

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### ORAL QUESTIONS

#### Production Limits on Saskatchewan Potash

**Mr. Rolfes:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Energy. Madam Minister, yesterday in this legislature you defended your government's action to place production limits on Saskatchewan potash companies, even though you have no guarantees or agreements from our competitors that they will not steal our markets that we now have, and even though, Madam Minister, you have absolutely no guarantee from the Americans that they will withdraw the heavy duty tariffs in exchange for the moves that you are making.

Madam Minister, I ask you: why are you asking the Saskatchewan workers and our Saskatchewan mining companies to sacrifice their incomes and their jobs on the strength only of what you hope might happen. Why are you doing that?

**Some Hon. Members:** Hear, hear!

**Hon. Mrs. Smith:** — Mr. Speaker, as I said yesterday, this Bill is intended to do several things. Number one, to save our markets; and number two, to save our jobs. There are some secondary impacts with that, and that is the increase in price for our resource. If I were to do what has been suggested opposite, and that is sit on our butts and do nothing, 3,600 jobs will be lost — guaranteed.

**Mr. Rolfes:** — Madam Minister, you and your Premier sat on your butts for seven months and didn't do anything. Now, in a crisis, you are reacting.

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — It's about time you got off your butt.

Yesterday, Madam Minister, in this legislature you said that Saskatchewan would not lose its markets and its market share as a result of the production limits. You said that you would not allow this to happen yet you have no agreements from your competitors that they will not steal your markets. I'm asking you, Madam Minister: how are you going to prevent this? How are you going to protect our markets with this Bill if you have no agreements from our competitors? How are you going to do that?

**Some Hon. Members:** Hear, hear!

**Hon. Mrs. Smith:** — Mr. Speaker, Saskatchewan, in the world within the potash industry, has approximately 40 per cent of the production, 40 per cent, Mr. Speaker — very much a leadership role.

If the leader of the potash industry cannot take action and show leadership, then they should not be in to begin with. The reality is that we are in the potash industry. It's

important to Saskatchewan. Mr. Speaker, I've stated time and time again, while this legislation has the possibility of a volume control province wide on it, we are prepared to do what is necessary in order to protect our share of the market-place. If that means increasing volumes at any particular time, I assure the member that we are prepared to do that.

I also want the member . . . to ask him to take a hard look at the legislation. Without this legislation and without this action we are going to lose a substantial market.

**Mr. Koskie:** — Thank you, Mr. Speaker, a question to the same minister. Madam Minister, I ask you: are you aware that your claim that Bill 36 will not result in market loss has, in fact, been disputed by a senior executive officer of one of the producing companies here in Saskatchewan, Central Canada Potash?

I read in this morning's *Globe and Mail*, Mr. John Gordon of Noranda says:

That it will be difficult, difficult to avoid losing a share of the market.

He goes on to say:

This is a very blunt instrument. It will be extremely difficult to control. It's like trying to turn a battleship.

Those are the words of one of the executive officers in the industry, so I ask you again: what steps do you propose to protect and make sure that the production cuts in Saskatchewan are not, in fact, resulting in a loss of markets.

**Some Hon. Members:** Hear, hear!

**Hon. Mrs. Smith:** — What will be difficult for Central Canada Potash, or more commonly known as Noranda, is if nothing is done and an 85 per cent preliminary duty remains on them. That will effectively, Mr. Speaker, shut down Noranda in this province. That means the mines, and total job loss — permanently — if that 85 per cent remains in.

Mr. Speaker, I've stated very clearly that we are prepared to do with this legislation what is necessary in order to protect the industry and the jobs that go with them, and the resource for the future for this province, and we will do that.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — Supplement, Mr. Speaker, to the minister. Madam Minister, I think I would rather have some faith in the strengths on a chief executive officer in the potash industry rather than yourself. But leave that aside, leave that aside.

I want to ask you . . . The essential fear that the Saskatchewan potash producers — many, many or most of the workers in the potash industry — are concerned about losing jobs and losing markets, and day after day

we come to this legislature to ask you: what are the facts on which you are basing your assumption that you can also maintain jobs and also maintain the share of the markets and at the same time cut the production?

**Some Hon. Members:** Hear, hear!

**Hon. Mrs. Smith:** — Mr. Speaker, the member from Quill Lakes has made an assumption on its own, and I would caution him in making the assumption that he is going to see drastic cut-backs in production in the province. I caution him on that because he may very well be wrong. I think it's very . . .

**An Hon. Member:** — Tell us the facts then.

**Hon. Mrs. Smith:** — You have been told the facts for several days now, and you have chosen not to listen or to totally ignore them. Unfortunately, you have also chosen not to support this effort to protect the industry and the jobs that come with it. That's unfortunate. This Bill has been presented, what I believe in a non-partisan manner, void of politics — void of politics, Mr. Speaker — and we will try and maintain it at that level.

The reality is, Mr. Speaker, with the overhang, the surplus that the potash industry has been facing in the world has created several problems. Number one is the depression of the price world around. When that happened, a protectionist attitude was put up, particularly with our neighbour south to the border, and when that happened, anti-dumping came in to fact. We cannot deal in this province and maintain that industry without dealing with that issue, and this legislation will accomplish that.

**Mr. Speaker:** — Order, please.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — Final supplemental, Mr. Speaker. Madam Minister, if production cut-backs are not the essence of this legislation and if, in fact, you're saying that that will not necessarily occur, why the Bill? Why the Bill?

**Some Hon. Members:** Hear, hear!

**Hon. Mrs. Smith:** — The alternative to the Bill, Mr. Speaker, is absolutely unthinkable on this side of the House — absolutely unthinkable — and that is the total shut-down of the industry, the loss of the mines and the jobs that go with it. Why the Bill? Let me once again say, Mr. Speaker, this Bill has been put into place to address the issue of surplus and bring our price up so we can maintain our jobs and our potash industry in this province.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — I have a new question to the minister. Madam Minister, you said not proceeding with this Bill, Bill 36, any other solution is unthinkable. I ask you what other specific solutions are you referring to that are unthinkable?

**Hon. Mrs. Smith:** — Exactly what I've heard from that side of the House, and it was nothing.

**Mr. Speaker:** — Order, please. Order. Order.

**Mr. Romanow:** — Thank you very much, Mr. Speaker. Mr. Speaker, a new question to the Minister of Energy. The Minister of Energy just finished replying to my colleague, the member from Quill Lakes, that the alternatives are unthinkable. Is it correct to say, that as a result of the minister's question, that the alternative of meeting with the United States' farm groups and farm people, for example, to lobby against the United States' anti-dumping action is an unacceptable alternative? Is that the minister's position?

**Some Hon. Members:** Hear, hear!

**Hon. Mrs. Smith:** — I don't know where the member from Riversdale has been for the last several months, but he should know by now, if he had've been listening, that that has taken place through the producers, when over the last several months since the rumour, the rumour of . . .

**Mr. Speaker:** — Order. Order. Order, please. The minister is being interrupted in her attempts to give an answer to the question. She's having difficulty because of interruptions. I ask for your co-operation to allow her to make the answer.

**Hon. Mrs. Smith:** — Mr. Speaker, the members opposite say that there has been no consultation, that no one from here, Saskatchewan, has been into the United States to talk to the people that it's going to impact on.

Mr. Speaker, the vice-president, for example, of the National Corn Growers Association . . .

**An Hon. Member:** — What does he have to say?

**Hon. Mrs. Smith:** — What does he have to say. Here's what he says, Mr. Speaker. The question was put to him of what do you think of the Premier of Saskatchewan's strategy? And he said:

Mr. Premier is a very, very wise man. He's not unfamiliar with agriculture; he is a wheat farmer, as I understand it, himself and is familiar with the wheat board of Canada. There he understands the American agriculture very well. He knows that his best ally is going to be the U.S. agriculture in this issue. It is not Canada versus the United States in this particular trade dispute, it's going to be the U.S. farmers and some U.S. agriculture interests in Canada against the United States in this issue. Therefore this strategy is a good one.

**Some Hon. Members:** Hear, hear!

#### Consultations with American Farm Organizations

**Mr. Upshall:** — Mr. Speaker, Madam Minister, I talked today to the offices of several major farm organizations in the United States, the American agriculture movement, The National Farmers' Union of America, the North American Farm Alliance, and those offices were basically unaware of what I was talking about. Now, Madam

Minister, can you tell me . . .

**Some Hon. Members:** Hear, hear!

**Mr. Upshall:** — Thank you. They were unaware of . . .

**Mr. Speaker:** — Order, please. Order, please. I think we should give the member from Humboldt an opportunity to ask the question.

**Mr. Upshall:** — Thank you, Mr. Speaker. They can belittle the issue if they like, but the point is, basically they were unaware of the potash crisis that we're feeling up here and the crisis that their farmers will feel.

Now can you tell me what organizations you spoke to and who you spoke to and who you spoke to in those organizations?

**Hon. Mrs. Smith:** — My only regret in all this is that you took till today to talk to anybody in the United States, when this has been coming down for several months. Mr. Speaker, I did . . .

**Mr. Speaker:** — Order. Order, please. Unfortunately I must keep interrupting and thereby detracting from question period. I certainly don't want to do that, but hon. members are not being co-operative when questions are being asked and when the ministers are answering questions. So I ask you once more to please co-operate and allow question period to proceed in a reasonable manner.

**Hon. Mrs. Smith:** — Mr. Speaker, over the last several months several of our companies, or our producers, that have been affected in this province have been in touch with several organizations within the United States, from the fertilizer industry to some of the farm organizations. We, Mr. Speaker . . .

**Mr. Speaker:** — Order, please. Order, please. Order, please. Order, please. Now hon. members perhaps may not like the answer received, and that is their prerogative. If they don't like the answer, they can certainly be recognized to ask their questions. However, I must once more interrupt and ask hon. members to be co-operative and allow question period to proceed, because if we have constant interruptions, it simply can't go forward.

**Hon. Mrs. Smith:** — Mr. Speaker, as I stated, the producers had been talking to many organizations within the United States as it relates to government and government officials over a period of several months. I assure the member from Humboldt that our Premier has met many times with various governors in the United States and has raised the problem many times.

Tied with that, the Department of Energy, through the minister's office, has met with the western states' governors to talk about the trade issues as they relate to two commodities in particular: potash and uranium. That took place in early June.

Mr. Speaker, the consultations have been many. But I will quite frankly say to the members opposite, and to the Saskatchewan public, that early in consultations — back in February and March — we met with nothing but apathy

out of the public in the United States. And that's unfortunate. Perhaps they were saying this is a rumour and this actually isn't going to happen or perhaps they thought: this won't impact on me. Human beings being what they are, sometimes you have to be hit between the eyes until you wake up and realize what's going on.

**Some Hon. Members:** Hear, hear!

**Mr. Shillington:** — Thank you very much. Madam Minister, you have been accused of being incompetent because you did not ally yourself . . .

**Mr. Speaker:** — Order, please. Order, please. The member from Regina Centre is being interrupted. I'm sure other members would like to hear the question but it can't happen if he's being interrupted by members. So please allow him to ask the question.

**Mr. Shillington:** — Madam Minister, you have been accused of being incompetent by failing to ally yourself with the very groups who pack the most punch in Ottawa — the agricultural groups in Washington, Madam Minister. I ask you, Madam Minister . . . I say to you, Madam Minister, you can allay those criticisms by giving us a list of the farm groups in the U.S. whom you have met and discussed this matter with.

Will you give us an inventory of those farm groups that you discussed this with because most people believe there isn't any list at all.

**Some Hon. Members:** Hear, hear!

**Hon. Mrs. Smith:** — Mr. Speaker, I will provide for the opposition the various dates and people contacted by producers, what the industry did, and what government has done. That will include the Premier and the minister's office.

**Mr. Tchorzewski:** — Mr. Speaker, I have a new question to the minister. Madam Minister, either the communication that you say the Premier has had has been not good enough or there in fact has not been any communication and you are here misleading the House today.

I ask you to explain to this Assembly, Madam Minister, if indeed you have contacted farm organizations in the United States, as any responsible government would have done when they knew this issue was coming on.

Why would the American Farmers' Union, the North American Farm Alliance, and the American Agricultural Movement — major farm organizations in the United States — when contacted today by our critic for Agriculture, not be aware of the issue that confronts us in Saskatchewan at this time?

**Some Hon. Members:** Hear, hear!

**Hon. Mrs. Smith:** — I had already stated, Mr. Speaker, that the initial consultation with the United States met with a great deal of apathy.

I would remind the member that there are many, many

groups in the United States and, for example, I do not consider the Corn Growers' Association insignificant in terms of groups, plus there are others. I've already given you a commitment that you will see the outline of the consultation route over the last several months as opposed to today – such as your member from Humboldt. By myself, personally, you will see much more than that, in terms from the Premier on to officials.

**Mr. Romanow:** — Thank you, Mr. Speaker. I have one, for me, final question of the minister. The minister said a few moments ago in answer to a question by my colleague, the member from Quill Lakes, that the opposition would be wrong in assuming that there would be cut-backs and therefore lay-offs.

I assume I have the minister's attention. That being the case, Madam Minister, my question to you is as follows: will you stand up in this House today and guarantee that potash workers and families won't suffer lay-backs or lay-offs as a result of this legislation?

**Some Hon. Members:** Hear, hear!

**Hon. Mrs. Smith:** — Mr. Speaker, if I could guarantee no job lay-offs in any sector, if anyone of us could in this room, we would do it. What I can guarantee is if this legislation does not go forward, you will see massive job lay-offs, my friend.

**Some Hon. Members:** Hear, hear!

#### Privatization of Personal Property Security Registers

**Mr. Mitchell:** — Mr. Speaker, I'm going to move off potash to my colleague, the Minister of Justice. I want to ask him a question. I want to ask him a . . .

**Mr. Speaker:** — Order. Order, please. Order. Order, please.

**Mr. Mitchell:** — My question for the Minister of Justice, Mr. Speaker, refers to the estimates that we went through in this House on August 17, and the minister will recall that we covered a great deal of ground and got through them in one day.

One of the issues that I asked you about in three or four different contexts was the issue of privatization of some of the services being provided by the Department of Justice. And in particular, I asked the minister about privatization of the personal property security register people and the services they provided – and he said they were not a proper candidate; and the Land Titles Office – and he said that it would remain about what it is.

Now, Mr. Minister, I have a copy of part of a memo written by your assistant deputy minister to the civil law branch, also in your department, on August 11, six days before our exchange in this House on the matters that I've just mentioned. And this memo – I'll quote the part of it that is relevant:

Cabinet has directed our department to return for final approval of implementation plans to privatize selected services in Land Titles,

corrections and Personal Property Registry.

Now obviously there's a discrepancy between the memorandum of August 11 and your statements in this House on August 17, and I invite you to get up and explain to us who had it right, the assistant deputy minister or you, Mr. Minister?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, in response to the question as to who had it right, the assistant deputy minister or myself, I can assure you I had it right. I don't know what your memo said, and I will read it after. If it does in fact say that, that's not in fact what's going to happen.

The hon. member asked me, Mr. Speaker: are we, or have we investigated the privatization of the personal properties securities and the Land Titles Office. I indicated to him that the view of cabinet is that we would review a series of things that government did to determine whether or not they were proper candidates for privatization. We, in fact, did that. As it came to the Land Titles Office and the land titles system, we took the decision and I took the decision, Mr. Speaker, that that is not an appropriate candidate to be privatized. It has to be done in a system the way it is now. Now that's not to say that there's not going to be changes and not going to be mechanization brought into the Land Titles Office. Clearly we would hope that there would be. And I think the Land Titles Office, the personal property securities, is much the same way.

Now the one that we did explore was the trustee, and what we did was find that the proposals that come in, both from Guaranty Trust and from Co-op Trust, were in fact more expensive than could be delivered by government and therefore we cast that aside. So the memo that the hon. member refers to, while I don't know exactly what it says in full and in detail, if it is as he has said, it is wrong.

**Mr. Mitchell:** — Supplementary, Mr. Minister. The assistant deputy minister was sitting with you in the House when you answered my questions. My questions came in three or four different ways, Mr. Minister, and the memo says quite clearly that the department is to return for final approval of implementation plans.

Now without revealing what went on in cabinet, I put it to you quite plainly that cabinet had decided that indeed the Personal Property Registry and Land Titles system were prime targets for privatization, and that your answer to me in the House was just simply not accurate. Now will you admit that, Minister?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, I will not admit that . . .

**Mr. Speaker:** — Order. Order. Order, please. Order.

**Hon. Mr. Andrew:** — Mr. Speaker, I will not admit that because it's absolutely not true. I indicated to the hon. member in estimates, I indicated to the hon. member today, that we explored the privatization of various things

within government. One was Land Titles Office and one was personal property securities legislation. The advice that I received from my officials, and my own personal view, having explored that, is neither one of them were appropriate candidates for privatization. That's what I told you today, that's what I told you in estimates, and that's the policy of this government.

**Mr. Speaker:** — Time has elapsed. Order, please. Order, please. Order, please. Order, please. Order. Question period is over. Order, please. Members from both sides of the House are once more causing unnecessary noise when the Chair is on his feet, and I ask for your co-operation.

**Mr. Mitchell:** — Before orders of the day, Mr. Speaker, I would like to table the document I referred to, which is the first page of a memorandum dated August 11, 1987, from the assistant deputy minister of corrections and justices services to Darryl Bogdasavich of the civil law branch.

**Mr. Speaker:** — Order, order.

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### ADJOURNED DEBATES

#### SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mrs. Smith that Bill No. 36 — *An Act respecting the Potash Resources of Saskatchewan* be now read a second time.

**Mr. Rolfes:** — Well, after that applause, Mr. Speaker, I'm going to have to reconsider my decision for the leadership. I didn't know I had that much support.

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — Mr. Speaker, in entering this debate again for the second time, I left off yesterday making a few remarks on Bill 36. And I indicated yesterday, Mr. Speaker, that we have the Bill before us, not because the Bill is absolutely necessary, because the government had ample opportunity to act under The Mineral Resources Act. All the powers pretty well that are in this Bill — there are some additional powers, but powers that they really wouldn't need — all the powers that they require to deal with the over-supply of potash and the problems that existed could have been handled under The Mineral Resources Act.

Therefore, Mr. Speaker, one must ask the question: why did the government present Bill 36? And I think it will become very obvious, as we speak on this side of the House, why the government had to present this Bill.

We had, Mr. Speaker, in question period, a very, very sad display by the Minister of Energy in answering questions posed to her by the loyal opposition, Mr. Speaker, and I use the term rather loosely when I say answer, because we really didn't receive any answers. I am not certain, Mr.

Speaker, whether the minister doesn't know the answers or whether she's embarrassed to give the real answers because it shows the lack of action that the government took over the last seven months, at least, and prior to that.

I indicated very clearly, Mr. Speaker, yesterday when I addressed this Bill, that they had ample time to deal with the potash situation, the over-supply, and the alleged dumping that took place in the United States. They had ample time to do that, but no action was taken. The minister very sort of abruptly said, well the opposition doesn't want us to do anything. That is a very unfair statement to make because I indicated to the minister yesterday at least three or four alternatives that they could have taken to prevent the anti-dumping tariff implementation. And what did they do, Mr. Speaker? They did absolutely nothing. They didn't do anything. They sat on their butts, as she clearly indicated, and didn't do a thing.

What should they have done? Well, Mr. Speaker, they certainly could have done many of the things that a provincial government naturally would do. I will allude to many of those in my address today. And I will also, Mr. Speaker, point out some of the weaknesses of the Bill, and our concerns in some of these areas.

Now this Bill, Mr. Speaker, claims that it is a response not only to the recent U.S. anti-dumping action against the potash industry in our province but also the government's response to the larger world-wide problems affecting Saskatchewan potash industry and Saskatchewan potash jobs. The government claims that it will do both of those things.

Mr. Speaker, this Bill is essentially about the management of Saskatchewan's resources, specifically our potash resources, and the mismanagement thereof by the government opposite. And, Mr. Speaker, it is very clear, if you look at what has happened over the last three or four years, in the whole resource area in this province we have seen nothing but mismanagement by the members opposite and the ministers who were in that portfolio.

Unfortunately, Mr. Speaker, it seems to be a Bill prepared in haste in the government's confused panic about how to respond to a situation that caught the government flat-footed, asleep at the switch, and terribly, Mr. Speaker, terribly embarrassed. As such, this Bill must be examined in the light of this government's overall management of Saskatchewan's resources or rather, as I indicated before, the government's incompetent mismanagement of our resources.

Let me cite, Mr. Speaker, only three examples before returning to the potash industry and the Bill before us. Number one, the government's mismanagement of Saskatchewan's coal resources, which were sold to private mining companies from Alberta; number two, Saskatchewan's forest resources, given away to the American multinational company, Weyerhaeuser; and number three, Mr. Speaker, Saskatchewan's oil reserves, where the government's mismanagement has cost the people of this province more than \$1.5 billion over the past five years.

Mr. Speaker, in the light on these three examples, why should we be surprised that they also would mismanage the Potash Corporation and the potash resources? Certainly one shouldn't be surprised at that. If they mismanage in three other areas, why wouldn't we expect them to also mismanage the potash resources?

Unfortunately, Mr. Speaker, the PC government's potash policy is all too consistent with their resource policy generally, resource policy that is incoherent, resource management that is incompetent; and I note, Mr. Speaker, with some interest, the little history lesson that we got yesterday from the minister in her remarks that she made in this House. And I would suggest to the minister, with all due respect, that she was not using history; she was really abusing history.

Let me cite just three examples . . .

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — Let me cite just three examples, Mr. Speaker. First, the minister mentioned the potash pro-rationing scheme brought in by the late premier Ross Thatcher in 1969. She conveniently neglected to mention, however, that he at least had addressed the real problem, the whole North American industry. He at least sought a fair deal with the U.S. producers in New Mexico, and he at least got a deal with the New Mexico industry.

Secondly, the minister talked about the increase in world supply over the past five or six years, some of which increase took place here in Saskatchewan. Again, however, she failed to tell the whole story. She failed to acknowledge that it was her government, her cabinet colleagues, that approved and built the huge expansion of the PCS (Potash Corporation of Saskatchewan) Lanigan mine. I would therefore remind her of the decision taken by her government to expand Lanigan, duly reported in March, 1983, on page 3 of the PCS annual report. And, Mr. Speaker, I quote:

It is our firm belief that a new and stronger PCS can emerge. With this belief in mind, the board of directors supported management's recommendation to continue with one of our major projects in Saskatchewan.

I refer to the PCS Lanigan phase II expansion which is now under way. That decision, Mr. Speaker, that decision was made by the board of directors. The words are those of the board chairman, cabinet minister Lorne McLaren, the member for Yorkton. Also at the board at that time was cabinet minister, the member from Lumsden, the now Finance minister, and who is also . . . Pardon me, he's the member from Qu'Appelle.

**An Hon. Member:** — It's too bad he can't add.

**Mr. Rolfes:** — As my member says, the man who can't add.

Finally, Mr. Speaker, the minister's very selective history lesson had a notable omission. For one reason, she failed to mention that just two years ago, just two years ago her predecessor, then minister Paul Schoenhals, who is now

the chairman of the Potash Corporation of Saskatchewan, introduced in this House a new mineral resources Act which, he boasted: "would provide a corner-stone for resource development for many years to come." Either the government failed to develop appropriate legislation at that time or, alternatively, the minister is introducing this Bill now as before for purely partisan, propaganda reasons. In either case, Mr. Speaker, it shows their incompetence.

Mr. Speaker, I listened with some care to the minister's speech yesterday afternoon. And while I was somewhat surprised at some of the things I heard, I was evermore surprised what she did not mention. Did she mention New Mexico or the New Mexico potash companies ever once? I don't think so. Did she mention New Brunswick or the New Brunswick potash industry ever one? Mr. Minister, I don't think so. Did she mention the political potential of the U.S. farm lobby? Or did she mention that Saskatchewan industries off shore market cartel Canpotex, or any action by the Government of Canada, Mr. Speaker? No, she did not.

And, Mr. Speaker, why did she not mention any of those? Simply, Mr. Speaker, because they didn't take any action at all with any of those groups. Did they talk to the New Mexico industry? I don't think so. That's why she couldn't mention it. Did she mention the farm lobby in the United States? No, because she hadn't talked to them. That's why she couldn't mention it. Did she mention that they had any discussions with the federal government and Brian Mulroney? No, she didn't. Why? Because they didn't talk to them. And the reason, Mr. Speaker, I stated earlier: they were caught flat-footed; they are now embarrassed; and in order to show that they are doing something, they brought forth, in haste, Bill 36.

Mr. Speaker, unfortunately the people of Saskatchewan, the potash industry, and the potash workers must judge the minister's policy statement of yesterday not only by what she said but also but what she failed to even mention. And by that test they see the minister with a resource policy that is incoherent and resource management that is simply incompetent.

I would like to turn now, Mr. Speaker, to the central thrust of the minister's so-called potash policy and central thrust of the Bill before us. Simply put, Mr. Speaker, the PC government opposite is planning to impose an arbitrary prorationing scheme on the Saskatchewan potash industry by reducing either productive capacity, or actual production, or both. That is how the government describes their policy. That's what this Bill is all about.

I want to examine that plan in two ways — by examining the Minister's analogy with OPEC (Organization of Petroleum Exporting Countries) which she spent some time on yesterday, and by examining the supply and demand figures she has herself supplied. We all remember how back in 1973 the OPEC nations, and I stress nations, flexed their muscle, formed a cartel, cut their production, and drove up the price of oil.

I make these few observations. OPEC was a multinational producer cartel, a deal struck among several oil producing nations, not just one alone. Number two,

OPEC's production cut had the immediate effect of driving up the price of oil obtained by their competitors, as those of us in Saskatchewan and Alberta well know. The non-OPEC producers immediately gained a higher price and access to markets.

Is the minister telling us and the people of Saskatchewan that her Saskatchewan-only plan will have the effect of raising the price paid to other potash producers in the world and giving them more market access? I certainly hope not. Number three, OPEC's production cut had a further inevitable long-term affect. It very significantly intensified the development of other oil resources in the world. OPEC cut production. The rest of the world very quickly moved to develop new additional productive capacity: North Sea Oil, shale oil in the western U.S., tar sands oil and heavy oil in western Canada, and offshore oil in Canada's Atlantic and Arctic waters.

In every single case their accelerated development was a direct and immediate result of OPEC's muscle flexing of late 1973. Is that what the government's policy and this Bill are going to produce – development of still more potash productive capacity elsewhere in the world? As the minister and the Premier play at being the mincing mini-sheiks of Saskatchewan's potash, is their short-sighted policy of bravado in fact going to result in the still more potash productive capacity elsewhere in the world?

(1445)

And, Mr. Speaker, we had no assurances from the minister today – absolutely no assurances in question period – that she has any plan whatsoever to protect the markets that we presently have in the United States, and absolutely no assurances that other competitors will not move in. Once they have moved in, Mr. Speaker, as everyone knows, it is very difficult to get those markets back again. But there is no plan by the minister; there is no plan by this government.

Secondly, Mr. Speaker, the minister in question period also gave us no assurances that should there be cut-backs in productive capacity in Saskatchewan, that she will protect the workers, the workers that will be laid off. We have some very grave concerns about how this legislation will be implemented, and I will be referring to that a little bit later.

As the minister tries to cloak herself in the robes of OPEC of 1973, she should note that OPEC of 1987 is divided, ineffective and useless, Mr. Speaker.

**An Hon. Member:** — Impotent.

**Mr. Rolfes:** — Impotent is the word I wanted to say. Thank you, colleague.

**An Hon. Member:** — I'm a teacher too.

**Mr. Rolfes:** — Thank you. As he indicated, he's also a teacher and obviously a very good one.

Mr. Speaker, let me turn now for just a few moments to the potash statistics provided and quoted by the minister. She

asserts, Mr. Speaker, she asserts that world-wide total productive capacity exceeded total demand by 4.1 million tonnes in 1986. She calls it an overhang of 4.1 million tonnes.

How exactly does she propose to address that problem? What exactly does she propose to do? Arbitrarily reduce the production capacity of one or more Saskatchewan mines? If so, which ones, by how much, and at what cost in jobs? Are they going to arbitrarily select a mine and say, we're going to shut you down and we're going to shut you down to get the production capacity down? How are they going to do it? Are they going to fairly and equally address the problem with mines and companies? There's nothing in the Act, and I hope that the minister in her summation will give us some of the answers.

Or does she propose to go further and actually reduce potash production at one or more mines? If so, which ones, and by how much, and at what cost in jobs? And if she does that, I indicated earlier, Mr. Speaker, is she going to compensate the workers? Is she going to make sure that those workers who adversely affected will receive income maintenance? Nothing in the Act that says that workers that have to make this sacrifice because of the world-wide problem are going to be compensated.

What protection do our workers have and our mines have on the problem that the minister says is an oversupply in the world, not just in Saskatchewan. And when, Mr. Speaker, exactly does she propose to use these enormous and unprecedented powers: next week, next month, next year, or is that yet another one of the incoherent parts of a very incoherent policy?

Mr. Speaker, it would be inappropriate to comment in detail on specific provisions of the Bill at this stage in the debate, and I will not do so. There will be ample opportunity to do that in the committee stage. I must, however, make a few general comments on the provisions in the Bill.

For a so-called conservative government, Mr. Speaker, which pretends to abhor government regulations in the market-place, this Bill – almost incredible – is almost incredible, for it is, without a doubt, the single most pervasive, heavy-handed and insidious regulatory Bill ever introduced in this legislature and I think, Mr. Speaker, I can fairly say, in this country.

Mr. Speaker, to paraphrase Sir Winston Churchill, he said: never has so few sought so desperately to regulate so much and done it so badly. The Bill calls for a political board, appointed behind closed doors by cabinet, and answerable only to cabinet. Mr. Speaker, we have no idea what the composition of that board will be. We have no idea how many people from the workers, for example, will be on that board. Who are the people that are going to be on that board, and who are they answerable to? The Bill indicates very clearly, Mr. Speaker, that they're only answerable to the cabinet with absolutely no appeal to the courts.

That board, Mr. Speaker, is given the sweeping discretionary power to discriminate between companies and even between mines, and I trust that all PC members

opposite understand this, that it is giving sweeping discretionary powers and there is no appeal – that there is no appeal to the courts. Their decision is final. They can sound the death of any potash company; they can sound the death of any particular mines, and you have no appeal. And I will have more to say on those and other specific provisions of the Bill when it reaches committee.

Mr. Speaker, the Bill before us and the PC government policy, which the minister has failed to make clear, have been sharply criticized across Saskatchewan by both the potash workers and the potash companies. My colleague, the member from Quill Lakes, earlier in question period indicated that a major potash executive member asked the government to keep their hands off the potash industry . . . (inaudible interjection) . . . A CCP (Central Canada Potash) executive. And he clearly indicated that they did not agree with the way the government was handling this situation. Mr. Speaker, their policy deserves some criticism, in part for what it does, and in part for what the government has failed to do.

What are some of the alternatives that the government has ignored? And we have mentioned these earlier, but I think it's worthwhile, Mr. Speaker, to mention them again. What could they have done?

Well, they could have launched a public awareness campaign in the U.S. farm states. Did they do that? Our answer is no. The minister seemed to indicate a very feeble attempt was made, but obviously, we telephoned the major farm organizations this morning and they were unaware of the problem that existed and the crisis that existed in the potash industry. They were simply unaware. So one must assume that if you made an attempt, that attempt was a very feeble attempt. But I assume, Mr. Speaker, because they have not indicated what they have done, that really nothing was done.

Mr. Speaker, they could have let the American farmers know that their own commerce department was looking at driving up the cost of potash fertilizer by 40 to 50 per cent. And surely, Mr. Speaker, if the farmers in the United States knew that the price of fertilizer would be going up 40 to 50 per cent, do you not think that they would be lobbying Washington to stop these ludicrous anti-dumping tariffs that have been implemented by the Department of Commerce? I think we simply have to assume that this government has not done its job in that particular area.

What else could the government have done? Well they could have pressed that point with the American farm state politicians, which again they didn't do. And they could have made common cause with the farm lobby against the commerce department and the New Mexico Potash Company. Nothing of that happened, Mr. Speaker.

Even today, as I've said, farm organizations in the United States are simply unaware of the impact of this ruling on their pocket-books, and one of our best options to stop this dispute was ignored by the members opposite.

Now what else could the government have done in the last seven months? Well it could have used its

much-touted relationship with Prime Minister Mulroney and urged him to use his much-touted relationship with Ronald Reagan to lobby against this unfair action by the New Mexico producers. Did that happen? As far as we know, no it didn't.

What else could it have done? It could have gotten the Mulroney government's support for Canadian solution to this problem, not just a Saskatchewan solution but a Canadian solution, which would have guaranteed that New Brunswick potash producers would not have taken advantage of this production limits in Saskatchewan as a way to gain a larger share of the American market.

And, Mr. Speaker, it is interesting to read this morning when a spokesman for Dennison Mines of New Brunswick indicated that they were working at full capacity now. They were working at full capacity but, Mr. Speaker, we are working at about 67 per cent capacity. And who has been asked to make the sacrifice? New Brunswick? No. Who has been asked to make the sacrifice? Other world competitors who are working at 87 to 90 per cent capacity; have they been asked? No. But the workers of Saskatchewan. And why, Mr. Speaker?

The reason, of course, is because this government didn't do its homework. It didn't do its homework over the last seven months. It didn't do the lobbying that it should have done in the United States. It didn't speak to the Canadian government. It didn't ask Mulroney to use his good relationship with Ronald Reagan to stop this. None of this apparently was done. So in panic they came up with a Bill and asked our workers, our producers, to address a world problem and make the sacrifices. That, Mr. Speaker, is unfair. It shows the incompetence of this government.

Now, Mr. Speaker, in conclusion I want to say that this Bill and the PC policy that it represents is unfortunately typical of the performance of the government opposite. Their resource policies are very unclear, and they've been very incoherent. I've shown them in the oil industry; I've shown it in the forest industry, the coal industry; and now we have the potash industry. Everything it seems that this government touches turns to disaster in the energy field. I say, Mr. Speaker, that their resource management is simply incompetent.

The stakes here, Mr. Speaker, today in the potash industry are very high. The stakes for the people of Saskatchewan are also very high. It will affect 3,800 people in the industry. What assurances do those people have that their jobs will be protected? This Bill gives them no assurances whatsoever. None. Thousands, thousands of people and thousands of jobs will be affected once this legislation is implemented. Hundreds of millions of dollars are invested in the potash industry. That will be affected. Saskatchewan jobs, Saskatchewan families, and Saskatchewan communities, Mr. Speaker – the stakes indeed are very high.

Potash workers have examined this Bill and are understandably worried. I met with a number of them this morning, and they are worried because of the generalities of this Bill. Will it be implemented fairly? Will it be implemented equally? No assurance is given whatsoever – none at all. Will one mine be completely wiped out



and all those workers wiped out of their jobs? Is the government going to compensate those workers that will be laid off? Those are questions that the workers want to have answers to.

The companies in the industry, Mr. Speaker, have examined the Bill and they, too, are disappointed, for they do not trust the heavy-handed, regulatory invasion of this Bill, and they don't trust the government to be either competent or wise or fair, Mr. Speaker.

Similarly, Mr. Speaker, the people of Saskatchewan are disappointed, for they simply do not trust this government any more. They simply can't believe it. The paper tiger Premier whose government likes to talk tough, but shows its incompetence in his actions, or lack of action.

(1500)

Mr. Speaker, for the people of Saskatchewan, they are firmly opposed to any policy and any government that sets out to sacrifice Saskatchewan jobs and Saskatchewan families on the altar of PC incompetence. They don't trust and they don't believe a government that is caught unprepared, that is caught flat-footed, and that has embarrassed not only the government but all the people of Saskatchewan, with no sound, comprehensive plan for dealing with the U.S. anti-dumping action whatsoever. And the people of Saskatchewan, Mr. Speaker, simply don't believe this government at all, as long as their resource policy, as demonstrated in the Bill before us today, produces more and more troubling questions.

Mr. Speaker, until those concerns are allayed, until those questions are answered, the people of Saskatchewan will continue to mistrust the minister and the PC government opposite.

Mr. Speaker, as I come to the close of my remarks on this Bill, I want to ask the Minister of Energy in her summation, when she concludes her remarks on this Bill, to answer and address some of the problems and concerns that I have spoken about today. There are a lot of people out there that are concerned about this Bill; they are concerned about the effect that the Bill will have if it's not fairly and equally administered and implemented.

**An Hon. Member:** — It will be.

**Mr. Rolfes:** — The member from Rosthern says it will be.

The record that you people have show the people that it probably will not be fairly and equally administered. That is the problem that we have, and that's what the problem of the people of Saskatchewan have. The generalities in this Bill concern them very much.

We need to have some answers, Mr. Speaker, on the following: how will the resource board be implemented, and how will it receive its approval for the authority and the responsibility that it has? Will it be only the cabinet, or will the minister opposite allow the legislature to have an input in the establishment of this board; and will the minister allow this legislature to help select members of this board so that all groups, all groups, will be represented on that board and they can speak for their

individuals and for their groups so that their rights are protected? That's one of the questions.

What will the minister do, what will the minister do to assure the people of Saskatchewan, and particularly the workers and the industry, that our competitors will not step in and steal the markets in the United States that we now have?

In question period yesterday, Mr. Speaker, and in question period today we've asked the minister to detail for us the steps that she would take to protect our markets. We received no answers. She has no plan. And again, the workers in the industry is concerned, and the people of Saskatchewan are concerned. I hope that she will address that problem when she concludes her remarks.

Thirdly, Mr. Speaker, and I've addressed this before in my speech, and that is if — and the minister seems to say in question period today that there may not be any cut-backs in Saskatchewan and if there . . . and I find that rather strange — if she believes that there won't be any cut-backs in the industry, then why the Bill? Why the Bill? That is the central purpose of the Bill, is to cut back production capacity to make sure, to show the United States that we're taking action of the over-supply. If that is not going to happen, then why the Bill?

But, Mr. Speaker, if that should happen, if there is going to be cut-back in the industry, what assurance will the minister give to the workers in the potash industry that they will be adequately compensated should they lose their jobs and their livelihood if that legislation is implemented? There must be some protection in this legislation for those workers who will be adversely affected.

Now, Mr. Speaker, the last question, and these . . . and I have not addressed all of them, but my other colleagues will as they speak to this Bill. The last question that I want to ask the minister is this: what assurances will she give to this legislature, to the industry, and to the workers, that this Bill will be fairly and equally applied to all the companies and all the mines producing potash in this province? How will they implement this Act? Will it mean that the government will come down harsher on a particular mine or a particular company?

I hope the minister, again in Committee of the Whole or in her summation, will assure this legislature that we have nothing to fear, and the workers in the industry have nothing to fear, and she will outline in detail how this Bill will be equally and fairly implemented and applied to the potash industry. That is a grave concern, Mr. Speaker, that the workers have out there and that the industry has and that we have.

Mr. Speaker, as I've indicated in my remarks, we have a number of concerns. And I do hope that the minister, when she addresses it, will try and attempt to answer some of these concerns and alleviate some of the fears that we have on this side. Thank you very much, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Saxinger:** — I'd like to ask for leave of this House to introduce a guest.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Saxinger:** — Thank you, Mr. Speaker. I'd like to introduce to you, and through you to the Assembly, a very special visitor from East Germany, Miss Lilly Edens from East Germany. She is accompanied by Mrs. John Mueller from Saskatoon, Mrs. Blair Kool from Saskatoon, and Mrs. Horst Mueller. They are seated in the Speaker's gallery, and with your permission I would like to welcome her in German.

(The hon. member spoke for a time in German.)

Mr. Speaker, I just spoke to her and she tells me it's just like a dream to be able to come in and visit in the legislature like we do here. She just can't believe it. She said she has to go home . . . (inaudible) . . . And I would like to ask this Assembly to help me welcome our special guest.

**Hon. Members:** Hear, hear!

**Mr. Mitchell:** — Mr. Speaker, I would like to introduce guests to the House.

Leave granted.

**Mr. Mitchell:** — In your gallery, Mr. Speaker, are four representatives of the United Steelworkers of America, who are interested in the debate going on this afternoon.

I'd like to introduce to you, and through you to the House, Mr. Terry Stevens, who's the international representative of that union; Mr. Ron Fisher, who's the president of the local at the Cory potash mine; Mr. Gary Phillips, who's the president of the local at the Allan potash mine; and Mr. Bernie Welke, who is employed at the Cory mine and who works in the office of the union in Saskatoon.

**Hon. Members:** Hear, hear!

**Mr. Mitchell:** — I appreciate the applause and I take it that that's to welcome the visitors to the House, Mr. Speaker.

## ADJOURNED DEBATES

### SECOND READINGS

#### Bill No. 36 (continued)

**Mr. Neudorf:** — I, too, just before I get into the debate, Mr. Speaker, would certainly on behalf of this side of the House welcome the representatives from various categories of the potash industry in Saskatchewan, as well. And I certainly hope that they will find the time to remain with us for the major part of this afternoon just to get a feeling of what this potash debate is really all about.

Now, Mr. Speaker, to preface my remarks, I would just like to indicate firstly to the member from Saskatoon

South that I acknowledge that he got a tremendous round of applause at the beginning of his remarks, which made him to indicate that perhaps he should reconsider his position in running for the leadership for the NDP party. But after having heard his speech and listening to his remarks, I would suggest that he seriously give that another second thought and revert back to his original decision.

Because, Mr. Speaker, I would suggest to you that . . . And I listened very carefully to his speech and I came to the conclusion that I have not really heard such a rambling speech in this House prior to his. He was all over the place. He was inconsistent in various respects and . . . But that, Mr. Deputy Speaker, I would suggest to you, is typical of the position of the NDP when it comes to the issue of the potash industry.

Mr. Speaker, I believe that this Bill is urgent. And right now I am somewhat mad; I am somewhat annoyed; I think I am somewhat disgusted, Mr. Deputy Speaker, because when I entered these hallowed halls I was naïve, and I still am, I suppose, because I thought that we would be able to come in here and that we would be able to face issues, that we would be able to address problems that the people of Saskatchewan were facing, and that we would be able to resolve them.

Well, Mr. Deputy Speaker, I would suggest to you that what has happened is that I have become disillusioned. I have become disillusioned because we have had opportunities here to discuss major, major problems that are having a severe impact upon our citizens of this province. We have had the opposition adjourning debates time and time again. They do not want to discuss the issues of agriculture. They do not want to discuss the issue of railroad strikes. They adjourn debates, Mr. Speaker, because they do not want to get off the fence. They do not want to say: this is where we stand. They want to go ahead and remain friends with their union leaders in the eastern part of our country.

Mr. Speaker, I feel better now. I had not got that as part of my opening remarks, but having gotten that off my chest I will just initially address some of the issues that the member from Saskatoon South did raise. One of them in particular that he raised during question period and brought up once again where, Mr. Speaker, he is asking the Government of Saskatchewan to come up with a series of guarantees. He wants us to have guarantees in the market-place that we will keep our market share. He wants a guarantee of that. He wants a guarantee that the price of potash will go up as a result of this legislation. He wants a guarantee that there will be no lay-offs, Mr. Deputy Speaker.

Well I say, welcome to the real world; wake up; get out of the dream world. But not everything is that bleak, Mr. Deputy Speaker. And in response, at least in part response — and I'm not trying to speak for the minister here; she did very well for herself, and she will continue to do well for herself — but I have an article here by Geoff York, the writer for *The Globe and Mail*, and he writes and I would just like to suggest . . . or he quotes I should say a Mr. Ed Wheeler:

If Saskatchewan imposes a significant reduction in its potash exports to the United States, it appears unlikely that farmers in that country could obtain enough from U.S. or overseas producers to fill the gap. (And he continues.) Ed Wheeler, a former president of the American Fertilizer Institute and currently a trade consultant in Washington, said overseas producers could supply only 5 or 10 per cent of the U.S. demand. Nor could the New Mexico producer supply enough potash to meet the need, he said.

I would just like to use that as part response to the member from Saskatoon South.

Mr. Speaker, I don't enter this debate lightly. I support the Bill and I will certainly be voting in favour of the Bill as it stands, as presented to this legislature. I support this Bill basically because I don't think we have much choice; I don't think that we have any choice other than the direction in which we are going. It is time for a firm, decisive choice to be made, and that is exactly, Mr. Deputy Speaker, what this government has done.

(1515)

Now essentially, speaking on a personal note, I am a free enterpriser, and I'm proud to be one . . .

**Some Hon. Members:** Hear, hear!

**Mr. Neudorf:** — . . . because to me, free enterprise is the vehicle of progress. To me, free enterprise is what makes the market respond. Now when you have free enterprise, you have the law of supply and demand; it operates at a normal process. However, as soon as you get all the extenuating circumstances where the market forces can no longer seek an equilibrium, where they can cancel each other out, when you get the distorting effects and the distorting forces at work because of an insanity of subsidies, protectionist legislation, as we have seen, then we have to take extenuating circumstances and extenuating actions to counteract that.

Having said that, Mr. Deputy Speaker, I would suggest to you that not only is this Bill dealing with an issue that affects the economic well-being of our economy as a whole, Mr. Deputy Speaker, but it impacts directly on the people in my constituency.

As you know, my constituency surrounds Saskatoon to the north, to the south, and to the east. Saskatoon, as some of the members may be aware, had in times past a slogan and that slogan of Saskatoon was "POW country" — potash, oil, wheat; those are the commodities that are the backbone of our economy. We know in this province what has happened to those backbones, to those mainstays of our economy. And so it impacts, Mr. Deputy Speaker, very, very directly on the people in my constituency. And that is why I am on my feet, and that is why I want to bring my points across to this legislature, to the people of Saskatchewan, and in particular to the people of Rosthern constituency that are so adversely affected.

Now as my hon. colleague, the Minister of Energy and

Mines, has already pointed out, the need to manage the production of potash is essential particularly if we are to have a viable potash industry in the future. The current situation of too much productive capacity and a weak world demand represents a major threat to the security of our potash industry in the future. The bottom line is: there is a glut; there is a glut of potash on the world market.

All the world's potash producers are caught up in the same dilemma: low prices, low demand, and limited markets. It doesn't matter whether you go to the potash industry in Saskatchewan, to the one in New Brunswick, to the one in New Mexico, East/West Germany, Lebanon, Israel, Russia — you go investigate any of these potash producers, and you will find that the world economy, in terms of potash, is facing the same kind of general dilemma.

And in a response, the American producers lashed out against our province's industry thinking that it was the cause of their problems. And my reaction to that, my personal opinion on that, is very obvious by some of the remarks that I'd made previously. I think the American producers are totally misguided; however, I also think that that type of a reaction is symptomatic of the American paranoia that is obvious throughout their actions. And that is their difficulty with the balance of trade issues, the rise of the protectionism that we see. We must get them to recognize the facts of life, the reality of what life is like out there. But they have not recognized those facts, never mind their realities; never mind the efficiencies of our production; never mind our regional advantage; never mind the superior quality of our product; never mind the dollar exchange which is so traumatically in our favour. They have struck out; they have struck out blindly in a misguided notion that we are responsible for their problems. And that, Mr. Deputy Speaker, is not so.

As we all know and members in here, that is not the first time that they have done that. I come from the hog industry; I know where I speak of. We have dealt with them before, and the fishing industry. We could take the lumber, the cedar shingles, shakes, the steel industry, blueberries — there's hardly an industry that is left. Why have the Americans done this? They have done it for the benefit of two mines. Two mines in New Mexico have precipitated this disastrous action. For two mines which, as far as I can determine, represents about 600 jobs in New Mexico, they have set at risk their relationship with Canada. They have set at risk the entire farming industry in the United States as well.

And I would suggest to you, Mr. Deputy Speaker, that that is not worth their while. But it is obvious at the same time that the entire world market for potash is weak, and as I have said, the over-supply is the culprit — not Saskatchewan potash producers, not Saskatchewan potash miners. Yet, ultimately, Mr. Deputy Speaker, the potash miners and their families are going to pay the price. They will suffer. They are the ones that are going to pay, and that is what we cannot allow to happen, and that is why we have Bill 36 before us today.

Mr. Deputy Speaker, this over-supply of potash, if I could

just trace a little bit historically, is a direct result of once having a prosperous time in the potash industry, that time being, Mr. Deputy Speaker, the late '70s and the early '80s. Back then the forecasters and projections were indicating an ever-higher price and an ever-greater demand for potash. It was basically a time of unbridled optimism, you might say.

Now naturally many companies began to expand their capacity to meet this expected demand. Mines that should have closed, Mr. Deputy Speaker – and specifically I can point my finger right at the two mines in New Mexico – mines that should have closed were kept open in the hope that they once more would be in the black, that the profit margin would increase to the point where they could make some money.

But, Mr. Deputy Speaker, the price went down as demand for potash dropped, and it became obvious, it became obvious that the projections of the late 1970s were way out of whack, that they were horribly wrong – a world-wide glut of potash was the result of too much capacity, too little demand.

What did Saskatchewan do to meet this crisis in the early '80s? How did they prepare for the future? Well, Mr. Deputy Speaker, there was a proposal of how they would meet that crisis, and I have here a news release dated Thursday, December 10, 1981. And it's a news release by the Potash Corporation of Saskatchewan, and it was a news release that was issued by the father of PCS, by the father of the \$800 million debt that is now hanging like a millstone around the necks of every man, woman, and child in our province. And I quote:

The hon. Roy Romanow, chairman of the board of the Potash Corporation of Saskatchewan, today announced: "It is the policy of the Potash Corporation that there will be no lay-offs at any of its operations, and that during this temporary period of lower than anticipated demand, the corporation will build its inventory at its mine site (build its inventory). We believe that the market will improve significantly in the spring of '82 and that, in fact, higher inventory levels will be a benefit to help us in meeting the demand in the long term."

That, Mr. Deputy Speaker, was the member from Riverdale's answer to a potash glut and low demand and low price. We'll just mine and we'll pile up the stocks. He continues on:

The Potash Corporation of Saskatchewan is not panicking over what we believe to be a temporary softening of demand and a normal part of the potash supply-demand cycle. Mr. Romanow said, if world economic picture continues to deteriorate . . .

**Mr. Speaker:** — Order, Order. I would ask members to refer to other members by their constituency and not by name, except in quotes, I think the last comment was made without a quote.

**Mr. Neudorf:** — Mr. Deputy Speaker, I would be quite willing to table this document or have it brought to you to indicate that I'm quoting directly from page 3 of the news release that I indicated before, where the last paragraph begins and I quote:

Mr. Romanow said, if world economic picture continues to deteriorate with its inevitable adverse effects on agriculture and the potash industry, the potash corporation would be forced to reconsider all options available to it.

Now, Mr. Deputy Speaker, not only am I amazed that the solution was to just simply stockpile and keep on mining, keep on mining, and keep on mining, but what I'm kind of wondering here, and I'm very glad that I could speak at the beginning of this debate to give the hon. member an opportunity to respond because I'm very interested in listening to that type of response. What are, first of all, some of these options that are being referred to?

I have listened very carefully to the critic of Energy and Mines, and I was listening to his criticism. I was listening to his attacks on the Minister of Energy and Mines. I was listening to his attacks on the Premier of the province. I was listening to his attacks on the performance of this government, and that's fine; that's fair ball; that's fair game. Sometimes we deserve to be criticized; we're not perfect. But, Mr. Deputy Speaker, I still maintain that when you have that privilege of criticism, somewhere along the line you're going to have to stand up and come up with some kind of an alternative. And that, Mr. Deputy Speaker . . .

**Some Hon. Members:** Hear, hear!

**Mr. Neudorf:** — That, Mr. Deputy Speaker, is what I'm looking forward, is to saying exactly what the alternatives are. Get off the fence. What would you have done? What are you suggesting to us? That is what I am listening forward to, and with great anticipation I will be listening to your entering into this debate.

Now, Mr. Speaker, if I could, I would like to give some examples of what has happened to our province's potash industry as a result of this situation of over-supply. Saskatchewan's sales to the United States, our largest market, have declined by almost one-fifth since 1980 – 20 per cent reduction in sales to the United States. Now you couple that with a drop in price from 1981 – in 1981, \$157 per tonne; last year, 1986, average price, \$86 a tonne – the result is that the industry revenues have been cut in half since 1981, and as a result, obvious, many, many of the companies have suffered substantial losses. And closer to home we have seen production cut-backs, as we are painfully aware, frequent shut-downs, lay-offs, and Saskatchewan's capacity utilization has fallen from the perfect figure of 100 per cent in 1980 to 67 per cent now – capacity utilization down to 67 per cent. The world's capacity utilization right now is standing at 90 per cent, and here we are at 67 per cent, operating – as an explanation – operating at 67 per cent of capacity, what we could do if we had a proper market for our commodity.

(1530)

Well, Mr. Deputy Speaker, to continue on in that vein. Saskatchewan communities have lost almost 1,000 jobs, or it could be 1,000 jobs by now in the potash industry, with many of the remaining workers uncertain of their futures, uncertain of their futures. We're talking jobs, jobs and the stress and the strain that this puts on workers, their families, family relations. The uncertainty of: will we have a job next week, or are we going to be laid off – a tremendous amount of stress and strain as this uncertainty is increasing. And that is why, Mr. Deputy Speaker, we have to grab hold of this problem, come up with a firm solution and solve it.

Now government revenues, at the same time, have dropped from \$280 million in 1980 to \$37 million in 1986. Now just work that out; that's a drop of about 86 per cent in government revenue from the potash industry – 86 per cent drop. In other words, we're only left with 14 per cent of our revenue from the potash that we were back in 1980. And, Mr. Deputy Speaker, I would suggest to you that if you combine that with the same kind of drop in the oil sector, and an equal kind of drop in the wheat sector, the slogan, POW, that I mentioned at the beginning loses a lot of its significance and a lot of its impact.

Mr. Speaker, I believe all members of the Assembly would agree that the situation has to be corrected. It's gone on long enough. The American mines anti-dumping action has made this already bad situation that much worse. We have a range, Mr. Deputy Speaker, of dumping duties against us from 9 per cent up to 86 per cent, depending on the company. The company in my own constituency, the potash mine in my constituency, the PCA (Potash Corporation of America) mine, was levied a 77.4 per cent duty – 77.4 per cent duty. How can they operate under circumstances like that? I suggest that's not possible. Why was that done? Well, dumping, anti-dumping. What is dumping? What is dumping?

Sometimes we tend to say anti-dumping and leave it at that, but we have to have a little bit of an idea what is going on. When the Americans say we're putting an anti-dumping levy against you, that is from their perspective. When you dump, you sell something on the market at less than fair value. You're selling it under less than fair value: that is what dumping is. Now, Mr. Deputy Speaker, who determines what fair value is? Do we? We have no say on that. They determine. Who determines? Who is they? It is the Department of Commerce in the United States that determines what fair value is, and they determine it – when in Rome, do like the Romans do – they determine it from their perspective.

And what they're doing now is, they're taking the COP, which is the cost of production from the New Mexico mines – those inefficient old mines; poor quality product; high cost of production – and then they are adding on top of that cost-of-production factor, they are adding on top of that, Mr. Deputy Speaker, a 10 per cent sailing . . . selling, pardon me, selling and administration cost. They add that up to fair market value as well; 10 per cent for that. Then they add on another 8 per cent as a profit factor.

So what do you come up with, Mr. Deputy Speaker? You come up with a very, very high price. We, with all our advantages of – that I mentioned previously in my speech and I'm not going to go through that again – we can undersell that, but that's not the fair market price, and if we sell underneath it, still making a fair profit, still making a fair profit, they say, no way, you can't do that. Our mines cannot compete, and so they put on the anti-dumping action. Now something has to be done, Mr. Speaker, and I believe that this Bill is important in doing so. This Bill is important.

Now I have mentioned a couple of times already the Minister of Mines and Energy. And I'm just going to take a moment here and go to the *Leader-Post* of September 1, 1987, and an article in the *Leader-Post*, to indicate to you some of the reactions that are happening out there in the industry. The opposition had the opportunity to do that; they were selective in making some presentations in the House here. But I would like to quote to you from a heading on this article which says, from the Energy and Mines minister – a good minister, I might add, and others think so too: "Smith talks with potash producers before introduction of potash bill."

Talk about consultation. The minister has met with the industry representatives on more than one occasion, on more than one occasion. And I would just like to give you a reaction from Bob Connachie from PCA (Potash Company of America Inc.), Billie Turner from IMC (International Minerals and Chemical Corporation), and John Gordon from Noranda. I must say to you, Mr. Deputy Speaker, that all of them indicated some concern about government involvement in their industry, as I suggested to you previously, and I certainly didn't need to make no apology for that. We all have that concern, but this is what they said. All three said that:

. . . they were impressed with Smith's motives for the bill and her willingness to let the industry have some say in the legislation.

It goes on to say:

Smith is a "very bright and articulate young lady" who proved to be "very knowledgeable about the problems we wanted to discuss."

This is done by Billie Turner, as I suggested before, from IMC, a company and an industry representative.

So, Mr. Deputy Speaker, I suggest to you that the industry is out there. The industry and the Government of Saskatchewan are working together to try to come to grips with the problem that has been hanging around the necks of Saskatchewan people for so long.

Well, Mr. Deputy Speaker, that pretty well concludes my introductory remarks, and I would like to go now . . . But before I get to the specifics of the Bill, Mr. Speaker, I would like to point out the situation as it relates to my constituency.

It is one thing, Mr. Deputy Speaker, to work so hard to save the mine, and I'm glad to say that I'm talking about the PCA mine now at Patience Lake in my constituency.

I'm glad to say that they have saved the main shaft, because as you know we had that flooding problem. It is indicated to me that they have saved the main shaft. So it's one thing to work hard to save the mine; it's entirely another thing to do so only to find out that after you've done that you can't sell your product. So while the engineers try to decide if they should start mining a different arm of the potash deposit or go into solution mining, as the mine at Kalium, the workers and their families worry about whether or not there is enough demand to keep the mine open at all.

And that is what this government is worried about. And that's why we're taking the action – that we're worried. We're talking about the future. Am I'm concerned about the future of the Patience Lake mine. It's just east of Saskatoon, and the towns of Clavet, the town or the village complex of Sunset Estates is almost entirely dependent on what happens at that mine. And would like to indicate to you, Mr. Speaker, some of the significance of the potash mine even to my constituency in Rosthern where there is the existence only of the one mine.

Now I have some figures here about a tax base that potash mines provide for the R.M.s in the province. In 1986 there was a total assessment of almost \$120.5 millions. Four and one-half millions of that went to R.M.s, towns, and villages. That was in '86. '87 is not quite as good, but almost as good, and it's divided up again between 41 R.M.s and 46 towns and villages. Now the village of Clavet received in 1986, as a direct result of the taxes collected from potash, a sum of over \$12,000; town of Dalmeny almost \$11,000; town of Langham over \$10,000; Martensville, good town – I had my constituency office there, and they appreciated the \$15,700 that they received as a result of the potash mine in Patience Lake. The town of Warman, over \$15,500.

Then we come to some of the R.M.s. I have three R.M.s that gain to benefit . . . or benefit from this potash tax base. R.M. of Blucher, \$382,000; R.M. of Corman Park, \$491,000, Mr. Deputy Speaker, almost a half a million dollars added to the tax base to the R.M. of Corman Park. Another one is the R.M. of Aberdeen, which is also partially in my constituency, of over \$101,000.

Mr. Deputy Speaker, I have been an R.M. councillor in the R.M. of Rosthern, and all I can say to you is that I envy these three R.M.s that I just quoted, because in the R.M. of Rosthern we did not have the benefit of this tax base. So I can certainly appreciate what those kinds of figures mean in terms of mills less tax than the people are having to pay.

So, Mr. Speaker, just let me continue on by saying that this Bill will help to bring some of that stability, to bring some of that certainty to an unstable situation. And this legislation deals with all the primary production from all of the potash mines, that we will be able to effectively manage the situation.

As the minister has already outlined, there are three major thrusts in this legislation: one, it will place the responsibility for approving increases in potash production capacity explicitly with cabinet in order to minimize future risks of massive over-supply; secondly, it

will authorize cabinet to establish the total volume of potash to be produced in Saskatchewan at any given period; and thirdly, it will create a potash resources board, charged with allocating the total allowable provincial production amongst the mines, to achieve a fair and equitable balance between producer and Crown interests.

Mr. Speaker, this legislation will help to remove the uncertainty that exists today in our province's potash industry, and I've tried to address the significance of that. It will protect the livelihoods of potash workers and their families. It will help to preserve the massive investment that has been made in developing the industry – and I suppose we could get into the pros and cons of that on a partisanship basis, and I don't think that we would gain anything by doing that.

At the same time, Mr. Speaker, this legislation will ensure a fair return to the people of Saskatchewan from their resources. Mr. Speaker, this Bill is an important step towards the future viability of our province's potash industry, an industry which is the largest and most efficient of its kind in the world, one that I'm proud to support, Mr. Speaker.

As a member of this government I can only say, Mr. Speaker, that this government is prepared to do what it must do in order to protect the industry and the people of this province. I can only say, Mr. Deputy Speaker, I can only say to the people of Saskatchewan, I can only say to the companies, the potash producers of Saskatchewan, and I can only say to the PCA workers in the Sunset Estates in my constituency, that we will not let you down; we will not fail you because together we're going to go shoulder to shoulder, and we will fight for you, and together we will prevail.

(1545)

And, Mr. Speaker, and in reaction to the member from Regina Centre, could I ask you one question. Can I include you in this list of people who are working together to solve this problem? Can I include you in that? Can I include you with the people? Can I include you with this government? Can I include you with the producers, the potash companies? Can we all work together? Can we all work together to solve this problem? Can we have this unanimity – unanimity that would be so desirable?

Because I ask you, Mr. Member, and I ask all members opposite: do away with your partisan problems here, face the situation as it is, and together we're going to solve this problem. So I would urge all of you members, as I know that all of the members on this side are going to support this Bill. Let's make it unanimous. Let's show that there is unanimity in Saskatchewan as we go out and address this problem. I thank you all for your co-operation. Thank you, Mr. Deputy Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Mitchell:** — May I have leave of the House to introduce guests, Mr. Speaker?

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Mitchell:** — I would like to introduce to you, Mr. Deputy Speaker, and through you to members of the House, five executive members of the Rocanville Potash Employee's Association. They are: Mr. Lyndon Christian, who is the president of the association; JoAnn Wilson, the administrator; Joe Tourond, who is the secretary; and Colin Blakely and Gene Beck, who are members of the Board of Directors. And I'd like the Assembly to welcome them to the House.

**Hon. Members:** Hear, hear!

## ADJOURNED DEBATES

### SECOND READINGS

#### Bill No. 36 (continued)

**Mr. McLaren:** — Thank you very much, Mr. Deputy Speaker. It is indeed an opportunity for me to speak in support of The Potash Resources Act that we are talking and speaking on today, and indeed I commend the Minister of Energy and Mines for introducing this excellent legislation which will protect jobs in our province, which will protect investment and protect the future of Saskatchewan's potash industry.

The intent of the legislation is to protect the potash industry, and I have every confidence that it will do just that. This legislation will apply to all potash resources in this province, including the mines and the potash production. And I am sure the families who depend on the potash mines for their living will welcome our efforts to defend the potash industry.

We all know the reason for this Bill, and it relates to the protectionist mood in the United States. And it was a decision by the United States Department of Commerce that led to preliminary duties of up to 85.2 per cent on potash exports from Saskatchewan. And in order to protect Saskatchewan's potash industry and keep it viable it is necessary for us to pass The Potash Resources Act.

Mr. Deputy Speaker, the people of Saskatchewan have throughout the years counted on potash as a source of potential revenue, and indeed many Saskatchewan communities are very dependent on the industry.

I recall back to 1975 when the then NDP administration decided it would be a good idea to nationalize the potash industry in this province. They invested millions of tax dollars in the potash take-over, an act that was fathered by the member from Saskatoon Riversdale and our past premier. And I've been listening to the member from Saskatoon South and many of his colleagues about the mismanagement and the incompetence and what has been laid on our government since 1982, and I'd like to take just a moment to talk about mismanagement and incompetence, Mr. Deputy Speaker.

I think the whole problem started in 1975 when they took over half of the potash industry in our province to begin with — a socialist government that started to nationalize

the businesses that were already in our province, spending millions of dollars, hundreds of millions, on dry holes, jobs that were already there, already being covered in our province with workers, companies doing their jobs to create a profit and make a real business thrive in this province.

I'd like to just go back a little bit and let you know how they managed the potash corporation. I had the pleasure and the opportunity to be minister in charge from 1982 to the end of '83, as chairman of the board of the potash corporation.

The member from Saskatoon Centre mentioned in his remarks that the PC government started the expansion at the Lanigan mine. That expansion was under way before we even took office, Mr. Deputy Speaker. A lot of the work had started already. There were supplies, there was steel, there was all the products necessary to continue the building of that mine already in place. So we had a decision to make. We could tell by the statistics that the potash industry was starting to slip and slide, and we spent a lot of time discussing whether we would continue with the expansion at Lanigan. But the materials were there — to leave a place half built, it would deteriorate over the years — so we decided to carry on with that expansion, even though we did slow it down.

The potash sales, Canadian sales of potash, in 1980 was 4.9 million metric tons. In 1981 it was 4.5; in 1982 it was 3.5. And the minister . . . or not the minister but the member from Saskatoon South leads the public to believe that it was 1982 that the whole problem started to happen. The strange part of it is that we are practically selling the same amount of potash now as we did in the good old days of 1980.

But we have to look at price. And my colleague from Rosthern spelled it out very clearly, where the price of potash has dropped from \$141 a tonne down to \$87 dollars a tonne.

And I was talking about mismanagement, and my colleague from Rosthern also mentioned this in his remarks, that the inventories of potash in 1982 when I and my colleagues came to office, we discovered that there was practically a complete inventory to fill all the capacity that we had. And when you take in the different grades under consideration, it was full capacity.

But what did the members opposite do? It was spelled out in his remarks, from the member from Riversdale, about saying, we will not lay off anyone in the potash industry. So they started to plan and they drew up a draft to store raw ore on the surface, and that was recommended in February 1982. This was at Lanigan. They stored on the surface from April 1, until July, 705,242 metric tons of ore. I can remember in 1983 us trying to measure the pile to find out what the inventory was of ore that was on the surface. In 1986 that mountain of ore had gone down to 350, 858 metric tons due to rain, snow, weather, the material dissolving into the air. And that product is still sitting there today, Mr. Deputy Speaker — a wasted product.

At Cory what did they do? In 1978 they started to build a

pad up on the surface, a pad that cost \$195,654. It wasn't used until February 1982, but they sure were getting ready. They must have known something was starting to happen. Between February 1982 and April 1982, 56,671 metric tons was put on the pad. And we started to remove that in February 1983, and removed 23,000 metric tons of this ore, and by October 1983 we removed the balance.

So what does all this mean as far as costs and good management and so on, Mr. Deputy Speaker? Transportation, hauling the ore from the mill to the pad, cost \$132,766. The tarp that went over it cost \$49,284. And bought used tires and all that — I saw that pile, too, when I visited the mine after getting the responsibility of the corporation. The tarp had to be repaired, the cost of \$47,631. The product was wet so it had to be put back through the mill again, dried, screened, and anti-caked for another \$6,406. The roads had to be repaired for another \$150,000. And it's estimated that that pile of ore has cost the corporation \$1,029,837 — \$18.17 a tonne, and then you add the normal cost of production on top of that, Mr. Deputy Speaker. And we call that, or supposed to consider that as good management.

As a result, every taxpayer in Saskatchewan has a stake in the future of the potash industry. And today there is an over-supply of potash in the world. The result has been a steady decline in the world price for potash since 1980. In the United States potash producers have lashed out by blaming their problems on Canadian potash sold in the U.S.A. They are wrong and misguided. In the meantime their actions threaten the province of Saskatchewan's economy.

Mr. Deputy Speaker, all of us realize that at the present time the world demand for potash is depressed. And what has this meant for Saskatchewan? Well it means that we have seen a 20 per cent decline in our sales to the United States. It means that since 1981 potash industry revenues have been cut in half.

Simply stated, the world decline in potash sales has not been good news for Saskatchewan, yet we must protect this industry because it is vital to our province, Mr. Speaker. That is the purpose of this legislation before us today. We cannot allow the situation to get worse. If we are to maintain a viable potash industry for the future, we must show leadership and responsibility. That is the purpose and intent of the Bill before this legislature.

And what will The Potash Resources Act accomplish? Allow me to deal with that question, Mr. Speaker. The Potash Resources Act will place the responsibility for approving increases in potash production with the provincial cabinet. This will minimize future risks of massive over-supply. The Bill will give cabinet the authority to establish the total volume of potash to be produced in this province, and it will create a potash resources board charged with allocating allowable production between mines to achieve a fair balance between producers and Crown interests.

Keep in mind the serious consequences of the American actions against the potash industry of Saskatchewan, and at the same time consider the present world markets for potash. And I am sure most members of this legislature

would agree The Potash Resources Act is a necessary piece of legislation. It shows leadership and common sense.

American farmers know full well the consequence of reduced Saskatchewan potash exports to the United States, and I say reduced, not an embargo. Farmers in the United States are alarmed by the prospect of increased fertilizer costs. I note in *The Globe and Mail* of September 1, a report which says, and I quote:

(1600)

Farmers in the United States . . . are joining . . . with the Saskatchewan potash industry to lobby against . . . U.S. protectionist measures. The (United States) National Corn Growers Association, representing 1.3 million (American) farmers . . . is planning to lobby . . . (President Reagan) to try to defuse . . . (the decision on potash by the U.S. Commerce department).

The American National Wheat Growers Association is on record as saying the U.S. duties on Saskatchewan potash will hurt American farmers. They are going to have to pay anywhere from nine to 85 per cent more for their potash, and I'm sure that the farmers in the United States, Mr. Speaker, are not going to sit by and not lobby their Commerce department over that.

The same report in *The Globe and Mail* took note of the fact that potash mines in New Mexico cannot supply the entire U.S. market. Foreign producers of potash cannot fill the gap either. They cannot . . . They count on Saskatchewan's potash, Mr. Speaker, and that is why U.S. farmers are against the anti-Saskatchewan tariffs.

When the American farmers start their lobby to get rid of the protectionist measures that so hurt Saskatchewan potash, I predict the result will be swift. United States Senator Bob Dole of Kansas, who is running for president in 1988, will soon speak up for Kansas farmers in trying to get rid of the dumping duties on Saskatchewan farmers. He knows that the farmers in Iowa, Kansas and the American mid-west, do not want to pay more for their fertilizer products. And that is the message we want to send to Washington with The Potash Resources Act, Mr. Speaker. This legislation will send a clear message to the United States, and we will not be threatened by protectionist measures.

I note a Canadian Press report that the federal NDP member for Humboldt-Lake Centre, Vic Althouse, got up in the House of Commons and called for Canada to cut off shipments of potash to the United States. And I believe the member from Yorkton-Melville has also said, let's embargo potash to the United States. A very clear policy starting to develop from the various members of the NDP party, even across Canada.

It is irresponsible to take such a position because thousands of Saskatchewan jobs would be at stake. Indeed the member for Saskatoon Riversdale was quoted in the *Regina Leader-Post* as saying a total embargo would hurt the potash industry more than it would help it.



Yet we see this glaring contradiction in NDP policy on the potash issue, Mr. Speaker. This is proof that the NDP lacks any direction or practical policy in support of the potash industry. I really reject as totally out of hand the statements by the NDP calling for the complete embargo. Just think of the workers and families who would suffer as a result, not to mention Saskatchewan's economy. The legislation before the House is the responsible course of action, Mr. Speaker.

At the recent premiers' conference at St. John's, New Brunswick, our Premier won the support of nine other premiers for Saskatchewan's defence of the potash industry. I commend the Premier for that and for his leadership in defending Saskatchewan and the potash industry at the premiers' conference. The support of the other nine provinces shows Canada is united in wanting to protect our potash industry.

The Potash Resources Act shows that this government has acted in a responsible manner to protect our resources. It is a piece of legislation that looks to the future with practical and reliable policy. The Government of Saskatchewan has once again shown leadership in protecting our province. We have demonstrated leadership in defending our role as the free world's largest producer and exporter of potash. And this legislation will protect the employees, the industry, and indeed Saskatchewan's economy, Mr. Speaker.

The Bill before us is a timely piece of legislation. It comes at the right time in our history, at a time when we must stand up to the protectionist mood in the United States. Many people in my constituency depend upon the potash mine and the industry, Mr. Speaker, and by supporting this legislation I am standing up for the interests of the people of Saskatchewan.

These are not ordinary times in the potash industry, and that is why we must take ordinary measures to protect that industry. To not do so would have been to let the potash mines die, and that would have been a dark and sad day for our province.

That is not going to happen, Mr. Speaker. There are those misguided souls who have misguided policy when it comes to potash. We cannot listen to them. Rather, this government, through the Premier and his ministers, have shown real leadership. The Minister of Economic Development and the Minister of Energy and Mines have worked in close consultation with the potash industry and they are on top of the situation. I must commend the ministers for their leadership in working so hard to protect our potash resources and markets, and I am proud with the record of this government in standing up for potash and standing up for Saskatchewan.

Mr. Speaker, it was a dark day when the United States commerce department announced the unfair and misguided duties on Saskatchewan potash. I remind the legislature that this government did not back away and admit defeat; this government took leadership and began a positive plan of action for protecting our potash industry. Over 3,000 Saskatchewan jobs in potash mining were at stake, not to mention the millions of dollars of investment in the industry.

That is why the House must pass the Bill before us. The Potash Resources Act is about the future of our province, Mr. Speaker, the future of our potash industry. And on that note I ask the legislature to support this legislation, as I will do. Thank you very much, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Toth:** — Thank you, Mr. Speaker. I am pleased to rise in this Assembly today to support the legislation put forth by the member from Swift Current, the Minister of Energy and Mines. The issue we're dealing with today, Mr. Speaker, of course, is potash. It's an issue that I am sure is on the minds of many people across our province today.

At this time I want to express, in several ways, my support for this legislation. This legislation calls for quantity control over potash production in Saskatchewan — control to protect the industry and to protect jobs of individuals.

I would first like to focus on the constituency that I represent, the constituency of Moosomin. Mr. Speaker, in our constituency we, too, have a mine, a mine located in the town of Rocanville. And at this time I, too, would like to welcome the members from the union local at Rocanville who have taken the time to come to Regina today because of their interest in potash, their involvement in potash, and the concern they have for the members and the men and women that they represent.

Mr. Speaker, the potash mine at Rocanville currently employs some 400 people. And as I was looking at one of the news releases today, that is two-thirds of the number of people employed in the New Mexico mines, the mines that have put up . . . lobbied their government to bring forth this legislation.

The mine at Rocanville has a payroll, Mr. Speaker, of over \$12 million, a very significant input into that community and surrounding area. Of course, Mr. Speaker, the people in this community and surrounding areas depend on that money to keep their local economy thriving. You take a minute to drive through the community, and you can see what the resources of the money flowing into that community from the mine have done — from the rink that has been built, the artificial ice facilities, the swimming pool, and many other things within the community; it's a very resourceful community. And, as well, Mr. Speaker, in our part of the province we are privileged to have a very high-grade highway, partly because of money from the potash industry.

Families of those individuals employed at the mine depend on the mine, depend on the work in the mine for money for their survival. And that's not just people in the local community; it's people in the surrounding area, even small farmers. Small family farms survive because of the ability and the availability of work within the mine.

In late June, Mr. Speaker, I had the privilege of touring the mine in Rocanville. Mr. Garth Moore, the general manager, took us on the tour where I had the opportunity to see, first-hand, the resourcefulness of the employees of

that mine. Mr. Speaker, to ignore those families and to ignore those communities would be unforgivable.

To the legislation put forth by this government to control the quantity of potash produced by this province, those families and communities can rest assured that they are not being ignored. Through this Progressive Conservative government, they are being given a long-term security because the members on this side of the House are taking action to protect.

Mr. Speaker, a number of years ago the Leader of the Opposition was quoted – what would happen if there was a downturn in the economy, if there was a downturn in potash and in agriculture, if we had faced such a crisis as we are facing today? And the quote was, Mr. Speaker, “That would be a disaster.” A very significant disaster, and we are facing a disaster, Mr. Speaker.

Without any action, without taking . . . If this government stood by and didn’t take any action, many people – I believe it’s some 3,600 families within this province – would be directly affected. And that would then reflect right throughout the province, not just the individuals directly but families and friends and neighbours within communities in this province.

Over the past number of days, Mr. Speaker, the opposition has accused this government of not planning for the future. We have been asked: where have you been for the last seven months as this crisis in potash was unravelling? Well I can assure you, Mr. Speaker, that this government has indeed had their eye on the situation, that there has been long hours of discussion surrounding how to handle the situation, discussion which has led to the legislation that is being introduced.

Mr. Speaker, we in Saskatchewan, and indeed other potash producing regions, are faced with a situation where supply substantially exceeds demand. And the reality of the situation is that the over-supply problem may even worsen. My colleague from Rosthern indicated how back in the late ‘70s and early ‘80s everyone was led to believe that there was no end in sight – just put another shaft down into the ground and produce potash; it’s going to sell for ever, and the market is going to continue to be there, and the price is going to continue to be there.

But, Mr. Speaker, we realize the balloon has burst. Current forecasts suggest a reasonable supply-demand balance will not be achieved in the next five years. So, Mr. Speaker, we have today’s reality, an over-supply of potash that already exists. The depressed agricultural sector cannot provide a strong market.

As I was driving in today, I was aware of the many farmers who are out harvesting their crop. And every one of us in this Assembly realizes that even as farmers are harvesting their crop, the farmers themselves realize that that crop is worth less than it was yesterday, which means that they’re going to have less to put out for input costs such as fertilizer, which is a derivative of potash. And, Mr. Speaker, the unfair tariffs imposed by the United States threaten to destroy the entire industry.

In view of all these things, Mr. Speaker, the need to exercise measures to stabilize the situation over the years and, equally important, to take care of the immediate needs of the people involved in Saskatchewan’s potash industry today is evident.

The Progressive Conservative government of Saskatchewan is not big on the idea of government intervention. But, Mr. Speaker, we are faced with a situation today where only such action will allow Saskatchewan to exercise her leadership role as the world’s largest exporter and the largest producer of potash in the free world. Mr. Speaker, without action Saskatchewan could expect to see mine closures, substantial additional job losses – many of them permanently lost, and further erosion of local economies and the provincial benefits which flow from a healthy and successful potash industry.

(1615)

The legislation we are introducing, Mr. Speaker, provides for responsible management of the potash resources of Saskatchewan. This legislation minimizes future risks of massive over-supply. It authorizes cabinet to establish the total volume of potash to be produced in Saskatchewan in any given period. And it creates a potash board charged with allocating the total allowable provincial production between producer and Crown interests. Mr. Speaker, this legislation ensures a fair return to the people of Saskatchewan from their resources.

So at this time I take great pleasure in supporting the legislation brought forward by the member from Swift Current, fully. Mr. Speaker, I urge all members of this Assembly to support this legislation. Thank you.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Meiklejohn:** — Thank you, Mr. Speaker. I’m very pleased this afternoon to enter into this debate. I’m not sure, right at this point, who’s got the floor though.

**An Hon. Member:** — Oh yes, sorry.

**Hon. Mr. Meiklejohn:** — Thank you.

I’m very pleased to enter the debate this afternoon because over the past few years I’ve come to know a good many potash workers and their families living in the towns of Clavet and Colonsay and Allan, and also the fact, Mr. Speaker, that I have several potash workers and their families living in my constituency of Saskatoon Mayfair. There’s no doubt about it that the industry is also of very special significance to the city of Saskatoon with the many spin-offs that occur.

Today I’ve listened with interest to the opposition’s energy critic, the hon. member from Saskatoon South, and I couldn’t help but notice the worried looks on the faces of his colleagues – I think, really, looks of concerns about just how much out of touch this member is. But I think something more than that: the realization of the big mistake that the NDP made back in 1976 when they took over so many of the potash mines. That was the big hand

of socialism at work. That big hand of socialism that was authored, really, by the member from Riversdale, soon to be crowned the new leader of the NDP. And I think in time, Mr. Speaker, that the residents of Saskatchewan will well remember who authored this legislation to take over the potash mines. They'll remember that, I'm sure, when it comes time for the next election. They'll also ensure that the PC government is returned to power.

The energy critic and his colleagues like to try and cover up their bungling by talking about a lack of consultation by this government. Well let me assure you, Mr. Speaker, that there has been a lot of consultation with this, by this government, with the industry and with the farm groups in the United States and with American politicians.

It's been made quite clear, I'm sure, by the Minister of Energy and Mines in discussions in the last few days that there has been much consultation. And I would simply ask the members of the opposition: what consultation took place back in 1974 to '76 or '75 and '76 when they were taking over the farm land of the province. So they're fine ones to talk about consultation. Their main idea was just to move in and take over and we'll go on from here and let the big hand of socialism rule.

Another interesting note that the member from Saskatoon South was making was talking a lot about guarantees. Well, Mr. Speaker, I ask you: what guarantees have there ever been in the potash industry, what guarantees have there been? We can consider, when we go back over the years, that there never really have been guarantees in the potash industry as far as jobs are concerned.

I can think of many times over the last six or seven years when those potash members living in Allan, and in Colonsay, and in Clavet, there was a lot of concern about whether or not they were going to retain their jobs. And we well know that there have been a lot of cut-backs and that there had been lay-offs and shut-downs, so the industry has been rather insecure, Mr. Speaker, for many, many years. So for the member opposite to suggest that this government should be including some type of guarantees for jobs in this new legislation is just a little bit out of line . . .

**Hon. Mr. Devine:** — With leave of the Assembly, I would like to introduce some guests that are very important to the province of Saskatchewan and indeed to this Assembly. And with leave I would like to introduce them to you and through you.

Leave granted.

#### INTRODUCTION OF GUESTS

**Hon. Mr. Devine:** — In the Speaker's gallery, Mr. Speaker, we have a group of individuals who are visiting western Canada from Japan. They're in Saskatchewan and then into Alberta and British Columbia, and I would like to take this opportunity to introduce them. Mr. Shosuke Idemitsu who is president of the Idemitsu CoSan Oil Company; Mr. Shoji, manager and director of

research and development; Mr. Suma, managing director of energy development; Mr. Shono, general manager in the Calgary office; Mr. Yoshimitsu Mimuroto, who is the coal project manager; and Mr. Sata, who is project manager and head of marketing.

The Idemitsu company has invested significantly in Cigar Lake. They are doing research with the Saskatchewan Research Council on Kindersley heavy oil in terms of upgrading. They are involved in the four major energies of oil and gas, coal, thermo-electric, and obviously uranium. They employ approximately 50,000 people. Their annual budget is about three times the size of the Saskatchewan budget, Mr. Speaker. They are not insignificant when it comes to energy in the world. They are big investors, and they are big customers of ours.

So I would like all of the Assembly to please extend a warm welcome to a very valuable trading partner for western Canada, and certainly for Saskatchewan. Say a warm welcome.

**Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — And, Mr. Speaker, as a result of today, we put Mr. Idemitsu in the cab of a combine, and if anybody needs a good hired hand when it comes to harvest, he has offered to come back if the need arises.

**Hon. Members:** Hear, hear!

#### ADJOURNED DEBATES

#### SECOND READINGS

#### Bill No. 36 (continued)

**Hon. Mr. Meiklejohn:** — Thank you, Mr. Speaker. I'd like to just review for a few minutes some of the things that have happened in the potash industry during the last few years so that the people of Saskatchewan will have a little bit better understanding as to what our situation really is today.

We consider the fact that since the year 1981 industry revenues have been cut in half, and we can consider the impact that that has had on the lives of many people in this province, whether they're directly involved or not. I've also mentioned the fact that there have been several cut-backs; there have been frequent shut-downs and lay-offs. Saskatchewan's capacity utilization has fallen from a high of 100 per cent in 1980 to a low of 67 per cent today.

Saskatchewan communities, Mr. Speaker, have lost almost 1,000 jobs in the potash industry in the last number of years. I'm sure that if we think back to what some of my colleagues have indicated today, that when the hon. member from Riversdale announced his legislation some years ago, and made the statement that there wouldn't be any job loss because of the government taking over some of the mines, we can see that indeed there have been many job losses since that time. Government revenues have dropped from \$280 million in 1980 to just \$37 million in 1986. And, Mr. Speaker, the opposition wonders why certain cut-backs have been

necessary in this year's budget. And I think if we consider in just that one industry alone, where we've had a tremendous shortfall in our revenues, it becomes quite obvious why cut-backs have been necessary in this year's budget.

The Potash Resources Act, as we have had presented in this legislature in the last few days, is a piece of legislation that is very important to the future of Saskatchewan. All of us in this legislature realize how important the potash industry is to the province of Saskatchewan. The Bill we are discussing today has been introduced to protect jobs, investments, and the very future of potash mining in this province.

I remember that in the 1970s the people of Saskatchewan were told by the NDP administration that potash was a good investment. In 1975 we were told it was good for the future of Saskatchewan for the government to own potash mines. And we all remember the millions of dollars, Mr. Speaker, of public money that was invested in public ownership of the potash industry. Well be that as it may, Mr. Speaker, we today have an obligation to protect the potash industry because the people of our province have become dependent on the resource revenues from that industry.

This is a very difficult time for our potash industry and that is why this legislation is being . . . this legislature is being asked to pass the Bill entitled: The Potash Resources Act.

Mr. Speaker, I wish to take a few moments to review the circumstances that have created this crisis for Saskatchewan. At the same time, I wish to go on record as showing why The Potash Resources Act is a good piece of legislation, designed to build a healthy and viable potash industry for the future.

All too often we see accounts of growing protectionism in the United States. Not a day goes by that there isn't a press account about trade protectionism. Trade protectionism by politicians and vested interests in the U.S.A. is why we are here today considering the legislation before us — it was the protectionist moves of the New Mexico potash industry. The fact is that in February of this year two U.S. potash producers filed a petition with the U.S. Department of Commerce, asserting that potash was being dumped into the U.S. market by Canadian potash companies. Mr. Speaker, that was a protectionist move by the American potash industry.

Well, Mr. Speaker, we all know that the protectionist actions by the New Mexico potash producers set off a chain of events that resulted in the extreme duties on potash announced by the U.S. Department of Commerce. That announcement sent shock waves throughout Saskatchewan. As a result, we must now take decisive and firm action in defending Saskatchewan's potash resources.

Mr. Speaker, that is the very purpose of The Potash Resources Act introduced by the Minister of Energy and Mines. I should like to give special recognition to the Minister of Energy and Mines for the leadership that she has demonstrated in working so hard to defend our potash industry. The commitment of this government in

standing with Saskatchewan's potash companies and their employees in the battle against protectionism is a commitment that I am proud of. The Potash Resources Act will go a long way in ensuring a solid and viable future for Saskatchewan potash.

Mr. Speaker, it is obvious that this government is doing everything possible to defend our potash industry against the unfair American protectionist moves. The decisions by the U.S. Department of Commerce are unfair. It is unfair since some Canadian companies were judged by standards that the American companies themselves could not meet. As a matter of fact, a United States trade expert was quoted in *The Wall Street Journal* as saying, "If the same anti-dumping laws applied to U.S. companies, every after-Christmas sale in the United States would be banned."

So as you can see, the American federal trade authorities applied biased conditions in making their ruling on Canadian potash. It should be noted that the U.S. potash industry has seen a 20 per cent decline itself since 1980, and during that period of time the cost of producing potash in the U.S. has escalated tremendously.

The United States Bureau of Mines says that American potash mines are running processing plants that are too small to achieve economies of scale. And yet, Mr. Speaker, the American potash industry blamed its troubles on Canada by way of protectionist actions.

Americans are obviously suspicious of Crown corporations. They are foreign to the American way of life. A U.S. senator from New Mexico in a recent speech attacked the Potash Corporation of Saskatchewan when he said, and I quote:

From the beginning, the Saskatchewan government made clear that its control of the industry was necessary to ensure the implementation of its vision of socialism.

The senator was, of course, referring to the NDP and their state control of the industry in the 1970s, yet we can see that such rhetoric only fuels the fires of protectionism in the U.S. today.

(1630)

Mr. Speaker, there is no doubt the proposed duties on potash would cause significant harm to Saskatchewan. Potash protection could fall, lay-offs would increase, and mines could be shut down, all as a result of the protectionist moves in New Mexico and in Washington. We cannot allow that to happen. Thousands of jobs and millions of dollars of investment are far too important to ignore.

The legislation before this Assembly, Mr. Speaker, is indicative of the leadership demonstrated by this government in protecting one of our major resource industries, that of potash. The Potash Resources Act will give the cabinet a mandate to set the overall level of potash produced in this province. It is essential to the long-range future of the industry that this regulatory mechanism be put into place.

As has been previously explained, the legislation will apply to all potash resources in Saskatchewan. It is a most responsible way to manage this resource. This province is the world's largest exporter and producer of potash, Mr. Speaker, and that fact alone is reason enough for the legislation before us today. The Potash Resources Act is necessary to protect the future livelihood of potash workers, their families, and the industry itself.

Economic reality dictates that, at a time like this, leadership is required. And, Mr. Speaker, this government has demonstrated that that kind of leadership in its actions to protect our province's potash is necessary and is being provided.

In the days ahead it will be crucial for all of us in Saskatchewan to put aside partisan considerations and stand together for the common good of our province. The future of our potash industry is far more important than partisan politics. What is at stake here is the very economy of our province. We cannot jeopardize the future of the entire industry through political moves. Together we must act in a decisive and bipartisan manner to pass The Potash Resources Act.

The province of Saskatchewan can only maintain a viable potash industry in future years if legislation is in place that will provide for the effective management of that resource. Circumstances are such that now is the time to put a mechanism into place to guarantee a viable future for potash production in this province. It is the only way for this industry to survive in such a highly competitive world market-place.

The market-place has become so volatile that protectionism in the United States has become quite acceptable to many people in industries in that nation. Protectionism in the market-place simply boils down to hard-boiled trade practices.

The American potash producers are using their government and the International Trade Commission to protect the New Mexico potash industry and, Mr. Speaker, that is totally unfair. Yet we also recognize that fairness has gone out the window with the protectionist mood in America today. That is why I believe Saskatchewan must show strength and decisiveness in dealing with this situation. It would be a sign of weakness, a sign of defeat, if Saskatchewan did not present a strong and effective policy to protect Saskatchewan's potash industry.

I challenge anyone coming up with a better way to protect the future of Saskatchewan's potash. And I say with confidence, Mr. Speaker, that those who are objective will see that the legislation before us is a most effective way to ensure the future of potash mining in this province. All too often during a time a crisis we hear the naysayers and prophets of doom and gloom jump to the centre of attention. These negative souls specialize in seeing the worst of a situation. They're all too quick to criticize and to attack.

But, Mr. Speaker, a time like this requires vision and leadership, the ability to come forward with a plan of action to save a valuable resource industry. I cannot

over-emphasize that the U.S. decision to slap preliminary duties on potash from Canada puts our industry at risk. Mine closures and job lay-offs are a real possibility. That is why this government has put forward The Potash Resources Act. The legislation is the first step in strongly protecting a resource that is an integral part of our provincial economy. All members of this legislature, I'm sure, will concur with me when I say that potash is vital to the future of Saskatchewan.

Mr. Speaker, I wish to be on record as speaking out strongly in support of the government in defending the potash industry in this province. I'm proud to support the Bill introduced by the Minister of Energy and Mines, and at the same time I implore on each and every member of this legislature to support this legislation. An industry crucial to the very economic livelihood of Saskatchewan is counting on this legislation. The future of over 3,000 potash workers and their families is at stake, and at a time like this we must cast aside the usual partisan political differences of this place and pass this Bill.

I know there are many people in the city of Saskatoon, and indeed around Saskatchewan, who are watching these deliberations with anticipation. They are counting on us, Mr. Speaker, to save Saskatchewan's potash industry. And for all those reasons, Mr. Speaker, I will be supporting the Bill and urge other members to do so. Thank you very much.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hodgins:** — Thank you very much, Mr. Speaker, and it's certainly my pleasure to enter into this debate this afternoon. And I would say at the outset that this is an important debate and it is a historic debate.

And I know we, as legislators, stand in the Assembly, and we all too often think that all legislation that we pass, and all debates that we enter into, are of the utmost importance. And certainly I wouldn't want to say that we take lightly any of the items that we debate in the legislature but, Mr. Speaker, I don't think there is any question, I don't think there is any doubt in any person's mind in this legislature, or throughout the whole province of Saskatchewan, that this is indeed a timely and a very, very important subject that demands the attention and demands the debate by virtually all members of this legislature.

And as such, Mr. Speaker, I have listened here with a great deal of interest, a great deal of care, to the arguments presented by the opposition — few as they may have been — and to the remarks made by members on this side of the House.

And, Mr. Speaker, I do have to say that I am quite disappointed in the members of the opposition. I sat here and I listened while the Minister of Energy and Mines invited, in all sincerity, the members of the opposition to take a non-partisan approach to this issue of major importance to our province. I heard the Minister of Energy and Mines sincerely and openly ask them to put aside for the moment, to put aside their bickering notions and their compulsion to criticize at any costs. I heard the hon. minister relate to this House just how critical this situation

is, and why we need to present, as a Saskatchewan legislature, a unified voice, a unified voice of determination and a unified voice of strength, Mr. Speaker.

And, Mr. Speaker, I have to say that I was very proud of our minister, and I was very proud of our government, and I was proud of Saskatchewan. I felt a great sense of hope, Mr. Speaker, that on this one issue – here we had a matter of such fundamental importance to our province and to the families of our province – that on this one issue, on this one issue, Mr. Speaker, we would be able to put aside the hard politics and the cynical verbal warfare.

Rarely, Mr. Speaker, rarely does an occasion present itself that requires the fullest unity possible, the unity that a government sincerely comes forward to its opposition and says, join us for a time to protect our people. Rarely, Mr. Speaker, does that opportunity present itself, but it happened in this House, Mr. Speaker. And I am disheartened a little bit at the result of the minister's decision to be open with the opposition, to invite them to put aside their cynicism, and I am even a little bit upset, Mr. Speaker, at the result.

And I'll maybe just relate to you, Mr. Speaker, some of the past history. Just no sooner had the minister resumed her seat than the NDP were on their feet, sharply partisan, arguing cynical distortions, totally rejecting the invitation that we had made to work together, and opting instead to play politics, to play petty, simple politics with the future and, indeed, the very economic survival of many of Saskatchewan families.

The member for Saskatoon South, Mr. Speaker – and I hesitate to speak in his absence, but it's important – the member for Saskatoon South began his remarks, his major address as they say, not with an effort to build a bridge between us so that this crisis could be addressed; not with any suggestions to improve the legislation; not a single suggestion, Mr. Speaker, to improve the legislation; not with any comment on the matter under discussion at all. That member, and I ask you, Mr. Speaker, to hear me on this one, that member opened his remarks with a gratuitous insult in an offhand personal attack upon our minister.

Let me quote, Mr. Speaker, let me quote from *Hansard* the very first sentence that the member of the opposition stated on such an important fundamental issue. He said, Mr. Speaker, and I quote:

The Minister of Energy attempted to give us a lesson in history, but it really had no relevance to the Bill whatsoever, and as a history teacher I certainly wouldn't give her very good passing marks.

Now here, Mr. Speaker, is a man who has heard an honest and an open appraisal of the situation. He hears a heartfelt invitation to him to put away political infighting; he hears the gravity of the situation for Saskatchewan families, and he gets up in his place, tells us that he finds no relevance in any of that, and calls the hon. minister a failure, as a history teacher.

Now, Mr. Speaker, if they want to force this Assembly to be partisan on this matter, I can tell you that I can be as partisan as the best of them. And when it comes to history lessons, if we want to talk about that, I would have to say the Minister of Energy and Mines taught an excellent lesson to the members of the NDP in the Swift Current constituency. She taught them a sound lesson in 1982, and she taught them a sound lesson in 1986. And Mr. Speaker, every single person on this side of this House is extremely, extremely impressed with the Minister of Energy and Mines who is carrying a very, very important and fundamental Bill through the Saskatchewan legislature at this time.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hodgins:** — And, Mr. Speaker, I guess we have to wonder why do the NDP have to revert to petty politics on something like this. I don't know the answer, Mr. Speaker, but I would suspect it is because they are divided on this issue. I would suspect, Mr. Speaker, that the NDP on this issue are something like the Liberals on the Meech Lake accord. They don't know which way to go; they don't know which way to go. They are leaderless right now, Mr. Speaker, and I think the public of Saskatchewan have never seen the NDP in such shambles.

I recall, Mr. Speaker, just a few days ago in the news, I believe it was Mr. Nystrom, one of the federal NDP members; well, he said: I think that Devine's right; maybe they should put an embargo on potash. Then there was Mr. Hovdebo, I think, the MP from Prince Albert constituency. He said they should go another way. We have Mr. Blakeney who stood in this legislature, stood in the courts of the province of Saskatchewan and defended with a fervour, defended with a fervour, prorationing. And so one day, I think, just late last week, the ex-leader of the opposition, the member for Regina Elphinstone, says: I think prorationing is a good idea; I think that this legislation is a good idea. Then the member from Saskatoon Riversdale, he came out with a different statement. Mr. Speaker, the NDP have never, never in their history, I don't think, been in such a shambles on an issue – never before.

And, Mr. Speaker, it comes at a time when there's nothing more important in Saskatchewan, nothing more pressing in Saskatchewan today, as this particular Bill. And I find it extremely interesting, Mr. Speaker – and I know that we're not supposed to comment on the numbers of people in the House at any given time, and I certainly won't at this time – but generally speaking, I think the public of Saskatchewan know that there is very little interest by the NDP in this particular subject. They'll stand up in question period, as they did here, I think last Friday or so, and say: get that Bill into the House; let's debate it; get that Bill into the House; where have you been?

Well, Mr. Speaker, we have the legislation forward here today, and I find it extremely interesting. And I want the public of Saskatchewan to know, I want the mine workers in every single mine across this land to know, that here today in the legislature not one member of the NDP has had the courage to stand up and debate this issue. And I ask you why, Mr. Speaker? I ask you why? The answer is,

Mr. Speaker, that the NDP do not know where they should go on this issue. The NDP know in their heart of hearts that the Devine government is right on with this issue.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hodgins:** — And if they don't, Mr. Speaker, they argue that, well, that's not correct — I see them shaking their heads. Well if they don't feel that the Devine government is right on with this issue, why is it, Mr. Speaker, that they have not yet come forward with one concrete solution or one concrete suggestion? If you want to change the legislation somewhat, fine, stand up and say so. But they have not had the courage to do that, Mr. Speaker, because they have to revert on an issue of fundamental importance to petty politics. We have expressed to them, come forward with us, come forward with us. But no, Mr. Speaker, they revert to petty politics and just say, no, it's no good, we don't like it. But here again on another issue they have no solutions whatsoever.

(1645)

Mr. Speaker, they got into a little bit of the history of potash, and they made mention that the problems all started in 1982 with potash. Now, Mr. Speaker, every sound-thinking person in Saskatchewan, every reasonable-minded person knows that our government, or any government for that matter, has little control, little control over the market forces when it comes to prices of potash, when it comes to prices of agricultural products. So all of a sudden in 1982 the price starts to plummet, and the members opposite say, oh, it's the Conservative members who are at fault. I ask, Mr. Speaker, just how foolish do you people think the people of Saskatchewan are? Do you think that they would possibly believe when you stand up and say just because the Conservatives took office that that was the problems with potash? Not one iota, Mr. Speaker. The public of Saskatchewan will not put up with that kind of petty politics. The public of Saskatchewan will not believe what you people have to say.

They go on to say that, well, the government got into Canpotex and shouldn't have been into Canpotex. Well, Mr. Speaker, I believe that the decision to remain in the marketing arm called Canpotex was a good one. And I must believe that if you examine the records, if you examine the records, you will find that this government, with the aid of the international marketing arm of Canpotex, has done a fairly reasonable job of marketing our potash overseas into international markets.

You take a look at the country of China. Here again, Mr. Speaker, we've done an excellent job. "Counter-trade for a major potash sale to China"; "Firm going all out to get China trade"; "Major potash sale to India"; "Potash sales worth 27 million"; "Potash sale announced again to China." Mr. Speaker, I think we have done a reasonably good job when it comes to marketing potash.

And I think it should be known, Mr. Speaker, that the NDP voiced their opinion that the government or the potash producer should not be in Canpotex. Well, Mr. Speaker, I

don't think that is reasonable at all. I think that would be somewhat similar to saying that the farmers of the province, the farmers of the country, should get out of the Canadian Wheat Board. Does that make any sense whatsoever? I don't believe it does, Mr. Speaker, and I don't believe that the people of Saskatchewan believe that one bit.

Mr. Speaker, the potash industry, to the people of Saskatchewan, is an extremely important subject. I have heard talk in the legislature that we have in this province alone some 3,000 potash workers. And, Mr. Speaker, I believe that it is incumbent upon any government to take whatever steps are necessary to protect the survival of those families. And, Mr. Speaker, if that means taking strong action, if that means taking firm action, I believe that those potash workers, to a man and to a woman, would say, you bet. We are going to back a government who is willing to take strong, firm action.

And, Mr. Speaker, this legislation that we have before us today is not light, is not light legislation whatsoever. Mr. Speaker, it is very firm legislation, and I think that you will know that, Mr. Speaker, by the rebounding effects and the talk that is now coming out of the United States of America.

And, Mr. Speaker, I say that we are not all that big a province; we do not have all that many people here; we are not a major threat to anyone when it comes to the great strength and power that we have. But when it comes to potash, you bet, Mr. Speaker, we are powerful. We command, I understand, approximately 40 per cent of the world market. And, Mr. Speaker, when you have that type of a market share you have some power; you have some clout, even into the big old United States.

And, Mr. Speaker, the people in the United States are starting to hear more and more about Saskatchewan. And, Mr. Speaker, you will find in the days to come that the American farm lobby groups will be coming onside with our government and going to the federal government in the United States and saying, well, Mr. Federal Government, I don't think you should have put big dumping duties on the producers in Saskatchewan.

And, Mr. Speaker, I find it very, very strange that the members of the New Democratic Party, who traditionally have been anti-American, who traditionally have gone as far as actually burning flags on the steps of the Manitoba legislature, that those people would now side with the federal government of the United States and say, well, we don't think it's all that bad. (I find that very, very strange, Mr. Speaker, very strange that they would resort to siding with the American federal government because, my friends, that is precisely what you are doing when you are denying us the right to pass this legislation, or when you vote against it.

And, Mr. Speaker, the farm lobby groups in the United States will come and be very, very strong and very vocal in their support of what this government has done. They know that it takes firm action, firm action by this government to grab a hold of the big, old federal government of the United States and get their attention.

But, Mr. Speaker, the people of Saskatchewan, more importantly, are going to stand up and say: you bet; we elected you as a government, Mr. Speaker, in the fall of 1986 to stand up for the people of Saskatchewan, to stand up and be counted, Mr. Speaker. And they said to us in October of 1986: you are the legislators who will run this province. We have faith and we have trust in you that when it comes to important, fundamental issues in this province, that you will have the courage and the strength to take whatever actions are necessary. And, Mr. Speaker, it was clear, it was clear that they did not have that some faith and trust in the members of the New Democratic Party.

But I don't believe, Mr. Speaker, I don't believe, Mr. Speaker, that although the majority of people did not have that faith in the NDP that they ever would have believed that the NDP, on such an issue of fundamental importance to the people of Saskatchewan, would sit back, would sit back, not particularly in a big way, and take part in the debate, but sit back, revert to petty politics on such an issue. The people of Saskatchewan, I believe, are disappointed in the members opposite.

**An Hon. Member:** — Not surprised.

**Hon. Mr. Hodgins:** — Not surprised, no. Mr. Speaker, this legislation is firm legislation. This legislation will protect the families of Saskatchewan. This legislation, Mr. Speaker, in the long run, is in the best interest of the public of Saskatchewan, and I believe that we have their support today on this issue. I believe that if you take a look at some of the radio phone-in programs, I would think that you would find the vast, vast majority of people are saying: Mr. Premier, members of the Progressive Conservative Party, please stand up for the people of Saskatchewan; take that strong stance. That's what the people are saying, Mr. Speaker.

And I find it even strange, even strange that the members of the opposite, who politically I must say from traditionally, have been quite astute. I find it strange that they would not have, for simple politics, grasped on to that and felt the mood of the people of Saskatchewan. But they are professional career critics who are designed to stay in that role for a good long time to come, and they cannot get out of that mode of criticizing just for the sake of criticizing.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hodgins:** — So, Mr. Speaker, in summary . . . In summary, Mr. Speaker, this is an extremely important issue to the people of Saskatchewan. I do suspect that probably most of our members will be voicing their opinions, and they will be speaking from the heart, Mr. Speaker, on an issue, on an issue that has a great deal of history, a great deal of history about it, and I'd like to maybe digress just a little bit, Mr. Speaker, into the history of Saskatchewan potash and Saskatchewan politics.

And, Mr. Speaker, I recall, and I was a very young man at the time, the debate that went on in this legislature for a long, long time over the subject of potash. And, Mr. Speaker, at the time, at the time it has been said by some that that was the right decision, and yet there were those

of us across this province who said, no, that was not the right decision, at the time. We did not believe it at that time; we do not believe it today, and it was disastrous for this province. And, Mr. Speaker, I dare say, I dare say that had that decision not been made, two things, two things today would be quite different. Number one, Mr. Speaker, the treasury of this province would be far wealthier today had that investment not been made in potash.

Mr. Speaker, we are seeing today, Mr. Speaker, that an investment in this type of an industry is a risky business; it is a risky business. And, Mr. Speaker, if you look at the people of Saskatchewan, I don't think for the most part they are large risk takers. I don't think, Mr. Speaker, the majority of people in Saskatchewan like to jump into high risk ventures in the stock market or anything else. They are far more conservative. And I don't believe that the mood of the public of Saskatchewan was judged well at all in 1976 when potash mines were nationalized.

And, Mr. Speaker, I believe there were something like 4 or \$500 million invested in this industry, and I shouldn't use the word invested, because a good portion of it was already there. It was nationalized. It was bought. It was an industry that was there; it was developing and growing, but the members of the NDP chose to take our hard-earned tax dollars — none of mine, I was too young, but the hard-earned tax dollars of my parents, of my grandparents, invest them in something that was extremely risky, too risky for the taxpayers' money to be invested in.

And, Mr. Speaker, they took that money. They put 4, 5, \$600 million in it, and today, and over the last four or five years we have seen, we have seen the losses that can be incurred in industries like this. The members of the NDP had no business nationalizing that resource. Mr. Speaker, we could have taken that \$500 million, that \$500 million, invested it in conservative-type investments, and do you know what it would have done between 1976 and 1986? Invested in a conservative investment, a mutual fund if you like to take an example, of a Credit Union if you like, that investment would have tripled in the 10 or 11 years. So we would have had . . . A half a billion dollars invested would have gone to \$1 billion and then doubled. There would've been \$2 billion sitting in the bank here today, on a rainy day, Mr. Speaker, when we needed the funds.

And that's not taking into account, Mr. Speaker, the fact that those potash mines were still here. Those potash mines would've still produced. The government of the day, and today, would still have gained royalties, would have had taxation from those multinationals. And, Mr. Speaker, we would've been far better off had the government of the day never gotten into it.

And I put forward to you, Mr. Speaker, that that is one of the key reasons that the members of the New Democratic Party have very little to say on this issue. Mr. Speaker, they have been silent on this issue. They know in their heart of hearts that the people of Saskatchewan, and even those that sided with the members of the NDP party, they know that even many of those people have said: you know, I guess a



lot of people were right, back in 1976; the government of the day should not have got into that.

Mr. Speaker, the majority of people in Saskatchewan today, I know, feel that way, and that, Mr. Speaker, is why, that is why, you see the members of the New Democratic Party sitting there, hanging their heads in shame, with little or no courage to stand up and speak on this issue. When they do stand up, Mr. Speaker, in the media or in question period, all they can do is criticize and complain. They cannot put forward any concrete suggestions, and I wonder why.

So, Mr. Speaker, once again I say that had decision not been made, number one, we would've had a lot more money in the bank; and number two, Mr. Speaker, I suggest to you that we would not be standing here today debating this particular issue. I don't believe, I don't believe that this anti-dumping legislation would've come forward in the United States had the government of the day in 1976, the NDP, never got into the potash industry.

And that, Mr. Speaker, is not just a politician standing, speaking off at the mouth. That, Mr. Speaker, is supported by some facts. And I would invite the members opposite to perhaps read a news article in the United States, and it was the Senator of New Mexico, the Senator from New Mexico — I believe his name is Domenici, who openly admitted that a good reason for his actions, for his encouragement to the federal government to impose these duties, was the fact that he didn't feel that we were playing on a fair playing field, primarily because the government of 1976 got into the potash industry. Had that not taken place, Mr. Speaker, there would have been no anti-dumping duties imposed upon our Saskatchewan producers. And, Mr. Speaker, I believe it's a sad, sad day when we have to hear items like that.

Mr. Speaker, I do have a fair bit more to say on this . . . (inaudible interjection) . . . Yes, Mr. Speaker, it is very urgent. It is very urgent, Mr. Speaker, and I really wonder why the members opposite do not have the courage to stand up and debate. Their critic was the only member from the NDP party to stand up . . .

**Mr. Speaker:** — Order, order. It being 5 o'clock, this House will now stand recessed until 7 o'clock this evening.

The Assembly recessed until 7 p.m.