

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Eighteenth Legislature
41st Day

Wednesday, January 21, 1976.

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

QUESTIONS

NUTRITIONAL PROBLEMS WITHIN OUR SCHOOLS

Mr. D.G. Steuart (Leader of the Opposition): — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Minister of Health. Maybe it should be directed to the Minister of Education but along with most of the Cabinet Ministers he is not here this morning.

There have been press reports, there was one in the Leader-Post yesterday and over the CBC last night about studies being done first, by Nutrition Canada, and secondly, a more detailed study carried out on behalf of the Edmonton Separate School Board, a study done for eight months about the nutrition of our children in elementary and high schools. And the conclusion that both of these studies have come to is that nutrition is very bad, the diet of most children in elementary and high schools from a nutritional point of view is extremely bad. And the studies done in Edmonton and the studies done in the United States have proven fairly clearly that there is a direct connection between mental development, social attitude in the schools and truancy connected with the diet of the young people in elementary and high schools. As a result of the study in Edmonton the Department of Agriculture, in Alberta is introducing to 2,000 children, specially in northern Alberta, a program of nutritional snacks — milk and other nutritional food — and the conclusion that has been made after this program was introduced is that the truancy rate went down and the learning ability went up and the social behaviour went up very markedly.

My question is: have any studies been done in this regard in Saskatchewan or are any contemplated? I think this would be a good program — if it has not been instituted in northern Saskatchewan — especially in northern Saskatchewan, where again the diet of some of the children has been very questionable for a long time. It should have been done. I don't want to get involved in whether we should have done it or you should have, but it should be done and it should have been done years ago.

Are you aware of any studies being done in Saskatchewan? Are there any being contemplated? Are there any sort of hot lunch programs or nutritional snack programs being developed in our schools especially in those areas of low income?

Hon. W.A. Robbins (Minister of Health: — Mr. Speaker, in answer to the Hon. Member's question, yes, we are looking at this very closely. We have set up a new division in the Department of Health called 'Health Promotion' and it is our intention to do our utmost to improve that situation. It is obvious in our school system, and other places with

vending machines, dispensing chocolate bars and chips and all sorts of things that really aren't very nutritional foods at all.

We are concerned about it, in fact we are attempting to alter the whole approach in Health. We hope it will be instrumental in changing our attitudes towards health. We think that a lot of the problems that are related to health are a result of our current attitudes and present style of living.

I agree with the Member that this is something that should be looked at very closely and we are doing something about it through the Health Promotion Branch.

Mr. Steuart: — A supplementary, Mr. Speaker. First, let me say that I am pleased that there is a study being carried out.

Is the Minister aware that a Dr. Westbury who is a director in the education system for the Edmonton separate schools, in the study, described the nutritional value of the snack machine and the cafeterias, the product of the cafeterias, from a nutritional point of view, as primitive. I would just like to clarify this. Is a program of snacks or hot lunches, especially for northern Saskatchewan, is it in the process of being developed? I would hope it would be.

Mr. Robbins: — I am not sure it has gone that far, Mr. Speaker, at the moment, but I do know that the Health Promotion Branch, which is a new branch just recently established in the last couple of months, is looking very hard at that problem.

I would agree with the Member. I would hope that we can do something in terms of northern Saskatchewan and its health needs in that respect.

EMERGENCY GOVERNMENT SERVICE

Mr. R.L. Collver (Leader of the Progressive Conservatives): — Mr. Speaker, before the Orders of the Day, I should like to direct a question to the Attorney General.

Has the Government of Saskatchewan prepared contingency plans for a provision of emergency government services for Monday, February 2st in light of the proposed province-wide walkout planned by the trade union group in the province?

Hon. R. Romanow (Attorney General): — Mr. Speaker, I am assuming that the Member is referring to emergency plans in the sense of continuation of the functions and services. And the answer is that at the present time we don't anticipate any problem in this area. The best information that has been communicated to us is that the trade unions will be maintaining services as well as possible. We have no indication that there will be any major shut-down or total shut-downs in the operations throughout the province of Saskatchewan.

So, accordingly, I would answer the Hon. Member that we have not taken any further consideration as to plans.

Mr. Collver: — Mr. Speaker, a supplementary question. Would the Attorney General not agree that any province-wide demonstration of this nature may have a material affect on the emergency services that are essential to the protection of the public and since it is the Government's duty and obligation to ensure that these services, that these essential services, are kept up during this interval of time, would the Attorney General not agree that such contingency plans be considered, at least, by the Government and perhaps a contingency plan set up to ensure that these services are provided.

Mr. Romanow: — Mr. Speaker, I think it is incumbent upon any government to consider all reasonable possibilities. From the information that is available to us and certainly from statements that have been made by the trade unions involved, the reasonable information is that there will be a continuation or a maintenance of the hospital services, for example, they have said so publicly and as far as we are concerned we can take the leadership of the trade union and the individual membership at their word. Accordingly, we don't view this as a reasonable concern, at this particular time. So I would repeat, again, what I said to the Member in response to his first question.

Mr. Collver: — A second supplementary, if I may. Would the Attorney General not agree that one of the reasons for the proposed demonstration is that the Government of Saskatchewan has not announced any of its intentions . . . I beg your pardon. I thought that was a question. Are you ruling me out of order, Mr. Speaker?

Mr. Speaker: — I think it would help the Question Period if the Member doesn't phrase the question in such a way that it makes it difficult for me to judge whether it is a statement or a question.

Mr. Collver: — Well, Mr. Speaker, I will perhaps start again. Would the Attorney General not agree that it is incumbent upon the Government of Saskatchewan to announce its intentions as regards the wage and price control guidelines and that if the Government of Saskatchewan were to announce its intentions, that some of the rationale and reasons for this kind of demonstration might, perhaps, be dissipated.

Mr. Romanow: — Mr. Speaker, I don't understand the rationale of the demonstration to be as the Member has stated it. I understand the rationale of the demonstration to be the desire by the trade union movement in Saskatchewan to show their opposition to and their solidarity, if you wish, in that opposition against the federal proposals of the guidelines. The fact that they are using the Legislative Building in Saskatchewan as the focal point may or may not be incidental to the main object of the demonstration.

Accordingly, the position of the Provincial Government, I think is secondary at this stage of the game to the announced

plans. So I don't agree with the Hon. Member.

Mr. Speaker: — Before I permit another question I may say, with regard to that supplementary, that if it be correctly judged it would not be a supplementary. The initial question asked by the Member for Nipawin was with regard to whether contingency plans were laid on regarding February 2st. The supplementary was, in fact, a new question since it wasn't asking for clarification of the answer given to the Minister. It was in fact a new question.

Mr. Collver: — May I respond, Mr. Speaker, to what you just mentioned?

Mr. Speaker: — No, I don't believe so.

HIGH SCHOOL FOR NORTH OR NORTHEAST REGINA

Mr. J.G. Lane (Qu'Appelle): — Mr. Speaker, I should like to direct a question to the Minister of Education (Mr. Tchorzewski).

The present Minister of Finance (Mr. Smishek) and the former Minister of Co-operation both either made public commitments of a high school in north Regina and one in northeast Regina, either a public commitment or a public endorsement.

Seemingly the Department of Education has restrained itself from making a decision on that particular — on the high school or both high schools or whatever — can the Minister of Education tell us if a decision has been made as to a high school in either north Regina, northeast Regina or both?

Hon. E. Tchorzewski (Minister of Education): — Mr. Speaker, in reply to the Member's question, no, the final decision has not been made. It is pending finalization of all the budgetary considerations and when that is complete, hopefully, in the not too distant future the appropriate announcements will be made.

Mr. Lane: — Will the proposed announcement, and we would appreciate a closer estimate as to time, take into account the public commitments having been made by the Members of the Treasury Benches and also the fact that many citizens in these two areas of the city of Regina have been led to believe that they would have a high school and have made personal decisions on that basis.

Mr. Tchorzewski: — The announcements based on the decisions will be made in keeping with the usual procedures of discussions with the school boards affected. In the consideration of the proposal that is made and when all that has taken place the announcement will be made as I indicated.

Mr. Lane: — A supplementary, Mr. Speaker. If both Cabinet Ministers had been re-elected would the Minister then have made the commitment of a high school in each part of Regina?

Mr. Tchorzewski: — That is an assumption,

Mr. Speaker, that I don't think is worthy of comment.

POTASH EMPLOYEES — LOSS OF SUPERANNUATION

Mr. D.M. Ham (Swift Current): — Mr. Speaker, a question directed to the Minister responsible for the Potash Corporation.

Is it true that workers presently employed in the potash industry will lose their superannuation as a result of Bill 2?

Hon. E. Cowley (Minister of Potash Corporation): — No.

Mr. Ham: — A supplementary, Mr. Speaker. What guarantee has been or will be given to these employees that they will have an equitable superannuation plan?

Mr. Cowley: — Mr. Speaker, if the Member would read through Bill 1 he will see that in the event of any vesting, for example, any superannuation plans, together with liabilities, etc., that would be owing to the employees by the company and the employees' rights are protected by statute. I think, further, that the Government has made, and I am prepared again to make a public commitment, that in terms of any superannuation benefits, etc., no employee of any potash company will be adversely affected.

COMMITTEE OF THE WHOLE ON BILL NO. 1 — An Act respecting the Development of Potash Resources in Saskatchewan

Mr. E.C. Malone (Regina Lakeview): — Thank you, Mr. Speaker. I don't think any great purpose would be served at this time to get into a long oration on the evils of the Government. We are all aware of the evils of the Government and it is early in the morning and I am in a pleasant mood so there is no point in changing the air about the committee at this time.

However, Mr. Speaker, there have been many allegations from the Members opposite in the two debates about the position of the Liberal Party. We have been accused wrongly and unjustly of being a friend of the multinational corporations and being their protectors. We have been accused of wanting, in effect, to rape the resources of Saskatchewan for the benefit of other people and on, and on, and on.

I don't think any person believes these accusations. They are made in a nonsensical manner and they have added nothing to the debate.

However, Mr. Speaker, I feel that at this time some purpose, some good purpose, would serve to put on the record the position of the Liberal Party as to potash development and as to future resource development in the province of Saskatchewan, not just now but in the years ahead.

I wish to read into the record just what our position is. You may recall the speeches in the Throne Speech debate, and I believe the Member for Regina South (Mr. Cameron) and the Member for Regina Wascana (Mr. Merchant) as well as our Leader and myself indicated that we would be presenting alternatives to this

legislation that we oppose. We have presented alternatives in our speeches on the debate on Bill No. 1, but they perhaps have been somewhat disjointed because of the number of speakers involved.

I think that at this time I should like to get on record the policy of the Liberal Party so far as it relates to potash and other resources and I intend on reading into the record the statement of the Member for Prince Albert-Duck Lake (Mr. Steuart) if the Minister in charge of the Potash Corporation (Mr. Cowley) could restrain himself – so that the Members opposite and the people of Saskatchewan know what the Liberal position is. I will be glad to make a copy of these remarks available to the Members opposite and to the press after I am finished.

Mr. Speaker, the position is as follows and this is the statement of the Member for Prince Albert-Duck Lake, the Leader of the Opposition and Leader of the Liberal Party.

The Saskatchewan Liberal Party bases its resource development policy on a number of fundamental principles and beliefs.

1. All resources belong to the people of Saskatchewan and Canada.
2. Saskatchewan people have by right the first claim on the money and jobs produced by our resources.
3. As members of one nation we must also recognize the rights of other Canadians to a legitimate share of the returns from Saskatchewan's resources. Just as Saskatchewan people now receive great benefits from Alberta oil, Ontario's minerals and British Columbia's timber, \$325 million last year in equalization grants. Other Canadians have a right to a portion of the profits from our potash.

As Canadians, if we stop sharing our wealth we will soon cease being one nation.

4. As concerned citizens of the world we have a serious responsibility to share our resources with those less fortunate than ourselves, for example, potash for fertilizer is needed in the emerging nations to feed starving people.
5. We must treat all people who are engaged in developing our resources with honesty and fairness, whether they are the workers in the mines and forests or the investors who risk their savings to make our mines and mills possible.
6. Since we are a small province, we need to encourage new people to come to Saskatchewan bringing technical and professional skills and money, so necessary if we are to properly develop our resources to everyone's benefit.
7. Proper conservation and anti-pollution laws must be enacted and enforced to ensure the proper use and long-range availability of vital resources as well as maintaining clean air, water and land for present and future

generations.

8. The Government has to enact tough laws demanding that everyone engaged in resource development must among other things:

- (i) pay fair wages and maintain good safe working conditions;
- (ii) pay fair and equitable taxes to all three levels of government;
- (iii) carry out good conservation practices;
- (iv) protect people and the environment against dangerous pollution.

9. Encourage the development of our resources by private investors if they are prepared to abide by sound and reasonable ground rules laid down by a fair government.

10. If private investors will not conduct their operations under fair and consistent rules set out by the provincial governments they should not be allowed to come into our province and if already here they should be treated the same as any other lawbreakers, no better or no worse.

11. If the private sector cannot or will not develop Saskatchewan resources in a proper way to the benefit of our people then government should enter the field either in partnership with private business or as a last resort by themselves.

In short, the Liberal Party believes Saskatchewan's resources should be developed for the benefit of our people with the Government using its power to ensure a fair return for everyone concerned.

The Government should then leave the development of these resources to people who have proven experience and know-how to harvest and sell the products of our forests and mines.

The Government should only risk the taxpayers' money when the private sector cannot or will not do the job properly themselves.

An examination of all the factors leading to the threatened takeover of all or part of the potash industry shows that the present Government ignored or broke every one of these guidelines.

The private potash industry came into Saskatchewan at the invitation of the CCF Government and only after they received a guarantee by the then Premier T.C. Douglas of fair taxation and no government takeover. The industry brought to Saskatchewan highly skilled people and huge sums of money to develop our potash. Saskatchewan people had earlier lost millions of dollars in an unsuccessful attempt to mine Saskatchewan potash.

It is important to remember that our potash produced no

jobs, no tax revenue, and no fertilizer to help feed hungry people until private investors risked their money and brought their technology here. But for that, this precious mineral would still be 4,000 feet underground.

POTASH

Potash was actually discovered in Saskatchewan over 30 years ago. The first attempt to bring in a potash mine was in the Unity area in 1946. The investors sunk a shaft, spent about \$14 million, and never even reached potash.

The next move was made in 1952 by the Potash Company of America near Saskatoon.

The CCP was in power and the then Premier, Mr. Douglas, gave this company a low royalty rate, guaranteed until 1981. That is, that government gave the potash companies a low royalty rate, guaranteed until 1981. He also gave this company his word that the government would not nationalize the industry. It was in 1954 that the Potash Company of America began to sink a shaft and in 1958 opened its mine. They encountered tough technical problems and lost millions of dollars. It almost bankrupted the company. It was not until 1965, 13 years after they came into Saskatchewan that the company actually showed a profit.

The next potash mine to come to Saskatchewan was the IMC at Esterhazy and they were guaranteed the same low royalty, again until 1981.

Seven more mines followed these pioneers and in fairness, were all offered the same rates of provincial taxation.

Sometime after the Liberal Government was elected in 1964, a production tax was levied against the potash industry.

In about 1968 Saskatchewan saw large surpluses develop due to a slowdown in the rate of demand and serious overproduction brought on by too many mines coming on-stream at roughly the same time. During the same period the world price of potash dropped drastically. This combination of events brought some of the newer potash mines to the brink of closure and dried up our revenues. To save Saskatchewan jobs, retain the mines and increase the value of this resource to our people, the Thatcher administration imposed quotas on the companies and forced them to stop selling our potash at cut-rate prices. This was called prorationing.

This policy was denounced by Mr. Blakeney and his party. They called it a 'capitalist cartel'. They promised if elected in 1971 to do away with prorationing immediately. When they came to power in 1971, they did not scrap this program but extended it.

As the world market for potash recovered there became less and less need for stiff quotas, minimum prices and for prorationing. A return to healthy competition as early as 1973 would have had a stimulating effect on the Saskatchewan industry and encouraged expansion.

However, in 1972 the Government, under Mr. Blakeney, began

to markedly increase the taxation on the industry and began to harass it with an ever-growing and complex set of regulations. This was done in the name of conservation. But we believe it was the beginning of a series of moves by the Government to get them into the potash business. They continued to increase the level of provincial taxation until this became the highest taxed industry in Canada.

While every reasonable person would have accepted a substantial increase in the level of taxation as the price of potash rose, the Government have actually raised the level of taxes on this industry by fifty times. To further add to the harassment of the potash people, the Blakeney Government demanded that the companies open up their books and their records to the scrutiny of the Provincial Government. They placed the industry in an impossible position. The Saskatchewan Government was to be their competitor, yet they had to hand over to the Government all their private records, most of their revenue and whatever share of their own hard-won markets that the Government felt it wanted.

Convinced that the Provincial Government has exceeded its powers and was acting illegally the industry took action by appealing to the courts, the only action open to them.

Mr. Blakeney and his Ministers then began a campaign of publicity, damning the potash industry, for exercising the right of every citizen to seek the protection of our courts against illegal or unconstitutional laws. This war of attrition launched against an industry whose only sin was to come to Saskatchewan to help us develop our potash resources, and to succeed, culminated in the threat by the Government to take them over by force of law.

The first concern of the people of this province who value their freedom and independence and are concerned about fairness and commonsense must be the continuing thirst for more and more control by the Blakeney administration. Their resource policy, when looked at clearly, is not to guarantee the right of benefits from the development of these resources, but rather is the desire for total Government ownership in resources.

Look at the record. The Government took over the timber industry, they seized private oil rights under Bill 42, they have now moved into the potash industry and are already threatening the uranium mines. This Government has also purchased millions of dollars worth of prime farm land and have given themselves absolute control over this basic resource through The Land Bank Act. Is it any wonder that thoughtful people in Saskatchewan today are saying 'who's next?' The answer is obvious. Any industry that looks profitable, or anyone who dares to question this Government's march towards total socialism.

The other side of this unpleasant coin is the viability of the Government going into the potash industry. It is a bad risk and an unnecessary risk and one that will cost millions of dollars in lost revenue and thousands of potential jobs.

To begin with, Mr. Blakeney is going to buy into the potash industry at the height of inflation. The total investment of the potash industry was from 700 to 900 million dollars.

At today's replacement value we are probably talking about 2 or 3 billion dollars.

I think we should note here that most of the industry has been in Saskatchewan about ten years and for most of that time they have actually lost money. I think it is also worth recalling that although the Government will buy these mines at their highest historical price, the Premier is moving into a potash market that actually dropped five per cent during the last year. On top of this, what guarantee does the Premier have that he can maintain any, or all, of the market now controlled by each individual potash mine?

About 70 per cent of Saskatchewan potash is sold into the United States market. Over half of this amount is a captive market owned and controlled by the individual potash companies. How likely are these companies to hand over their markets to a Government that has forced them out of business? I think it is highly unlikely, and since there are potash reserves in New Mexico, New Brunswick, Brazil, England, Germany and Russia to mention just a few places, we have no monopoly on the sale of potash, nor are we likely to.

Another serious factor involved in the marketing of potash is the ability of present and potential customers to find the hard currency to pay for our potash. There is no question that the need and the demand for potash to be used as fertilizer will grow very rapidly in a hungry world, but there is a serious question, especially in the face of the sharp increase in the price of oil, about the ability of the people who need the potash to find the money to pay for it.

Now, while Saskatchewan may wish to give some of our potash away to needy countries, we are less than a million people and face serious limitations on this kind of generosity.

The truth is that Mr. Blakeney has no guarantee that he could sell one ton of government produced potash and, if he does not get such a guarantee, he will pay through the nose for it. Our Premier assured the people of Saskatchewan that he and his Ministers have looked at this with commonsense and in a hardheaded manner, and has called his proposed takeover of all or part of the potash industry a good business deal for the people of Saskatchewan. But this is the same Premier who paid Mr. Mendel \$10.2 million for less than half a packing plant, the total value of which was only about \$7 million.

The Government is now receiving \$15.23 million a year from the average potash mine without a cent invested or any risk involved, or a total of \$130 million a year.

Let me make it clear, if they keep the markets the Government will make money when they own the mines, but no more than they are now making with nothing invested. But there is every chance it could lose a great deal of revenue if they lose any of the markets.

Obtaining top technical and managerial staff may not be as easy as it appears. The Government has been trying to hire a manager for the Power Corporation for over four months. Second-rate staff will mean lack of efficiency and further losses in the Government potash operation. Why is the Premier and the Government opposite taking this great and unnecessary gamble?

We believe for several reasons, which I will only mention at this time.

1. He is afraid his tax laws will be upset in the courts forcing him to pay back millions in taxes, so he is trying to beat the industry into submission.
2. He is a socialist and the idea of the government ownership of business appeals to him.
3. His proposed mine at Bredenbury was going to cost anywhere from \$300 million to \$600 million and he cringed at the price. So, since he had promised to get in the business, he decided to take this route.
4. He hopes he can take one or two of the mines at below value and end up showing a profit.
5. Lastly, I think he got angry with the potash companies and this triggered the Government action to take them over.

While I agree that big business is often wrong and must be strictly controlled I don't believe the Government should deal with anyone from a basis of anger or revenge.

The Premier can't really win. He will pay top dollar for the mines and the highest interest rate in history to get the money to buy them. Unfortunately, it will be Saskatchewan's people who will be the real losers both in money and freedom.

There is a further factor that he seems to have overlooked. The distinct possibility that the Federal Government will cease to exempt Crown corporations from federal corporate income tax. If this happens, not only will Saskatchewan potash be liable for heavy federal taxes as well as Saskoil, if by some fluke they ever show a profit, but the power, telephone and other corporations could be exposed to taxation.

Mr. Blakeney is launching this province down a very dangerous and slippery slope. We urge him to slow down and think about this before he commits us beyond recall. You can't unscramble an egg once it is broken.

A further objection to the Government's potash takeover is the fact that up to 3,500 more people will be added to the Government's payroll. This will give the Government more power over more people than ever before in our history. This takeover will also do great harm to the investment climate in Saskatchewan, costing us new development and thousands of jobs in the years ahead.

The Liberal alternative would be to sit down with the industry and work out a fair and a reasonable taxation arrangement. The level of taxation would, of course, be much higher than it was a few years ago because the ability of the industry to pay is much better than it was then and the resource does belong to the people.

Having done this, the Government should then clear off the books the jungle of red tape and regulations that now strangle this biggest of Saskatchewan's industries. In return, they should get a firm commitment from the industry to immediately

launch an expansion program.

I am convinced that if the Government showed a willingness to treat these people in a fair and equitable manner and give them reasonable assurance that this kind of treatment would continue into the future, the industry would respond in a positive way and we would see new expansion, new provincial revenues and more jobs. But we have no confidence that the Premier will listen to reason because for the past four years he has consistently turned his back on the greatest opportunity ever presented to the people of this province.

We have been a 'have not' province because our great resources have not been as rich, nor as available, as those in some other parts of Canada. Our hard rock minerals are located in northern Saskatchewan in most difficult terrain and a tremendous distance from markets. Our timber is neither as large nor as plentiful as that in our neighbouring provinces.

Saskatchewan potash could not be developed until technology and money came in from outside our borders. Our oil is neither as good nor is there as much of it as that in Alberta. While our coal is easily accessible, it is of extremely low grade.

These were the basic reasons why for the first half of this century Saskatchewan was bypassed by resource developers. However, increasing world demand and record high prices changed all this and starting a few years ago for the first time, investors would be knocking on Saskatchewan's door ready to bring in their money and their know-how to help us develop our great potential.

Any other government in the history of this province, including the CCF, would have taken full advantage of this opportunity by inviting these people to come in and at the same time claiming a good share of the profits for our own people. But Mr. Blakeney and his Government reacted differently. They could neither stifle their short-term greed nor turn their back on the deep-rooted hatred of the private enterprise that motivates them politically. The result has been no new industries or uranium and the rest of the hard rock mining industry is in the doldrums. Our forest industry is in a potential mess, the oil industry, at a virtual standstill, and the great potash industry in a state of shock while we lose tremendous potential markets.

Mr. Chairman, that is the Liberal position on potash and other resources. I wanted to make it clear that was our position. I hope that those in the media will take the time to read our statement. I think it sets out clearly what our position is and I think it is a position that is fair to the people of Saskatchewan, to the Government and to letting investors into this province.

Now I have many, many questions to ask the Attorney General about Bill 1, of a more specific nature, and I am not sure whether he wants to reply to the statement that I made, or whether he wants to just start with the questions.

Mr. Romanow: — Ask the questions and I will reply and try to answer them if I can.

Mr. Malone: — One really doesn't know where to start, Mr. Chairman, because there are many, many questions.

I am intrigued by one thing that kept going through the debate from the Members opposite and it was a phrase that said the takeover of the potash mines would be a self-liquidating debt. That is the revenue generated from the mine once it was taken over would be used to pay off the interest on the money that was required to be borrowed and be used to pay off the principal.

We have never had any figures to support this, Mr. Chairman, in fact, the only figures that were presented by anybody in this debate were presented by the Leader of the Opposition when he indicated that the price the Government would have to pay would probably be based on about \$200 per ton of production.

My first question to the Attorney General is: What do you feel would be required as an investment to, say, take over an average potash mine? I don't suppose there is an average potash mine. Let me put it this way to you. Say you decided you were going to expropriate IMC's operation and for the sake of argument, say the arbitrators came in and said that in order to do this you are going to have to pay \$300 million, you may quarrel with that figure, if you do, fine, but I am just using it as a figure to start somewhere. You pay 30 per cent of that in cash, the rest you give bonds for or whatever security you have. I should like you to illustrate for me, Mr. Attorney General, how you intend in the years ahead to use that mine and that mythical price may be high, if you have a better figure, fine, I will be prepared to accept it, but you haven't given us any figures. I say \$300 million is not out of line. How do you propose to pay off the \$300 million?

Mr. Romanow: — Mr. Chairman, I will take this opportunity to try to answer the Member's question and just perhaps make a few remarks in response to his opening statement.

On the question of how to pay back the easy and I think obvious answer is the same way that the industry itself now pays off any of its debts. The industry now pays off its debts by applying a certain portion of its profits to its operating costs and expenses, of which mortgages or other financial encumbrances are a part. It pays off out of profits a portion into general taxation or the taxation structure and regime. And presumably, at least in our contention, takes a little bit home for its shareholders or its own corporate operation. If you substitute the name of a potash company and replace therefor the name Potash Corporation of Saskatchewan, it makes eminent good sense that the same type of division of assets or revenue will be maintained or can be maintained by the Potash Corporation of Saskatchewan. That is how the financing, the paying back would be carried out.

It is no use, I tell this to the Member frankly for me to speculate in figures of \$300 million and then trying to apply interest rates on that because there are just too many variables involved. We don't know, for example, what any one particular operation may or may not be worth. It depends on the age of the machinery, it depends on the encumbrances, it depends on the prevailing interest rates, it depends on all sort of things.

To take any figure really would be speculative and does not help the House any in my judgment to clarify the question of the sum for paying back. But the general principle I think is one which is a good question that the Hon. Member has asked and I think the general principle is the way that I have answered it.

Mr. Chairman: — Order! I wonder if there could be a little less commotion going on from the Members back of the speaker here right now. I think if you listen to the debate and cease carrying on your own little meetings, I think it would assist the procedures of the House, please.

Mr. Romanow: — Mr. Chairman, I need that kind of assistance because I can't be very loud very often.

I should like to in a very few minutes make some brief responses to the Hon. Member's opening remarks. These will be somewhat desultory remarks in response because I just hastily took down some notes. I think that the Hon. Member would agree with me that there is essentially nothing new in the position which he enunciated today other than I think the fact that it represented a composite of the Liberal arguments which have been advanced during the course of this very long debate. Let me just try and address myself to several of the specific points.

On the question of information and the giving of information I would repeat again, what I tried to say in second reading and what the Premier said in second reading and what we have been saying during this very long period, that any information that we have that is both relevant and can be released in the interests of the public, we have no qualms in doing that. Quite obviously, whether the Hon. Member will accept it or not, there is some information that just simply cannot be made available at this time. We would, for example, be irresponsible in the highest degree to talk figures. To do so would be to say to all of the industry here is what the negotiating stance and the negotiating position of the province of Saskatchewan really is. I think then we could be very legitimately criticized for not having protected sufficiently the public interest which is what Bills 1 and 2, in the judgment of the government of the day are designed to do. Any Member can frame any given question seeking information which might at first blush appear to be a legitimate request for information and under normal circumstances perhaps would be legitimate request for information that ties the hands of the Government. But, in fairness, if you look at the totality of the situation the Members will know and I think fair-minded people will appreciate that given the period of what are likely to be difficult but I hope fair discussions and hopefully thereafter negotiations with the companies to reveal data secured to assist the people of Saskatchewan through its government to do the negotiating would be irresponsible.

On the question of resource policy that the Liberals have enunciated I could not find too much at variance philosophically as far as I am concerned. You will know that I enunciated in second reading, I won't take the time of the House to repeat it again, perhaps a different way of stating those principles and perhaps a broader term as being the options that are available to the government. We said that we could develop our resources one of three ways.

We could say to free enterprise that you could come in and in effect be given a free hand, I don't mean this in any political sense. But a free hand to exploit and develop the resources and to reap the major benefits. Or secondly, we could say as to those resources that we are going to use legislation and regulation to ensure some of the things that the Member for Lakeview talked about, development, conservation, fair return, etc. Or thirdly, we could say that the public should assume an ownership role through either joint ventures or through direct investment.

As I said in the second reading speech and I repeat again, the preference of this Government has been, notwithstanding what the Hon. Member would argue politically or otherwise to take the second option, namely to legislate and regulate, so that we can ensure development, conservation, fair return and so forth, many of the things that the Liberal spokesman has talked about this morning. Our option preferred in the case of the potash would not be the totality of the ownership or the direct ownership involvement that Bills 1 and 2 represent. I think really the central issue here is, has the question of legislation and regulation worked? We have tried to make out the case in the second reading speech that in the totality it has not worked for a number of reasons.

The Hon. Member in his enunciation of principle said that they encourage private developers in response to fair laws by fair governments, etc., then he made some statement — I don't purpose to quote him exactly, but he said something to the effect that if they don't comply with these laws of the province presumably then they should not be allowed in, were his words. I subscribe to that. He said it, I subscribe to it. The question then boils down, I guess, who is to decide whether or not there is a compliance with the laws and the rules and the regulations and the fair return in the interest of the province of Saskatchewan. Does the uranium industry, just as an example, or do the elected government in a democracy decide? We say that in the totality of the situation when there appears to be an unresolvable dispute as has developed here, it is incumbent upon the government duly elected of the day to take the actions that are necessary. This is the action, Bill 1 and Bill 2.

The Hon. Member can say, your judgment is all wrong and you shouldn't be doing this and so forth. That is for them to argue. But the fact is that the whole policy has been one of the second route, legislation, regulation where feasible and where practicable.

May I say to the Hon. Member to emphasize this I just asked the Minister of Northern Saskatchewan (Mr. Bowerman), politics aside again, I think he knows the North and knows tourism and renewable resources very well, just to give me some very quick figures on what is happening in the forest industry. The Member did refer to the forest industry in his opening remarks. He said in his remarks that we had driven out or were driving out private enterprise in the forest like we had in potash. I will just simply remind the Members that a short list quickly scribbled out here, I had a couple of these myself and the Member has more comprehensive knowledge than I do: — Simpson Timber, Hudson Bay, McMillan Bloedel, Prince Albert Pulp Company which was a Liberal government's initiative for Prince Albert; Meadow Lake Wood Industry, Meadow Lake Sawmill, L and M Wood Products, Domtar,

Prince Albert, Saskatoon, one could continue. Sask Forest Products of course is a Crown corporation.

Now as an example of legislation and regulation as the route, I think the forest industry is an example. Take Saskatchewan Forest Products, the new plywood mill is using approximately 60,000 feet of forest and it is contributing more to the provincial revenue in forest dues than for example does the Prince Albert Pulp Company which uses approximately 500,000 cords of timber annually. I ask the Members to note that 60,000 cords a year by Sask Forest contributes more to the provincial revenue than does the 500,000 cords used annually by the Prince Albert Pulp Company. That doesn't say that there isn't a role for the Prince Albert Pulp Company but there is also a role for Crown corporations in this mix of legislation and regulation. Hudson Bay Plywood employs 250 people and uses approximately 60,000 cords; Prince Albert Pulp employs approximately 500 people, and uses 500,000 cords. If you want to divide the ratio as to the man used per cords in the utilization of timber, you will see that there is a very high employment policy here. So there is a blending of legislation by regulation wherever it is possible.

Mr. Chairman, the Hon. Member talked about guaranteeing fair returns of our resources in a sense to other Canadians and to Saskatchewan people. I subscribe to that. But I want to ask Members to keep in mind when we consider this Bill, clause by clause, which we are doing now, one other very important factor. When the Federal Government said in May of 1974, confirmed in subsequent budgets, that royalties and taxes paid by corporations, say the potash corporations, to provincial governments are no longer deductible by those corporations for federal income tax purposes, almost everybody would agree that that is a novel tax development. I stand to be corrected but I think I can say without impunity that the Federal Government never before has taken such a step. Note also, not only did it say that it is non-deductible but it said it is non-deductible in terms of the Crown royalties payable to the Crown. But if the royalties are payable to a private company, then they still could be deductible.

When you look at the totality of the potash industry and you look at what I think is basically a harmonious tax structure which existed prior to May of 1974, the provincial tax regime harmoniously blending with the federal tax regime, there is no doubt about it that the nondeductibility provision put that all out of synchronization. It has disrupted seriously the harmony in this area. Again, I don't want to be political at this stage in the game, I mean overly political on this, but that is a fact. The disharmony amounted to a great disruption and also contributed to a great deal of the situation that we find ourselves in.

We tried to do everything we could to convince the Federal Government that they shouldn't act in this way because it might be prejudicial to our industry but to no avail.

The Hon. Member talked about the production of documents and the fact that we asked for financial documents from the companies and that implied that because the companies felt that they didn't have to under law make those statements and took us to court somehow in a fit of pique. This is one of the motivations for the action.

I want to tell the Members that the Order in Council was passed on September 27, 1973. It says:

Every owner of a mine that produces potash in Saskatchewan shall file with the department on forms obtained from the department or approved by the Ministry for such period or periods as the Minister may direct, financial statements on the returns of his capital, traffic revenues and expenses and all that information required by the Minister.

Then there was a subsequent amendment in 1974, May 1974, which said – I could read it but it is unnecessary – sets out the confidentiality. Once the Minister receives that information, no person has any right to look at it because it would be a contravention of the law. That is the fact. The majority of the potash companies have not complied with those requirements of the financial statements. But leaving it as an aside, speaking to the point of the lawsuit, the lawsuits in question did not take place until about two years after the substantive motion here had been passed, two years. So, if it is suggested that it is a sort of an immediate response and so forth, it wasn't.

Mr. Chairman, the Member says, can we guarantee the potash markets? We can't guarantee the potash markets any more than IMC today could guarantee the potash markets if Bill 1 and 2 had never been introduced. We can no more guarantee the potash markets than the Liberal Government of Ross Thatcher could guarantee the potash markets when the entire industry was on its knees virtually in collapse that prompted the proration regulations. No doubt there will be soft periods again. But, I think it almost beyond dispute by public statements from the industry and from all people that the long run market demands will be good. There is a need to expand by Saskatchewan industry. And that in the long run – depending upon one's view of the long run, ten years maybe even less, this type of an expansion and an investment for the province of Saskatchewan will indeed be a good one.

I want to say that the question of whether or not it's a good deal, I suppose time and history will judge that. Intercontinental Packers is one which the Members continually use as a sign of a bad deal in their judgment. Well, I'm not a financial expert and I don't know myself personally whether it's a good deal or a bad deal. On the best advice that I have before me and the officials that advise me I think on balance it's a good deal. But I want to say to the Members opposite that one really has to judge by a number of yardsticks what is meant by a good deal.

At the time of the Intercontinental Packers operation, I say to the Member for Regina South (Mr. Cameron) because he wasn't in the House at the time, we were faced with, the province was, the distinct possibility that with a sale of Intercontinental Packers by the founder and the controller, Mr. Mendel, 85 years of age, to a non-Saskatchewan, Canadian or other multinational corporation that there would be no local ownership or a packing plant in Saskatchewan. You'd have Burns and Canada Packers, Burns in Prince Albert now phasing out, closing out because of the technology, Canada Packers in Moose Jaw. We have seen in the oil industry the closure of oil refineries, even during the Liberal Government in Regina. We've seen it in the

same, the same happened in Saskatoon in Gulf Oil, during our government term with Imperial here.

I simply say that from a social and economic standpoint the fact that we have guaranteed on behalf of the people and the province that there will always be at least one, maybe more, but at least one major packing plant which will always be located in Saskatchewan with no chance of closing, no chance of the technology forcing it out, employing Saskatchewan people, employing Saskatoon and Regina people, making sure that this secondary industry to the basic industry of agriculture, cattle, hogs is maintained, that is an intangible value which will prove to be, in my judgment, whether we are re-elected in '79 or not, one of the very substantial positive benefits to the people of Saskatchewan.

I don't know whether or not, you get into the individuals and people say, especially to Fred Mendel and so forth. I've a great deal of regard for Mr. Mendel and that's not the issue, but I believe this is a factor which Members and the province of Saskatchewan definitely will take into account when they consider whether or not that deal or this deal was or isn't going to be a good deal if I may put it in those terms.

Mr. Chairman, I have talked too long. I hope I have answered at least part of the Member's questions and dealt with some of the points that I think we've all heard in one form or another stated and rebutted, stated and rebutted, stated and rebutted over these last 41 days.

Mr. Chairman: — If I Might just say a word to the Hon. Members that to be sure in whether they are presenting their question or their replies to first stand and speak directly into the mikes as the panellists operating our recording device are finding it rather difficult to pick up some of the recording.

Mr. Malone: — Mr. Chairman and Mr. Attorney General, you have raised a number of things in your remarks which I intend on questioning you about later, as I don't think any purpose would be served by getting into them at this stage. However, in passing I can't help remarks when you talk about certain figures having to be remaining confidential at this time. I accept that to a certain degree, but I think as we pointed out in the debates, and which we will continue to point out in committee is that somewhere along the way you are going to have to reveal these figures. That is if you are not able to negotiate a purchase, you are going to have to get into the expropriation procedure and I see nowhere in the Act where that procedure is going to be in camera or be secret or anything else. At that stage some of these figures are going to have to start coming out. I realize that perhaps now it may be proper for you to refuse to divulge any figures that you do have, but I point out to you that somewhere along the way after this Bill passes whether it's a month from then or a year from then, these figures are going to be made public. I'm not sure whether you would be inhibited in any sense by not making those figures public at this time because you are going to have to in due course.

Now one other point I'd like to make. You, I think, fairly stated that you don't know what's going to happen in the years

ahead with the market. You say that in the long run your indications are that the market is going to remain strong. But you do acknowledge that in the short run this is conceivably not the case, that the market will not be strong. What concerns me of course is the short run. Nobody can define how long the short run will be. It could be many, many years as happened earlier in the industry in its history in Saskatchewan. The difference between the industry at that time when they were subject to prorationing regulations and so on, and the situation now is that you are dealing with the taxpayers' money. And as is conceivable in a short run situation there will not be sufficient income from the potash mines for you to meet your obligations if you do borrow money and I don't see how you are possibly going to be able to avoid borrowing money to some extent. At that time you are not only going to be not making a profit, you are going to have to use the moneys of the taxpayer of Saskatchewan to meet your short run obligations.

I make those comments and I now would like to go back to the business of the so-called self-liquidating debt. Now I threw out a figure to you of \$300 million and I frankly don't know how accurate that is and before pursuing that figure would you give me some indication whether you would accept that as a ball park figure as to the value of a mythical potash mine or do you have any studies or any information from your sources which would indicate that that figure is far too high or too low?

Mr. Romanow: — Mr. Chairman, I'm sorry I can't accept that, I can't reject it either. I'm simply saying that to talk in terms of the figures, as I said in my opening remarks specifically to the question, just doesn't help the Member or help the House really because the ultimate test is the examination of the assets, to see what the state of the machinery is, what the state of the productivity is, the state of the earnings and so forth. This is a matter which I would suspect varies from mine to mine, from operation to operation and accordingly I can't subscribe to any mythical or other average figure that the Hon. Member might suggest.

May I just say related to this, this very point and to the question of the documentation, the Member says that we will have to make this available at some point. I think there is no doubt about that. I think that if a transaction is completed satisfactorily, negotiated or expropriated if I may put it in those terms, we have an obligation to give the House the information in order for the House and the public to assess whether or not the actions taken were good or not.

To speculate in advance I think just doesn't help the Legislature much. That's the position I would take in response to the Member's question.

Mr. Malone: — You are correct in saying that I'm speculating but I'm speculating because you were the ones who started the speculation by saying it's going to be a self-liquidating debt. Surely that is nothing but speculation, if at this time you are telling me you don't have any ball park figures, that you have to wait and see what the value of the mine is and the equipment and the ore and so on. I suggest to you that it's even wilder speculation from your point of view to say it's

going to be a self-liquidating debt when you answer me by saying we don't have any figures in effect. The reason I used the \$300 million figure is that a former colleague of yours, Mr. Richards, as you are aware, did considerable research into the potash industry and I can well remember him sitting where the Member for Cannington (Mr. Berntson) now sits, I'm not sure they share the same political philosophy, but I can well remember Mr. Richards on numerous occasions getting up in this House and with well documented material which he, I always acknowledged he did very well, saying that in his opinion, based on the material that the mines were costing at the time they were built about \$200 million and today would be valued somewhere between \$200 and \$300 million. So that's where I got that figure. Be that as it may, you have indicated it's a self-liquidating debt. I suggest that you have given us no background or rationale or reasoning for that statement, although you have continued to refer to it. The Premier has continued to refer to it. What I am trying to do now is find out why you say it's a self-liquidating debt. How can this be?

Let me put this to you. I have to start somewhere with figures. Obviously you can't say it's self-liquidating unless you have considered some figures. So whatever figure you want to name, \$200 million, \$300 million, \$50 million, whatever the case may be. You are going to get into the potash industry. You may take one mine, you may take three mines, you may be able to buy five mines, I don't know what the situation will be. But when you do so, you are going to incur an indebtedness. Your information to us is that you are going to pay back that indebtedness through production. Now, the best figures that I can obtain and again I'm sure of their accuracy but I think perhaps your advisers can talk to you about this, is that about 50 per cent of the money received by a potash company in any given year goes to pay operating costs. The rest is used to pay taxes and have a small profit left over for the shareholders. So of the remaining 50 per cent, if you accept those figures, that is the 50 per cent that would be profit before taxes and anything else came into play, what is your proposal to use that money for? That is, surely, the first thing you will have to do with it is to pay the interest on money borrowed and then likely to pay principal of that interest. Am I correct in that statement?

Mr. Chairman: — If I could order again, just before you give your reply, I would like to indulge of the Hon. Members' time and ask the Member for Saltcoats (Mr. Kaeding) to make an introduction at this time.

INTRODUCTION OF GUESTS

Hon. E. Kaeding (Minister of Agriculture): — Thank you, Mr. Chairman, and Members. On behalf of the House I would like to welcome a group of ladies who have just moved into the Speaker's Gallery. They are in Regina at the present time attending the Saskatchewan Livestock Association annual meeting which is taking place in the Saskatchewan Hotel. They are very fortunate this morning in having come here during a time when we are discussing the very interesting debate on the potash Bill which is now in Committee of the Whole.

I am sure that all Members will join with me in welcoming

this group to the Legislature.

Hon. Members: — Hear, hear!

Committee of the Whole continues on Bill 1.

Mr. Romanow: — Mr. Chairman, I think I'd like to answer the Hon. Member that after the normal operating expenses the other costs would have to be paid, of which interest would be one, the payment of the interest would be one.

Mr. Malone: — Okay, that's really not very much information. Okay, you say that the normal costs will be paid of which interest will be one.

Mr. Romanow: — That's what you were asking.

Mr. Malone: — Yes, okay that's fine, I'm not trying to fight with you yet. Okay, you're going to pay the interest, you're going to pay something to Ottawa in lieu of federal taxes. I think that's been your position, what amounts you are going to pay has yet to be determined, and then you are going to have a small profit. Is that the situation?

Mr. Steuart: — No.

Mr. Romanow: — Well, I think the Leader of the Opposition may have answered the question for me. Just make a point that on the matter of Ottawa I forgot to mention this in my remarks but I won't repeat it again. We take the position that Section 125 of the British North America Act is the answer on the business of the Ottawa government taxing Crown corporations, the Potash Corporation of Saskatchewan. I've taken that position as a matter of law. I think we've also taken the position that we would be prepared to discuss reasonable proposals with Ottawa on some sort of a taxation framework without prejudice, if I may put it in those terms, to what we think is a pretty strong legal and perhaps political argument in the best sense of the world, political.

Mr. Malone: — Okay. You get this mythical mine or mines, you have your commitments that you have to comply with, that is paying back the interest and the principal and whatever tax arrangements you make. Now, you are sure this is the case. I mean this is what you have been telling us in all your speeches that you feel this will be the position in the long run if not the short run, that you'll be able to generate enough revenue to at least pay back the money that has to be borrowed. I think that's a fair comment. Where are you going to get the money then that you are going to be generating to replace the money that is now being paid by the private operators in taxes? Are you telling me that you are going to be able to operate the mine, pay the interest, pay the principal and still have enough money to pay to the Government of Saskatchewan in lieu of the taxes that would have been received from the potash companies by reserve tax royalty or whatever?

Mr. Romanow: — Well, Mr. Chairman, the answer

is yes. We certainly hope to work it in that way. The industry with some difficulties and hesitations in payment of the taxation to the province of Saskatchewan has been working it that way. They have been meeting their debt obligations and operating expenses and as I say with some hesitations in the case of one or two of the mines, perhaps not even any payment. But there has been a payment to the province. So I've answered to the Member that the Potash Corporation of Saskatchewan would work and live within any tax regime that is set by the government of the day. A tax regime that would apply equally to the Potash Corporation of Saskatchewan and any private operator that might still be operating in the province.

Mr. Malone: — So you are telling me then that maybe I'm assuming something I shouldn't. Are you saying that the reserve tax will still be in effect on the government owned potash companies? Okay, you nod your head, yes. That tax will be paid whether it's a good year or a bad year. So that you are saying that the people of Saskatchewan will still receive this money into the Treasury, notwithstanding the fact that there are these other debts that have to be paid. Interest and principal and so on. I think you've indicated, again fairly, that you don't have any plans or studies or figures to back up that statement but you are speculating that this will be the case. I think that's what you said.

Now if this is the situation and it's such a good situation, why do you find it necessary if you borrow money to purchase the mines, to give a provincial guarantee of the debt? Surely if the mine is this productive and that all these things can happen why do you not just give a simple mortgage on the mine to whoever you are borrowing the money from? Why is it necessary to have the Government of Saskatchewan guarantee any debt and if they do so, of course, they can't guarantee other debts for other purposes or that will be affected.

Mr. Romanow: — Mr. Chairman, the guarantee provision is one which is in there to assure the mining companies that may be involved. That any security issued to them by the province is totally guaranteed. Quite frankly at the time of the consideration of the drafting of the Bill it was also felt on balance this would be a statement which would be of advantage to investment dealers, financial houses and so forth. I think the Member is probably right that, strictly speaking on our analysis would not have to have that guaranteed provision written into the Bill. But on those two points, the desirability to state this legislatively and to assure any concerns that we didn't guarantee and that the bonds might not have the guarantee to it, it was felt that we should write that in. That was the basic reason for putting it there.

Mr. Malone: — I choose to differ with you, I think the only way you can be assured of raising the money in the money markets is by giving the Government guarantee and that the lenders themselves, whoever they may be, and I hope to get to that later, will risk lending the money just strictly on the potash mine itself. If you felt that you could borrow the money on that basis surely that is the way you would have done it, because as soon as you give a guarantee on one loan, it means that your capacity to give guarantees on other loans is diminished because the credit of the

province is pledged.

You have told me about all those things you intend on doing, you are going to pay back the principal, pay back the interest, you are going to make sure the Government still gets a similar amount in taxation that it has been receiving. All of these things are going to happen, you say that you are going to be going on the same basis as the potash companies have been operating to date. One of the reasons the potash companies are having a problem expanding right now is because of these laws. They say that they can't pay these taxes, keep a small profit for their shareholders and expand. Would you tell me how you are even going further, you are paying the taxes you say that the potash companies were going to pay, you are even paying on top of that principal and interest on the money you borrowed. One of your reasons for taking over the potash companies was to expand the potash companies if all of the money that you have been using to date is to pay the taxes that you are normally getting and paying your indebtedness?

Mr. Romanow: — Mr. Chairman, may I just make one glancing comment which I think doesn't meet the Member's question, that is: — in listening to him I feel that perhaps he might be thinking in his mind that we really have to be servicing two debts, the old debt that is existing and any new debts that we may take on. Of course the old debt would be extinguished, old debts that the mining companies would have, we are involved in a new debt. But that is a glancing comment, that doesn't meet the substance.

We come to one of the core issues here I think, of this whole Bill 1 and that is the question that was raised by the Member. The potash companies say that the tax regime is so onerous that they can't expand. The province has said on many occasions, in a nutshell, show us. As I said in my second reading speech I think there were two or three adjustments in the potash reserve tax, downwards to the benefits of the potash companies prior to June 11, 1975, if I use that as a date, certainly prior to the introduction of this Bill. When we announced our policy in October 1974, the policy of the reserve tax and so forth, the financial statements, the repeating of that policy we tailored or tried to tailor the potash reserve tax to encourage expansion. The formula does indeed have a factor built in for expansion. In other words there is a tax break if I may put it that way to the potash companies geared specifically for expansion. Also our stated policy was, we are prepared on behalf of the people of Saskatchewan to go into joint ventures, into some form of working relationship with you. If you need capital, the province of Saskatchewan is prepared to assist in the financing in order to get some expansion of the industry and there it is.

Again I don't mean this is an aggressive way but I think it is beyond dispute that the companies took this position. No, we don't want any offer of assistance for expansion, we are not going into a joint venture, therefore that option for expansion was out. No, we are not going to show you the financial statements, to show you whether or not our intentions are true or not true, no, we are not going to expand. I think the Member has put his finger right on what I think in my judgment is one of the key issues in the area. I would simply invite the Member to consider what options are available to the Government, given the facts.

I know what the Liberal Opposition says in second reading, well if you sat down and talked about it like reasonable men, you would be able to come to some resolution of the tax problem. I wish we could have done that too. The industry and the Government met on a number of occasions to try and sit down, we made three adjustments downwards. On May 2nd it was agreed that there would be another sitting on May 22nd of 1975, that was cancelled by the industry. Then the election of June 11, the next thing we get on June 20, is the lawsuit saying the whole tax regime is illegal and unconstitutional, which is their right, that's not an issue, and non-payment of the tax. At that stage in the game, I think we have a very serious problem for the people of Saskatchewan, the province of Saskatchewan and given those facts, your options and your running room is very, very limited. If you were the Government your option would be very limited, you would have only one of two choices, you would either give in to the companies, I am not saying that in an aggressive way, make some adjustments to the companies, or you wouldn't give in. If you didn't give in, then where do you go? Do nothing.

Miss Clifford: — To the courts!

Mr. Romanow: — The Member keeps saying, the courts. We have had one court action which has been around for two years and it hasn't got to the Court of Appeal yet, let alone the Supreme Court. If we waited for that operation with the major competition we are facing from Russia, and other parts with respect to expanded capacity to sit around and wait for two or three years and not get the expansion capacity, incremental expansion capacity, on-stream, we would be doing the greatest disservice to the people of Saskatchewan.

I simply say that the Member has brought the debate right down to the gut issue, it has nothing to do with the philosophy of it necessarily either. Those are the facts and faced with that, what other decision would any other people entrusted with the responsibility of looking after the province's interest make, but Bill 1 and Bill 2.

Mr. Malone: — I am glad to see the Attorney General has acknowledged we have a gut issue anyway. As to whether or not the potash companies have given you facts or not I'll be getting to that in due course.

I am also pleased to see that the Attorney General has finally conceded that there is possible major competition from Russia. The Premier and others have been indicating that that's something we don't have to worry about.

Getting back to this business of what is left over in effect to expand. Just for the moment assume that the potash companies' position is correct. You say you don't believe it. That's fine, you can take that position, we disagree with you, but that is the position you have taken. Just assume for the moment that once you get into it and you pay the reserve tax and all these other taxes and you find that really their position is right. This is a good year, the price is high, you can sell everything you have. What do you do then? Say you go through the expropriation route, say you go through the buy and sell route and you come to the conclusion later on in the

game that maybe the potash companies shaded it a little bit and maybe they weren't 100 per cent right. But say basically they were right, and if you paid the reserve tax and these other taxes, there just wasn't enough left over to expand. Where are you at then?

Mr. Romanow: — I think the Hon. Member poses an interesting question, but I think a hypothetical question. I don't know where we are at because, I think we really have to see what the numbers look like, what the statistics and the figures look like. Our position has been and the Premier has indicated this, if the Potash Corporation of Saskatchewan is in the field producing with private companies in the field, the tax regime which is a fair and equitable one to the people of Saskatchewan will be paid by all.

We believe that the reserve tax as a concept is a good concept. I think we make no bones about that. I do want to say to the Member we have never been totally inflexible in our judgment with the reserve tax, never. I think that while we are committed to the principle or the concept of the reserve tax, we were never committed not to look at the mechanics of how that tax actually applied, to individual companies or to the industry — actually it has to be the individual companies because of a whole number of factors. I come back again that on May 2, 1975, when the industry and the Government officials finally met to look at the question of the reserve tax, one of the very precise things that they were talking about at some length was how does the tax actually apply to the individual companies? Is there something that is not working here, should we be making some changes? The companies were saying, it is not working, we should be making some changes and it was agreed on May 2nd that what the companies would do is that they would come back with a detailed financial argument, something we could not put in a political arena, just among officials to support their contention that it wasn't working. We stood ready. The last time we heard from the industry was when they said we'll see you in court.

The point that I make to the Member in response to his question about the reserve tax is that while we are committed to the principle of it we have never taken the position that in the mechanics of it, in the application of it that there may not be some need for adjustment, either now or in the future. As to what would happen or not, I think that is a hypothetical question, and I am just not prepared to answer.

Mr. Malone: — Well, the Attorney General does slide away from the question on occasion. Perhaps I do the same thing.

I acknowledge it is a hypothetical question. There is no doubt that it is a hypothetical question but what I am saying to you, Mr. Attorney General and the Premier, it is no more hypothetical than your statement that it is a self-liquidating debt. You have nothing to back up that statement either. To me an entirely proper question to be putting to you when you put up a hypothetical position like you have, that is, a self-liquidating debt. Okay, you have said that, now we are going into it, as to why you say that.

I ask you hypothetical questions and you come back and

say, it is a hypothetical question, I can't answer it. I suggest that you started the ball rolling by having your hypothetical statement that it is a self-liquidating debt.

Just one other point I want to make before we go into something else. It is obvious now I think that the mines in Saskatchewan are not producing at capacity. I don't think that is something you can disavow, all of their statement have been — I think it was IMC who laid off 700 people because of their inventory and other mines are producing only at 60 per cent and so on and so forth. What will the position be of the Potash Corporation of Saskatchewan if in the years ahead they find on a projection that not only is it probably unlikely they should expand at that time, I am not saying this wipes out expansion in the future, but at that time for three or four years down the road, it looks as if you won't be able to sell any increased production. What is the position if you have two or three or four companies and all of them are producing only about 50-60 per cent of production? Surely if this is a hard-headed business decision which you keep referring to, surely the only answer is that you shut down two of the companies, for the time being until the market changes. Then you have the two companies that are still operating, operating at full capacity. Would that be your position?

Mr. Romanow: — Mr. Chairman, again I have to answer to the Member that I can't enunciate a position on a set of facts that are non-existent. We are not owners of the potash industry, we don't know what will be down the road six months or nine months or 18 months. I think that we have to account to through the Crown Corporations Committee and through questions in the House, to the people, to the electorate if and when it should happen.

Let me say, however, that the question of the markets if you judge by any of the statements made publicly by one magazine, for example, that I referred to the Member for Estevan, Business Week indicates that there will be a continuing strong demand even in this calendar year, 1976. It is true that right at this particular moment of the discussion there appears to be a softening. I think there are a number of factors that could account for this. There is no need for me to speculate into the reasons for that. I would like the Member to keep in mind that in the calendar year 1974 the increase in the market production, sales, etc., was something like 29 per cent above what it was in the year previous and next year it was 21 per cent even on top of the preceding year of that. These are boom times. We may see a slight softening from the peaks that we have witnessed over the last couple of years. But the trajectory if you judge the Business Week article which is the one I used for the Member, publicly indicates that this demand will continue to increase. On any given individual softening or given demands, it is not possible for me or for the Member to crystal gaze into the future to give the House any answer that can be definitive. I can't speculate on that.

An Hon. Member: — Agreed.

Mr. Malone: — Nice try, Elwood. Just one other thing that may be off the point a little bit, but I should like to get an answer. You have indicated in all your statements and the Premier publicly and out of the House has indicated that you want 50 per cent

to all the potash production. I am intrigued on the 50 per cent concept. Is it your intention, if you go the expropriation to expropriate less than all the assets of a given company and thereby achieve 50 per cent by expropriation say of several companies leaving them – say 51 per cent – and leaving those companies in effect holding the bag with 49 per cent?

Mr. Romanow: — I think that the question that the Hon. Member poses with the example that he gives, I could answer that the best I can, to say that it is highly unlikely on that example.

Mr. Malone: — . . . want to sell . . .

Mr. Romanow: — No, I know you are talking about taking over 51 and leaving the remaining 49, that's highly unlikely.

Mr. R.L. Collver (Leader of the Progressive Conservatives): — Mr. Chairman, I will have a few more remarks later on in the afternoon.

I do have one or two questions for the Attorney General at this particular juncture. If I might pose them at this point. The first question is: — and have there been any attempts to negotiate the purchase of any potash company or potash mine or portions thereof prior to the introduction of Bill 1 and Bill 2?

Mr. Romanow: — Mr. Chairman, this is a difficult question to answer because I remember reading a story in the Saskatoon Star-Phoenix I think it was, I wanted to get myself briefed if I could, speculating on the possible purchase either all or a portion of a mine in Saskatchewan and the Member asked the question whether or not there was any real negotiation in this area, I would have to answer to that that in my opinion there was not.

Mr. Collver: — Well, that is the answer I rather anticipated, Mr. Chairman. I would ask the Attorney General, therefore, if you suggest that there are only two alternatives given a set of facts, that have been outlined in some considerable detail in the last 41 days, and you suggest then, at the conclusion of all these facts, on June 11 or June 20 or thereabout, you were faced with the situation in which you only had two choices then. You could either capitulate to the industry or you could introduce Bills 1 and 2 to expropriate their property and I ask you if you did not then consider perhaps a third or a fourth alternative – and in our opinion there are many other alternatives besides only the two – but did you not consider then going to these organizations and sitting down and negotiating giving your particular conclusion, which would not be ours, but your particular conclusion that the Government, therefore, would have to be in this business and in this industry. Did you not sit down with them then and negotiate to buy them out at that particular juncture and sit down and find out whether or not they might be interested in selling out to you?

I raise this question for this reason. Given the situation

that the companies were in at that point, you could sit down on your side and say there are only two conclusions, also if you look at it from the other side of the coin these organizations presumably are in business to earn profit and they are announcing to you, given your set of facts, that they are not making sufficient profit to expand and in fact, are not making sufficient profit to make a reasonable return on their investment. They are announcing to you, at that point in time, would it have not have been a third alternative then to have gone to them and said, look, you are not making money obviously or you say you are not making money, why don't you sell out to us. We have accumulated some funds in the Energy Fund, we think we have got enough to buy a couple of mines in that fund, why don't you sit down and negotiate with us on a negotiated basis?

Mr. Romanow: — Mr. Chairman, I would answer the Member this way that perhaps this would have been an option given a more reasonable climate or environment at the time, but as it turns out I don't think that there was really any choice. Because really there were two or three major factors that were into it. You see on May 2nd, our last assumption was that we were going to continue our ongoing discussions. I simply invite the Member and the House to consider the negotiating atmosphere. They did appoint to me personally, I don't want to personalize anything, but anybody personally when number one, nine days after the election there is a major lawsuit by virtually all of the companies; and number two, the position that we were led to believe was that the industry would only, on an industry-wide basis, they would not meet with us on an individual basis, right even after the June election. As the Member will know when they cannot enter into negotiations or what I call negotiation unless you just talk, I don't call that negotiation, in that type of situation. You really have to sit down and say, look, that just wasn't there, the atmosphere was just not there. Accordingly, then, to answer the Member's question we did not consider that as an option because it just did not appear to be one.

Mr. Collier: — Well, Mr. Chairman, in answer to the Attorney General's suggestion that the industry had somehow presented to the Government the suggestion that they could only have discussions with the Government on an industry-wide basis, I suggest that that quite simply is not true. Quite simply, there were examples of organizations that did approach the Government subsequent to June 11th and prior to November on a single company basis. In answer to his suggestion that the negotiating atmosphere were not present I suggest that the Government did not put themselves in the other person's shoes and say as people who are in business to make a profit, they are saying to themselves they are not making a profit and if they are not profitable they sure as heck want to get out, and if they want to get out why don't we sit down and negotiate with them.

Mr. Chairman, we are very concerned as a party in the way that the, or if you want the drift of the discussions and debate on this potash question, we believe that there has been perhaps a very great over-emphasis during the last 41 days on the economic side of the potash question and there has been a great deal said about the economic side. Is it a good business deal, how much is it going to cost, what is going to be the future of the taxation of the province, what's going to happen with the province regarding the economic side of things, I don't think that

very much has been said on the other side of the coin. And, I think perhaps the Government of Saskatchewan has missed the point here on the other side of the question, the non-economic side of the problems faced by the Government taking over a major industry of such major importance to the province of Saskatchewan and I believe why the questions being asked in the countryside is, what's next and who's next. I believe the Government of Saskatchewan, and if they don't believe that those are the questions they are not going home to their own constituencies and talking to their constituents because that is the question on people's minds, what's next and who is next, on this entire potash question. The concern of most of the people of the province of Saskatchewan and if you want of the rest of the country is, as the Government increases its size and scope and its effect, its material effect over the day to day lives of the citizens of the province – and after all the economic wellbeing of each individual citizen and the person or group with whom that person works, is certainly one of the most material aspects of that person's existence – once the Government takes over it has been the experience of this jurisdiction and other jurisdictions that very seldom is that returned to the private sector. Therefore, that locks in, if you want, that particular industry as a long-term employer of the citizens of Saskatchewan. And that after all is the question on people's minds most prevalent. Are we by continually increasing the size and scope of government, are we locking in a situation in which they are removing from each individual citizen the freedom of choice, fair choice as to whom they want to work for. There are a number of people who want to work for the Government, there are a number of people who don't. There are people who work for the Government who believe that by having other employers in the community it keeps the Government honest as it were. That they have that choice, they are going to be having that choice in the future. Now what happens to those individual citizens when you take an entire industry, nationalize it, make it a Crown corporation if you want, which is directly responsible to the Cabinet and directly responsible to the Government, what happens to those individual citizens? They do not have a freedom of choice, they now are locked in or are frozen if you want, to only have the opportunity to work for the Government. If they want to work in the potash industry they will only be able to work for the Government of Saskatchewan, no one else. They are concerned about that, the people who work for the Government are concerned about that, the people who work in the industry are concerned about that. We can talk all we like about whether or not it is a good business deal and, quite frankly, the more we talk about the economic side of the question, the more we turn the Legislature into more like a board room, as to whether it is a good business deal or a bad business deal, a good economic decision or a bad economic decision, it becomes a board room and not a very good one at that because very few of us are equipped to sit on the kinds of boards and make the kinds of decisions that are necessary to be made to have a healthy and viable potash industry. At least as far as I am concerned, I certainly am not equipped in my training and background to be able to sit on a potash board and make the decisions as it relates to the potash industry and I suggest that most of the Members of this Assembly are not in that circumstance. When we sit down and decide whether it is a good business deal or a bad business deal, we in fact are making in my assessment a very serious mistake. We are putting our amateurish knowledge, or our attempted amateurish knowledge to work and we are going to make an amateurish business-like decision. So I would like to suggest that perhaps what we should be emphasizing is the people side of things, where is the emphasis

being placed in our province? If you take away the choice of people, more and more people on an increasing basis as to where they should work, if you increase the governmental sector beyond a certain extent, you will then have frozen these people to only be able to work for the Government.

The second people aspect of this decision which I think is extremely important is the maintenance, if you want, of the political parties of Saskatchewan. And this is an area that I have touched on before and I will touch on again and again in this Assembly. As you increase the people's dependence on Government, as you increase the direct relationship of employees to a government organization, you, if you want, take away their incentive to become involved in political parties in opposition. The reason is fairly evident, the people believe that they owe a direct relationship through their Crown corporation or through their governmental office or through their governmental organization directly to their MLAs who are sitting on the governmental side. And for that reason they quite frankly won't become involved in parties in opposition. They won't carry signs, they won't knock on doors, they won't take out party memberships. As you increase the numbers of people in the province who owe their direct relationship to the government, either through their direct relationship to the government, either through employment or through direct licensing, or direct involvement to the Government, they feel that – there is no suggestion on my part that the Government of Saskatchewan is coercing them not to belong to opposition parties, but it is a human reaction on their part. They will not join opposition political parties because either their jobs may be in jeopardy which is the one aspect of it or another aspect of it perhaps is that their future promotion may be in jeopardy, their future may be in jeopardy, their family's future may be in jeopardy because if they come out in favour of any party in opposition, whether it be the NDP, the Liberal or the Conservative they might believe that their future is at stake if they happen to espouse one political cause or other. I remind the Members opposite, Mr. Chairman, that they will not be in government forever, no political party ever is, they will be in opposition at some point in the future, in our opinion hopefully sooner rather than later, but they will be in opposition and I suggest that if they have already built in so many governmental jobs and governmental services and direct relationships between the government and the people who owe their direct day to day livelihood to the Government of Saskatchewan, I suggest that they will not get the necessary workers and the necessary people involved in their political organization because these people will be afraid to allow their names to be known for any party in opposition. So I think these are two very important people aspects of this legislation that quite frankly, if you want, have been minimized by our discussions about whether or not it is a good business deal or a bad business deal and whether or not the economic decision is the right one.

We have three basic questions in terms of Bill 1. The first one is why get into the potash business in the first place? The Attorney General has outlined, I think, a case that he has made on behalf of the Government of Saskatchewan that industry forced him into it because he couldn't sit down and negotiate new taxation rules and regulations, couldn't sit down and negotiate with the industry. In our judgment that is admitting failure. The Government of Saskatchewan has admitted that it could not negotiate with the companies and develop a taxation procedure or principle that would be in the best interests of the province of Saskatchewan in every respect, both in respect of investment

coming in and in respect of the maximum benefit to the people of Saskatchewan.

He has also suggested that another reason for it is that the Federal Government superimposed taxation regulations from Ottawa that stirred up the mix in terms of taxation in the province of Saskatchewan and thereby brought about a situation in which he was faced with only two alternatives and no other because we got squeezed. I suggest that is another admission of failure, an admission of failure on the part of the Government of Saskatchewan that they were not able to negotiate with the Federal Government in any realistic way to establish rules and regulations that were reasonably close to being what the Government of Saskatchewan wanted. Perhaps a compromise if you want. Now I suggest in this particular area the Government of Saskatchewan should look to the way that negotiations were conducted between the province of Alberta and the Government of Canada. I suggest the Government of Alberta is not totally happy with the taxation regulations as proposed by the Government of Canada. On the other hand, they have been able to maintain a reasonable position for the organizations doing business in the province of Alberta and I suggest that they have been able to come to some reasonable conclusion. But apparently in Saskatchewan we have not and, therefore, I suggest that we are admitting failure and our prime concern, if you want, here is, are the people of Saskatchewan to suffer the possible, and the Attorney General will agree I am sure, that it is possible that the future may not be as bright for the potash industry as the Government paints. The possible heavy imposition of taxation on the people of the province to carry the possible losses that might be incurred by the potash industry in the province of Saskatchewan and to carry the interest of indebtedness on this tremendous debt that the Government is attempting to involve the people of Saskatchewan. That there is a possibility that this could lose and that we haven't examined all the alternatives; that we haven't examined the possibility of negotiations with them; we haven't examined the possibility of negotiating with them; we haven't examined the possibility of negotiating a purchase, etc. So why get in in the first place? Are we to be subjected to this because of your failure to negotiate with the companies and because of your failure to negotiate with the Federal Government? And that, I think, is what the Government is suggesting and I think what the Attorney General has suggested in both his speech on Bill 2 and on Bill 1 and in his discussions this morning.

He has admitted that he has failed in negotiations, both with Ottawa and with the companies. And he is suggesting that it is all their fault. We are suggesting that in any negotiation it is never all one person's fault or all another person's fault. But that perhaps Saskatchewan should go or should have gone that extra mile to have attempted to negotiate perhaps a little better. And if the Government has explored all of the negotiating possibilities, why then has the Government of Saskatchewan not produced all of the step by step negotiating to show or to prove to the people of Saskatchewan that it is in fact the Federal Government's fault; that it is in fact the potash companies' fault.

I suggest that the Government has not explored all of the negotiating possibilities in this issue and as a result, I suggest that the Government might perhaps find itself in a very awkward position in the future.

There is the possibility of increased taxation as a result of the potash takeover and there is going to be increased taxation already as a result of this particular debate and as a result of the particular introduction of Bills Nos. 1 and 2. There has already got to be increased taxation because, if you want,

1. The extended debate that cost the people a lot of money;
2. Because of the involvement of all of the legal help and the legal council and the legal assistance that you had to spend money for, and the reports and the consultations that you have had with outside organizations. These all cost money and as a result there has to be already increased taxation as a result of this proposal.

What I believe you are doing, and what we believe you are doing, is forcing the people of Saskatchewan to take this rather large and dicey step because of your admitted failure to negotiate with the Federal Government and the potash organizations. So why get in in the first place?

The second question that concerns us the most that is you must get in, if you must get in, why by the expropriation route? Why haven't you been sitting down with the organizations before introducing the expropriation route and attempted to buy – now we would have opposed, quite frankly, your attempt to buy the potash industry or any portion thereof in Saskatchewan, because we believe it is a waste of the people's money, but assuming that you decided that that is the right step to take, why take the expropriation route? Is it because you want to put yourself in a position whereby you have all the cards, you have all the aces up your sleeve? If that is the case are you not setting a terrible precedent for the future for freedom in this country? Are you not saying that the Government whenever it negotiates is going to put all the aces up its sleeve; is going to have all of the power and the thunder of the Government of Saskatchewan who have, we agree, the right under our constitution to deem anything. We agree that they have, but responsible legislators in the past have not deemed it advisable to deem themselves as being the ultimate citizen in the province. That the Government should not superimpose its will on the people or in negotiations in advance of any negotiations.

So if you must get in, why by expropriation? We don't think that you have answered that question satisfactorily.

1. If you expropriate, and again we assume you shouldn't get in in the first place and in the second place you shouldn't expropriate, but if you must expropriate, why are you setting the terms of the expropriation in advance of the expropriation hearings?

Surely, that is just another example of the Government of Saskatchewan using its power to thwart individual attention. You don't do that, for example, when you expropriate land for highways; you don't set the terms, you don't predetermine the terms. When you expropriate land for the public good, you don't predetermine the terms. You expropriate in the public interest; you expropriate in the public good and then you allow a court or a totally independent organization to decide what the terms of that expropriation shall be. And that has been relatively responsible and has worked well for the people of Saskatchewan.

Are you not, again, setting another precedent of the use, of the unlimited and unwarranted use, of government power to thwart the individual citizens of the province, by predetermining and presetting the terms of expropriation?

We are most concerned about these questions. We hope that the Attorney General will answer these questions. I sincerely hope that he will do so now.

Mr. Romanow: — Well, Mr. Chairman, again, a lot has been said here and I am not sure that I can reply as succinctly as I would if I had more opportunity on reflection to consider the remarks made by the Hon. Member. But I will try.

Let me say that if not all of the motivation, certainly a very large aspect of the motivation, apart from the negotiations and the economics which you have asked us to put aside for the time being, from our Government's side is to act in the interests of the people of the province of Saskatchewan. Whether the Conservative or the Liberal caucus agrees with that or not, the motivation is not because of any grand socialist design — I know that this will come up during committee. We haven't heard from the Leader of the Opposition yet or others — but it is because of the fact that the Government, namely the people, that is what the government is, was put in in our judgment in a corner.

The Member asks this question which raises the matter of who is next? There is no next. As I tried to say in second reading when I went through the whole detailed history of the negotiations and discussions, we came to the point in history as a government where basically there are only those two choices. The Member can put in a variation of those choices, a negotiating variation or of production, but those are basically the two choices.

I don't think the Member's remarks about the concern of governments as instruments of the people are as great as he would have us believe. Today we have Petro Can into the oil area, Federal Government; Eldorado Nuclear in Saskatchewan on behalf of the Federal Government; Petro Sar on behalf of the Federal Government. One could think of a number of examples where governments have, in the public interest, in the people interest, made judgements to enter the field of private activity. I don't mean this in any overly political partisan sense but the actions taken by the Conservative Leader and Premier, whom I have a great deal of personal respect for, Mr. Lougheed, in taking over PWA and operating it as a Crown corporation, is an example of the type of question that, I suppose, Grant Notley could ask in Alberta, who is next?

The point is that governments of all political ideologies find that circumstances dictate, or may dictate, an intrusion — putting it in the Member's terms — into the free markets or into the free enterprise system depending on your terminology today.

The member says, what about incentives? I don't think incentives are taken away or harmed one iota by government involvement in industry. I think there may be a point where the incentive could be affected, but I just ask the House to consider how mute and silent the Power Corporations workers are, especially yesterday in Saskatoon, when they totally walked out — not totally, but staged a substantial demonstration without fear of

reprisal against the government. They did it during the Liberal regime, which prompted Bill 2. The National Brotherhood of Electrical Workers did it one year ago which prompted Bill No. 28. All that I am saying is that the evidence in Saskatchewan, where we have had a history of 25 or 30 years of co-operative movements, fostered and promoted by this Government, where we have had 30 years of Crown corporations such as Sask Power and Sask Tel, is one which permits of total political and social action by individuals as they see fit in their own interest.

The Member tries to make an argument psychologically there might be something in the minds of individuals which would deter their independence. I think more so than, say, a businessman. I have heard many businessmen say to me, Roy, I am sympathetic to the NDP or I am sympathetic to the Conservative Party or the Liberal Party, but there is no way that I am going to come out and put up a sign or do some political activity because I have to do business with PCs, with Liberals and NDP. There is a confining thing on them too, which has nothing to do with the operations. I think, in many ways, the employees of Crown corporations have more freedoms in many ways.

When my friends were the government in 1964-65, my friend Mr. Gardiner was a member of that Government, there was a very celebrated case involving one Mr. Baskin of the Saskatchewan Power Corporation, whom the then former Premier summarily called in and dismissed for Mr. Baskin's involvement in an NDP election campaign. That is clearly on the record. Just called him in and fired him. As simple as that.

Leaving the merits of that aside, was there protection out of that example? The answer, I think, has to be yes, because there was such a political hullabaloo about that type of a violation of freedoms, basic freedoms, I am not talking about above and beyond the ordinary operations of any political party given their democratic system, but violation of a freedom. This surely strengthened the freedoms of all. I think it would be a brave government indeed, that would say to Baskin in 1975 you are down the road because you took part. A brave government indeed. So in a way I believe that the freedoms are in a sense protected by Crown corporations and by the Legislature.

The Member then asked three questions. Why go in? And he said basically and the thrust of his argument was that this was an admission of failure. I don't acknowledge that, but even if I did, I think the question then has to be asked, on whose part?

The Member makes a subjective opinion that it is on our part, failure. I invite the Hon. Member to reread what I thought was an excellent second reading speech, delivered by myself, with all due respect I know that the Member for Wilkie has read it over many times herself, that we tried to document as a part of a justification for the Bill, I thought that was my duty as mover of the Bill, try and make out the case not only to the House but to the public – the series of negotiations and the history of the entire industry, the highlights. There is much more to it than that. I was criticized for going two and one-half hours at that. Whose failure? I believe that the situation is that the conclusion has to be, that it was the industry's failure. What more can we do?

We said we were ready to meet and it was agreed that we

would meet. It was broken off by them and never to meet again. Lower the tax, say we are prepared to amend our formula if this is the example, never meet again. We need expansion – no expansion. We are into the courts on a major issue and everything is tied up.

Now, the Member says it is an admission of failure with respect to the Federal income tax provisions. Again, we tried. I think that if you go back to the press clippings, the Members who were here would know – in fact the Member for Regina South (Mr. Cameron) that that is our position all the time and all we do is criticize Ottawa all the time and I have a great deal of sympathy with what he says. I think it works both ways though, I think they criticize us, whatever we do all the time. But if you look at the record you will see that we tried. Nobody, not even Alberta was successful in negotiating with Ottawa, a change in the non-deductible provision, no one.

What Alberta did is they simply adjusted their own tax to take into compensation what the Feds had done to them and we did the same thing. We said it was deductible for the purpose of Saskatchewan income tax. It may not have helped much but it was a show.

So, again, you can negotiate so far and there may be a failure in negotiations but the next logical question to ask is: — on whose part is the failure? The whole thrust of our argument has been that on the totality of the evidence it has to be the industry's in this circumstance.

The Member says that even I would have to acknowledge the potential failure of the Potash Corporation of Saskatchewan. I suppose when Saskatchewan Power Corporation was being started 25 or 30 years ago or whenever, who would have thought that today we would have a corporation in assets of \$1.5 billion in Saskatchewan, right here, jobs, head offices and a power operation. The Member shakes his head and I know in rebuttal he will say, but that's a monopoly and you can't lose. I invite the Member to say that might be so but at the time when our pioneers acting for people decided that this was going to be a Crown corporation in the interest of the people of Saskatchewan, there is no doubt and I can go back to the records of the debate, were faced with the same arguments that have been advanced during these 41 days. The risk, how do you know that private companies can't do it better; how are you going to get the technology; where are you going to get the management people, and so forth.

SGIO, I don't want to trot out SGIO again but that is another example of the same situation. There were ups and there were downs of Power and Sask Tel and there are going to be ups and there are going to be down of Sask Potash Corporation, but as people entrusted all of us with the future of Saskatchewan, on balance of the evidence of what is going to be the future, I invite the Member to say that 25 years from now when they are reading the pearls of wisdom from the Hon. Member and they are determining the foresight of us, I feel confident that Sask Pot will be in the same historical perspective as Sask Tel and Sask Power, time will tell.

The Members asks secondly why expropriation? He said that this creates a bad atmosphere, a bad atmosphere for freedom. Mr. Chairman, I want to tell the Member candidly, I don't

think that our action prejudiced freedom any more than say the action of another man whom I've met in federal-provincial conferences, Premier Frank Moores of Newfoundland, the Progressive Conservative Premier, who took an act of expropriation against Brinco. He didn't negotiate it or if he tried to negotiate it he failed, or somebody failed, maybe Brinco failed., I don't know the facts of the Newfoundland situation. But he moved with an act of nationalization. If it is sauce for the people of Saskatchewan, is it sauce for the people of Newfoundland that that Conservative government exhibited a violation or a threat to the violation of one's individual freedom. I have never advocated that because I don't believe that. I think the Brinco decision from what I know will be a good one for the people of Newfoundland, struggling as they are in their economy. I think that will be looked upon 25 years from now as our power was 25 years ago as when we took that act.

Finally, the Member says, why do you dictate the terms of reference in the Bill for the evaluation of the payment. Mr. Chairman, I suppose that this can be best answered in the Committee of the Whole dealing with Section 45. I want to tell the Member that if he really examined Section 45, he will see that fair market value being even written into the Bill is the test for payment. There are some conditions attached to that, no doubt. Some conditions which are merely stating the common law on expropriation cases. On expropriation cases I would remind the Member such as highways expropriation where the value to the taker and so forth are ruled not to be of legal consideration that we are simply stating that in the conditions we apply to Section 45.

I didn't want to read this little press clipping but I think that this is a good time to raise it, because we are talking about principles and details of the Bill which is important. I am still addressing myself to the question of terms and conditions. I have in front of me a clipping, Mr. Chairman, of the Leader-Post, January 12, 1976, headline, Compensation Sought Montreal Limited. I would like to read it into the record.

Canadian Javelin Limited and two subsidiaries announced Friday that they have petitioned the Federal court for a total of \$417 million in compensation from the Newfoundland government following the expropriation of the company's Julian Lake Iron Ore deposit in Labrador.

May I just stop, Mr. Chairman, to say that the petition by the company according to this newspaper report is in excess of \$400 million for just an ore body, for just an ore body. I will go back to the quotation:

At the same time the companies are requesting that the Julian Reversion Act, June 1975 legislation . . .

May I stop here and say, I don't recall in the newspaper reports that Premier Moores campaigned specifically on the mandate that he would nationalize the Julian Mine ore . . . You were there . . . then I withdraw to Premier Moores. Maybe he did but I won't get into that. But leaving that aside, I am quoting now from the clipping.

At the same time the companies are requesting that the Julian Reversion Act, June 1975 legislation which

expropriated the property be declared invalid and beyond the powers of the Newfoundland government.

This is the last quote that I want to read, now addressing myself to Part III about the conditions of pay. The story says.

The Act called for a maximum compensation of \$750,000. What do we have under this story? We have that Premier Moores of a Progressive Conservative Government in Newfoundland and expropriated an ore deposit. Did he write in the terms and conditions of payment in that expropriation Bill? Answer is, yes. How did he write it in? He wrote it in by simply saying you shall be paid \$750,000 for it. He says it is worth \$.75 million, Canadian Javelin says it worth \$.5 billion.

I don't mean this in any partisan political way, I am simply saying that if you take a look at that act of expropriation, legal and political act, and you compare that to our Section 45, our evaluation section, where we don't say the potash companies shall be paid 'X' dollars, but we say fair market value. We say go to the courts, the Queen's Bench judge as chairman, if we don't agree. There you have a right to be heard and to determine where it is going to be public. We aren't going to write in a figure for you. When you look at that I don't know how it could be argued by anybody, really that we are tying anybody's hands when you compare it with what precedent has been in other provinces.

I would say, Mr. Chairman, in conclusion to the Hon. Member who I think raised some very fundamental questions in this whole thing that the answers that I have given would allow me to say with credibility, this action is a people motivated, people results action. It will be something that future generations, head offices, employment, security, pride control of Canada resources, that the people of Saskatchewan one of these days, soon, because I believe that even out there now they understand this. While there are many questions on the Bill, some day it will be realized that those who have sponsored and promoted and defended this Act will have acted wisely for the present generation and the future generations, that is how I answer the Member.

Mr. Collier: — I should like to respond briefly, Mr. Chairman, to a few of the remarks of the Attorney General.

I would like to deal first with what he said last, first, if I may, when he suggested that Progressive Conservative governments in Alberta and in Newfoundland have conducted themselves in the same fashion as the NDP. Let me address myself first of all to the situation in Alberta. I would suggest to the Attorney General right now and at this moment in time, Mr. Chairman, that those same questions being asked in the province of Saskatchewan about what is next and who is next are presently being asked in the province of Alberta by the same people and by the people of Alberta. They are equally concerned in the province of Alberta about the continuing encroachment of government on their day to day lives. Although it is not incumbent upon me to oppose, to be in opposition in the province of Alberta or in fact in the province of Newfoundland, I want to assure the Attorney General here and now that were I a resident of the

province of Alberta and involved politically in the province of Alberta, I would oppose the continued holding on to the shares of the Pacific Western Airline in the province of Alberta. I would be in opposition to that, and so would the Members of my caucus in the province of Alberta. I should like to remind the Attorney General here today that quite frankly, there seems to be in the province of Alberta as relates to Pacific Western Airlines a move afoot by the Government to create and to turn Pacific Western Airline into an organization which is what we have suggested you do with Sask Pot, I thought that was an interesting paraphrase of the Saskatchewan Potash, and one hopes that that particular name doesn't become too familiar to the people of the province because I really think that is not a selling phrase for Saskatchewan potash.

An Hon. Member: — Get a high.

Mr. Collver: — You might get a high, but highs, you end up with a severe depression. That has been the experience of all the users of 'pot'. They get a short run high, but a long-term depression. Perhaps Sask Pot as the Attorney General referred to it will give the people just that, a short run high and a long-term depression.

The suggestion in Newfoundland of the expropriation of Brinco, there were a number of other factors involved in the Brinco expropriation, one of which was the potential failure and potential bankruptcy of Brinco in Newfoundland. There was a considerable thought and belief by the government of Newfoundland and in fact by many financial investors in Canada that there was a potentiality for financial failure in Newfoundland of that organization. I believe if the Attorney General examines the record of that particular expropriation that unless that occurred there would be no asset left in Newfoundland. Unless there was some form of expropriation or takeover, there would be no asset left. The long-term, I hope, in Newfoundland will be the creation of an organization in which the people of the province of Newfoundland, as I hope for in Alberta with Pacific Western Airlines, as I hope for in Saskatchewan, if you must nationalize and you must obtain it in the Saskatchewan Potash as I hope for and we intend to propose an amendment to Bill 2 to suggest exactly the same that this organization shall be created into an organization whose shares are able to be traded on the open market, owned directly by the people, where the people vote directly for the directors of that organization and not through their MLAs' control the organization but directly through the company. I hope that this will happen in Newfoundland. I think there is a lot more chance of it happening in Newfoundland and a lot more chance of it happening in Alberta than of it happening in the province of Saskatchewan because of the fundamental issues that I raised to start with.

The Assembly recessed from 12:30 o'clock until 2:30 o'clock p.m.

Mr. Collver: — Thank you, Mr. Chairman. Prior to lunch, I was attempting to outline for the benefit of the Members opposite primarily and particularly for the Attorney General the reasons why we feel that the takeover of the potash companies is not really in the interests of the people as has been suggested. I should like to counter a few more of the arguments as mentioned by the Attorney General this morning.

First of all, he suggested again this morning that somehow the takeover of the potash industry was in some way like the takeover of Sask Power. And he mentioned that somehow in taking over Sask Pot as he referred to it this morning, that the people would be benefited to the same extent as they would be with regard to Sask Power.

In creating a monopoly for the provision of telephones or provision of power or the provision of any other service to the public. This monopoly position that was created sometime ago was done so primarily for the reason that competition in those areas did not serve the people as well as did a monopoly situation. And rather than give a private operator a monopoly the people of Saskatchewan determined through its government to create a Crown corporation to provide these services. The reason for that was, for example, it would be ridiculous to have two or three or four different telephone lines coming up to an individual's house providing that individual with telephone service. Or two or three or four different power lines, or two or three or four different lines into the home to provide the power and telephone resources that that individual needed. On this instance the product of these organizations is not being sold to the individuals of Saskatchewan but is being sold abroad primarily and it is not hardly even being sold in the province of Saskatchewan. So the market place for the product of the potash mines and Potash Corporation are not being sold to the people of the province. There is no service out of the potash companies that is being provided to the people. Therefore the cause for a monopoly in this particular case is not exactly the same. As a matter of fact it is nothing like the same. To suggest as the Attorney General did this morning, Mr. Chairman, that it is somehow like Brinco which was on the verge of bankruptcy or even like Pacific Western Airlines in the province of Alberta which was on the verge of being bought out by another provincial government, to suggest that is facetious to say the least. This is a successful group of organizations conducting business in our province, they are now becoming or were up until a few months ago becoming more successful and spent many, many months and years in a depressed state. They are now coming into an era we hope where they can be more and more successful organizations. And by nationalizing them at this stage you are in fact setting out a precedent if you want, for anyone else who may succeed.

Put yourself in the other boot just for a moment and say to yourself, what would you think if when we were down and out the government said, go ahead, do what you like, we will negotiate with you, we will deal with you reasonably fairly. When you are not earning, go right ahead, you invest and so on. We won't expropriate, we'll promise right in the House, our Premier will promise that you won't be expropriated. Go ahead and do that. And then as soon as they come into a future market place where they think they might possibly do well, the Governments steps in and nationalizes them and does so when they had other alternatives to do so. When they could have negotiated a better tax position as I am sure is going to be outlined by the Members to my right, in some considerable detail.

Our position primarily, and I should like to outline once more what I did this morning, Mr. Chairman, and that is with regard to the takeover of the potash industry in Saskatchewan from a people point of view. For one moment I would like the Members opposite to put themselves in the position of that

potash worker, for just a moment for those who perhaps have left the working force and are now in government or for those who had left the working force some considerable time ago and have become a trade union representative as opposed to an actual worker. Put yourself in the position of that worker. He has chosen to work in the potash industry. He wants to work for a potash organization, that individual citizen. And he wants to work as a potash miner in one capacity or another. If you nationalize the potash industry in the province of Saskatchewan, that individual citizen no longer has a choice of employer. He now must work for the Government of Saskatchewan. He has no other choice. You can say, well he will change mines, he will change places. But he still has identically the same employer. And that employer for what it is worth and as a fact that employer is you Members opposite, the Treasury Benches opposite. That is who the employer is and in his mind – the Attorney General mentioned this morning the psychological effect of government ownership. In that individual citizen's mind, the boss if you want, the big boss, the number one, is the Cabinet. That's who is in charge. Behind the Cabinet are the MLAs who sit opposite or sit on the Government side of the House. Those are the bosses and those are the people who are in charge. Whether they are, whether you believe they are or aren't, whether you put appointed boards in charge or not, to the average citizen, to most of the people of the province of Saskatchewan, that's who the bosses are of government services and that's who the bosses are of the Crown corporations. That's who is in charge. You're not going to eliminate that through conversation or propaganda or in any other way, because in fact that's who is the boss. The Cabinet is in charge of the appointments to the board, the board are in charge of the appointments to management, management is in charge of that mine or that organization of that operation. So to that little person, to that individual who is striving to make a better life for himself, you have taken away his choice of employer. The only one left in his mind who is available to employ him is the Treasury Benches opposite. That's the only one left.

To those persons, if you put yourself in their boots for one moment, you will see that they feel, very strongly, that they would like to have a choice, the choice of employer and you have taken that away if they want to work in the potash industry.

As you have extended further into the meat packing industry, as you have extended further and continuously enlarged the Crown corporations to a very great extent in terms of number of employees over the last few years, if you consider for a moment that two facts have occurred in the province of Saskatchewan; one, that the average ages of the people in our province has been shifting and changing quite substantially and that we now have, perhaps if not the largest, certainly close to the largest percentage of our population in excess of the age of 65. Our senior citizens represent an increasingly larger share of the total population. Our total population has remained constant and therefore what you have done, what you see in our society over the last number of years is a diminishment, a lowering of the number of jobs that are available. If you decrease the number of jobs available in Saskatchewan and increase substantially the percentage share of government ownership of organizations and government involvement in the employment of people, you will see that gradually more and more and more people are working and owe their direct day to day livelihood to the Government, less and less and less feel that they have a choice or an option as to

who shall be their employer.

When that happens psychologically to that person, that person feels that one is totally dominated and controlled, even though you don't bring in the rules, even though you may say, look you're perfectly free to join another political party. The psychological effect of increasing government control over our everyday lives is huge to say the least. I couldn't find a better word. To suggest otherwise is not to know the facts.

I suggest to the Attorney General, Mr. Chairman, in answer to his suggestion that somehow employees of Crown corporations and government service will in fact come out for political parties in opposition and he himself mentioned the province of Alberta, I suggest that he go and ask Mr. Notley in Alberta how many people who work for the Government of Alberta or in fact, for the Government of Canada because one is controlled by the Liberal Party and the other is controlled by the Conservatives in Alberta. Ask Mr. Notley how many of them are members in his own party, in the NDP. How many of them in the province of Alberta will allow their names to stand as candidates who work for the government or government organizations or Crown corporations? How many of them in the province of Alberta will carry a sign or put a sign in the window? I suggest that he will find when he checks with Mr. Notley, very, very few, if any, because they are concerned about their future and their future livelihood of their families and their future possibilities of promotion.

As this increasingly occurs in our society, political parties of all kinds and descriptions will deteriorate and will eventually die for lack of visible, ongoing support. There is no one I don't think in this Assembly who realizes that better than I do, having been through the two or three years that I've been through attempting to build our own party organization and attempting to talk to people and convince them to come in with our organization. I don't think there is anyone else in this Chamber who perhaps has been in that particular position. I suggest that you will not find people in government employ involving themselves in political parties in opposition and for that reason the political parties in opposition will deteriorate and eventually die as a result of increasing government involvement.

The Attorney General this morning suggested that for some reason there was a people involvement or a people choice that was made in nationalizing this industry. Perhaps, and I don't agree at all that there is because there are alternatives. In the minds of the Members opposite they did do this on the basis that they thought they were doing it in the best interest of the people. But I'd like to ask them for just a moment to consider those reasons that I've given this morning. Two very fundamental reasons. One, increasing government involvement, such that people believe that the government controls and dominates their lives. And ask themselves this question. Is the short run economic benefit, and I mean by short run, two to three, maybe four years, that you might possibly be a winner in the potash industry, maybe possibly and I'm not going to agree that you will be, does that short run benefit outweigh the long term detriment of everyone owing their soul to the company store, owing their soul to the government?

In any possible way, does the long-run detriment of every citizen of the province having to work only for a government or a Crown corporation and you say, well that's not true at the moment, but it is becoming increasingly true. Every day in every area, if you want in our country, and we have to look at this in our opinion very, very seriously, and does that long-run detriment in any way, is that overshadowed by the short run possible gain that you might possibly achieve by nationalizing this industry? We think not. We think you have not considered the interest of the people in reality, that you are only thinking in terms of economics and not in terms of what happens to the individual citizen, and what happens to the psychology, what happens to the attitude of the individual citizen towards their society if they are only employable by one organization.

We hope and this is not on this Bill, Mr. Chairman, and I beg you leave for one moment to suggest that we hope that when Bill 2 comes up, because you are obviously bound and determined to expropriate these mines and to enact this legislation, that's apparent, but we hope when Bill 2 comes up that you will listen very seriously to another kind of organization for this Potash Corporation. One in which the shares are able to be traded on the free market, one is which controls the resource within the province of Saskatchewan, but the employees of that corporation do not owe their jobs to you, but owe their jobs to the board of directors, directly elected by the shareholders, and the shareholders being the people of Saskatchewan. Conversely, Mr. Chairman, I beg leave for one second more, we hope you will listen. If you won't listen to that which we think is a reasonable idea under the circumstance, if you won't listen to that, perhaps you'll listen to the idea of creating in Sask Potash instead of a Crown corporation a co-operative, owned directly by the producers or if you want to go further than that, owned directly by the people of Saskatchewan as a co-operative. Our major prime objection to this entire legislation, our major prime objection to this whole exercise, is the power that it vests in the Members opposite. As you increase your powers you decrease the powers of the people of this province, no matter how you get elected, whether it's every fourth year, or every second year, every year or every six months. As your powers increase, each individual citizen's powers must decrease.

That's what concerns us the most. We sincerely hope you will listen in the Committee of the Whole on the Potash Corporation.

Mr. Romanow: — Mr. Chairman, I won't take much time because a lot of this we have covered this morning. But I do feel that one or two words again must be stated in rebuttal. I'm going to start first by talking about the last suggestion and that is the suggestion of a co-op. That, I think is an impractical suggestion because the first immediate question that comes to mind is who would be the members of the co-op? The tradition concept of a co-op is consumer control, people control. Since it is acknowledged by nearly all, that Saskatchewan farmers are not major consumers of, to any extent, potash, who become members of the co-op? Do you have it a producers co-op, which in my mind is not then truly a co-op as we would think, say of the Saskatoon Co-op or Regina Co-op? This I don't think is a practical idea.

The Member made one or two other points that I should respond to. Number one, he tried to draw the differentiation again between the Saskatchewan Power Corporation and the Potash Corporation. His argument was that the Power situation was a situation where competition "did not serve the people". That there were poor services, I don't know if he used the word services, but the effect of which is that they were not served well and seizing on the word serving, meaning services, there was no provision, no adequate provision to the people. I think that argument falls down because really how then do you explain, how would the Hon. Member explain the existence of private power companies in the United States? Is it said that the private power companies in the United States don't serve the people in the United States and their individual state well? Or have they overcome those inefficiencies and difficulties of which the Member spoke?

So the point that I make here is that I don't think that observation does apply.

The Member talked about the business of bringing in the potash companies during the poor times and leaving them to themselves during the poor times and then when the times get good, we take over the potash companies. Well, again that is not a true statement of the facts. The policy of this Government and I think of the Liberal Government, I would quarrel in some parts with it, has been simple. If they are not doing well, the potash companies, the tax structure and other approaches of government reflected that. It did. But conversely, if the potash companies are doing well, isn't it only correct to say that the tax structure should reflect them doing well? If it's true that the potash companies have been doing well the last three or four years as I think they have, is it wrong for the Government of the day to say, you're doing well, the tax structure should reflect that? I don't think it is. When this Government endeavoured to do that, what happened? You know the consequences. No expansion, court hassles, the non-payment of taxes and so forth.

Now the Hon. Member talked about workmen and the position of the workmen. His remarks are predicated on the assumption that all mines of the potash companies will come within the sphere of the Potash Corporation of Saskatchewan. Otherwise there is no other logic to the statements that the worker has no other option. As the Premier has indicated and as the Cabinet has indicated, that assumption may not be right.

Furthermore, what choice does the worker have now, if the Government and the Potash Corporation was not into the potash field? Supposing a company A, head office in Dallas sells to company B, head office in Chicago, what choice does the worker have now? He had no say, his only choice is to remain with private enterprise. There is no choice there. The Member talked in terms of the boss being the Cabinet. Well that may be true, but is that worse than having a board of directors nameless, faceless, non-Saskatchewan residents located in Libertyville or in San Francisco or in Paris? Or is it better to have a boss, even if that boss errs, a boss that ultimately is responsible to the shareholders, if I may put it in that sense, to the public and electorate? I'm not so sure that making out the Government as a big bad boss is at all credible, especially when you look at and analyze the complex corporate structure on

a multinational basis of the Potash Corporation where the bosses and the ownership is almost entirely outside of the country, let alone the province of Saskatchewan.

The Member says about the question of the age shift. Well, there's been an age shift going on for years in this province. It went on for seven years during the Liberal Government. I would say if the Member analyzes his figures carefully he will find with me that in the last two years that trend has been slowed down if not stopped. I'm not saying that's necessarily due to us. It may be the economy, it may be a number of circumstances, but the population is going up.

He then says that somehow government in the market place takes away jobs, because presumably private enterprise won't get out of the market place and I find that reasoning with all due respect, faulty as well. I think a job is like the Carter Commission on taxation, a buck. A buck is a buck and a job is a job, whether that job is created by the Potash Corporation of Saskatchewan or created by a potash corporation. To get out of government in order to create jobs is not necessarily true. No more true than it is for government to get in to create jobs.

Now the Member talked also, Mr. Chairman, about Alberta. He said that in Alberta if you ask Grant Notley you will find no opposition people, because, the implication was, that civil servants would be afraid to run for Notley or the Liberals, because of the psychological problem of working for government. But he also say that government involvement in the market place means the psychological death of political opposition parties. Now if that's true, the Members nod their heads, how can they explain the fact that under the freest of free enterprise government, the Social Credit in Alberta, for about 25 years or 30 years I doubt if there were more than three or four opposition members? If that's true under the next of freer than free enterprise system of the Conservatives, how come, can you explain that there are only five or six opposition members? The death of opposition parties is not a function of government involvement or the lack of government involvement in the affairs of business. I think to the contrary. Opposition parties rise when governments acts on behalf of citizens because there is more to criticize and more to examine carefully and I think that that is a healthy operation.

I want also to say that Alberta is a bad province to compare. I think this province was the first province to get free collective bargaining for its civil servants. I don't know whether Alberta has that to this date. Maybe they do now, I'm not sure. In any event we have a history of political involvement. We have a history of independence of civil service, collective bargaining and standing up. Government involvement in this province doesn't mean that people who are in civil service don't take part in politics. Indeed it seems that almost the reverse happened and I want to close – no more than one person, more than the one the Premier mentioned, I don't want to get into names but you know I could mention four or five on all sides.

I want to close by saying that what the Member for Nipawin is saying here really represents an interesting attitude toward government, because if you look at his entire remarks, his attitude toward government is one of suspicion, mistrust, almost dislike as an institution. It is as almost them, being the

government, versus us, meaning the people situation. That's a very interesting psychological assessment in itself. If we, a democracy, believe that government is the agent of the people, that we here are sitting in passing these laws only as agents, as trustees of the people, how can one think in terms of the boss, the manipulation. I am not saying government don't manipulate and that there aren't indiscretions, or injustices or wrongdoings, but how can one think of that as a general concept. I find those remarks an interesting commentary on what probably is more of a mood of the electorate today than it is a reality. The Conservative mistrust of the Prime Minister's philosophizing, if you will, on the new society. I don't go for Trudeau's new society anymore than the Conservatives do for other reasons, but why the hysteria in the country, why the mass media, the self-examination, whipping out our collective Canadian guts and putting them out on the table and examining them with a microscope as if there was something nefarious about a government being involved in the market place. I don't know why we are involved in that type of a process. I, for my part, do not agree that my government is something that should be viewed from a conspiratorial or viewed from an advisory position. I believe for my part, that my government, be it provincial or federal, is my agent with which I may disagree on the policies that it advocates, but my agent for which I can either vote acceptance or rejection, something that I can't do now to the potash corporations, no sense of recall or right of recall, none. If you say that takes away freedom, I disagree strongly, I think that that gives freedom, that gives control of the resources. It brings jobs, it brings people, it brings the control of our destiny here to the province of Saskatchewan. As I said this morning, you mark my words, the people of this country will look upon this decision, I say, as a positive historic landmark for the people of Canada.

Mr. Collier: — I am pleased to hear, Mr. Chairman, that the Attorney General has raised that last issue on this particular Bill, because I think after all that really is the fundamental difference of opinion between Members opposite and ourselves. Frankly, I think perhaps that has not been spelled out sufficiently over the last number of days and weeks and months, that that fundamental difference has not been isolated, if you want, by the Press and by others as to what has the fundamental difference here been in approach. That is what this Bill is all about.

Now the Attorney General has suggested today and I think rather succinctly, what my and our party's paranoia, if you want, of fear or mistrust, or fundamental dislike of government as an institution of organization and control over each and ever citizen's day to day life. He has spelled it out as an interesting psychological sideline, Mr. Chairman. And I say to the Attorney General he spelled it out very well and I hope I will use his phrases in my own talks around the province and around the country in expressing our particular viewpoint on this legislation and other legislation that the Government brings about. We have a fundamental dislike, fear and mistrust of government per se involving itself in all of the aspects of our day to day lives, of which this Bill is an example. We have this fundamentally and basically as part of our nature. And if you want examples, it is perhaps because we look around the world and we look at history and what we see both in history and around

the world are governments which have taken over exactly and precisely the way the Members opposite are taking over the potash industry, are taking over control of everyone's life, one step at a time. We have had Members of our party who come from other countries, who come from Czechoslovakia, from Germany and from other parts of the world, they say these identical same steps, the takeover of big companies, take them over first and then they get to you, the small guy. It was done in Germany in the '30s, was done in Czechoslovakia and the communist countries shortly after World War II, and quite frankly, we do see this as a fundamental problem here. A fundamental and basic problem. We do have this mistrust and this fear. Perhaps it is paranoia and perhaps the country is paranoiac right now when they hear the Prime Minister espouse his particular viewpoint on a new society and hear our Premier talk about the nationalization the way he does and the Attorney General and other Members of the Cabinet talk about the nationalization of the potash the way they do.

What we are concerned with, Mr. Chairman, and what we want to spell out to the people of this province in fact to the people of Canada is, put your money where your mouth is and stand up for what you believe in. If you sincerely believe in the takeover of all of the resource companies in this country; if you sincerely believe that government is the best operator, the best organizer of people's lives, a democratically elected government, if you sincerely believe that, say so, and spell it out clearly and succinctly, and we'll spell out our side just as clearly and just as succinctly and we'll spell out our side just as clearly and just as succinctly and we'll say we have a fundamental fear, we have a fundamental mistrust of government, we believe that power corrupts, and absolute power corrupts absolutely. We believe that. We believe that you Members opposite are corruptible even though your intentions may be honourable, even though your intentions may be honest, we believe it is possible for you to be corrupted. And for that reason we believe that government should be the regulator, if you want, the comptroller, if you want, the taxer, if you want, but not the operator and not the director and not the employer of every citizen of our country. So this takeover is in fact a fundamental dispute. This takeover is in fact a fundamental examination of the psychology of the Members opposite and of the Members on this side of the House. We believe strongly that these principles should be spelled out as to precisely where you stand. I am pleased to see that the Attorney General in this Assembly this afternoon, Mr. Chairman, has spelled out for the benefit of the people of this province and for the benefit of everyone in this Assembly and elsewhere exactly where they stand and exactly where he stands. We does believe that it is a fundamental problem and he does believe that the Government, however it gets into office, whether it be democratic or otherwise, should control the everyday lives of the citizens of the country, and I am pleased to see that he had done so.

He once again mentioned, Mr. Chairman, the comparison of Sask Pot and I believe in his arguments in this regard, I really honestly believe, Mr. Chairman, that he must be hallucinating and perhaps using – whatever. Because in comparing Sask Power and in outlining the arguments that he has pertaining to private organizations in the United States providing power and telephone service to the individual state in the United States and then comparing that in Saskatchewan to the Saskatchewan Potash takeover and somehow holding up the private companies in the United States providing power to the people of their particular state.

I can recall in the last provincial election in June of 1975, the Government boating and holding up them to high esteem the Crown corporations and I think with some justification, the high esteem of the Crown corporations such as Sask Power and Sask Tel vis-à-vis and as they relate to these private organizations providing service both in Canada and in the United States and holding up Sask Power and Sask Tel as examples of how those kinds of monopolies should be organized as they compared with for example, Bell Telephone in Ontario. I can recall Members opposite using this particular argument in the constituency saying we brought in Sask Power and Sask Tel as a vehicle, as a means of providing this service and look at the damage that is being done by Bell Telephone and by these other private organization in the United States. And now to use those examples and say, well, they are providing service to the people the same as Sask Power is to counter that argument used in the last election. We appreciate and approve of and would have approved of had we been involved in this Legislature the creation, if you will, of Sask Power and Sask Tel to provide those monopolistic services to the people of Saskatchewan. And I notice one Member shaking his head in the background. We realize, Mr. Chairman, that we haven't been in this Legislature for 40 years and we haven't been involved in the discussions for 40 years while these things are being created, but if we suggest that we would have been in favour of them, I think the Members have got to take us at our word. I don't want to go into political history about the kind of things that the Progressive Conservatives have brought in in Canada while it was in government but we would have been in favour of those organizations. But to compare them to an organization which is going to be working on world market conditions, not in a monopoly in this country, is quite simply not reasonable and not realistic.

We mentioned further, Mr. Chairman, what choice does the worker have today. I was attempting to point out to the Attorney General what the worker would feel today, you were talking about what choice does he have. He might not feel that this nameless board of directors that the Attorney General mentioned, which is resident in Houston, resident in New York or resident in any place in the world, he may believe that the individual worker may not see those bosses, but he can certainly see you and he knows that you are the boss. He can certainly see how you are going to react and what you are going to do and he knows that you are the boss as opposed to these nameless people. But the nameless people, for example, International Minerals, he believes from the worker's viewpoint that they are different than the nameless people for Noranda. And the nameless people for Noranda are different from the nameless people of Canadian Pacific Railway. In fact, for example, for the information and edification of those Members opposite, perhaps the Member for Melfort (Mr. Vickar) might know this but certainly very few of the others, there are shareholders right here in Saskatchewan of potash mines. There are shareholders of International Minerals that are residents of Saskatchewan, there are shareholders of Canadian Pacific Railways and Canadian Pacific Investments who are resident in Saskatchewan, who in turn own the Cominco potash mine in Saskatchewan. Certainly the percentage is small but there are shareholders resident here in the province of Saskatchewan. People who do have an interest and a stake in those potash mines, but the nameless people are different and from the standpoint of that individual worker, he believes in his mind that if he changes jobs from Noranda to IMC, from IMC to Cominco, from Cominco to Kalium, he believes that he is

making a real change, that he is going to have a different set of bosses. He certainly will not believe that in his mind if the Government owns all of the mines. And when the Attorney General suggests that the Government of Saskatchewan is not going to obtain all of the mines in the province, I refer him to the speech of the Premier of the province of Saskatchewan who stated categorically in this Assembly and outside and in the Throne Speech that it is the intention of the Government of Saskatchewan to obtain some or all of the potash mines. Now if you obtain some today, and you said you were going to take some or all, I believe, Mr. Chairman, sincerely believe, that the people are going to believe that you are going to eventually to get them all because you said you were going to get some or all. Today you take one, that's a step towards achieving all. You haven't said that you were only going to take one or two, you said you were going to take some or all. So, you, yourselves have said that you are going to take all the mines at some point down the road. As I read it that is what it says, some or all.

The Attorney General, Mr. Chairman, mentioned the Carter Commission and he suggested that somehow in relation to this Bill that a buck, is a buck, is a buck. I suggest to the Attorney General that his very own party and that Members of his party fought vociferously against the recommendations of the Carter Commission. They argued that Workmen's Compensation benefits should not be included in taxable income. They argued that Unemployment Insurance benefits should not be included in taxable income and they argued that as a matter of fact, the Member for Moose Jaw North (Mr. Skoberg), I believe was one of the strongest arguers against these items being included in taxable income. So that in the words of your own party, Mr. Chairman, in the words of the NDP, a buck is not a buck, is not a buck because it is only a buck to whoever you are going to get to today. If you decide today that you are going to get to the potash mines, then a buck is not a buck is not a buck. And whoever happens to be supporting a particular group at one time then their buck is a buck but whoever is against that group at that time then their buck is not a buck is not a buck and whatever is convenient is convenient. I suggest that that particular analogy of the use of the Carter Commission is not applicable to this particular discussion and is not applicable to the potash Bill in any way, shape or form. Even under the taxation rules of today, Mr. Chairman, a buck is not a buck is not a buck because all bucks are not included in taxable income in accordance with the directions and the suggestions of the Carter Commission. The Carter Commission did say that and I agree with that quite frankly. I would have agreed with the implementation of the Carter Commission. But each and every item was gone through by each successive special interest group and each of the clauses was reviewed by the opposition of the NDP in Ottawa and quite frankly . . .

Mr. Merchant: — There's not a Conservative in the whole country who believes in the Carter Commission.

Mr. Collver: — In answer to the catcall, Mr. Chairman, from the Member for Regina Wascana, he is now hearing a Conservative in the country who suggested that the Carter Commission's recommendations were quite rational and reasonable and if implemented in

full might possibly have straightened up the taxation situation in Saskatchewan.

In conclusion, Mr. Chairman, we believe very strongly that the side effects on the people of this province, the side effects psychologically and the side effects on the working population of this community has not been adequately considered by the Government of Saskatchewan and we have spelled that out in relative detail for the Members in the past. We hope that in this clause by clause study of this particular Bill, that the Government will reconsider its stand and will, perhaps, attempt to solve its problems and solve its failures, its admitted failures in another way.

We are hopeful of that, we do not see much chance of it happening but we are still hopeful that during the course of this clause by clause study that the Government will listen to rational arguments and reasonable arguments and will listen to the people and will listen to the real fears that some of us feel are going to hurt the future of the province of Saskatchewan.

Mr. Romanow: — Mr. Chairman, I know the Hon. Member for Lakeview has a question and I will not rebut because I think this has been, in my judgment, fairly well canvassed. I found this very interesting and I am sure the Hon. Member has.

I just want to make one point if I can to the Members and to the people. I, for one, and I am sure that the boys on this side would support me on this. I don't believe that government is necessarily the best manager. I do not believe that government is necessarily the most efficient. I do not believe that government should be in everything or in businesses. I do not believe that government has a superiority or knowledge in every area, far from it. I don't say that all business is bad, not at all, but the converse is also true, having said that I don't think that the government is the best manager, I don't always say that the government is the worst manager, is the least efficient, that it is always a malevolent, that it is always sinister as the Member portrays it. I simply say that in the potash case, given the facts that I have outlined to the House in second reading, it was our judgment that this decision is predicated on the simple factual situation that was before us rather than any philosophical commitments one way or the other as to whether there should be socialism or free enterprise or government running it, or government not running it. I am simply saying that we have two choices to make. We took this choice. Maybe it was a little easier for us to get to that choice because of certain philosophical proclivities but it is not a matter of dogma.

You may not accept those facts, but that is the way I have set it out and I just want to make the point in conclusion.

Mr. Collver: — Mr. Chairman, I do have one further question then in the light of the Attorney General's brief comment.

In the light of what he has just said, may I ask the Attorney General then to outline for this Assembly those areas that he believes the Government should not be involved, because certainly he has outlined for many people the areas that they

should be involved in, one of which is potash, another one which is meat packing, the other which is steel production, the other which is timber resources, the other which is direct licensing of farmers in the dairy business, in the bee-keeping industry, sheep marketing industry, the direct licensing of farmers. I wonder, Mr. Chairman, if the Attorney General would, for the enlightenment of this particular Assembly, outline for us the areas in which the Government should not be involved?

Mr. Romanow: — I would like to do that sometime for the Member but I am afraid it would take too much time where I think that the government should not be.

Mr. Malone: — Mr. Chairman, I should like to congratulate the Member for Nipawin for finally entering the debate on second reading of Bill 1. Unfortunately second reading of this Bill ended some days ago. I feel that the very distinctively stated the position of the Liberal Party on which we have been talking about for some 40 days. I often wonder though if it would have been much more useful for those who oppose this legislation, if those remarks would have been made several weeks ago rather than on Item I in Committee of the Whole.

Mr. Chairman, we were talking earlier before the Member for Nipawin rose about the phrase of the Members opposite, a self-liquidating debt. At that time I asked the Attorney General if he had any studies or information or whatever which would indicate that this takeover would in effect be self-liquidating and I think it is fair to say that his reply was, no, that they had to wait and see until they got into the particular mines, the particular situation.

I want to refer to the Attorney General the Premier's remarks on second reading of this Bill — I am sorry, it was on the Speech from the Throne debate, and Members opposite will recall that the Leader of the Opposition gave some figures to the Assembly as to what the cost would be to take over the potash mines and in reply to those remarks the Premier indicated the following:

Many a reputable consulting firm, and I invite Hon. Members opposite to consult them, will tell you that potash mines can be built for less than that.

And he was referring to the Leader of the Opposition's comments. Now, my question of the Attorney General is: — has your Government or has the potash company of Saskatchewan or the Department of Mineral Resources consulted consulting firms in connection with (1) the building of a potash mines; (2) with the view to determining the costs of the expropriation proceedings or a proceeding whereby there is just a buy/sell agreement between the potash company and the Government.

Would you tell me the names of those companies?

Mr. Romanow: — I can tell you that some of the names of the companies, with respect to aspects related to engineering: Kilbourn Engineering Limited, with respect to the question of valuation of mines and so forth; David S. Robertson and Associates of Toronto.

These are a group of very highly respected senior geologists and mining engineers in resource and industry area economics. We have the benefit of advice from financial institutions, Finance House, D.S. Harris and Canada. There has been also some advice on marketing from British Sulphur Corporation.

Mr. Malone: — Are you prepared to table the reports that you receives, any or all of them?

Mr. Romanow: — Mr. Chairman, at this stage of the game I must candidly say, no, I am not prepared to table them, for a number of reasons. I suppose you almost have to take them in a category by category basis but I think they basically fall down under two categories: (1) that they may not be particularly relevant to Bills 1 and 2 and the consequences thereof, directly relevant; (2) The other reason is of course to do so, in the case of many of these reports, would be, as I said this morning, highly prejudicial to the interest of the people of the province of Saskatchewan.

Mr. Malone: — When were the various firms retained to do the reports that were requested?

Mr. Romanow: — Mostly after the election, sometime before the announcement after the June 11, 1975 election. On engineering there was a study conducted with respect to the proposed Bredenbury project. On that, as the Member knows, we made an announcement. That effect was made sometime before the election.

Mr. Malone: — The information obtained from Robertson and Associates of Toronto as to valuation of mines, can you tell me when that was commissioned or asked for?

Mr. Romanow: — I don't know if I can give that to you right away in terms of a specific date, but I think that for the purposes of the discussion here, the important thing to note is that it would like be, I would suspect, in early October, middle October 1975. But in any event in the time frame between September 1975 and November 12, 1975.

Mr. Malone: — Did you obtain, again, I bear in mind your comment about self-liquidating debt. Did any of these reports, which you have referred to, influence you to make that comment, that is about the self-liquidating debt, as you told me earlier that you didn't have any figures. Now you have told me about these reports.

Mr. Romanow: — We believe on the basis of all of the information that is before us, plus as I said this morning on the basis of how the industry itself operates, regardless of the present involvement of the Government, if I may put it into those terms — that the operations should be self-liquidating.

Mr. Cameron: — Could I take you back a

little bit to the initial statement that you made about the reason for not tabling the report. Can you expand a bit on that why you are not prepared to table at least some of the studies?

Mr. Romanow: — Well, take for example the study of valuation. I think the Member would agree with me, at least I hope he would agree with me, that if we tabled our report or reports, which by the way will be ongoing, in a sense, depending on what happens after the passage of the Bill and so forth, now, quite clearly, any negotiating posture that the Government would have with a particular company or companies would be lost, because you would in effect be saying to the company, here is what our people advise us is the worth or the value of a particular operation and they are open to the world to tear it apart or to work from there. Of course, I think everybody agrees is not the proper way to go about it.

Mr. Cameron: — All right, that is with respect to valuation studies and I am the first to concede that in respect of some of the figures that you have in connection with the value of mines and some of the other figures with respect to valuation, I can understand your reason for not being prepared to table those. But you referred also to market studies, projections of markets and prices in the future. Now I can't see that your tabling your market studies into the future, that is I am talking about the demand in the next 10, 15 or 20 years for Saskatchewan potash, the price that the product will likely bring over the next 10, 15 or 20 years, surely those studies can have no effect whatever on the valuation figures. That is to say they are two very different kinds of studies; one is the valuation study that you referred to and as I say I don't have any difficulty with you there, and the other is your market study which you indicated you did too, which doesn't fit the same category in terms of being prejudicial. What is your aversion to tabling those?

Mr. Romanow: — Well, I think the Hon. Member asks, with all respect, a legitimate question and I tried to be legitimate in the answer. I think that to table a comprehensive marketing study really would be saying to foreign competitors, I mean foreign competitors in the present Saskatchewan environment, that in effect they can have the total benefits, cost free, the costs of the study is perhaps an incidental factor almost, but the total benefits of that study cost free, to know what projected patterns of marketing are likely to be and that would be very prejudicial even to the present industry the way it is structured, the privately controlled industry. I repeat, again, there is no assumption, or there should be no assumption built in that a final decision is made to take over all of the potash industry and it may very well be that in due course there will have to be a period of survival and working in the best interest of the province, both for the Potash Corporation of Saskatchewan and the private corporations. And to do now, in Committee of the Whole, to table, in effect, to the foreign competitors, non-Canadian competitors, if I may put it in that sense, would be harming our private potash industry. I just don't see how we can do this at this stage in the game.

Mr. Cameron: — Let me begin to put it to

you more specifically. The first major study of Saskatchewan's potential in the world markets, I think, was done by the Department of Mineral Resources. Indeed, when Mr. Cawley was the Deputy Minister and it is headed up "World Supply and Demand for Potash and its impact upon Saskatchewan Industry", which was done in 1968, which looks forward to 1978. That document is public. You can pick it up in the library here. There was an update on that study which was done after you people took power, in September 1974. It is called "An Inventory and Outlook to Saskatchewan's Mineral Resources" and deals with potash and the potash future and again, that is a public document.

The studies which have now followed have no doubt in part been updates of these studies and I know there are some studies of long-term markets and long-term pricing that you have done, which indicate that in the long term it may be a pretty dicey situation.

Mr. Romanow: — Mr. Chairman, I am familiar with – not totally familiar, but certainly aware – of the 1968 study to which the Member refers. I believe that if he checks on this he will find that while the study certainly was made public at some point, it certainly was not made public immediately and I am not sure at what point it was made public precisely, but if my memory serves me correctly and the advice that I can get, it was made public sometime in late 1968 or early 1969, something like that, maybe even later. I think it was made public as part of the ongoing debate at that time of the prorating regulations which were about to be introduced.

Mr. Cameron: — As I said, let me just refer you to what this study is again. This was the first comprehensive study which was done, which was done under Mr. Cawley's direction, which was done by a committee established by the Department of Mineral Resources. It was filed in the Legislative Library on August 7, 1968, shortly after it had been done. It was a study that recommended against prorating, incidentally, but it projected the Saskatchewan potash industry 10 years ahead, into 1978. That was the first major study done on Saskatchewan potential. As I said that was updated by your own "Inventory and Outlook to Saskatchewan Mineral Resources" September 1974, published under the authority of Mr. Cawley again, commenting in part upon this study and in some respects updating it. Both of these documents are public.

My question is, do you have any studies in addition to these updating these figures – bear in mind this is 1976 and these go forward to 1978 – and since these were published as early as 1968, I still can't understand the aversion now to publishing the studies that you have now on the market situation internationally and projecting ahead. Bear in mind, these have been open to the public since August 7, 1968 and to the industry and that, as I say, is a very, very comprehensive study of the future.

Mr. Romanow: — Mr. Chairman, I am not a mining engineer or potash engineer or for that matter an economist, but I do believe that from my cursory review of that 1968 report, the report that the Member referred to, that it does not fall into the same category with respect to the marketing study that was conducted, as I said,

by British Sulphur Corporation for us. The basic reason is that the marketing information that we have available today or as a consequence of this sort of series of developments, is very, very much more detailed and it is very, very much more pertinent to the marketing, specific marketing arrangements of companies and countries and ambitions and aims.

The study that the Hon. Member refers to is specific but certainly in my judgment of a much more general nature. The important point here is, the one that we are now referring to, is a very much updated one, 1975. As I say, again, I just don't see how we can make it available to the public keeping in mind, what I think, that this can be a prejudicial position for the companies and for the taxpayers of the province in the end result.

Mr. Cameron: — Well, we heard a statement made in debate the other day that the demand for Saskatchewan potash is likely to double over the next 14 years. From whence does that statement come, from which of the studies?

Mr. Romanow: — The Member asks about from whence the studies came and I simply answer that this is fairly well known — I don't know whether the industry has published this themselves in any of the material of the Saskatchewan Mining Association material or not, but it is stated over and over again in speeches from Mr. Carpenter and the mining association and the like, that the demand for potash the market demand for potash is going to proceed on a continual upswing. I am not quite sure exactly what statement the Members refers to. But in any event I think that statement is one that we would certainly adopt. I think that is common ground by everybody and that is the position that the Government takes.

Mr. Cameron: — Did the projection appear in the British Sulphur study? I think the 14 year doubling of demand is actually a think that has been plucked out of the British Sulphur study which you said you did and have.

Mr. Romanow: — Mr. Chairman, I say to the Member again, this is legitimate, I don't mean this in any critical way. He asks for a copy of the report, I say to him I can't table it for the reasons that I enunciate, he may or may not accept those reasons, but I give them to him in good faith because I accept the question in good faith. Then he says to me, does the 14 year demand come out of British Sulphur Corporation which in effect in an indirect way would answer the very question that I say I am not at liberty to answer at this particular time. All I can say is that the statements are there. We think the world potash demand is going to increase and increase fairly steadily. The Premier mentioned four to five per cent production per year, that has been the average over the past several years. There is no reason to indicate that that average at least won't be maintained.

Mr. Cameron: — Well, the point I am trying to make to you, in part, is that I disagree with you that the market studies cannot be tabled for the reasons you have indicated. I said I was quite prepared

to accept your reasons with respect to the valuation studies. I can understand the confidentiality of those. With respect to the market studies what we have seen happen you see is that you cannot give us those market studies. Yet we see from time to time portions of those market studies plucked and given to us. The reason I put to you is that it is my understanding that the projection that the demand will double in 14 years came from the British Sulphur studies which you referred to. You say you can't give me this study to have a look at, yet you say that it may well be that is where this figure came from.

Now, it is my understanding that you have additional studies and these are long-term studies, it is my understanding that those studies say that in the long-term, despite what British Sulphur says, the situation gets very tacky in terms of demand and price.

Mr. Romanow: — I don't know if the Member is asking me – what precise question he is asking me, that is to say whether or not there are additional studies. Undoubtedly, I don't know for sure but undoubtedly there are internal studies around, I haven't seen them on this – in-house studies, I think basically the 1968 one was an in-house study. The British Sulphur study is a very detailed one which as I said to the Member conveys the Saskatchewan position as that company's outside consultants see it vis-à-vis outside competitors, foreign competitors and the like. I just repeat again, I just don't think it is in the public interest and I mean that in terms of the corporate interest and in the public in sense of the taxpayers' interest to lay that on the table for the entire world to get the benefit cost free of problems, of strategies, of projections. That would not be right for us to do at this time.

Mr. Malone: — Mr. Attorney General, I am intrigued by the Robertson and Associates study as to mine valuation or evaluation of the potash mines. Did they actually go to producing mines in Saskatchewan to prepare that evaluation?

Mr. Romanow: — Mr. Chairman, it just occurred to me that when the Member said studies that I may have said the same thing for Robertson studies, and I don't think any big emphasis should be placed on this, studies. I use the word studies in the sense that we have engaged Robertson and Associates as consultants to advise the Government or the Potash Corporation of Saskatchewan, if you put it in those terms as the possible valuation of mines, methods of the industry. He has given us certain advice. It is an ongoing operation as I have said to the Member earlier. Ongoing dependent on what happens on the passage of the Bill and with whom serious discussions and negotiations would enter into will obviously entail the next step a physical actual on-site examination and so forth. I don't believe that any such actual on-site physical inspections have taken place by Robertson and Associates certainly not as a consequence of the decision to introduce this Bill in that September to November period.

Mr. Malone: — I am not asking for details but just what has this company done to date? You say that you have received some advice from them, along what lines.

Mr. Romanow: — There are many aspects to this and I don't want the Member to be misled in thinking this is the only thing. But I would say that the basic function is to advise the Government on the economic principles relating to a willing seller-willing buyer situation as it relates to mines, earning capacities, some facts about technology, engineering, some examples of willing seller-willing buyer transactions in other parts of the world, attitudes of the mining industry and so forth. As I say it is a complicated thing but that is basically the source of the advice that we have been receiving up to this time.

Mr. Malone: — Have you received any advice to date along those lines? I am not suggesting that it is complete . . . yes. All right. Has this company examined the financial records that have been made available to you by Central Canada, Alwinsal and Coopers and Lybrand?

Mr. Romanow: — I can answer on the first two, Central Canada and Alwinsal, that the answer is no, to that. I am not sure about the latter, Coopers and Lybrand because it is in a different category. But with respect to Alwinsal and Central Canada the answer is no, because this morning we were talking about regulations, the 1974 regulation about confidentiality. I think the Minister is obligated to keep them confidential and to the best of my knowledge he has done so. And accordingly Robertson and Associates would not have access to that.

Mr. Malone: — You say they have seen Coopers and Lybrand or you just don't know. Can you find out from one of your advisers.

Mr. Romanow: — I am not positively sure of this but the consensus of the feeling among the boys here is that they have that report, the Coopers and Lybrand report, the one that was tabled and made public. I have asked them if we have received any comments from them yet and the answer is no, not yet.

Mr. Malone: — I suggest to you the reason that report was turned over to this company was to check the accuracy of it. Is that correct?

Mr. Romanow: — No, I wouldn't adopt those words. That is to say check the accuracy of it in this area. I think the report is given to Robertson as part of but only a part of the entire package or mix of their job in advising the Government in this area. The accuracy or lack of accuracy is not for them — they may want to check back and make some comments on it — I am not even sure of this. I don't want to be definitive about it but I don't want the Member to misinterpret it that the Government or the Potash Corporation necessarily said, here take a look at Coopers and Lybrand. For all I know it is Robertson on their own, much as you as a lawyer would read something or a reported case or whatever, you would take it if it would help you in the valuation of a particular job on which you are advising a client on. We may have given it to them for all I know but from a ministerial standpoint as far as I know the answer is, no.

Mr. Malone: — The Premier and to a certain extent yourself, but mainly the Premier, has made a very big thing of the fact that he just does not accept the figures that have been provided by the potash companies. In particular the Coopers and Lybrand report. Now you have told us that you — for the first time — that you retained a number of companies to assist you. I say there is nothing wrong with that. But surely one of the objects of the Robertson and Associates inspection will be to look at the Coopers and Lybrand report. I ask you, have you received any advice from them or in fact from anybody else departmentally, with the company, whatever, as to the fact that this report may in effect be incorrect in some capacity or another.

Mr. Romanow: — I can only repeat the answer I gave the Hon. Member that my officials advise me that to date we have not received anything back from Robertson on the Coopers and Lybrand statement. That is the best answer I can give as of this moment.

Mr. Malone: — I don't want you to think that I will be dropping the matter because I will be coming back to it in due course but you have named, I believe, four companies. I wonder if you could give us some background as to those companies. I must confess that I haven't heard of them before. Could you please tell us where they are located, what their field of expertise is, head office.

Mr. Romanow: — I will ask the boys here to dig this information up in more detail and give it to you in more detail. David S. Robertson and Associates is one that I have listed here just in my own little note, which says that he is from Toronto. This is a fairly large group of senior geologists and mining engineers with a wide experience in resource and industry economics. They call themselves David S. Robertson and Associates. In fact there is a David S. Robertson who is the head man. They have offices all over the place, Australia, Denver, Toronto. They are very large, fairly respected, they have been in this business for a long time.

British Sulphur, I guess is located in London, United Kingdom. These people have been in the business for . . . I tell you I think this is taking quite a bit of time. I will have the boys prepare a little background and sometime either later this afternoon or tomorrow I will read that out to you.

Mr. Malone: — I assume, Mr. Minister, that these are all of the consultants that you have gone to. Or are there any other consultants you haven't mentioned? When you gave me these names you said yes, there are and you listed these names. Now is that an all-inclusive list?

Mr. Romanow: — Again, Mr. Chairman, the answer is that these are not the only consultants. As the Hon. Member will know there are a number of consultants who consult the lead consultants, Kilbourn Engineering or whoever it happens to be. As well, the other thing is, exactly what you mean by consultants. Do you mean legal consultants as well, audit consultants, financial consultants, that type of thing? The list that I gave you earlier didn't obviously go into the legal field of it either.

Mr. Malone: — Could you undertake then to provide us with a list of all of the outside consultants that the Government has retained to be of assistance to them in effecting the ends of Bill 1. When I say outside, I mean out of Government and out of the Potash Corporation of Saskatchewan.

Mr. Romanow: — Mr. Chairman, I can't do that for the Hon. Member, at least I would like to think about it over the break tonight to see if it can be done. I want to provide the information or as much of it as I can. But as the Hon. Member will know, for example, that we have engaged a consultant or the Potash Corporation has engaged a consultant to do some head-hunting for us. I have taken a position in oral question period that I can't reveal that because these fellows are out in the field now doing some head-hunting. I don't know if that is a good reason or a bad reason. I think it is a pretty good reason. There may be that type of a situation arising with some of the other consultants and therefore I can't undertake to the Hon. Member to say, yes, I will provide you with a list. I have given you what I think are the key consultants. I don't mind giving you some advice on lawyers, as far as I can see there is no harm in that as to what kind of advice we got there. But I can't give a blanket list because there may be something like this cropping up.

Mr. Cameron: — Let me ask you, it is my information that you have a study or studies of the future market that is a prediction of what the markets are likely to be down the road both in terms of demand and price. I understand that at least one of the people whom you consulted in that respect expressed some serious reservation about the financial viability in those respects of the Government takeover. Now without disclosing the study, without tabling this study, can you tell me whether you did in fact from anyone receive an indication or an opinion of that kind.

Mr. Romanow: — Well, I haven't seen such a report personally, there is no reason why I should see it. But I haven't seen such a report and the fellows from the Potash Corporation say that they don't have such a report which raises any serious concerns about the marketing down the road.

Mr. E.F.A. Merchant (Regina Wascana): — Mr. Chairman, before I ask a question or two about this specific area and I realize that the comments that were made by the Member for Nipawin were out of order but I just want to say to Members and I hope the press that it seems to me that we make a mistake why you allow him to say things that are so clearly inaccurate such as that the Conservative Party backed the Carter Commission and the NDP opposed the Carter Commission. So clearly inaccurate and so clearly demonstrate his lack of knowledge about the political history of Canada and his own party. And to then say to the Hon. Member for Moose Jaw that he was most vehement and vigorous in opposing the Carter Commission when I know the Member for Moose Jaw didn't oppose the Carter Commission and indeed supported very vehemently in principle the whole concept and indeed it was only the Conservative Party that vehemently opposed the Carter Commission. And the Carter Commission made some Liberals nervous. I suggest to you that to allow the Hon. Member and I am delighted that he is not here so

that I won't have to hear some speech on what we now know convoluted logic but for you, Mr. Attorney General, then to allow those kinds of comments, and I know it gets tedious when you hear lengthy speeches from him, but to allow those kinds of comments to just go in and have some of the press perhaps don't remember the view of the Conservatives on the Carter Commission. So I mention that in passing.

Would you tell me – I would assume that the Robertson study was markedly different from the Coopers and Lybrand study. Would that be a fair . . .

Mr. Romanow: — I think the, I'd have to answer the question, yes. Let me say that Robertson is a consultant that we have engaged and I repeat again to advise the Government on these principles that I enunciated earlier. I'm not going to repeat this. The Coopers and Lybrand study from my own observation of it is a composite picture of all of the industry and a composite picture of all the industry generalized. I don't mean to be critical of it, but it seems as if it is a composite one and that's not particularly helpful I don't think in terms of the consideration of individual mines or of hard detail or attitudes toward engineering and mining economics.

Mr. Merchant: — Well, just on that the Hon. Attorney General says you don't mean to be critical of it and I assume by that, you mean that you have, or maintained a certain confidence in the ability of Coopers and Lybrand, but what we are really faced with is the studies that we know about, Coopers and Lybrand is one of them and the studies that are available to this party and to the people of the province imply that it may be a bad deal. I share indeed the view of the Hon. Member for Nipawin that we are not a group equipped to decide whether it's a good deal or a bad deal and in fairness to him I suspect that he's one of the Members of this House who might be best equipped. But, well better equipped than I am. You don't walk out of a law office and make that kind of decision. But what you are really saying is that we should accept on faith the studies that disagree with the studies that we know about. We should accept on faith your interpretation of those studies and would you not say that the Liberal Party is somewhat justified in their suspicion that these studies are being held back not because you are trying to protect the Potash Corporation of Saskatchewan, but because to release those studies would very seriously embarrass the Potash Corporation of Saskatchewan and very seriously embarrass the Government.

Mr. Romanow: — Mr. Chairman, I have to answer that, no. I don't know whether the Member is really serious in that question. I think that whether or not he would agree with what we are doing from a philosophical or other point of view I think he would at least give us some credit as a government, whether we are NDP or Liberal, that we would not be embarking on a path of activity which is totally contradictory with all the facts and all the evidence that has been able to be collected. That's not to say that every piece of evidence has all systems green or that everything is going to be rosy for the future but, to imply as I think that question does imply that everyone says it's bad, but we are saying go, I don't think helps to elevate the debate very much. I think you can protest it on a principle or on other aspects of it or even Coopers and Lybrand if you want. That's

not the reason why we're not tabling the reports. No.

Mr. Merchant: — The Hon. Member for Qu'Appelle, Mr. Lane, says let's not worry about the elevation of the debate but the truth.

Tell me, could you indicate the cost of these studies? Ballpark figures, either the individual cost or the total.

Mr. Romanow: — Mr. Chairman, again it's difficult to say with any degree of precision at this stage. I think in three months or six months, in the House or otherwise, the Government will have to and will want to, I think, make these statements known. Difficult because a lot of the studies are not complete. In some of the areas bills are not tendered, because it's like a law office as the Hon. Member will know, you keep the file going. If you are lucky to get something on account from time to time, you are okay. But this is not the situation. So I can if you wanted to zero in on some specific ones, perhaps I could be of a little bit more assistance to you, but to simply say, all of them and I think of the legal and the financial and other aspects of this, I just can't do this. I give this answer very sincerely.

Mr. Merchant: — What is the projected cost of the engineering study by Kilbourn? What kind of money did you anticipate when you budgeted?

Mr. Romanow: — You know, the Kilbourn one on the engineering did their work primarily with respect to Bredenbury. This I think was understood by everybody when I gave the answer earlier. The figure that I have to the end of December of 1975 is \$503,000 for the Kilbourn study.

Mr. Merchant: — \$503,000. Why wasn't, Kilbourn is an out-of-province company, it doesn't have any business in this province, it doesn't have an office in this province, indeed when I last looked at it, although for \$503,000 they may have moved something into western Canada, when I last looked at it they didn't even have an office in western Canada. It has bothered me for some time and perhaps the Minister could tell me why you chose not to use Saskatchewan engineering firms. I can think of one particularly, Keith Consulting that probably could have handled it and I'm told out of Saskatoon there's another. Why did you choose to go to an out-of-province firm and send this money and keep the expertise out of the province, keeping the training of expertise out of the province?

Mr. Romanow: — Well, I think that's a very good question. I think that that points up one of the difficulties that we've had with the development of the potash industry in Saskatchewan, that so much of our expertise, corporate, financial, managerial and technical is resident outside of this province when indeed we have the majority of control of the potash, if not all the potash, and I would hope without making a speech all over again, that in due course this will revert back to coming home. To answer the question specifically on Keith, I am advised that with respect to Keith Consulting they have never been involved in the type of engineering consulting work on the feasibility of a potash mine. This would be a first time effort for them. Kilbourn engineering

on the other hand is a very well known consulting engineering firm in many areas of engineering in mining and in particular in many areas of potash. I am advised, they have at some time or other advised other potash companies and other mines. They are located in Toronto. I would have liked to have had their office subdivision somewhere in western Canada, maybe some day we will have. It was just a question of trying to make an objective decision as to who on balance would give the best advice to the people of Saskatchewan on this very important decision. We chose Kilbourn.

Mr. Merchant: — I am not sure I share the view that Keith and others couldn't have done it but I don't propose to argue with you. Could you tell me, I'm told and if I consider Bredenbury and the reversal of the Bredenbury decision to be of some significance in the changed emphasis of the Government. I understand that you actually went so far as to start laying in electrical cable and other things of that nature to service the Bredenbury, the proposed Bredenbury mine.

Mr. Romanow: — I'm not sure that I can confirm that we went that far with respect to Bredenbury but I think the general proposition the Member makes that there were some steps to go toward this is correct. Whether we went that far or not I don't know.

Mr. Merchant: — When presumably as a result of your studies did you turn off Bredenbury and decide that that was not profitable and deviate then even further to the left and decide to expropriate?

Mr. Romanow: — I think as I've said before, the T in this area is sort of the time and one will appreciate that, I don't know if there was one really final day on which the decision was made to go with Bills 1 and 2 and one final day that the decision was made not to go with Bredenbury, but as I said to the Members when on June 20, 1975 the Government was faced with basically three or four factors, non-expansion, non-payment of taxes, non-production of financial statements and a lawsuit all at one time, nine days after the election, this certainly was a factor which raised some prospects of considering other alternatives. As I have been trying to make out all of this morning to the Members, the case that we're trying to make is that the Government was backed into the corner.

Gradually from that time thereafter to some time before November 12 a number of factors really became very clear as a result of that action. Number one, the lawsuit showed that there was not likely to be any guarantee of revenues for the province and for the people of this province. Number two, very importantly the failure to expand. This is a very important thing. The need for expansion, the potential threat of other competitors.

The state of confusion and if you will the prospect of ongoing legal, political and other battles of the industry to co-operate in the production of its documents and so forth. The need to try and have expansion as quickly as possible, incremental expansion as opposed to brand new mine expansion which will take four or five years to get on stream. All of these factors, some time after June 20 or after the election if you will, but

before November 12 resulted in the gradual evolution of the decision that Bredenbury would be deferred. We have neither rejected it nor accepted it. We've simply deferred it and we felt that the problems to be dealt with were the ones that I've outlined here as a result of the lawsuit and the like. So that was roughly the time frame, somewhere in that, August, September, October, November decision. Probably wouldn't be August, probably later than that.

Mr. Merchant: — If you wonder why we are so interested in Bredenbury, it's of course, because the Leader of the Opposition and I both took turns announcing it a couple of times and we were offended when you didn't open what we then took to be our mine. I wonder, essentially you've told us that the House can't get an open document, these documents, these studies in an open way. Essentially you say that those of us who represent the 60 per cent of the province, we just have to decide by guess and by golly. Indeed we have to put our faith in you and just say, well, they are smart guys I guess so we'll accept what they say. From time to time studies and material is given to the Opposition Leaders, if not to Opposition Members, in a confidential manner and it may well be that you rightly say that you are not positive you would be able to trust all of us. I wonder about your own caucus. They got to make the decision. They represent the 39 per cent and they decided to veer us along this line. Have your own caucus Members seen, for instance, these four studies that we talked about today? Never mind the legal studies and the other studies. Have even the caucus seen these four studies before they made a decision?

Mr. Romanow: — Mr. Chairman, I will want to say that just as a general principle that what our caucus sees or does not see is for our caucus to decide. I don't think that I have any right to ask what your caucus has seen or hasn't seen anymore than you have the right to ask us in this regard as well. Having said that, I would say that our caucus has, in our view, a discussion of the principles, a discussion of the alternatives, an explanation of the options, as we have given to this House in second reading and otherwise, a debate of the pros and cons and a decision taken by caucus in this regard.

Mr. Merchant: — Your party claims to be somewhat more democratic than others. You actually have executives from time to time to sit in with Cabinet. I wonder if the executive of your party, I gather from the nods of some of your Members, that the caucus have seen these studies, so I assume that they can be trusted. Has the executive seen the studies or some of the studies?

Mr. Romanow: — Mr. Chairman, the Member is wrong. The executive of the party does not sit in with Cabinet. Cabinet, the secrecy will not allow that and as far as I know the executive has not seen the studies.

Mr. D.G. Steuart (Leader of the Opposition): — I have two questions. One, you are refusing to make public or lay on the table those studies that have been referred to. Two, will you give us a precise figure on what you calculate on an outside figure, one mine, an average mine, will cost you? How much money are you going to ask us for?

Mr. Romanow: — Mr. Chairman, the Leader of the Opposition missed part of this morning when I endeavoured to answer the Member for Lakeview (Mr. Malone) that it is not possible nor does it help very much for his point of the argument or for our point of the argument for that matter, to talk about an average mine. I don't know if there is such a thing as an average mine. There are three or four generations of mines here. They have different technology, they have different management, different markets, they have different inter-corporate relationships, they have different indebtedness, they have different rate of interest to pay on that indebtedness and to come to an average mine operation is not helpful. So I can't give the Member anything as to an average mine. As to the tabling of the studies, as I indicated to the Member, I can't on the two studies that I have mentioned, the feasibility one, I'm sorry the evaluation one, which the Member for Regina South (Mr. Cameron) I believe, accepted as an explanation and the market one which I gave, which the Member for Regina South did not accept, but for the reasons I've outlined.

Mr. Steuart: — And you didn't bother to answer the question on the studies. I presume the answer is the same. Cutting down to the long-winded it's no, that you're not going to give us the studies.

Mr. Romanow: — Well, Mr. Chairman, I just have a feeling that the moment I give the answer, which is what the answer the Leader of the Opposition wants, that we will have a little speech about not in the direction of the studies, but I'm sorry, I hope that the Leader of the Opposition won't do this because the committee has been I think asking some very good questions. Some of the answers have been either good or not good, that's up to the committee to decide, but I think it's been a good one in the sense of the discussion of the issues and good for the public and the press. I asked the Member for Regina South (Mr. Cameron) by saying that the valuation study as to what the valuation of mine or mines are would not be proper for me to lay on the table. Quite obviously, because that would be saying to the company you are negotiating with — here it is, here's what our people tell us you are worth. And then you open up the world to your negotiating people, the people negotiating on the opposite side. I don't think I am misrepresenting the Member for Regina South. He felt that that was a legitimate reason with respect to the valuation study. With respect to the marketing study I took the position that it was a very detailed marketing study which would prejudice the potash companies right here in Saskatchewan if we released it right now, because it is a detailed study that deals with the Saskatchewan position vis-à-vis the rest of the world. The Member for Regina South, to be fair to him, did not accept that as a reason. He did not accept the latter reason as an aspect of it, but I offer them to the Leader of the Opposition as legitimate reasons in the public interest and in the corporate interest that I cannot make these studies available at this time.

Mr. Steuart: — Well, Mr. Chairman, I've never heard the public interest bandied about on such shallow or untrue grounds. I say it's a disgrace to this House that you refuse to pin anything down beyond — we might need one-half billion; we might need a billion dollars, and we have some studies done, and we admit we spent \$500,00 and handed it out to some firm in Toronto. You have

done four studies that you admit. You admit you have done some more studies. I say you have probably spent . . . how much? \$2 million, \$3 million on studies already! You've probably spent \$5 million or more and you are not even in the potash business yet. The disgraceful part is that you refuse and you have steadfastly refused for 41 days, including the Premier, to give us one iota of information. You now admit, in an effort to sidetrack us, that you have some studies done. Well, it would be unbelievable if even your Government hadn't had some studies done when they have launched us into this, down this particular program . . .

Some Hon. Members: — Hear, hear!

Mr. Steuart: — . . . into a project that will cost anywhere from \$1 billion to \$2 billion. That's the reason you are putting this Bill through.

The man reading the newspaper back there, the ex-school teacher from Regina whom we are going to trust with the running of this potash, the chairman of the Potash Corporation, was sitting in your chair, he probably wouldn't be able to elude and still tell the truth, he wouldn't be able to elude the questions being asked, the legitimate questions being asked by Members on this side of the House. It must have been clear and it should have been clear to everyone in this province why the Attorney General is guiding these two Bills through the House, so that he can stand in his place and duck the questions, elude the questions. Say that he doesn't know, fall back on the excuse that he is not sure, or maybe this isn't in the public interest. Whereas, if we had the Minister who will be in charge, the chairman of the board, the now chairman of the board of this corporation, sitting in that chair he would have to make the very difficult decision whether he was going to lie to this House or tell the truth.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Now why are you hiding? Please don't stand up, Mr. Attorney General, and try to kid anybody that you are not going to give us any information because you would be exposing your hand and it would not be in the public interest. Granted, there are some parts of the study and some studies that may not be in the public interest. This we grant. But you attempt to kid the public by throwing a blanket over every study that you have had done, over every bit of information you have done and refuse to give to the public and to this House one iota of information upon which you evidently based a decision to risk anywhere from \$1,000 million to \$2,000 million of the taxpayers' money, a decision that undoubtedly will change the investment climate of the province of Saskatchewan for the next 20 or 30 or 40 years. I say it's a disgrace.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Now, Mr. Chairman, why have they gone to these consultants? Who are these consultants? Why did they go to England to get the study done by the British Sulphur Company? They may be a fine company, I don't know. My experience with consultants is that you can find consultants will tell you anything you want to

hear if you pay them enough. It may be that these consultants reports are about as worthless as asking me to put a kosher stamp on a pig. I might have the kosher stamp but it wouldn't mean a thing.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — And I suggest that that might be just as much worth as some of these consultants reports are. Either they are giving you bad advice or they have no sound basis on which to advise anybody, or else you are trying to hide something, and I think it is a little bit of all of these. I think you are in trouble already. I expect you have spent anywhere up to or over \$5 million already. I am willing to bet that that money will be doubled before you hang up your shingle and you are in the potash business. But you admit one study alone — Kilbourn Engineering of Toronto whom you paid over \$400,000 and I am sure that the bill isn't all in. How much have you paid in legal fees? I hope you will tell us that before we get out of committee. Up to this point, how much have you paid on outside legal help? How much have you paid to Dominion Securities, Harris and Partners and why won't you tell us what they told you? We have it on pretty good authority that they told you that going into the potash business vis-à-vis the money you have already in taxation was a bad deal, that you couldn't win. Now if that's so, tell us it is so and give us the facts and tell us why you choose to fly in the face of that advice. And if it is not so, then table the report or that part of the report from Dominion Securities that talks about whether this is a good deal or not. Show us some writing, some scrap of paper, that tells you by some authority other than yourself or the people you have gathered around you that this is a good deal. Please don't ask us or the people of Saskatchewan to take it on your word.

Let's take a look at your word. Let's take a look at your record. You know you talked today about the deal, the largest deal you have consummated since you came into office in 1971, and that's the purchase of Intercontinental Packers. Now we have yet to get a scrap of evidence from the Government opposite as to why they paid Intercontinental \$10.2 million for 34 per cent of Mr. Mendel's shares. Not one shred of evidence. But we know because we have in our possession the statement of a year and a half or two years before from Intercontinental Packers, a statement we still have on our files, some of us from when we were the government, that indicated at that time 100 per cent of his shares were worth about \$6.3 million. Nobody can tell us that the company tripled in value in the ensuing two years. We had Dun and Bradstreet's estimate of the total net value of Intercontinental Packers which showed us that it was around \$6 million. We had the statement a copy of the letter sent from Fred Schneider, president and board of directors to chairman of the board of directors of Schneider meats who had within twelve months of the time you had bought into Intercontinental Packers examined that corporation with a view of buying it 100 per cent and said he wouldn't have paid \$8 million for 100 per cent of the company. You sat there and refused to justify with any evidence that you did any studies other than it was a good thing to hold onto that packing plant. No one denies, or ever did deny that it's a good thing to hold onto a packing plant in the province of Saskatchewan, or no one has ever denied that it wouldn't have been a good thing if you had to pay a little extra to keep that plant there. But you have never justified paying \$10.2 million for something that

was practically worth less than \$3 million. And you ask us to trust you. You ask us to trust you when you put the comptroller and the vice president of Intercontinental Packers on the board of directors of SEDCO in January and then SEDCO made the deal to buy 45 per cent of Intercontinental shares. Three months later SEDCO made the deal, SEDCO was the instrument with Mr. Al Gedge at one in the same time vice president and comptroller of Intercontinental on the board of SEDCO and then they make the deal, it has proven beyond a shadow of a doubt that you handed somebody \$5 million or \$6 million too much. I tell you that deal stunk then and it stinks now.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — And I say this stinks. What are you paying \$400,000 to an engineering firm in Toronto for? How much . . .

An Hon. Member: — \$500,000.

Mr. Steuart: — . . . \$500,000 and is that all? You are dishing out money like drunken sailors. How does the public know that you are not padding somebody's pocket? How much did you pay to Beke and Associates, the lawyers here in Regina, for extra studies? How much did you pay to them for legal studies, for anything? We understand they have had \$300,000 or \$400,000 worth of business from the Government of Saskatchewan. How much have you paid out on this deal? Why all the secrecy? Why the cover-up? We know you have dished millions of dollars on this deal. Are you greasing palms, are you handing out money illegally, are you getting bad advice, what are you covering up? I think the public has a right to know. I say this deal smells, and it has only just begun. And is it you haven't got the nerve to come clean, and as you go down the road it will quit smelling, it will start stinking.

I say, Mr. Attorney General, you have a responsibility to put those documents on the table, just as we did in the pulp mill. Put them on the table and let us examine them.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — And if you don't put them on the table the best we can say is a great deal worse than that.

Now I am going to ask you again, will you table any of those documents for the scrutiny of this Opposition and the public of Saskatchewan?

Mr. Romanow: — Mr. Speaker, I want to say that it is very tempting to make a comment that event if these studies could be tabled, to put it in the hands of what I must say, regrettably, is a very, very bad performance by the Leader of the Opposition.

The Members of the House can judge themselves whether statements like 'greasing palms', 'padding somebody's pocket', is the type of thing which they want to subscribe to, the allegations of illegality and then ask us to give a report, even in good faith, with that type of a logic applied to it, then as far as I'm concerned, Mr. Chairman, I think that the state of political affairs in Saskatchewan has fallen indeed to a very all-time low.

I think, Mr. Chairman, that the Leader of the Opposition who at times contributes a lot to this House, at times contributes the function of . . .

Mr. Cameron: — Stick to the issue!

Mr. Romanow: — This is the issue. Well is the issue greasing palms? I even think that the Member for Regina South (Mr. Cameron) and I think the Member for Wascana (Mr. Merchant) who is very sensitive about these things would know better and would know that this is the case.

Let me just say, Mr. Chairman, if I can, in answer to the Hon. Member, I would just simply say this. He started out by saying that I was handling this Bill because I could honestly say no to some things and the Minister in charge of the Potash Corporation would not. The person who handles a Bill, handles it on behalf of the Government; a man who answers the question answers the question on behalf of the Government, whether in oral question period or when they are in Committee of the Whole. I may mislead the Members in some questions but I think that every Government person, I would even say this of the days when I felt very angry about the Thatcher-Stewart Government. I would even say it about them. I think they tried to answer the questions as fully and as honestly as they could. It doesn't matter whether it is the chairman of the Potash Corporation who is asked these questions or whether it is the Attorney General who is asked these questions, we try to answer them. That I would attribute to any politician in this House.

With respect to the question of the specific matters related to the consultants and the tabling of the documents. I note that the Leader of the Opposition talked about the British Sulphur Corporation. I would invite him to ask some of his potash friends whether or not his remarks about British Sulphur Corporation are true. Because you don't have to accept my word, you'll probably want a study to prove that what I say is true, but he will find if he asks anybody in the potash industry that the British Sulphur Corporation is, if not the premier consultant in this area, one whose reputation is above reproach. And yet the Leader of the Opposition sees fit to come in and to lambaste British Sulphur and say that they would give a consultant's report in the way that we want them to give a consultant's report. Presumably he would say the same thing about financial statements, consolidated reports and so forth. I don't accept that, I think we have got legitimate differences among ourselves that we can argue about. You people think it is a bad deal that's fine, but to drag in a herring about who gets the bill or to drag in the herring of whether or not British Sulphur is a reputable consultant firm I think oversteps in my judgment, the bounds of proper debate in the Committee of the Whole.

The Member talked about tabling the pulp mill documents. Yes, he tabled the pulp mill documents. He tabled the pulp mill documents after the pulp mill was completed and when the pulp mill deal was completed and the feasibility reports and the analysis were in and there were no known negotiations of prejudice, his view of what the public interest was, acting on that behalf as a government, he tabled it and defended it, rightly or wrongly and we'll have the same obligation on us, table it when deals are completed and to defend, rightly or wrongly. Now, Mr. Chairman, the Member says that you asked him to take your

word for it and so forth about some of the studies. I'm trying to ask the Members to determine whether or not the reasons that I have given as to the tabling of the reports are legitimate or not. Even some of the Members of the Opposition think they are legitimate, one of them anyway, on the evaluation, maybe not on the marketing to their judgment. But I think that it is a legitimate answer that I give. I don't want to get into the business of what studies were made by the Thatcher-Steuart Government about prorationing. Prorationing that was implemented in 1969-1970 is probably the most significant factor in the potash marketing industry in all of North America if not in the world. That's no exaggeration of it. The impact that it had on US-Canada relations, the impact it had on inter-corporation relations is still being felt, is still being examined and I don't think there was one study carried out. Not one study even while the announcement was being formulated, let alone three or four years after the announcement was made. This I think was the biggest probably most significant factor in the whole potash operation that has happened without a study.

Good deals, bad deals, I guess that is for the electorate or for the legislature to decide sooner or later in this area. I think whether or not Athabasca Forest Industry was a good deal, 70 per cent public funds for 30 per cent control, if that's a good deal or not the electorate decides. We felt it was not a good deal. We argued it, the Bill was passed, we took it to the electorate and we won. I think that was an issue. That's open for the Opposition Leader to do, open for the Conservatives to do, obviously as you are going to do, but with all due respect to the Opposition, for whom I have a great deal of personal admiration, to throw an issue such as paying and such as refusing to answer questions and the like, I think really is a smoke screen. I think that they don't add anything new to the debate or the position taken by the Government. Your position is that we should be supplying the studies and we haven't. I think the press knows that, you know that, we know that, rather than making these kinds of speeches. Of course, the Members have a right to do it, I think we should get on with the business of asking specific question. I will try my best to answer those, if I can't and I think you have the full right to condemn me and the Government.

Mr. Steuart: — I liked the Attorney General better when he was over on this side, dirty, low and mean. Please don't read me any lectures, Mr. Attorney General, on political morality or on innuendoes or outright accusations. When you sat on this side, you accused Premier Thatcher, you accused Dave Steuart, you and your Members accused us of every rotten, crooked thing, the accusations poured out of the NDP that my wife and Mrs. Thatcher were in the trucking business and that we were in the hip pocket of Landegger and he was giving us money. When you got into the Government you could hardly wait to get into the files because you were so convinced you could come out and find that there was all kinds of money tossed around in that pulp mill deal. It is rather interesting that you are still peddling the same garbage about the pulp mill deal, you did very successfully for four years. It was not the public putting up 70 per cent of the money and the Government getting 30 per cent of the shares. It was the public putting up less than 30 per cent of the money, something like 10 per cent of the money, and getting 30 per cent of the shares. It was Parsons and Whittemore and the company putting up their guarantee with the Government backing them at a guarantee with the first

mortgage on the pulp mill and you know that was the deal and it worked out very well.

Mr. Chairman, let me say this, I don't know any of these firms. I do know Dominion Securities and there is nothing wrong with them at all, sometimes they give you good advice when you are buying stocks and bonds off them. Sometimes I feel in the past that it might have been by mistake but occasionally they gave good advice. You pay for it whether you get good or bad advice. These other people, I am sure they are high rated people, at least I hope they are. But my question to you, why don't you give us the facts? You can't tell me that a study done by anybody, a genuine study on market conditions, is going to be revealing anything to your potential competitors after, when and if you get into the potash business.

You seem to be implying something and I would like to put it on the record and I am glad we are on the record, I am happy we are on the record, I'd like to say this then. You say that we didn't give the studies when we went into prorationing, that's not a fact and the Hon. Member for Regina South (Mr. Cameron) will deal with that. We did give you the studies. But you are right when you say we tabled studies as the pulp mill deal was completed. We tabled studies before the final deal was tied up, we tabled studies but we attempted to table them after they were finished. Please don't argue, I can go back and dig up the record on some of the things that were said about the consultants who carried out those studies, some of the innuendoes and the charges that were made. However, are you telling this House that upon the completion of the purchase of a potash mine, upon completion of this deal, you will then in this House as soon as possible table the studies, good or bad, table the studies so we can examine them? Are you telling us that when you buy one or two, as the premier said, you are going to buy within the next six or 18 months, two or three potash mines if you can buy them, to quote him, at a reasonable price. And if you can't buy them at a reasonable price, you will then take one potash mine by confiscation and after you see how much you have to pay for it through arbitration and possibly the courts, you will decide then whether you will buy any more or confiscate any more, will you give this House then your solemn commitment, the solemn commitment of the Government that you will then table the studies that you have mentioned here this afternoon and all the studies to the decision leading to the buying or taking over the potash mine? Will you give us that commitment?

Mr. Romanow: — I think, Mr. Chairman, I would answer the Leader of the Opposition that there are, and again I say this as frankly and as fully as I can, it is not possible to say in a blanket yes or no. I'll explain that, for example, Bredenbury is on study, we may hypothetically speaking nine months down the road consummate a sale or an expropriation or whatever with the company in which a certain number of dollars is involved, that is one thing, the completion of a deal. The Bredenbury study and the need not to table that report may be just as relevant nine months from now as it is today. Why? Answer: To table the Bredenbury study which is the best of technology, the best of mining and engineering technology and mining economics for the construction of the fourth generation of mines, when that option is not closed to the Government of Saskatchewan, it would be wrong. I can't say to the Opposition, yes, I'll table all the studies. If Bredenbury is totally out of the way and is no

longer an option, we still might wonder whether or not we want to provide that type of information to a potential competitor, foreign competitors, but that might change the complexion. I am told by one of my officials back here, for example, Mr. Lebbert, that among some of the studies that are currently being carried out, one of them is a commitment that the consultant wants that that report is to be kept secret. That's the way that the people operate, they simply deal with other industries and so forth, there are professional and other reasons for this to be case and I simply say that there may be some marketing studies that we can make public and some that we might not be able to, to wit the example that I have given you. But I would answer to your general question that it would be my hope and my desire that as much of the information that can be tabled should be tabled and I hope will be tabled relating to the purchase and sale of a particular operation but we can't be definite on that, I can't be definite on that until I actually see what happens as the course of events unfold.

Mr. Steuart: — Obviously, we are not going to get any studies and I want to make it very clear and it should be very clear, that the Attorney General on behalf of the Government has not promised to give us any studies, any time, to make any studies at any time made public. This is nonsense, that they would take on some consultant who in advance will give them some information but say, this is secret and to tell us that there are consultants who work this way. Well, I never met any and if I did I think my answer would have been, look, if we buy it and we pay for it, it is ours and we will do what we want with it. Please don't hand us that garbage. That might be fine for somebody you have hired that used to work for IMC or some private corporation and what they do in their own boardroom with their own money is their own business up to this point in time. Now someday some governments may decide it isn't their business and incidentally with your own law, what the potash companies do in this province from now on will never be their own business again because you have the right unless we get you to take the clause out, to go in there and take everything they have got, studies, secret documents, everything else and have them in your hands.

I want to make it very clear you are stating here when you leave through the weasel words, that you are not guaranteeing to give any studies. Bredenbury, I understand that could well be, you may decide to dig that mine five or six years down the road, I don't think so but there are all kinds of other studies that once you bought Cominco or Alwinal or Hudson Bay or Sylvite or whatever, there are all kinds of studies that you could and should, some of the studies you should be giving us now, some you should be guaranteeing to lay on the table. But I want to make it very clear that we have no studies now, nothing definite now, we are buying a pig in a poke and no guarantee, absolutely no guarantee, that the public until you are turned out of office will ever get a look at this secret deal that you are taking on on behalf of the public. That is why I say to you, why the secrecy? Is there something that smells about this? Mr. Attorney General, you have been in politics long enough to know that when a Government hides something and you are hiding something there is usually a reason. The greatest excuse in the world is it is not in the public interests, and I am sure that some of this information wouldn't be in your political interests, don't confuse your narrow political interests with the public interests. I suggest they are not quite the same.

Mr. G.H. Penner (Saskatoon Eastview): — Mr. Chairman, I have a few remarks that I would like to direct in regard to Clause 1 of the Bill and then a question that I want to direct to the Attorney General.

Just on this last point that you made with regard to the study which is presently under way where the company has suggested that they wanted it secret, I must say that I am absolutely appalled that the Government would go ahead with any study under any circumstances where the terms are dictated by that person or group doing the study and saying it shall be secret. I realize that my involvement in politics at this level is not for very long but I have been involved long enough at the municipal level to know that that is just an absolutely inexcusable approach. I have to say that I have sat here listening to the Attorney General attempt to defend what is happening with regard to the nationalization of the potash industry since 10:30 this morning and I am more convinced now than I have been since November 12 that the people of Saskatchewan are being asked to buy a pig in a poke.

I want to tell you why I feel that way more now than I ever have. We had a chronology of events put before us by the Attorney General that suggested, and I have to apologize to the Attorney General because I suggested earlier in debate on second reading that I couldn't conceive that the Government would have started all of this after the election, that they knew about it beforehand and that they should have asked for a mandate. What the Attorney General has said to us today with this chronology of events was in fact the Government had not decided to go into the nationalization business until June 20. That is the earliest possible date because that is when the companies said, we are not going to talk any further. Then, I understand, that in October the decision was made to commission the studies or at least some of the studies upon which you have based some of your information. Now I realize that not all of them, I didn't hear you say that all of them then, but some of them at that time, and on November 12 we had a commitment already from the Government saying that they were going to nationalize the potash industry and I say very frankly to the Attorney General that that is not enough time for anybody to make a decision as great as this decision is in terms for anybody to make a decision as great as this decision is in terms of the effect it is going to have on the people of this province. So I have to question that chronology. If I have misheard what the Attorney General said I am sure that when he answers my question that he will correct it for me, but that is my understanding. Then in November we get the legislation.

Now the second reason why I feel more today than I ever have that we have bought a pig in a poke has been the strategy that the Attorney General has been using as he has been fielding the questions here. I am sure that if the Attorney General had not been a successful politician he would have been a successful actor because he has played a part and the part has been, keep it cool, let's relax and let's be reasonable and everything else. And as he answered questions earlier about the kinds of alternatives that this Government has had, Mr. Chairman, he said that they were basically true and after June 20 the companies could decide, or we could decide what the future was going to be and we had no other alternatives, and I think that that is just a pile of garbage. Because I think that the Attorney General had

other alternatives that he could have explored at the time that problems developed between Government and the potash industry.

The third reason why I am more convinced then ever is that when the Attorney General spoke in debate on second reading, he indicated that it wasn't reasonable for the Government to accept what the potash industry was saying about its financial position on faith. But has turned around here this afternoon after being repeatedly asked to table some studies and I understand that you can't table them all, but I don't understand why you cannot table some of them, and have asked us to accept all of that on faith. I find that completely unacceptable. You have taken a position with the potash industry something similar to what a teacher might have taken 10 or 15 years ago with a student who acted up a little bit, who misbehaved a little bit, you know who wasn't really interested in expanding his knowledge in the classroom. You have accused the potash industries of not expanding in the industry. There was a time when the teacher would have taken that kid into the office or somewhere and whipped him and what you have done is you have taken the biggest club you've got and you are clubbing the industry with it. Now if I can go back to the classroom situation, we don't do that anymore. You find common ground and you work it out and you grow from there. I think that is where the Government of Saskatchewan ought to be vis-a-vis the potash industry.

With those remarks I want to ask the Attorney general, you said earlier that your position was one of regulation and legislation. That that is where you felt that this province ought to be when it deals with the private sector. I agree with you. I think that is where the province ought to be, I think that is where the Government ought to be. When you recognize the fact that when you scramble this egg that you can't unscramble it. When you recognize the enormity of what you are asking the people of Saskatchewan to accept, are you not prepared to go back and try again to develop a position with the industry so that it can work in partnership with the Government rather than to be nationalized by the Government.

Mr. Romanow: — Mr. Chairman, the Member raises three or four points, I think I should briefly respond to them. The first point is about his concern having been heightened that we are buying a pig in a poke. I put that comment in the you-can't-win category with the Opposition because the argument with the Liberal Opposition is that if we had studied this before June 11, 1975, which it was widely thought we did, that this was a great socialist plot, so we lose on that. But when we tell them that it was after June 11 then it is not a socialist plot it is just a bad deal. That's in the you-can't-win margin, either before June or after June. That's basically the position that I think we find ourselves in all of the questions. Not all, but most of the questions being asked by some of the Members opposite. Not all, I think some of the questions that have been asked this afternoon have been very good. You are in the you-can't-win category, and that simply shows to me that no matter what answers are given, some Members of the Liberal Opposition are determined that they will fight this as a political issue and no matter what the answer is they are not going to be satisfied with it. And I guess that is all right, that is a part of

politics, not very conducive to a hard discussion clause by clause of the Bill.

The second point made by the Member is other alternatives. The Member says that he is not satisfied that other alternatives were explored. I have yet to hear in 41 or 42 days of debate what alternatives the Liberals would recommend to us. Perhaps the Hon. Member could get up and with some precision tell what alternative he thinks the Government of Saskatchewan should take.

Mr. Lane: — Give us the studies.

Mr. Romanow: — The Member for Qu'Appelle was doing very nicely today and I just hope that he remains where he was keeping it nice. I simply say that the alternatives, if you look at it you will see that the alternatives are not very many. These studies, well I think I have covered these already. I think we have been around that argument. Lectures — I think I know what the Member feels like having listened to Pierre Trudeau the other evening about lectures, but I don't need to elaborate that, that doesn't contribute much.

The last point the Member made was: — can we sit around the table and to withdraw the Bill? I think that has been answered in the past that the policy of the Government having been announced now, I think, that we are obligated to continue with the policy as it is set out.

Mr. Penner: — If I may just respond briefly. I think the Attorney General must have misunderstood what I was saying, Mr. Chairman. Whether it is a socialist plot or not, he is not relevant here in terms of whether it was decided before June 11 or after June 11. I won't make a case either way for that, the words are yours, I didn't use those words when I was making the point that I was making. If it is, it could have been before June 11, it could have been a socialist plot, using your quotations, after June 11. So I don't think that that matters.

With regard to the alternatives, I gave you a suggestion with regard to an alternative. Now you have said in response to that that you can't back down from the position that you have taken. I ask you this: — is that not then in effect putting political expediency before the total long-term well-being of the province? I ask you for this reason: — that if it is good in the long term to delay for four, five or six months in the long-term is not going to do one ounce of harm, but if it goes now simply because you are committed to it going this far without the information being made available then you are open, you are open to the criticism that what you are doing is based solely on political expediency.

Mr. Romanow: — Mr. Chairman, I would answer very briefly by saying that I am sure that the Hon. Member knows and appreciates, but to just call his attention to it, this Bill neither expropriates or purchases anything. The Bill has to be passed and even after passing nothing happens. The Hon. Member is indicating that something happens and, of course, he is wrong. I think the Member for Regina South would verify that, as a lawyer. There is of course a further requirement of a further Act by Government for either purchase or expropriation. So the passage of the Act

itself doesn't mean an Act in any legal sense, if I may put it in that regard.

Mr. R. Bailey (Rosetown-Elrose): — I can understand the answer to the question as to the tabling of this information which has been asked for and the answer that it is not in the best interest at this particular time. I think I can understand that as well.

However, Mr. Attorney General, one thing that does disturb me in listening to this debate back and forth and the questions being asked and we have used the word 'hypothetical' and perhaps deal in that again. It is not in the best interest while the Government of course is in the process of negotiating a mine. I think we can understand that. Because these studies obviously deal with more than one mine, I can foresee the Government, in fact, making a purchase of a mine and, indeed, that mine being in operation without tabling in this House or without making public information because they may at that time be in the process of negotiating on the second mine and, therefore, it is conceivable to me that much of the pertinent information will be held up until the eve of the next election. Mr. Attorney General, you would be quite right in having the same legitimate excuse two years from now as you have now, because obviously the studies are not just about one mine, they are all-inclusive about the industry itself and so, therefore, I wonder if the Attorney General could comment that in fact it is conceivable that much of the pertinent information that we would like to have, will not be available for a period of three or even up to four years time?

Mr. Romanow: — Mr. Chairman, with respect I think that it is a very important and good question.

I now appreciate how witnesses feel when lawyers ask them questions because the question is worded, "Is it conceivable" and it is difficult for anybody to say it is not conceivable, but I think we have to deal sort of on probabilities and I would answer the Member as follows. Take for example the feasibility, the marketing study by British Sulphur that I referred to earlier. I have studied this personally, but my officials advise me that this is a very large detailed overview on the markets and the Saskatchewan markets. So much of your question depends on other factors. When the purchase is completed it may be in recent history, so recent history, that to table that type of a general report would be still prejudicial and your assumption would be right. On the other hand the transaction might be completed further down the road, where other marketing developments felt prejudice and we could make this available. Furthermore, if an individual transaction is completed another factor is whether or not there is a marketing study related to that individual transaction. I think that that is a different category. I think there probably would be some onus on government to give an answer, or if not to give an answer to at least have a pretty good excuse for the legislature not to give the answer. The cost of financing of that individual transaction, I think these are all legitimate questions that the Government, in all likelihood would have to answer subject to some public interest reason. As I say, again, I don't want to say yes or no to the Member. I think that the question is a good one and I hope that my answer conveys the type of problem that any government has when you are dealing with sums and the business world like we are here.

Mr. Cameron: — Mr. Chairman, if I might take this occasion, since we will be breaking at 5:30 and the Attorney General will be returning in the morning and we will be covering the same subject, in an effort to persuade him to release to us that part of the information which I think he can release to us, I indicated to you earlier there is clearly and there always is, an area of information which government has in its possession which it can't make available publicly. I have been around government long enough to know that that is the case.

I do know, too, though that there is a propensity in government, not only in the civil service reaches of government, but particularly in the elected level of government, to hold back on information which could be released, on the general theory that it is not in the public interest to release it. What I want to do is try to persuade you, between now and the time that we convene tomorrow morning to take a look, to genuinely take a look at those pieces of information you have and those studies which you could make available to us and which don't fall in the category of information that is not against the public interest to disclose. I want to use an example of what I think is the correct attitude. Perhaps I could get your attention.

You will recall that prior to 1969, I think it was November, 1969, when the previous government introduced prorationing, which by your own admission that was the most significant step that had been taken in connection with the potash industry as long as it had been in the province and it was a very serious one that was taken. Prior to the implementation of prorationing in November 1969 the provincial government commissioned a study of world market situations, of price situations at present and predicting ahead as much as 10 years. That study, as you know, was chaired by the then Deputy Minister who was Mr. Cawley. It was called the Potash Committee. It was an intensive study, the kind of study indeed, if one could use the same words to describe it as you did to describe some of your studies, a comprehensive overview of where we were in 1968 and where we likely would be in 1978. It dealt with our capacity to produce; it dealt with other countries' capacities to produce; it deal with price levels throughout.

That report, incidentally and very importantly, recommended against prorationing. That is, here was a government study that said, don't get into a prorationing scheme. It was the Deputy Minister talking to the Government.

You will remember, offset against that, that you people were very much opposed to prorationing. You began your opposition throughout prorationing, right up to the day of election in 1971. You will remember that you were determinedly opposed to the prorationing scheme. I need not remind you, and it wouldn't serve any great purpose to remind you, of the kinds of words that you used in respect to the prorationing scheme. You were dedicatedly opposed. What that government at that day did in respect to prorationing is it made available to you a study done in 1968 upon which prorationing was founded. A very comprehensive study. That was in your hands and available to you. The significance of that is one of attitude. Here was a study done by the Government in which government officials recommended against what the government did and yet that study was made

available to you.

Now the political significance of that surely can't escape you. It is the kind of attitude that I commend to you in respect to the studies you have.

While I am on that study I want to make one additional point to you. You may recall earlier in the going I took exception to a point that the Premier made in one of his speeches and which I have heard you make on occasion and other Members make. There was and I quote from the Premier's remarks:

Let me say a word about the set of regulations which is under attack, the prorationing regulations. Prorationing, of course, was a system introduced not by us but by the Thatcher Government at the urgent request of the potash companies.

That one I heard you make as well. In the report which was in your hands at the time of prorationing, which that government made available to you, one of the recommendations was this, among the many, don't go into a prorationing scheme, said:

Most potash companies presently operating or committed to operate in Saskatchewan are willing and prepared to cope with the oversupply situation on a free marketing basis.

It said:

Most potash companies presently operating or committed to operate in Saskatchewan do not favour prorationing. They believe in settling the oversupply situation on a freely competitive basis with prices determined by the outcome.

That report made it very clear that the potash companies themselves were very much opposed to a prorationing scheme. It also made a second point and the second point was that those officials, including Mr. Cawley, were opposed to a prorationing scheme. You were very much opposed to a prorationing scheme. The Government went ahead nevertheless, despite the opposition. The crucial point is that it made that study available to you.

What I want to try to persuade you to do between now and tomorrow morning is to think about that in terms of attitude, a responsible attitude to government and to opposition and to see what information you can give us by way of studies, having already in fairness acknowledged to you that there is a small area which clearly is not in the public interest to disclose. But there is a whole lot of other area where we suspect the public interest would not be served by non-disclosure but would be better served by disclosure.

Mr. Romanow: — Mr. Chairman, I think over the break, we have another 10 or 15 minutes for questions and then we will adjourn at 5:30.

Over the evening I certainly will be contemplating many of the questions that have been asked and seeing whether or not my answers have been as full and as frank as they should be. I will be contemplating the urgent . . .

Mr. Steuart: — . . . Hail Marys.

Mr. Romanow: — I tell Dave anything to get me through the committee. I will be considering with my officials the request that is made by the Hon. Member.

I don't know whether we want to get off onto the side approach of the prorationing particularly because in a sense that is a fact that we have to deal with. I am not going to deal about the constitutionality of that. What I would like the Hon. Member for Regina South to contemplate is that, if I may have the Hon. Member's attention on this and the Leader of the Opposition's, I am sure that he is waiting for these words of wisdom. My point on the prorationing was this, that I stand to be corrected on this, but I don't believe there was any study whatsoever by anybody, revealed or unrevealed and the revelation is now the side issue, on the impact of the prorationing.

For example, one area that I can think of that comes to mind, is the impact on markets. In fact that very quote that you read to me I have it marked down. The Member will have to admit to the Members of the Legislature that that was a 1968 report, fully two years before the prorationing decision was made. A four-man in-house potash committee, there was one man from the Saskatchewan Research Council. The subject of the report was the world supply and demand for potash and its impact on Saskatchewan industry. In the most general of terms, it talks about the marketing but nowhere does it deal with the questions specifically of prorationing — I shouldn't say nowhere, there are references to prorationing but as the Member candidly says, seems to come down — there is no positive recommendation on it, but seems to come down against prorationing. Now that is the only thing that anybody could conceivably seize on as a report that backed up the government of the day to making this momentous decision, with the impacts on markets, and the legalities, the constitutional challenges and everything that we are now facing in this area.

Mr. Steuart: — It is all in here.

Mr. Romanow: — Yes, it is all in there. I am not going to drag into this my officials because one of them was on that committee so I will leave that along for the time being. He is sitting behind me and I happened to thumb through the report in preparation for this committee. So it doesn't matter, we have a different interpretation but even if that is a report, it is the only one. The legal aspects of it, the financial aspects, the price aspects on it, the market aspects of the prorationing nothing, and yet this decision was taken by the government of the day. Here it is the Opposition condemning us, not for not doing studies but for not revealing them, some of which even the Members opposite admit are legitimate reasons for not revealing.

I am going to take a look at this question with respect to the market study, the British Sulphur one and check with my officials again over the break, sometime before tomorrow morning to see whether or not the position that I have taken is a correct one. I will ask them to refresh themselves and to advise me and I will accordingly advise the House first thing in the morning in this regard, as it arises.

I do want to say to the Members of the House, that the

public interest here does have some important role to play and questions as to dollar values and so forth, these can be more properly considered by the House if and when the transaction is completed. Then I think the Leader of the Opposition or anybody else can say we paid too much, there is no support data for it, or whatever the debate happens to be. But while we are considering here the passage of a Bill which of itself does nothing, there has to be an Act following it, I do think that it would be very premature at this stage in the game to proceed further in this regard.

Mr. Malone: — I should just like, Mr. Minister, for you to reflect upon what you are doing. If you feel you cannot allow all of the information we have requested to be tabled, perhaps some of it could be tabled. The reason, the basic reason for this legislation according to yourself and the Premier, when you take away all the sidelights about who owns the minerals and so on and so forth, the basic reason you give for bringing in this legislation is that the potash companies refuse to divulge information to you, which you felt was required.

I suggest to you that you are doing exactly the same with this Legislature. You are asking us to pass legislation without giving us any of the facts which we feel we require to properly consider the legislation. I say to you that if it is bad for the potash companies to take this position, it is doubly bad for you as a government to take this position. I will tell you why.

Some Hon. Members: — Hear, hear!

Mr. Malone: — You can get that information from the potash companies if you enforce the laws you have, if you don't have enough power under the existing laws, and I would suggest to you that you would be very foolish if you did not include that power, you can pass an Act in this Legislature to get that power. So that information is available to you. But what you are asking us to do is pass legislation which conceivably could cost the taxpayers of Saskatchewan \$1 billion according to the Premier's estimates without giving us any information whatsoever as to whether your decision is logical and whether it should be proceeded with.

For the sake of argument I will accept your position that it may not be in the public interest for some of this information, if not all of it, to be divulged at this time. I suggest to you that there is a mechanism by which this information can be considered by the Members of this Legislature. I am going to ask you at this time, while you are reflecting on the request of the Member for Regina South, to reflect on something else. I would suggest to you that it is entirely proper for you to call Crown corporations to sit immediately tomorrow, in camera, which is within its power to vote to sit in camera and table that information before Crown corporations. Any Member who divulged that information if, when it was revealed, would be guilty of a breach of this Legislature, a breach of privilege and could be disciplined accordingly. I am asking you, Mr. Attorney General, if you are listening. Will you do this?

Some Hon. Members: — Hear, hear!

Mr. Romanow: — Mr. Chairman, on this one, I have given the answer a

couple of times, this was raised before by the Member on the Crown Corporations Committee, the answer is no to that. I don't think that it is either in the public interest for the reasons I have mentioned, or is particularly helpful to the Opposition. I am trying to look at it from the Opposition point of view, to the consideration of this Bill. Really whether or not a good deal, or whether we are bankrupting the province or paying too much or whatever, the proof of that surely must be in a transaction. To me that is the test of that.

Mr. Malone: — Surely you really don't mean that answer when you say the proof of it is in the transaction. Because the transaction will be completed by the time this Legislature gets a chance to study them and it is too late at that stage to do anything about it, whether we like it or not. Surely don't put that up as a proper answer to what we are suggesting.

Would you tell me why you couldn't call Crown Corporations in camera? The reason you have given this House for not tabling this information is that it would not be in the public interest for the potash companies or others to find out about it, because it may assist them in negotiations in the future with the Government. Okay, I'll accept that. But if this information is brought before Crown Corporations, that's sitting in camera, no public, no reporters, nobody but the Members of that Crown Corporation, surely that is not divulging public this information. As I pointed out to you earlier, if any Member did divulge that information he would do it at his peril, and would be subject to the discipline of this House.

Mr. Romanow: — Mr. Chairman, I would answer this. I don't believe that it is practical or desirable for that matter to convene Crown Corporations and then have the press, and quite legitimately saying that elected MLAs dealing with these matters in a fashion which is not open to the press, the speculation . . .

Mr. Penner: — What's the secret . . .

Mr. Romanow: — Well we are taking that as a government decision on the operation. It is not a matter of being a secret report, it is a question of the reasons that I have enunciated. Again, I don't want to drag myself into this, because its just like a dog chasing his tail – about the reasons you people must feel the same way about my answers.

I don't think that helps anything, the press coming around to Mr. Malone. Mr. Malone, can you just give me an indication if it is good or bad? I'm sorry, I can't give you any indication. Four days later a resolution floats on the Order Paper saying, "We condemn the potash move . . ." You might condemn it on philosophical reasons, but not on business reasons. Automatically then you see the press assumes that the report is negative to Saskatchewan, I just think it is open to more potential innocence. I am not saying politicians would do this purposely, misrepresentation and confusion which would harm the potash industry. We must keep in mind that we do have a potash industry, we do have corporations out in the field. Whatever we may think of the dispute, we do have our duty to protect that interest in the Saskatchewan interest during this period. We have that as a

responsibility to all MLAs. I think that is important that we keep this in mind. If I was convinced that it could be done, I think I would be keen on the idea. But I just don't see a way that that can be done, as I think the Premier has already answered the Member.

Mr. Malone: — Surely, what you are suggesting is that you don't trust us MLAs, the ones on your side of the House and the ones of this side of the House to keep in confidence information that would come out from that hearing, from that consideration. Surely if we tried to use information that is given to us in confidence in camera in another manner it would become very obvious at the time what we were doing, and we would be properly subject to censure by you as a government. You are saying in effect, you don't trust us, the Opposition, you are saying the same thing to your own backbenchers who are Members of that Crown corporation. As you well know, Mr. Attorney General, this is the device that is used in the United States time and time again. Congressional Committees sit in camera on many things, whether it is CIA investigations or spending of money or whatever. I am not suggesting the Congressional system is better than our system but it is not an unheard of device. As I say we keep coming back to this fact that you are asking us to vote on a Bill which can cost as high as a billion dollars, that is just the economic cost, it doesn't consider some of the things the Member for Nipawin alluded to today and which we talked about earlier. You are giving us absolutely no information. I accept your reasoning, or some of your reasoning as to why you can't give us this information. I am giving you a device whereby some of this information or all of could be provided and as far as I see there would simply be no harm done, the public good would be protected, the potash companies would gain no advantage. But it would give us a chance at least to rationally consider what you are asking us to do.

Mr. Romanow: — Mr. Chairman, I want to say that I do trust MLAs. I have found with some exceptions on some occasions that MLAs know the formal and the informal rules of the Chamber — certainly in my dealings with them. I hope I have been the same way, respected confidences and respected the informal rules — we have seen the breaking of these from time to time, but if we saw a wholesale breaking of them, we would see this entire structure come to a halt. I do trust MLAs.

I do think that the very example the Member used, the United States Congressional example is one of the arguments that put back to him as an argument against doing this. I think if you look at, for example, the CIA investigations in secret, I don't care what it happens to be, what do you have? You have just a multiplicity of leaks which does perhaps even more damage to the structure of the United States than the issues have been brought right out in the open, if I may put it that way.

I think that one of the rules of parliament is that what happens in here is public, even if I say the position of a report is to be kept secret because it is not proper at the present time, I say that publicly. I don't think we ever have had in Saskatchewan a committee meeting that I know of, I may be wrong, or a Legislature that has met in camera. I hope that we don't.

Mr. Smishek: — Public Accounts.

Mr. Romanow: — Yes, Public Accounts that is an example, but even there a report comes out at the end. The Minister of Finance reminds me, I don't know why I am forgetting, it is a verbatim report that comes out at a later date. Even Public Accounts is not confidential.

I recall Ken McLeod when he was sitting in the House about the shoe boxes, reading transcripts of the report right here. The press was here. Where's the Northern critic, the Member for Assiniboia, you know about the shoe boxes. I just don't think it works. I think what happens is that that leads to a greater degree of suspicion and misrepresentation and all sorts of things about it. I can't go along with the suggestion.

Mr. Malone: — I'll get off this point in a minute, you refer to leaks, the only possible leaks would be from MLAs, because they are the only people who would be there. I go back to your fact of distrusting MLAs.

If you wanted somebody who was used to operating under a Cabinet secrecy rules, I am sure the Leader of the Opposition and the Member for Indian Head-Wolseley (Mr. MacDonald) who are used to operating under this basis, because they have experience in Cabinet could well represent the Liberal Party at such a meeting. They are used to keeping things confidential. I make that suggestion to you.

You point out that this doesn't happen in the Legislature in this country and that is correct. I don't think it has happened before in Saskatchewan. I suppose in war times it happened in Ottawa all the time, but it hasn't happened here. But neither has such a venture happened in Saskatchewan of this nature, we are asked to spend a billion dollars. This is an extraordinary type of Bill, surely you will acknowledge that. I suggest to you that extraordinary proceedings may be required to ensure that the welfare of the people is being looked after, to ensure that the people on this side of the House at least know what is involved.

Mr. Romanow: — Again, I don't know if I can add very much more. Just to finish my side of it, there are many, many examples of Cabinets, federal and provincial, doing studies and having reports and not releasing them. One that occurs to me, the Gray Report on Foreign Ownership, this was prepared by Herb Gray, former Federal Cabinet Minister. I think the Federal Government kept that report for years without tabling it to the House of Commons, I think ultimately it was 'leaked' if my memory serves me correctly by somebody or other. That is an example.

Obviously there have to be some implications to the economy and to industry and to Canada that were in the interest not to make public. I think the same arguments can be applied here and the question of making some reports open, I have already answered. I think the in camera Crown Corporations thing would only lead to more confusion and suspicion and misinterpretation.

Mr. Merchant: — Could the Minister tell me, I have only been a Member for five or six months, so I have never heard Mr. Cowley speak.

Is the Member for Biggar a Member who in the opinion of the Cabinet and in your opinion is capable of handling himself in the House? Is he a bumbling oaf, does he handle himself well in the House, I would be interested in knowing? I guess you do think that he is pretty capable, that's what they tell me. I wonder if you trust him, is he a trustworthy Member of the Cabinet?

I wondered if he is not being allowed to take his own legislation through the House the way any other Minister would take his own legislation through the House, because he is not bright enough and he doesn't know enough about potash. Is that the reason?

Mr. Romanow: — Mr. Chairman, I find this again . . .

Mr. Chairman: — Order. I would just like to remind the Hon. Member that we are dealing with this portion of the Bill and don't think that question pertains to the Bill.

Mr. Merchant: — Mr. Chairman, if I may speak to the Point of Order. Certainly I suggest to you that it is a matter that is very urgent to this House. What we really have is a lawyer bringing the matter in much the same way that a client would bring in a matter. It is a matter that was raised by the Member for Prince Albert-Duck Lake, it is a matter where we on this side are rightly suspicious. I believe that the Minister isn't bringing in the matter before the House isn't because he is without trust, or incapable, but because he knows too much. The Minister sits there with a deputy minister who is a good lawyer but all due respect . . .

Mr. Chairman: — Order.

Mr. Romanow: — I'll answer the question. Again one of the reasons that might make some of the backbenchers on our side be suspicious of allowing these reports come out in camera and the honourable intentions of Members. I think the Hon. Member is with all due respect playing a little bit loose with what he said in Committee of the Whole, indicated to the House, his argument was that this Bill was a lawyer's Bill, it was complicated with respect to legalities in Section 45, and you now understood why the Attorney General was guiding the Bill through the House. I think you will find that on record during the second reading speech. Now he comes up, I can only assume to make some political mileage, when you say, why is the Attorney General doing this, the whole operation? It is hard for me to convince some of my colleagues that we should really say to these confidential, those Liberals they won't misinterpret anything. They will handle it all in good faith. I do want to say this again.

When you make your speeches out in the country you can say anything you want, I don't think the Minister for Biggar or I really care whether I don't know enough or he knows too much, or vice versa, that doesn't bother us one bit. I do tell you that when Bill 2 was introduced — am I right, Mr. Leader of the Opposition; it was either the Attorney General, Darrel Heald directed it, for the Leader of the Opposition at the time. It certainly wasn't the Minister of Labour who I thought was one of

the most confident and able Members around even though I disagreed with his policies. All that I am saying is the important thing to remember is that we are a government, we stand or fall on government policies. I tell the Member for Wilkie (Miss Clifford) that over on this side we stick with the Government and with the party, with the good decisions and the bad decisions. We don't take the position like some of the Liberals do that, ah, there are the Steuart-Thatcher Government, we will have nothing to do with it. I talked about deterrent fees and somebody said the other day, on, no I wasn't here that was that guy Steuart who did it, you know. I tell you we stick with our Leader through thick and thin, and we stick to our policies through thick and thin.

Some Hon. Members: — Hear, hear!

Mr. Romanow: — I will tell you one final thing in conclusion, we win elections as a result and I commend you of the Liberal Party to consider that approach sometime.

Mr. Chairman, we have had a tough day, I'll speak for myself, on me, I don't know about the others but we are running down the time and accordingly, Mr. Chairman, I move the committee rise and report progress and ask for leave to sit again.

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