe not in the public interest and carefully file them away in a safe.

The public wants to know why and in understandable terms.

Mr. Speaker, this is why we are proposing this amendment.

The Assembly adjourned at 5:30 o'clock p.m.