

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

ORAL QUESTIONS

Unemployment Statistics

Mr. Tchorzewski: — Thank you, Mr. Speaker. I have a question to the Minister of Labour. Mr. Minister, my question has to do with the unemployment figures that were released by Statistics Canada this morning, which were confirmed by your government's labour statistics which were also issued this morning.

Mr. Minister, are you aware that these figures show that Saskatchewan was the only province in Canada, over the past 12 months, to lose jobs. There are actually 2,000 fewer people working in our province today than there were in August a year ago. By comparison, Mr. Minister, Manitoba created 4,000 new jobs over that same period of time, and in the province of Alberta 12,000 new jobs were created.

In other words, Saskatchewan lost, over the period of this year, month to month, August to August, 2,000 jobs. I ask you, Mr. Minister: in view of the serious loss of jobs, what job creation programs does your government plan to introduce this month to try to avoid the unemployment problem worsening even worse as winter approaches?

Some Hon. Members: Hear, hear!

Mr. Speaker: — Order, please. Order. Order, please. Let's start question period off on the right foot, not the wrong.

Hon. Mr. Schmidt: — Mr. Speaker, the statistics show that at present, or in the last month calculated, the province of Ontario had the lowest unemployment rate in Canada. The second lowest rate was in two provinces, the province of Saskatchewan and the province of Manitoba, with an unemployment rate of 7.1 per cent in each of those two provinces.

Second best in Canada is not quite as good as we'd like to be, but it is fairly high up in the statistics in Canada and shows that this government, with its project at the oil upgrader, with its projects in bacon, with its projects in paper mills, with improvements to pulp mills; despite the crisis in potash, despite the crisis in agriculture, despite those problems, we've been able to maintain a position that is second in Canada only to Ontario, which is booming on the auto business, and we don't have any auto business here.

Mr. Tchorzewski: — Supplementary to the minister, Mr. Speaker. Mr. Minister, your own labour statistics which were . . .

Mr. Speaker: — Order, please. Order, please. The member is being interrupted by other hon. members, and I ask for their co-operation in allowing him to ask his question.

Mr. Tchorzewski: — Thank you, Mr. Speaker. I would want the minister to hear my question without being interrupted by his fellow colleagues on that site of the House.

Mr. Minister, your own labour statistics show that in the month period from July to August of this year in Saskatchewan, the labour force decreased by 3,000 people. That's the labour force. I ask you, Mr. Minister, will you not agree that if the labour force in this province hadn't dropped by 3,000, we would have had — and that was because of out-migration because people are going somewhere else to find jobs — if that had not happened we would have, and Saskatchewan, had a major increase in the unemployment statistics.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Well, Mr. Speaker, members opposite like to compare this province to Manitoba, and that is a good comparison. But what you should take into account is that the province of Manitoba received from the federal government at least \$400 million more in equalization than the province of Saskatchewan. And with an extra \$400 million we would be number one in Canada in employment. And the reason that Manitoba receives the extra \$400 million a year is because the NDP agreed to an equalization formula based on sky-high prices for oil, sky-high prices for potash and . . .

Mr. Speaker: — Order, please. Order, please. Order, please! The Minister of Labour is answering the question. He's being interrupted by hon. members. I've asked them three times for their co-operation. Please allow the questioner and the individual answering the question to proceed.

Order, please. The member from Regina North West — I'm not even sitting down, and already he is interrupting. I think that is most discourteous, and I ask him to clean up his act.

Hon. Mr. Schmidt: — Thank you, Mr. Speaker. The fact then is that the federal government, because the Saskatchewan NDP, when they were government, agreed to an equalization formula that gives Manitoba an extra \$400 million per year benefit. And we are still tied with them in employment, right now, despite the \$400 million of extra taxpayers' money, some of it coming out of the Saskatchewan taxpayers' pockets. So you cannot compare these provinces on an equal basis because they are not treated equally because of the formula the NDP left us with.

Youth Unemployment

Mr. Tchorzewski: — Mr. Speaker, a new question to the Minister of Labour. Mr. Minister, this is the first year, because of your mismanagement, that the province of Saskatchewan in 10 years now gets equalization payments because we're on the level equal to that of Nova Scotia.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Now, Mr. Minister, you can play with the figures all that you want, and the Minister of Finance can chatter from his chair all that he wants. But you can play with the figures all that you want, but that doesn't change this fact: there were 36,000 Saskatchewan people unemployed last month. That's 1,000 more than a year ago.

The sorriest thing of all is that youth unemployment is a scandal. It's a scandal, Mr. Minister. I say to you in my question: in light of the fact that Statistics Canada reports that last month there were 109,000 young people between the ages of 15 and 24 unemployed in our province — that's a drop of 6,000 from a year ago, 6,000 fewer younger people were employed in Saskatchewan this summer as compared to last summer — do you not agree that one of the major contributing factors to the youth unemployment problem was your decision to cut the job creation programs by nearly 70 per cent in this budget? And will you now be prepared, in light of these figures, to change the government's position and do something about bringing back some of those job creation programs?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, first of all, with respect to the equalization formula, and the allegations of "not true" were thrown across the Assembly here . . . The Minister of Finance advises me that in our first term Saskatchewan spent more years as a "have" province than Saskatchewan spent as a "have" province during all the time the NDP were government. So that indicates how well this government did under our management.

In addition, Mr. Speaker, the member opposite does not read well. I thought I heard him say that Saskatchewan had 109,000 unemployed youth. That's what I heard. The fact is that Saskatchewan has, in the month of August, 109,000 youth employed.

An Hon. Member: — That's what he said.

Hon. Mr. Schmidt: — Well we're in a dispute as to what the member opposite said. The fact is that 109,000 youth are employed in this province right now, and that is approximately the same as last month. When it comes to youth employment, it varies depending on who is going on to school and who isn't going on to school; it varies depending on whether they are youth that are permanently in the labour force. And so statistics can be argued about. But the facts are that things in Saskatchewan are quite good under the circumstances of a crisis in potash and a crisis in agriculture, and we are managing this situation very well.

In the part of Saskatchewan that I come from, virtually every youth that wanted a job this summer got a job, and 600 more were employed out of the Yorkton-Melville Canada manpower offices than last year.

Some Hon. Members: Hear, hear!

Special Drug Review Plan

Ms. Atkinson: — My question is to the Minister of Health and it deals with his total inability to tell the people of this province the truth. On October 14 you announced a special drug review plan, and I quote:

To ensure that no Saskatchewan person is excessively burdened by changes to the drug Bill.

This so-called review panel was to help those people who faced huge, catastrophic drug bills as a result of your decision to cut the drug plan.

Mr. Minister, the Bishop family this week, here in Regina, was turned down for special coverage even though their total yearly income is \$15,000 per year and the drugs needed to help save their daughter are approximately \$1,700 per year — \$1,700 a year up front in drug costs. How can you say that this kind of drug bill isn't an excessive burden for the Bishop family?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, the family that the member mentions, and I hesitate to get into the specific cases of an individual family, but I will say this: the family that that member mentions, the Bishop family of Regina, has in fact received special consideration. And that special consideration consists of, as I understand it, an envelope which they've been issued which says that they can have their turnaround time on their reimbursement money within one week. The family says that that's not appropriate; I can't help that, but they have been given special consideration. And the member quotes their monthly charges for drugs; if their reimbursement comes back within a week, there won't be a monthly charge . . . the monthly charge will be solved . . . will be 20 per cent of that. The amount will be solved by that.

So, Mr. Speaker, I'll say to the hon. member, while she likes to raise the individual cases, the committee has looked at it, the representative of the College of Physicians and Surgeons, the representative of the pharmaceutical association, member of the drug plan; they've looked at it and they say this is an appropriate way to solve the problem for that particular family. That family has been dealt with in a special way.

And the family, if they're saying to the hon. member that they're not happy with it, I'm sorry about that, frankly. And I'm sorry that the hon. member wants to persist in calling this particular case forward. But the fact is, it's been dealt with in an appropriate manner.

Ms. Atkinson: — Supplementary. Mr. Minister, you can't hide behind your drug review panel. You appointed it, you set the rules, and it's your cuts to the prescription drug plan that have created these hardships.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Now I ask you again. How can you claim that no one will suffer excessive burdens under the drug plan when you have turned down special coverage for the Bishop family?

Hon. Mr. McLeod: — And I'll repeat again, Mr. Speaker,

I'll repeat again. I'm not hiding behind the review panel. Yes, the member says I appointed it; that's true. I appointed the review panel. The review panel is doing what they are set up to do. They're doing what they're set up to do . . .

Mr. Speaker: — Order. Order, please. Order, please. The hon. member to my left, and he knows who I'm talking about, is interrupting unnecessarily. I ask for his co-operation. Perhaps he'll want to ask his own question, but I'd just like to ask for your co-operation in allowing him to proceed with his answer.

Hon. Mr. McLeod: — That panel is doing what it was set up to do, and that is to give special coverage where that special coverage is appropriate and is reasonable. That coverage has been given. What is deemed to be reasonable and appropriate coverage has been given to the family that the member wants to bring into the legislature, once again. They have got coverage which other citizens in the province have not got, and it's a reasonable coverage — coverage which they will be able to handle.

Mr. Speaker, I will say only this, that the member can continue to raise that issue, or somebody else's issue if they would like that. All I say is that this has been dealt with in an appropriate way on behalf of all the citizens of Saskatchewan.

Ms. Atkinson: — New question, Mr. Minister, in the rejection letter from your drug benefits review panel to the Bishop family, the letter says, in part:

Because of the low deductible levels and generous refund policy, it should be possible for you to adjust to the new drug plan under which you already receive very substantial benefits.

Mr. Minister, with a net income of \$15,000 a year and a drug bill of \$1,700 a year for just one child — one child alone — do you want to tell the Bishop family where they think they should get . . . where you think they should adjust their income? You tell the Bishop family where they should adjust their income. You tell them.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, the member persists in talking about the drug bill of the particular family as so many dollars per year, without any recognition. She chooses not to recognize that 80 per cent of that money comes back to them — 80 per cent goes back. And she also chooses not to recognize, which I have already said here, that that family has been covered in this sense, and that they have very speedy reimbursement time so that there's a turnaround time of their money, so that the money goes back to them and then they can have it for to buy their next prescription.

Mr. Speaker, that's totally appropriate. It's totally appropriate. It's the way this family's looked after. What the family would like to have is free drugs, Mr. Speaker. Well the family has been looked after in a way which is appropriate, which is more than what most families in the province have, and it was deemed to be a reasonable way

to look at it by the committee which has been set up.

Mr. Speaker, what more can I say about it except to say that member's playing cheap politics and putting half . . .

Mr. Speaker: — Order, please. Order.

Ms. Atkinson: — Mr. Minister, you set the parameters for the program. Don't blame the committee.

Some Hon. Members: — Hear, hear!

Ms. Atkinson: — Mr. Minister, this family doesn't live on a \$60,000-a-year cabinet salary, and not many families in this province do. This family lives on \$1,250 a month. Now you tell me, how do they pay for those drug costs up front? You tell me how they pay for them.

Hon. Mr. McLeod: — Mr. Speaker, the committee is doing an excellent job. The committee has looked at this case in a compassionate way. They have said this is an appropriate way to deal with it. That family will have a turnaround, once they send their receipts in they'll have a turnaround as early as a week, Mr. Speaker. The money will be back to them — 80 per cent of their costs. The member chooses not to acknowledge that in any way, shape, or form. And I just repeat again, Mr. Speaker, that family, it will be able to cope with this problem.

The fact is, the family does not want to accept the fact that they should pay anything for their drugs. That is the case — that is the case. They don't want to pay anything for their drugs.

I say, Mr. Speaker, that as long as they can handle it, and I say here to you here and to all members of the House today, they can, given the special consideration that they've been given through the committee. And, Mr. Speaker, as far as I can say, as far as I can . . . I can't add anything more to it, Mr. Speaker.

Ms. Atkinson: — There's one thing that you said, Mr. Minister, that's true, and that's that they shouldn't have to pay for their drugs.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Supplementary. I have here an application form for the special drug coverage plan. These are the forms that the drug benefits review panel have people fill out before deciding whether or not they should get any kind of special status. Family income is one of the categories, Mr. Minister. Therefore family income is one of the criteria by which your committee judged the Bishop family not being eligible for any kind of status.

Mr. Minister, with a drug bill of more than \$1,700 a year, what family income would the Bishops had to have had in order to qualify?

Hon. Mr. McLeod: — Mr. Speaker, the family that she wants to talk about, their costs are . . .

Mr. Speaker: — Order. Order, please. Order, please. Order, please. We can't have a question and then

interruptions immediately, or we can't have an answer, so . . .

Hon. Mr. McLeod: — With the special consideration they've been given and with the turnaround time coming more quickly, which it will — and know that and they haven't accepted it and I'm sorry about that — but the facts are, Mr. Speaker, and to all hon. members, the costs to the family, their own costs for the drugs, will . . .

Mr. Speaker: — Order, please. Order, please. The member from Moose Jaw North persists in interrupting. I ask him for his co-operation, in all sincerity, and I hope that he will abide by it.

Hon. Mr. McLeod: — Their costs to that family, the actual cost that they will pay — will come from their pocket — will be in the order of 20 to \$30 a month, Mr. Speaker. That's not an outrageous amount of money, \$30 a month. That's their cost, Mr. Speaker, \$1 dollar a day; that's the costs we're talking about. And they have their reimbursement coming back more quickly. And that was what was recognized by the committee that there may be a problem with the cash flow if the reimbursement is not quick enough. The reimbursement will be quick, and their cost is in the order of \$1 a day, Mr. Speaker. That's not inappropriate.

Ms. Atkinson: — Supplementary, Mr. Minister. \$40 a day may not be very much for you on your income but \$40 a month on \$1,250 income is a lot. Now, Mr. Minister, the only help your little review panel could offer the Bishop family was to send them these claims priority forms to speed up their refunds. Your office said that it would take a three to four day turnaround time, but the drug plan advises this family that it will take over two weeks. And this still requires the family to come up with \$150 a month up front in drug costs. How can you tell the Bishop family, and families in similar situations, that your drug plan is not an excessive burden? Tell them that.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — I will tell them just that, Mr. Speaker. The people in Saskatchewan do not believe that \$1 a day cost to any family, \$1 dollar a day, is inappropriate. Mr. Speaker, that's not inappropriate.

The member wants to take about giving free drugs to families. That's what she says — free drugs, Mr. Speaker, people who are in the lowest . . .

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — And the members opposite will all applaud that. They say all families in Saskatchewan should have free drugs, says the member from Regina Centre. I hear that. Free drugs.

Mr. Speaker, that's not an appropriate or responsible position for any political party to take. That's the position that that party takes, Mr. Speaker. It's not an appropriate position. What we have said throughout all of this, in the drug plan, is that those most in need, those on welfare, will be looked after. And they are. They aren't saying that, even in Manitoba, Mr. Speaker, where they're in

government. Okay? Mr. Speaker, \$30 a month, \$1 a day, is not an inappropriate cost for a family for their drug costs. That's not an inappropriate cost.

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

New Powers Under Bill 36

Mr. Goodale: — Thank you, Mr. Speaker. I have a question to the Premier, with respect to his potash legislation. Clearly the Premier wanted to create the impression of his government being aggressive and active, and also wanted an opportunity to embarrass the member for Riversdale. But in reality, Mr. Premier, I would ask you: what genuine new powers will you now have under Bill 36, apart from some legal matters and some items relating to penalties; what new legal powers are provided by Bill 36 that your government didn't already have under The Mineral Resources Act of 1985?

Hon. Mr. Devine: — Mr. Speaker, as I understand it, the legislation is before the House and it is being debated and has yet to be passed. So I don't believe it's appropriate for me to comment on the powers of the legislation directly until we complete it. I can only say the intent of the legislation, Mr. Speaker, is to provide our province with the ability to manage the resource. And as we go through the legislation, I'm sure that will become evident.

Resignation of Saskoil President

Mr. Rolfes: — Thank you, Mr. Speaker. My question is to the Minister of Energy, and it deals, Mr. Speaker, with the occupational hazards of being president of Saskoil. And I'm talking about the forced resignation of one called Mr. Bill Douglas. In reacting to the forced resignation, the chairman of Saskoil, Herb Pinder, said that Mr. Douglas had not been aggressive and tough enough.

I remind the minister that Saskoil in the first six months of this year made \$9.4 million under Mr. Douglas. Mr. Douglas also presided over the selling of \$110 million of shares last year and \$50 million this year, all of which your government applauded with the appropriate adjectives — very flowery, and saying what a wonderful job Mr. Douglas has done.

My question to the minister is this. You are responsible for Saskoil. Will you tell the people of Saskatchewan why, and in what way, Mr. Douglas was not aggressive enough or tough enough to remain president of Saskoil?

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — Mr. Speaker, this decision was taken by the board of Saskoil and done in their judgement, and that's where that decision belongs, Mr. Speaker, even though the members across the floor don't agree with this side of the House on it.

I would also remind the member from Saskatoon South that that company that was nationalized some time ago has also been turned back to, in effect, a private company, Mr. Speaker, and this decision was made by the board.

Mr. Rolfes: — Mr. Speaker, here goes our history lesson again, and abusing history once more. I want to ask the minister: is the real reason that Mr. Douglas was forced to resign because he opposed your policy of aggressively going into Alberta, buying up companies in Alberta, protecting the jobs in Alberta at the expense of jobs here in Saskatchewan, firing people from Saskoil? Is that the real reason why Mr. Douglas was forced to resign? Is that the reason?

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — Mr. Speaker, I can only state again: this decision rests with the board, and that's where it will remain. I do believe, however, that the member opposite, perhaps, would like to contact Saskoil and ask.

MINISTERIAL STATEMENTS

Potash Sale to the Republic of China

Hon. Mr. Lane: — Mr. Speaker, I'm pleased to report to the people of Saskatchewan and the members of this House a major sale of Saskatchewan potash to the Republic of China.

Canpotex . . . I know the hon. members in the New Democratic Party do not want to talk about potash again, Mr. Speaker, but Canpotex, the company which markets Saskatchewan potash outside of North America has signed a contract with the Chinese company Sinochem which buys potash on behalf of the farmers of China.

The agreement calls for the shipment of 300,000 tonnes of Saskatchewan potash to China over the next four months. I am also pleased to report that the deal calls for a significant increase in our price for potash over the previous deal between Sinochem and Canpotex. The contract calls for a price of about \$100 Canadian per tonne at Vancouver. Canpotex officials are to be congratulated for completing their second major contract with China this year and for their aggressive marketing and landing the business at a higher price.

For the past year Canpotex has been conducting a major campaign in China to educate Chinese farmers as to the benefits of using Saskatchewan potash, and the campaign is paying dividends. Canpotex signed a major contract to ship 150,000 tonnes of potash to China last November, and this was followed by another deal for 550,000 tonnes of potash in January 1987.

The latest contract means that between November 1986 and November of this year, 1 million tonnes of Saskatchewan potash will have been shipped to China, the first time that Canpotex has achieved this level of sales in any 12-month period. This is further proof, Mr. Speaker, that Saskatchewan intends to maintain its share of its potash markets.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, my first words will be of welcome by the statement made by the Minister of Finance. But I want to remind the Minister of Finance that the inroads to China were made long before they became

the government in '82. And had we, Mr. Speaker, not made the mistake of remaining in Canpotex, which drove up the price of potash to China to such an extent that the Chinese people did not aggressively pursue the purchase of potash, we would not be just going into China today, we would be having an aggressive market in China a long time ago.

I also want to remind the minister, because he alluded to the fact that it is the opposition that doesn't want to talk about potash, I want to remind the people of Saskatchewan, it was the opposition who gave leave to introduce Bill 36, it was the opposition who asked them to bring the Bill forward last night, and it was the government that adjourned the debate last night on Bill 36.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — And I couldn't help but hear on the media this morning that the government is now taking credit that Bill 36 actually produced a sale of the potash in China. How ridiculous a situation, Mr. Speaker, do we have. I think it shows, it shows the hypocrisy of the government opposite as to why they brought in Bill 36. It was not because they needed Bill 36, but because of some heroic showmanship that they wanted to show that the Premier who's been so ineffective — so ineffective of creating markets for our resources in the world . . . He's travelled all over the world, and he's been so ineffective in the oil industry, so ineffective in potash, so ineffective in uranium, that they had to bring forward a Bill in order to boost up the Premier a bit.

Mr. Speaker, we certainly hope that the Potash Corporation of Saskatchewan will be more successful in the future in creating markets outside of the U.S. Not that they shouldn't maintain the markets in the U.S., but I think we can see the folly of not having pursued in the last five years, aggressively, markets in the world. And now we find ourselves in a situation where our largest purchaser of potash is putting the screws to us, and we now have to find other markets.

As I said before, I congratulate the Potash Corporation of Saskatchewan. And as we have seen, Mr. Speaker, the government obviously doesn't want to take credit for it, because when I asked the minister responsible for Saskoil, she says, don't talk to me about it; I got nothing to do with that; you could have talked to Saskoil. So I assume that the government had nothing to do with this sale and that it was the Potash Corporation of Saskatchewan that is responsible.

Mr. Speaker, I will therefore give credit to the people of the Potash Corporation of Saskatchewan.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 37 — An Act to Amend the Urban Municipality Act, 1984

Hon. Mr. Klein: — Mr. Speaker, with leave, I'd like to move first reading of a Bill.

Mr. Speaker: — Would you please state the name of the Bill.

Leave granted.

Hon. Mr. Klein: — I would like to introduce a Bill, the first reading, An Act to amend The Urban Municipality Act, 1984.

Motion agreed to.

Leave granted.

Hon. Mr. Klein: — Mr. Speaker, I move first reading of a Bill, An Act to amend the Urban Municipality Act, 1984.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

MOTIONS

Composition of Public Accounts Committee

Hon. Mr. Berntson: — Mr. Speaker, before orders of the day, I'd like to move three motions, with leave, dealing with the make up of committees. The first one would be, with leave of the Assembly:

That the composition of the Public Accounts Committee be amended as follows:

- (a) by removing Mr. Gardner and Mr. Pickering from the committee and;
- (b) by adding Mr. Muirhead and Mr. Neudorf to the committee.

Leave granted.

Motion agreed to.

Composition of Non-controversial Bills Committee

Hon. Mr. Berntson: — Mr. Speaker, by leave of the Assembly, I move, seconded by the Minister of Justice:

That the composition of the Non-controversial Bills Committee be amended as follows:

- (a) by removing Mr. Martineau from the committee and;
- (b) by adding Mr. Gerich to the committee.

Leave granted.

Motion agreed to.

Composition of Crown Corporations Committee

Hon. Mr. Berntson: — Mr. Speaker, by leave of the Assembly, I move, seconded by the Minister of Justice:

That the composition of Crown Corporations Committee be amended as follows:

- (a) by removing Mr. Martineau, Mr. Muirhead, and Mr. Neudorf from the committee and;
- (b) by adding Mr. Pickering, Mr. Gardner, and Mr. Baker to the committee.

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.

Hon Mr. Hodgins: — Thank you, Mr. Speaker.

I had an opportunity yesterday to express my feelings on Bill No. 36, The Potash Resources Act, and I went on at fair length to express what the intent of the Bill is, so I, today, do not have an awful lot to say on the subject but I would like to perhaps just make a very short summary of what really the intent of Bill No. 36 is. And, Mr. Speaker, Bill No. 36 is a Bill to manage our resources; more specifically, a Bill to manage the vast potash resources that we have here in this province. Mr. Speaker, I think it is incumbent upon us as legislators to go ahead and manage those resources. I believe that the vast majority of people in the province of Saskatchewan would agree that it is our job, it is our duty, to manage those resources.

In fact, Mr. Speaker, we have a constitutional right enshrined in our constitution that says, yes, provinces can go ahead and manage those resources. This, Mr. Speaker, is precisely what this Bill is going to do, and I do hope that by now, that the members of the NDP party have had time to analyse the situation. Once again, Mr. Speaker, I invite them, I invite the members of the NDP party to stand up, to stand up and join us, and join us in this debate.

I do realize, Mr. Speaker, that the members of the NDP party at present do not have a leader, and I can sympathize that it is probably very difficult for them to join as a cohesive unit and take a stance on this issue. But, Mr. Speaker, in the interests of the people of Saskatchewan, in the interests of the potash industry of this province, I am asking, I am asking the members of the NDP party and at least one of them, at least one of them on the opposite side of the House, to stand up and take charge of your caucus.

Stand up and take charge and lead your caucus, and either join us in this debate, either join us in managing our resources, or stand up in this legislature here today and give us reasons why this Bill will not be effective. Stand up in this legislature today, or next week, and come forth, come forth with some solid, some solid suggestions as to what may be a better answer. But as yet, Mr. Speaker, we in the Legislative Assembly, the people of Saskatchewan have not heard any suggestions from the NDP whatsoever as to how we could better manage our resources.

So, Mr. Speaker, with that I will take my seat, and once again I do give the opportunity to the members of the

NDP party to stand up and join us, or at least to stand up and give us some alternatives. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrews: — Mr. Speaker, I would like to join in this debate and review what in fact has taken place in the potash industry and what has taken place by various governments across the piece that deal with potash, and why it is very important, I think, that we in this Assembly take a position in support of this bill and stand up for our people.

Mr. Speaker, if you look at the problem associated with potash, you go back to the mid- or late 1970s. At that point in time the so-called experts of the world would have us believe and advise that the demand for potash into the future, into the '80s and into the '90s, would increase and increase substantially. In 1980 the demand for potash was something like 27.4 million tonnes. They projected that would increase to well in excess of 35 and into 40 million tonnes into the 1980s and 1990s — the so-called experts.

As a result decisions were taken; because of that and because of other reasons, decisions were taken to expand capacity. That decision was taken to expand capacity within Saskatchewan and within other jurisdictions of the world so that we could meet this so-called demand. The results, however, five years and seven years later, is in fact the demand did not go up. The demand in fact stayed for the most part level, slightly less than what was purchased in 1980. And the result of that has been of course an over-supply of potash.

This is not a problem exclusive to potash. If you go back to the Club of Rome, they said the same thing about the production of agriculture products in the 1960s, that the world would not be able to feed itself. The world responded by increasing production, and now you have the problem you see in agriculture, not unlike what we saw in the oil industry of the 1970s. You must increase the production of oil because we're running out of oil. And what happened? We and many others went into a grand scheme of developing the oil in Hibernia, or the oil in the Beaufort sea, spent billions and billions of dollars only to find out that, quite frankly, the world was not running out of oil, and those investments were misguided.

The same thing applies to potash. For the person now looking at the potash situation, what we have in the world is four million tonnes a year more than the world is using or demanding — four million tonnes a year. And for the most part, what you are dealing with is a variety of places and locations in the world that supply potash. The largest producer of potash in the world is the Soviet Union and the East Germans, if you combine the two of them together. The second largest producer is Saskatchewan, followed significantly down the line, very significantly down the line, by countries like West Germany, France, Israel, Jordan, and of recent, New Brunswick. But each of those supply but 3 or 4 per cent of the world's production of potash.

So where do we find ourselves in a position? We find ourselves in the classic position, not unlike what our

wheat farmers find themselves in today. There is a limited market out there, and there's more product chasing that market than the market wants.

(1045)

And what is the result? The result is that the price drops. And the price continues to drop as everybody seeks to sell their product to the world. And at the end of the day that race to maintain market share, to sell your product, comes to the point where price is driven below what is reasonable and what is valid for the for the long-term stability of that industry. There is the problem we face today in the potash industry.

Now let's look at who the major competitors for Saskatchewan are. It's not the New Mexico mines. They produce such a small amount of the potash of the world that it's almost irrelevant. It's the Soviet Union, Israel, and Jordan, and included in the Soviet Union is the East Germans. Now each of those countries run by different economic rules than we do.

The Soviet Union are not concerned about do they have a job for a worker in the mine in the Soviet Union. Far from it. The salt mines of the Soviet Union are not seen as a prize job like they would be in Saskatchewan. What the Soviet Union looks for is a way by which they could earn foreign currency. So as a result what happens is that the Soviets and the East Germans and the Jordanians and Israelis sell their product into the world so they can earn more foreign currency.

That's the competition we face, not whether or not they show a profit, not whether or not there will be a job for their miner, but whether or not their government can earn that foreign currency. There is the problem that the world faces today — spot market mentality. You sell for today and don't worry about tomorrow, or don't worry about the future and the customer that you wish to serve not only today but next year and 10 years from now and 20 years from now.

Clearly we learned that in Saskatchewan when we first obtained the Chinese market for wheat. Our wheat farmers treat the Chinese as a very valued customer, and over the period of time, by treating them as a valid and valuable customer, they come back to buy our product because of our security of supply and because of the way we have treated them. And that must be done the same way in potash.

There is the problem that we all face and because we in Saskatchewan are leaders in the world. The Soviets use most of their potash within the Soviet Union. What they export is to be used to gain foreign currency, so it's Saskatchewan potash mines that are the largest exporter of product in the world. We are the major player. Put in another way, we are like Saudi Arabia is to OPEC (Organization of Petroleum Exporting Countries), the key swing producer, the key player. Therefore how we deal with the world problem in potash falls upon our shoulders as companies in Saskatchewan, as employees in Saskatchewan, and as legislators in Saskatchewan. That's the dilemma that we must face up to, and that's the leadership that the world is looking to us for.

So there's the world-wide situation which is clearly the problem. Superimpose that upon that world problem, Mr. Speaker, is the American situation. The Americans are but a small producer of potash. They can only produce less than 10 per cent of what they themselves could use, therefore they are not going to influence the market of the world by what they can produce. The U.S. industry is an old industry. The U.S. potash industry was significant in the early 1960s or before that. But those companies then said, we are running out of product – that was back in the 1960s – our mines will not be able to produce the demands for potash in the world. And they moved north to Saskatchewan and started to develop reserves that had been discovered here.

And over that period of time the New Mexico mines grew more and more and more obsolete. Ownership changed time after time after time to the point where there's now approximately 600 people employed producing potash out of mines that have at best five years more life, if you strip all the product out of it and all the ore out of it. So they are not a significant player, but they can disrupt the markets of the world.

And for why? The problem is in United States today protectionism is sweeping the country. They are saying the whole world deals unfairly with United States, and that the only trader in the world that is fair is the American. We reject that; we do not accept that, nor do most of the people of the world. There is the problem. What the American producer then does is say we will seek relief from this unfair competition by going to our system of dealing with foreign competition, which is our department of commerce through what is called an anti-dumping action.

There producers mount their attack, go to Washington, and say, these Canadian producers are selling at such a low price that they're losing money back home, and that they are injuring our producers in New Mexico. That's what they are saying. The unfortunate thing, Mr. Speaker, is this: the department of commerce and the American law, as it relates to anti-dumping, treats a company outside of United States different than a company inside United States. One, you cannot injure a U.S. company because the problem with the U.S. company or U.S. industry is that it's obsolete, it's in the winter of its mine, and that mine will close. That cannot be avoided because that is nature. The ore body is gone, the ore body is poor quality, and the mines are obsolete and do not have economies of scale.

They go to the U.S. Department of Commerce, and the U.S. Department of Commerce looks at the petition in the interests of the U.S. producer. And they assess dumping duties against our producers, not by the same test that they would judge their own companies, but by a different test. We have to meet far higher standards than would the New Mexico mine. U.S. Department of Commerce, I suggest, in some way responding to this growing protectionism in United States, come down with what I think are misguided and unfair preliminary dumping duties against our companies.

But what is the impact or the result of those particular dumping duties? They, in our judgement, sit and

determine which of our companies in Saskatchewan are going to be assessed what duty. In effect, what the Department of Commerce is saying is we, the American government, the American Department of Commerce, will decide which mine in Saskatchewan will produce more and which one will produce less. That is what is fundamentally at issue in this particular Bill.

The question, Mr. Speaker, that we must deal with as legislators, while it is fundamentally important that we protect our jobs of our workers, that we protect a fundamental industry of this province – what is at issue here as well, and more fundamental, is that we protect our resource. And in so protecting our resource, we protect the very sovereignty of this province. That is what is at stake, and that is not something that we on this side of the House have somehow invented. And it's not something new, and it's not something that leaders in this Assembly, sitting in this very legislature, have not fought for before.

Go back to the beginning of time. In the history of this legislature, the issue has reoccurred over and over again – whether it was Tommy Douglas, whether it was Ross Thatcher, whether it was Allan Blakeney, or whether it's the present Premier. They have all faced that same question. And that question is simply this: will it be the United States government that determines how we produce and manage our resource in this province? Will it be the Department of Commerce that says, IMC (International Minerals and Chemical Corporation), you can produce this much; potash corporation, you can produce this much less; and Noranda, you can produce that much less?

Think about the implications of what they are doing. Do we own our resource in this province? That is what is at issue, and it's no different than the battle that this province fought in the '70s over the ownership of oil, or the battle over potash in '60s, or the battle over anything else back to the history of our province. That is what is at issue.

Now this is not a partisan political argument. All political parties have stood on that very firm and fundamental ground from the beginning of the history of our province – and they must. To do something else, can you imagine what the results would be? Can you imagine the people who own the resource of this province, one, conceding the management of that resource to Pierre Trudeau in the 1970s? Can you imagine a government that said, you have it, you run it, you control it? The people would run them out of town on the rails. And if it's fundamental that we do not let central Canada and Ottawa control our resources of oil, surely it is 10 times worse to let a foreign country come in and say, we will control and determine the rate of production and where that production will be in our province – fundamental, Mr. Speaker. It is fundamental to what this Bill is about and what this Bill stands for.

Here's what could happen. If some company, the way the anti-dumping action has come down . . . here's the result: one company has 9 per cent dumping tariff; one has 17, another has 36, another 52, and another 85 – 60 per cent of our product goes into the United States. How can a

company that pays 85 cents on the dollar tariff to the U.S. treasury compete against a company that is paying 9 cents a hundred on each tonne of potash to the U.S. treasury? How can you expect those two companies to compete? Obviously you cannot.

And what would be the result? The result would be, those that have a lower tariff established not within the boundaries of this province but in some other country, those with a lower tariff expand and increase their production. Increase and expand their mines at the expense of who? At the expense of the worker who works in another mine that the Americans have saw fit to put a higher tariff on.

And we should stand by as legislators and let that happen? Or we should stand by and in effect lose control or our ability to manage our resource, not only for us today but for our children and their children into the future? That is what is at stake here, Mr. Speaker, and that is what this legislature must deal with, and that is what this Bill deals with.

Mr. Speaker, what we are seeing today . . . And let me talk on a side issue on this particular case, and that is the whole question of protectionism because that's really what we're talking about.

Well it is fundamental for us to stand on our principle of ownership of resource, our ability to manage the resource and the sovereignty of this province – that is so fundamental. Let's look at the fallacy of the U.S. argument and the U.S. action. What have they done? They have said, we are going to protect the resource producers of New Mexico who we have seen, and, they readily admit, are obsolete and about to close down with five years.

(1100)

What have they done? They have said, we are going to protect these mines because somebody is injuring them. Mother Nature is injuring them, Mr. Speaker, not us. But what are they doing? They are saying, we are going to put barriers up for the export or the import of potash into the United States. But barriers to who – barriers to the Soviet Union? No. Barriers to Israel? No. Or to Jordan or to West Germany? No. Barriers to Canada, because we export the largest amount of product into the United States.

So they protect 600 jobs – artificial rules – but what is the result of that action? The result of that action is very simple. It will raise the price of potash to the U.S. consumer. And if the average is 38 per cent, and the market share shakes out, one would have to assume that the price to the U.S. consumer would go up at least 38 per cent.

So now what have the Americans done to themselves, Mr. Speaker? What have they done to themselves? They have helped an obsolete mine go out of business sooner, because they will produce more. They have saved 600 jobs, and they've impacted 250,000 of their own farmers to make the cost of farming more expensive in a world where their farmers are no different than our farmers, and have a difficult time making ends meet.

Now that is the wisdom of what the Americans have done. So how then do we, and are we, to respond? We could respond by saying, we will do nothing. That's the advice we get from the members opposite – do nothing. Or they say, go hire a lawyer. Well I can assure you, Mr. Speaker, we're hired many lawyers, and they're expensive, but you have to do it because you're defending something that's fundamental to what we are and what we believe in, and what our sovereignty is as a province. That is what we have done.

Or they say, Mr. Speaker, you people – you're only a provincial government – you shouldn't be involved in this; give it over to the feds to do, and let the feds deal with Washington. What does that say, Mr. Speaker? That says, let's rely upon the federal government to protect the resources of Saskatchewan. Now I couldn't believe that coming from the members opposite and from the member from Riversdale because he was in government the very time that western Canada fought Trudeau to have control of the very resources we are once again defending today. So somehow we should say, give it over to the feds and let the feds look after us.

Mr. Speaker, this issue falls four-square in the Assembly of this province, and I believe one who would argue any other way but for this legislature to deal with this question would be abdicating his responsibility as an elected person of our province. And anyone to do that would, I believe, be very short-sighted, be driven by some short-term political point that they would seek to score at the expense of the very basis of what we are as a province. And the members opposite would have a say as well. This just proves why you should not trade with the Americans. This just proves why we want no truck nor trade with any kind of a trade negotiation with United States.

Mr. Speaker, how absurd. How can a potash worker be served by us saying to the Americans, we don't want to trade with you, when 60 per cent of our product is sold to them? How can a uranium miner be better served by saying to the American, we don't want to trade with you, when we supply one-third of their entire needs? How can a Saskatchewan cattleman be well served by saying, Americans, we don't want to ship our red meat down to your market? How could we be better served?

Mr. Speaker, and that is what is fundamentally at issue in these trade negotiations. Do we have access to that market or do we not? And that is the rule and that is the fundamental thing that we have stood for in the trade negotiations. We must have access as an economy to that very large and vast market down there, number one.

But we've said something else that is so fundamental to this as well, and that is, we agree there should be rules established as to what is fair and what is not fair trade. But those rules should not be controlled totally by the Americans; they must be controlled jointly by Canada and the United States.

To do otherwise, Mr. Speaker, what do we face? To do otherwise, we face the same problem we have today, that the American system will determine who produces what. The American system will tell us who is dealing fairly and who is not dealing fairly, not ourselves, Mr. Speaker. And

those are the two fundamental and most important issues.

So let me in summary say to the members and to all the members of this Assembly: this issue rises above partisan and petty politics – rises above it, Mr. Speaker. What is at issue is sovereignty – sovereignty of this province. That's number one. What is at issue is who will manage the resources of this province. That's number two. Number three, who and how do we approach our trading partners to bring sanity to the world, whether it's in potash or uranium or red meat or government products of any kind? And that is also at issue here. Number four, Mr. Speaker, we were prepared to take a strong stand against the Americans. The Americans are our best customer. But at some point in time if they push too hard, you must stand your ground, and you must stand your ground on fundamental principle.

And, Mr. Speaker, we also must stand for the 3,800 people that work in our mines, whose livelihood depends upon how we as a province deal with this. I say to the members opposite, to the NDP members opposite, stand in this House and support this legislation. Petty politics aside, and that passes, stand in this House. I say to the members opposite . . . and defend the fundamental principles of our province. Stand and look farther ahead than tomorrow. Look beyond the simple pettiness of what you're dealing with.

Mr. Speaker, this is fundamental legislation, dealing with fundamental principles that this legislature has stood for for almost a hundred years. And, Mr. Speaker, to not stand on this legislation on second reading, dealing with the principle, Mr. Speaker, the principle of what we're doing – and that's what second reading is about: the principle – for the members opposite not to support this legislation is tantamount to them saying, there is no principle to the question of sovereignty; there's no principle to the question of who is going to manage our resources. That is what this debate in second reading is about – always has been; that is what the rules of this Assembly are.

The members opposite must stand when the vote is called in second reading, Mr. Speaker, and vote with this Bill. They must vote in favour of this Bill. To do otherwise, Mr. Speaker, is to vote against sovereignty and to vote against who is going to manage the resources – two of the most fundamental issues that governments stand for.

I challenge the members opposite, Mr. Speaker, to take their place, to take their place, to state their position, and when the vote comes, to stand and vote with this government and vote with principles that this province was built on and this province will go forward on. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — Thank you, Mr. Speaker. It's always a pleasure to rise to speak in this House.

Bill 36, An Act Respecting the Potash Resources of Saskatchewan, is an important piece of legislation, Mr. Speaker. I welcome the opportunity to speak on this Bill. What is at stake, is at stake here is the very future of the potash industry, Mr. Speaker. The Minister of Energy and

Mines introduced Bill 36 in this legislature to protect the future of the potash industry in this province. That is the primary objective of the Progressive Conservative government – to protect the potash industry.

The Potash Resources Act will protect jobs, the jobs of over 3,000, Mr. Speaker, workers whose . . . those who work in jobs dependent on this industry. The Potash Resources Act will protect revenue and investment – the revenue from future sales of potash and the millions of dollars of investment in this industry. The most important . . . The Potash Resources Act will provide for the management of the province's potash resources to maintain a viable potash industry in Saskatchewan.

Mr. Speaker, to participate in this debate on Bill 36 it provides me with the opportunity to point out the clear differences between the Progressive Conservative government and the NDP opposition with respect to the potash industry.

The NDP opposition takes the position that this government should lobby the American government in Washington. That is a very simple approach to a very complex problem. In reports in the press I note that the officials from the U.S. Department of Commerce state that lobbying would have no impact whatsoever. At a time when the very future of Saskatchewan's potash industry is at stake, the opposition wants to lobby. Quite frankly, that sums up the whole attitude of the members opposite.

So, Mr. Speaker, I believe it would serve a purpose to remind the legislature of some important facts with respect to the potash industry in this province. World economic conditions are such that Saskatchewan potash sales have declined seriously over the past few years. Our potash sales to the United States have declined by almost 20 per cent since 1980. Government revenues have gone from 280 million in 1980 to just 37 million in 1986. These cold, hard facts show how serious the crisis in the potash industry really are.

That is why, at this point in time, decisive and firm actions are necessary. That is what Bill 36 will accomplish once it is passed by this legislature. As has been pointed out by the Minister of Energy and Mines, this legislation will apply to all potash resources in Saskatchewan. And I should point out that Saskatchewan has a constitutional right to protect those resources, according to legal experts.

Mr. Speaker, I've very surprised that the opposition has chosen to speak against Bill 36. In 1975, Mr. Speaker, they told the people of Saskatchewan that the potash belonged to the people and should be state-owned. They said it very clearly 12 years ago in this legislature that it should be a state-owned industry. Now in 1987 the NDP refuses to support a piece of legislation that would protect our potash resources and industry. Quite frankly, I fail to understand their reasons for not wanting to stand up in defence of the resources.

Mr. Speaker, could it be the opposition does not have the honour and principle to admit that Bill 36 is a good piece of legislation designed in the best interests of

Saskatchewan?

Mr. Speaker, I was in opposition for four years, and many good pieces of legislation did come in to this legislature by the government opposite, and we supported it, Mr. Speaker. We would support good legislation.

And I notice from 1982, Mr. Speaker, to 1986, that when we brought in good legislation, the members were supporting it, like the gas tax, that 8 per cent money for farmers, they had to stand up and vote. But they found out that didn't bring them to this side of the House, so they've tried a new concept, Mr. Speaker. And the new concept is to vote against everything that this government brings forth, whether it's right for the people of Saskatchewan or whether it's wrong. They just decide to go against. That's the principles, Mr. Speaker, of the members opposite is to be against everything that this government bring down regardless of whether they even think it's good or bad.

(1115)

There must be a future management of this resource. That is why the Bill contains provision to regulate the potash industry in this province. The volume of potash mined in Saskatchewan must be controlled, Mr. Speaker, otherwise we shall see ever increasing over the supply. All of these actions will put stability and order in the industry.

Without this legislation, mine closing and job loses would be a certainty. Who amongst us would want to see mines close and people lose their jobs? On the weekend, Mr. Speaker, I contacted as many workers from the mines in my constituency that I possibly could get a hold of. And they were very, very surprised, Mr. Speaker, that this government brought forth the legislation that we are, but very pleased — and are very disappointed with the members opposite who thought . . . they thought they could depend on.

An Hon. Member: — For what?

Mr. Muirhead: — Yes, and for what, Mr. Speaker? Protection of the potash industry is a priority of this government. Saving the jobs of the workers is a priority of this government, and keeping the industry viable is a priority of this government. The immediate problem at hand is the ruling by the U.S. Department of Commerce, as a result of the representations by the New Mexico potash industry. All agree the U.S. commerce department ruling is a protectionist action. Protectionism does not deal in fairness or the free market. Protectionism is economic warfare. And the province of Saskatchewan must act in a strong and decisive way to protectionism, and I believe this government is showing leadership and strength in standing up for Saskatchewan.

Mr. Speaker, the premiers of the other provinces of Canada support the Government of Saskatchewan's position with respect to Bill 36. The federal government in Ottawa supports Saskatchewan defending the industry, and I am confident that most Saskatchewan people would see the need for Bill 36.

We are talking about a resource industry that is very much

a key part of our provincial economy. That is why Saskatchewan must show leadership in defending the industry, Mr. Speaker, and for those who think this action is not effective, I should like to point out that the vice-president of the National Corn Growers Association in the United States was interviewed by the CBC — the American National Corn Growers Association says the U.S. agriculture interests will not go for higher fertilizer cost. They say Saskatchewan's strategy is very, very effective. These same people representing thousands of American farmers will put pressure on the U.S. government.

Mr. Speaker, farmers in major American farm sites . . . farm states like Iowa, Kansas, and Illinois will see the price for their fertilizer increase. American farm leaders will point out that the actions of the U.S. government in putting severe duties on Saskatchewan potash is going to hurt American farmers. Mr. Allen Tank, the vice-president of the American corn growers association said, and I quote, "Premier Devine realizes that his best allies are going to be the American farmers in this issue."

Mr. Speaker, I note from *Hansard* of August 26, the Leader of the Opposition said, and I quote: "... our best ally in this case . . . will be the U.S. farm lobby . . ." Well, Mr. Speaker, those were the words of the Leader of the Opposition. Now I note the NDP opposition is speaking against Bill 36, the very Bill that has got the U.S. farm lobby on our side.

On August 26, the NDP was saying, our best ally will be the U.S. farm lobby. Mr. Speaker, the reason why the U.S. farm lobby is standing on the side of Saskatchewan is because of Bill 36, yet the NDP speaks against Bill 36. So one obviously has to ask this question: why is the NDP opposed to Bill 36 when it is the reason large American farm groups have allied with Saskatchewan?

But, Mr. Speaker, we know that the members opposite do not understand the farming crisis in North American, not just Saskatchewan, all North America. They don't understand, and you'd almost think, Mr. Speaker, that they don't care.

Bill 36 is very crucial in putting pressure on the American government to reverse the U.S. commerce department decisions about Saskatchewan potash. Time and time again government speakers in support of Bill 36 have emphasized how crucial this legislation is for the industry. In fact, that powerful farm organizations in the United States see the logic in supporting Saskatchewan is a compelling reason for us to pass Bill 36.

Indeed, I am pleased with the immediate impact of Bill 36 as part of this government's efforts to defend the industry. Bill 36 will have significant effect in our efforts to protect the long-range future of the development of potash in our province. It is a well-constructed piece of legislation that this government can be proud of, Mr. Speaker. The merits of Bill 36 are obvious. If we as a province have a genuine desire to protect the industry, then we must pass this Bill. To suggest otherwise would be to invite economic ruin for the potash mines and those who depend on mining for their living.

That is the message I'm hearing from the constituents who I've been in contact with. The people in my constituency want this government to do everything within its powers to protect the industry and our resources. The Progressive Conservative government of this province is determined to take positive measures to protect this vital industry. Bill 36 is an exercise in leadership.

I am confident the economic future for potash mining will be as bright as the result of Bill 36. We on this side of the legislature see it as a part of building Saskatchewan. I would suggest that the potash resources of Saskatchewan will hold this province in good stead in future years because of the actions of this government. I congratulate the Premier, the Minister of Energy and Mines, and the government for its leadership in defending our industry.

Mr. Speaker, in closing I urge all members of this legislature to do what's right for the province of Saskatchewan and vote together and be unanimous so it'll have far more impact. And I thank you very much, Mr. Speaker, for the privilege of stating my views. Thank you.

Some Hon. Members: Hear, hear!

Mr. Martens: — Thank you, Mr. Speaker. I'm going to deal with the issue of potash in a number of ways. And one of the ways I'm going to deal with, as the Minister of Justice did, on the matter of sovereignty and the responsibility we have and, Mr. Speaker, the sovereignty that we have in this province in dealing with our resources as given to us in the BNA Act and in the charter, and jobs, and stabilizing the resource sector of our province.

My purpose for entering this debate is because I wish to be on record, Mr. Speaker, supporting the protection of our potash industry. The members opposite say that we're filibustering our Bill. Mr. Speaker, what we're doing is, we're clearly establishing the perspective to which we want to deal with the aspects of the potash industry. And I believe, Mr. Speaker, that is our responsibility — not only our responsibility, but our privilege — to deal with it as legislators when a . . . not an opportunity, when actions are placed against the Assembly and against the people of the province of Saskatchewan.

The Potash Resources Act of Saskatchewan will be effective in protecting the future of the industry. During the course of the debate on this Bill we have heard very good reasons why The Potash Resources Act of Saskatchewan is a timely and necessary piece of legislation. I'd like the following questions: who would like to see the potash mines closed? Who would like to see over 3,000 potash workers lose their job? Who would like to see the millions of dollars of investment in the potash industry lost or eroded more?

Every member of this legislature knows the answer. There is no one in Saskatchewan who would want to see these kinds of things happen to the potash industry. And that is why we, in this Assembly, and as government of the province, have introduced this Bill into the Assembly; to deal with the aspect of resource management, which is not too much different than some of the other sectors of the resources that we've got in this province.

During the course of debate on this Bill I have heard opposition members raise questions which I feel must be addressed. One very important question is whether or not this piece of legislation is constitutional. I have every confidence that this government is on solid constitutional ground when it comes to the potash resource and this Act. The Minister of Energy and the Minister of Justice have both indicated that Saskatchewan is acting within its constitutional authority in introducing this legislation.

And, Mr. Speaker, the member from Quill Lakes, who has a potash mine in his constituency, should be very precise in what he says in this legislature because the people in his constituency have probably a view of their own, and it probably is different than his in relating to the potash industry. And if he has the courage, he should probably be addressing the issue here in this Assembly today.

Obviously anyone could challenge an action or a court. Any court could choose to decide that they . . . or any person could choose that he wanted to take an Act to the court and deal with it on a court basis, but I doubt whether there will be any challenge in this matter. In challenging a piece of legislation such as The Potash Resources Act, they would not be acting in the best interests of Saskatchewan.

Another matter raised by the opposition is the fact that this legislation is the matter in relation to the trade with the United States. It is very apparent that farmers in the farm states like Iowa, Kansas, Nebraska, many others, Idaho — I have a member of my constituency who markets potash into the state of Idaho — will have serious problems as it relates to the higher prices.

And, Mr. Speaker, we have three things that we want to deal with in this discussion: sovereignty, jobs, and the stability of the resource — jobs in Saskatchewan as it relates to a primary production like mining, and production of a resource and manufacturing a resource that is used by the farmers in United States.

And it's expected, Mr. Speaker, that the increased cost to the producers in the United States is roughly going to be 10 cents a bushel for every bushel of production. In the corn producing states in Iowa and Nebraska and all along the Mississippi River, those farmers who generally produce about 150 per acre on their corn will roughly have to pay an additional \$15 an acre to have the freedom to bring potash into United States.

And the Minister of Justice outlined very precisely some of the problems that were involved in this in the international trade aspect. The problems deal with the international market as it relates to currency. The American potash industry is in serious trouble in dealing with its mines; it hasn't the volume to produce; it hasn't the equipment to produce the potash required. In fact, Mr. Speaker, the volume of potash in United States can hardly be supplied by those people who have investments in other countries of the world and if they want to put it into United States. It can hardly be done.

And therefore, Mr. Speaker, the action of the U.S. commerce of trade ruling on this matter is going to cause

an increased cost to those producers in United States. And what it in fact will do, Mr. Speaker, is it will transfer the funding that the U.S. treasury made available to the farmers in United States, it will transfer that funding through the U.S. farm Bill and through the reduction of their acreage and production. It will move that funding from those producers into the international market-place.

The people who produce that potash will get the benefits of all those increases in deficiency payments that the United States government is going to have to pay those farmers to compensate for this. And what will happen, Mr. Speaker, another thing that will happen, the farmers who are going to be required to pay more because of the prices that are going to be increased in the next few weeks, because of this tariff, are going to go into the state of New Mexico. And they are going to go into a non-agricultural state, and I would say that the American farmers are not going to tolerate that.

(1130)

I believe that it is very important for us not only to discuss it but also to realize that we have to deal with this aspect on an international basis.

I believe that American producers will put up a significant response to the politicians and the administration in Washington on this in this area. I am confident that the farm lobby in United States, as it gears up, will also be able to place some emphasis in the matter to the American public and also the administration. It amazes me that the opposition has not come forward with a positive criticism, or a positive statement, as it relates to suggestion. And they say, for example, that we should go through the external affairs department in Ottawa. Mr. Speaker, the Minister of Justice outlined for us earlier a very clear and important point in dealing with the relationship of the provinces to Ottawa, as it relates to resources.

Mr. Speaker, we were given the responsibility in 1930 or '31 through the BNA (British North America) Act, a revision in the BNA Act or an amendment to it, that we had the responsibility to manage, to deal with the resources that we have, the natural resources in our province. Mr. Speaker, that was a major, major change in the view of the federal government in this country. And that, Mr. Speaker, is the reason why we, as legislators in this Assembly, have not only the right but we have the responsibility to deal with the aspects of our resource management. And I believe that to say that we should go to Ottawa and say: look it, you guys do this for us, I think that is shirking our responsibility, and I think it is also – not that we don't want their help and, Mr. Speaker, they probably will be doing that – but I would say that it is reducing our responsibility if we require that they be the agency of record in dealing with this problem that we have.

Dealing with Ottawa is not the solution. It is an asset, but not the solution. Mr. Speaker, the opposition says, make representation to the President of the United States. Our Premier and this government have from time to time in the past year and a half, as it relates to the trade discussion, been visiting with the farmers of United

States, with the state governors in United States; it has been dealing in many ways with the various aspects as it relates to the governments in the United States.

And, Mr. Speaker, I believe that that is very important. And why has that opportunity at this time presented itself to the people of Saskatchewan, where our Premier can go to United States and visit with those people? Mr. Speaker, it was done as a part of the trade negotiations with United States. Mr. Speaker, our Premier is co-chairman with agriculture issues as it relates to the trade talks. And these are very important times and very important issues as it relates to Saskatchewan, because potash is a fertilizer used for agriculture.

And I believe, Mr. Speaker, that our Premier has done this, and done this very well. Their comments are not original because we have already been doing that. We have been speaking to different groups and associations down there. And I noticed in the news, in the papers, that the American farm lobby groups are beginning to respond, and I think they will be coming on our side in this issue.

What it says about the opposition, Mr. Speaker, is that really their lack of interest in this issue is being demonstrated by their quietness. Their counterparts . . . and maybe they don't really understand the issue, although some of them probably do – but they are split on this. Here in Saskatchewan we really don't know what their position is, but we do in Ottawa.

In Ottawa they say, don't sell anything to United States – don't sell anything to United States. Well, Mr. Speaker, what do their members of parliament that they have here in Saskatchewan, do they stand up and say don't sell anything, when the potash mines in their constituencies are going to go to pieces when they're shut down? And you have to be very clear on this, that when a potash mine does shut down, it literally rusts to pieces because of the salt component and all of the things related to that. It must continue to operate.

Their members of parliament are saying, embargo – where 80 per cent of our potash goes. I think that is rather foolish, Mr. Speaker. And here is where the foolishness comes to play. Because they say shut them down, who will the biggest area of negative response come to? It will come to the Potash Corporation of Saskatchewan. They'll be the second largest; the largest will be Central Canada Potash because they have a tariff of 85 per cent and we have a 52. Who will be the biggest beneficiaries are those people who have the 9 per cent tariff.

And I think, Mr. Speaker, here we have, clearly in my mind, a very interesting concept in this position that the United States government has taken in relation to this, and that they have spread this tariff or this requirement that we buy a bond for 85 per cent, 50 per cent, 48 per cent and 9 per cent, that they have made those variables. And I think that that, Mr. Speaker, is wrong. They said, you're worse than he is. Then they said that all the other international markets, that doesn't bother them at all. I think that that's wrong.

It flies in the very face of some of the things that the United

States people there believe in. They believe in open competition, and I believe that we have to put this rationale and the reasoning behind what we're doing before the public in United States. I believe this is only one way, and there are going to be others.

We have heard from the various people that protectionism is a part of what the United States is trying to say that they're doing in relation to Canada and other countries in the world, and their response to this protectionist feeling that they have is very typical of what the NDP have on the other side of the House. They believe in setting up a wall around themselves, and we will be a society to ourselves.

And really United States is doing that in a very real way when it comes to many of their agriculture products. They did that to our uranium. They've done that to our potash. They've done that to some aspects of marketing ham . . . or pork, live pork, into United States. They have done that in considerable amount of areas. And what they have done, Mr. Speaker, is this. They have said, we will build a wall around ourselves to protect our farmers. And what it really does, Mr. Speaker, is that that wall comes tumbling down because it isn't built on a reasonable kind of a foundation.

International trade is the best method that you can have to give the customer and the producer the greatest amount of advantage. And here is where we come into a very important aspect as it relates to potash. United States is the world's largest producer of grain. And what have they done as it relates to grain in the international market? They said, you buy one bushel, we'll give you another one. And have we ever done that as it relates to potash? Never, Mr. Speaker. They say we're dumping into United States. But what are they doing on the international wheat market? They say, you buy one bushel, we'll give you another one. And that's what they're doing in the international trade market.

Mr. Speaker, they're not even beginning to think about the actions they're taking on one hand, and the thing that they're doing on the other. And I believe, Mr. Speaker, that that is what we must clearly make them understand. And why it's a problem today is because of the way their mechanism works, and that is why trade negotiations with Canada and United States are very imperative. And they are imperative because the mechanism works for individual, isolated instances in United States as it relates particularly to potash in New Mexico, and it's a negative impact on their producers in other states, so other states will have to pay for that extra cost. And it gives the international market-place a negative impact.

And that impact comes into Canada, and we in Canada have no recourse to the international market for them dumping their wheat. That's part of the complexity of this trade discussion that we have to rationalize within in our system. That's why it's important for us to have a system where we can deal with the United States, because this proves that it's necessary to have it. Because we need to have a mechanism in this country in order to respond to that, and we don't.

And if you want to use another example of the thing that

I'm talking about, we'll use beef moving in from the European Economic Community. Beef moved into Canada from Ireland, from Denmark, and various other Scandinavian countries, and it moved in here, and what happened? Mr. Speaker, they paid a high price for it. They lowered the price; they moved it into the Canadian market at way below the cost it was to produce, and way below the cost it was to provide the funding for the producers there. And we in Canada had no mechanism to stop that.

And that is why it is necessary for us to begin to negotiate a trade relationship with the people we do a lot of trading with, and especially when we are in a position, as we are in potash, and they are on the international grain market, where they provide the high volume, where the capability is there to produce those volumes. And we in Saskatchewan, for example, have huge volumes in potash. We have tremendous volumes of potash, just like they have tremendous volumes of grains and various things like that. And we need to have a mechanism whereby we can say, in Canada, these are problems that are arising because of the inconsistencies on your side of the border, and we are trying to deal with the ones on our side.

That, Mr. Speaker, is why we have to deal with the protectionist attitudes that are down there. And we cannot live in isolation, and that's what protectionism does. And I believe that it's not only wrong, but it's not good for us.

I believe that this Act, The Potash Resources Act, is a responsible Bill that sets out a responsible course of action. We must protect our potash industry — for what? I have outlined some of the things — sovereignty, but we also have to do it to protect some jobs.

We have in this province a large number of people who work in these mines and, Mr. Speaker, I've been in one of them, and I don't live in a community that has the potash mine, but I do know that the kinds of volumes of the economic impact that they have in Saskatchewan are tremendous. And that's why it's important for us, as a government, not only to put this Bill into place but to place before the people of the province the perspective that it has in the international market, and also in what it provides for us as jobs. And you know what it does, Mr. Speaker, because one of those mines is in your constituency.

The objectives of the Bill we are debating in the legislature are — there are a number of them, but some of them I have already addressed. Let us look at the facts as they pertain to the potash industry. World market for potash is very depressed at this time. That has meant that potash sales have been down, sales have been down for American potash . . . for the American potash industry, too. That is why the American potash producers use protectionist action against Canada and against this province. That is the reality of the situation; we can't sit and ignore such a serious economic crisis.

That is why this government has to show some leadership in introducing this Bill. It is the only way we can truly protect our province and the potash industry, and I'm sure

every member here understands that.

In the past, we as a government have made every effort to conduct trading issues in fairness and good will, and I have spoken to some extent about that. We have to, Mr. Speaker, deal with this in a very precise way because we are dealing with huge volumes of production, with people's lives, and the stability of the industry.

(1145)

One could honestly say that goodwill has been forthcoming in the past from our American trading partners on various issues, and I'll use the auto pact that we have with the United States – a very fundamental, original agreement that was worked out with the American people and the Canadian people in the industry. And why? Because they had problems with it. And the same formula needs to exist between other areas of trade that we have with United States, and potash is one of them. And, Mr. Speaker, that's what we have to begin to do. And that's why it's important; that's why it was important for the leader of the United Auto Workers union to have that auto pact in place. It was.

But what we're having, and what we're seeing, is that he doesn't want to give the rest of the trading relationships that we have with United States, as a part of a united way of trading with the people who supply some of the highest volumes of benefit in a trade impact, both here and in the United States. What happens? We find ourselves in a hostile situation. The people in New Mexico want to begin to interfere in the resource management that we have, and suddenly we find ourselves in a situation that doesn't seem fair, and neither does it provide a lot of good will.

No one can be so naïve to think that pleading or weak measures will save our potash industry. It is simply not the case. We must take strong and decisive action, and that is what The Potash Resources Act is all about. At the same time we must look down the road into the future and be prepared to protect our potash industry from future threats. The Potash Resources Act makes provisions for managing the industry, and I believe it does it in an effective way.

I am proud of this government, that it has the vision to take such action on behalf of our province. It is a well-known fact that in the past the Government of Saskatchewan has come to expect revenue from the potash resources to increase the financial provincial government income. And what do these resources help do? For a time they helped us pay for education, for health care, for many of the services that we ask the government to provide for us.

And what has happened in the last few years? Mr. Speaker, the farm income has gone down, and in proportion, the volume of fertilizer used has gone down, and in proportion, the income has gone down, and that's why it's important for us to take some steps here in relation to this. What happened in good times in agriculture? The potash industry assisted, providing economic benefits to the people of Saskatchewan. Naturally, it is our hope that in future years potash will again begin to bolster our provincial revenues.

We count on potash, in the good years, and now, in the bad times for the potash industry, we must stand behind it and protect it, because in protecting the potash industry we are protecting jobs, our economy, our province, and our way of life. The Potash Resources Act goes a long way towards the goal of building potash resources in the future. If we are to count on potash resources in the future, there must be stability. And we can only establish stability through the structures that will be put into place in The Potash Resources Act.

Opposition members can talk all they want about their views on this Bill, but in the end they have to admit that the decisive action is what is needed to protect our industry, and also to protect our investment, not only in finances, which they did, but in the jobs that are related to the industry. And that is why, Mr. Speaker, I am going to be supporting this Bill.

Governments have a moral responsibility to act in the best interests of the public and in supporting our investment, in supporting the people who work in these mines – the people who have taken the time to make this investment. And I believe that our government needs to be encouraged and even congratulated on the fact that they have taken the interests of the people of Saskatchewan to heart.

The Minister of Energy and Mines recently said, and I quote: "We can no longer allow the current situation to continue if we are to maintain a viable potash industry in Saskatchewan." And I agree with her. It should be noted that the potash industry's spokesmen have congratulated the Minister of Energy for her leadership on behalf of the industry. And I would say, Mr. Speaker, that some of them may not altogether agree that it is the most important thing that ever happened to them. However, under the circumstances I don't believe that any of them can say that it was the bad thing to do. And I would say that that's what we have to consider – we have to consider all of the aspects of the potash industry.

The past couple of weeks have been tough weeks for our province, the potash industry, and all through it the Minister of Energy and Mines has demonstrated leadership in this crisis. This government has had the courage and conviction to do what is right in protecting the potash industry, and I am proud of that fact.

Mr. Speaker, it would have been easy to say, too, the situation was beyond our control and not had any suggestions for improvement. It would have been easy to send off a few letters of protest, and one to the governor of this state and one to the governor of that, and then sit and wait for them to respond. And what would happen from that? – nothing, Mr. Speaker, absolutely nothing. But I think it's our responsibility to do the things that we're doing in this case. It takes leadership to introduce a Bill like The Potash Resources Act; it takes courage, and I believe that we can build on our resources to make a better Saskatchewan. And that is what this government is doing; that is why we'll support The Potash Resources Act.

I want to be able to tell my constituents I stand firmly in support of protecting the future of our mines. In future

years I want to be able to tell my constituents that I stood up for the industry, not only the industry but the people who work there, and I want to be able to do that.

I am very positive, Mr. Speaker, very positive that we would not be in this situation today if the individuals on that side of the House who were in government then would have been responsible in their actions at that time. And I think that is why we are where we are today, and I believe that very, very firmly.

I've talked about sovereignty, Mr. Speaker, in resource management. We have to know what we're doing. I want to say one other thing about sovereignty; we have to begin to say to those people who are dealing with this resource, as they're putting pressure on us from outside, that we as the legislature of Saskatchewan will stand for the industry. And at one time I recall the Premier saying that he would put the Government of Saskatchewan up, so that the people of the province could continue to farm. And here he is doing exactly the same thing. Through the Minister of Energy he is saying to the people of Saskatchewan and to the world: you cannot do that to our industry; you can't do that, and you won't do that. And what we're saying is that we will, through this Bill, control our industry and manage the resource.

This legislature is responsible for the natural resources we have here: the oil, the potash, uranium – all of the natural resources – water. We have to deal with this because we in Saskatchewan have been given that responsibility by Ottawa to defend it here, and we will.

Now the jobs. Three thousand people plus have an opportunity to have their jobs just thrown out the window. And that's not a very pleasant thing to think about, and that, Mr. Speaker, is why this government is taking seriously their responsibility to deal with it in the best way we possibly can.

Stability. What kind of economic impact do high and low cycles in an industry have? What kind of impact do they have? Well, Mr. Speaker, I believe that those high and low fluctuations in the market-place – whether it's potash, whether it's wheat, whether it's livestock, or whatever – the biggest beneficiaries of those high and low variables and the fluctuation in the market-place are those people who have the least invested in it. They're not the people who work in those potash mines. In high and low fluctuations the beneficiaries are not the people who work in the mines, they are not the people who own them, but in the traders. And I believe, Mr. Speaker, that in order to supply some stability, we will provide stability to the work place, to the industry, and I believe that that's important.

The other aspect – and then I will be closing with that – the other aspect that I think is important, and that is the trade issue as it relates to the potash industry. I believe that the United States is acting very improperly in this matter, and that is being very kind to them. But they are not dealing fairly with us. They are not dealing fairly with us for a number of reasons.

And as I've been . . . in viewing some of the reactions that they've had in the last while as it relates to the softwood lumber industry, as it relates to uranium, and as it relates to potash, I believe that we have some of the things that they talk about in their countervail and dumping and tariffs and subsidies and all of their discussion as it relates to trade. They're not viewing some of the important things that they consider important for themselves as it relates to Canada. They're saying, these are important for me, but those same facts that are important for me over in south of the border are not the same facts that want to relate to the things that are important north of the border.

And I'm going to relate to the high volumes of grain they have in the United States, and they dump it all over the world. They dump it, Mr. Speaker. They sell their wheat for a bushel, and we'll give you one. And we have never, never done that in United States with our potash. Never. And we have to compete on the international market, and I'll tell you something else, Mr. Speaker. The problem that they are finding is that the quality of the product in grain is a part of their problem.

We have moved from 15 to 16 per cent in international trade in the grain industry internationally to 20 per cent. Why? Because we have, in our industry, control of standards and our quality of potash. Why do people want to buy our potash? It's a quality . . . it's a standard quality and people internationally know that, and they accept that. And that's why it's important for us to protect the workers who provide that quality, protect the people who are going to be investing in the industry. And I believe, Mr. Speaker, that we're going to do that. And so I want to stand behind the Minister of Energy and this government for doing the things that they are doing through this Bill. And I will be supporting it, and I'll be glad to support it. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Taylor: — Mr. Speaker, it is with interest that I enter this debate. Mr. Speaker, before I launch into some discussion of the very important Bill that is before this Assembly, I want to comment on some observations that I see.

Having spent 10 years in this House, I have never seen a situation like this, Mr. Speaker, where we have a opposition sitting silenced, completely silenced, given the opportunity today to speak in debate and bring in amendments on a Bill that is affecting the future of a very important part of the economy of this province. Not one member, not one member will budge from their seat.

Mr. Speaker, this brings to my mind a more serious situation that is affecting the opposition opposite. As they sit here in stony silence afraid to talk about potash and the pressures that are facing potash in Saskatchewan today because of their past record, because of their past record of the government of the day that saw fit to take the money of the people of Saskatchewan to buy potash mines that were here and not create one new job. That is a legacy and a millstone that is around their neck, and they know it very well.

I look with interest, I look with interest at the opposition, and I remember back to last November when they were first re-elected. Some of the old guard were re-elected, and some of the new people in the back benches were eager to spring up and speak on any occasion.

(1200)

I remember with distinction when there was some talk about setting up a committee, Mr. Speaker, to look at the rules, some of the antiquated rules of this Assembly. I remember how distinctly that the members in the back row, you would have thought they were spring-loaded the way they leap to their feet, to protest with great observations and with great articulation and really strut their stuff over a committee, forming a committee to look at antiquated rules of the operation of the Legislative Assembly.

I remember the member from Lakeview just jumping to her feet and saying, let me into this debate. But will she stand up today and talk about potash? The member from Moose Jaw North, in a very vociferous way stood up and told us all the terrible things about forming a committee; the member from Rosemont ever eager to be on his feet to debate in this Assembly.

But today do we hear one — one voice from the back rows of the NDP? Not one. And I will tell you why that is so. Because I've watched over the last three or four weeks, since the member from Elphinstone saw fit to say, I have taken my time in Saskatchewan politics; I have done what I thought I should do. We don't all agree with what he did, but I will give him credit, the man tried his best. But he has left — he has left this Chambers, and he's left the Chambers with a few of the old generals in the front row — the old generals that sit there in utter embarrassment and ashamed of that take-over of the potash corporation.

But more than that, Mr. Speaker, it hinges on what is in the ranks of the NDP party today. They're going to have to replace the old general — and I don't think they have the substance to do it, but that's my own personal observation — but they're going to replace him. And who is looking to be the front runner at this time in replacing the old general? It's the boy wonder from Saskatoon, the member from Riversdale. He is the fellow . . .

An Hon Member: — The labour lawyer?

Mr. Taylor: — The labour lawyer, that's correct . . . He is the fellow that says, let me take over the reins of this party.

I'm just commenting, Mr. Speaker, on the inability of the opposition to debate the Bill. And I'm trying to cite a point why that is so. And that is so because that gentleman who hopes to lead the party knows full well that we on this side know that he was the main architect, the main captain of the ship, the member from Riversdale, for the take-over of the potash corporation by the NDP government.

So, Mr. Speaker, with that brief introduction to explain the silence, the stone, deadly silence on the other side of this House on a very important economic issue, I would

now like to revert to some of the reasons, Mr. Speaker, why I see it as very important to support this Bill that is before our legislature today. I join with the other members on this side of the House, and I am proud to support Bill No. 36, and I share the confidence that this government has that Bill 36 will protect the future of Saskatchewan's potash industry.

At issue with The Potash Resources Act is the very future of the entire industry and, I must say, a most important resource industry in this province. No other province in Canada has a large concentration of potash as Saskatchewan does. We have one of the most extensive reserves of potash in the world, and that could see production continue, Mr. Speaker, for approximately the next 200 years.

So, Mr. Speaker, you can appreciate the extent and the importance that potash plays to the province of Saskatchewan. This province has become one of the world's leading potash exporters, and in 1984 Saskatchewan potash accounted for 39 per cent of the world trade in potash. Approximately 60 per cent of Saskatchewan's potash is sold at present in the United States.

Mr. Speaker, when you stop and consider that approximately 60 per cent of Saskatchewan potash is sold in the United States, then you can appreciate the seriousness of the recent protectionist decision by the United States Department of Commerce. You can also see the immediate need for strong legislation to protect our potash industry. And that, Mr. Speaker, is what Bill 36 is all about — the need to protect our potash resource industry.

I've listened during the past several days, and I've had the opportunity to review many press articles about the impact of Bill 36. What I note, Mr. Speaker, in the press reports, is that there is general agreement that strong action is necessary. For example, Mr. Speaker, and I cite some of these, in the *Star-Phoenix* on page 12, September 3, '87, we see that the Governor of New Mexico at the time of the potash problem in 1969, supports the action that is being taken, and is critical of the action being taken by the present Governor of New Mexico. He says, and I quote:

Lashing out against Saskatchewan isn't going to solve their problems, he said in a telephone interview on Wednesday.

Looking at another article, the headline saying — from the Saskatoon *Star-Phoenix* — also saying that the "Potash Bill strikes the perfect balance."

The underlying economic theory of the Bill is this: if the excess production capacity is taken off the market, supply and demand come into harmony, the market stabilizes, and the price climbs.

The minister — indicating that jobs will not be sacrificed by the action of the Bill; in fact, protect it.

And in the *Star-Phoenix* on September 3, '87 — "Potash move said satisfactory." And the editorial goes on to say

that at first blush it looks quite well. But what I thought was interesting, the editorial writer says:

But on another score (and I quote) there is little doubt Saskatchewan people, particularly some directly connected with the potash industry, will be heartened that the government is seen to be standing up for an important corner-stone of our provincial economy.

Another one states that: "Saskatchewan potash restrictions backed by Ottawa."

So I think we can see from the press reports over the last few days in the debate, Mr. Speaker, that many people, not just the people on this side of the House but people across this province and across this country are saying: you are on the right track; that it is necessary to bring in Bill 36 to protect this very important industry.

Those who know, Mr. Speaker, and understand political and economic conditions in the United States, are quite aware The Potash Resources Act is necessary if Saskatchewan is going to make any kind of impact upon the U.S.A. More importantly, the time had come for us to deal with the long-range future of the potash industry.

In discussing this legislation, let us make one point very clear: the obstructionist opposition have no plan or policy to put forward as a clear alternative to Bill 36. As I said earlier at the beginning of my remarks, Mr. Speaker, that you would think that if the opposition had some comment on the Bill they would rise in the Assembly with . . . if they don't like the content of the Bill, to at least come forward with some amendment that they feel would strengthen the Bill.

But that is not their way of trying to solve the problem. Their friends in Ottawa, their NDP friends in Ottawa call for an embargo. Every time you pick up a paper and look at the stand of the NDP on the potash issue, it changes – changes with each announcement. Their leader in waiting, the member from Riversdale, opposes an embargo. Their former leader, or the old general, the member from Regina Elphinstone, one day calls for action to win the support of the major farm organizations, and then, Mr. Speaker, when Bill 36 wins the support of major farm organizations in the United States, they sit in dead silence.

Mr. Speaker, you can imagine the ineptitude, the indecision, and the total lack of direction should the members opposite ever have to deal with such a crucial matter. We can rest assured such a day will not come in the near future.

Mr. Speaker, I note that a certain political columnist, one we all know well, Mr. Dale Eisler, wrote in the Regina *Leader-Post* on September 3, the following, which I quote. He says:

Someone should ask the NDP when it (delivered) this concern about the future of (the) potash mines being put (into) the hands of (the) cabinet.

This is one of the concerns I noticed when the member

from Saskatoon South, I believe that it is, indicated that this is a very great concern of his, that the potash, the control of the amount of potash to be put into the hands of the cabinet.

And I say that is a valid question when you consider that fact. The member from Saskatoon Riversdale, and indeed the entire NDP in the 1970s were the socialists who brought in the state control of potash and put the control of the potash corporation in the hands of the cabinet – the total control unto the hands of the cabinet.

Such an about-face, Mr. Speaker. Little wonder this opposition has no credibility on the issue of the potash industry. Then I note a headline in the press that reads: "Forget (all) about (the) potash Bill; lobby (the) Americans, (the) NDP says." This is the same NDP that says we should cut off the free trade talks and never lobby the Americans. What kind of double standards have we here? On one hand saying, run down and lobby the Americans, and then on the next hand saying, let's not have any free trade talks with the Americans.

I ask you, Mr. Speaker, I ask the members of this Assembly and the people of Saskatchewan: where is the stand? That is strictly a double standard and about-face. And at a time like this it is easy for the opposition to deal in partisan political rhetoric. They are under no real obligation to offer any kind of a plausible solution. That is the nature of our legislative system. Yet we cannot allow irresponsible comments and ludicrous policies to be seen as respectable.

I challenge the NDP opposition to come forward with one new and reasonable solution, and we all know that they can't. Talk is cheap, Mr. Speaker. But I want to tell you it takes courage and it takes leadership to take a real stand and put forward a Bill like The Potash Resources Act.

Mr. Speaker, the other night I happened to be driving home in my car, and I was listening to *As It Happens*, which I do often on the way home, a CBC national radio show in which they discuss the topics of the day. I heard a fellow, I believe his name was . . . Mr. Tank was his name. He was from the United States. They introduced him as the international vice-president of the corn growers of the United States.

And I know up here in Canada, in Saskatchewan, corn is not a major crop. But certainly in the United States, it is a very major crop, and in some states the major crop, and certainly one that requires good nutrients, potash, fertilizer, whatever is needed to get the high yields that they do there which they put through their red meat industry and so on.

And I heard Mr. Tank being questioned quite pointedly by the interviewers on *As It Happens*, and it was the day that the Bill had broke and was in the news. And Mr. Tank said in that interview, or they asked Mr. Tank; they said, well, what do you think of Mr. Devine? And I'm sure Mr. Tank has not met Mr. Devine, but he said, I believe this, that he is a very wise and clever man.

Here was the vice-president of the corn growers in the United States of American coming out point-blank and

saying that the action taken by the Premier of Saskatchewan was probably very wise and very prudent in the interests of safeguarding our important industry. I thought I'd bring it to your attention, Mr. Speaker, and to any who happen to be watching this, because I'm sure not all have the liberty, as I do, to listen to *As It Happens* each night.

So I like to repeat, Mr. Speaker, I believe members on this side – and I had phone calls the other day from Vancouver, from people phoning up and saying, say, that took some courage and you go see the Premier again and congratulate him on the stand that he's taking.

I say it takes courage and leadership to take a real stand and put forward a Bill like The Potash Resources Act. Leadership, not salesmanship, is what is required in a time of crisis. I tell you, Mr. Speaker, political jiggery-pokery is not honourable. It is void of principle, and I stand here to accuse the opposition of just that – political jiggery-pokery and the fear to stand on their feet and discuss Bill 36.

Well, Mr. Speaker, the people of Saskatchewan will not be hoodwinked by shenanigans of the socialists. You know, and I know, that they are totally void of any policy to protect the future of the potash industry. Let it be said, and let it be well understood, Mr. Speaker, that at this critical time in the economic history of the province of Saskatchewan that it was the Progressive Conservative government that showed leadership in protecting the future of this vital industry.

(1215)

The people in towns such as Melville, Prince Albert, Estevan, Lloydminster – or indeed go into any community in this province today, and you will find that people want action on this matter facing the potash industry. People will tell you that now is not the time for political posturing or for obstructionism or for dead silence – the time is for leadership and action.

Bill 36 has been introduced in this legislature as part of a comprehensive strategy to bolster the potash industry of this province. Previous speakers have made reference to the fact that the province of Saskatchewan is the largest producer of potash in the free world. Mr. Speaker, statistics and facts have been cited in this Assembly about the very significant importance of potash to our province. During the last 20 years the provincial Government of Saskatchewan has become more and more dependent on revenues from potash, and when the world market for potash took a serious decline, then that created serious problems for this province.

Yet the opposition, in an irresponsible and mischievous manner, takes great delight in attempting to blame this government for these economic conditions. I remind the NDP that when they took great delight in the decline of the potash industry, they also take great delight in the potential closing of mines and the loss of thousands of jobs. And I'm sure, Mr. Speaker, that the potash workers take no delight in the decline of potash sales. Indeed, most Saskatchewan people are reasonable and responsible citizens, have only one wish for the potash

industry, and that is the wish that I have, and the members on this side of the House – they wish to see it succeed.

I wish the members opposite were as vociferous in their support of Bill 36 and the potash industry today as they were in their socialist plan of state ownership in 1976. They know all too well that the people of this province know the NDP is not serious in wanting to save the potash industry at this time.

Mr. Speaker, the Bill before us shows that this government does not hesitate to take action to protect Saskatchewan people. Time and time again since 1982, when any potential threat to Saskatchewan people came about, this government put the interests of the Saskatchewan people first. Mr. Speaker, you well know, and I do, that in agriculture we took measures to protect the farmers. I think back to such things as the production loan guarantees. I think back to the farm purchase program, back to the livestock cash advance program, fuel rebate program – all new programs since 1982 aimed at protecting the farm economy in this province. Each one of them – when there was a need we acted, and we acted in the best interests of the farmers.

And I can tell you, when I campaigned in the election of 1986 throughout the north-eastern part of this province – where we won every seat, by the way – the farmers of that area of the province said, right on the money. You came to our aid when we needed it, and we'll support you. And they'll do it time after time again.

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — And I look across at the member from Humboldt, and I know he's a neophyte in here, and I don't want to pick on him too hard, but I just want to say to him that I cannot see a man of his calibre sitting there in stone silence, muzzled by the member from Riversdale because he doesn't this to be discussed in this legislature. He wants it to pass by like a cloud that will soon be forgotten and that a golden horizon would come for him in his political aspirations. Let me tell you there are many clouds on his horizons, and muzzling a man like his agriculture critic, preventing him from speaking in this House on a topic such as potash and agriculture, I say is a shame. I say that doesn't serve the interests of Saskatchewan politics, and my heart goes up to you, and I say stand up and be counted. You have potash mines in your seat; you're the agriculture critic of the government. Don't let these front-benchers tell you to sit still and let this one pass; don't stake your political history on . . . future on what they're telling you. Stand up, be a man, represent what you have the critic's obligation for, and get into this debate and let him know where you come from.

Let me also point out, let me also point out, when we help the people of Saskatchewan . . . I remember back, and I see the member from Saskatoon commenting from his seat – mostly he's quite quiet but I guess I hit a nerve today. But I remember back when he was, shall I say, one of the more powerful men in the old regime, and interest rates – you remember as well as I do – in your constituency in Saskatoon, the middle of Saskatoon, the biggest issue was interest rates. People were losing their

homes. Simply put, 1981 interest rates were running rampant in this province, and the government of the day with the old guard, the old generals, the worn out ones in the front bench, what did they do? They sat here, smug. They sat here while the people of Saskatchewan cried out for help.

We were in opposition in those days and we were few. And I can tell you all we had to do was walk out through the doors and into the towns and villages of Saskatchewan and say: what is the problem? And they said, interest rates, and we acted.

Mr. Speaker, I bring these to the attention of the Assembly because I relate them to the fact that today there is a crisis facing potash, and this government has acted. As I said, when the crises were facing agriculture, we acted; and as the crises were facing people with homes and interest rates, we acted. When I was Health minister, I remember people crying out for nursing homes. They didn't like a moratorium, but we acted.

Once again, Mr. Speaker, the Government of Saskatchewan has taken action to protect the potash industry. Protection of Saskatchewan is first and foremost a priority of this government. It would be absurd for any government to ignore the protectionist mood in the United States, especially a province so dependent on the marketing of its resources.

The gunboat diplomacy of the NDP will not work at a time like this. An embargo, as suggested by some of the federal members, men such as Mr. Nystrom, the NDP member for Yorkton-Melville, shows how irresponsible those people tend to be. They would put thousands of people out of jobs in order to show their rabid anti-American sentiments. Those who condone the burning of American flags on the steps of the Manitoba legislature obviously cannot act in a rational manner in dealing with the United States and the Americans.

This government has shown a responsible course of action by working through established diplomatic procedures. We have put contacts into Washington; the Premier has spoken on many occasions in the United States, and has made many representations to public officials in the United States. At the same time we recognize the need to show that we in Saskatchewan will take strong action to defend our potash industry.

Bill 36 is crucial to the survival of the potash industry in this province. I cannot over-emphasize that point. All of us in this legislature have a moral obligation to the people of Saskatchewan, and more important than that, I would say, to future generations, to protect this industry. Let history record that when the economy of Saskatchewan was threatened, it was the Progressive Conservative government that stood up for Saskatchewan. Let there be no doubt, Mr. Speaker, that I and my fellow colleagues here are proud to support this Bill.

And I want to say, as I come to a close in these comments, the pride and the feeling that I had for my colleague who sits next to me here in the legislature, the member for Swift Current, in putting forth this legislation and bringing forward – and I listened to her speech in here – right

from the heart, right on with what the Saskatchewan people want, the protection of our industries; to stand up to against one of the strongest countries in the world and say, look it, you're not going to be playing funny games with us. We are going to stand strong for Saskatchewan; we're going to stand strong for the potash industry, and we're going to stand strong for the people of this province.

Mr. Speaker, the vital issues in this Bill and what we are attempting to do is, number one, to protect as best we can, the jobs of the people of Saskatchewan that are in the potash industry; number two, to protect our market share of this industry because, Mr. Speaker, as we all know, the world is cyclical place, and times will change and markets go up and down, but those are the main ingredients; and thirdly, to see if this product of ours which has been in a depressed state, price-wise, that that cannot bring about a rosier day for this province. And fourthly, to see that we can get extended sales not only in the United States but around the world.

And I commend all of those today who are in some way responsible for negotiating the sale that my colleague, the Minister of Finance, announced in this legislature this morning – the new sale to China. We all know that China is one of the fastest progressing nations in the world today. And we know that China may become one of our major consumers of potash in the years ahead.

If Bill 36 can protect our market share and save the jobs of the people in Saskatchewan; if the decisions made by the people in the potash corporation can expand through Canpotex, or whatever way of marketing, to other markets around the world, Mr. Speaker, then I believe we on this side of the House are serving the interests of this province, serving the interests of this industry. And I'm very, very proud to support that kind of action on behalf of the people I represent in Indian Head-Wolseley and on behalf of the people of Saskatchewan.

Thank you. I will be supporting the Bill.

Some Hon. Members: Hear, hear!

Mr. Gardner: — Thank you, Mr. Speaker. I, too, like the rest of my colleagues, am pleased to be able to rise in this House today to speak in favour of this Bill. And in doing so, Mr. Speaker, I would like to first indicate my full support for the Bill and for our province's industry and for the potash workers.

Having said that, I'd like to comment on the situation that caused the Bill we are debating to become necessary, Mr. Speaker. Potash over-supply is a problem that we have experienced before. Likewise, protectionist measures against the potash industry are a matter of historical record. Yet unlike past situations, the one we face today is extremely critical, not only to the industry but to the economic health of our province as well.

Mr. Speaker, billions of dollars worth of investments and industrial infrastructure are at risk here. Thousands of families and their livelihoods are in jeopardy. Such a situation requires serious action. Mr. Speaker, potash is our second most valuable natural resource. We must

protect that resource for the future. Having a 500-year supply of potash will do no good to our children if the industry dies out.

And as incredible as that may seem, Mr. Speaker, that very possibility does exist. If the glut of potash is allowed to grow, Saskatchewan's potash industry will indeed suffer. Mr. Speaker, there is already evidence to support such a claim. Back in 1981, when the average selling price of a tonne of potash was about \$156, there was a potash production world-wide capacity overhang of about 1.8 million tonnes. Almost 4,500 workers were employed by the industry in Saskatchewan at that time, Mr. Speaker. But by the end of last year the production capacity overhang reached 4.1 million tonnes. The average price of a tonne of potash had dropped to about \$87, and there were nearly a thousand fewer people working in the industry here in Saskatchewan. It is clear that over-supply is damaging our potash industry greatly.

And it is also clear that when that over-supply started to develop – and it was back in the late 1970s, Mr. Speaker, back when prices and the demand were going up steadily – there seemed to be no end to the optimism. Companies laid out ambitious exploration plans and the NDP government, and I'm sad to say this, Mr. Speaker, the NDP government rushed out to buy as much of that industry as they possibly could.

And if I could I would like to quote from *Hansard* of December 5, 1979, page 126, where the then premier, and the now official Leader of the Opposition said, and I quote:

Yes, Mr. Speaker, the future of the potash industry looks bright, especially for PCS. We are working toward our announced goal of control of 50 per cent of the province's potash production.

Such was the attitude of those people who felt that the industry could afford to keep on growing non-stop. As well, Mr. Speaker, there were kept those old, inefficient mines like those in New Mexico in production long past their useful lives, all in expectation of higher prices and higher demand. And many other areas, especially in the Middle East and in the Soviet bloc, saw production expanded in the hope that they could bring in more hard western cash, even if it meant operating near a loss situation.

(1230)

But they all made a big mistake. They lost their gamble. While production rose, demand stayed at about the same level. Suddenly there were mountains of potash that nobody wanted, and even if they did, they didn't have to pay much of a price for it, Mr. Speaker.

For Saskatchewan things were worse than for other areas. Our mines are the most efficient of any of those in the world, and Saskatchewan is the largest exporter of potash in the world. The biggest producer of potash in the free world, Mr. Speaker, but most of our potash goes into the United States, and American demand has been steadily declining. Where in 1980 the U.S. once needed around 6.2 million tonnes of potash, in 1986 it only required 4.9

million tonnes. The simple fact of the matter is, Mr. Speaker, that the American farmers were using less fertilizer as their commodity prices dropped. I think that farmers here in Saskatchewan can relate to that, Mr. Speaker, and things are not likely to get better very soon on the American farm scene.

What this drop in demand means is that you have to be very efficient to survive, and Saskatchewan producers are just that. But some producers in New Mexico did not see it that way. The only thing they saw was prices going down, so they lashed out with a dumping allegation. They didn't stop to examine whether or not Saskatchewan producers were to blame; they just automatically reacted.

What is to blame, Mr. Speaker, is the massive, world-wide over-capacity to produce potash – too much capacity, too little demand, and that's very simple. There needs to be a workable balance, Mr. Speaker, otherwise over-supply will swamp our province's potash industry.

There is the ever present danger of self-destruction through over-production. It has become acute following the recent American anti-dumping action. Mr. Speaker, we need to ensure that stability is brought back to our potash industry; I feel that this Bill will help provide this stability. And to those members opposite who say that managing potash production will lose us market share in the U.S., I can only remind them that New Mexico producers will never be able to even come close to filling in our share of that market.

And as for mid-Eastern and the Eastern European producers, I remind those hon. members that dumping actions, similar to the ones against our Canadian producers today, occurred in 1984 and in 1985 against the Soviets, the Israelis, the East Germans, and also the Spanish. If the American potash producers would launch an action against our producers, they would surely do so with regard to those countries I have just mentioned, Mr. Speaker.

We hope that with this potash management Bill we can preserve and protect the future viability of our potash industry here in Saskatchewan. The jobs and the investment at stake are too valuable to forsake, Mr. Speaker.

Mr. Speaker, I urge all hon. members to remember this and to join me in supporting this Bill. Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Martin: — Mr. Speaker, thank you very much. I know very little about farming. I've been a city boy all my life. I grew up very close to this particular area, so I am by no means an expert on agriculture. What I do understand, however, is ownership.

I understand the need for people in this province historically, because relatives of mine are what I would proudly say are Ukrainian farmers in Saskatchewan and in Alberta – proud to say that, Mr. Speaker. I don't know what it is about Ukrainian farmers but they seem to be a special breed in many ways – certainly my

mother-in-law is — so I understand why they came to this country in the late 1800s and the early 1900s because they needed to own some land, and here is where they could get some land.

And so the people in this province when they hear us talk about ownership of our own resources know exactly what we're talking about. They say, my God . . . thank God somebody stands up for ownership. The people of this province understand that for us to go head to head with the President of the United States or the very large Department of Commerce in the United States takes a lot of courage — some people would say guts, but I probably shouldn't use that term in this House, but people know what I'm talking about. Our Premier and our Minister of Energy went nose to nose with the Department of Commerce in United States. We don't even bother about Ottawa because we told Ottawa years ago that we owned these resources and stay out of here. We went nose to nose with the President of the United States and he blinked. And I'll tell you what, he's going to be blinking a lot more in the next few days when that strong, powerful farm community in the United States starts telling him what they think about this unbelievable decision that they made regarding the potash tariffs against our companies.

So, Mr. Speaker, when the member from Kindersley was speaking earlier about sovereignty and about ownership of resources, I was pleased to hear him talk like that. That's something the people of this province understand. The people of this province always will understand the simple philosophy of owning a piece of land. Whether it's a front yard, your backyard with a fence around it — that's yours. That's something in this province; it means a great deal to everybody in the world.

In many parts of the world, of course, the people are not allowed to own land, but here we are and it means a great deal. So I was delighted to hear him speak about that because I know the people out there across the province who have had an opportunity to listen to us speak today can understand that.

What I find really quite unbelievable is the silence — not a word. The unbelievable silence — I mean it's awesome — of the members opposite who refuse to stand up and talk about such important issues as resource ownership, taking on the United States. I mean have they ever missed an opportunity to throw mud at the United States? Has the NDP in this province ever passed up an opportunity to take a shot at our friends across the line? I mean they're opposed to free trade. I mean you pick an issue and they're opposed to it if United States is in favour of it. Whether it's automobiles or whatever it is, they're opposed to it. But in this issue of something so fundamentally important as ownership of our own resources — not a word. It's an interesting thing about silence, Mr. Speaker — it's deafening, it's deafening.

An Hon. Member: — Especially from the member of Quill Lakes.

Mr. Martin: — And we have the member from Quill Lakes who is disappearing out the back door any moment now.

Mr. Speaker: — Order, please. Order, please. I think the hon. member knows the ruling on that and I don't need to repeat it.

Mr. Martin: — Would you enlighten me on that, Mr. Speaker, please?

Mr. Speaker: — The hon. members in the House are not to comment on the absence or the presence of members in the House.

Mr. Martin: — Well, Mr. Speaker, I apologize to you. Like some of the other members in the House, I am new and I'm not totally aware. I apologize to the member from Quill Lakes. Unfortunately he's not here, so I can't comment on it. But I apologize to him, and I'm sure his colleagues will tell him. Mr. Speaker, I apologize to you in all sincerity.

Mr. Speaker, I'm not surprised that the members . . . I'm not surprised, Mr. Speaker, that the members opposite are not speaking on this issue because this somewhat understandable leadership party. I had hoped that the member from Riversdale, the soon to be crowned prince of the professional career, critics opposite would be on their feet to speak on this important issue.

The member from Saskatoon South states that the problem started in 1982, because we had a government that would not take action to find new markets in potash. What a travesty of truth this fellow hopes to foist on the people of Saskatchewan.

Let us start by getting out what he is really saying, Mr. Speaker. He is saying that when this government came to power, it strengthened the central marketing arm of the potash industry, Canpotex. And if you recall, Mr. Speaker, the NDP had announced that they would cripple that organization by withdrawing the Potash Corporation of Saskatchewan from it. And this, Mr. Speaker, is what the NDP mean by aggressive marketing. They mean that the government should have fragmented our sales effort and destroyed all other producers except the one owned by the government.

Now I want the NDP to go and ask this direct question to the mine workers of this province: do you, the mine workers in the private mines, think we should drive our company and your company out of business because it is not government-owned.

Surely what we should do is try to develop our production and marketing strategy that will see all the mines operating at the greatest capacity possible. Because what we're really talking about here, Mr. Speaker, in addition to the sovereignty issue that I spoke about a few minutes ago about owning our own resources, is for people to work, people to work in the mines of this province whether they're owned by the government or whether they're owned by private business. And that's the other issue, this other secondary issue of this Act today, Mr. Speaker — that is, to protect peoples' jobs. I tell you, if we did nothing, the jobs would have disappeared by the hundreds. But it's too darned important issue to let that happen.

Surely we should not say to the miner in the member from Humboldt's riding, the Cominco mine at Vanscoy, surely we should not say to that miner: your job is not too important because you aren't working for a government-owned mine.

Well I challenge the member from Humboldt to stand in this House and tell his members that — that is, if the member from Riversdale will allow the member for Humboldt to speak in this debate. One gets the feeling that the NDP is so embarrassed by their \$1 billion boondoggle, nationalizing the potash plants in the '70s, that they won't get on their feet — \$1.3 billion is what that \$600 million investment cost this province, Mr. Speaker — \$1.3 billion. Boy, could we have ever used that money today — \$1.3 billion, instead of having to pay interest on the \$600 million that they squandered on these mines when we already owned the resource. We could have used that \$1.3 billion.

Mr. Speaker, as I look across this magnificent Assembly, this beautiful Assembly with its history of protecting people, going back to the early days of Scott, on the way through to Tommy Douglas, to Ross Thatcher, to Allan Blakeney, to our present Premier, I am embarrassed not only for myself but for the people of this province. And I'm embarrassed for the members opposite as they sink lower and lower and lower into their seats. Mr. Speaker, they practically have disappeared from view. Not only, Mr. Speaker, can we not see them; not only, Mr. Speaker, can we not hear them, but we can't see them. They're ashamed of themselves.

I also have to point out, Mr. Speaker, the hypocrisy of the NDP stand in this matter. In one breath they caution us to not go it alone. They caution us not to take on the United States. They say, you can't put the Saskatchewan potash industry out in front by itself. They say, you've got to get together with other producers. And then we have the same NDP, Mr. Speaker, stand up before the cameras saying, get out of Canpotex. They say, don't co-operate with these privately owned firms; go it alone in the market and forget about working with the other producers. Well they can't have it both ways, Mr. Speaker. And in this case I challenge them again to stand up and tell us where do they really stand on this issue?

There are at least two members opposite in whose ridings potash mines exist, and yet we have not heard from either one of them, and I'm amazed at it. As a matter of fact, Mr. Speaker, I don't think they're even in the House at this moment.

Should we co-operate with other producers and thus endorse participating in Canpotex, or do you still think we should go it alone and get out of Canpotex? Those are the kinds of answers we want to hear, Mr. Speaker; stand up and make a clear statement on the issue. You don't have an agricultural policy. As a matter of fact, I don't think you have a policy in many of the issues we've discussed; refuse to talk about potash.

Mr. Speaker, the member from Saskatoon South, the NDP's professional career critic for energy, said a few more interesting things I'd like to comment on. For example, he said that this government did not go after the

potash markets in China. Again, he's either engaging in petty sniping by misleading his own electorate, or else he is genuinely uninformed of what has been happening in this province.

(1245)

Mr. Speaker, if he would just pay attention, if he would just even read the newspaper or listen to the radio, he would have learned that yesterday this government made a 300,000 tonne deal with China which represents \$30 million to this province. If he would just pay attention.

Let me inform the hon. member who apparently has taught some history in the past, as a teacher, a little bit more about some history of the past years. The first news story out was that the Premier, our Premier had worked an agreement with private potash producers to offer China a free potash plant. This is some years ago, Mr. Speaker. The plant would be a pilot project to give the Chinese a demonstration of how they could enhance their own agricultural production by utilizing Saskatchewan potash.

Now I'm going back a few years. There's a Premier, newly elected, a farm boy, so he understands what potash is all about; a professor of economics, so he understands world economy. He gets on a plane, goes over to China, talks to the Chinese, and he's showing these billions of people how they can improve their own agricultural product. A Saskatchewan boy from a small town in Saskatchewan. A farmer from Saskatchewan goes overseas and talks to these billions of people, and tells them, a people who have been civilized far longer than we have in this country . . . but he takes his expertise, his farm boy expertise, his economic expertise from the University of Saskatchewan, and jumps in a plane and away he goes over there and he tells them how to improve their plants.

The second story I have is this article here. The headline reads: "Firm going all out to get China trade." The firm was Canpotex, marketing Saskatchewan potash. The final headline was, and it's here as well, "Potash sale to China announced." The great effort was made, including an extensive advertising campaign right in China, to get growers in that country acquainted with the use of potash, and the results were sales to China.

The member from Saskatoon South says the problem started in 1982. Well, Mr. Speaker, 1982 sales of potash to China amounted to 421 thousand tonnes. After only two years, two years in office, in 1984 that amount had been driven up to 1 million tonnes. It is true that sales have fallen off and that there is a situation of over-supply. If that were not true, Mr. Speaker, this legislation would not be necessary, but clearly the development of the market in China began in earnest under this government.

Some other headlines, Mr. Speaker. This one says: "Canpotex arranges counter-trade with a major potash sale to China." And speaking of counter-trade, maybe the members across the floor can explain why they never tried to use the mechanism to its full extent. So while they were running around this province saying there was no money for new technology in our hospitals, this government took the initiative, and yes, Mr. Speaker, we

traded potash for CT scanners. One of the most important technical instruments used in medicine today, the CT scanner. I can't remember whether it was six or whether it was eight . . .

An Hon. Member: — Six.

Mr. Martin: — Six, I believe was the number — six CT scanners. We couldn't afford to buy them, but we traded potash for them. Now I'm not sure whether you have to be a farm boy; maybe even a city slicker like myself might be able to put together a deal like that. I don't have much skill in horse trading, or this and that and the other thing, but I don't know who figured out that deal, but whoever figured out to trade our resources, potash plants . . . potash for CT scanners, did this province, Mr. Speaker, a tremendous service. And the hundreds and hundreds of people who have had the benefit of those CT scanners in our hospitals can think about that some day. It came because of Saskatchewan potash. What initiative!

Mr. Speaker, there can be no question of the fact that under this government, and through co-operation with the producers of potash, the greatest marketing efforts in the history of the industry have been undertaken. And to whine that the markets are not there, and to pretend that some things happened that did not happen, these things, these kinds of arguments do nothing to address the challenges we face today.

We have probably . . . well it may be certainly the most important issue that's arisen in this House since my election, Mr. Premier, although I recall, as a young lad, coming over here many times from public school and sitting in the House and listening to speeches, back a great many years ago. But certainly this is the most major issue that I've been involved in, in the House, and perhaps may ever be — the issue of sovereignty, of owning your own resources, of going nose to nose with maybe the most powerful country in the world and telling them that they will not tell us how to market our potash; that they will not go to one company and say, we'll give you a 9 per cent tariff; another company, we'll give you 35; another company, we'll give you 85.

How dare they tell the people of this province how we are going to market our own potash? That's the important issue, Mr. Speaker. We will not allow the United States to tell us, just as we did not allow Ottawa and Mr. Trudeau how to tell us how to run our oil. We will not allow them to tell us how we're going to market our own potash. It's too important an issue and, Mr. Speaker, the people of Saskatchewan know it. The people of Saskatchewan know that we are right, and that is why the members opposite will not stand on their feet and speak, and that is why I am amazed that they will not stand up and say: you guys are right, and we know you're right, and the people of Saskatchewan know you're right, and we support you on this.

If they fail to support this Bill, it'll be an embarrassment that'll extend for many years. I don't know how they could ever look their children in the face and say, I refused to protect our own resources, Mr. Speaker. However, that remains to be seen. They're not talking about it. Perhaps they will stand up and support us.

Mr. Speaker, after passing along this information about China, the NDP's critic, lead-off speaker, went into a long list of what didn't happen and why that didn't happen. So let's just take a moment to examine what happened historically. Let me quote an NDP cabinet minister, from *Hansard*, speaking March 17, 1978. He was justifying borrowing a great deal of money from American bankers to obtain title to Saskatchewan uranium mines.

They were not borrowing money to build mines; they were not borrowing money to create jobs; they were not borrowing money to create anything new at all. But that's nothing new. I mean, all they ever understand is nationalization. They don't understand about creating jobs. They were borrowing money to get a piece of paper that said the government now owned the mines, instead of private interests.

And here's what that NDP minister said, Mr. Speaker, and I quote:

Oil revenues of course will not last for ever. Similarly, uranium revenues from existing mines will grow rapidly and then ultimately decline (although the government wanted to buy those existing mines as well) but investing in potash we will guarantee an unprecedented measure of security for generations to follow.

That is what he said, Mr. Speaker. Government ownership of the mines would, ". . . guarantee . . . an unprecedented measure of security for generations to follow."

Well, Mr. Speaker, a generation has not yet passed, and those words should weigh heavily upon the NDP today. Perhaps that's why they're not speaking.

An Hon. Member: — Who was it said that?

Mr. Martin: — I'm not sure — perhaps the minister . . .

An Hon. Member: — The member from Riversdale.

Mr. Martin: — The member from Riversdale. All right, the soon-to-be-crowned leader. Well, Mr. Speaker, a generation has not passed, but those words, as I say, should weigh heavily on the narrowing shoulders of the NDP. Tell us, where is this unprecedented security that you promised when you put this province in hawk up to its ears to a tune of \$1.3 billion? And the good managers that they were, they borrowed more money to expend the mines, because to get this unprecedented security they decided they should pull as much potash out of the ground at once and throw it onto the market as fast as possible, that they decided to go on a major expansion of productive capacity.

I'm not sure where they got the money for that, but I suspect they probably borrowed it again from some place in New York. Now they stand up and deny that. Today, Mr. Speaker, they deny that they ever said that, but let me quote a government advertisement from the *Leader-Post* of March 11, 1979 that says:

PCS mining is expanding production facilities to meet the expected rise in world demand for potash during the '80s.

Great forecasters. Tell us, Mr. Member from Riversdale, or even the member from Saskatoon South, where is this huge rise in demand for potash that you so confidently predicted? It did not happen, Mr. Speaker. In fact, exactly the opposite has happened, and the people of this province are saddled with massive financial obligations, and all the potash that this foolhardy course chosen by the members opposite, all this excess potash found its way to the world market and created a price drop that is crippling the industry and affecting many of the programs that we could be putting money in today, Mr. Speaker.

One point three billion dollars that they saddled this province with, Mr. Speaker. We could use that money for educational opportunities. We could use it to expand our health facilities. We could use it to buy the type of equipment that we need for our hospitals. We need it for all those things; for the social services. We need it to help the young mothers with children – one of the greatest needs in our society today – young mothers with children, single mothers with children. We could use it to help them, to help them get an education, to create more opportunities for them, to expand our educational facilities and opportunities around the province. One point three billion dollars – boy, how we could use that money today.

And then we get the real clincher, a set of insane duties against our potash by the Americans, which is why we're here today. When we ask for some unity from the opposition, when we ask for a little co-operation, we get insults and misinformation. Instead of helping out, they condemn, they insult, they attack, and provide realms of misinformation.

I will even say to the NDP, let's, for the sake of argument, accept that the member from Saskatoon South and his colleagues actually had accurate information. Let us assume that all of the terrible things that he says happened did happen. The question is: what do we do now? What action should we take today? The NDP certainly have no answer. They shout from their tables, they shout from their desks, but they won't get up on their feet and talk about it. Sure the member from Riversdale tries to have it both ways by saying on the one hand that he condemns the legislation and on the other hand that he has not made up his mind whether or not he will instruct his party to vote on it . . . (inaudible interjection) . . . Well he certainly won't let them talk on it. He won't let them speak on it. He has a muzzle on them so they can't talk about an issue as important as sovereignty and owning our own resources.

The fact is that other than make up stories about what was or what might have been, the NDP has come forward with no solution to the crisis that is being faced now today.

Mr. Speaker, they have no solution except to say: delay, deny, debate. They say, sue in the courts; hire a lawyer, they say. They say, let the federal government assume responsibility for our resources. Can you believe that? They say, let the federal government assume

responsibilities for our resources.

I suppose I'm not an expert in history, but I assume it was probably The BNA Act that allowed us to have control of our own resources, as it did education and some of the other factors. But whatever it was, we have control of our resources. They say, let the feds look after that responsibility. They say, leave it to the Prime Minister and Ronald Reagan. They say anything except action in this legislature to protect our own resources.

I say to them, you had better give your heads a shake; pull it out of the mud; tell the member from Riversdale to take the muzzles off; give us the opportunity to stand up and talk about it; give us the opportunity. You say to the member from Riversdale, take off the muzzle; give us an opportunity to talk about it; give us the opportunity to stand up and say to those people of the province, we care about resources; we care about protection.

Let's go back to Tommy Douglas. He talked about those kinds of issues, as did Ross Thatcher, and now our Premier. I tell you, members of the opposition, that as a new member in this House I am embarrassed by your silence. I'm embarrassed that you allow some of those people along the front rows to control you in the back benches, to allow you, to force you to sit there and not talk about issues.

I know that the member from Moose Jaw North is a sensitive man who cares about issues like this. Why doesn't he get up and talk about it? Why doesn't he get up and say something about how an issue like sovereignty, about our own resources, is important to us? Let's hear him talk about jobs, about saving jobs of miners all across this province.

Their silence is deafening. And I must say that I am particularly embarrassed by the two members who represent areas where potash plants exist. I cannot believe that they will not get up on their feet and talk about protecting the jobs of those people.

Mr. Speaker, I have . . . Perhaps, Mr. Speaker, you can tell, you can tell by my enthusiasm that I have a great deal more to talk on this subject. There are many more things I'd like to say about my embarrassment for the members opposite, about how they're failing to talk to the people of Saskatchewan – all kinds of things I'd like to talk about, Mr. Speaker.

But at this point I beg leave to adjourn the debate. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Debate adjourned.

The Assembly adjourned at 1 p.m.