

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Eighteenth Legislature**  
**39th Day**

**Monday, January 19, 1976.**

The Assembly met at 2:30 o'clock p.m.  
On the Orders of the Day

**STATEMENT**

**POINT OF PRIVILEGE RE QUESTION ON CABLE TELEVISION**

**Mr. Speaker:** — Before the Orders of the Day I should like to make a statement.

On Friday a Point of Privilege was raised to the effect that a Minister had taken notice on an oral question and the answer was subsequently printed in the newspaper before the answer was given in the Assembly.

I note that the Member did not give me proper notice of the Point of Privilege as required under Rules, 6(1). I have examined the verbatim transcript and note that the Minister informed the Assembly that he had not given the information in question to the newspaper. The Assembly must accept the Hon. Minister's word on that account.

I would remind all Hon. Members that a Cabinet Minister, in reply to an oral question, can take it as notice and bring an answer to the Assembly at a latter time. And I refer all Hon. Members to the ruling of the Chair, November 27, 1975.

A further ruling of the Chair dated December 4, 1975 stressed the point that although it is a courtesy to the Assembly for a Minister to release information in the Assembly before releasing it to the press or public, it is not a breach of privileges of the Assembly if this does not happen.

Upon careful consideration I find that the Hon. Member for Nipawin (Mr. Collver) does not have a prima facie case for privilege under any of the above arguments.

Additionally, and not in direct connection with that ruling, I note that on January 14, 1976 two questions were asked in the Assembly with regard to cable television. The first one by the Member for Saskatoon-Sutherland (Mrs. Edwards). Essentially the question was: how much money was given in provincial grants to groups who are preparing applications for cable television? Whereupon the Minister responded by saying that he would take notice of the question. Later that same day the Member for Nipawin asked: have any grants or aid of any kind whatsoever been given to any organization that is presently submitting applications through CRTC for cable television and if so what organizations have been given such grants or aid of any kind?

I note that on January 16th the Minister of Consumer Affairs (Mr. Shillington) answered the question of the Member for Saskatoon-Sutherland and by implication, obviously answered the question of the Member for Nipawin.

I just wanted to clear up that point.

## QUESTIONS

### LAND BANK LEASING RATES

**Mr. A.N. McMillan** (Kindersley): — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Minister of Agriculture (Mr. Kaeding).

I should like to know, very simply, if your Government plans on raising the lease rates for Land Bank land in Saskatchewan for this year?

**Hon. E. Kaeding** (Minister of Agriculture): — Yes, there will likely be some adjustments on Land Bank rates this year.

**Mr. McMillan**: — Could you explain to this House and particularly to me, on what basis you are raising these lease rates?

**Mr. Kaeding**: — The policy on that will be announced in due course.

**Mr. McMillan**: — Can you announce at this time for the information of the Members of this House and the public at large, what will be the extent of the rate increase?

**Mr. Kaeding**: — No, I am not prepared to release it. There will be a statement made very shortly.

### CORONACH COAL SUPPLY

**Mr. L.M. Larter** (Estevan): — Mr. Speaker, before the Orders of the Day and directed to the Minister of Industry (Mr. Messer) but in his absence to the Minister of Mineral Resources (Mr. Whelan).

Is the known coal supply in the Coronach area or the area of the new power unit, going to equal or be better in quality and quantity than the coal supply in the Estevan area?

**Hon. E.C. Whelan** (Minister of Mineral Resources): — I don't think that is known. I don't think there is a committee at the present time that is doing extensive work on analyzing the coal supply and the tonnage that is available; the use that is going to be made of it and I don't think that I can give you a direct answer to that question.

**Mr. Larter**: — Mr. Speaker, my first supplementary. Possibly you can tell me this: is the Government going to do all the mining and do the coal hauling for the new project and do the entire coal hauling?

**Mr. Whelan**: — In answer to that question, I don't think that that has been decided either.

## LETTERS TO NURSING HOMES - INCREASE IN RATES

**Miss L.B. Clifford** (Wilkie): — Mr. Speaker, I should like to direct my question to the Minister of Social Services (Mr. Rolfes).

I should like to read a form letter that has been sent to a number of nursing homes. Quote:

This is to advise you that due to continually rising costs of operation, the Board of Directors have found it necessary to increase their monthly rent or maintenance effective February 1, 1976. The amount of the raise has not been determined at this time, however, it will be substantial and as soon as the Budget has been approved you will be advised promptly.

I would like to ask the Minister: is he aware that letters such as these have been sent to a number of nursing homes, two in my area, and would he agree that such a letter is a threat to senior citizens in the nursing home with them worrying about their economic situation as it is?

**Hon. H.H. Rolfes** (Minister of Social Services): — Mr. Speaker, could I ask the Member as to who signed the letter and whom it was sent from?

**Miss Clifford**: — It was sent by the nursing home administrator.

**Mr. Rolfes**: — Why doesn't the Hon. Member then direct her question to the administrator? Is she asking me to interfere with the local administration? It is not sent from my Department and it is my understanding it was sent by the administrator. It is up to them to set their own rates. It is not up to my Department to set the rates. The administrator of that nursing home sets the rates. I do not set the rates.

**Miss Clifford**: — May I suggest, Mr. Minister, that these have been sent by the administrator, I agree, but would you assure or would you check into the number of letters that are being sent as such and would you agree that the resolution that was put forth as to an inquiry in rental increases would be a beneficial committee - would you assure this House that the committee would be set up this week and have to report back within two months?

**Mr. Rolfes**: — I didn't follow what you were saying. What committee are you asking me to set up? If the Member is asking me to interfere with the administrator of a specific nursing home the answer is, no, I do not believe that my Department or myself should interfere.

**Miss Clifford**: — I am asking that Resolution No. 34, I am asking you if you will set up such a committee or inquiry that is asked for in that Resolution so that the administrators and the Government - and I am not asking you to interfere - so that an inquiry can be made to see that senior citizens in this province are not unjustly charged if they are, for their fees.

**Some Hon. Members:** — Hear, hear!

**Mr. Rolfes:** — Mr. Speaker, let me tell the Hon. Member again, that I do not agree with her that these people are unjustly charged. If she says that, then what she is saying is that the people of nursing homes are unjustly charging people who are guests in their homes.

In answer to her previous question, yes, I am negotiating, not myself, but my Department is negotiating with a firm and I hope that we can make a final decision within a few days. But those negotiations are taking some time. It is very difficult to find people with the expertise in this area. We have been holding discussions with many people and I believe that I can, within a few days - it might take a little longer - but I am hoping that I can make that announcement very shortly.

### **CONFLICT OF INTEREST LEGISLATION**

**Mr. G. Lane** (Qu'Appelle): — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Attorney General (Mr. Romanow).

In the last session, I believe, a conflict of interest White Paper was tabled for public discussion. I believe the conflict of interest legislation was indicated in the Throne Speech. Would the Attorney General not agree that this type of legislation should have a greater priority than some of the minor Bills that have been tabled and can you tell us when the proposed Government legislation would be expected?

**Mr. R. Romanow** (Attorney General): — Mr. Speaker, the Member is correct. A White Paper was tabled and invited comments from the public and from Members. I might add that I received no representations from anyone. I am not saying that in any accusatory or partisan way, but there were no submissions made on that paper.

What has happened is, that I have asked the Law Reform Commission of the province of Saskatchewan to take that White Paper and to study it in detail in the light of new developments from the time of its introduction to today on the laws of conflict of interest. There are some changes in various provincial approaches in this regard and I believe that it is in the hands of the Law Reform Commission for a submission back to the Government in due course.

I would conclude by saying that, as the Member I am sure knows, there is a protection for the public on conflict of interest in the Legislative Assembly Act. The Legislative Assembly Act does have a specific section which sets out prohibitions of activity for all Members of the Assembly. I don't think it is nearly as good, or as up-to-date as it should be, thus necessitating a new Bill, but we do have this protection for the public.

**Mr. Lane:** — A supplementary, Mr. Speaker. You mentioned new developments. There is legislation in other jurisdictions which in concept is different from this tabled by the Government opposite in that Cabinet Ministers and members of Executive Council are treated distinctively.

Would the Attorney General advise whether he has indicated to the Law Reform Commission that Cabinet Members and members of the Executive Council should be treated differently along, in particular, Ontario lines and that tabled by the Government of Canada, and that Cabinet Ministers should be required as a matter of policy to declare their personal finances and financial situations or the alternative, that whatever their holdings or interests are, that they have been put in a blind trust? Would you agree or would you indicate to the Law Reform Commission to study that particular aspect?

**Mr. Romanow:** — Mr. Speaker, in asking the Law Reform Commission to take this matter on for the people of Saskatchewan and the province, I have not set out any of my own views or any of the views of the Government. I am not sure whether the Government has sure policy views in this area. I have simply asked the Law Reform Commission to review the state of the law as it exists in the other provincial jurisdictions and in the Federal sphere and to recommend potential or a possible course of action for us, here in Saskatchewan. It may or may not involve the question of something special for Cabinet Ministers as the Hon. Member suggests.

I have not made that suggestion to the Law Reform Commission and I don't intend to at this particular time, preferring the approach that we await the recommendations of the Law Reform Commission and then we can decide, as Members of the House, whether we accept, reject them or modify them or do whatever we want to do with them.

**Mr. Lane:** — Mr. Speaker, by way of a second supplementary. An objection that we in the official Opposition have is that seemingly corporations were called to special intent for some reason, but other forms of economic associations, for example, partnerships or sole proprietorships, or whatever, were not taken into account - sole proprietorships possibly being a bad example. Would the Attorney General not agree that all forms of economic endeavour no matter what guise they may take, should in fact be included and if the Attorney General has or is not going to make special recommendations to the Law Reform Commission, would he possibly join with the official Opposition in making recommendation of study along the two specific areas that I have called to your attention?

**Mr. Romanow:** — First of All, Mr. Speaker, I would not agree to the invitation, if I may put it on those terms of the Hon. Member, that we should join in a joint submission to the Law Reform Commission. I, quite frankly, have a great deal of confidence in Professor Grosman and the members of the Law Reform Commission to do the type of thorough job that is necessary on all aspects of the problem.

I would agree with the earlier part that all aspects of economic activity, be they partnerships or personal operations and corporate activities that Members involve themselves in, should be covered by the new law. I haven't looked at the Legislative Assembly Act for some time, but if my memory serves me correctly, I believe that, indeed, that type of coverage is set out pretty exactly in the Legislative Assembly Act. In fact more so than any protection for the more sophisticated corporate

types of structures. There is a section on corporations, I know, but it still doesn't take into account the variations that are possible for all of us to be involved with in corporations.

I am confident that the Law Reform Commission will do a good job for us in this area and, again, I want to reassure the public that there is adequate protection to them, I say, in the Legislative Assembly Act which has stood all MLAs of all parties, in pretty good stead in the past.

## ADJOURNED DEBATES

### SECOND READINGS

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

**Mr. S.J. Cameron** (Regina South): — Mr. Speaker, in opening my remarks in connection with debate on Bill No. 2 the other evening, the rather fractious evening we were having, I was expressing the frustration of myself and some of my colleagues at the reticence of the Premier and some of the senior Members of the Government to give us information with respect to this Bill and with respect to the potash takeover generally. I said in the course of those remarks that I would raise, again, today a number of issues, of questions on top of the financial questions which we have already been asking and conclude by saying, all these questions deserve some answers. They deserve answers, we think, from a fairly senior level of government, answers from the Premier, in the first instance, from the Attorney General, from, in particular, the Minister in charge of the Potash Corporation and from the Minister of Finance.

I said and some Members thought with some measure of over exuberance what we would do in the course of the debate is perhaps smoke some of them out. What I am really saying to you seriously is that we have already asked of you a series of serious questions, that I will put to you this afternoon some serious consideration by you and some serious response of a kind other than the sort of response that we have had to date.

I will also tell you that if no explanations are forthcoming then I will suggest to you that we will have made our case without a shred of doubt, that in introducing this matter into the Legislature in the way in which you have done it, you will have been guilty of a measure of arrogance, that you ought not to be guilty of in the way that you treat the Assembly.

**Some Hon. Members:** — Hear, hear!

**Mr. Cameron:** — Mr. Speaker, on February 4, 1975 the Potash Corporation of Saskatchewan was established in the first instance by Order in Council. So we have, therefore, had a Potash Corporation of Saskatchewan in existence for virtually one year. That leaves one to wonder when one looks at Bill 2, first of all, as to why in view of the fact that the Potash Corporation already exists, do we need a Bill 2 to establish a potash corporation. There are some fairly ready answers that come to mine. There are one

or two powers which the Potash Corporation doesn't now have, which it would have under Bill 2. And in the course of the remarks of the Minister of Mineral Resources, with respect to this Bill, he indicated that it was a fairly routine kind of legislation and that it wasn't the kind of legislation that deserved all that serious and lengthy consideration.

As I say on the face of it what this Bill 2 is designed to do is establish the Saskatchewan Potash Corporation. But this corporation already exists and has existed for virtually a year and you come back to the question, why Bill 2? Is it merely a housekeeping Bill to consolidate the existing potash corporation or, indeed, is there something more to it than that? We think that, indeed, there is something more to it than that. Saskatchewan Mining Development Company was established in the same way as the Potash Corporation of Saskatchewan was established, by Order in Council. It has been in existence for a longer period of time than the Potash Corporation has and yet we have not seen a piece of legislation in respect to it. So that if this Bill 2 is designed merely to confirm the existence of Saskatchewan Potash Corporation one wonders why there isn't a similar Bill with respect to the Mining and Development Company. And it has been obvious throughout the debate of this whole question that the Government is interested principally in Bill 1 which is the major piece of legislation and that it has been pressing forward Bill 1 with a great deal more vigour in a sense than it has Bill 2, but Bill 1 is the principal piece of legislation.

There was some speculation at one stage in the House that what the Government may do is continue to press Bill 1 forward, get it wrapped up, end the Session, and in effect withdraw Bill 2 or allow Bill 2 to stand. Since, as I said, the purpose of Bill 2 is to establish the Saskatchewan Potash Corporation that suggestion made some sense since the corporation already existed. But again, it is obvious, the Government has not taken that course. The result of it is that Bill 2 and the days we have been spending debating Bill 2 have in a sense stood in the way of the more important Bill 1, because the time we are spending on Bill 2 could be devoted to Bill 1. But for the existence of Bill 2, Bill 1 would now, we think, virtually be wrapped up. So, therefore, there is more importance obviously to Bill 2 than what we may have been led to believe at the outset by the Minister of Mineral Resources when we spoke to it.

The Government, Mr. Speaker, we have noted took another tack and that is in the course of the debate it is having a number of its backbenchers address the issue of Bill 2, rather than have a number of its Ministers, particularly the senior Ministers address the House with respect to the Bill. That sort of tack in the debate gives the inference almost that Bill 2 is of fairly minor significance. Rather than the major portfolio, the Minister occupying the major portfolios, addressing themselves to the Bill, it lies for a series of backbenchers to do it. So that one can see it is rather contradictory in a sense. On one hand the Bill being put to us is a rather insignificant kind of secondary companion piece to Bill 1, yet on the other hand standing in the way as it always does to the passage of Bill 1. So the conclusion that one has to come to is that there is more significance as I have said to Bill 2 than what we have been led to believe.

I want to examine that question a little more fully with the Bill and the Orders in Council with respect to the existing potash corporation a little more fully. I intend to suggest that among other purposes and among other reasons why Bill 2 is so vital to the Government is because there is a serious question as to whether the Potash Corporation of Saskatchewan as it now exists is indeed in lawful existence. I say that there is a very real possibility that the Potash Corporation of Saskatchewan as it now exists was not properly constituted.

**Some Hon. Members:** — Hear, hear!

**Mr. Cameron:** — There is a serious question that it may have been established beyond what the law of Saskatchewan permits. If that were so, Mr. Speaker, it would mean that the Potash Corporation of Saskatchewan as it now exists and has existed for 11 months in that sense would be an illegal enterprise. If that be so it means too that the three Cabinet Ministers, Messrs Cowley, the chairman of the company, Mr. Romanow, the vice chairman of the company, and Mr. Messer, a member of the board of directors, have been engaged in activities for a period in excess of 11 months which, if I am right in putting forward this suggestion, would have been doing so without legal authority. It may very well be, therefore, that one of the purposes of Bill 2 and we will be interested in the response of the senior Members of the Cabinet to this question, is to cure the legal problem that exists in respect to the existing Saskatchewan Potash Corporation. Now let me develop that a little further.

The Order in Council that created the Potash Corporation which is Order in Council 223 of 1975, which was passed on February 4th, 1975, presumes to draw its authority from The Crown Corporations Act and in particular, Section 2 of that Act. The question, therefore, is whether Section 2 of The Crown Corporations Act lawfully empowers the Government of Saskatchewan to have set up the Potash Corporation that now exists. If one looks at Section 2 of The Crown Corporations Act, one sees it gives Cabinet this power. It says:

The Cabinet may appoint one or more persons to operate any designated industrial, commercial, financial or other public utility or undertaking, the operation of which on behalf of the Crown is deemed advisable for the public good.

Now the key words obviously in that Section are the words 'to operate' and 'designated enterprise'. The Section, I submit to the Government does not necessarily empower the Government to appoint people to 'establish' or 'create' a designated industrial or commercial enterprise. The words are 'to operate' a 'designated enterprise'. The Section implies that the business in respect to which the Cabinet is empowering a group of persons to conduct themselves is an existing one and it authorizes the Government to establish a company 'to operate' an existing business. Now the Potash Corporation that was set up in February, 1975, was never intended to operate an existing business. It was intended to establish or create a business that did not then exist. And I refer to the Order in Council itself. I direct Members to Section 1. That Section appoints Messrs Dave Dombowsky, Don Ching, John Burton, Roy Lloyd and Gerry Beattie to constitute the Potash Corporation



that was set up. The Order in Council bears the signature opposite the word 'recommended', Elwood Cowley, and opposite the word 'approved' bears the signature of Allen Blakeney and then it is signed by the Lieutenant-Governor. It empowers the directors of this corporation to mine, produce, process and refine potash; to enter into joint venture arrangements and other agreements with other potash companies and to explore for potash. Those are essentially the powers it is given. It is given those powers not in respect of any existing business it is to acquire but is given those powers in respect of a business it is to establish or create, and I refer Members again to Section 2 of the Act which gives Cabinet power only to appoint members to form a corporation 'to operate' a designated business. Section 2(c) of the Order in Council of February 4th, 1975, establishes that the head office of the company will be in Regina and it goes on to say, 'or such other place as the directors shall choose'. And I will come back to this one a little later on. But here is clearly a power which the Government has given to the Potash Corporation of Saskatchewan and its directors that is unquestionably unlawful. The Government does not have the power to do what it purported to do in respect to the head office in the Order in Council of February 4th, 1975.

Section 7 of The Crown Corporations Act which I direct your attention to, restricts the Crown corporation established under that Act from acquiring real property of a value in excess of \$5,000 unless it is first approved by Cabinet. Again I will return to the significance of that Section. But what it demonstrates is what The Crown Corporations Act contemplates is not a Crown corporation of the size and magnitude of the Saskatchewan Potash Corporation. If it did, obviously the \$5,000 limit on the acquisition of real property would be too small. If, as is my suggestion, there is some serious question as to the constitutionality of the potash corporation, it would mean that the actions of that company to date and all the actions of its directors, including the present directors that I have mentioned, would have been undertaken without authority and would be null and void and would be illegal. Bill 2, therefore, would regularize what may have been irregular, would retrieve a possibly tacky situation in the law. Otherwise, I repeat again, why the necessity for Bill 2 when the Potash Corporation already exists?

I return, Mr. Speaker, to the question of the head office, the location of that office. As Members know that question in itself is now becoming something of a political football. I believe that the Government has taken and is still taking a fairly cavalier approach to the requirements of the law with respect to the head office of the company. One need hardly remind the Government that it can only do that which the law clearly authorizes. No government can act outside the limits of the law. I want to consider the question of the head office in respect of the establishment of it in the first instance under the Order in Council of February 4th of 1975 and then look at it in respect with what is now before us in Bill 2.

Section 4 of The Crown Corporations Act reads as follows. It says:

The head office of a corporation which is established under The Crown Corporations Act (as this one was) shall be at a place to be designated by the Lieutenant-

Governor-in-Council and the corporation may establish branch offices at other places.

There is the law about what Cabinet can do in respect of the head office of a Crown corporation established under that Act. The February 4th, 1975 Order in Council setting up the Potash Corporation provides in Section 2(c) as follows:

The head office of the corporation shall be at Regina, Saskatchewan or at such other place as the directors may designate.

Now the Cabinet has no power in law to purport to allow the directors of the corporation to choose the location of the head office. Cabinet in other words gave to the Potash Corporation and its directors a power that it clearly could not give in that Order in Council. The Section that purports to allow the directors of the company, Messrs Cowley, Romanow, Messer and John Burton to choose such other head office location as they may determine, I say is clearly beyond the law. The Legislature has under this Section 4 delegated to the Cabinet that kind of power. It is not open to the Cabinet in turn to delegate the power which the Legislature delegated to them.

I refer you to Bill 2 and again the requirement of the law in connection with the location of the head office. I pointed out sometime ago that even Bill 2 in its present form does not require as a matter of law that the head office be located in Saskatchewan and it does not. I would have thought, Mr. Speaker, that that would have been a minimum matter of necessity. Now I don't suggest that these points about the head office in themselves and of themselves are of major significance. I raise them principally to illustrate a point that I have been trying to make for some time here and that is the proclivity of the Government to treat the requirements of the law somewhat lightly and I remind Members opposite of that. The boundaries of the law confine Government to no less an extent than those they govern. In that same spirit the Members of the Legislature have a right to require that all relevant information and explanations short of that small area which is not in the public interest to disclose be placed before it when they are being asked to legislate.

**Some Hon. Members:** — Hear, hear!

**Mr. Cameron:** — In turn the Government has a corresponding obligation to provide that which it is our right to have and I say that to date that obligation has not been met. I referred earlier, Mr. Speaker, to the fact that the Crown corporation established by Cabinet in The Crown Corporations Act as distinct from those which are legislated by this Assembly cannot spend more than \$5,000 in any one purchase of land or an interest in land without Cabinet approval having been first obtained. The significance of that is only this, I think it tells you something about the size of the enterprise that The Crown Corporations Act of Saskatchewan contemplated that Cabinet could set up. I don't think that that Act ever contemplated the establishment of significant major Crown corporation, establishment of fiat of Cabinet as was done on February 4th, 1975 when the Potash Corporation was created. Saskatchewan Power Corporation, Saskatchewan Telephones, Saskatchewan Government Insurance, Saskoil are only some examples, are all creations of separate

distinct legislative enactment, each legislated by the Legislature itself, not established by Order in Council. Why was the Potash Corporation then I ask created by Cabinet decree rather than legislated in the first instance? And I ask you whether it is significant that it was created by Order in Council four months before an election only to be legislated four or five months after an election? The Order in Council you understand is done quickly, it is done quietly without debate and without examination and without much public awareness as distinct from bringing it before the Legislature when it is examined in total. The fact that the Potash Corporation was established by quick Order in Council in February of 1975 four months before the election I think provides some evidence that much more was contemplated by the Government of Saskatchewan with respect to the potash industry than was disclosed at that time.

**Some Hon. Members:** — Hear, hear!

**Mr. Cameron:** — I have said some evidence, I don't say proof. One of the arguments that we have been making as you know, Mr. Speaker, is that the Government did not seek and did not therefore receive a mandate to make this move in connection with the potash industry. Now obviously only Members opposite know for a certainty whether or not the decision which was announced on November 12th when this Session came into being had been made before June 11th or whether it hadn't. We have tended to the view that an enormous move of this kind was not made in the few weeks before the election and the Throne Speech and that in consequence, if we be right, the Government did not level with the people in seeking re-election. The establishment of the potash company in February, 1975 by Order in Council rather than by legislation in the Legislature which would have received close examination, debate and public attention is, I say, some additional evidence and I don't offer it as proof by any means that the Government had more in its cards with respect to potash in Saskatchewan than it was prepared to disclose before that election. I doubt whether ever we will have the final answer to that question but if when we have tended to believe there was more there than what met the eye in June of 1975, if we be right in that, then clearly the Government should be the subject of the severest kind of justifiable criticism.

Mr. Speaker, there are two other Orders in Council with respect to the establishment of the Saskatchewan Potash Corporation that I want to make reference to. One was passed November 18th of 1975, six days before we began to sit, the other on December 18th of 1975. The first one, the one on November 18, 1975 saw Messrs David Dombowsky and Don Ching, who were two of the original directors replaced. They ceased to be directors on that date. On that date Messrs Cowley, Romanow and Messer were added to the Board of Directors, Mr. Cowley as chairman, Mr. Romanow as vice chairman and Mr. Messer as director. Then Messrs Dombowsky and Ching were promptly hired by the directors of the corporation. We will be interested to know, and I ask you, when the decision was made to hire these two gentlemen? Was it made in substance, if perhaps not in form, while they were still directors of the corporation or only after they ceased to be directors of the corporation? I think that is of some relevance, to ask the question. I think it deserves an answer.

On December 16, 1975, after we had been here for some time, by Order in Council 1798/75, Mr. Ken Lysyk who is the Deputy Attorney General and Mr. Doug Fullerton of Ottawa were appointed as directors of the Potash Corporation. I ask again the fairly simple question: what accounts for the appointment of Doug Fullerton of Ottawa, Ontario, as a director of this corporation? I would ask in passing if that is the National Capital Commission Douglas Fullerton?

This Bill 2 provides that on passage of Bill 2 the existing directors would continue as directors for some period of time. I ask you too what is your intention with respect to the continuation on the Board of Directors of the three Cabinet Ministers to which I have made mention?

**Mr. Romanow:** — You want . . .

**Mr. Cameron:** — I asked you at the outset a series of questions which I suggest to you deserve some serious consideration, something by way of debate, more than what we have had up to this stage.

**Some Hon. Members:** — Hear, hear!

**Mr. Cameron:** — Mr. Speaker, I want to turn to another consideration which has been alluded to, and that is that if it is the Government's intention to acquire the bulk or all of the industry in the province it would mean that some 3,500 or 4,000 employees as I see it, would become employees of the Government or a government corporation. There are some of us who believe when you reach a point in time with the size of the civil service and those people who depend for their livelihood on government, that you begin to erode in the province some pretty fundamental freedoms. I make that point and all Hon. Members having gone through an election campaign will know when you do your door to door campaigning, you find when you run across civil servants, and I found a great deal of this because I have a fairly heavy concentration of civil servants in my seat, they are genuinely and understandably reluctant, almost embarrassed to talk about or consider matters of public issue. Virtually nine out of ten of them will not enter into any kind of discussion. Some may do it very privately, most will do it not at all.

I don't think that is anything unusual or new. What it means is this. The larger the civil service grows in number, and if we are looking at 3,500 or 4,000 additional civil servants, it means that there will be 3,500 additional people in this province who now don't suffer that liability, but who will suffer that liability after we pass this legislation and the Government carries forward on it.

I think that should give all of us pause; give the Members on the other side pause, it should give us pause, it should give the people in the Tory party some reason to pause. If we get to the point where we have in the province some 40 or 50 per cent of the people dependent in one way or another on government for their livelihood, then we have 40 or 50 per cent of the people in the province who suffer a liability which the rest of us don't. They do not have the same freedom of speech and the same freedom of activity which we enjoy. I think again that is a very real consideration, when Government goes about establishing a Crown corporation of this size.

Mr. Speaker, I don't want to address myself at any great length to this Bill. It has, I think some rather strange powers, rather bizarre powers which we will deal with at more length when we come to Committee of the Whole. My seatmate alluded to one the other day. If one looks at the way in which other Crown corporations were established, one will find that the Saskatchewan Power Corporation, Saskatchewan Government Telephones, Saskoil, again as examples, all are required to have their books of account audited by the Provincial Auditor.

The Provincial Auditor as we all know is a unique kind of employee. He is not subject to dismissal by the Government, by the Premier, by the Cabinet or anyone except by the Legislature. So he, therefore, has an independence which other civil servants don't enjoy for a very good reason.

When one looks at Bill 2 one sees that the books of the potash corporation are to be audited by the Provincial Auditor or such other auditors the Cabinet may appoint. Again, we ask why, in this Bill and in connection with this company are the books not required to be audited by the Provincial Auditor? Why are they permitted to be audited by an auditor who doesn't enjoy the same independence as does the Provincial Auditor?

**Some Hon. Members:** — Hear, hear!

**Mr. Cameron:** — It has been suggested that the Provincial Auditor in the last couple of years is becoming a fairly active office and a pretty independent office. Indeed I think he made a couple of reports in the last year or two years which were in a sense a thorn to the Government. I ask the Government seriously, are you slipping in this little provision 'or other auditor' in connection with the audit of the books of the account of this company which is unusual given the requirements of other Crown corporations, because you have been having some difficulty with the independence of the Provincial Auditor? Because he has made some disclosures in respect of other government operations which have clearly been to the embarrassment of the Government? We say more power to him for having done it. We say the Saskatchewan Potash Corporation should be subject to the same independent audit of books as are other Crown corporations in the province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cameron:** — Mr. Speaker, I was saying the other evening in connection with this debate that we have seen a number of backbench Members on the Government side address themselves to this question. Not in respect to the substance of Bill 2, not in respect to the substance of the potash takeover but rather in respect of the Liberal Party and where it stands vis-à-vis multinational corporations, which I said then was so much nonsense. We have seen some addresses given to us in terms of slogans, simplistic accusations but precious little in the way of rational debate in respect of this issue.

**Some Hon. Members:** — Hear, hear!

**Mr. Cameron:** — I said that I was going to when we get into Committee of the Whole on Bill 2, move an amendment to one Section of that Bill. That Bill permits the Potash Corporation of Saskatchewan

to enter into joint venture arrangements with, among others, other corporations. I said that in the uranium industry the Government is entering into joint venture agreements with multinational corporations. In respect of the oil development of this province we actively invite and induce multinational corporations into our province. I said I will be interested to know whether Members will support an amendment which would deny to the Potash Corporation of Saskatchewan the right to enter into joint venture arrangements with multinational corporations. I am going to do that merely because we have heard so much in this debate and so much in connection with the potash debate that foolish charge that because we put forward an argument which coincides in places with the argument of the industry itself that we are to be taken as some friends of the multinational corporations.

Again I want to ask Members opposite to direct their minds in reasonable terms to the proposition. Because we have been attempting for about two months to reason in connection with some of these issues. It is rather frustrating to have Member after Member on the other side of the House rise and make that kind of accusation.

I want one last time to direct myself to that question in terms of reason. The multinational potash corporations consist of people. We have invited those people to our province with certain assurances. We welcomed them here to develop a resource that we ourselves could not. We welcomed them to come to our province and bring their money and their expertise and to help us exploit our resource. I don't think that one can treat anyone unjustly, whether it be a Saskatchewan citizen, a Canadian citizen or a foreign citizen who we invite to our province.

**Some Hon. Members:** — Hear, hear!

**Mr. Cameron:** — When we make arguments against this move by the Provincial Government, against Bills 1 and 2 on the potash takeover, some of those arguments will coincide with some of the arguments made by the potash companies that are being taken over. That means nothing except that in some ways, we argue some points which they argue. It does not mean as Members opposite suggest so frequently that we are to be tied in with big business or big multinational corporations or that we somehow have a closer interest to them than what Members opposites do.

I said to the Attorney General earlier that his own policy and his government's own policy with respect to the development of resources in this province vis-à-vis multinational corporations and his view of multinational corporations and what benefit they can be of this province in the right circumstances, is not very much different that what our own view is. I hope that we are going to have an end soon to the kind of arguments that emanate from some Members opposite of that variety that would tie us to these multinational corporations.

Mr. Speaker, I have put before the Government, on top, as I said earlier of the financial questions we have been asking, a series of substantive questions. Questions which I say are deserving of some answer in response and some answer in substance.

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We have many, many times been asking the Government to give us the most basic kind of information. How many mines? And to say one, or some or all, is not an answer. We say how much money? To say \$500 million or \$1 billion is a nonsensical answer. When one looks at Bill 2 one sees that there is no limitation on the power to borrow, a point that has been made by my colleagues and which I won't go into any further.

We say where is the money going to come from? How much money is in the special energy fund? How much money are we going to have to borrow? How much cash are we going to have to put up? We agree that one can't answer all those questions in all their infinite variety and all their infinite detail, but one can surely lay before the Members of the House who are asked to make a major decision of this kind, some more fundamental, better information than we have.

**Some Hon. Members:** — Hear, hear!

**Mr. Cameron:** — We have said that is our right. And we think there is a clear corresponding obligation on the Government in terms of the law and this Legislature and its traditions to give us that kind of information.

Mr. Speaker, we will be interested to see indeed whether we will begin to get answers to the many questions we have raised or whether we will continue to be barraged as we have been by the clichés and slogans that have come from the other side. We entreat you in response to give us serious answers to the very serious questions that we have raised. Obviously, Mr. Speaker, I will not support Bill 2, I will support the amendment.

**Hon. A.E. Blakeney** (Premier): — Mr. Speaker, I had not intended to enter this debate because I did not feel it was my part to prolong the filibuster that was rather obviously being enjoyed in by Members opposite. I spoke at some length in the debate on the Speech from the Throne setting out the principles of both of these Bills. And accordingly I felt that no good purpose would be served by my repeating what I said in the Throne Speech on the principle of this legislation.

We seem, however, to have descended to a question and answer period in this second reading debate and this being the case I decided to accept the invitation of the member for Regina South (Mr. Cameron) to answer a few of the questions which he has raised.

He asked why we should have a statute to cover the Potash Corporation of Saskatchewan. Why Bill 2? The answer I think is clear. The answer is, firstly, so that what is now anticipated to be a large enterprise - will be covered by specific legislation in accordance with past practice, and secondly, so that any obligations which might be issued by that corporation, bonds or debentures, will have a better statutory base. We have been advised from time to time by our financial advisers that for Crown corporations to issue debentures or other evidences of indebtedness, it is desirable that that Crown corporation be covered by a specific statute and not be a corporation established by Order in Council. That is the short and simple reason why we are bringing in Bill 2.

We believe that it is good legislative practice if the Government is establishing a major corporation, to offer a statute so that the affairs of the corporation could be debated. And we believe that it is better to have that corporation set up by specific statute so that it could, if it wished, issue debentures, bonds or other evidences of indebtedness which might find their way to the ordinary money markets.

The Member for Regina South makes the point that the Potash Corporation of Saskatchewan was set up by Order in Council, but that the Power Corporation has its specific Act and Sask Tel has its specific Act. He is, of course, correct. But I think he would have been a little more frank if he had pointed out that the Saskatchewan Power Corporation was established in precisely the same way as the Potash Corporation of Saskatchewan is being established.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — It was set up as an Order in Council corporation and confirmed by a statute just like the one before us in 1950. It would have helped if he had told this House that Sask Tel was set up the same way. It was set up by an Order in Council and in due course - and I may say the interval there was much longer than this one - a statute was introduced in order to confirm the existence of the Order in Council corporation. That has been the practice. For good or ill that has been the practice followed for power, for telephones and now for Sask Pot. Saskoil was not set up that way nor was SGIO. I think there is nothing unusual about this. The point made by the Hon. Member suggesting that the words 'operate a designated enterprise' can bear the rather tortured interpretation given by him, will not stand analysis in the light of the powers given to the corporation later on in the bid.

If the fact, the Potash Corporation of Saskatchewan was illegally established, then so of course were many other Crown corporations. Sask Transportation Company, for example, Saskatchewan Minerals was set up in order to establish a plant. The corporation was set up with no assets and it built a plant. There was no enterprise at that time.

I am sure if this was all illegal, it would not have survived between 1964 and 1971. For however slovenly the old government prior to 1964 was accused of being, I am sure that the government between 1964 and 1971 would not have perpetuated these illegalities.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — I think we can fairly say that that clause will not bear the interpretation given to it by the Hon. Member.

Consider the question of the head office. I think the Hon. Member is probably correct in saying that that part of the Order in Council which purports to delegate to the directors power to change the head office is probably ultra vires. And, therefore, it may well be that if the head office needs to be changed another Order in Council would need to be passed. I concede him that point. Nobody has acted on this so no great harm has resulted. But it is possible that that power to



delegate is beyond the power of the Lieutenant-Governor-in-Council in the Order in Council. I will concede that point. I'm not sure of it, but it's not a bad argument. It could be cured by an Order in Council passed tomorrow, but even so, it may be that he has found something.

He appears to have made something monumental out of the fact that under The Crown Corporations Act the power to buy real property is limited to real property of a value of \$5,000 without the consent of the Lieutenant-Governor. From this he deduces that only small enterprises are involved - that only small enterprises are contemplated by the Legislature. Now that's an argument. The companion section in The Power Corporation Act limits the Power Corporation to purchasing real property of a value of \$10,000 without the consent of the Lieutenant-Governor-in-Council. So on that argument it may well be that what was contemplated by the Legislature was something no bigger than half the Power Corporation. But that, I think, does not limit it severely. The Power Corporation probably has assets now of one and one half billion dollars at present day values, maybe a great deal more than that. So I think that it is not a good argument to suggest that the Legislature contemplated a tight restriction and thereby contemplated small enterprises.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Consider another aspect. The Power Corporation Act limits the Power Corporation to buying personal property of \$100,000 or less without the consent of the Lieutenant-Governor-in-Council. Under the Act if it wishes to buy personal property of \$200,000 or more it needs an O.C. Under The Crown Corporations Act it is possible for a Crown corporation to buy personal property of \$1 million or more without an O.C. I can only conclude, therefore, that if the corporation was to own personal property rather than real property the intent of the Legislature was that corporations organized under The Crown Corporations Act should be much larger than the Power Corporation. I don't see that the Hon. Member's argument is valid at all. I think that it is quite impossible to distil any intention of the Legislature from whether or not the legislation contains a limitation on the acquisition of real property or personal property with or without the consent of the Lieutenant-Governor. I think that the Hon. Member is grasping at straws in the most obvious way.

The Member tried to make a particular point of the fact that this Order in Council was passed in February, before the election. I think it is fair to say that the Minister in Charge of the Potash Corporation of Saskatchewan, Mr. Cowley, had announced on behalf of the Government, the Government's purpose to enter the potash business. No one, I think, was left in any doubt about the policy of the Government when we went into the election. We would either establish our own mine or seek joint ventures with multinational corporations, that is, with existing potash companies. And that was the policy of the Government when we went into the election.

There is, I think, no doubt about that. It was announced on numerous occasions and it is the complete reason why the Potash Corporation of Saskatchewan was set up.

I think it is clear that the policy of the Government was one of regulating the potash industry and seeking our return from it from the tax structure. Otherwise, it is a little difficult to account for the posture of the Government during 1974 and 1975, when we were introducing the reserve tax, when this tax was being objected to by potash companies and when we met with the potash companies to attempt to see whether or not the particular tax could be modified in some way to meet the point of view they were putting forward. It cannot be denied that those events took place. It cannot be denied that a number of people at the appointed level and the elected level met with the industry. It cannot be denied that we had what was a high-level meeting, which I attended with many of the senior officials of the potash companies from across North America in February, 1975, to examine this question and to set up a mechanism whereby we could see whether or not the reserve tax could be modified. We continued in our resolve to do that. It was not we who decided that that course of action should not be pursued, it was the potash companies.

It was they who decided that they did not want to sit down with the Government prior to the election and look at the reserve tax to see whether or not it could be modified to meet their point of view. It was they who would not put any information on the table, in order that people could decide in some rational way how the tax could be modified.

I attributed, and I have said publicly that I attributed, their conduct to the fact that they were foot-dragging to await what would happen in the election. And I thought, "that's fair enough, it's a lot of money and if I were in their position I might well foot-drag too, to see whether or not the Government might be defeated, but that if the Government was returned we would put up where negotiations between the Government and the potash companies left off and see whether or not a tax structure could not be put into place." However, that was very far from their intention, as we found out - as we found out nine days after the election, when they announced that they were not paying the reserve tax and when they opened up a barrage of lawsuits.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Now Members opposite may not be prepared to admit that this turn of events started the reassessment of our potash policy, but I am assuring this House that that is in fact the case.

Members opposite suggest that we had no mandate to take the turn we did. Well, I want to advise Hon. Members that we had at least held out the prospect of some public ownership of the potash industry in our previous election announcements. Members will know the booklet "New Deal for People", - the NDP election program in 19781 - and Members will know that in that booklet it was stated that an NDP Government will consider the feasibility of bringing the potash industry under public ownership.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Those are the words set out on page 6 of the booklet. Now during the last term of office this booklet was kept close

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at hand by the Members opposite. They started out the term believing that they would be able to go through this booklet and day in and day out point out commitments made which were not kept. This is the stance they took in 1972 and 1973. In 1974 and 1975 the booklet had disappeared from the tops of their desks.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — In 1975 we once again stated our policy, and we once again made pretty clear that we believed that the resources of this province were to be developed for the benefit of this province. We made it clear that this might well involve new approaches to public ownership, to joint ventures between the Government and private enterprises, and to resource royalties and taxation. All the approaches to dealing with our resources would, we said, be measured by the test of what will give to Saskatchewan people the greatest overall benefits in the decades ahead. And we were perfectly prepared, prior to June to pursue the approach of regulation and taxation, the route, along which we had set our course. It was not we who decided that that course of action was no longer acceptable to the industry.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Let me deal with one or two others of the points raised by the Member for Regina South (Mr. Cameron). He talked about the Provincial Auditor, and the fact that under this corporation it is possible to have an external auditor. That is true. And I think there is nothing particularly wrong with having an external auditor, since the Provincial Auditor is heavily burdened with many duties in an expanding government. But I think Hon. Members should know that under Section 21 of The Department of Finance Act, the Provincial Auditor has every right to go in and look at the books whether or not he is the designated auditor. There is no suggestion that somehow this Bill be hidden from the Provincial Auditor. It is pretty clear that the practice of having an outside auditor is exceedingly well established in other provinces and indeed in the Government of Canada. The CNR doesn't have the Attorney General, nor does Eldorado, and so on and so on. This is not to suggest that the Provincial Auditor will not examine into this corporation, I am sure he will, and it may well be that he will be appointed as official auditor. I'm not expressing a point of view on that. I'm just saying that there is nothing sinister about the proposition that another arrangement might be used.

And speaking of the CNR, I don't suppose that the Hon. Member for Regina South has many CNR employees in his constituency, but I tell him for my part, I should like to have a whole constituency full of these employees of Crown corporations who feel themselves mute on political matters.

I imagine the member for Moose Jaw North (Mr. Skoberg) and the Member for Moose Jaw South (Mr. Snyder) and the Member for Melville (Mr. Kowalchuk) would be able to assure Hon. Members that most certainly the employees of that Crown corporation don't find themselves mute.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — I know too that when Members opposite were the government they made strenuous efforts to muzzle the public servants in this province and the name of Basken still is a name of shame for the Liberal Party.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — But I say to you that members of the Crown corporations in this province have as much political freedom as other citizens.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — I ask Hon. Members whether or not an employee of the Saskatchewan Government Insurance Office stood for election in the last election in 1975, and if he did, what party did he stand for? He stood as an employee of Sask. Government Insurance Office and he stood for the Liberal Party.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — And he continues to be employed by the Saskatchewan Government Insurance Office, as far as I am aware. There have been no Basken type witch hunt there.

**Mr. Romanow:** — In fact old Tim, I think, has written a letter of protest on the potash Bill.

**Mr. Blakeney:** — So I think it is pretty clear that those employees have a great deal of political freedom and they, I think, would have just as much political freedom as employees of large corporations.

I remember in 1964 the employees of a particular employer in this town were told on the eve of the election that the employer wished them to vote a particular way, and furthermore, that if the government of the day was defeated in 1964 there would be an increase in the hourly rate of all the employees. That's an interesting bit of freedom which is sometimes held out by private employers.

Let me deal with one or two other points which have been raised by Members opposite from time to time. I think for the most part these ought to be dealt with in committee and will be dealt with in committee I am sure. But it is apparently now believed by Members opposite that the debate on second reading should not address itself to the principle of whether or not the Government should be in the potash business and whether or not it should compulsorily acquire some of the industry. Rather they apparently believe that the debate should be on the details, and admittedly major details, of the extent to which the Government should acquire the costs, the interest rates and all that sort of thing, which with all deference have nothing to do with the principle of the Bill. Accordingly I will attempt to deal with some of the matters which have been raised.

Why do we need expansion? This one has been asked. I believe we need expansion because the world market for potash will increase at the rate of four or five per cent a year. Now a number of speakers have already given the evidence which they wish to offer this House. One can draw a simple straight line projection of the increases over the past 10 or 15 years. It is difficult to think of a reason why it wouldn't continue. I think those harbingers of doom and gloom opposite who suggest that all expansion in the potash industry is going to cease have the burden of proof on their shoulders as to why the trends of the last 15 years are somehow going to be reversed. But at that rate they cannot find a single expert in the field of potash who does not believe that the market will continue to grow.

The Mining Association has indicated that they believe that the demand for potash will increase. The potash producers of Saskatchewan have indicated that they believe the market will increase.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — The historic trend is that the market has increased. In the fact of the historic trend which says that the markets have increased, and in the face of the Mining Association of Canada saying that they will increase, and in the face of the potash producers of Saskatchewan saying they will increase, we have the authority of the Member for Lakeview (Mr. Malone) who says they are not going to increase.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — I haven't seen a shred of evidence to contradict what the Mining Association and the potash producers are saying. I haven't seen a shred of evidence to suggest that the trend of the last 15 years or so is likely to be reversed. I really know of nobody who suggests that those trends will not continue.

We have heard talk, oh, very vague talk, that somehow out of Thailand is going to come cheap potash or out of Laos is going to come cheap potash or out of Montana is going to come cheap potash or out of New Mexico, cheap potash, out of Britain, cheap potash. No one seems to know how this cheap potash is going to be produced. No one seems to know where there is a bed of potash anywhere in the world that can be produced at a lower price than our potash.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Nobody has even suggested this to be the case. We perfectly well agree that the Soviet Union has substantial reserves and one can contemplate a set of events whereby the Soviet Union would decide that it should sell its potash at less than its cost on world markets. That is a possibility and that is a risk. But based upon their market performance in the past, based upon their relatively shrewd business judgement in current times, based upon the fact that they have substantial needs for potash as do other people, there is no great risk on any long-term basis in the threat that the Soviet Union is going to destroy the world potash prices. They have never done it before and it is unlikely that they will again.

The next question asked: how can we get expansion? This one is the one which I ask all Hon. Members to address themselves to. Because I have heard all of the Hon. Members on that side or most of them at least, say the way to get expansion is to cut taxes and have the industry expand privately.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Fifteen minutes later they are saying that since the province is getting 80 per cent of the profits - that's a fiction - but since we are getting 80 per cent of the profit now, why do you need to take over the mines? They really cannot have it both ways. Either they are in favour of cutting the taxes or they are not in favour of cutting the taxes.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — And if they are not in favour of cutting the taxes, they will not get any expansion any more than anyone else. And if they are in favour of cutting the taxes then they ought to tell us how much they are going to give to the potash industry.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — On their own figures, and I don't know whether they are accurate or not, but on their own figures they say that the industry is paying 80 per cent of its profits and that only 50 per cent of the profits should be paid. On that analysis 30 cents on the dollar and indeed three-eighths of the taxes we are now collecting would go to the potash companies. We are now collecting well over \$100 million a year, and three-eighths of that is between \$35 million and \$40 million a year that Members opposite want to give to the potash companies.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — If that is what they want to give to the potash companies in order to get expansion, I think they should have the decency to stand up on their two feet and say that's right.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Let's consider a few facts. We don't have financial statements . . .

**Mr. Steuart:** — . . . Alwinsal and Central Canada.

**Mr. Blakeney:** — Right, we have from two . . . I did not say we had none. I said we do not have the financial statements on which anyone can calculate whether or not those companies are paying 80 per cent, 90 per cent or 100 per cent. If Members opposite have them, we on this side don't. The Government has a legal right to get them but we haven't got them. Members opposite know that the potash companies are (a) withholding information which they are legally obligated to give, (b) withholding taxes which they are legally obligated to pay.

**Mr. Malone:** — Who hasn't paid their taxes?

**Mr. Blakeney:** — Central Canada Potash has not paid their taxes. There is only one company that has paid them all. Let's be very clear that there is a legal obligation to pay certainly the reserve tax even though it is being disputed. The law is clear that it is required to be paid. The law that requires such payment of taxes even when the taxes are under dispute has been on the books of this province since the mid-1950s, before the potash companies came here. They are withholding the taxes, illegally. And that wrongdoing is consistently being condoned by the Members opposite.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Consistently being condoned by Members opposite. I have sat in this House day after day and I have not heard this point of criticism of the potash companies raised by Members opposite. A fair question might be asked: who is next? If potash companies don't have to pay taxes, is it true that uranium companies don't have to pay taxes? Is it true that manufacturing companies don't have to pay taxes? That is a fair point. Who's next?

I admit that we don't have all the financial data. We can't get it. It is not in Saskatchewan. One can say, take steps. But how do you take steps to get some information out of Denver or San Francisco?

**Mr. Malone:** — Just like the Federal Government.

**Mr. Blakeney:** — The Member opposite suggests to do it just like the Federal Government. It is an interesting point of view, one which we have actually considered, whether or not we should put in our tax legislation powers of the type that are in the income tax. And if Members opposite have no objection to our including in our tax collection legislation powers such as the Federal Government has with respect to income and corporate taxes, then I welcome this because this probably is the next step.

The companies claim to be paying 80 per cent of profits in taxes. And, of course, that could be true because in one sense of the word, profits for tax purposes are minimal. But, I think we all know that the resource companies pay relatively small taxes and accordingly their profits for tax purposes are very low.

**Mr. Steuart:** — Pre-tax profits.

**Mr. Blakeney:** — The Member opposite makes the point, pre-tax profits. Of course, that doesn't get us anywhere because it depends on what you take off by way of depletion, fast write off, capital cost allowance and the like before you get to this pre-tax profit. I think it is pretty clear that it is possible that the figure of 80 per cent may be true on one set of figures. It is equally true that I have seen figures to suggest that \$50 million has been paid in corporate taxes, which I don't believe for a minute. I have seen financial statements which had income tax payment recorded and when you look at the liabilities side you see 'reserve for income tax' meaning that no money has been paid out. These however, are still counted as taxes. I know you and

I would like to pay our taxes by moving the tax figure from one side of our balance sheet to the other. But if you are talking about actual taxes, meaning money paid out, I very much doubt the figures which are being bandied about. I further believe that if those figures were accurate, the companies would put their material on the table and say, here it is.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — You can suggest that they might not have done that before because you could suggest that they were arguing with the Government and they wanted to keep their options open. But faced with the legislation which is now before this House, Bill 1 and Bill 2, don't you believe that if they could back up their statements with financial data, they could lay their corporate income tax statements on the table and show what they are saying is accurate? Don't you think they would do it? I think the reason they are not doing it is because they can't prove it.

**Mr. Malone:** — Alwinsal did.

**Mr. Blakeney:** — Alwinsal did not make it public and they did not give it to us on the basis that we could make it public.

**Mr. Cameron:** — They gave it to you.

**Mr. Blakeney:** — That is right, and if I can report to this House, I will. I don't think, for example, I will not use Alwinsal, but a company like Alwinsal has paid five cents in corporate tax since they came into this province. That is what I think. And I think I could prove that. But the whole point, of course, is that our so-called taxes are piled onto what is so-called federal corporate taxes and provincial corporate taxes in order to get this astronomical figure of 80 per cent. But if the provincial corporate taxes are not paid and the federal corporate taxes are not paid, then the reserve tax looks a little more reasonable. I think that is the way we should address these problems. And I think if the facts were otherwise we should see the information right on the table.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — There have been other arguments about why this corporation, the Potash Corporation of Saskatchewan, should not be brought into being. I think it was the Member from Kindersley (Mr. McMillan) who said that we would lose our royalties if Sask Pot comes and takes over an existing corporation. I want to know why? Is it supposed that the Saskatchewan Timber Board which operates in the North doesn't pay its timber dues? It pays dues the same as any private operator except that it pays at a much higher rate.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — It is suggested that Sask Clay Products when it was in operation didn't pay royalties on the clay it mined. It did. It is suggested that Sask Minerals which has a sodium sulphate operation doesn't pay full royalties at the same level as the



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private sodium sulphate operators at Gladmar and Palo and Ormiston. I think we all know they do. They pay their full share of royalties. Is it suggested that Saskoil on its oil productions doesn't pay royalties? Of course it does. And the suggestion that somehow we are going to lose these royalties, or lose these reserve taxes, or lose the other taxes just because it is a Crown corporation has no basis in fact whatever.

A corporation like Sask Minerals, if I may use that one, pays all of the taxes, all of them. You may argue that some of it is a grant in lieu, if you want to argue semantics. But in terms of money out it pays all the same amounts that the private companies do.

**Mr. McMillan:** — Not federal.

**Mr. Blakeney:** — Not federal, I concede that point. But from the point of view of the provincial Crown losing any money, it is not there. No basis whatever.

Other arguments are that this corporation would somehow engage in activities which would be inflationary. I have heard that one a few times. By any definition of inflation that I know of, that's simply not true.

Suppose an American owns a house in Regina and I buy it from him, how is that inflationary? Does it raise the price of houses? Does it increase the supply of money? Does it mean that too much money is going after too few goods or what? How is that inflationary? More particularly in pure economic terms, how is it inflationary at all if I go down to the United States and borrow money to pay somebody else in the United States for an asset in Canada? I should like to know how that could have any effect on the Canadian economy whatever.

People say that if this corporation comes into being, it will mean that money will not be available for higher grants for senior citizens and other social needs. I have heard that one a few times. That if the Potash Corporation of Saskatchewan borrowed money this would somehow mean there was less money for higher grants for senior citizens. That's simply not true. We finance our corporations with borrowed capital. Sometimes we borrow from our own reserve funds, our own pension funds or energy or resource funds or as the case may be. Sometimes from the Canada Pension Plan, sometimes on the public bond market. But we do not finance senior citizens' programs with that kind of money.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — And I for my part hope that we don't start to do that. It is our proud boast that over any short period of time we do not ask tomorrow's generation to pay for today's social needs.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — So therefore, we don't borrow for pensions for senior citizens. And we don't think we should.

**Mr. Romanow:** — Dave didn't do it either.

**Mr. Blakeney:** — No, I will give full credit to the Government which preceded us, aside from relatively modest amounts for the university and some highways which were of small consequence, they too did not borrow for social needs.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — They did not follow the practice which is now being followed in Ottawa, of borrowing for current needs. Or the practices which are now being followed at Queen's park in Toronto of borrowing for current needs. We don't want to do that. We believe that we today should pay for today's social needs. Where the borrowing is for an asset like a power plant or a sodium sulphate plant which will pay for itself over the years, we have borrowed and will borrow.

Nothing, I think in this world is guaranteed. We don't know that the sodium sulphate market will be good in the years ahead, but taking the normal risks that we as humans must take, I think we can say that these industries as a package will pay for themselves. They certainly have in the past. I don't know why they won't in the future.

It is right and sensible for a farmer to borrow money to buy a farm. The earnings will pay off the loan. It is not sensible for a farmer, unless he is desperate, to borrow money to pay for his grocery bills. These should be paid for out of current income. We believe this and I am surprised and disappointed when I hear Members opposite suggest that somehow to borrow for an asset like a potash mine is going to reduce the amount of funds available for social purposes.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — The only way it could, would be if we were to use borrowed funds for these social purposes and that is going down the 'Primrose Path' travelled by Liberal and Conservative Governments across Canada.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Which has contributed in no small way to the difficulties which we as a nation are now in.

Members opposite have urged it but I think on reconsideration even they would suggest that that would be an unwise policy and that in no sense are funds borrowed for a capital asset interchangeable with funds available from current revenue for social purposes.

Now we've had any number of questions asked. I have suggested that many of these would better be dealt with in committee. How much money? I think no one can answer that question definitively because to do so would involve us knowing how many mines we are going to take over. We wish to acquire mines, but if we can't acquire them at the right price, we're certainly not going to buy them. It is interesting to hear Members opposite work both sides of that one.

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They say that at the very high and astronomic prices we'll have to pay for these mines the corporation cannot make money and furthermore the provisions of Bill 1 provide for us to virtually steal the mines from the companies.

You have heard both of those arguments. You know they both can't be right. We certainly propose to see if we can acquire, as we have indicated, approximately 50 per cent or thereabout of the potash industry, but the price has got to be right. If we can't make a deal then we obviously are not going to acquire existing mines. We do not know what prices will be put on them by arbitrators. It may well be that one mine would be acquired at too high a price. I hope not. But certainly this would suggest in a fairly compelling way that we ought to reassess the number we acquire if we can't get them at the right price.

**Mr. Malone:** — You have already got them by expropriation.

**Mr. Blakeney:** — Possibly one. We do not now have the facts to answer the questions asked by all Hon. Members opposite. They ask, "In three or four years how many mines are you going to own and how much will you have paid?" That is not a reasonable question at this stage in the discussion of the principle of whether or not we should acquire any mines. I concede out of hand that that's a reasonable question at some point. It is as unreasonable to ask that question at this stage as it would have been to ask how much money was going to be spent over the next ten years in power generation when the Power Corporation was introduced in 1950.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — No one would have been able to answer that question, no one would have been able to say where the money was going to be borrowed, no one would have been able to say at what interest rate and yet the Power Corporation was a good idea.

In the same way we cannot in definitive terms answer with precision how much money will be borrowed, where it will be borrowed, and at what interest rate.

You know and I know that money markets vary from time to time, interest rates vary. What is proposed is what we have already outlined. To acquire, if the price is right, the proportion of the industry to which I have alluded. To borrow the money or such of it as is not available from our own funds, at prevailing rates of interest in the prevailing money markets.

Now, Mr. Speaker, I could go on and answer the many, many other questions which have been put forward. I think most of them are much better answered in committee, but let me just say again, what I think of the debate on Bill 2 that we have heard this afternoon.

We are talking about whether or not this province should embark upon the ownership of potash mines. We are talking about the major issue of whether or not we in this province should take this step to grasp a little more control over our own destiny. Yet the Members opposite, in mounting their arguments, lay before us the prospect of maybe having to pass another Order in Council as to where the head office should be.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — I ask Hon. Members to have some sense of perspective. This is a major undertaking. I think we all realize that. Let's address ourselves to the principles involved in this Bill. Let's ask ourselves whether or not we believe that there should be a Potash Corporation of Saskatchewan. Let's ask ourselves whether we believe that Saskatchewan people should take this step to get greater control over their own destiny. Let's ask ourselves whether we think Saskatchewan people have the ability, the confidence and the daring, yes the daring, to take this step forward which will benefit not only this generation but generations yet to come.

**Some Hon. Members:** — Hear, hear!

**Mr. D.G. Steuart** (Leader of the Opposition): — Well, it took us 39 days, Mr. Speaker, to smoke the Premier out and I know now why it took him 39 days.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — He challenges us to address ourselves to the proposition as to whether we should in fact be involved in the potash industry and all the consequences and all the ramifications. He stood up here and when he finally screwed up his courage to stand up and enter the debate and he never answered one question that's pertinent to this entire debate.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — He never told us the outside limits. He never told us if in fact they had done any studies. He never told us one iota, he never laid one fact on the table to show that he or his Government had carried out any studies whatsoever to back up the proposition and now he runs like a rabbit out of the House and hasn't even got the nerve.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Mr. Premier, I say your performance in this House is disgusting, cowardly and is not up to the standards expected of a Premier of the province of Saskatchewan.

Let's look at some of the things that he didn't say. To begin with I say that he lied. I say that he lied. I wish he'd come back here to hear me say it.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — I say, to begin with, that he said in regard to the sodium sulphate and the transportation company that these were not in the same way . . .

**Mr. Bowerman:** — Mr. Deputy Speaker, on a Point of Order. The Member

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in his speaking accused the Premier of lying in the House and I think that this is both uncomplimentary and I think it's unparliamentary and I think he should be asked to withdraw.

**Mr. Deputy Speaker:** — Hon. Members, I think there have been some statements that have been passed in the House that would have been better not to have mentioned or made but I think I will just ask the Hon. Member to try to refrain from making that statement again.

**Mr. Steuart:** — The point I make here is that the Premier did not tell the truth, for example, when he dealt with the sodium sulphate, the setting up of the sodium sulphate and the transportation company. As a matter of fact they are exactly as outlined by the Member for Regina South when he questioned the validity and legality of setting up an Order in Council of the original potash corporation. When they went into the sodium sulphate business there was already a sodium sulphate plant in Bishopric which they in fact seized. When they went into the transportation company, the Greyhound people were servicing a great deal of Saskatchewan. They seized the Greyhound, they expropriated or took over Greyhound's rights, Greyhound's buses, Greyhound's bus company and cancelled or seized the franchises that Greyhound had for many parts of the province. I argue and I question very seriously if in fact the Premier was telling the truth when he attempted to answer the charges laid before this House by the Member for Regina South.

He admitted they were exceeding the law or exceeding the powers given under The Crown Corporations Act in regard to playing politics with the head office. I admit as the Member for Regina South admitted, that this was not nor is not an extremely serious breach, but he raised it just as I do to point out how fast and loose the Government opposite is prepared to play with the law and with this Legislative Assembly in regard to this or any other matter that they wish to press ahead with and they are doing that with the head office.

I think the head office should be, personally, in Saskatoon. If it can't be in Prince Albert and there is no reason why it should be there. The centre of the potash industry is in Saskatoon and if the Government insists on going ahead with this and persists with the development of the potash industry as a Crown corporation then I think unquestionably and other Members on this side may have other opinions, I think it belongs in Saskatoon. The Government opposite should quit playing games and the Attorney General should quit threatening the people of Saskatoon because one organization, the Board of Trade, had the courage of their convictions to stand up for what they believe and do it publicly.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — The Premier then proceeded to smear a private corporation for something that happened 11 years ago in 1964. But as is typical the Premier in this debate - he didn't used to be this way - began, he makes his charge, refuses to stay around to answer it, refuses to give any facts, just smeared that some private corporation threatened their employees 11 years ago and tries to give that as an answer to the very pertinent question the Member for Regina South raised and the question that's being

raised by a great many thoughtful people in regard to the threatened takeover of the potash industry. That is that thousands of people, more people will come under the direct control of the Provincial Government. It is noteworthy that when the Premier talked about Crown corporation employees having freedom of political action he dealt with the CNR. There is no question that under successful Liberal and Conservative Federal Governments, Crown corporation employees that work for federal Crown corporations have very clearly for many, many years an absolute and total freedom of political action. But the same is not true of Crown corporations that are controlled especially by the NDP Government at the provincial level.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — He mentions one individual, Tim Ryan who ran for the Liberals while working for the Saskatchewan Government Insurance Office in Saskatoon. It is very interesting. When Mr. Ryan came forward seeking the nomination, Liberals and independent people were amazed that anyone in Saskatchewan working for a Crown corporation under the NDP would have the nerve to do this. Mr. Ryan's attitude was, well, I'm young, I'm vigorous, if they fire me or if they refuse to give me promotions because I've had the nerve to stand up and be counted, so be it, I'll take my chances. He thought more of his freedom. It overbalanced his fear and that fear and concern were there by him and his family as to what would happen to him and I think it's a fear that's well founded. The story isn't in on Tim Ryan yet.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — The story isn't in on Tim Ryan and I guarantee unless they want to show off and show him as a special case that as far as any future goes with the SGIO, the Attorney General or other Members of that Government have their way, it will be very limited and any promotion he might have will be extremely doubtful.

The Premier did mention expansion and again what did he say? He says, we take the word of the potash industry. We take the word of the potash industry. Now that's amazing. They don't take the word of the potash industry for anything else, but they take the word of the potash industry about global expansion. Well, I think there is enough evidence in, and we've never denied this, indications are very clear and have been for a long time that the growth of the potash industry in real terms will be anywhere from three to six per cent over the next 10, 20 or 30 years. But, what guarantee has the Premier got that the Government opposite, that we in Saskatchewan, can get any part, never mind our fair share, of the increase and growth of the potash industry?

He says the burden of proof of whether we can or cannot get our fair share lies on our shoulders because we're the ones that are bringing it up. Well, Mr. Speaker, that's specious nonsense. We're not the ones that are seizing the potash industry. We're not the ones that are risking the billion dollars or more than a billion dollars on behalf of the people of Saskatchewan.

Let me point out very clearly. The Premier talked about the share of markets and about the threat from New Mexico or from

Montana or from Thailand or from Russia. He talked about price only. He didn't talk about supply. No one to my knowledge on this side of the House or anyone who's raised objections to the takeover by the Government of the potash industry, no one has talked about whether Russia or Thailand or New Mexico may or may not cut the price. What we've talked about and what should be of concern to the Members opposite is whether at any price the Government can in fact hold on to Saskatchewan's present share of the market, especially in the United States after they take the action that's contemplated in Bill 1 or 2.

Mr. Speaker, again we heard the Premier finally enter this debate and we rather hoped that he would suggest or put on the table proof that they have done a study of the expansion, not only the expansion of the potash market, but the ability of the Government of Saskatchewan to guarantee or to give some kind of reasonable guarantee to the people of Saskatchewan, that Saskatchewan potash will continue to get its fair share of that market.

Mr. Speaker, the Premier talked about taxes and he said you can't have it both ways. He said the Opposition claims if you cut taxes then the industry may expand. But then he says on the other hand we say, you are already taking \$100 or \$130 million from the potash industry, why do you need, with nothing invested, to invest money when you are already doing very well?

Mr. Speaker, surely and this may well be that there is a blind spot. I think there are several blind spots as far as the Government is concerned when it comes to the takeover of the potash industry. There is a way, such a thing as a middle way. I'd like to explain to the Premier and the Members of the NDP opposite, there is a difference between stealing or over-taxing and reasonable taxing. That's what we're talking about. We're not talking about handing anything to the potash industry. We've said from day one and we did it when we were the Government, that the taxes charged against the potash industry or any other industry should reflect their ability to pay but they should be fair and reasonable and equitable in regard to (1) what the Government needs for revenue; (b) equitable and fair in regard to what the Government charges to other people engaged in similar industries. And on all these counts it would appear and appear very strongly that the Government's taxation of the potash industry has been discriminatory and it's been unfair.

We say as we've said from the beginning, that if in fact proper negotiations had been carried or were still carried out we could have it both ways. We could have expansion in the potash industry, more jobs for Saskatchewan people and in the long run a sounder, more dependable and larger revenue for the people of Saskatchewan through the Provincial Government.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Mr. Speaker, the Premier whines and complains because he says the potash companies withhold information and withhold taxes. Then I challenge him, why hasn't he brought the law to bear on them?

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — There have been hundreds of charges laid by the Provincial Government in the last six months against small businessmen and against individuals, hundreds of charges. We have been asked, from time to time by this Government, to amend Acts where charges, or where the law penalties are not great enough. I say if the potash companies are breaking the law then why hasn't the Government of Saskatchewan brought down the full force of the law against them. We are not defending the potash industry if they fail to pay their taxes or if they fail to give the information. We say we charge that failure against the Government; why hasn't the Government laid charges?

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — If the law got severe enough, and we have been here for 39 days, and the Government has the right to call us in Session any time, why haven't they changed the laws, why haven't they put some beef into the laws? Why have they got law on the books that allow the potash industry then to get away with, their own words, with highway robbery. They wouldn't allow ordinary individuals to. Someone goes down our highway and he is drunk, he is in jail. If he is found guilty of impaired driving he loses his licence. He fails to pay his E & H tax he is out of business. In other words they are ready and willing to bring the full force of the law, and if it isn't enough to change the law against businessmen and against individuals but why then do they appear to be helpless or suggest that they are helpless in the face of what they say is law breaking by the potash industry? If in fact, the potash industry is breaking the law then it is your responsibility as the duly elected government to bring the power of the law against them.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — The Premier makes an interesting point when he says that when the potash industry were right in their claim of being taxed 80 or 85 per cent of their revenue, of the revenue they take in before, after they have paid normal expenses and before they pay any taxes, he said that if they were right, they would be laying the information on the table; they would be giving it to the Government and they would be making it public. I have to admit that I think he has something there.

I should like to make very clear our position. We think that the people of Saskatchewan are caught between two forces, the NDP on the one side and the potash industry on the other, and I don't think either one is telling the truth.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — I am convinced and have been for some time that in the potash industry's case, I think they have been overtaxed, I don't think there is any doubt. You just have to look at the figures and they are the highest taxed industry in Canada. There is no question in my mind that the NDP have acted like thieves when they have tackled and gone in and moved in on the potash industry. There is no question in my mind at all about that. On the other side of the coin I have to admit that I think the potash industry has been less than honest with the Government and with the public



in their charges about 85 per cent of their revenue after reasonable expenditures, being taken over by the Governments, both federal and provincial. That doesn't change the situation. If, in fact, gain, the Government has a legitimate right to pass a law demanding the potash industry to give them information and pay their taxes, and this has been going on now for well over six months, seven months, eight months, maybe over a year, I say Mr. Blakeney and the NDP Government are derelict in their duty for not having brought these people before the courts of law and if the laws aren't tough enough, for not having changed the law to give them the teeth they need to bring these people to task.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Let me make it very clear, we don't believe now nor have we ever believed that anyone in this province is above the law. Not even the Government of Saskatchewan! If the potash industry is attempting to put themselves above the law and the people of this province, then by all means why is the Government of Saskatchewan dragging its feet in not making sure that this situation doesn't continue?

On the other side of the coin there is ample evidence that that Government has acted above their own laws, have acted outside the law. So when anybody questions them they have acted, I say, as badly or worse than the potash industry because they have a greater responsibility and instead of admitting that they have been wrong, they have taken this action, this unheard of action, of threatening these people - we will take you over, we will walk in and seize your assets and we will pay you exactly what we think they are worth.

So, Mr. Speaker, I think the truth in regard to the level of taxation, while there is ample evidence that it is far too high, and it has crippled sound development in the potash industry. We have seen the effects on the uranium industry that already we are being threatened seriously with a loss of \$100 or \$200 million worth of development and hundreds and hundreds of jobs and hundreds of more jobs indirectly. There is no question that the Government has erred in that regard, the question as to whether the potash industry is telling the truth or not is open, I admit, as much as the Premier is open, to serious questions because they haven't proved anything themselves.

The Premier, again, makes the claim that the takeover of the potash industry will in no way affect the level of services given to our people or the level of taxation. And, again, I say that he is wrong and he knows he is wrong. There is a very real danger that this move into the potash industry may have an extremely serious effect in the years ahead on the level of taxation and the level of services applied by the Government of Saskatchewan regardless of the political stripe. And that is, if the fact the NDP are wrong and the Potash Corporation of Saskatchewan, the Crown corporation runs into difficult times and they lose money, a great deal of money, and they have to eventually reach into the Treasury to pay off the interest and to pay off the debt.

Mr. Speaker, that is somewhere down the road, that I admit, but what is not somewhere down the road is the fact that once the Government borrows the money to take over one, two or three of the potash mines, that profit that they are now receiving in

taxes will be and must be diverted to pay the interest on the money they borrow and repay the principal.

Every potash mine that they take over there will be from \$12 to \$15 million that they are now receiving from taxes that will be diverted plus more I am convinced, but at least that amount will be diverted from revenue for a period of 20 years, though however long the loan is amortized for will be diverted to pay off the loan. So there is absolutely no question that once they take over one, two or three mines, the level of revenue to the Treasury will be seriously affected depending on how much they borrow, what interest rate they pay and how many mines they buy.

Of course, and it was said here in crossfire to the Premier when he was speaking that he was not prepared, obviously, nor did he answer the serious and pertinent questions that have been posed in the last 390 days from Members on all sides of this House as to the outside, a reasonable outside limit, as to how much they are going to put in this potash corporation we are setting up under Bill 2. In other words the outside limit of how much money they need. We are not asking for a final amount, we are asking for something better than somewhere between \$500 and \$1,000 million.

It was rather interesting in the Premier's speech, that he failed to give us any facts on the studies that have been done as to personnel, technical ability of the Government to run the potash industry, studies as to markets, studies as to price, projections that surely any sensible group of people entering into a business, capitalized at \$500 million to \$1 billion. While he failed to give us any information in that regard he did reveal one more piece of information.

What he is saying now is, remember in the Throne Speech it said they would take over all or the major parts of the potash industry. And they talk about two or three mines and now today he said something, just a little different. He said, we are talking about two or three mines if we can buy them at reasonable prices. In that I presume that he was implying in ordinary negotiations, a willing buyer and a willing seller. Two or three mines if the price is right, but he said, that if the price is not right, if they are higher than we think, then he said we will expropriate one mine, one mine and then we will see how much it will cost. In other words they are now talking really probably about only one mine. I say this is a serious and I say welcome at this stage from our point of view, back-peddalling from their original position.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — But there is no question that as a result of the Liberal's filibuster or better still . .

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — . . . our vigorous, honest and necessary opposition to these two Bills, that the Government opposite being subjected to the same public opinion that we are, have come to the conclusion that the ground they are standing on politically is a bit shakier than they thought it was two or three months ago.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — To me, Mr. Speaker, nothing proves better, nothing gives us clearer proof of the job of the Opposition when carried out properly. Had we sat idly by, like some Members in this House were prepared to do, and allowed these Bills to slip through December 15, 18 or 19th, as the Government wished, had that happened then I say we would have seen that Government locked in taking over at least three and maybe four mines. Today, the Government, as laid out by the Premier, now probably talking about one mine, not even three. There is no question that the tune of the Government is changed, and I welcome this. I wish they would change their mind and get out of it altogether and do what a sensible government would do and that is open negotiations.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — You know, Mr. Speaker, it is very interesting when the Premier spoke, as I say, he failed to give us one new concrete piece of evidence that they have in fact made a sensible sound study of this tremendously large and risky business that they are dragging the people, I say most of whom are unwilling to be dragged, the people of Saskatchewan.

When the Attorney General spoke and it seems to be a long time ago now on Bill 2, he spoke, not about the Bill. He didn't talk about the powers of the Bill, for example, that are given in Bill 2, the powers of this corporation to do a great deal more than just mine and sell potash. I don't recall the Attorney General discussing Section B or subsection b of Section 9, the powers. And it is rather amazing when you read this. The powers that they are giving to the potash corporation under Bill 2.

Let me just remind some of the Members of this House, and some of those farm Members, some of the members from rural Saskatchewan, the powers given to the Potash Corporation of Saskatchewan under Bill 2 include the following:

Manufacture, buy, sell and otherwise deal, as principals and as agents, in and with all kinds of fertilizers, both natural and artificial chemicals and natural products of all kinds and all elements and materials entering into the composition or manufacture of fertilizers, chemicals and natural products thereof, and generally carry on the business of manufacturers of and wholesale and retail dealers in all kinds of fertilizers, both natural and artificial in chemicals and natural products.

In other words, Mr. Speaker, this Government is giving themselves the power in this Bill to be in the fertilizer business and in competition with the Wheat Pool, competition with the United Grain Growers or anyone else in every part of the province of Saskatchewan. I think the people of Saskatchewan should be clearly aware of this. This hasn't been talked about. In fact, there is a great deal that hasn't been talked about in Bill 2. I agree with the Premier and the Attorney General when they say some of these will be better raised in Committee of the Whole. I can assure you that they will be raised in Committee of the Whole. I want to ask, for example, why the Government is giving themselves the powers, the wide powers, to go into a whole host

of the sale, wholesale manufacturing and retail sale of a whole host of products that are now looked after very well, sometimes by the private sector and sometimes by the co-op movement in the province of Saskatchewan.

These are questions that I think should have been answered now and haven't been answered.

As I recall it the Attorney General spent most of his time haranguing about the value of Crown corporations and whether we, in the Liberal Party, really down underneath had no use for Crown corporations. And if we had the power we would do away with them. Well, Mr. Speaker, it has been said before in this House, but I want to reiterate, that the Saskatchewan Liberal Party, when they were in power before 1944, in fact set up many Crown corporations. The Liberals Government when they were in power from 1964 to 1971 did get out of some Crown corporations - Sask Government Airways, for example. I thought it very interesting that in spite of all the screams of outrage by the Government opposite, they have now had five years and I haven't seen them - and the contract is over - the contract with Saskair is up and I haven't seen them going back to the air business back in northern Saskatchewan beyond buying some aircraft, and I think they intend to buy some more. Why haven't they? I will tell you why, because they were glad to be out of it, it was a headache and they were glad to be out of it.

I have heard them talk about the pulp mill and whether that should have been a Crown corporation and when we were in Government sitting on that side and they were opposing the pulp mill with every trick in the book, sabotaging it in every way they could. Now they have some control of it, 30 per cent. At least they have been minority shareholders and have a great deal to do with it. I haven't noticed them buying it out or moving in and taking it over.

But he talked about our record. He said, those boys over there if they had the nerve they would really like to get rid of the Crown corporations. Mr. Speaker, let me say this, that had we not inherited some of the Crown corporations we certainly would not have started them, that I freely admit. When we became the Government people came, private insurance industry, and sat down with us in an effort to talk us into selling out or disbanding the Automobile Accident Insurance, the compulsory automobile accident insurance. We took a look at it because up to that time it hadn't operated all that successfully. It had given low rates but there had been times when it had to be subsidized. We looked at the proposition put by the private insurance industry and, frankly, they were not prepared to meet the competition. They would give us no guarantee that insurance rate to automobile users in Saskatchewan would not be raised substantially if they came back in and so we turned them down. But I might say that in studies we made and in studies the old CCF made, of the private insurance companies in the Automobile Accident Insurance we found this: the people of Saskatchewan were paying more than they should have been paying for many years. And the answer you always got from the private insurance companies was, we can't, it is very difficult to have lower rates for the people of Saskatchewan. The simple truth was that there is neither the concentration of population nor of automobiles in Saskatchewan, as say there is in British Columbia or Manitoba or certainly Ontario or Quebec. Most highways in Saskatchewan, although some manage it, you have to

go out of your way to find another care to run into. Our population is that scattered. So our accident rate is among, if not the lowest in Canada, and always has been. Usually it is the lowest or among the lowest two or three of any province in Canada.

So our people earn the lowest rate. Unfortunately they didn't get the lowest rate, there is no question. The Automobile Accident Insurance gave them a lower rate. The only objection, and I want to make it very clear, we had every opportunity to sell AIA, every opportunity, in fact we had pressure put on us by people in the private insurance industry to sell it. We looked at their proposition and we rejected it.

The Attorney General talked about the record in Saskatchewan of the Crown corporations. He said, why, Mr. Speaker, since they came into operation, most of them in 1944 around that time, they have made in the ensuing years, counting the loses, counting everything, they have made a net profit of about \$300 million. That is a lot of money.

Mr. Speaker, you will have to qualify that \$300 million because for years they were not, or most of them, were not charged interest, on the money that was advanced to them by the Government Finance Office. That is not true of Telephones, Power, but it was true of a great many other Crown corporations started by the old CCF. But even allowing a few million for that they still made a net profit over the years, up until last year or so, of \$300 million. I did a little research on that and I found out something interesting. At that time, time frame talked about by the Attorney General, the CCF and the NDP were in power for 25 of the 32 years that he was talking about. And yet during the seven years the Liberals were in office of the \$300 million made by the Crown corporations almost \$200 million was made during the seven years that we were in office.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — The Liberals administration when in office for seven years guiding the destinies of the Crown corporations, those Crown corporations showed a net profit in total, allowing for losses, of just under \$200 million. Two hundred million dollars out of the total of \$300 million. In other words while we were in office less than 25 per cent of the net profit made by those corporations. And it is not hard to understand why. Because we operated them in a much more efficient manner than the Members opposite are doing now or the old CCF did for 20 years.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — I only point this out, Mr. Speaker, to show that during our term in office, as a matter of hard fact, public record, we left the Power Corporation, the Telephone Corporation, all of the Crown corporations with maybe one exception, the Timber Board, we will give that exception, but all other Crown corporations we left them in a much healthier financial state than we found them in 1964.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — As a matter of fact when we became the Government the equity in the Power Corporation held by the people of Saskatchewan was less than seven per cent. Ninety-three per cent of the equity, 93 per cent of the value of the Power Corporation was owned by the lenders, most of them Americans, because that is where Clarence Fines and the old CCF did most of the borrowing. I don't blame them as they got the best interest rates. But the fact was that when we left office almost 17 per cent of the Power corporation was then owned by the people of Saskatchewan. We had increased the equity over 250 per cent. What was true of the Power Corporation was also true of the other major utility, the Telephones.

I raise that, Mr. Speaker, to say this, that the philosophy of the Liberal Government in regard to Crown corporations, in regard to the development resources, is neither doctrinaire socialists or wild so-called free enterprisers, every man for himself, the law of the jungle. Our philosophy and our policy and our attitude is one of hard common sense. Use the best instrument at hand to develop the resources or supply the service to the people that is in the best interest of most of the people of the province of Saskatchewan at that time.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — It was a Liberal Government in fact that began the Telephone Corporation. It was a Liberal Government and to some extent the Conservative Government the one time that they governed this province, that set up the beginning of the Power Corporation. In those days it was called, it wasn't the Power Corporation, it was a different name but it was the beginning of the Power Corporation supplying power to small communities which the private sector wouldn't or couldn't serve.

Our attitude over the years has been this and still remains this, if the job can be done by private initiative and if they are prepared to pay good wages and they are prepared to give good returns to the people, if they are prepared to look after the resource and they are prepared to consider the interest of the people paramount in regard to conservation and the best use of that resource, then by all means let them risk their money and as a government let us be the regulator to see that the ordinary people get the best deal possible for the use of that resource.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — If we are talking about service, if it is a natural monopoly like the Power Corporation, the Telephones, the stand of the Liberal Party has been and always remains whether we are in government or outside of government, to have the government do it if it is a natural monopoly and I refer to telephones and power. If it is another service, and again, the service can be supplied as well or better by a private or local people, by ordinary Saskatchewan people who are ready to risk their money and their time, then encourage them to do it and regulate them, but if they won't do it, or they can't do it, and the service is necessary for the benefit of the people of the province or the nation then by all means we don't hesitate to use government financing. There is nothing really good or bad about a dollar being invested by a private individual or private corporation or

by a government through a Crown corporation or directly.

Mr. Speaker, there are several differences. There are certain disciplines on the investment money, development by private sources that aren't there when you have Crown corporations. The discipline is that if the public don't like what you are doing you will lose money and you go broke. That discipline is not present in Crown corporations. Someone used the CNR. My God if the CNR could have gone broke because of public reaction, it would have been broke, buried and forgotten 50 or 60 years ago.

So, Mr. Speaker, I want to make it very clear that when we discuss Bill 2 and when we mount our criticism and our opposition to Bill 2, let me make it very clear that we don't do it for any philosophical hang-up or blanket opposition to Crown corporations. Our record is clear and it is outstanding. Our philosophy is also clear and in my opinion just as outstanding. We say that the Government is taking the wrong approach. When you can find professional people who are ready to develop and have developed this great resource, when you have the power, as a provincial government has the power, to regulate that industry, take a fair, large measure of taxation and pour it back to the people and let the industry take the risk. Do what a government should do, regulate them and turn government attention to other matters that need attention. Help for our old age pensioners, a better hospitalization plan that you are letting go to rack and ruin; a better highway system that you are letting go to rack and ruin. In other words, get your attention back to things that a government should be doing and leave to other people things that they should be doing and can do better than you are.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — Don't let your lust for power blind you to common sense and that is exactly what you are doing in Bill 1 and Bill 2.

So, Mr. Speaker, while I welcome the entrance of the Premier into this debate, I regret and I regret very sincerely, that when he did speak to this debate he misrepresented the truth, he failed to come to grips with the real issue, he set up the usual harangue and misrepresentation about people in business and he didn't just aim his barbs and his slings and arrows at the potash industry, he couldn't resist taking a swipe at all business, all people in business, large and small, as he was passing because as usual the hate and the distrust for anybody, large or small, who has the nerve to invest his or their own money and their own attitude always comes out whenever the NDP stand up and talk for more than five minutes.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — So I regret that his involvement in this debate wasn't of a higher calibre and did not - and I say did not - address himself to the very serious questions that have been posed by Members on this side of the House, or what is more important, of being posed by the general public, the people for whom you are the temporary custodians of power, of money, at this time. I say the very people whom you are letting down and letting down very badly in this ill-conceived and hasty venture that you are pushing upon them, using the power that you were so briefly given, so briefly just a few months ago.

Mr. Speaker, I will not support Bill 2, but I will support the amendment because I think anything that would give the people of Saskatchewan an opportunity to be heard, anything to give them a chance to be heard, would, I think, either wake this Government up, make them come to their senses or if it is the extreme of an election, would put them back where they belong, back in Opposition and would take away the power, the right to govern that they are so badly misusing at this present time.

**Some Hon. Members:** — Hear, hear!

**Mr. L.W. Birkbeck** (Souris-Cannington): — Mr. Speaker, Members of the Legislature, I have a few comments to make today on Bill 2, but before I get into that I have a few other comments which will be pleasing to all the Members of the Assembly and that is that my remarks will not be of a lengthy nature. Further I should like to say that I found the volume knob on Bill 2 debate and, Mr. Speaker, a few words of encouragement to the Members of the Government. I should like to believe the Hon. Members of this Government are acting in the best interests of the Saskatchewan people. If this Bill ever gets to Committee of the Whole I am sure that your acceptance of others views will prove to me your real intentions.

Mr. Speaker, in addressing myself to this Assembly on Bill 2 I want first to say that I and the Progressive Conservative Party of Saskatchewan are totally and irrevocably opposed to Bill 2, an Act respecting the Potash Corporation of Saskatchewan.

First of all how can one nationalize what one already owns? Surely public investment of this nature should take into consideration the possibility of lower rates of return and other government priorities, and objectives before proceeding. And once proceeding, surely it is responsible for the success or the failure of such a venture in the best interest of Saskatchewan people.

It is my opinion that it cannot succeed, but if you do carry this plan through - I hope I am wrong and that you do succeed in getting potash from sub-surface to surface in a responsible, efficient manner - so that the people of Saskatchewan do not lose their shirts, medical services, homeowner grants or suffer increased rates on other such government services like SPC, Sask Tel and the like, to alleviate the losses that would occur in the likely event that a Saskatchewan corporation of this nature should fail.

If I had a guarantee that this was the way to get this potash out of the ground, if I were sure that there were not more important things to be done in this province right now, then I could support this move, but it is my doubt that we can be successful at this point in time. It is my personal opinion that there are other things more important than to nationalize this potash industry.

Referring to some of the clauses on Section 9, part (a) under the heading of powers:

In addition to any other powers conferred by this Act a corporation may acquire, own, lease, open, explore, develop, work, manage, maintain and improve mines and mining properties and dig for, process, refine, otherwise



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treat, conserve, store and transport potash and potash-bearing substances, whether belonging to the corporation or not, and render merchantable, and purchase, sell or otherwise dispose of potash or any interest in potash.

These, I feel, are excessive powers to be vested in the hands of so few.

Section 10, parts (1) and (2) are of the same nature. Section 15, part (4), and I will quote from the Bill:

The Minister of Finance shall negotiate all loans to be made under this section and shall arrange all details and do, transact and execute all such deeds, matters and things as may be required during the conduct of negotiations or for the purpose of placing the loans.

The Premier has already been on a journey to the centre of the free market society, I believe to negotiate such loans.

Mr. Speaker, In Section 18, part (b) under the heading investment of surplus funds:

dispose of the investments in any manner, or any terms and in any amount the corporation deems expedient.

Some investment. In other words I can be taken involuntarily into a government corporation and then at any given time sold out at any price. I would just like to say to the Members opposite, I wish I could pass a law which would insist on your being a shareholder of my dairy operation and then when it went belly-up which I am sure it would if you people were involved in it any more than you already are, I could sell out at any price and share the losses with you.

Mr. Speaker, I should like to make a few short comments on the remarks by the Member for Kinistino (Mr. Thibault) when he debated Bill 2. My remarks will be as closely related to Bill 2 as were his remarks. And I am sorry that I don't see him in the House at this time because he is a good friend of mine and my remarks will be on those grounds.

He referred to the chickens that he used to play with and I would just like to say, chickens that entered the Conservative coop didn't all come from the Liberal flock, but when that red fox ran wildly about, thousands escaped the folds of barbed wire which were laid to keep your flocks together.

Mr. Speaker, I don't feel that the majority of the people of Saskatchewan were aware of the magnitude of the Government's intention prior to the June 11th general provincial election. It is my opinion that if the people of Saskatchewan should own and mine the potash reserves of Saskatchewan, then surely the proper course would be to make shares available to the Saskatchewan people and if sufficient funds were derived by this method to buy, operate and expand the potash industry of Saskatchewan residents wanted to take this route in terms of a Potash Corporation of Saskatchewan, designed to mine their potash reserves.

Mr. Speaker, these points I have raised in opposition to Bill 2 are the reasons that I must support the amendment and oppose the Bill.

**Mr. R.E. Nelson** (Assiniboia-Gravelbourg): — Mr. Speaker, I should like to join the debate on Bill 2.

If this passes we can look forward with sadness to the establishment of one more Crown corporation. Yes, in the history of this province the record for Crown corporations is indeed a sad one. I won't take the time to go over the records of the woollen mill, Mr. Attorney General, or the box factory or the shoe factory or the tanneries, or the other financial catastrophes when the socialists attempted to get into the business world. Certainly Sask Tel and Sask Power both initiated by a Liberal Government have been serving the people of the province well.

One very obvious shortcoming of a Crown corporation was made crystal clear last summer when the Minister in charge of Sask Power Corporation and the Government chose to allow the Power Corporation to be put into a shaky financial situation for political reasons. It was made clear by the management that the costs and the prices had increased and it was essential that the selling price of the product must increase immediately. But what happened?

Those in a position to know, those managing the Crown corporation were overruled by the NDP Government and the prices were not raised until after the voters had cast their ballots on June 11th. Then, Mr. Speaker, what happened to the two employees, who had in all honesty, acted in a proper, responsible and businesslike way? They were forced out of our province by a phoney trumped up excuse.

I want to make it abundantly clear, we in the Liberal caucus believe that Sask Tel and Sask Power should remain Crown corporations and I want to make it just as clear that the NDP Government cannot run these efficiently even without competition.

A Liberal Government did and will run these corporations in a businesslike manner without the political implications that have been so evident by the Government opposite. And it was proven by the statement of our Leader, that the \$200 million profit in 1964 to 1971 far exceeded anything the CCF-NDP governments had done in some 30 years.

**Some Hon. Members:** — Hear, hear!

**Mr. Nelson:** — The present NDP Government have used many Crown corporations to find jobs for their political friends. They have created such a bureaucracy that they are able to excuse many of their high paid employees to go to British Columbia to support the Barrett Government during his election campaign.

I would certainly hope that now the NDP political hacks have returned or are returning to our province, and in view of how really inadequate their contribution in B.C. was, and the fact that the corporations didn't really need them while they were away, possibly it would be wise to help in the fight against inflation, to simply send them out to get a job where they could earn a living without being supported by the people of this province.

**Some Hon. Members:** — Hear, hear!

**Mr. Nelson:** — One Crown corporation seldom mentioned by the Members opposite is certainly Saskoil and it would appear it will be a complete failure by the record of the corporation up to the present.

There have been many tax dollars spent and little or nothing returned to the provincial revenue coffers. Yet this Crown corporation has had serious implications in our province. It did create a few jobs, again, jobs that did nothing to increase the productivity of the province. In fact it has done exactly the opposite. This corporation has helped to put the fear and mistrust in any company that is interested in expanding or any company that may have been interested in coming into our province.

That corporation along with Bill 42 has brought the oil industry to a near halt in our province. While other provinces continue to expand and grow in the oil industry, Saskatchewan under the NDP, and with Saskoil have sadly fallen behind. Instead of our province taking advantage of the opportunity to get royalties and taxes from this industry they are, again, painting the industry into a corner and, again, they have missed the boat. The industry has no alternative but to slow down and forget any new development at all.

The citizens of our province are certainly the ultimate losers and are not enjoying the revenues as Alberta and British Columbia are doing.

Every time this Government tries another Crown corporation or tries to get into another business the results are the same. More civil servants, more bureaucracy, more taxes to be paid by an individual with incentive of his own, more controls by the NDP on the lives of Saskatchewan citizens, more political appointments for friends of the NDP, more debts to be paid by the young people and the citizens of Saskatchewan, more political control by this arrogant, irresponsible government. It also means less freedom for the individual, less dollars for our provincial coffers, less development in our province, less incentive for Saskatchewan employees, less advantage for the people of Saskatchewan.

In short, it means more state control and closer to the ultimate complete takeover by this power-hungry group of devout socialists of the NDP Government.

**Some Hon. Members:** — Hear, hear!

**Mr. Nelson:** — The Potash Corporation is the first of many steps planned in the minds of our Premier and his group opposite. They want control of all natural resources, not for the people of Saskatchewan, as they claim, but only to give themselves that much more power; that much more power over every citizen of this province. In their high-powered, high-priced advertising campaign they claim they want Saskatchewan resources for Saskatchewan citizens. If this is truly what they want then why the potash takeover and why the potash corporation?

The Government now has the power through royalties and taxation to take any amount they wish from the potash industry. This Government has complete powers over the industry at the

present time. They are using these powers to control the industry now. They are taking from the potash companies over 80 per cent of the profit and they are not using any fairness or common sense in their taxation policies.

We presently have the best possible situation if this Government would just sit down and come to a fair agreement with the potash industry. We must tax; we must also leave the companies a fair return on their investment. It would certainly be possible also to set aside a certain amount of taxation that could only be given to the companies if it were used for new exploration or expansion.

**Some Hon. Members:** — Hear, hear!

**Mr. Nelson:** — Why any government would want to gamble and risk Saskatchewan people's money when they are already deriving the maximum possible income is impossible to understand.

Mr. Speaker, by forming a potash corporation the people of this province will not receive as much as is presently being paid by the potash companies. The corporation will have to pay interest and capital as well as have a depreciation fund. After these are paid there will not be as much left as we are presently receiving. In many of the mines, there are many immediate expenses needed to get the mine into an up-to-date good condition. While this Government has been holding the club over the heads of the industries the owners have certainly not been spending unnecessary money. There are many repairs that will have to be made immediately. The difference in the efficiency of the industry will, like all government-run corporations, also cut into the profits of the corporation.

Probably the greatest reason of all for not passing this Bill and not getting into the potash industry, is the uncertainty of the markets. While the companies know that this Government is going to take over their assets, they also know exactly who wants potash and where the markets are. They are, as we know, going ahead with mines just across the border to the south. The Premier says, fear not, the potash is deeper and it will cost them more to bring it up. That may well be true, it may cost more to bring it out but not five or six times as much.

The United States Government is not so foolish that they would not leave the potash companies a fair return when they have levied the taxes against them. They also know that 70 per cent of the market for Saskatchewan potash is sold to the United States. They will certainly fill much of this market from their own mines. The companies that are being run out of our province are developing mines in New Brunswick, New Mexico, Mexico and Brazil as well as in the United States. As they bring these mines into production, they will certainly compete against any sales being made by a Saskatchewan Crown corporation mine. They will be out to even the score. They will have been ripped off and they will see that this Government gets the rough end of the stick when it comes to sales.

**Some Hon. Members:** — Hear, hear!

**Mr. Nelson:** — The potash companies have been in the sales game for years. They know their way around and they will be out settle the score.

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Yes, Mr. Speaker, the people will come out on the short end. They will be the same people who paid the shot for all the other blunders that this Government has made in the shoe factory, in the wool mills, the tanneries, the Intercontinental Packers and all those other errors in judgement. Yes, the citizens of this province now and those who haven't even had the chance to vote this Government out, the young people of our province, will be the losers.

When all things have settled down, when the Premier and when the Attorney General and all of you on that side of the House have let this tragedy happen, when you have taken over the potash industry; when you have run these people from our province; when you have a billion dollar industry; when you have saddled the citizens with a billion dollar debt; when you haven't any place to sell your potash, will this give you the power you are after? Will this give you and your NDP friends some satisfaction? It will sicken the stomach of any clear thinking person in our province.

**Some Hon. Members:** — Hear, hear!

**Mr. Nelson:** — It does now and it will be worse later.

Mr. Speaker, it is sad and sickening to see the Premier of our province go on television and say the reason he and his Government spent thousands of dollars advertising, was because others dared to voice their opinion in opposition to the takeover. The truth is that this Government was on every television station, every newspaper, every radio station immediately after the terrible day they announced the takeover. They are still trying to convince the people of Saskatchewan they were in their right mind when they dreamed up this nightmare. They were trying to keep their own supporters convinced that they had a little sanity left in the party.

I would suggest, Mr. Speaker, they will have to spend thousands more and they still will not be successful on either count.

No, Mr. Speaker, the people have finally caught on. Yes, they are on to you. The smiling Premier, who some thought was the nice, the guy who wouldn't do anything without asking the people; the guy people said wasn't a left winger, centre of the road Allan, they called him. Now they know his true colours and now the people are seeing red. They are angry and they are seeing the true colour of the NDP Government of this province.

**Some Hon. Members:** — Hear, hear!

**Mr. Nelson:** — Mr. Premier, you and your Government have gone so far left you will be long gone after the next election.

**Some Hon. Members:** — Hear, hear!

**Mr. Nelson:** — The NDP people knew well, Mr. Speaker, they would not have been the government had they the intestinal fortitude to mention the potash takeover in the last election campaign.

Yes, Mr. Speaker, Saskatchewan people were hoodwinked by this Government, but they know now of this power-hungry group and they will not be fooled again. Yes, Mr. Speaker, the NDP group have gone too far. They have crossed up the old CCF; they crossed up Tommy Douglas; they have crossed up Saskatchewan.

Mr. Speaker, let us take a look at Section 9 of the Act. Power, it is called and power it has, power to disrupt and to put out of business many individuals as well as many co-operatives in this province. But then isn't this really what this Government is all about? Isn't this what they really set out to do? They tried to put on an act a few years ago and they set up a committee to look into the small businesses of our province. Big deal! What did they do? They travelled around the province letting business people have their say but they didn't listen. They want all individuals down the road at the earliest possible date.

That committee did nothing more than bonus a few NDP members' paycheques. Remember those earthshaking words the chairman of the committee said on small business in his reports:

The greatest problem with small business was their lack of capital.

Anyone with an ounce of business sense knew this long before they started wasting the taxpayers' money with their travelling circus. And, Mr. Speaker, what did they do about it?

Ask any businessman, nothing, nothing but to pretend to make loans available that individuals were able to get at their local banks or their local credit unions at a more reasonable rate and without being tied up and spied upon by this Government.

Now what are they doing with the potash Bill 2? They have, indeed, declared war on the businessmen in rural Saskatchewan. Watch out small town Saskatchewan, this Bill and this Government are out to get you. They can, and will take over much of the farm trade in fertilizers, chemicals and other farm products. They are taking power here to give them the right to manufacture, wholesale and retail all or any of these products. Anyone coming from rural Saskatchewan knows of the diminishing rural population, they know of the decline of the small towns and the villages, they know of the few dealers and agents left in our rural areas, they know they can survive if they are left alone. This Government in this Bill has decided not to leave them alone. They have decided they want to get into the act, they will be in the manufacturing business, they will be in the wholesale business and they will be in the retail business. So, Mr. Speaker, there are only so many that buy these products and the market is already being looked after. It is tough to compete against any government, it is impossible to compete against your own money and that is what these people will be doing. The Government and the potash corporation could care less about the province, about a profit. After all it is everybody's money they lose when they lose money, that's the Premier's attitude, what's a billion or two. Then what will happen to these individual businessmen if they don't go broke, and they may have to buy and sell the exact product that the potash corporation in competition will be selling.

Mr. Speaker, can you see this Government selling to them at the same price they sell to the government store? Many elevator

agents, many oil agents, many general stores, many machine dealers, many co-operatives, sell all these products. Profits from this type of business in a tough year means the difference between profit and loss. It means the difference between staying open and closing the doors. But then that's all this Government really wants, is the doors closed on all private enterprise and on all individuals. These people are what is keeping rural Saskatchewan alive. They are what keeps the small centres going, they are what keeps people in the rural areas. We should be taking our hats off to this group of people, we shouldn't be trying to crucify them as this section of the Act will do. The action will cause the closing of machine dealers, care dealers, stores and elevators, the entire rural Saskatchewan will be hurt. Schools, curling rinks, skating rinks, churches in all our province will feel these detrimental effects of this savage legislation. Farmers in rural Saskatchewan will not be able to get the same service they are presently getting. Yes, Mr. Speaker, maybe this will help the power-hungry group opposite to take over controls from the Saskatchewan farms a little sooner than they had anticipated. It would appear by this section of the Act that is what they had in mind when they inserted this far-reaching power into the Act. They will discourage those in rural Saskatchewan from trying to make it on their own, either sell out to the NDP or they will trample you under. Little by little, step by step Blakeney and his gang are going to have complete socialism. They will have complete power and that is what they are after, complete socialism, complete power.

Mr. Speaker, I warn Mr. Premier, I warn the NDP that all is not quiet in the country, they are not accepting this decision you have made, they are ready to send you down the same road the people of British Columbia did to the Barrett government.

**Some Hon. Members:** — Hear, hear!

**Mr. Nelson:** — We will have to wait three more years to give you your last hurrah, but let us hope and let us pray that your policies have not completely brought our great province to its knees. This is one of the greatest provinces in our wonderful country. While we should be enjoying the greatest revenue and the greatest prosperity in our history, this Government is discouraging and destroying our business and our people, when we should be encouraging the development of our resources for the benefit of all Saskatchewan people, when we should be developing our province and broadening our tax base so that Saskatchewan people can enjoy the benefits of a higher tax revenue for our province. This Government is discouraging and ruining the business fabric of our country.

Mr. Speaker, development has completely stopped in the potash industry. It is stagnant in the oil industry. The uranium industry is at a standstill. The iron ore development was sent packing as was the pulp mill in the Meadow Lake region. Now these backward geniuses are finishing any future hope of outside and private capital from ever investing in our province. Sadder yet is the fact that many business people as well as other citizens of our province are getting ready to pull out with whatever assets they can leave with. Many fear they will be next. They don't want to wait for the axe to fall on them, they want out before this NDP Government expropriates or takes over their assets and their livelihood. We know, Mr. Speaker, that the Premier and his crew of socialists continue to say,

good riddance to these people. We have heard them say it often, but remember these free enterprisers, these people that value their freedom have been paying much of the shot that goes into that huge budget that this Government is spending.

Remember too, Mr. Speaker, this province was settled, developed and thrived under people who had initiative, who valued freedom, and who honoured justice. This Government introduced this Bill and has proven beyond a shadow of a doubt their utter contempt for the pioneers of our province. All the ideals, the morals that these great people cherished and stood for have been thrown to the wind by this ruthless and unprecedented act with their power demands by the Government in Bill 2. These people that opened up the frontiers of our province, many of whom left countries in Europe with governments of the same political philosophy as this NDP Government has. They have seen their dreams crumble before their eyes.

Mr. Speaker, if this Bill goes into effect Saskatchewan and its citizens are marked people in a marked province. Let us not kid ourselves, the eyes of the free world are watching our province. They are watching the potash takeover. Many are saying our Government cannot be trusted, many will never trust Saskatchewan again. Many wonder if this socialist takeover will throw doubts of those thinking to invest in other parts of Canada. Yes, Mr. Speaker, let us hope this Government will come to its senses and withdraw this legislation and give some confidence back to the business world and to our province.

I was pleased to hear the Premier say that he will only take over one mine. The Liberal Opposition may have brought them back closer to reality. One mine he said, and one mine is all we'll take over.

**Some Hon. Members:** — Hear, hear!

**Mr. Nelson:** — A full turnabout with no mines would be better, Mr. Speaker. I, as you may have realized, will not support the Bill.

**Some Hon. Members:** — Hear, hear!

**Mr. J.G. Lane (Qu'Appelle):** — Mr. Speaker, speaking on the amendment that has been proposed by the Opposition party to my left, basically, of course, calls for a provincial election on the Government's plan to confiscate or nationalize the potash industry of Saskatchewan. I think it would be redundant to say that this is a very, very typical Tory reaction if on the short end of the stick they want to call for an election, invariably goes the best advice of the Tories. Although it may not happen in my lifetime sometime they should go out and try and win an election as opposed to always sitting in the Opposition calling for one.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — We know too, it is obvious although Members opposite cast some disparaging remarks about the survey in Saskatoon, I think all Members of this Legislature I know would admit to themselves that the people of Saskatchewan do not favour nationalization of the potash industry.



**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — I think too, that Ministers of the Cabinet know full well that the reaction of the general public is definitely strongly opposed, there is a sense of frustration in the province of Saskatchewan over its inability to terminate the term of office of the Government opposite for, probably, its breach of faith with the people of this province when in 1975 it called an election and didn't make the nationalization of potash an issue. The issues I think we all know, the main issue in the last election was the Land Bank and the implied nationalization of farms by the Government opposite and you got a clear and unequivocal answer and statement from the people of the province at that time as to what they thought of your nationalization proposal.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — Your record in rural Saskatchewan got a clear statement from the people of what they thought of your record. They were opposed to your record and they were opposed to the direction that you were taking when the farmers of Saskatchewan spoke very, very clearly and the Members opposite know the feeling of the people of rural Saskatchewan.

We know that if an election was called the issues would be obvious. You wouldn't be able to hide behind a statement in your New Deal for People which said that you may consider greater government involvement in the potash industry. You would be faced square on with the issue of government control and ownership and nationalization of the potash industry of this province. You know the results of that particular issue. It would make it clear once and for all, it would call into account once and for all your position on the Land Bank in the long term objectives of the Government opposite of state ownership of the farms of Saskatchewan and state control of the farmers of Saskatchewan. The interesting thing, and I am sorry to wake up the Minister of Highways (Mr. Kramer), the interesting this is that an election would also bring into play several other issues, Mr. Speaker. One of them is the abuse of the Legislative Assembly by the Government opposite.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — We have heard from the Attorney General speaking from his seat and not from his feet, talking about filibuster and what a rotten thing that was by the Liberal Party and in fact the true abuse of the parliamentary process in this province has been the refusal and the failure of Members of the Treasury Benches opposite to stand up in this Assembly and give the true facts on nationalization, the true consequences of nationalization and a true statement of the tremendous risks that have been alluded to, but not stated directly. I think the fact that the Minister of Highways can only speak sitting down is an indication that the Government opposite is the true abuser of the parliamentary process, not the Opposition which has attempted to get from the Government opposite the facts that would allow the people of this province to make a true and rational decision on nationalization of the potash industry.

It is a strange thing, Mr. Speaker, that the Government opposite on something like the Churchill River project or the power plant at Coronach or the question of foreign ownership of farm land can wax eloquent about how open they are and how they want to give a voice to the people and how they want the people to hear or be able to give their views to the Government and how the Government wants to hear what the people are saying. And in every one of those issues, every one of those issues were issues in 1971 and the Government still saw fit after the 1971 election to give public hearings and to give the people a chance to express their views. Why don't the people have an opportunity when the Government opposite is embarking upon the greatest gamble, the greatest economic gamble that the people of this province have ever been called upon to undertake? Why do we have selective secrecy by the Government opposite, is it really because that these public hearings on other matters are just politically motivated, is it possible that the Government opposite is not really concerned about a public voice and the environmental impact questions are really done just for political reasons and not because the Government is really concerned? I think it is obvious that the record of the Government on the potash nationalization and its refusal to give the public a voice casts discredit on the Government's position on public hearings on selected other issues.

It is interesting that the Churchill River or the power plant at Coronach were selected issues as I say prior to an election. Farm ownership had the same position. We had hearings there but when we get into something that the Government knows full well was done not for any rational reason but simply to get somebody when you couldn't figure out why your vote dropped so dramatically last time, as I say it truly questions the real and true motives of the Government opposite. There is no question, too, but an election would have another issue and it would deal with the matter of the questionable priorities of the Government opposite.

The Member for Prince Albert-Duck Lake (Mr. Steuart) has referred to some of the actions of the Government opposite about its record and its actions and its health program as it is driving doctors out, as line-ups and increasing and patient waiting lists are increasing at the hospitals because of the actions of the Government. It is starting to insidiously destroy the public health system that it took so much credit for and, in fact, many of its former Members deserve credit for the establishment of that system. It is eroding the public health system of the Government opposite. I think that priority would be questioned and the people of Saskatchewan, if given a vote at this time, would question and seriously question the priorities of the Government opposite.

They would ask and they would demand from the Government answers as to why are hundreds of millions of dollars going to an industry which we are already taxing at 80 per cent? And for the first time since the Bill was introduced you would be forced to come up with an answer, something that you have failed to do; something that you have refused to do in this Assembly.

The public would also take into account and question the Government and hold the Government accountable for the tremendous risk that they are being asked to undertake. We know and we have had admissions from the Premier and the Attorney General that the potash industry is an extremely volatile industry. We have

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admissions on questions before Orders of the Day by the Minister responsible for the potash corporation that the fluctuations in market were something that are to be expected and were riding on long term demand.

The Premier says that the long term demand is based on a straight line graph based on the growth of the potash industry and we will accept that and the Member for Prince Albert-Duck Lake said that this afternoon. And yet, when we question the Government about some of the variables that could take place the Minister responsible for the Potash Corporation said, well, we kind of expected that, we are ignoring it and riding on a very shaky past performance.

Another interesting thing that will be taken into account in an election if it was called and I stated at the outset, Mr. Speaker, that this is all supposition because the Government does not have the guts to call an election and it does have the intelligence not to call an election. The interesting thing that would be called into account is the record of the Opposition party to my left, the failure of a supposed free enterprise or private initiative party to participate in a debate which deals a fundamental blow to the private initiative system in this country and a debate which will take the people of the province on a direction far different than any that we have had in the past and will take the people of Saskatchewan to a new system of government which, in effect, will mean that any economic enterprise is under the threat of government ownership, government expropriation and anybody who wants to enter this province in an economic area will be faced with the realities of the situation that at any given day, the Government can take it over, demand its share of control and can direct what that particular enterprise may wish to do.

I think, too, that another issue and another reason why the Government wouldn't want to fight an election is because of its record of abuse of the Crown corporations of the province of Saskatchewan. We have had debate back and forth as to who is right and who is wrong. It is interesting that statistics given by the Member for Prince Albert-Duck Lake, which showed that the profits of the Crown corporations, two-thirds of the profits in this province were earned during the seven years of the Liberal Government, but that the Government opposite is using the Crown corporations and has used since June, 1975 the Crown corporations as political puppets. You have made them a political football by interfering in the management decisions; by refusing to allow the Crown corporations to act independently and efficiently and to make decisions in the best interests of the Crown corporation.

And the examples have been cited on several occasions - the increases in Sask Tel and the increases in power rates; the blatant basically kick in the teeth to the people of this province when you hired defeated political candidates in the management positions in Crown corporations.

The other thing, another issue in an election if it was called would be the very question of Government expropriation of the potash industry and what happens. What happens if this turns out not to be a workable, as we suspect it will be, turn out not to be a workable solution? I think we know full well that nationalization of the coal industry in Great Britain, when it was attempted to be reversed by the Conservative

Government, simply didn't work. That because of nationalization among other factors the private sector then refused to get back in and get involved in that particular area. We know that once this nationalization takes place, any degree of nationalization, it is irreversible. Records in other jurisdictions by other socialist governments have proven that to us. We know full well that if we end up taking an economic loss on the, again, nationalization no matter the degree, that it is something that the people of this province will be saddled with once and for all; that the private sector will not step in to bail out the Government. I hope, too, as an aside that the Federal Government will not increase the equalization payments to this province should this turn out to be an economic flop because somehow the people are going to have to learn when they elect the Government opposite that they are going to have the responsibility for their actions. That, if they insist on electing a government opposite like that, that is prepared to take these gambles that the people are going to have to take the risk and that, hopefully, in the future if it ever becomes the situation that the Federal Government will refuse to increase equalization payments to this province to compensate for any suspected losses by reason of nationalization of the potash industry. I think that it is time that the people of this province have to stand on their feet and take the responsibility for electing the Government opposite.

The Government says already that it has a mandate and yet it is a strange thing that it took a strong statement in 1971, that is the statement referred to by the Government opposite, not the New Deal for People 1975. And yet Tommy Douglas has said, said publicly and he was not misquoted, not saying that one of the backbenchers opposite, and I refer, again, to page 200 on the book on Douglas. It is stated quite pointedly and I quote:

My answer to the so-called left wingers, that is the ones that would take over the potash industry, these waffle types, some of them are not as radical as I am. I would suggest one night a week out canvassing to find out what the average person is thinking. You are supposed to deal with the problems people have, not the problems that we think we have.

That is a statement and I don't think that the former Premier of this province has ever said that he was misquoted on that statement. That is what he said. That is what one of the leaders of the party opposite has said and has said publicly.

The other interesting thing when the Government says that it has a mandate, in spite of the fact that its actions fly in the face of its former Premier, that after its relatively strong statement in 1971, when a Waffle member, a member of the party opposite, who believed in nationalization of the resource industry, Mr. Richards, he didn't get kicked out, he left, because he couldn't stand what the Members opposite were doing and their lack of principles. And when Mr. Richards stood up in this Legislative Assembly and wanted to debate the nationalization of the potash industry in this province, not one Member of the Government opposite would second his motion to even give him the right and the privilege to speak in this Assembly. And that Member for Saskatoon Buena Vista (Mr. Rolfes) was in the Assembly at that time and he didn't have the guts to stand up then and he doesn't have the guts to stand up now.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — And the interesting thing about it is that the proposed resolution of the former Member for Saskatoon Centre, Mr. Richards, he didn't even advocate nationalization of the potash industry, he wanted the Government to study the nationalization of the potash industry. He wouldn't even go so far as to recommend or urge nationalization. And you know what happened at that time? Not one of the Members in that Government opposite - and there were 45 of them at that time - didn't have the political courage to even second his resolution, to give him a chance to speak.

So you say you had a mandate and yet you wanted to bury this under the carpet and keep it quiet prior to 1975 and any government that takes that action certainly can't say it had a mandate. We know it didn't have a mandate. We know that an election on this would be on your record of nationalization and it would be the issue in any election. I am sorry, but the Premier said this afternoon that he did have a mandate and I am surprised that the Premier didn't have the courage when the independent Member from Saskatoon, Mr. Richards, moved the resolution to study nationalization that the Premier didn't and refused and held his party in check, refused to let them second his motion.

We know that there won't be an election on this particular issue. We know, as I have said at the outset, that the Conservatives always take this tack when they find if they could say anything they wouldn't know what to say. So that the one thing they can always count on that somehow they learn from their colleagues in Ottawa, that the thing to do is let's call for an election. For some reason they always get a little bit of press by calling for an election no matter how far fetched and impossible the position of the resolution would be.

We have suggested in other debates that there were other ways that have been rejected by the Government opposite. We know that if the people did have a vote that a number of the Members on that side, you could probably count on two hands, that you wouldn't be the Government. That in fact your proposals for nationalization would be rejected and rejected most strongly.

It is an interesting thing when we deal with Crown corporations and elections as to really what the people would say. We can go back to a debate on Crown corporations that took place back in Mossbank on May 20, 1957. That particular election, I think, many Members opposite would remember the results that eventually led to the defeat of the Government opposite. We found it strange the difference between Tommy Douglas and Allan Blakeney, among other things, is the fact that Tommy says that Allan is crazy to go and nationalize the potash industry. Probably should go out and spend a couple of weeks canvassing the people to find out what they think. That Tommy Douglas also had the courage to debate Ross Thatcher on Crown corporations and Allan Blakeney doesn't have the courage to debate the Leader of the Opposition on nationalization of the potash industry.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — The interesting thing, I think, Mr. Speaker, that we have heard in other comments from the Minister of the potash industry, that perhaps for all his comments made when he is sitting down that he could have put them all in a neat little package and give a speech. It would have been recorded in Hansard. Probably something the Minister knows full well that should have been done by himself when he has a future position of responsibility on this nationalization program.

I could cite from many parts of this debate. I am going to cite from some parts of the speech of the then Leader of the Opposition, Mr. Thatcher, and this particular debate would certainly be an issue in an election if one was called by the Government opposite. And I think, again, when we are supposing as we are tonight that the results of such an election following after a debate. If it were, in fact, the only way that we are going to have a public debate on the nationalization of the potash industry, is through an election.

The Leader of the Opposition at that time said and I am going to quote, was replying, and I believe Hon. Members on this side will give some of the comments of the then Premier. I am going to quote some passages in that particular debate.

The original Crown corporations program was launched shortly after the CCF came into power in 1944. Prior to that date socialist speakers constantly deprecated the fact that private enterprise has not established industry in Saskatchewan and they deplored the fact (rightly I think) that thousands of young citizens in Saskatchewan (in those days) were forced to go down to the United States, or British Columbia or down East to find employment.

One of the CCF planks which appealed to me most as a young man was the promise to end this situation.

And I am quoting from the Leader of the Opposition. He went on:

Now the Premier and all socialists from the Premier down said: "If private capital would not establish industry in Saskatchewan we shall do it ourselves by state ownership and thus provide employment".

The more things change the more they stay the same.

At the same time the Premier, as CCF spokesman, promised the people extensive free social services and these services were to be financed in considerable part from the profits of the government owned industries.

I quote the Regina Leader-Post of June 13, 1944, and the Premier said this:

The CCF proposes to get money for its social service program by the government engaging in revenue producing businesses.

I continue at page 11:

Since taking office the socialist government has either set up or taken over 19 crown corporations. In those

companies, as nearly as I can ascertain at the present time, they have invested approximately \$175 million of the taxpayers' money and for 12 years of experimentation I suggest that three questions should be posed and considered by the people of Saskatchewan tonight.

(1) Have the Crown corporations been able to operate efficiently;

(2) Has the Government, because of the program been able to provide a substantial number of national jobs for Saskatchewan citizens in manufacturing industries;

(3) Have the Crown corporations made revenue available to the provincial treasury which it could use for social services, highways, school grants, etc. Now let us look for a moment at some of the individual companies. One of the first enterprises set up was the leather tannery. What are the facts pertaining to that company? The purpose of the leather tannery was to tan cowhides and make them into leather. 1946 was the year of short supplies and high prices and the best possible condition under which to commence an industry, and yet the activities of the tannery were ill-fated and short-lived. About the only hides they tanned were the hides of the Saskatchewan taxpayers.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** —

So the company moved from one economic crisis to another until December, 1948 when the employees were thrown out of work just before Christmas. And when all the smoke had cleared away that company had a deficit as nearly as I can ascertain of roughly \$200,000, one company up, one company down.

The shoe factory was set up in 1945 to utilize the leather which was made in the tannery. What are the facts pertaining to the shoe tannery? I recall Premier Douglas speaking at Brandon, Manitoba and he announced, and I quote from his speech: "The tannery and shoe factory now being operated by the CCF can make shoes for \$2.75 a pair." Well in spite of the Premier's optimism on that occasion, the shoe factory did lose money, so much so that in 1948 it closed down after having accumulated deficits of more than \$82,000. Two companies up, two companies down.

A woollen mill was set up in my home city of Moose Jaw. What are the facts pertaining to this operation? The paper theory behind this operation was reasonable but the industry was in difficulty from its opening day. When it was finally forced to close in 1951 it had accumulated deficits of \$830,000 and it paid none of the interest of \$206,000 on its advances. The mill was transferred to a private company. That company finally moved the machinery out of the province and today the whole operation is defunct. Three companies up, three companies down.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** —

Now I come to the housing corporations. The Housing Corporation was set up after the war to convert military huts into housing accommodation that could be rented. It should be noted that the CCF Government, which has been so noisy in its demands for the Federal Government to build low rent housing has done virtually nothing in this field itself. We have one of those housing projects in the city of Moose Jaw near the Exhibition Grounds, and I have seen better housing condemned for slum clearance.

And again to repeat, the more things change, the more they stay the same. The Government opposite's position on housing hasn't changed one iota since 1957, 1945, in effect when it is still running around crying to Ottawa and refusing to do anything itself to alleviate the housing shortage in that particular province.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — Eventually the Housing Corporation was closed down. That was in 1947. And the former Premier went on to list the Crown corporations that had flopped and failed under the Government opposite. Some haven't been alluded to in the past, the first board - replaced by the Fish Marketing Services, and the loss there; the lumber mill at Big Beaver, Saskatchewan, and the loss in that particular mill; the box factory; again the broken down brick plant in Estevan.

The Leader of the Opposition in 1957 had proved to the people of this province that the Government's record on Crown corporations and its operations of competitive private industries had been a total and complete failure . . .

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — . . . and there is every indication on the record even since June of 1975, that the Government opposite's operation of Crown corporations are a failure and that Crown corporations are no longer being used for the public good of this province but are being used for the cheap, partisan, political gains of the Government opposite.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — I have alluded or stated and quoted from the debate that took place in 1957. Again, well about 1975, the Member asks, and I'm going to tell him about 1975. That if you had the courage and your Premier had the courage to debate the potash nationalization of this province, the results would be the same and the public reaction against the running of Crown corporations would be exactly the same then and it would be exactly the same today as it was then.

**Some Hon. Members:** — Hear, hear!

**Mr. Lane:** — You ask about 1975 and I am just going to repeat once more for the Hon. Member's edification the very fact of what your former Premier - you may have even voted for him once



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in your youth perhaps when you were young and frivolous, about what Tommy Douglas said, or maybe you even voted for him blindly, I suppose that by the comments you made in debate that that's what happened, and here is what he said again because you obviously weren't listening:

My answer to these so-called left-wingers, that is the ones who would take over the potash industry (and that's kind of what we are doing here isn't it), these Waffle types, (Some of them aren't as radical as I am), I would suggest one night a week out canvassing to find out what the average person is thinking is supposed to deal with the problems that people have not the problems we think they have.

That's what Tommy Douglas said. And I don't think things have changed. I don't think the basic position of our criticism of your operation on Crown corporations is any different today than it was in 1957. The evidence just keeps mounting. I think that the only thing that really has changed is the fact that Tommy Douglas wouldn't have nationalized - the Government opposite does nationalize.

An election would take into account all those issues. And I venture to guess that when an election is truly called in approximately 1979 or whenever that the Government opposite will make every effort it can to downplay its nationalization and soothe the fears of the people of this province, and if it has operated at a loss to bury those, to subsidize the Crown corporation - the Saskatchewan Potash Corporation out of general revenues like it has done with SGIO and other Crown corporations. And I venture to guess that in 1979 you won't have the guts, again like in 1975 and 1971 to fight the election on the potash industry, because if you did have the guts you would call an election today when this issue is fresh in the people's minds and they know what your statements are, however few they are, and they know full well that they could give a resounding answer and a resounding answer to the Government opposite, an answer which would run that Government out of office. I regret that the Government won't call an election. I regret too that the Conservative Party to my left can't come up with something new. But we are supporting the amendment, Mr. Speaker.

**Mr. J.L. Skoberg** (Moose Jaw North): — Mr. Speaker, very briefly because I know that Assembly wants to get on with the business of the House tonight and probably get into Committee of the Whole.

But I should like to suggest that when I listened to the Hon. Member for Qu'Appelle (Mr. Lane) and I pick up a newspaper from Moose Jaw that the Liberals to him this evening, Mr. Speaker, when he talks about the irresponsibility of the Members on this side, I think of the time last Friday (I believe it was), or maybe it was Thursday when the Hon. Member was in Moose Jaw when a very important Bill was being discussed before this Assembly - the Rent Control Bill, when he and his Hon. colleague for Maple Creek (Mr. Stodalka) I believe attended some meetings in Moose Jaw. Now the only thing that is rather queer about this particular press release, is says: "Just another example of the Government ramming potash nationalization down the throats without giving out facts and figures, Gary Lane, Liberal MLA said here Thursday." Then of course it was that the MLA from Maple Creek was also in attendance at some various city group meetings.

Now to date I haven't found out which various groups those two Hon. gentlemen attended in Moose Jaw. This particular news clipping seemed rather queer, to say the least, because usually newspapers say which city groups, or which groups, any politician addresses. And in this particular one they haven't quite shown whom they talked to and in fact I should be only too pleased to take my seat and have the Hon. Member for Qu'Appelle indicate which groups in Moose Jaw they did speak to last week. Probably I might suggest it could be someone in the Harwood Hotel whom they spoke to - the manager there possibly. He is a well-known supporter of a particular party and I presume that could be one group. I could think of one or two others but over the weekend I asked a goodly number of people in Moose Jaw if the Hon. Members opposite had addressed them and who and what meetings did they go to. I searched the newspaper, the Moose Jaw Times Herald to find out if a public meeting was advertised because he suggests here that the real purpose that they were making themselves available and accessible to anyone wishing to come . . .

**Mr. Lane:** — On a Point of Order. I wonder if the Hon. Member knows that those were the meetings that we invited your Cabinet Ministers to debate us on and they refused to show up?

**Some Hon. Members:** — Hear, hear!

**Mr. Skoberg:** — I'd like, Mr. Speaker, in speaking to the Motion and the amendment that is before us I should like to say that it is rather ironic that if they wanted to hold a public meeting that they didn't advertise in the newspaper so that at least maybe myself could attend and hear the great words of wisdom that were coming from the mouths of those two people opposite, particularly the one from Qu'Appelle. As I said once before he is just about as idiotic in his statements as anyone in this House can be.

I should like to suggest also, Mr. Speaker, when we listen to the type of reaction that we hear this Hon. Member for Qu'Appelle and others saying that the reaction of the general public is tremendous in opposition to the proposed Bill before us at this time.

I might also like to mention when I look at some other releases and I see where the Progressive Conservatives also went out on a big binge trying to educate the people. They went to Drinkwater, and they had 20 people out there and a Mr. Kelly was a guest speaker at that particular meeting. Then they went to a place called Tugaske and it said, a resolution to the effect was passed Tuesday at a meeting in Tugaske at the Legion Hall attended by 12 persons.

Now it appears to me that if the tremendous reaction of the public is exemplified by that type of an attendance at public meetings conducted by the Progressive Conservatives, reported in the paper, and I would be the last one to question the capabilities of the paper to report correctly in this case, but if this is an indication of the great general public reaction to this Bill then, of course, I fail to understand what that's all about.

I might also suggest that if those opposite want to have public meetings and want to advertise public meetings and go about the province talking about the Bill before us, I say "hair"

on them. But surely they could advertise such as we have done throughout this province. We had 150 people out at a public meeting to explain what the Bill was all about on December 3 in Moose Jaw, the Hon. Jack Messer in attendance. I might say that there were very valid questions raised from the floor. There have been meetings, public meetings not partisan type of meetings where they don't advertise them such as the Hon. Member for Qu'Appelle making a journey over to Moose Jaw for that purpose.

I might also suggest, Mr. Speaker, that when we talk about the potash corporation that we are in the process of establishing, I think that we have to then take into context that type of words that would come from the opposite side when they try to play down the economy of Saskatchewan. And I won't go into a long-winded debate or reading here, a book used as type of debate, back in the early '60s and has been read two or three times, but I will refer to Mr. Fred Harrison, the Ottawa Bureau Chief of the Leader-Post, and I might just suggest very briefly for one or two moments that figures are contained and something called Basic Table B 60 or indices of total capital investment, intentions and outlays by provinces. It goes:

The Basic Table B 60 is one result of a survey of Canada's 300 largest companies. The survey taken in October recorded the companies' capital investment intentions for the next five years. The national results were made public before Christmas. The fact the survey was taken before Prime Minister Trudeau's Thanksgiving announcement is generally downplayed by Federal officials because another survey finding was that 85 per cent of the plan related to past or present development and therefore are all but committed.

We go on here and it says:

The interesting thing, generally higher level of investment in Saskatchewan anticipated by those surveyed. It may reveal, for example, a greater degree of confidence in the Saskatchewan economy than has been hinted at by the private sector in the recent past.

Or if the industries reflect only one or two huge developments scheduled for later in this decade, the survey may hint at some pretty substantial announcements which could be expected soon.

We go on then:

No matter who owns the potash mines, only lengthy litigations stand in the way of major expansions of at least a few mines and possibly one new mine, although it remains much, much cheaper to expand than to build anew.

And they conclude in this particular article, Mr. Speaker, by Fred Harrison:

Growth of investment expectation is higher in Saskatchewan for the next five years than in most other provinces and is highest for 1976-1977. In fact Saskatchewan's anticipated investment growth rate even outstrips levels expected in booming Alberta every year to 1980.

But of course to be fair I'll say, but then Saskatchewan has a lot of catching up to do as Mr. Harrison says here, which is quite true. There's nothing unusual about that.

But we listened to the doom and gloom, Mr. Speaker, from the opposite side in so far as the creation of our potash corporation is concerned then no wonder that the people of Canada look askance at Saskatchewan. All we have to do is read the actual type of industries and the economic growth picture of this province and we realize that Saskatchewan is on the move and continues to be on the move even without the help of those opposite.

Mr. Speaker, I can only suggest that when we talk about the whole picture that we've heard in this last number of days in this Legislative Assembly we find out that we find those opposite going out, as I've mentioned before, trying to get support. Not get support from individuals of the public against the proposed legislation, but trying to get support for the leadership of their candidates for the Leader of the Liberal Party opposite. No question at all that in Moose Jaw the other day, the Hon. Member for Qu'Appelle (Mr. Lane) was there for a purpose, but the purpose unfortunately wasn't reported in the press, but he was trying to make an impression upon people so he would be a probably contender for that particular leadership.

I'd also like to suggest, Mr. Speaker, that it would be rather interesting to find out for sure how many letters those opposite have actually received. I can stand here in my place this evening and say I have not received one letter in opposition of the Government's proposal in so far as the establishment of the potash corporation. The only phone call I've had is from an individual over the weekend asking if I'd come down and have a little chat with him as he had some type of a patent that he'd like to put into effect in so far as exploration of potash is concerned. I might say that I listened to him attentively and I've passed the words on to our Premier and hopefully then that we can accept some of those types of recommendations.

The other point I'd like to mention, Mr. Speaker, that in the whole debate we talk about the use of money. In fact we have listened to the cutbacks and I won't repeat the things that have been said as far as the cutbacks and the old age pensions are cut back and senior housing capabilities. We listened to the Conservatives say that that money should be put into building up the branch lines so that road beds could be improved if we used this money for that instead of the potash corporation.

But the same thing applies in Saskatchewan as it does everywhere else. That by using the same logic that business has used right now in buying capital on terms it will pay for itself, is exactly the position that this Government is using. Business does that, Government does that and you can go through the Federal Government at this particular time and realize if you look at Petro Canada and the Venezuela situation or you look at the situation where now the Federal Government is involving themselves directly into the oil industry in more ways than with Petro Canada. Then what is wrong when Saskatchewan is doing that same thing with our resource in Saskatchewan?

The loan payments, Mr. Speaker, for the establishment of this corporation will be made from the company profits and the corporation profits and not from the employee pay cheques or

savings, not from the senior citizens, not from those who are going to get a home builders grant, not from those that get their home improvement grant, not from those who get hearing aids and I think the Hon. Member for Qu'Appelle could use a hearing aid once in a while, but it will be paid for from the corporation profits. That's exactly the way business is done and those Hon. Members opposite that are involved very deeply in either business or in the books of those business firms are well aware of that.

Mr. Speaker, I can say that the only political party in Canada that has consistently favoured the use of Crown corporations as a main investment economic policy is the New Democratic Party. That's history, it's documented and there is no question about it. I can also say, Mr. Speaker, that Crown corporations have had an appreciable effect on national unity. I'm suggesting that in Saskatchewan today we will have people who are dedicated to the principle of ownership of their natural resources and are dedicated to the Crown corporations that were developed by the Liberal Party when they were in power, developed by the New Democratic Party and the former CCF and those same people will be dedicated and appreciate the fact that this Legislative Assembly has seen fit to establish a Crown corporation for the development of that natural resource, potash.

**Some Hon. Members:** — Hear, hear!

**Mr. J. Wiebe** (Morse): — Mr. Speaker, just a few brief comments in regard to Bill 2. Initially let me say that I was very much amused again as always with the comments of the Member for Moose Jaw North (Mr. Skoberg). I'm very pleased that he took the opportunity to enter the debate and lighten up the evening a bit.

I might just say first of all that he was wondering what kinds of groups the Member for Qu'Appelle was talking to in Moose Jaw and also the Member for Maple Creek (Mr. Stodalka). Let me say first of all that the reason that the Members were there was because they had hoped that two Cabinet Ministers would also be there to debate them in a public forum. They, of course, refused to accept this challenge. One man who has experience, four years experience in this Legislature along with a man who has had literally two months of experience, challenged two Cabinet Ministers who because of their position, I am sure, have got a fantastic amount of experience in the field of debate and yet they refused to debate these two individuals.

Whom did they meet when they were there? Well, they met with the executive of the Moose Jaw North Liberal Association, the executive of the Moose Jaw South Liberal Association and the executive of the Thunder Creek Liberal Association and also the executive of the Gravelbourg-Assiniboia Liberal Association. Mr. Speaker, you wanted to know who the groups were, I told you exactly who the groups were and as a rule Liberals don't have to advertise to get their own party members to come to their executive meetings. The members who belong to our executive, Mr. Member for Moose Jaw North, come to a meeting when it's called. We don't have to advertise and hope to drag in everybody off the street and call it an executive meeting after it is completed.

Let me go on as well to say that the Member has said that we are saying there is a tremendous amount of opposition to this

particular Bill. Either you've got your head in the sand like an ostrich, Mr. Member for Moose Jaw North or you just don't like to realize the facts. Let me say first of all, can you tell me what group other than the Saskatchewan NDP that has come out publicly in favour of what you are doing? I think what you have to do is look throughout the province and ask the groups that have come out publicly against what you are doing and weigh that against the groups in Saskatchewan that have come out and spoken in favour of what you are doing. I might just go back to ask you to read today, the cartoon in the current issue of the Leader-Post. I think it clearly indicates what the people of Saskatchewan think in terms of your potash takeover. I think it's important that the Leader-Post has certainly conveyed in that particular cartoon a message to all people of the province and that is to think. Think just exactly what is happening and what your Government is doing in this province when it starts to put its finger in the potash pie, which in turn could force a lot of our investment to leave this province. He went on to say that the possibilities of growth are here. I agree with you. The possibilities of growth in this province are fantastic. All that we need is a government with the guts and the courage to get the ball going and get some of that growth developed.

**Mr. Koskie:** — We've heard that story before.

**Mr. Wiebe:** — Yes, you've heard that story before and I have told you that story before and let's just go back to growth. I'm glad that the Member has entered into the debate. Let's just go back to the potash industry growth. It took the CCF Government 20 years to attract two potash mines into this province. It took a Liberal Government from 1964-71 seven years to bring seven potash mines into this province.

**Some Hon. Members:** — Hear, hear!

**Mr. Wiebe:** — And the Members opposite can rest assured that if it wasn't for a Liberal Government of those seven years, you Members opposite wouldn't be receiving close to \$130 million in potash revenue today. Those two mines would not have generated very much.

Talk about bringing development into this province. Let's look at your record since 1971. How many potash mines have you brought into this province in the last five years? You don't even need your hands or your toes to count those because you haven't brought any in, and in turn have completely discouraged any kind of expansion of that industry. Then you have the courage to say what did we do when we were the Government in terms of developing this province.

What was the oil industry in Saskatchewan like in the seven years of a Liberal Government? Ask yourself what the oil industry is like in Saskatchewan today after five years of . . .

**Some Hon. Members:** — Hear, hear!

**Mr. Speaker:** — Order! I would remind the Member that the subject that he's speaking to is the amendment which is bringing this matter before the public in a provincial general election. The

Member has spoken before, therefore, he must confine himself to the amendment.

**Mr. Wiebe:** — Thank you very much, Mr. Speaker. The point that I was trying to get at in answer to some of the comments of the Members opposite was that I think now would be an ideal time for us to accept the suggestion made by the Conservative caucus in that we bring these areas or these records before the people of the province in a general election.

While I'm speaking on the fact of a general election let me say first of all that I intend to support his particular amendment. Let me use the same means to back up my reasoning for supporting this amendment as the Leader of the Conservative Party did when he agreed to support one of our amendments a little bit earlier in the debate.

**An Hon. Member:** — Convoluting logic.

**Mr. Wiebe:** — Yes, convoluting logic. He started at one side and went all around about three or four times and came back and we all thought for a moment that he wasn't going to support it and then we thought he was and then we thought he wasn't and finally when he sat down he was going to support the amendment. Let me say that I'm supporting the amendment because it gives the people of Saskatchewan an opportunity to voice their opinions. Let me say as well that I myself personally would not introduce an amendment such as this. I say this because it is basically grandstanding. It's basically asking for something that anybody in his right mind would realize a government would not accept or endorse. Especially a government that's been in power for only eight months.

**An Hon. Member:** — Are you going to support it?

**Mr. Wiebe:** — Yes, I'm going to support it and I said I'm using exactly the same logic in explaining my reasoning as the Leader of the Conservative Party did. I am supporting it because as I said earlier, it gives the people of Saskatchewan another opportunity to voice their concern.

Let me say that instead of calling for a general election it would have been much wiser, I think, if we had introduced an amendment somewhat similar to what we did in Bill 1, asking that a plebiscite be held throughout the province of Saskatchewan. Especially on an issue as grave and as momentous as this one is. The costs would not be as great because a mail in vote on a particular issue would not be that costly, whereas a general election would not only in terms of the taxpayers' money but also in terms of the three political parties. As well, by calling a general election you are not dealing strictly with potash. By calling a general election you are dealing with all kinds of other issues. Other issues which a Member and I were debating just a few minutes earlier in terms of which particular government brought more industry into this province than another.

One thing with a plebiscite as we had called for, would give the people an opportunity to look at the four different points of view and they then in turn could make up their minds according to that particular issue. I say that a referendum or

a plebiscite on this issue is vital because it is of great concern to most people of Saskatchewan. I would hate, of course, to see a government run by plebiscite in which you have one on every particular issue, but I think the fact that there has been no one since the introduction of the Throne Speech who has come to your defence in regard to the takeover of potash and the reason I say this is because usually when someone does, Government Members opposite immediately jump to their feet and laud and list the amount of people that are supporting their particular position. And in this particular debate that's been going on now for 39 days we have yet to hear of anyone other than the Treasury benches and the NDP that's come to the defence, to the support of the Government on this particular resolution, or in this particular debate.

So here again when we say that the opposition is tremendous I say it is.

**Some Hon. Members:** — Hear, hear!

**Mr. Wiebe:** — I said earlier that I was going to keep my remarks brief and I could as a matter of fact read some of the letters which I have received from my constituents. I have yet to receive one letter that's in favour of the position which you have taken. That seems strange because usually there is going to be someone from my constituency and that's where the majority of these letters come from who disagrees with what I say and some of the issues that are brought forward in this Assembly. On this particular issue I have yet to receive one letter from anyone who is in favour of what you people are proposing to do.

**An Hon. Member:** — Did you ask for them?

**Mr. Wiebe:** — Yes, I asked for letters. I asked for letters in my monthly reports to my constituents. I asked for letters, not to say whether they were for or opposed to particular legislation. I asked for letters to find out what they thought on the issue. In turn when I asked them to write me I asked them also to write to the Premier of this province and let him know as well what they feel and what they think the Government should be doing in terms of its potash legislation.

Again, a pattern seems to be developing in this particular Session of the Legislature. When the Government was first elected in 1971 they were prepared to go to the people of Saskatchewan with various legislative committees and I commended them for it. Yet in this particular Session there had been no committee established to go before the people of Saskatchewan on any issue. Any committee that we as an Opposition have suggested to the Government to establish, the Government in turn has refused to accept our recommendation again to go to the people of Saskatchewan.

One has to wonder what do they fear? Does the fact that you only received 40 per cent of the popular vote deter you from going out and talking to the people of Saskatchewan? Why did you go out to see the people of Saskatchewan from 1971 to 1975? You had something like 56 per cent of the popular vote at that time. You thought that 56 per cent of the people in Saskatchewan were behind you regardless of where you went. Now that you have only received 40 per cent, are you saying no, we won't go



out and listen to the people of Saskatchewan for fear that we might receive some criticism or that there might be more people at these meetings criticizing us than they would be applauding what we are doing? I ask you again to reconsider this policy which you seem to be following, of not going to the people. I ask you to reconsider before you vote on this particular amendment tonight, the fact that there has been no one in the last two months who has publicly come to your defence in Saskatchewan other than yourselves and your own party.

Mr. Speaker, I will be supporting the amendment, I won't support the main Bill.

**Some Hon. Members:** — Hear, hear!

**Mr. W.H. Stodalka** (Maple Creek): — Mr. Speaker, I hope you won't mind if my initial remarks don't pertain to potash. I have just, this afternoon, after leaving home and coming into Regina today, suggested to the Attorney General that possibly we could do something about the weather here in Regina. Over the weekend I was in Maple Creek and we only have about 10 per cent of the snow left. The streams from the Cypress Hills were running. Today again when I left it was melting - a very, very warm climate. On Boxing Day and Christmas Day some of the people in our area went out to the local golf course and did a bit of golfing. I suggested to him that possibly we could move the sittings of this Legislature down into Maple Creek which is the finest area of the province, weather wise anyhow.

Mr. Speaker, I listened with great interest today to the debate as it pursued particularly the idea, that there seemed to be an admission that the Premier had been off to New York making arrangements for money and probably was doing some dealing with the multinational corporations. I was just going to suggest that possibly he could send his Minister of Mineral Resource (Mr. Whelan) down to do the negotiations for him. I remember him earlier in this Legislature, one day, sort of handing out the goodies to the oil companies and then returning to the Legislature shortly thereafter and condemning them and telling us what a brutal bunch of people these multinational corporations are.

I also listened with interest to the reading of not only the election platform of the New Democratic Party in 1975, but also the election platform in 1971. I hadn't read that in 1971 for some years so had forgotten what it had said. I noticed that it was a much stronger statement in 1971 than in 1975. In fact, upon reading that 1971 statement it would have seemed to me that there probably would have been some sort of justification between 1971 and 1975 to do something about it.

But, Mr. Speaker, I noticed in reading the 1975 statement there was a certain softening of the tone of that particular resolution. The 1975 saying something about, to speed up direct government participation in exploration and development of, not an expropriation of mines; in the taking over of the existing mines. Mr. Speaker, it would seem to me that that 1975 statement was deliberately watered down, deliberately watered down to deceive, Mr. Speaker, because certainly in reading the two statements one can easily detect that the 1975 statement was much softer in tone from the 1971 statement.

Mr. Speaker, I listened to the radio coming into Regina today and noticed that the Government was having some problems settling the salary grid with the Saskatchewan Power Corporation workers. This brought to my attention something that one of your own people who work in one of the Crown corporations told me. He outlined one of the reasons he didn't think that he would like or was appreciating the idea of working under a Crown corporation. He said when you are working for a company such as the potash company then you as the individual, you as the employee in the union, have the potash company employer on the one side. You have the employee on the other side of the table and if difficulties arise then you can always ask for a conciliator from the Department of Labour, someone to come in and to settle the dispute. I noticed in your negotiations with the people in Sask Power you were using a negotiator. And the weakness in the situation is that you are an employee negotiating with your employer and yet the employer has the option of appointing the conciliator. It would seem to me that as a worker he is losing some right and some power.

Mr. Speaker, it would seem that under the conciliator he would definitely be working under some sort of handicap stemming from the Department of Labour and directions that might possibly come about from the Department of Labour.

Mr. Speaker, I also listened with a great deal of interest, maybe not an awful lot of comprehension when they got into the legality whether or not Sask Tel and the Saskatchewan Power Corporation were formed in a different way than the potash corporation. But in listening to the two sides and to the two presentations that were made here, it seemed to me that there was an important distinction between the two. The Power Corporation and the Sask Tel Corporation were both companies being operated by the Government before the time that the corporations were actually formed and legislation was introduced.

The Section of guarantee came up. Not claiming to be a man of high finance, it would seem to me that when the first potash mines were built here in the province of Saskatchewan, there was also a very, very rosy picture painted for them at that time. And it didn't take too many years, as we started moving along a little later on, that the potash industry began to run into some trouble. Mr. Speaker, I wonder what would happen if we, in Saskatchewan, had a debt, whether they were guaranteed by government bonds or what, and then in the next number of years our potash companies do run into the same sort of problems as they ran into in the past few years. Problems which we don't anticipate at the present time. And if we did, Mr. Speaker, it would seem to me that possibly some of the financing, some of the bonds as they matured, would have to be paid. And if the Crown corporations were not making a profit, Mr. Speaker, it would seem that the money would have to come from the Provincial Treasury. And if it comes from the Provincial Treasury I can't see how we would not have services reduced here in the province or have to have an increase in taxes.

**Some Hon. Members:** — Hear, hear!

**Mr. Stodalka:** — Mr. Speaker, again, we come to the Liberal position on Crown corporations and our record of the past, regardless of what the Member for Moose Jaw North indicated a little earlier. Probably the two most successful Crown corporations in the

province are Sask Power and Sask Tel and our records with them indicates that we supported them.

I was amazed though, one day in this House, when one of the Members opposite indicated that when the Liberals were in power that they had the nerve or the guts to have somebody investigate into SGIO to see whether or not it was a paying proposition. I was pleased today, to hear our own Leader come out and tell us that they had definitely investigated Saskatchewan Government Insurance. When a decision was finally arrived at, they found out that Saskatchewan Government Insurance could provide services to Saskatchewan cheaper than the private companies and so they kept SGIO at that time. And that is the particular type of position that I would like to be found in all dealings with Crown corporations.

So, Mr. Speaker, I think that the Liberal record speaks for itself. The thing that bothers me about the huge sums of money that are going to be spent in Saskatchewan on potash, is that here we already have an industry, an industry which is contributing \$118 million according to the little blue book on Estimates, to the Provincial Treasury. I have since heard that the amount might be greater than that.

Mr. Speaker, during the election we had a little proposal that some of the Members of the Opposition used to take great pride in pooh-poohing. That was to extend cablevision services to the province of Saskatchewan. I listened to the Member for Regina Wascana (Mr. Merchant) the other day advancing and giving reasons as to cablevision and what was the best way of bringing cablevision services to the city of Regina and Moose Jaw. I might say that when I listened to him I didn't have any particularly great degree of sympathy for bringing cablevision to Regina and Moose Jaw and those areas when we in the southwest don't even have what you might call reliable television. We still have some areas that are fringe areas. To give you an example, I suppose one of the great advantages that I had in the election campaign out in the Maple Creek area is that a good portion of the particular constituency of Maple Creek is serviced only by Medicine Hat. When we see provincial affairs in Medicine Hat we see the mighty Mr. Lougheed and his Minister Don Getty and the likes. When we do listen to the radios we hear, of course, some of the people here in the province of Saskatchewan. When the Maple Creek people watched what the Conservatives were doing in Alberta and listened to what the NDP were doing in Saskatchewan, they took the logical choice and voted Liberal.

**Some Hon. Members:** — Hear, hear!

**Mr. Stodalka:** — Mr. Speaker, I felt it essential, as I said when the member for Regina Wascana was pleading the case for cablevision in the city of Regina, to tell you and inform you about the television situation as it exists in the southwest corner of the province of Saskatchewan. Certainly we still have services to provide; services which can be done by government. We have here an area which private industry will not move into. It is my suggestion that some study could be made as to how that particular area of the province might, some day, receive some sort of service. At least the type of service where we could find out what is sort of happening in here in Saskatchewan. We are an area which is left out and we would hope that somehow,

someway that either private industry or someone else would feel fit to give us some service other than the CBC station which we have coming out of Medicine Hat.

And, finally, I noticed on my desk when I got back here, a little book called the "Proposed Grassland National Park". As I read it I find it involves 72 sections of land that are supposed to be put into a national park. I noticed here that it is a joint federal-provincial committee study. Here we have 72 sections of land to transfer into a national park and it was found a necessity to have a study, to have a commission, to have somebody to go out and study it. Here on the other hand you have potash, something that concerns the entire province and what do you have?

**Some Hon. Members:** — Hear, hear!

**Mr. Stodalka:** — Mr. Speaker, the Conservatives have called for an election. I would just love to go out and see them fight an election on their record in this Assembly. I will support the amendment.

**Some Hon. Members:** — Hear, hear!

### INTRODUCTION OF CUBS

**Mr. B. Allen** (Regina Rosemont): — Mr. Speaker, I have the honour to introduce tonight a group of 27 cubs from Mabel Brown School in Mount Royal in my constituency. They are accompanied tonight by their Cub Masters Dave Farley, Mike Barry, Barry Lyons, Robert Casper and Tony Emperingham. I should just like to say, Mr. Speaker, I think it is a real credit to the Scout Masters of these boys that they take an interest in the Government and encourage these young people to take an interest in government and hopefully many of the young cubs who are with us tonight will some day be sitting down here on the floor of the Legislature.

I look forward to meeting you a little later outside the House. We welcome you sincerely to the House tonight and hope you find it interesting and educational.

**Hon. Members:** — Hear, hear!

The Assembly resumed the interrupted debate on Bill 2.

**Miss L.B. Clifford** (Wilkie): — Mr. Speaker, I am glad to have the opportunity to speak on Bill 2 and its amendment. I, too, welcome our guests in the gallery especially if, as you were commenting that they may be down here some time. This party will be on that side of the House after the next election so you are welcome at any time to join us.

**Some Hon. Members:** — Hear, hear!

**Miss Clifford:** — This has been quite a day in the Legislature because we had the Premier speak for the first time on this Bill and I was quite impressed, I must say, because he sure got the troops over there stirred up with what he had to say. This is the first time that they have been stirred up and we have been

debating this for 39 sitting days, or three months. But I was also very pleased to see that our Member for Qu'Appelle got you equally stirred up for being on the opposite side.

**Some Hon. Members:** — Hear, hear!

**Miss Clifford:** — For a minute I thought I would have the great honour of being able to speak behind the Member for Moose Jaw and I thought for one minute Hon. Member for Rosemont, that I was going to get to speak behind you too, but I am not that fortunate tonight. But the Member for Moose Jaw always has the habit of coming up and attacking individual persons rather than policies as we have been trying to do. I am very pleased that he has been able to consider that the Member for Qu'Appelle's so-called idiotic statements as he didn't have much to say about the policy I am afraid. This is exactly what we should be considering in the Legislature, policy not necessarily personal interests of people.

Another thing that he keeps bringing up and I will just mention briefly is the leadership. You are indeed right that we have many people who are going to be trying for the leadership of our party and will also be happy to let you speak about them very often just to keep it in the minds of people, so they will know who the next Premier of Saskatchewan is going to be.

**Some Hon. Members:** — Hear, hear!

**Miss Clifford:** — Mr. Speaker, I have not had the opportunity as yet to speak on Bill 2. As you well know Bill 2 entails the financing aspects of the potash corporation. It allows the Government to disburse and to acquire funds by Order in Council without coming back to the Legislative Assembly.

We have heard many dissertations on the history of parliament from a number of our Members and we have also heard many times that a filibuster or techniques that have been used are making a mockery of a legislative system. I would say rather this Bill is more a mockery of the legislative system than anything else that has been going on in this House. It is a mockery because it tries to destroy the foundations upon which the Legislature rests.

Throughout history parliament has been here so it can vote on money Bills. I should just like to quote a number of things, very briefly, I am having one of my brief quotes this evening, from the history of parliament and the history of parliament naturally began a long time ago, but I am going to quote when Charles I was in parliament. This is one of the earliest times when parliament was called to give consent to money Bills. It says:

When Charles asked for money grants parliament gave him only 140,000 pounds to wage the Spanish War.

You might say, what has that Spanish War got to do with this, so please bear with me because I think it has, as the Member for Qu'Appelle says, the more things change the more they are the same and I can just recall from this quotation that this is exactly what we are debating at this moment.

He said:

They made it clear that they intended to debate foreign affairs and religious reforms and they were not taking chances upon Charles dissolving parliament as soon as the adequate funds had been voted to him.

This is indicative of why you are trying to get this Bill through before we can get some of these other Bills that are necessary.

Instead of granting tonnage and poundage duties to the new king for life in accordance with custom, the Commons they gave them to him for one year only.

Even then they were smart enough not to give consent by parliament to have their money grants being continuous.

In fact Charles did not get this income at all because he later dissolved the parliament.

They protested in this parliament, in an example that I am using, that not only was he asking for money on a continual basis, but he was also responsible for these plans, as we are responsible for the legislative Acts that we propose here.

He said:

Did Buckingham not know that the wool trade at that time that they were voting on was in the doldrums?

We are asking you, you say that you have a number of studies perhaps that will guarantee to us, and you say there is no guarantee, that the potash industry will continue to be at the high level that it is today. We cannot guarantee this, we cannot guarantee the markets, we cannot guarantee that the surplus that we have now will not get worse. Therefore, the money that we are spending on the potash industry, the money that this corporation, when it goes into operation, will be spending, will be a risk to the province of Saskatchewan and, indeed, Canada as a whole.

There was one other quote here that I should like to give to you tonight and it was in the same light as they were taking about Charles in England, when he was asking for money. And it was by Sir John Elliott and he said:

Our honour is ruined; our ships are sunk; our men are perished not by the enemy, not by chance, but by those we trust.

I think that this is something that we have to remember. Not by our enemies, not by our ships, we are perished by those we trust. And the people of Saskatchewan put their trust in you and they put their trust in the Opposition Members that represent them. And it is our responsibility to give them the opportunity whether it be by a plebiscite, which we asked for, or whether it would have been by an intersessional committee, whether it would have been by public hearings, whether it would have been by an election that is being asked for in the amendment. It is our responsibility to give them the opportunity to tell us whether or not they are in favour of a potash takeover.

The last quote I should like to read from this book by Smith on the history of England. Maybe this is a solution to your problem and maybe this is what you are trying to do at the moment, I never thought of it until I read the quote. "The problem of money supply was urgent," which is the problem we are debating right at the moment:

. . . that Charles thought to obtain tonnage and poundage duties by royal ordinance. When nothing was forthcoming he attempted a forced loan in 1627. This was in effect taxation without parliament sanction. Many refused to contribute.

Maybe this is what we are trying to do, maybe we are trying to get a forced loan from the people of Saskatchewan without asking them their opinion. Mr. Speaker, I have stated as have a number of other people since the Member for Shaunavon (Mr. Anderson) the last time he spoke, that our whole purpose for being here is to vote and to give consent for money Bills. Asking us to give a blank cheque to such legislation is not only irresponsible but not fair to the people of Saskatchewan. What is the Government in essence asking us to do? They are asking us to pass a Bill without any upper limit. They are asking us to pass a Bill without telling us where the money is coming from or what the interest rate will be. They have not tabled feasibility studies and they are asking us to finance this Crown corporation without these studies. How can we not oppose this Bill without abdicating our responsibility which is the very essence of the Legislative Assembly. This plan of action and its disregard for legislative powers must not go unchallenged and this is what we have been doing in this Session for the last 39 or 40 days.

Another question which has been brought up many times as far as the corporation is concerned is how can you not expect the Federal Government to interfere if you are taking away their taxing rights. The Federal Government will and they must protect their taxation privileges. Many of our programs in Saskatchewan are on a cost-sharing basis, if we take away their tax sources, then how will they get the money to help us with our cost-sharing programs? This in essence as I said before is a blank cheque that will have to be given by us and I am sure no one of you over there would want to give anyone of us or anyone over there a blank cheque for any amount of money and this is what you are asking us to do.

I would suggest that we have mentioned that there haven't been any feasibility studies shown to us. I would think that perhaps what we should be doing is say, all right we are going to buy one mine. Today one mine and maybe another one next year, bring it back to the Legislative Assembly and say, all right I'll show you a feasibility study on this, let's see if we should be buying this one and we vote on each time you propose to spend any money. Not a whole amount of money that you won't give us the final sum for. Each time you propose to spend any money bring it back. But what you are doing is saying, all right give us any amount of money, any power we want to get as much money as we want and we will never come back to you again. Now is that responsible government? I don't think anyone of you there could think that that is being responsible.

In history a democratic government has proven that the Legislature must control the raising of funds but without the control of the spending and the raising of funds then we don't

have any power. We must be accountable, we must give the people of Saskatchewan honest facts, honest communication so that they know what is going on. Again I say that the Member for Shaunavon at great length the other day showed you how Britain in the 30 years of their nationalization of industry had found that there were many things that went wrong when you tried to nationalize an industry. "Parliament and Public Ownership" tells three main things that they found out about nationalization of industry. And in these three paragraphs I should like to ask you if you feel it is worth this risk for the province of Saskatchewan. They found out that, and when you are going into the operation of a potash mine I think it is essential that maybe you look at whether or not the Government can run this business effectively. It says:

Businesslike efficiency in administration, therefore, would appear to be incompatible at least to some degree with democratic control. Because we are democrats, however, we have been satisfied with something less than businesslike efficiency in our normal governmental services regarding it's a partial sacrifice on a democratic altar as necessary for the preservation of a particular kind of political life. But how can we be equally satisfied when the state itself goes into business? That is the question which nationalization of industry brings to the fore. The answer has generally, although not universally been to the effect that state business should first and foremost be businesslike and hence needs to be exempted from the full force of ministerial responsibility, treasury control and parliamentary supervision.

And I suggest to you that this is what we are trying to do with this Bill, we are trying to get away from treasury control, away from parliamentary supervision and ministerial responsibility. If we pass this Bill through this is exactly what we have done. We have taken it out of control of the Legislature and put it into the control of the Cabinet. It goes on to say in the third paragraph:

It is doubtful according to modern socialistic ideas whether there is any advantage in conducting an industry or commercial service by the method of direct state operation, i.e. by government department. State activities such as general supervision and administration of national education, public health, postal service and trade, as well as the older functions in relation to foreign affairs, finance and the rest, are obviously different in kind from operation of services like transport, coal mining . . .

And I might add potash mining.

The former are typical government functions that cannot be divorced from the machinery of the state and parliament. The latter are really commercial undertakings whose business is production, not regulated and supervised.

And I would say in that light this is exactly what we are doing and perhaps it is not the best way in which we can run the potash industry, which is what they found out in Britain with their industries and which is what we have been trying to inform you of for the last while.



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The last quote I would like to introduce here is one that was made by a labour worker in Britain and I think this is quite important because at the moment this could be one of the reasons why we are so determined to push this legislation through. A labourer at the moment in Saskatchewan is not really too enthused about the New Democratic Party. The reason why they aren't is because they are proposing wage controls to pacify the Labour Party. I suggest the NDP have decided that the best way to do this is to make a big effort to nationalize an industry which is what labour has been proposing for some time. Which I suppose is a good political move despite the fact that the takeover isn't such a good political move.

This man who was a workers' control man and his name was Maurice Hann said:

If the principle of democracy was to prevail, the unions must have the right beyond question to elect the people they consider fit to sit on the controlling boards of socialized industries. They could not permit the appointments to be made by political ministers.

This is what a labour person in Britain suggests in their history of nationalized industry. However, I am afraid that if labour groups here felt the same way as the people in Britain did at the time, they would be a little alarmed because it says the board of directors and the members of corporations will be appointed by the Lieutenant-Governor-in-Council which is in essence the Cabinet, so they wouldn't be too pleased with that aspect.

Now, as I conclude I should like to remark on some of the things that the Premier has stated when he got up to speak this afternoon. He outlined to us what good legislative practice really was and I have tried to point out that good legislative practice I feel is to understand what we are here for. I believe we are here to be responsible to the people of Saskatchewan and not to legislate a Bill that gives ongoing powers without any upper limits to the amount that can be borrowed.

He mentioned that the Power Corporation and the SGIO were typical Crown corporations. Typical because they had \$1 billion assets now, he said, the same perhaps as the potash industry would have. But I should like to remind you that these Crown corporations were small when they began and they are by no means the same magnitude as the type you are proposing today.

At the beginning he read both of your platforms from 1971 and 1975 and said that the people were told that you either wanted to establish your own mines or you wanted to have joint ownership. Now I think that that is pretty realistic because this is what you did say, but nowhere did you say you wanted to take over the whole thing or nationalize it. I would be happy if you would have the potash corporation start it on your own money. I think I could even vote for that. Yes, one mine, you can do it all by yourself, don't take over the other ones. Because you know what happens to corporations like Saskoil, the same thing would happen if a government, your government and my government did the same thing as you are trying to do. This is not what you stated in your platform. You didn't say that in your platform, you said joint ownership or you said start your own mine. You didn't say you were going to nationalize all the mines.

Then you were talking about auditing, the auditing of the books and you said that the Provincial Auditor could be appointed if you felt that there was a need for it at the end of some period of time. I would say let's change the Bill, let's put this in right now, that the Provincial Auditor will be appointed. If you are so convinced that at some time there wouldn't be any problem, let's do this right now.

You talked about the future outlook for potash. Now in the future outlook for potash, undoubtedly you have a number of studies. We have the Mining Corporation study that says, yes, the future outlook for potash is good. And I would agree with that except right now we have a surplus in potash. Now why in the world would anybody want to take over a business that for the last two or three or four months there has been a decline in potash sales? I am not saying this will continue but the least you could do is wait until the future looks brighter than take it over when it is on the down hill run.

The next thing that was stated was referring to Members, such as myself, who had talked about programs that would perhaps lose out. I remember the Member for Moose Jaw North (Mr. Skoberg) said he wished the Member for Qu'Appelle would have taken part in the hearing program, so that he would have a hearing aid. Well I think there are a number of other people over there that could take part in that program, but I don't know if they have hearing apparatus that will compensate for selective hearing. In case you didn't realize we were not stating that we felt that you were going to borrow the money on one hand and you should be borrowing it for something else, we were stating simply that right now you have tax revenue from the potash company. Now if you take over the potash companies you will be paying the interest rate but you will not have this tax revenue coming in. And we are saying that if you have a billion dollar debt by some misfortune, perhaps the markets are not going to be the same, perhaps many things could happen as you well know in selling on the international market, then it will be necessary for the province to pay this debt and in that way perhaps we will have to compensate and cut down on programs. We are not suggesting that you borrow a billion dollars and start other programs. So I would suggest that perhaps selective hearing is operating over there.

**Mr. Rolfes:** — Be fair.

**Miss Clifford:** — That's fair, Mr. Minister of Social Services, now you know where we stand. Now another thing that was suggested by the Premier is that and I can't remember the exact words, but he said that we, as a government, do not make the future people or future children of Saskatchewan pay for anything, any deals that we make. And I would suggest to you that, no, maybe you don't have the responsibility to have to pay for these possible debts that you will have, but the people of Saskatchewan and we, as the Government, in 1979 might have the responsibility to pay for these debts. So I suggest maybe you should look at the consequences.

The last comment that I would like to make before I get onto the amendment is that although maybe nationalization at the moment is just being encountered in Saskatchewan, the people outside of Canada and Saskatchewan have a feeling that all of Canada agrees with this nationalization. This is going to affect

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the investment climate all over Canada and perhaps if you had been listening for the first 38 days we wouldn't be still here, you would have just given up the Bill instead.

I, too, was at one of these meetings mentioned previously. It was at Prince Albert and I had the opportunity to be on an open line. Now these debates, and whether they be debates or plebiscites or whatever, were one of the things we suggested to get public opinion. I am willing to admit that there was one call in favour of nationalization. So what would I say, if I am saying that these Bills are not good for the province, what would you say if you got a call saying maybe we should be for nationalization? I was fair, it is too bad you weren't listening. I said perhaps you are right, but do you realize what we have been asking for, for the last three months? We have been asking for your right to state that opinion.

**An Hon. Member:** — Who was it?

**Miss Clifford:** — I don't know, I don't know who it was.

**An Hon. Member:** — Did you . . .

**Miss Clifford:** — Well no, that wouldn't have been fair. If I had said that Mr. Minister of Social Services, it wouldn't have been fair because I don't believe as they don't believe that you really did ask for this mandate when we had the election. So, therefore, all I did say was that you definitely have a right to express your opinion and we are asking for this right to express our opinion. This is all we have been asking for and I think it is our responsibility to give that to them.

Now besides that, I always tell both sides of the story, that is one thing you can't accuse me of not doing. At any rate besides being on an open line and besides being on a TV program in the afternoon, I had an interview with the press. One of the questions that was asked was, would you be in favour of the election, which is exactly what the amendment is stating. And I said, yes, I would. And I gave them two reasons which have been given before. One, that it would give the people a chance to say whether or not they were in favour of this potash question, but the second I think is more important, more important to the Liberal Party perhaps. That is that in the past three months we have been the only ones who have been opposing this legislation and we have shown that we are the alternatives, we are the ones that can be leaders and form a government in 1979.

**Some Hon. Members:** — Hear, hear!

**Miss Clifford:** — Now the last two examples I should like to give are one from the city of Regina and a farming example. I made a phone call today to ask the city hall what were the taxes charged in 1975 in Regina? I am sorry that the mayor isn't here because perhaps he could show you better than I could. You might be interested to note that they were \$35,184,147.50, that's what was charged. Now let's say that you borrowed \$1 billion at an interest rate of 10 per cent. Now, not being a mathematician I still think you would have to pay \$100 million if I am not mistaken. What would \$100 million mean to the people of Regina

comparing it to this present tax load? That would be about 2.8 years of taxes for the people in the city of Regina. Now if you had to pay for the whole amount it would take 29 years of taxes for the people of Regina. That is a comparison of the amount of money that the Government will be spending.

My last example would be to ask you, if you had a farm, anyone of you, if I was going to give you a farm . . .

**An Hon. Member:** — I've got enough farms.

**Miss Clifford:** — You've got enough farms. Well, let's say I'll be generous and I give you a farm, before you put it under the Land Bank. If I gave you a farm and I said all right I will give you 80 per cent of the profits. I won't charge you for any machinery, I won't charge you for any chemicals, I will pay for the man who runs the farm. I will take the losses if we have a crop failure. Why would you want to buy it?

**Mr. Blakeney:** — Because you're suing me.

**Miss Clifford:** — Good answer. So if you are getting all the profit why in the work would you want to risk your money to buy it?

I have sent across to you previously, although some of you didn't get the cartoon, I saw you throw it away immediately, a cartoon that is explained to you, perhaps you had better stop, you had better reconsider and you had better think about this potash legislation. I think this is very typical of what we have been trying to get across and I genuinely ask you to think about it, to reconsider it and, Mr. Speaker, I will not support the motion but I will support the amendment.

**Mr. R. Katzman** (Rosthern): — I was very intrigued, Mr. Speaker, at the comment made by the Premier as he got ready to leave this Assembly. The statement made by the Member for Wilkie (Miss Clifford) and the Premier's quick reply, "Because you're suing me," that is why I am going to nationalize you. Very interesting. That is an interesting point because I have wondered about that and because of that point, I have got to go back to my John Richards speech made on the 29th of December in Saskatoon. I was there listening to this gentleman because he was talking about how the NDP really thinks. The Government is taking over the potash because it is just as risky as taking them to court for taxes. Maybe the Government doesn't believe they are going to win in court so they had better nationalize them. That is what John Richards was saying.

While I am talking about John Richards, he also talked about what should be paid for the mines. One of his basic points was the basic value of the mine should be two-thirds of its cost. Is he talking about the cost of construction when they were built or today's replacement costs? Further on, he says, well if we can't get an agreement there, we will have to give them 65 per cent of replacement. Once again very interesting.

To buy a mine that has been operating for years and give them 65 per cent, to me would probably be inflationary because the cost of the mine has gone up over the years. And you would be paying more than was originally paid for it.

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The Premier spoke earlier today. He made another point, daring and confident, does this present Government have the confidence of the people for the potash nationalization? I don't believe they do have that right.

During the election in 1971, and thank you to the Hon. Minister who sent me this booklet, they talked about it. The first comment on resource development was very intriguing. I might go along with them and believe them.

The New Democratic Party believes that the Liberal policy of selling out our birthright is both unwise and unnecessary.

Well, I think about that one and really wonder who is doing what to us. I go further on and it says:

Development must be aimed at maximizing benefits for the people.

I agree with that. But is nationalizing the potash industry the best for the people? I personally don't believe it is. It is a gamble. It is a gamble with the people of Saskatchewan's money. We presently get approximately \$118 million from the potash industry. What will we get if we nationalize the mines? Well, we will get a lot of potash. Will we be able to sell it? Will we be able to run the mines efficiently and derive all this wealth that I keep hearing from the other side that we are going to get? Don't get me wrong. Crown corporations are a good thing in many cases.

But being a government employee with a civic government for many years, I have never seen anybody waste money like governments can. I know, because I was there helping them waste it. Many an hour we sat and leaned on a shovel while somebody upstairs made up his mind if we were going to put the sand in or take the sand out.

Private industry doesn't operate that way.

In 1975 I noticed a new approach by the NDP Government. Joint ventures between the Government and private enterprises. They have softened their approach. Greatest possible benefit from our resources for the people of Saskatchewan. With that point I can agree. The people of Saskatchewan are our main concern. But is our concern to nationalize an industry that is paying us a large portion of our provincial revenue or do we go ahead and take them over and take the gamble? Clichés should not be used, but I will use one. One bird in the hand is better than two in the bush. That is an old saying.

I was very intrigued as the Premier spoke this afternoon. The Premier suggests that the NDP believes the industry should pay 80 per cent of their pre-tax profits. He indicated the Liberals believed 50 per cent. I think the Hon. Premier was playing with words because I don't think either party has made that statement. Yet the way the statement was made it sounded like it.

Financial statements he was talking about. What were we talking about at the time? He was answering a comment from a Member for Regina. The law says it is to be paid under tax laws, yet this Government is in court trying to collect royalties. I

am a little confused, not being a lawyer. But I always thought if you didn't pay your taxes, you paid a fine, you could go to jail and so forth. Mind you, you could delay your tax for a year or two and pay the interest on it but that is not what we are talking about.

Now, being a union man, I look at this Bill, the Potash Corporation of Saskatchewan and say, what happens to me if I am an employee of one of the potash mines? First of all I become a Crown employee. Second of all, when I get into some hard bargaining, who is going to come and play referee when the two sides can't agree? I wonder about that. Are we going to find a person within the Government who is there on behalf of the Government on one side, a mediator comes in the middle and is going to try to be unbiased? Well, that is pretty difficult to understand. Doing a little refereeing of hockey in my lifetime, they always say a homer is the worst kind of referee to have, and that is what we would have in an arbitrator.

My pension. There is mention of a pension within this legislation. Having a bit of experience with pensions and knowing how important it is to the working man today, I will go back in my own time and consider something that happened several years ago. We got very involved in the city of Saskatoon re the pension benefits for the CUPE members. Being chairman of the CUPE negotiating team on pensions for all the CUPE unions, we went to an Hon. Member, who was in the past the Minister of Finance for this province and asked him for some advice. He gave us his advice on a blackboard and showed us how all these magic figures worked and how when you did this and did that, how it worked out real good for you. Well I am glad we paid no attention to him. Because the plan that he advised has proven to be the worst plan that we possibly could have had. I wonder if he is doing the same in this potash debate in what he is advising and the Ministers with him are advising is the best for this province? I know that my pension is much better than the pension that he advised we should go for. I am glad I didn't take his advice. I am glad today that I am standing in opposition to Bill 2 because again, I am not sure if his advice is sound. I know years ago his advice was good. He ran one of the best pension plans in this province. But today, unfortunately times have changed. Maybe times have changed since 1971, because in the pension world they have. Maybe the potash takeover isn't such a good idea any more.

I suggest to the Hon. Minister, please take your fellow Cabinet Members back into the caucus lounge and convince them they are making a terrible mistake. You are taking the people of this province down the wrong path.

How much money is involved? Well, if you are a good mathematician you can do a lot of things by playing around with figures. I wonder as they play with figures, as a pension member, if I will be covered by the 10;45 law and keep my benefits. I wonder who is going to look after it for me when the Government takes over the mine that I work for and my pension disappears. Will the 10;45 law remain or will it disappear in this case?

I enjoyed the Premier saying, "Who's next?" And then he said, "Not to pay taxes." Well, he seems to be suggesting to the potash companies that the whole thing seems to be about taxes that they are refusing to pay and have taken the

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Government to court over. Mr. Premier, I do not agree with your suggestions of nationalizing one of the highest paying tax industries in this province. Therefore, I will vote with the amendment and against the motion.

**Mr. E.C. Malone** (Regina Lakeview): — Mr. Speaker, I should like to say a few words in connection with the amendment and like all Members on this side of the House I will, of course, restrict my remarks to the amendment which I will be supporting. Not because I agree with it particularly, but it is better than nothing as the Leader of the Opposition indicates.

One of the reasons that I will be supporting the amendment, Mr. Speaker, is because of the remarks that the Premier made this afternoon. I suppose he deserves to be congratulated after rising to enter the debate after 39 days of debate in this House. One wonders why it took him so long to get on his feet. We know that he has been speaking on television and in the corridors and giving press conferences, but I suppose we have to congratulate him for the small bit of courage that he did show today by finally entering the debate.

Until today his only contribution has been to peek in the window at the back door occasionally and be here for the occasional question period. Although I am told on Friday that he did make a few contributions while Members on this side were debating various items on potash, I am told that he continually looked at the Attorney General and stared at him and kept saying, “rubbish”. I am not sure whether he was referring to the Attorney General at that time or whether he was referring to Bills 1 and 2. But I suppose that is a contribution of sorts.

One would have hoped, Mr. Speaker, that when the Premier did choose to enter the debate that he would have given us a few facts. But I listened quite carefully to his comments this afternoon and I didn't hear him say if he was going to borrow any money, where he was going to borrow the money if it was to be borrowed, what interest rate the Government was prepared to pay, how many potash mines they were going to buy or expropriate. I didn't hear him talk about the possible risks involved in this venture. Whether or not the Government had any assurance that the existing markets that the potash companies are presently selling to, will remain. I would have thought that perhaps the Leader of the Government, the Leader of the province may have had a few remarks along those lines when he entered this debate on probably the last day of the second reading of both the potash Bills.

It took him 39 days, Mr. Speaker, to get on his feet and make a few remarks. I am wondering, Mr. Speaker, if we waited another 39 days, we might be able to smoke out the Minister of Finance. Another 39 days after that, if the Minister in charge of the Potash Corporation would rise and speak in this debate.

I am afraid, Mr. Speaker, that I am not prepared and I am sure the Members on this side are not prepared to wait for another 70 days or so in the hopes that these two Ministers would enter the debate.

The Premier's remarks were rather intriguing. He indicated that the Government did have a mandate to take these actions. I am surprised that he didn't mention anything about speeches

made during the recent election campaign in June. No reference there. He didn't talk about remarks that he or Members of the Government had made in the House before it prorogued in 1975, no mention of any remarks there because there weren't any. In fact he barely referred to the campaign pamphlet that was published by the New Democratic party because there's really no mention there of nationalization of potash companies. No, he had to go back to the New Deal for People in 1971 and there is where he found his reference to nationalization. I suggest to you, Mr. Speaker, it would have been just about as reasonable to have gone back to the Regina Manifesto because it's just about the same thing as the Member says. Nobody was made aware during the election campaign or the months immediately preceding it that an action as proposed by the Government would be taken.

I think that the Members opposite will admit that they don't have a mandate. They may have reasons for believing they have to take these actions, but certainly not in their wildest dreams can they say they have a mandate to do so.

I was intrigued as well, Mr. Speaker, by the Premier's remarks about the potash companies not providing information and disobeying the laws of this province. In an aside or a catcall as the Member for Nipawin usually refers to them as, I believe I suggested, why don't you enforce the laws: Why don't you have laws like the Government in Ottawa does to enforce taxation laws? For some reason this was an anathema to this Government that they wouldn't put in enforcement provisions in the laws that they passed.

Well, I can't believe, Mr. Speaker, that a government would pass laws and at the same time not pass ways of enforcing those laws. I'm not sure whether the provisions of the reserve tax, the Order in Council or whatever was required to set up that tax, what provisions they have, but I know one thing, Mr. Speaker, that when in this province somebody fails to pay the education and health tax, books are seized, prosecutions are taken, back taxes are collected, fines are assessed by the courts. I know that when somebody fails to pay his income tax, that the Federal Government does the same thing. It seizes records, takes prosecutions, collects the back taxes with interest, collects the penalties.

I suggest to you, Mr. Speaker, that either this Government is so incompetent, so incompetent that they felt they didn't need these provisions to enforce the reserve tax or they are afraid and won't enforce the provisions that they have and they use their own failure to justify Bills 1 and 2.

**Some Hon. Members:** — Hear, hear!

**Mr. Malone:** — It was interesting as well, Mr. Speaker, to compare the remarks of the Premier today to the remarks he made on television after the Speech from the Throne, not remarks he made in this House, but remarks he has made to the press and so on. A couple of months ago, Mr. Speaker, he was saying that the NDP Government was going to have Bills 1 and 2 passed by this Legislature by Christmas. He said as well that after those Bills pass, within the next 18 to 24 months this Government was going to buy or expropriate half of all of the potash industry in this province. That's what he said two months ago. That's what the speakers opposite, the few of them that did get up on their feet, that's what they were saying as well.



What did we hear today, Mr. Speaker? Did we hear him talking about taking over half of all of the potash industry in the next 18 months? No, we heard him talking about if the price was right, if the price was right we might do something. If the price was right, he said, we may buy one or two or three potash companies. But if the price wasn't right then we'd go to expropriation. Then we'd try and get one potash company by expropriation proceedings. If the price seemingly isn't right, after the expropriation board hands down its decision, presumably there won't be any more expropriating, if the price isn't right. Right for whom, Mr. Speaker? For the potash companies, government, or for the people of Saskatchewan?

I suggest, Mr. Speaker, that one thing we do know is that the only time, I believe, that the Premier did give us some type of facts in this House was to indicate that the Government was prepared to pay \$500 million to \$1 billion to achieve their ends. I ask them, is that for one mine under an expropriation procedure? Are you prepared to go that high to get one mine? I think, Mr. Speaker, it's proper at this time to get a scenario, to use the Attorney General's favourite word, a scenario. I think it's proper, Mr. Speaker, to set the scenario this way. I think what this Government's going to do when these Bills pass and there is no doubt now, I suppose that they are going to pass because once again we've run out of speakers on Bill 2, is that they are going to call in two or three potash companies and they are going to say, we want to buy you. We're not going to expropriate you. We're going to make a deal. We're a willing buyer. We're going to assume that you're a willing seller. All the time they will have Bills 1 and 2 in their hip pocket. They'll use them just like a loaded gun pointed at the head of the potash companies. They'll say, we think this is a fair price. We're prepared to pay so many millions of dollars for your assets. If the potash companies stand firm and I hope they will, if the potash companies have enough courage to not sell under those circumstances and the Government has no alternative but to start expropriation proceedings.

Now what do you think they'll do, Mr. Speaker? Well I think what they'll do, Mr. Speaker, is they will invoke the provisions of Section 60 of Bill 1. They will go on a little snooping expedition. Some official, some clerk in the Potash Company of Saskatchewan will get his little letter and he'll start going around to the potash companies. He'll start demanding all the information that those potash companies are required to divulge according to Section 60. They will go to every single potash company in this province and they'll get the records. Hopefully they'll have somebody in the Government or in the potash company who will understand those records. Apparently they don't understand the financial statements. Maybe they will have to hire somebody,, perhaps they will even hire Coopers and Lybrand to explain them to them.

Somewhere along the way they will get all these records together and they'll decide which company it will be most advantageous to the Government to expropriate. Then they'll issue a vesting order for one company. While I'm talking about vesting orders, Mr. Speaker, and I think this is something the people of Saskatchewan could consider an election on as the amendment suggests. One of the things about the vesting orders, Mr. Speaker, and I'm not even sure the Members opposite even know, I suspect the Minister of Mineral Resources (Mr. Whelan) doesn't know, is that a vesting order can be issued by the

Cabinet, Mr. Speaker. It doesn't have to be made public. Isn't that strange. This Government could in effect expropriate all the assets of a company or companies and they don't even have to tell them about it until it suits the Government to make that information known. Whether they do that or not, that is within their power to do if they should choose to do so.

But to continue on with the scenario, Mr. Speaker, is that they'll find the potash company which they think is most advantageous to them to expropriate. They'll issue a vesting order and maybe if they act half decently, which maybe is too much to expect, they'll advise that potash company that the vesting order is issued. Then they will start the expropriation proceedings. Then they'll find out really just how much they are going to have to pay.

I really think, Mr. Speaker, I really believe is that the Government at this time hasn't got the foggiest idea how much they are going to have to pay. If they had this information, Mr. Speaker, they'd be telling us about it. They'd be doing what the Premier says that if the potash companies were acting properly they'd be tabling the information that's been requested. Well, I suggest to you, Mr. Premier, that if you had information as to how much the potash companies are worth or what they think a potash company is worth, you'd be tabling that information, but you are not. I don't think you have any idea what it's worth. The first inkling you will have as to how much money you have to pay for a potash company or companies is when that board of arbitration hands down a decision.

Nobody knows how long that will be, Mr. Speaker. Nobody knows really just how long that will be. We're talking about expanding potash mines. This is one of the reasons the Government have given for this action.

I suggest, Mr. Speaker, that from the time this legislation passes until the first mine is finally expropriated and paid for and out of the way, it could be as long as two or three years. With all of the appeal procedures which I say are fair, with all the proceedings that this expropriation board will have to take, it will be two or three years before this Government finally finds out and the taxpayer finally finds out just what the cost is going to be. Now if the cost, if the price isn't right, say the arbitration board comes down with a figure that is \$500 million or \$400 million and our information is, is that this is conceivable, Mr. Speaker. Our information is, is that this is what the Bredenbury study showed as to the cost of a potash mine in this day and age. What happens if at that stage the one mine that the Government expropriates is that price? Surely even the Members opposite agree that the price isn't right at that cost.

So we are right back where we started from, Mr. Speaker, except we have driven private investment out of this province. We will have no expansion of any potash mines. The potash mines themselves will probably be operating at a level that is not as high as it should be because of the threat that's over their heads, all so that the Government can really find out what it's going to cost them to get one single mine.

Mr. Speaker, I think, while the Premier didn't say much today, his few remarks about the price being right and one mine were very revealing. I think perhaps, Mr. Speaker, if when this

debate had started if the Premier had made those remarks that we wouldn't still be talking about Bills 1 and 2. Because I think his remarks today have divulged really to this Legislature and to the people of Saskatchewan just the plan of attack that this Government intends on taking. I'm not sure, Mr. Speaker, whether it's because of our opposition to this Bill or it's because of the reaction of the people of Saskatchewan that brought about the remarks of the Premier today. In any event I think the Liberal Opposition can take some small credit for delaying the Bill as long as it has and having the people of Saskatchewan informed as to the implications of it.

Mr. Speaker, I will not be having much more to say except to indicate that when the Attorney General spoke on Bill 1, I believe he allowed me about two minutes to reply on the first day of the debate. I will be more generous to him and allow him 14 minutes to reply unless some other Members opposite wish to enter the debate and speak. I obviously, Mr. Speaker, will not be supporting the main motion. I will be supporting the amendment.

The amendment was negated on the following Recorded Division:

**YEAS — 14**

Steuart	Cameron	Merchant
Stodalka	Edwards	Larter
Lane	Nelson (Assiniboia-	Ham
Wiebe	Gravelbourg)	Katzman
Malone	Clifford	Birkbeck

**NAYS - 28**

Blakeney	Kowalchuk	Feschuk
Pepper	Robbins	Shillington
Bowerman	MacMurchy	Rolfes
Smishek	Mostoway	Cowley
Romanow	Larson	Matsalla
Snyder	Whelan	Skoberg
Byers	Kaeding	Allen
Kramer	McNeill	Koskie
Lange	MacAuley	Banda
Faris		

Debate continues on the main motion.

**Hon. R. Romanow** (Attorney General): — Mr. Speaker, I note that I only have just a few moments tonight before I will ask to call it 9:30. I want to say to the Hon. Members opposite that the debate certainly has been a very long debate. I honestly think that I probably don't need the extra time to continue my remarks at some other occasion. I could probably wrap up the sum and substance of the Liberal and Conservative arguments in one minute if I were left one minute, but I do believe that there are one or two other issues which need some further exposition at a later date.

The basic Liberal and Conservative argument I think can be summed up as contradictory and one that without exception has taken the side of the multinational potash corporations on this issue. Without exception has taken the tack of criticising Crown corporations, has taken the position of throwing every little bit of doubt possible on Crown corporations and their operation

in the province of Saskatchewan. The Leader of the Opposition this afternoon in his remarks tried to talk about the Crown corporations in this province and how the Crown corporations during the period of the Liberal Government made so much profit. I must also say that in his revealing remarks, Mr. Speaker, this was the first time that I had actually heard a former Member of the Liberal Treasury benches admit publicly to the open discussion of the possible sale of Saskatchewan Government Insurance Office to the private insurance industry.

I want to tell the House, Mr. Speaker, that from 1968-71 this was raised from time to time, but repeatedly denied by the Liberal Government. In 1971 when I was looking into this matter as Minister in charge of Government Insurance I ran across some documentation, documentation which I never tabled in this House, which clearly proved beyond any shadow of a doubt to me that the former Liberal Government indeed wanted to sell SGIO to a private insurance industry. I recall raising this in the course of a debate and the press didn't say very much, the Leader of the Opposition got up at that time and dismissed it. It was part of the sloganeering of the Liberal Party. No, no, not them, they denied it. They were in favour of Crown corporations and little did I believe that today, Mr. Speaker, we had a public statement carefully thought out and researched by the Leader of the Opposition admitting to the people of Saskatchewan that SGIO was on the chopping block when they were in government between 1964-71.

Mr. Speaker, I want to tell the Members opposite that this does not come as news to us. It may not even come as news to the press again, as they treated it in 1971 when we raised it. I want to tell the Members of this Legislative Assembly and the people of Saskatchewan that if ever the Liberals or the Conservatives should gain government again in Saskatchewan, this time they will make good of their promise to the private auto insurance industry.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — Mr. Speaker, we see what is happening now in British Columbia. We now see the Leader of the Liberal Party confessing to this activity in 1965 actually when they sat down with the private auto insurance industry.

Mr. Speaker, in the minute and a half remaining to me, I want to make one other point for fear that again there might be some misrepresentation. That is, on the question of what the stated policy of the Government is on the acquisition of the potash industry in the province of Saskatchewan. I suppose, Mr. Speaker, this is not mine but I saw it on television ten days ago when one of the announcers said, "Just goes to prove that it is easier to get on to the tiger than it is to get off the tiger." When you get on the filibuster tiger, it is hard for you to get off, unless you find some reason for the public why you are getting off. So the Liberals grasping at straws to find that reason seize on a remark out of context, to say that it is only one potash mine and they have done a great service to the people of Saskatchewan on the potash mines.

Mr. Speaker, I want to repeat again to the people of the province of Saskatchewan, what the stated policy of the Government is in this regard. Mr. Speaker, I call it 9:30.

The Assembly adjourned at 9:30 o'clock p.m.