

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Atkinson: — Mr. Speaker, today I rise pursuant to the rules of this Assembly to present a petition signed by more than 1,400 residents of Saskatchewan. Mr. Speaker, these petitioners are deeply concerned by the government's wrecking of the prescription drug plan and are deeply opposed to the government changes. I would now like to enter these petitions into the public record.

Mr. Speaker, I might add that this brings to more than 36,000 names that have been entered into the public record opposing changes to our health care system.

Some Hon. Members: Hear, hear!

Mr. Goodale: — Mr. Speaker, I too, rise under rule 11 to present a petition. It, too, includes some 1,400 signatures of Saskatchewan people, particularly protesting the dismantling of the prescription drug plan in the province of Saskatchewan.

Mr. Speaker, the names on this petition were sought and collected around the province of Saskatchewan by the organization known as the Voice of the Handicapped and they have added their voices to thousands of others protesting the dismantling of the prescription drug plan in the province of Saskatchewan and calling for that plan to be reinstated. I now file that petition.

PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

Private Members' Bills

Deputy Clerk: — Mr. Petersen . . .

Mr. Speaker: — Order, please. Question period hasn't started yet.

Deputy Clerk: — Mr. Petersen from the Standing Committee on Private Members' Bills presents the first report of the committee which is as follows:

Your committee has duly examined the undermentioned petitions for private Bills and finds the provisions of rules 56, 57 and 60 have been fully complied with:

of The Saskatchewan Association of Rural Municipalities;

of Briercrest Bible College of Caronport, in the province of Saskatchewan;

of Our Lady of the Prairies Foundation of Saskatoon.

Mr. Petersen: — Mr. Speaker, I move, seconded by the member from Saskatoon South:

That the first report of the Standing Committee on Private Members' Bills be now concurred in.

Motion agreed to.

INTRODUCTION OF GUESTS

Mr. Saxinger: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce through you, and to the members of this Assembly, a couple who is visiting here from West Germany. Their names are Oswald and Hertha Zurowski and they are seated in the Speaker's gallery. These people do not speak English, and with your permission I would like to say a few words in German.

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

Mr. Speaker, would you help me welcome these people to Saskatchewan and to the legislature.

Hon. Members: Hear, hear!

Hon. Mr. Tusa: — I would also, colleagues, like to acknowledge the guests in the gallery. They are the Zurowski family, and many of you may even know some of them. They are originally from Southey — Rudy, who is now in the United States, and Ted, who works in Regina, but is from Southey. And in chatting with the guests from West Germany this morning, I was pleased to find out that Mr. Zurowski originally grew up in a town in Austria only nine miles from my parents' home town. So I'm very, very pleased to have them with us this morning.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Collapse of First Investors Corporation

Hon. Mr. Blakeney: — Mr. Speaker, in the absence of the Minister of Consumer Affairs, I direct my question to the Minister of Finance; it deals with the collapse of the First Investors Corporation. Yesterday, sir, I asked you why the Government of Saskatchewan renewed the licence of this firm to do business in our province in January of this year, even though financial statements filed with the Superintendent of Insurance early in 1986 showed that the company was insolvent. You declined to answer the question, saying you wanted to review the facts.

You've now had an opportunity to review the facts, so I ask you again, sir: do you deny that your government received a financial statement from First Investors Corporation early in 1986 which showed that the company was insolvent; and do you deny that in spite of that financial statement you licensed the company to continue to do business in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — As I indicated to the hon. member yesterday, the practice in Canada has been that the prime jurisdiction, that is the jurisdiction in which the financial institution is headquartered, is basically the governing

jurisdiction, Mr. Speaker, and all provinces rely on the advice that we get from that so-called prime jurisdiction.

The department has advised me that they received no indication from the province of Alberta until two days prior to the announcement that the companies were being pulled off the market in Alberta and, Mr. Speaker, we of course, like other provinces, rely on the advice that we get from that prime jurisdiction. And I'm sure that any such allegations as to whether the province of Alberta should have notified the province of Saskatchewan will be very much subject to the inquiry in the province of Alberta.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. Mr. Minister, you say that the province of Alberta didn't advise the Department of Consumer Affairs that this company was insolvent. I take it you admit that Deloitte Haskins & Sells, the national chartered accountants firm, did advise you by signing an audited statement which was filed with your department: did advise you that this company was insolvent; and did advise you in early 1986, and in spite of that you issued a licence. Is that not true?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I think that the hon. member is taking some legal licence with his interpretation of what the financial statement may or may not mean, and I suggest to the hon. member that auditors, having some dispute, I gather, with the province of Alberta as to the valuation of the real estate assets, would not necessarily mean insolvency, and one should not directly interpret it that way.

Secondly, I think it fair to say that a company having a loss in a year is not necessarily insolvent. And I notice you very carefully didn't use that phrase outside the legislature. So I suggest to the hon. member that notwithstanding the information you've given, that in fact the practice that has historically been followed of relying on the governing jurisdiction to advise is one that has worked historically. Again if, in fact, Mr. Speaker, the province of Alberta should have notified Saskatchewan — and I assume other provinces — or did not supply information that it had to other provinces and other regulatory bodies in the other jurisdictions, that will be very much a matter of concern to the province of Saskatchewan in the inquiry going on in the province of Alberta.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. I advise the minister, by way of clarification, that outside this House on many news media I have said this financial statement shows the company was insolvent. I say to you, Mr. Minister . . . I ask you, Mr. Minister: do you have any other interpretation of a balance sheet which shows a deficit of over \$4 million — a balance sheet, Mr. Minister — then that company is insolvent? And do you not admit that to issue a licence to First Investors after having received a balance sheet of this nature showing the company to be insolvent, is an indication of gross negligence and incompetence on the part of your government; and shouldn't all the First Investor's persons believe that you have been negligent and incompetent in

looking after their interests?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I will apologize to the hon. member if he did use the word insolvent. The news report I had was that the phrase used outside this Assembly was: losing money. And the hon. member knows, probably the only one on that side, that they are not necessarily the same position. I think, Mr. Speaker, that the supplementary of the hon. member gets to the nub of the opposition's questioning in this particular item.

Mr. Speaker: — Order. Order, please. Order. Order. The minister is trying to answer the question but is having difficulty due to interruptions. Therefore I'd ask the co-operation of the members to allow him to continue.

Hon. Mr. Lane: — I know that the practice within Canada, for some considerable number of years, has been that the prime jurisdiction is the one that other provinces rely on. To argue otherwise means a massive bureaucracy in each and every province, and I only hear of one party that argues for that position.

Secondly, and I think it's key, that for the last two days, for the first time, the NDP has bared its soul and admitted that what it's really asking for in this questioning is a bail out. And I find it very, very interesting that the New Democratic Party opposed the Government of Saskatchewan bailing out investors in a Saskatchewan trust company, but are jumping with alacrity to demand a bail-out to people investing in a trust company in another province. And I find that somewhat shocking, Mr. Speaker.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. Just so the facts are on the record: do you, Mr. Minister, acknowledge that in early 1986 a financial statement was filed by First Investors, an audited financial statement showing that they were insolvent; or is it your position that they didn't file such a statement but that you issued the operating licence anyway? Which is your position?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I take the position — I have made it abundantly clear — that the financial and the annual report given by a company gives certain information. Now whether or not the qualified annual . . . or the audited statement is as a result of a dispute on the valuation of assets, which I gather was one of the factors involving the province of Alberta — and cause for some concern, I might add, later in the province of Alberta — so I think one should interpret that for what it's worth, and I question the value of it. I think that the real information that the province of Saskatchewan had to rely on is the information given by the so-called prime jurisdiction, the governing jurisdiction, and that's what all provinces have historically relied on.

And I do put into the record, and I think that the hon. member has attempted to avoid it, that it is abundantly clear that the New Democratic Party is demanding a bail out of those investing in an Alberta company when they oppose a government bailing out those investing in a

Saskatchewan trust company.

Hon. Mr. Blakeney: — New question, Mr. Speaker. Mr. Minister, do you deny that The Investment Contracts Act of this province — not of Alberta, but this province — requires that section 26, that financial statements be filed. Do you deny that a financial statement was filed in early 1986 for the year 1985? Do you deny that that statement showed the company is insolvent? And do you deny that following that, you issued an operating licence which allowed this company to take tens of thousands of dollars from other innocent Saskatchewan citizens, who were relying upon your supervision of that company?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I indicate again, Mr. Speaker, that the historical practices have been and were followed. And does the hon. member want me to make an admission? No I will not, for a very simple fact: that if any investor — to take the hon. member's interpretation — received that annual report and did not take their moneys out, they themselves, on his argument of course, would be negligent and lose the right to any "compensense" before the court.

So I suggest to the hon. member that it would be very unwise for any spokesman to take that position, and he may be well prejudicing the position of several investors if that's the argument he's making.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. That is an interesting observation by the minister. Mr. Minister, I put it to you that there is no obligation under The Investment Contract Act operated by your government to supply financial information to the certificate holders, and it was not supplied.

And I further say this, Mr. Minister: do you deny that your Department of Consumer and Commercial Affairs has been refusing to supply the public with copies of the financial statements filed with the Department of Consumer and Corporate Affairs under the terms of the Act? Do you deny that your department has refused to supply the public, who have asked for it, with financial statements filed under that Act?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I'll take notice of that, Mr. Speaker, but I find it very, very interesting . . .

Mr. Speaker: — Order. Order. Next question.

Ms. Smart: — Thank you, Mr. Speaker. My question is to the Minister of Finance. The Minister of Consumer Affairs and her officials had only three companies to administer under The Investment Contracts Act — only three. They have been grossly negligent and incompetent in doing this, and they failed badly to protect the Saskatchewan consumers.

I have a constituent in my constituency who's worked for 30 years as a cleaning person, cleaning buildings, and she's lost her life savings in this collapse which you failed to regulate in this province of Saskatchewan. And I want

to know why the Government of Saskatchewan is not both legally and morally responsible to these people to cover their losses and to help them when they were told that the government guaranteed their loans 100 per cent?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I suspect, Mr. Speaker, in answer to the hon. member, that if anyone told them that the Government of Saskatchewan guaranteed their loans 100 per cent, that it was probably the member opposite who was telling the people because I can't believe that that, in fact, happened.

Mr. Speaker, again, and this is the second time today, and the third time in the last two days that the New Democratic Party has gone on record on demanding a bail-out for the investors in an Alberta trust company that has gone into receivership. This is the third time, and it is the same party, the New Democratic Party that opposed this government helping Saskatchewan investors in a Saskatchewan trust company, Mr. Speaker. I suggest, Mr. Speaker, that we are seeing the height of hypocrisy from the New Democratic Party.

Some Hon. Members: Hear, hear!

Prescription Drug Plan

Ms. Atkinson: — My question is to the Premier. A few minutes ago we tabled in this legislature yet another petition organized by the Regina chapter of the Voice of the Handicapped calling on your government to reverse its decision to dismantle the Saskatchewan prescription drug plan. This brings to more than 36,000 the number of people who have signed petitions calling on you to come to your senses with respect to health care.

Mr. Premier, will you now listen to the people of Saskatchewan? Will you heed the views of tens of thousands of Saskatchewan people that health care should be our number one priority in this province and that the Saskatchewan government should rescind its changes to the prescription drug plan?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, we have and will continue to review . . .

Mr. Speaker: — Order, please. Order, please. I think that the Premier should be given the opportunity to answer the question without being immediately interrupted.

Hon. Mr. Devine: — Mr. Speaker . . .

Mr. Speaker: — Order, please. I think that the member for The Battlefords should take heed of that.

Hon. Mr. Devine: — Mr. Speaker, the Minister of Health and myself and others have said that we will review all cases, all individual cases in the province of Saskatchewan that want to be reviewed as a result of their special or unique circumstances, and we will respond to each and every inquiry.

I can say today, Mr. Speaker, that we have examined several, and to date I believe about 85 respondents have been reviewed carefully, and the applications have been received from individuals that have special requirements, those that aren't on compensation, or those that aren't on welfare, or those that aren't seniors, or those that aren't in institutions, and they're examined very carefully, and we will continue to do that.

So if the members of the public think they have a special or unique circumstance because they have a relatively good income but it's not . . . it's above welfare, or it's not covered by compensation or other things, we would be glad to examine them, and we will continue to do that to make sure that each and every individual or family has appropriate care in response.

Ms. Atkinson: — Supplementary. Mr. Premier, people in this province don't want to have to go to your government begging for coverage. They don't want to have to do that. For months we have presented cases in this legislature where families have had to choose between groceries and medication, thanks to your changes to the prescription drug plan.

Today the Voice of the Handicapped has come to this legislature with petitions and a plea that you restore this important health service. More than 36,000 Saskatchewan people have signed formal petitions opposing changes to our health care system. What will it take to get you people to listen? How many thousands more will have to sign petitions and march on this legislature in order to restore our health care system and get you folks to listen to what the people in this province are saying? How many more?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the hon. member talks about thousands and thousands. I can say that we have received 85 completed applications, and they have been dealt with very fairly by the commission that examines individual circumstances.

The hon. member knows that it is indeed the very best drug program in all of Canada. It covers every single solitary individual. And, Mr. Speaker, I would point out that if you are concerned about people that are on low income, they fall into the category of welfare and they are covered. If you're concerned about those on compensation, they are covered, Mr. Speaker. If you're concerned about senior citizens, people in hospitals and institutions, we've covered all those except for very unique circumstances.

And the hon. member, to be fair, has talked about thousands and tens of thousands. I mean I can go through a list of 85 individuals that have returned and have completed applications, and we've dealt with every one of them, Mr. Speaker.

And I might add, the hon. member mentioned the other day that it was \$1,700 in one case. Well when we pick up 80 per cent of it and return it quickly, it amounted to less than \$30 a week, Mr. Speaker, less than \$1 a day . . . \$30 a month, less than \$1 a day, Mr. Speaker. So I don't think

it's fair to exaggerate, and I don't think it's fair to use scare tactics, and I hope the hon. member is not running all over Saskatchewan saying nobody is covered. I don't think it would be fair at all.

Free Trade Talks

Mr. Goodale: — Thank you, Mr. Speaker. My question is for the Premier. There is less than a month to go now in the Canada-U.S. free trade talks, Mr. Premier, and yesterday Canada received a very stern message from the U.S. Secretary of State, Mr. Shultz, in Washington. He said that any dispute settlement mechanism in a free trade deal would have to be consistent with existing American laws on dumping and countervail and so forth.

In other words, the United States is not prepared to give up any of their trade harassment practices such as they're presently using in relation to our potash.

Now my question, Mr. Premier, is this: on Monday when you meet with the other first ministers in Ottawa on this subject, will you be taking the position that an acceptable treaty from the Saskatchewan perspective must include a clear, definite, and binding dispute settlement mechanism to override U.S. trade harassment practices?

Hon. Mr. Devine: — Well I would largely concur with the hon. member that for us in the province of Saskatchewan . . . Mr. Speaker, I can just say that the resources that we have here, and the amount of trade that we do with the United States, particularly when it comes to commodities, it's extremely important that we play by rules that we set together, as opposed to just having the United States set the rules as they are now, and particularly when it comes to potash. We can't live under those circumstances very easily. We end up the losers.

That's obviously why I would like to have an arrangement where we can both sit down at the table and cut out the deal and arrange circumstances that we can both understand with respect to trade and play by those rules. Right now we're doing it just with the United States' rules, and they're getting more miserable, frankly, passing legislation in Congress that is very restrictive and would hurt Canadians.

So I would say we need a mechanism, and I will fight extremely hard for a mechanism, and, put another way, I wouldn't accept a mechanism that wouldn't allow us to be involved in an arrangement where we set the rules together and not just the United States by itself.

Mr. Goodale: — Mr. Speaker, I think it's critically important to be very clear on this point. The U.S. trade negotiators are talking about a voluntary dispute settlement mechanism and the federal government has recently used the language, an adequate dispute settlement mechanism. Those words seem to me to be rather mushy. Is it the Premier's clear position that any mechanism must be definite, it must be binding, and it must override U.S. powers of trade harassment which they have used so recently against Canada, and particularly against Saskatchewan?

Hon. Mr. Devine: — I believe, Mr. Speaker, what you see

from the United States' point of view is that they are obviously very sensitive with respect to changing the rules with respect to trade. Secondly, they're in a bargaining position, and what you heard last night, I'm sure, is some pretty hard bargaining by Secretary Shultz who just said: look, we're not about to change this either at all or very easily.

Now the negotiations as they get to the final hour, it's like anything else that you negotiate, you're going to see probably some movement. Now obviously they've said that they're not interested at the outset. The Congress is in a very miserable mood. We'll have to see how that plays out to the end, but they're taking a very hard line, and their actions — how irrational they are. I mean, in fact when you look at the potash case, it hurts the entire agriculture market in the United States. Despite that, they're still taking a hard line because they're in a very partisan battle.

Effect of Gasoline Tax on School Boards

Mr. Kowalsky: — Thank you, Mr. Speaker. My question is to the Minister of Finance. When you introduced the seven cents per litre gasoline tax, Mr. Minister of Finance, you double-crossed the school boards. Actually that was your second double-cross, the first one was the breaking of a promise of the EDF (educational development fund) fund.

But right now you double-crossed them because the tax came in long time after the school boards already set their budgets and the mill rates were set. And what happened is the SSTA (Saskatchewan School Trustees Association) tells us that there is \$1.5 million that school boards are going to have to cough up. In fact, the Prince Albert school board has sent you a letter saying it will cost them \$45,000 in addition.

Now, Mr. Minister, my question is: in view of the fact that this is an unfair gas tax and it will result in either higher property taxes or in cut-backs in student programs, will you agree to exempt school boards from this unfair tax?

Hon. Mr. Lane: — Mr. Speaker, this is typical of the opposition — repetitive question. It's come up several times. It's been answered several times in the Assembly. The question of exemptions for next year of course goes in the normal budgetary process, but I'll ask the Minister of Education to respond.

Mr. Speaker: — Order. Order, please. Next question. Sorry.

Mr. Kowalsky: — A new question. Mr. Speaker, we will keep asking the question until we get an answer to this . . .

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — . . . because what is happening is you're trying to snooker the people on this by reducing the licences. One answer we've got is you're trying to reduce the licences to compensate for the increase. And I say that's an insult, Mr. Speaker. The people, the property taxpayers are still going to have to make this particular payment. Why don't you admit that it was an

incompetent move on your part — you forgot about the school boards when you set your budget — and rescind it?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker . . .

Mr. Speaker: — Order, please. Order, please. Order. I don't think it's fair to interrupt the minister as soon as they're on their feet. They haven't even said a word in response and they're being interrupted. Order.

Hon. Mr. Hepworth: — Mr. Speaker, relative to the question of gas tax and how it affects rural school boards, I would suggest to you, Mr. Speaker and to the people of Saskatchewan, who is snookering who here? is that the NDP are trying to snooker the people of Saskatchewan, because they know full well when this question was asked before this following response was given, and it clearly shows that we anticipated the effect of a gas tax on rural school boards.

The cost of a 7 cent a litre gas tax to school boards for the remainder of the 1987 year, Mr. Speaker, by our calculation, is 665 thousands of dollars. Because we did not want this to be a hardship for school boards and because they did not have any way of anticipating a gas tax increase, we changed the grants for rural transportations, the formula for grants for rural transportation in rural Saskatchewan. We increased the per pupil rate by \$3 or 2.7 per cent increase and the rural transportation kilometre rate by 3.2 per cent.

Or to put that more simply, Mr. Speaker, the rural transportation grant was increased by nearly 900 thousands of dollars for 1987 when, in fact, the cost to school boards only goes up by 665,000. So I, in fact, Mr. Speaker, would lay the fact out for the people of Saskatchewan and for that hon. member so that he will not continue to go around and mislead the people of Saskatchewan and say that, in fact, school boards are 250,000 richer, notwithstanding the gas tax, to cover-off the cost of the gas tax and other increased transportation costs in rural Saskatchewan, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Goodale: — Mr. Speaker, I wonder if I might have the leave of the House to revert to introduction of guests on our agenda for the purposes of making an introduction.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Goodale: — I would like to draw the attention of the members of the House to four people who are seated with us on the floor of the Assembly. They are: Mr. Mitch Griffin, Ms. Elsie Peters, Mr. Bob Bill, and Mr. Joe Reinhart, and they are representatives of the organization known as The Voice of the Handicapped and together they played a very large role in soliciting the names on the petitions which were filed with the Assembly earlier this afternoon, and they are obviously very dedicated members of that important organization in

Saskatchewan, The Voice of the Handicapped. And I would ask all hon. members to welcome them to our Chamber this afternoon.

Hon. Members: Hear, hear!

Ms. Atkinson: — Yes, Mr. Speaker, I too would like to join with the member from Assiniboia-Gravelbourg in welcoming the Regina members of The Voice of the Handicapped. I'd also like to draw the Assembly's attention to Mr. Garth Garver, who is seated in the gallery. He is the president of the Regina chapter of The Voice of the Handicapped.

As you know, The Voice of the Handicapped has done a tremendous job of advocating on behalf of disabled people in this province. They have lobbied for accessibility standards to be implemented by the provincial government. As well they have lobbied about other issues that are of importance to disabled persons. I thank The Voice of the Handicapped for the tremendous work that you've done in gathering signatures hoping to convince the provincial government to change the prescription drug plan. And I congratulate you on your work that you're doing on behalf of disabled persons.

Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 38 – A Bill to amend The Prairie And Forest Fires Act, 1982

Mr. Hodgins: — Mr. Speaker, I move first reading of a Bill to amend The Prairie and Forest Fires Act, 1982.

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

Bill No. 39 – A Bill to amend The Law Reform Commission Act

Mr. Hodgins: — Mr. Speaker, I move first reading of a Bill to amend The Law Reform Commission Act.

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

Bill No. 40 – A Bill to facilitate Economic and Social Development in Rural Areas

Mr. Hodgins: — Mr. Speaker, I move first reading of a Bill to facilitate Economic and Social Development in Rural Areas.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

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

Mr. Martin: — Thank you, Mr. Speaker. I want to make a couple of points to finish off my portion of the potash debate. Let me, however, before I get into that last couple of points to express my disappointment and frankly, Mr. Speaker, my surprise that the members opposite, the NDP, have remained curiously silent on this debate when the issue of sovereignty is so important and the right to own our own resources is so important to the people of this province.

Mr. Speaker, we required the rights to our resources in the resource Bill of 1931. Then in 1982 the Canadian constitution provided for the provinces to develop and manage their resources. In fact the constitution specifically stated that the provinces have the right to set their primary rate of production, and that, Mr. Speaker, is what this Bill is all about, in addition to the sovereignty issue. We have the power under the constitution, and this Bill is a mechanism.

Mr. Speaker, yesterday the three and one-half million member American farm bureau expressed serious concern about the anti-dumping preliminary charges, saying that the move by the United States Department of Commerce came as a surprise to them and not a very pleasant one at that. Their spokesman was quoted as saying: let's not get the Saskatchewan government mad at us, or words to that effect. The message, Mr. Speaker, was quite clear.

You can be sure that that organization, the largest farm organization in the world, will lean heavily on the United States Department of Commerce, various senators and congressmen throughout the wheat and corn growing areas of the United States. Perhaps even Mr. Shultz will listen on this occasion.

Mr. Speaker, our Premier, who has spoken on numerous occasions to farm groups in the United States as well as to their legislators, is highly respected for his knowledge and leadership in national and international farm policy initiatives.

And now, Mr. Speaker, our Minister of Energy, the member from Swift Current, has brought forth a Bill that has not only caught the attention of our neighbours to the South but is timely and necessary to protect our potash and to protect our workers. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Thank you, Mr. Speaker. I want to join in this debate for a few moments to review a little bit of the history of the situation that we face today, realizing that what we are debating is very historic for the province of Saskatchewan but as well, Mr. Speaker, for the country as a whole.

I want to point out that the Government of Saskatchewan has continued to fight international unfairness wherever we found it. Particularly we've worked extremely hard to

fight protectionism as we found it in the United States, and European markets, and in other Pacific Rim areas. And we have looked hard and we have lobbied hard to reduce the unfair subsidies that we find in markets throughout the world. Specifically I could point out, for example, when we look at the agricultural market that we are involved in here in the province of Saskatchewan, the huge subsidies that are in place in the United States have caused undue damage right across the province of Saskatchewan and indeed across western Canada. And we've taken those subsidies head-on, Mr. Speaker, because people want the government to respond.

When American farmers receive an awful lot more money than we do and we have to take on the U.S. Treasury, then in fact we have to bow our neck here and defend farmers and not let that go unnoticed. With respect to the various kinds of industries that we have had to battle for, whether it's softwood lumber, it's potash, uranium, steel, agriculture, pork, various kinds of items that we face unfair trading practices, the province of Saskatchewan and this administration has taken a strong stand to support two things: one, to remove that unfairness; and secondly, to expand our markets whether they're in United States or various other places around the world.

Specifically in agriculture we have through hard lobby and a great deal of work, allowed farmers here to receive some compensation for the unfair subsidies that take place in the United States. This last year farmers in Saskatchewan have received about \$675 million in cash as a result of direct lobbying, not entirely by this administration but certainly led by this administration. So the average farmer received something like \$10,000 apiece in the province of Saskatchewan in 1987, and because, Mr. Speaker, of unfair subsidies.

Let me point out – as I did, I believe, in Halifax a couple of years ago – as we get into the scheme of things where subsidies and protectionism continue, it gets worse and worse and worse. As a result, we found farm income throughout the United States and throughout Canada is reduced. The demand for potash continues to decline and prices decline, and then you have problems in subsequent industries, not only in agriculture but obviously in potash.

As the minister has pointed out here, we have a huge excess supply of potash in the world, not only in Saskatchewan but in other places, because farmers haven't had the income. And you can take that loss of income right back to the subsidies and the protectionism that started the whole thing in the beginning.

No industry lives in isolation these days, Mr. Speaker. They are linked one to the other. Agriculture has an impact on the chemical industry, has an impact on the input industry, has on machinery, and indeed on potash and fertilizer.

As a result of the moves internationally with respect to subsidies and protectionism, it finally sorted itself out into where now it hits the potash mines here in Saskatchewan. And, Mr. Speaker, we are going to respond because we have no choice.

If you look at the results recently in the province of Saskatchewan – and we could forecast this. And as many as five years ago, we were saying in western Canada: watch out for the American protectionism; watch what it will do for Saskatchewan; and watch what it will even do to the potash industries and the other industries that sell into agriculture. And we were forecasting that.

Well, Mr. Speaker, I guess we can say today that those forecasts came true. Unfortunately we predicted that the United States would get deeper and deeper into this mire of protectionism and subsidy, and it would have an impact not only on Americans but, indeed, on people right across the world.

We have, Mr. Speaker, responded earlier by dramatic changes in the potash industry, and we were making changes. And I want to just point out that Saskatchewan sales to the United States, our largest market, have declined by almost 20 per cent since 1980, and in good part because of problems in the United States where the U.S. farm income has dropped because of the huge protectionism measures that they have taken place there.

Industry measures have been cut in half since 1981. As a result, many companies have suffered substantial losses in our province, Mr. Speaker, as a result of these unfair practices. Closer to home, we've seen production cut-backs, frequent shut-downs and lay-offs. Saskatchewan capacity utilization has fallen from a high of 100 per cent in 1982 to a low of 67 per cent, Mr. Speaker.

(1045)

We have been responding. We have been cutting back. We have been trying to react to a market that is irrational because of the unfair economic conditions imposed by politicians abroad.

Saskatchewan communities have lost almost 1,000 jobs in the potash industry, with many of the remaining workers obviously uncertain about their futures. Government revenues, Mr. Speaker, have dropped from \$280 million in 1980 to just \$37 million in 1986.

Well we can't live under those conditions, Mr. Speaker. We can't live under the conditions that have been set in motion by people that were here before us and people in other jurisdictions. We can't live by the whim of some international political action that will jeopardize either our agriculture industry, our oil industry as a result of OPEC (Organization of Petroleum Exporting Countries), or our potash industry as a result of moves that are taking place now because of the anti-dumping case.

I want to take this opportunity, Mr. Speaker, to point out that much of this problem, much of this problem today directed at the province of Saskatchewan, had its seeds planted in this province in the 1970s. In the 1970s, Mr. Speaker, the administration of the day was NDP. And they have a very unique view of their trading relationships around the world – a very unique view. The NDP view is that nobody matters except them.

We have a huge agricultural industry in North America that needs potash. And we have a huge potash industry in the province of Saskatchewan that needs that agriculture industry. Well, Mr. Speaker, I want to read something to you that I think is quite appropriate when we start to look at why we're in the position that we're in today.

And it's a senator from New Mexico in the United States, Senator Pete Domenici, and he says this, and I quote:

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

And he was talking about the NDP administration in the 1970s. Mr. Speaker, can you imagine a United States politician walking through the halls of Congress and through the Senate, through the House of Representatives, talking about the nationalization of an industry that's going to supply goods and services into the United States. Do you think that would provide him with any ammunition at all to take a rip at Canadians?

Well, Mr. Speaker, it doesn't take much imagination to realize, in fact, Mr. Speaker, that's the very reason today that we're faced with these kinds of anti-dumping conditions. The man who led the charge, Mr. Speaker, is looking up across the border and saying, well for Heaven's sake, the socialists are going to nationalize the entire industry; therefore, they're not playing by the rules, and we'll show those people in Canada.

Mr. Speaker, and the members opposite stand up – from Quill Lakes, the member from Quill Lakes is sitting here and he doesn't believe that the senator would use this.

Mr. Speaker: — Order, please. Order, please. I don't think that those kind of remarks here in the legislature are called for.

Hon. Mr. Devine: — Mr. Speaker, the member from Quill Lakes was part of the cabinet, was part of the cabinet that nationalized the potash industry, Mr. Speaker. And I'm going to read the quote as often as I have to so, in fact, his constituents and others can remember what caused this. This is United States senator, Mr. Speaker, that says about the NDP:

From the beginning the Government of Saskatchewan made clear that its control of the industry was necessary to ensure the implementation of its vision of socialism in Canada.

Now the American senator and American politician looked at Canada, and they looked at the NDP and they said, for Heaven's sake, they're going to nationalize the industry here in Canada and try to service the North American market by nationalizing the industry. Well, you can imagine, you can imagine, and the politicians – they're all politicians sitting across the row here – can imagine how a politician in the United States would use this against Canadians.

All they'd have to do is point up there and say, look at what they did. They nationalized this industry. Look at what they've done to oil. They've got a national energy program. Look at what they've taken over here; they got the back-in provisions on all kinds of mining. Every single solitary thing that you're trying to do for a North American economic development package, the NDP are pointing out, no, we're going to nationalize it. Well that comes at some cost, Mr. Speaker – it comes at some cost. The cost is your customers no longer trust. They say, you were going to provide us with the goods and services, with potash, with uranium, with all kinds of goods, and services, and then you change your mind and say, no, we're going to nationalize those industries.

Well, Mr. Speaker, what happens? The politicians down there have good, solid ammunition to go from constituency to constituency, and district to district, and say, you can't trust Canadians. How can you trust Canadians? We just get a deal going and then, by George, they're going to nationalize the industry. And a dark cloud settles over Canada in the minds of Americans. They say, I would like to do business with you, but you're taking over the industry; you're on this socialist bent.

And it isn't just that one move, Mr. Speaker, not that they just nationalize the industry. But when the U.S. embassy moves its Consul General from Winnipeg to Calgary, there's a reason. The NDP stand and burn the American flag, Mr. Speaker, and yet they want to have customers in United States. NDP radicals, including NDP cabinet ministers, involved in this on the steps of a building in Winnipeg, burning the American flag, and say, oh, wouldn't this be great for relations with the United States.

That comes at a cost, Mr. Speaker, the cost of tens of thousands and tens of thousands of jobs in Canada, because we're trying to develop a good working relationship with our closest neighbour, a fair relationship. And the NDP, the black arm people from the socialist side, nationalize an industry, burn the American flag, will not even stand with their allies in the free world and even defend this part of a country in this part of the world when it comes to NATO (North Atlantic Treaty Organization). And Americans are looking up here and say, what kind of people are this that burn the American flag in Winnipeg, that will nationalize the industries?

And they laugh, Mr. Speaker, they laugh. The member from Saskatoon Nutana sitting there laughing, as if this was some kind of joke when you threatened all the jobs and all the economic activity and all the mines and all the markets and all the reasons that we can make a good solid living here in North America. And the member from Saskatoon Nutana sits there and laughs. That it's something funny to threaten the lives of Saskatchewan people, either by protectionism or by subsidies or by these vindictive moves by Americans, because people here in political parties were so narrow-minded and so closed and so focused on socialism to take over all the industries. I should have brought the *Regina Manifesto* here because I'm sure now they read it in Washington.

They know, Mr. Speaker, the consequences of what the actions would be as a result of the NDP . . .

Mr. Speaker: — Why is the member on her feet?

Ms. Atkinson: — Mr. Speaker, on a point of order, the Premier referred to the member of Saskatoon Nutana as laughing at his remarks. I want to assure the Assembly I was not laughing at his remarks, and in fact I've just come into the House.

Mr. Speaker: — The point of order is noted.

Hon. Mr. Devine: — Mr. Speaker, I apologize to the member. It was the member from Saskatoon South who was sitting in his seat with his back to the Assembly, laughing, and he's still here. I apologize to the member from Saskatoon Nutana; I got the seats mixed.

And, Mr. Speaker, I will point out, it was the Energy critic for the NDP, who is still in the legislature, from Saskatoon South, who is laughing at the fact that they could nationalize the industries and burn the American flag and not stand up and even be part of NATO and thought it was . . . and still thinks, that it's a very good idea and would have a positive impact on American-Canadian relations.

I just point out, Mr. Speaker, that in Congress senators can walk around and repeat this kind of thing, saying: in Canada there are politicians like this that would nationalize the industries; that would not defend North America, even in terms of normal defence mechanisms, and in fact are now criticized internationally for their moves and their policy statements that have been presented recently.

I point this out, Mr. Speaker, because I believe that the people of Canada and the people of Saskatchewan will begin to see the fallacy of the kinds of policies that we've experienced under the NDP in this province, and indeed if they were ever government of Canada, Mr. Speaker.

Can you imagine the relationship between other countries and this nation if in fact the NDP could do what they did in Saskatchewan across the country; to nationalize the forestry industry; to nationalize the steel industry; to renationalize the potash industry, and then go cap in hand to Americans or others in Europe and say, oh, but wouldn't you trade with us? So they could stand up and they could burn the flags of their best customers — burn the flags of their best customers and laugh about it, and still continue to laugh in this legislature about the kinds of things that they would do, and then expect to be treated fairly or responsibly all over the world.

Well, Mr. Speaker, we are taking action today to mend and improve and correct the wrong-headed, unfair, selfish, narrow policies of the NDP administration in the 1970s. And, Mr. Speaker, we're going to do that because to protect Canadians you don't have to nationalize them. You can stand in the legislature . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — You can stand in the legislature and you can provide good, solid legislation which will provide the kind of protection that we need so that we can

trade fairly and have a good, solid reputation all over the world. And we have, and we're working hard at it.

This administration, and administrations like this, Mr. Speaker, respect international commerce. We know we get our living in trading wheat, barley and hogs and steel and potash and coal and forestry products, and the opposition doesn't understand that. The NDP didn't build in this province; they either nationalized or bought or take over. That's all they did.

The last election in 1986 was fought on that very principle — do you want to nationalize industries or do you want to build something new. Look at all the potash mines in Saskatchewan — all those mines, Mr. Speaker. The NDP didn't build one of them — not one single mine. They didn't build. They bought half of them, nationalized them, alienated our customers, borrowed the money, put the company in big debt — didn't build one.

And I ask Canadians, and I ask Saskatchewan people to remember who built them. It was the private sector, Mr. Speaker, that built those mines and put those people to work. And it was the NDP that borrowed a whole bunch of money from Americans — borrowed the money, then nationalized the private sector, and then go wave the burnt flag in front of their face and say, how do you like us so far?

Mr. Speaker, they didn't build one pulp company — not one did they build. They didn't build one single packing plant — not one. Not for jobs, they didn't create it. They didn't create one single economic opportunity in the potash industry, in the packing industry, in the pulp industry. They bought them — bought out, chased out — packing plants out of Prince Albert; kicked them right out of town, Mr. Speaker. They took over half of another packing plant.

Mr. Speaker, when you look at PAPCO (Prince Albert Pulp Company) and you look at the \$91,000 a day that this province got into because of that administration, the NDP saying that they would nationalize it, and the public lost and lost and lost. And today, Mr. Speaker, look at what's happening; look at the difference. And I want Saskatchewan people to recognize this, and Americans to recognize this, and people all over the world, that PAPCO, that company, P.A. Pulp Company, will make more money this year in the history of that company — in the entire history of it, Mr. Speaker.

And in addition to that, a brand-new paper mill is going up right beside it that is magnificent. I had the chance to tour it the other day. Fantastic development, Mr. Speaker, to provide paper and paper products and pulp products all across the world and including North America.

Mr. Speaker, they didn't build. They nationalized and hurt our reputation all over North America. And that's coming back to haunt us today in potash.

When a senator can stand up and look at the member from Prince Albert or look at the member from Saskatoon South or the member from Saskatoon West and say: you are against industry; you nationalize industry; you don't understand what commerce means, and you don't

understand what commerce means, and you don't understand what economic development really means, because you didn't build a thing, do you know what? It builds the case in the United States. And those Americans love to see that. They like to see, aha, now we have an excuse to go hit Saskatchewan. And they hit it.

The member from P.A. can smile, because he thinks it's funny. Well it isn't funny. There are tens of thousands of jobs at stake as a result of that wrong-headed policy. And if we ever got into the position internationally where this country was known as a country that nationalizes industry and ties up families in government, we would lose much more.

Well, Mr. Speaker, we're not standing for it. We didn't in '82, and we didn't in '86, and we're not in the future, and we're not today. The legislation that we have today . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — The legislation that we have today is designed to protect Saskatchewan families and to protect that industry — not nationalize it, not borrow money from the United States and try to buy it back. It's here. And to see it build, Mr. Speaker, we are going to have legislation in this province that says, we will protect the resource; we will protect the families; we'll protect the towns and the villages, and we'll protect that industry because it's our responsibility.

(1100)

And at the same time, Mr. Speaker, at the same time, something that the NDP doesn't understand, we will protect our reputation internationally as good, solid customers and competitors and in a trading relationship that can be recognized world-wide.

And they can't do that, Mr. Speaker. They never did, and they can't do it in the future. And even then their policies today are the same old rhetoric — find somebody to hate; tear it down. I mean, their whole campaign all across Saskatchewan for years has been, find a witch; go on a witch hunt. That's all they understand.

Our legislation, Mr. Speaker, will provide for the strongest possible power in the province of Saskatchewan to protect this resource. We are not going to let their action, and then the corresponding United States action, put our people out of work.

Mr. Speaker, if we just left it as it was, the NDP have set the stage and the Americans have responded, and that's very clear. I mean, I've read and I'll read it again as long as I have to, to get the link. The link is the result of the NDP nationalizing the industry. The American politician down there has had a perfect excuse to say it's unfair, and they've imposed an anti-dumping on us. We are not going to let that link be successful. We are going to defend the industry.

We can't sit and do nothing, because up to an 85 per cent tariff, it's impossible to survive. Every time you market into the United States, the United States government would pick up 85 cents on every dollar and you'd get 15

cents. We can't leave it alone. We can't leave it the way it is because we've been locked in as a result of these two moves, one by the NDP and one by Americans.

We are going to pass this legislation, Mr. Speaker — I really believe we will — which will provide us with the power to make sure: one, that we don't lose that market; and two, we don't give away the resource. We've not going to do that. We are going to make sure that we maintain our market share, that we will be good producers and solid suppliers of that resource to Americans and to people all over the world, and you know that the sales have increased world-wide.

And we will not be intimidated, either by the opposition or by Americans or by anybody else. The U.S. Congress isn't going to run the potash industry of Saskatchewan and, thank goodness, the NDP aren't running it any more.

Mr. Speaker, we will make sure that people of Saskatchewan and those in those industries, the people in the industries, have a chance to build and expand and in fact have a long-run security with respect to the kinds of things that we know we can do in a trading relationship with the United States.

I want to take a moment to point out two or three things about the U.S. system that I believe are relevant today, and why the United States is doing some of the, I believe, irrational things that it's into right now. And one of them is obviously potash, and three or four that are linked.

I want to point out that when I was visiting with the governors in the United States — and I spoke often in the U.S. about the good, solid trading relationship that we have with Americans in terms of being good customers of ours, and we have a large trading relationship. And the governors said, in their report at the national governors' convention, they wanted to be productive and they wanted to be competitive world-wide. They said they finally realized they're living in a global village these days and they've really got to respond. Well I say to Americans, I say very carefully, if you want to be productive and competitive in a world-class sense, don't deny your people access to the most competitively priced goods and services that you can find anywhere in the world, and that's from Canada.

While the governors were down there saying, yes, we are going to be competitive, at the same time they said, but we're not sure we want electricity from Canada. They said, I'm not sure I want the potash from Canada; I'm not sure that I want the uranium from Canada; I'm not sure that I want the steel from Canada or the pork or the softwood lumber, and others.

And I say to Americans, if this is the most competitively priced, closest, solidest source of supply of these major commodities to build America, why would you deny yourself the very right of access to keep you competitive? It doesn't fly; it doesn't follow, Mr. Speaker. And I just ask Americans: if you want to be competitive, then don't rule out the best source of supply that you've seen any place in the world, and that's your neighbour Canada.

Secondly, I want to point out with respect to their

argument, that really the problem between the United States and Canada is the exchange rate. The Canadian dollar is too low, and we have too big an advantage, and some would argue that in the United States. But we have done everything we can to improve our budget nationally. We've improved the value of the dollar. We have protected that interest rate, and we've had the Bank of Canada involved to make sure that we do maintain that currency. But notwithstanding that, if the United States wants to see a strong Canadian dollar, does it make any sense to weaken Canadian industry by not buying timber or uranium or potash or pork or steel or the kinds of things like electricity that we can provide them very competitively?

If they deny us those markets, the Canadian economy weakens, the dollar goes down, and the exchange rate problem is exacerbated. It's worse. So I say to Americans, with respect to productivity and being competitive, you can't have it both ways. If you want to be competitive, then get the competitive supply. If you want to have comparable exchange rates, don't hurt your best trading partner. The best thing you could do is have a good solid working relationship with Canadians, and you'd see those dollars even out, and in fact we could have a good, solid North American market.

But the key one, Mr. Speaker, and it comes back to the very recent one, is potash. Imagine one single senator from New Mexico is going to provide this little bit of benefit to two worn out old potash mines in New Mexico that the whole world knows can't even supply a fraction of that U.S. market, that are very inefficient, that have a poor ore grade, are not profitable. And that senator got this legislation far enough so the small little benefit could go to two old worn out mines in New Mexico. And that is completely overshadowed by hundreds of millions of dollars of extra cost to the entire U.S. agricultural economy.

All the farmers in the United States are going to pay hundreds of millions of dollars more for potash, for what? The U.S. economy, the U.S. consumer, the U.S. industry, the U.S. farm belt, which is the most massive in the entire world, has been held to ransom by one senator and two worn out old mines in New Mexico, that even if you raised the price a hundred bucks a tonne wouldn't live very long. A minor, small little share of the market – tiny – and he has thrown a monkey wrench into the entire U.S. agricultural economy, which affects the food business, which is the largest industry in North America, which is the largest industry in the world.

I say to Americans: do you really want to do this? You want to be competitive, but you deny yourself the access to competitively priced goods. You want a comparable exchange rate, but you want to hurt your best trading partner that has the exchange rate problem. And you want to have strong agriculture. You've got a U.S. farm bill with \$50 billion in it, and at the same time you're going to charge yourself hundreds of millions of dollars more for two worn out old mines.

Mr. Speaker, what you see in the United States is the consequence of some unthoughtful, in some cases irrational, economic activity, and more specifically,

political economic activity. Protectionism in the United States has been running rampant, and it's the same arguments that the NDP use here. They run through the United States, or they'll run through here, and they'll go up to people and say: I'll protect you from those awful Canadians. And the NDP run around and say, oh, we should be protected from Americans and from Japanese and others.

Protectionism has never worked, Mr. Speaker, in the history of the world. You have to be strong enough and brave enough to say, I will trade with you and you trade with me; not just be confined to the Davidson market, or the North Battleford market, but indeed, to the Canadian market and the North American market and the world market. It only makes sense, and for Saskatchewan people and indeed Canadians and, of course, Americans, it makes more sense; you are stronger, you are more viable; you can withstand other economic fluctuations if you have a good commercial relationship with people around the world.

Mr. Speaker, we want to trade with others. We want to trade fairly with others throughout the world. We trade with the Soviet Union and with China, with the Pacific Rim, Japan, South American, people all throughout Europe, India, Australia; we have a good reputation as traders. We do in most cases, notwithstanding some of the fallacies of the NDP. We want to build that relationship and see it grow stronger and stronger and stronger throughout the world as people who can be relied upon, who are consistent, and who are fair.

As you know, and other Canadians know, I am a strong believer of a free-trading relationship, world-wide, multilaterally and bilaterally. I would work hard for a bilateral deal between Canada and Japan. I would work hard for a bilateral free-trade deal with respect to Canada and any other country, because I believe it's good for our children and good for our economy, and it allows people to grow and to build.

But I will not stand by and see unfair trading practices put farmers out of business. And I will fight with every inch of me to make sure farmers survive these unfair subsidies. And I will not stand by and let our oil people go down because of unfair policies by OPEC (Organization of Petroleum Exporting Countries). I won't; I didn't; I haven't in the past, and I won't in the future.

And I will not stand by and let unfair policies, either from the past in Saskatchewan or in the United States today, defeat our potash industry. We will put the resources that we have on the nose, Mr. Speaker, to make sure that we can respond fairly and squarely – known first of all as fair traders and want to trade. There's nothing I'd like to see better than a termination of this anti-dumping fiasco that we're in. It's unfair, and it's wrong. The problem is over-supply; it's not something that's been anything else.

I want to see trade, and I want see more of it, but it has to be fair. And we will take whatever action is necessary in this province to defend those industries and defend those people and those families.

It is the most powerful legislation, I believe, that this

province has seen in that regard, or in fact that the country has seen. We know that it's powerful. We will use it carefully, and we will use it with precision. But we are prepared to use it, Mr. Speaker. And we have gone this far to let the rest of the world know that we're not going to stand pat and just let something else run our industry, or run our families, or run our province.

So I just say in closing, Mr. Speaker, it's important that we tell the rest of the world, including Americans, where we stand. It's important that the people of Saskatchewan know that we have no choice – there's no choice at all. We can't let this happen. We have to move. If we did nothing, we could lose thousands of jobs. So we will not do nothing; we're going to respond.

We have now – and the legislation I believe will pass – and this province and this generation will know that this historic piece of legislation was in place for two reasons – two very important reasons. Neither one of them work. One, a political party and, unfortunately, a government in Canada that would go about nationalizing industries and think it's good for trade. It never has been in the past; it never worked in France; it never worked in Great Britain; it hasn't worked any place – any place. That's the first that we are going to correct.

And secondly, that protectionism – protectionism – closing your door to your neighbour has never worked either. Those two things are wrong-headed. They don't think about the future of the family or the resources or about economic activity. They just think about political expediency at that moment, and it's the easy side of the argument.

And the thing that bothers me most is that respectable, honourable people that could be elected would take that easy road, Mr. Speaker, and say: oh, the people wouldn't understand, so I'll just play with them; and I'll just tell them, oh, you wouldn't understand this, but I'll just protect you, and this is the best thing to do. And they know that it's wrong, Mr. Speaker, but they still do it. They still do it and will suffer the consequences of that for years and years and years. Well we're not going to back down. Their policies are wrong, U.S. policies of protectionism are wrong. We're going to take them on with all we got, Mr. Speaker, and I fully intend to win, and I'll be supporting this legislation.

Some Hon. Members: Hear, hear!

Mr. Goodale: — Thank you very much, Mr. Speaker. I want to add a few remarks to the second reading debate on Bill 36 today. This is a subject obviously of critical importance to Saskatchewan.

Mr. Speaker, our potash resources which were initially fostered and developed in a significant way to the advantage of Saskatchewan, mostly by a previous Liberal administration in Saskatchewan, are in serious jeopardy today, and that jeopardy results from at least three causes. The most recent and the most obvious cause is the anti-dumping trade action that's now being pursued by the American potash industry in the negative atmosphere of U.S. protectionism.

But, Mr. Speaker, that is not the only cause of the current crisis. Also to blame, I believe, is the naïve and the weak management of our natural resources which has characterized, unfortunately, the conduct of the Saskatchewan government in so many ways since 1982.

(1115)

In potash and in almost any other field that you might care to mention, this government has demonstrated a level of sheer incompetence, Mr. Speaker, that is an acute embarrassment to its own free enterprise constituency. A \$3.4 billion provincial deficit and several hundreds of millions of dollars in deficits at PCS, the Potash Corporation of Saskatchewan, speak volumes about this government's glaring lack of managerial expertise.

But the roots of this crisis, Mr. Speaker, are also deeper than just that. The previous NDP government must indeed shoulder some responsibility too. It was that administration that put hundreds of millions of Saskatchewan tax dollars at risk to create PCS – one of the flagships of their so-called family of Crown corporations. It soaked up much of what otherwise could have been a real heritage fund for Saskatchewan's future. It soured Saskatchewan's enterprise atmosphere. It made us more vulnerable to the type of U.S. trade action that we're battling today.

And, Mr. Speaker, there is blatant hypocrisy dripping from the current stance that the NDP is taking today. They apparently decry production limitations, just as they did back in 1969. But it's interesting to note, Mr. Speaker, that when they came to office in 1971, they did not – repeat, did not – dismantle the Ross Thatcher prorationing plan. Indeed, in 1976 by legislation they ratified and confirmed Mr. Thatcher's 1969 and 1970 regulations.

And just a few days ago in this House, Mr. Speaker, I heard the Leader of the NDP speak in very positive terms about how Mr. Thatcher tackled the potash issue in the 1960s. That's not the position that he took – that is the Leader of the NDP – in 1969, but it does seem to be his position today.

When you examine the record, I would submit, Mr. Speaker, that indeed you have to go back to the 1960s and to the Liberal government of that day to find a clear illustration of some vision and some efficacy in potash resources management. There was genuine growth. There was economic expansion. There was job creation in the industry. There was some measure of public sector/private sector co-operation. There was sufficient competence, Mr. Speaker, and foresight to see a problem coming on the horizon, and there was the political courage and the economic intelligence to find a way to head it off.

Mr. Speaker, what is different today? Some say that there are only two basic differences between what was done in 1969 and what is now being proposed in 1987. First, that this Bill No. 36 doesn't deal with floor pricing, and therefore is less subject to a constitutional challenge; and second, that the constitution itself has been changed to strengthen the provincial role in resource ownership and management, and therefore, again, there is a lesser

possibility of legal difficulties.

These two points, Mr. Speaker, are valid and well taken, but there are two other differences between 1987 and 1969 – two very practical and telling differences, Mr. Speaker, that speak well of the 1969 initiative and illustrate the flaws in 1987.

First it should be noted and underscored that in 1969 the government action came before, not after; it came before the crisis had flooded over us. That Thatcher government at the time could read the signals. They saw the dangers in advance, and they summoned the political will to take charge and to head off the crisis before Saskatchewan was entirely backed into a corner, Mr. Speaker, it might be useful for hon. members to review the *Hansard* of the day in 1969 and 1970, to examine those debates and to see how that fundamental difference is illustrated in the reports of this Assembly.

The premier at that time shouldered his responsibilities. And with a good deal of political savvy and acumen, he persuaded his New Mexico counterparts to join in a solution to the problem. The premier then, in 1969, was proactive. He took the initiative, and he did it, Mr. Speaker, in advance, before the fact, and not after.

Secondly, the second major difference between 1969 and the present time. The solution arrived at in 1969 was a shared solution, with both major potash jurisdictions, Saskatchewan and New Mexico, participating jointly and mutually. Each shouldered a portion of the burden. In 1987, the present government in Saskatchewan did not have the vision or the foresight to anticipate the problem, and they're now forced to play a desperate game of catch-up.

And because of their inability to identify the problem in time, in advance, potash jobs, and potash families, and potash towns, and potash companies are now under a much greater threat. Compared to 1969 the government today has been slow and reactive, not quick and proactive. And as a consequence, again compared to 1969, the government today is proposing a unilateral, one-sided solution where the potential pain is to be shouldered only in Saskatchewan. No one else is participating – just us. And the burden falls here.

In practical terms, those differences now, compared to 20 years ago, are perhaps even more significant, Mr. Speaker, than the legal or constitutional differences that I mentioned earlier. The Premier of today has said in the present circumstances that he has no choice but to advance this legislation. He has said on many occasions that he is now “boxed in,” to use his own words, and Bill 36 is his response. Well, Mr. Speaker, one could well ask how he allowed that box to form, to close off all of his options. How was it that he allowed the situation to deteriorate so that this Bill is now the only alternative? And the Premier will have to have some answers for the people of Saskatchewan to those questions.

But, Mr. Speaker, for the purposes of this debate this afternoon, I have some other more immediate questions that I want to address to the Minister of Energy and Mines, who is directly responsible for this Bill in the House. I have recited my questions, Mr. Speaker, publicly over the last few days. I have specifically written to the Minister of Energy and Mines to put my questions to her directly in writing, and I believe some

direct and specific answers are necessary before any MLA can make an intelligent judgement about this Bill.

Now, Mr. Speaker, may I say most sincerely before this debate is over and we're called upon to vote, I would urge the minister, in whatever form she may choose, to provide the answers to these questions.

To date, I would submit to you that her generalizations have simply not been sufficient. It is not sufficient, Mr. Speaker, to talk in slogans about our leadership role in the potash markets of the world. It is not sufficient to talk in glib language about how we're not prepared to give up our place in world markets. It is not sufficient, Mr. Speaker, to say in general terms that we're going to move to protect livelihoods and investments. Those are lovely statements of good intentions, but they aren't specific answers and specific plans for action. The minister, I believe, has a duty in this House and to the people of Saskatchewan to provide some very definite information.

And I would like to review the questions, Mr. Speaker, that I think are vital at this time.

First of all, what other alternatives were considered by the government to protect the Saskatchewan potash industry? What were their options? Why was Bill 36 selected as the best of those options? Is this Bill the government's only single idea, or were there others, Mr. Speaker? What were the pros and the cons of each, and what are the arguments to say that Bill 36 is the best way to go?

And further, Mr. Speaker, I think it's important for the minister to say in definite terms what is new in this Bill, compared to previous or existing legislation. Clearly, the Premier wanted this Bill, as he has just demonstrated in the House in his speech, to create the impression of his government being active and aggressive, and he wanted this Bill to provide himself with an opportunity for a debate to embarrass the NDP, and particularly the member for Riversdale.

But in reality, I would ask the government to tell us what genuine new powers they will have by virtue of Bill 36, apart from prohibiting certain court actions by potash companies, and apart from providing higher penalties for offences. What new legal powers are provided by Bill 36 that the government didn't already have under The Mineral Resources Act of 1985?

Secondly, Mr. Speaker, what political or diplomatic efforts are being made by the Government of Saskatchewan or the Government of Canada to urge the United States, at the political level or the diplomatic level, away from the stand that the United States has taken on potash duties? Neither the Premier nor the Minister of Trade nor the Minister of Energy and Mines have given us decent information on that topic.

Certainly the Premier makes trade-related speeches all over the place, and certainly some lawyers have been representing Canadian companies before American

tribunals. But I would ask, Mr. Speaker, is that it? Is there no other complementary strategy to fight this U.S. trade action against our potash? Is there no direct effort to rally the U.S. farm lobby to our cause? Is Pat Carney in Ottawa, for example, doing nothing but saying that the Saskatchewan Bill is within the constitution? Is Brian Mulroney doing nothing to raise this subject with President Reagan or the U.S. administration? Is Bill 36 all there is, or is it, Mr. Speaker, all that could have been?

Thirdly, what is the specific position in this matter of the Government of Canada? Is the Mulroney government supportive, or not? Are they going to help, and if so, how? To date, all that the federal government has said is that Saskatchewan has the constitutional authority to move forward with Bill 36, and that's it. The federal government has offered us their legal opinion on the constitution. Well that's wonderful, Mr. Speaker, but it doesn't help very much. Is Ottawa going to do absolutely nothing else to deal with a critical trade issue which is within federal jurisdiction and could cripple the Saskatchewan economy?

Where do they stand, Mr. Speaker, and what is their specific plan? For example, is the Government of Canada working now at the political or the diplomatic level to get a reciprocal undertaking from the United States that these new tariffs against our potash will be withdrawn in response to Bill 36? Is there any hope of that, Mr. Speaker? Is the federal government working to find out? And in relation to the so-called free trade talks between Ottawa and Washington currently under way and nearing the crunch, will the Government of Saskatchewan be raising this trade harassment of Saskatchewan potash in that context? Will Mr. Mulroney instruct his negotiator, Mr. Reisman, to put this issue into the free trade talks and to try and get a firm U.S. commitment to back away from their anti-dumping action as a part of that bargaining?

Mr. Speaker, what is the federal position, and what are they prepared to do? Apart from simply offering their legal advice on the constitution, they appear to be doing nothing at the present time.

Number four, what are the direct job consequences that will flow from Bill 36? The minister says to do nothing would cost jobs in the long term, and the point of Bill 36 is to head that off. But in the short term, Mr. Speaker, if Bill 36 is more than just sabre-rattling, if it's more than just some high level monkey business, if it's really going to be used, then it could well cost Saskatchewan jobs, at least temporarily.

Surely the minister must have analysed that risk. She must know what's at stake, and the House needs to know, Mr. Speaker, the magnitude of that threat. How many jobs are at risk under Bill 36, and for how long? If the minister has done her homework in this regard, and I certainly hope she has, she should tell us what that arithmetic is.

And number five, Mr. Speaker, bearing the threat of lost jobs in mind, either temporary losses under Bill 36 or longer-term losses because of industrial or trade adjustments, what is this government's specific plan to provide displaced potash workers with alternate employment or income compensation, should that

become necessary? Are those workers to be left essentially on their own? Are they alone to bear the burden and to pay the price for this trade war in potash? Surely not, Mr. Speaker. Surely the Government of Saskatchewan cannot take the position that the burden is to fall upon those workers.

(1130)

So I ask then, Mr. Speaker, what is the government's game plan to cope with that situation? And what representations have been made to Ottawa for support and assistance in relation to these job matters?

Number six, Mr. Speaker, with respect to non-Saskatchewan potash production in New Brunswick or offshore in Israel or Jordan or Germany or elsewhere, does this government have any assurance, or even a strategy, to try to pursue an assurance that other sources of potash supply will not simply replace Saskatchewan's supply in U.S. markets.

Bill 36 is a one-sided, unilateral initiative. What do we gain, Mr. Speaker, if we tackle the inventory problem here costing jobs and other painful economic consequences in Saskatchewan and at the same time supply from elsewhere just moves in to take our place in the market?

The minister says that she won't allow that to happen. Well, Mr. Speaker, I ask: what is her plan to stop it or to prevent it from happening? It won't be achieved by sloganeering; it won't be achieved by wishful thinking. Specifically, how will she maintain our market share under Bill 36?

Again, Mr. Speaker, where is the federal government in all of this? Are they working to ensure, for example, that New Brunswick is fully onside? It sure doesn't sound like it from recent news reports. And where is the diplomatic effort vis-à-vis our offshore competition?

Again, Mr. Speaker, I would refer to the 1969 precedent. In that case when action was taken on the part of the Government of Saskatchewan 20 years ago, assurances were indeed sought and received from our international competitors and that was all in hand before action was taken by the Government of Saskatchewan.

Again I invite hon. members to review the record on that matter, by reading some sections from *Hansard* from 1969 and 1970, to see that that commitment to co-operate had already been obtained in advance by the Saskatchewan government from our competitors around the world before action was taken by the government in the form of regulations.

This replacement of supply issue, Mr. Speaker, is absolutely critical and I simply ask: has the government turned its mind to that matter of concern at all?

Number seven, Mr. Speaker: is there a strategy to find new market alternatives for Saskatchewan potash beyond the United States? It seems to me that this potash case points up a serious flaw in much of the Saskatchewan government and Canadian government policy in relation

to trade. The Saskatchewan and Ottawa Conservatives say constantly, over and over again, that the Americans are our biggest and closest and best trading partner; they are our friends and allies; we have so much in common together sharing this North American continent. And, Mr. Speaker, much of that is true, but we already have 75 or 80 per cent of our international trade with the United States, and we want more. How much more — 90 per cent, 95 per cent. 110 per cent, Mr. Speaker?

If you're dealing with a close friend that is periodically pretty hostile and frequently forgets what friendship ought to mean, wouldn't you be well-advised to try to broaden and diversify your list of friends and allies and trading partners? Wouldn't you be wise to try to find as many other possible partners to do business with? Why put all your eggs in one basket, Mr. Speaker, where the bottom sometimes falls out of that basket, friendship notwithstanding?

I think the answer to that particular proposition is obvious, Mr. Speaker — yes, we should diversify our portfolio of potential trading partners in potash.

What then is the government's plan to move more of our potash elsewhere? Surely we don't propose to leave ourselves so vulnerable in one big, close, attractive but obviously unreliable market. Even if that U.S. tariff against our potash were removed tomorrow, Mr. Speaker, and our access to that market was restored with no limitations, as good as that would sound, would it not be sensible and practical and advisable for Saskatchewan, and for Canada to pursue every other potash market elsewhere too? And so my question, Mr. Speaker, is: what is the government's plan, both in the short term and in the long term, in that direction?

We received news at the end of last week about the new potash trade deal with China, and certainly that is welcome news. But, Mr. Speaker, one new story or one deal like that does not constitute a strategy; one sale does not constitute a solution, and I believe the government needs to have a much broader strategy for diversifying our potash trade alternatives elsewhere in the world.

Mr. Speaker, these are some of the questions which stand out today, essentially unanswered, as this debate has gone on for several days in this legislature. They are not, Mr. Speaker, merely rhetorical debating points; they go to the heart of what this legislation is supposed to accomplish, and whether it will work, and who will bear the burden, Mr. Speaker.

And I ask the government to respond to these questions seriously and carefully and in detail. It is only with this kind of information that all of us in this House can make an intelligent decision about Bill 36. If the government has a good case, a solid case, then there should be no difficulty, Mr. Speaker, in answering the questions that I have asked today and those answers would just serve to bolster what would be the government's case.

Mr. Speaker, I wanted to put those issues on the record in this legislature today. I have mentioned them publicly in the past. I've written to the minister to mention those concerns to her in written form, but I wanted to put them

on the public record in this legislature.

I ask the government to take these issues seriously because I think they are important to the potash industry, and to the workers, and to the people of Saskatchewan, and I will await with keen anticipation what the minister and the government may reply. Thank you.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Thank you, Mr. Deputy Speaker. This morning I want to add a few remarks to the Bill — this very urgent Bill which the government laid before this Assembly, a Bill which they laid before the Assembly a week ago and they said it's highly important, and they have stood in this House and filibustered their own Bill.

Day after day when this Bill was given notice to this Assembly, our House Leader stood up and said, if it's vital to the orderly marketing of potash in Saskatchewan, we give leave to proceed with that Bill. And I say we waited to see what the Premier would say, and he came in here today with a disoriented, a scrambled version, hardly ever talked about the Bill or an analysis of direction which he's taking.

And I can understand, I guess. The Premier probably had a bad night last night, and well he should have if you look in Ontario.

Some Hon. Members: Hear, hear!

Mr. Koskie: — I want to say that the Bill which the government claims is its response not only to the recent U.S. anti-dumping action against the potash industry in our province, but it says it's also the government's response to the larger, world-wide problems affecting Saskatchewan potash industry and potash jobs.

Mr. Deputy Speaker, this Bill is essentially about the management of Saskatchewan resources, specifically our potash resources. And unfortunately it seems to be a Bill prepared in haste, in the government's confused panic about how to respond to a situation that caught the government flat-footed, asleep at the switch, and embarrassed.

As such this Bill must be examined in the light of this government's overall management of Saskatchewan resources or, rather, the government's incompetent mismanagement of our resources.

Some Hon. Members: Hear, hear!

Mr. Koskie: — We can look at the mismanagement of our coal resources, the give-aways to the Alberta firm. We can look at the mismanagement in respect to the forest industry to a multinational corporation. We can look at the mismanagement of our oil reserves. And unfortunately, Mr. Deputy Speaker, the PC government's potash policy is all too consistent with their resource policy generally, a resource policy that is incoherent, a resource management that is incompetent.

I want to say at this stage of the debate, Mr. Deputy Speaker, that . . . and simply restate and reiterate our

concerns about the PC resource policy and the concerns about this Bill that have already been cited by my colleague, the member from Saskatoon South.

I say, Mr. Deputy Speaker, the government's incompetence is still further revealed by their delay in introducing and passing this Bill. For several years now, since 1982, they have watched the world supply/demand imbalance build up, and, by their own actions, they have contributed to it. For several months, at least, they have known about the U.S. anti-dumping action launched by the inefficient U.S. producers in Carlsbad, and yet they did nothing.

And then after the U.S. preliminary decision was announced, what was the government's response? It was panic confusion, flat-footed embarrassment, brave foolish talk, and more delay. Then, Mr. Speaker, even after the government announced its intention to introduce this so-called urgent Bill, there's still more delay — speech after speech. And they say it's urgent and they want to pass it.

I want to say, as I said in my initial remarks, that we were prepared to deal with this Bill, put it into Committee of the Whole as rapidly as possible, two weeks ago. But they were not ready. And at every step of the way since then, it has been the PC government opposite that has delayed the passage of this Bill. In fact, as I said, there has been virtually a filibuster by the members in respect to their own Bill. And I say, and I predict, that they will try yet again perhaps to delay the passage of this Bill still further.

Now why is that? Is it more PC government incompetence, or are they really interested in playing politics with Saskatchewan workers and Saskatchewan jobs? Well I say, Mr. Deputy Speaker, the Bill before us cannot be judged in isolation. It must be examined and judged within the overall context of the potash industry of Saskatchewan and the situation faced by the industry today. And for that reason it is particularly disappointing that the PC government opposite has failed in this debate to address the real and fundamental issues facing the issues.

And I want to outline and repeat, as the member from Saskatoon South indicated when he responded to the introduction of this Bill, what have they failed to do? They failed to explain how their Bill will address and resolve the anti-dumping action launched by the New Mexico producers. They failed to explain why they are prepared to cut back Saskatchewan industry, but allow the New Brunswick industry to produce full out. They failed to address the need for a truly rational Canadian solution to this duty imposed on all Canadian potash mines by the U.S. And they have failed to explain why they did not even try to achieve a fair accommodation with New Mexico and the potash industry in New Brunswick.

(1145)

It is failures like that, Mr. Deputy Speaker, that make it clear that this government opposite is far more interested in looking backward, far more interested in playing politics of the past, and not really interested in protecting the future of Saskatchewan potash industry, the future of

Saskatchewan jobs.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Mr. Deputy Speaker, I would like to turn just a moment to the wide-sweeping powers the government is seeking in this Bill, and make just a brief comment on the PC government's approach to deregulation. Their ideology, their ideological position for deregulation in the market-place is evident here in Saskatchewan with the collapse of the Principal Trust, and the incompetent negligence of the PC government opposite in dealing with it. And if that is the PC government deregulation in the consumer market-place, I'll tell you this: Saskatchewan people don't need it, and Saskatchewan people don't want it. But now we have here a reversal. We have the PC government opposite that preaches deregulation; the free market-place is now imposing the most sweeping and heavy-handed and suffocating regulation on an industry in the history of this province. That's not simply incompetence, Mr. Deputy Speaker. It's not deregulation; it's a government's desperation.

Let me turn for a moment to another cause for grave concern. Yet another problem with the PC government's potash policy which they claimed is embodied in this Bill before us today. We can understand that there may have to be some prorationing to be considered. But any such scheme must be fair, it must be objective, and it must be non-discriminatory. Unfortunately, this Bill does not satisfy that test. I invite all members to consider very carefully the regulatory powers being granted to the government in this Bill, and being granted to itself in its new, secret, politically appointed resource board. For in this Bill the government is clearly and deliberately setting out a scheme that it wants not to be objective and not to be fair. It seeks in this Bill the power to discriminate between companies and even between mines.

And I say, Mr. Deputy Speaker, that's not good enough. If we look at this Bill, there is no appeal by any of the affected potash producing mines to any of the courts, if they happen to be discriminated against. And I think that's missing. If you take a look at the resource board that they set up as appointed by cabinet and there's 3,800 — 3,800 workers in the potash industry and not one worker is going to be allowed to be represented on the board. And they say they're concerned about the workers.

Mr. Deputy Speaker, while my colleagues and I have expressed some grave concerns and some criticisms of the PC resource policy and of this Bill, I want to say that it's really too soon to judge this Bill now before us. The ultimate judge, of course, will be the people of Saskatchewan. Ultimately, Mr. Deputy Speaker, this Bill will be judged on three grounds. First, will this legislation provide effective relief against the unwarranted U.S. anti-dumping action now threatening the Saskatchewan potash industry. That is the test, one of the tests.

I say here today, and I am confident in predicting, that there will be mitigating circumstances despite this Bill. I say that this Bill is not the solution to the anti-dumping as has been indicated.

So I say that the real test here: will the Bill provide relief from the U.S. duty? If not, the PC policy will be judged a failure. Second, will this legislation protect Saskatchewan's share in the world potash market and will it provide relative fairness within the Saskatchewan potash industry? And I say that is the second test, Mr. Deputy Speaker. For if the ultimate effect of this Bill is to somehow reduce Saskatchewan's share of the world potash market, or to discriminate for or against any company within the Saskatchewan potash industry, then this PC policy will be judged to be a failure.

And last, the third test, Mr. Deputy Speaker, the third is absolutely crucial, and that is the test of jobs for Saskatchewan people. On behalf of the potash workers of Saskatchewan, on behalf of their families in the scores of Saskatchewan communities in which they live, today, we want to serve notice today on the PC government opposite that if this potash policy results in any loss of jobs it will be judged a failure, and judged severely by the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Again, Mr. Speaker, and I want to indicate that the workers in the potash industry are not very confident of fairness from this government. I live in a potash community. Part of it is in my constituency. And the potash workers in Lanigan had some treatment with this government, with over a 10-month, no negotiations for a settlement until after the election. And so they're worried about their future. The record of this government in dealing with labour has not been one that they should be proud of.

So I say those are the three basic tests that we will be looking at. As I said, I do not propose to prejudice in a premature way this sort of tardy and panic-driven Bill which is before us today. The political dissertation that the Premier gave, instead of a statesman coming into this House and very methodically dealing with the situation, he talked about burning flags and just ranting disoriented dissertation that was a disgrace to this House.

Some Hon. Members: Hear, hear!

Mr. Koskie: — And I thought we were dealing here with a serious problem, and we, as an opposition, said we'll deal with it in a serious manner, and today the Premier came in and tried to play politics. He doesn't even want the Bill passed, because his own members are filibustering the Bill. And I say to you, Mr. Deputy Speaker, that we do not propose to give it our blind faith that this is the solution — unqualified support, because, as I say, it has to be judged by its results.

And we say that . . . We say this to the PC government opposite that: you're the government; it's your Bill; you say it's going to do the job, and I say we're prepared to put you to the test. But I'll tell you, those three criteria better be there. I'll tell you, we better be addressing the anti-dumping. I'll tell you, we better be addressing, not losing, world markets as a result of it, and the curtailment of production. And I'll tell you, you better not destroy and place on the backs of the working people of this province your mismanagement.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Accordingly, we urge the government that if they say this is an important Bill, to get on with it, to get it passed, and quite playing politics with the workers of this province and with the industry.

I want to say that the Premier became very political today. He started ranting about what happened in 1970. And you know what? The very action that they had headlines with last week about increasing the price of potash by 35 per cent, I believe, the very action that they took in the potash industry to confront the anti-dumping tariffs that's been levied, was done by the Potash Corporation of Saskatchewan.

In other words, the Potash Corporation of Saskatchewan allowed this government, and gave it an instrument, in order to set a price on the potash industry. The very instrument that they used to protect the potash industry, the Premier stood in this House and decried it and said: we've got to get rid of it. That's what he said.

I'll tell the Minister of Justice that it's your Bill. You say it's going to work. We have indicated to you and we have been prepared to proceed with it. And I'll tell you, on the basis of those three tests, we will in fact be supporting you. That's right.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: — Order.

Hon. Mr. Lane: — I think it rather an interesting statement by the member from Quill Lakes, that all during the week was highly critical of the legislation, says he has doubts. Every other time they've had doubts, Mr. Speaker, they've gone up on some diatribe and said they'd never support it.

Based on their record of their activities on other pieces of legislation, what we're seeing is a rather bizarre contradiction in the New Democratic Party. As the comment made earlier, the New Democratic Party has more positions on this Bill than the Liberals have on the Meech Lake accord. And I think that was fairly well stated.

There's another aspect to this Bill which I find somewhat bizarre. You know, Mr. Speaker, and I say this to the members of the press, that for many, many years protected the then leader the opposition, the leadership candidates of the New Democratic Party are going to be held to account. And they ran from this House and they ran from the Assembly on store hours legislation, Mr. Speaker. Ben Johnson couldn't have caught them running down the halls, Mr. Speaker, when they were trying to escape accountability on Sunday store hours, refusing to take a stand.

And I find it interesting, Mr. Speaker, although he was there for question period that we have not heard from the declared candidate of the New Democratic Party. And I expect to hear from the hon. member, Mr. Speaker, in this debate. I expect to hear from the hon. member from Riversdale — after all, he is the trade critic. And after all,

he was the legislator, the member of cabinet that took the nationalization Bill through the House. And Mr. Speaker, like I say, a fair warning to the press gallery that they must be held to account. They must be held to account in their positions because it is not fair journalism, Mr. Speaker, to let them avoid accountability.

Mr. Speaker, I found it interesting and I wish that the member from Assiniboia was listening to the debate. Obviously he came in for his few comments with some conditions and didn't seemingly understand what's happening in the potash industry, and didn't, Mr. Speaker, know some of the recent events, and perhaps like I say, was not paying attention.

Mr. Speaker, there's little doubt that the legislation is absolutely necessary.

(1200)

Again, we find the interesting situation that a week ago, a week ago the New Democratic party were calling for an immediate response to the preliminary anti-dumping decision against Canadian potash producers. Now that there is a strong response, the members don't like it. What have they offered as a solution, Mr. Speaker? The Leader of the Opposition has demanded that the government impose a prorationing scheme similar to that that was judged to be illegal, and yet he tells the public that the government should repeat that illegal action.

Well you called for a prorationing. The former Energy minister called for prorationing, and that prorationing scheme similar to that brought in the late 1960s was found unconstitutional. I think that's a fair comment. I think . . .

An Hon. Member: — Constitutional changes since then.

Hon. Mr. Lane: — Yes. Well that's precisely why the legislation had to change, Mr. Speaker, and to the Leader of the Opposition.

If, of course, the government had have brought in a prorationing scheme once found unconstitutional by the courts, the courts would make rather quick work of that legislation, and the province's position would be seriously impaired with that type of approach.

Secondly, Mr. Speaker, I do find it interesting that we now have the support of the New Democratic opposition, and to the government's position — and they can't avoid this, that the decisions on how our natural resources are to be managed must be made here in Saskatchewan and not in Washington.

The declared leadership candidate has no solution. They attacked the production controls, saying controls would cause our potash producers to lose the entire U.S. market, and that was the concern. Again, surprising: if they really believed that, why would they say that they're supporting the Bill? They know that it's not accurate. They know that 20 years has gone by and that the U.S. mines are no longer able to supply the levels of the U.S. market that they did 20 years ago. Mr. Speaker, I'm surprised at that

statement from the NDP leadership candidate.

The U.S. American fertilizer association frankly admits that they cannot supply the U.S. market, the U.S. producers, and that overseas suppliers can only supply 5 or 10 per cent of the American demand. American farmers will have to obtain potash from Saskatchewan. And today a news report and a news interview indicated the president of the American farm bureau, the largest farm organization in the United States said, in no uncertain terms, that we, the U.S. farmers, need your potash. There's little doubt that the preliminary dumping duties announced by the U.S. Commerce department will cost the American farmer a great deal.

And finally, Mr. Speaker, the opinion and concern expressed by the president of the American Corn Growers Association and the National Association of Wheat Growers in the United States freely admit that the actions of the United States government are going to impact on the U.S. farmer, and I think that reiterates what the Premier today said: that the actions of the United States Department of Commerce indicate the falling of the U.S. protectionist position.

If the leader, the proposed leader of the New Democratic Party from Riversdale, were listening to the concerns being raised by U.S. farm leaders, he would know that production management is not only workable, but this government believes it essential to protect jobs in Saskatchewan.

I know that the member from Riversdale has not been too accurate in predicting suitable production levels and market prospects. I recall back in 1971, the then member issued a three-page news release laying to rest rumours that there might be lay-offs in the potash corporation because of weakening demand for potash — wouldn't have any lay-offs, he said as chairman of the board. We believe that the market will improve significantly in the spring of 1982 and that in fact the higher inventory levels will be of benefit to us in helping meet the demand in the long term. Obviously a completely inaccurate — and I frankly think that at that time given the fact that it was an election coming up in 1982, probably coloured the comments rather than any sound business decision or any sound utilization of the Saskatchewan resource.

In fact by 1981 the strong demand and record high prices of 1979 were levelling off, as the recession began to affect agriculture around the world and substantive new productive capacity came on stream. In 1981 the potash producers of the world could supply 27 million tonnes of potash, the surplus was 1.1 million tonnes, or just 4 per cent of capacity. By 1986 world productive capability had grown to 31.4 million tonnes, but demand had not grown at the same rate and surplus capacity last year was 4.1 million tonnes, or 13 per cent of capacity.

Saskatchewan potash mines produced at virtually 100 per cent in 1980 and last year averaged 67 per cent of productive capacity. Government revenues had dropped from 280 million in 1980 to 37 million in 1986 and industry revenues have been cut in half, and many companies have suffered substantial losses. Production management is essential to protect our industry and the

jobs created for this province.

NDP says that the government has no game plan, but what does he suggest? Nothing. One can only draw the logical conclusion that the NDP are still in the time warp of the 1960s and early 1970s where the sole solution of the over capacity is nationalization. And, Mr. Speaker, times they are a changin'. That person that used to be the rallying call of the far left perhaps his tune these days would be more applicable to the NDP, perhaps they should now listen. The times they are a changing, Mr. Speaker.

Unfortunately the NDP, as I say, in their time warp have no solution but to throw up their hands and say nationalization is the answer. Nationalizing the industry however would do not one thing to address the problem of American anti-dumping action. All it would do is increase our debt by borrowing more money, probably from the Americans, like the NDP did the first time around. It wouldn't create one new job and not one new mine, but it would increase the debt. And certainly not one bit of help with the problems of over-supply.

Or perhaps the member from Riversdale's plan is to hope that over-supply goes away. December of '81, his last prediction, he predicted better markets were just around the corner. And we know what happened to that prediction.

But there's more, I think, Mr. Speaker. In February of 1984, the member for Quill Lakes attacked this government for not rushing to complete the expansion of the Lanigan potash mine because, said the member from Quill Lakes who proudly talked about the potash industry in his riding, he said, and I quote: "The original completion date would have brought the project on stream just as world potash markets were beginning to improve." That's the member from Quill Lakes.

That's the so-called expert on potash who proudly says that he has the industry in his riding and he knows all about it. He was, oh, so wrong in 1984, Mr. Speaker. The NDP predictions on potash have been wrong, wrong, wrong, wrong; and I suggest their interpretation of this Bill is just as wrong as their predictions. With North American demand almost flat and new production in other parts of the world coming on stream, only — only — the New Democratic member from the Quill Lakes would see improving markets in 1984.

I think it appropriate, because it was raised by the member from Quill Lakes about the Lanigan expansion, and how the NDP have hoped to re-write history with regard to their efforts of involvement in the potash industry.

Mr. Speaker, I have the minutes of meetings of the potash corporation — and I might advise that actively involved during the course of this was the now member from Riversdale, the next leader of the New Democratic Party. And in 1978 when the decision was made to expand the Lanigan division, and the minutes go on, Mr. Speaker, and I've distributed them to the Progressive Conservative members, and only the Progressive Conservative members because I believe they're the only ones who are

going to read them. And rather than have them wasted on the members opposite who, as I say, are trying to re-write history, the decision was made not only to expand Lanigan, but the board also approved of fast-tracking the project, Mr. Speaker. And the minutes at page three make that quite clear. Raising commitments beyond the amount recommended in that year of \$25.9 million. Also approved an expenditure of 15.28 million, plus or minus 20 per cent, for engineering-related studies.

The same year in the rush to get this new project on, in 1980, they approved a further \$110 million. The increase from only 25.9 million was necessary to implement the decision, and I'm quoting, "to fast-track the project."

And in 1980 again, the board further approved, and I think it clear that the member from Riversdale was the chairman of the board, Mr. Speaker, and I don't think that history can be re-written that falsely, agreed that the sum of \$475 million — \$475,163,000 to be precise — plus or minus 8.8 per cent, be approved to complete the engineering design and construction of phase 2 at Lanigan. And further, in those minutes: that the upper limit of funds expended will be \$517 millions.

All of those decisions made in 1980 and 1981, Mr. Speaker.

That was the belief, and those were the predictions of the New Democratic Party in 1981. They made some other rather strange decisions and I know, to the Leader of the Opposition, that I still have a reply to make to him to a letter that he forwarded to me. I can assure him that the preparation is being done. But I was surprised one of the questions asked by the Leader of the Opposition at the time was: how did these currency losses take place? Because in the annual report of the potash corporation it showed currency losses of some 30-some millions of dollars.

I'll tell the public; I'll tell the opposition how the currency losses took place. Because in 1980, August 28, the executive committee of the board of the Potash Corporation of Saskatchewan agreed to extend hedging contracts of up to 25 per cent of expected U.S. dollar receipts to a maximum period of \$5, and that the hedging program continue with U.S. dollar receipts up to a maximum of 75 per cent.

Mr. Speaker, that decision, that decision led by the member from Riversdale, and now seemingly forgotten by the Leader of the Opposition, or perhaps he wasn't informed, the following losses from that hedging decision total \$50 million — 194,353 thousands of dollars. That was the losses because of a desire to be financiers, Mr. Speaker, to play in the big leagues and spend money — an unwise decision. And, Mr. Speaker, the evidence is through the minutes — I won't go into them in detail — where one of the positions given to that board was the uncertainty of the Canadian dollar, that it didn't look strong and that it could fall.

(1215)

So notwithstanding the caution raised, it was desired to, by the member from Riversdale, to be a financier, roll the

dice, play banker, play investor, and the losses amount to 50 million, 194,353 thousand dollars, Mr. Speaker. I think that, Mr. Speaker, a rather shocking damnation of the actions of the board of the potash corporation prior to the 1982 election.

So I've detailed, Mr. Speaker, the spending decisions with regard to the Lanigan expansion, and I've dated them for this Assembly and for the public.

And I've also talked about the practice of hedging. And I also found it interesting, Mr. Speaker, that upon the nationalization of the industry, the New Democratic government of the day arranged that the potash corporation would not have to pay any interest on the 418 million taken from the Heritage Fund to buy the potash corporation in the first place; a move carefully designed, Mr. Speaker – I think raised by the opposition at the time is a rather strange, to be polite, activity, one certainly not picked up by the media at the time – but very carefully designed to give the people of Saskatchewan an unrealistic, optimistic picture of the corporation's financial picture, again going into the 1982 election.

Mr. Speaker, we had a situation where the government of the day not only presented a false picture of the corporation, spent public moneys to create a corporation that took over existing mines and existing jobs, it created a corporation that could not shoulder its real costs, or it would shatter the picture of profitability that the government wanted to portray. As I say, and I've detailed again, the hedging, Mr. Speaker, it wasn't until 1986 that the signed five-year contracts fell due, and that the full cost of the hedging was able to be given to the people of this province.

The New Democratic Party seems oblivious, Mr. Speaker, to the real world of supply and demand. The New Democratic Party in Manitoba wants to spend hundreds of millions of dollars to build a potash mine in that province. Is it any wonder that the *Winnipeg Free Press* warned the NDP government in Manitoba to be extremely cautious. If they knew what the people of Saskatchewan know, and will know, Mr. Speaker, they would be urging a lot more than extreme caution. The *Winnipeg Free Press* has recognized what the NDP refused to understand – that the world potash industry is suffering from a serious over-supply problem, and this Bill will begin to deal with that problem. It's not a trade Bill, but it does provide for a management of the resource.

A great deal of over-supply is due to the financial problems of farmers, particularly in the United States, where fertilizer use has been cut back and land has been taken out of production. But it should not be forgotten that over-supply also comes about because of decisions of the previous administration.

We had the expansion of Lanigan decision and expenditure of moneys and the commitment of moneys and the need to increase inventories, even though demand was falling prior to the '82 election. Even as recently as '84 we get the predictions from the NDP of an upswing in demand. The market was believed that it would expand for ever, as it took more and more of the taxpayers' money. And yet they seemed to not be able to

see the need to manage our potash supplies today to support our industry and maintain our jobs and communities.

Mr. Speaker, the actions that have been detailed as well by the Premier, of the previous administration, helped lead to the problem that we're trying to deal with today and no rewriting of history will avoid that.

Mr. Speaker, I find it surprising now that the leader of the Liberal party is here, that he tends not to recognize, in his criticism of the Bill, the activities of the potash industry of Saskatchewan to expand its markets and seems to minimize the recent sale of potash to China.

Mr. Speaker, although that announcement was last week, of another significant sale, that was not the result of actions of one day, Mr. Speaker. Those decisions were made some time ago to try and do what was necessary to encourage the Chinese people to use potash fertilizer. It's taken the form of advertising, limited though it may be allowed, to try and encourage and make aware, the Chinese farmer, of the advantages of using Saskatchewan potash. Mr. Speaker, that's been a long-term strategy to increase our markets.

I find it interesting without getting into details, when he talks about what assurances does the government have that other producers would not step in. We have the recognition of major farm leaders in the United States that even if they did, they could do, perhaps, 5 per cent to a maximum 10 per cent of the United States market. But I find it interesting, that the worry that other countries would not go along, reflected, Mr. Speaker, not in reality, because we have recent announcements of Israel raising its price \$35 a tonne.

Mr. Speaker, the other countries can't supply, to a large extent, the United States market like Saskatchewan can. As I say, there is a difference from 20 years ago, to the member of the Liberal party, the member from Assiniboia-Gravelbourg, that in those days there was an ability in the U.S. producers to supply nearly 30 per cent of the market. And today, if they went full bore, Mr. Speaker, they would be lucky to do 13 per cent, and that giving up the ability to maintain a potash industry, Mr. Speaker.

So it's a different world; new rules apply; the problems are different; the solutions will be different; the activities, the constitutional changes require different types of legislation. But, Mr. Speaker, I give the assurance to the people of this province that this government has: one, done everything possible to protect its markets, and we've delivered that message in no uncertain terms that we intend to protect our markets.

Secondly, this government and the potash producers of Saskatchewan have taken the actions necessary to try and increase the demand for potash around the world, and we have had some success. And we know it will be cyclical, but still the efforts have been made. And, Mr. Speaker, the government is doing its part in taking and bringing in legislation to try and deal with the problem.

As well, Mr. Speaker, the assurance can be given to the

opposition, to the people of this province. That the government, over several months, has tried in different forum to take the message to the American farmer that the action by U.S. potash producers was going to hurt the U.S. farmer. They didn't listen. As the Minister of Energy and Mines says, we were met with apathy. But all we can try and do is deliver the message, Mr. Speaker; we can't make them listen. And deliver the message this government has tried to do, over the last seven, eight months, Mr. Speaker, as the threat was given.

Mr. Speaker, the legislation is necessary; the legislation requires a response. And I suggest I'm not unfair, Mr. Speaker, when I say that any leadership candidate has an obligation, Mr. Speaker, on matters of major importance to the people of the province, to take a stand. May agree, we may disagree, Mr. Speaker, as to what the member from Riversdale will say about this Bill. He may be, in his silence, disagreeing with the New Democratic support of this legislation. His silence may well be interpreted, and I think quite properly, that he has no solutions, no proposals, except the one that he so well articulated 10 years ago, and that was nationalization.

Mr. Speaker, leadership is not avoiding issues. Leadership, Mr. Speaker – and I think every political party demands this of its leaders – means making decisions and being prepared to be accountable for the decisions. As the member from Quill Lakes said, this government will be accountable for its legislation. We take that responsibility. We know the ramifications of that decision, Mr. Speaker, and we take that responsibility with a degree of pride, Mr. Speaker, because we believe we're doing what is best not only for the industry in this province but for all of the people of the province, Mr. Speaker, leadership being shown by the government and, unfortunately, not being shown by the opposition.

Mr. Speaker, I support the Bill.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Thank you, Mr. Speaker. It is a strange and cruel irony that I speak in this Assembly today on an issue as important as potash, but it is not a new debate for me. I recall being in this debate at an NDP convention in 1975. I recall debating the question with the would-be leader of the NDP. I recall that the member from Riversdale had all the answers. The member from Riversdale knew everything about potash. The member from Riversdale could foresee the future until the year 1990, and I assume that he is again looking at the year 1990 as being an important year. But it was a strange irony. The members opposite were also there, and most of them were with the Waffle at the time and have since gone underground.

Mr. Speaker, why is it necessary to bring in this Bill? That is the question, and that goes back to the very time that I am speaking of – 1975. As you know, in potash we have at times had a very good history in this industry. I do acknowledge that premier Thatcher introduced the potash industry to Saskatchewan. With the assistance of foreign technology from Germany, our mines were able to sink down through layers and layers of water and whatever else might be down there and finally reach the

potash level. Now had the NDP been government, no foreign technology would have been allowed in Saskatchewan because we are not allowed to have trade. They're against trade, and therefore the foreign technology wouldn't have been here. They're against foreign companies coming in and developing in Saskatchewan, so we never would have had a potash industry. And I give credit to the Liberals and premier Thatcher who got things going.

And then, when we had a lesson in 1969, we had a lesson in what happens when there's an over-supply in potash. And Premier Thatcher acted responsibly and introduced prorationing, made a deal with the Americans for the supply management of potash. Now there is a difference between this Bill and that Bill, and in this Bill there's no floor price. The only criticism I can make of premier Thatcher at the time is that he was involved in price fixing. We do not intend to get involved in price fixing.

In this Bill we were looking at resource management. Now the NDP for years and years have talked about resource management, but it was a disguise that they used for the nationalization, the socialism that they wanted to introduce in the potash industry.

(1230)

Now with prorationing, the potash industry did reasonably well, and the NDP government kept prorationing as a useful tool. What happened, though, was that the NDP government got greedy. And when they got greedy, they tried to push the price too high, which got other producers in the world – our new competitors now that are causing problems for us in the competition in the supply of potash – they allowed them to get into the market while the NDP were pushing potash to its limits that could not be sustained. So therefore the NDP got greedy, and in their greed they decided it was time also to nationalize the potash mines, which led directly to why we have to bring that Bill in today.

Not only did the NDP get greedy, but then they got into folly. And I recall that the NDP had no mandate to buy up the potash industry. There was an election in 1975, and the purchase, or expropriation – as the NDP suggested at the time – of the potash industry was not part of the mandate. I have a copy of *The Commonwealth*, the NDP propaganda arm, of November 14, 1975 that says:

Saskatchewan acquires potash industry.

A bold new plan to allow the province of Saskatchewan to acquire ownership of the potash industry was announced in the throne speech of November 12.

And then it goes on to say at that time . . . and I remember, I was at that NDP convention and, wham, this hit me like a brick. All of a sudden the party that I was a member of had not talked to the grass roots, and I was a part of the grass roots in those times. I was certainly that low. I wasn't one of those high cabinet ministers in the NDP government; I was part of the grass roots.

We're not consulted. It dropped down, wham, from the

top – here's the socialized plan for the potash industry. And when you arrived at that convention you had this *Commonwealth* to tell you how wonderful it was, and it said: "The speech specified that though the decision will involve a sizeable investment by the province, it will be fully self-liquidating, paid for by the potash mined in the future." Well we are now paying the price of that folly.

Then they had a youthful premier of Saskatchewan; he was an NDP premier, and a picture of him, and he says, the premier says: "Only alternatives," says premier, and it says: "Premier Allan Blakeney agrees to answer questions in Saskatchewan, on Saskatchewan's new potash policy. What follows is his analysis of the situation." Questioned from his own newspaper. How much will it cost Mr. – and I say NDP premier because I want there to be no confusion about which premier we're talking about here – how much will it cost, Mr. NDP premier?

That question obviously is a matter for negotiation. We do not however know what the . . . we do know that the company's at a total capital expenditure of somewhere in the order of \$700 million, so he knew that it was going to cost a lot of money. And it goes on to say: "But, however, whatever that price is, it will not result in tax increases to the people of Saskatchewan any more than money spent on the power corporation has. In fact, in the long run it will mean tax savings." Well today we are standing in the long run with a potash corporation loss of \$100 million based on poor planning by the NDP and money borrowed from New York bankers.

Then it goes on in a campaign to convince the socialist masses that this is the right thing to do. "Potash – we can do it better." So what happens is that in 1975 the womb-to-tomb socialists go underground and they go into the mining business.

So here's what they base their predictions on. "A leading British authority on the potash industry is predicting demand for potash will double in the next 15 years. Saskatchewan is a logical supplier of that increase." And then the NDP base their predictions that in the next 15 years world demand for potash will double, according to the NDP. And if you add 1975 plus 15 years you get 1990 – by 1990, we were told by the NDP, the world demand for potash will double. Well we're not quite at 1990 yet. I certainly hope that they are accurate. But the first ten years of their prediction has certainly not been any where near accuracy.

In addition, the article goes on to indicate a further interview with the NDP premier at the time. And the questions go on:

Is the government capable of operating the potash mines?

Well they thought they were, but clearly – clearly we have seen that 10 years later the question is, no, they were not. But the premier's answer was:

I think it is important to remember that the people who operate the mines are miners, and they will still be here.

That is why we're introducing the Bill, so these miners will be here. There are over 3,500 miners in this province. And now we have to try to clean up the mess started by the NDP to manoeuvre world trade to interfere with the ordinary course of business. And it says:

Is the government capable of operating the mines?

Our government would be capable of operating the mines, but we are not of the view that governments should be in the mining business. Governments should be serving the people. The next question is:

You appear to be investing hundreds of millions of dollars and creating very few jobs. Is that a fair statement?

Well, that's exactly what I said at that convention: we are buying holes in the ground. And the NDP premier at the time said, the miners will still be here. So why buy holes in the ground; we'll have miners as long as the holes in the ground are productive. Why spend government money doing that? Well, the premier at the time, the NDP premier said:

I don't think that's fair or true. We'll be expanding as soon as possible, and that will create jobs.

So he said, we're going to expand. And of course now we have massive over-production because the NDP believed that it would never end.

But what's important is the cost to the taxpayers. Here's the prediction by the NDP premier in 1975. He said: "Also I said before, this is a very good investment." I want people to think about that. And I continue with the quote:

We will borrow the money that we need, and we will pay it back out of the cash generated by the industry. It won't be a burden to the taxpayers. It will be a normal business investment, the kind that private corporations make every day without public comment.

That is the situation we're in now. I debated with the member from Riversdale at that time the wisdom of following that course of action. And clearly, we see what has happened.

The premier at the time, the NDP premier, also said: "What happened to the old doctrinaire socialists?" And then he goes on to explain that they no longer exist. However, they were buying potash mines at the time. And there is a picture of a youthful premier of Saskatchewan, the NDP premier, and just under his picture it says:

I think there is no question that our move will benefit the people of Saskatchewan. It's common sense. It's a good business decision. It's a good investment. It's almost a case of having no choice.

This is the misguided nature of the NDP at the time.

In addition, what happened to our Heritage Fund? The NDP told us there was \$1 billion in the Heritage Fund.

And there might have been \$1 billion in the Heritage Fund, but it was invested in potash mines that are producing very little for us right now – very, very little.

I quote from the Saskatoon *Star-Phoenix* of February 3, 1976. We have the member for Riversdale, as he then was, and now is again. He says:

With reference to the cost of nationalizing the industry, (Mr. Romanow said) it would cost the province slightly more than one billion to take effective control.

There was \$1 billion spent in potash, some of it out of the Heritage Fund, other money borrowed money. The logical thing to do at the time would have been to lend that money to farmers and home owners in Saskatchewan at fixed and stable interest rates. Instead, farmers borrowed money at 22 per cent interest, and the NDP stood here in these very front benches and said: there's nothing we can do.

And they had a billion dollars tied up in potash mines, holes in the ground that would not have gone anywhere. Instead they had to follow their socialist philosophy, and it has cost this province millions and millions of dollars.

And again, the P.A. *Herald* of March 13, 1976, the attorney general – that's the NDP attorney general – explains potash stand: Government participation in the industry was no more risky than the medicare issue, or the establishment of STC (Saskatchewan Transportation Company) a number of years ago. The industry would witness its ups and downs, but basically it was very viable, Mr. Romanow said.

These are the kind of rationalizations that the NDP made so that they could follow their socialist agenda. So that kind of folly has gotten us to where we are, and that leaves this government with few choices but to try to manage the resource.

Ordinarily, had there not have been a socialist government in this province, the potash corporations would have managed their business nicely, but the intervention of the NDP government has brought the wrath of the United States down upon us, and that is a considerable wrath, I suggest to you.

I'm not saying that the United States is justified in interfering with trade any more than the NDP were, or any more than we are. But what I am saying, Mr. Speaker, is that this government has to operate by the rules, the rules that were first set by the NDP, that were then set by the United States in attacking what the NDP had done. And we now have to follow by the rules of a game that the NDP started – a game that we do not like to play. But we will protect those miners that the Leader of the Opposition said will always be there. The object here is to be certain that they are there and that they are working.

With respect to the debt, the main reason that we are now being charged with anti-dumping is because of the losses of the potash corporation. And the main reasons for the losses is because of the death of the potash corporation, and had the NDP not gone out and bought the potash

corporation with borrowed money, then there would be no potash corporation to be losing money, to be subsidized by the taxpayers, contrary to what the NDP had guaranteed would not happen, and there would be no possibility of any dumping.

When corporations in the free market lose money, it is not dumping, but when government subsidize an industry, it is dumping. And I am not admitting that this government is doing anything towards dumping, but what I am saying is that the NDP caused the problem that gave the Americans the evidence to hang their hat on and say: Aha! There they are, they are dumping.

The American tariffs are a particular nuisance to us in this case, and in particular, Mr. Speaker, the NDP still do not change their platform on the value of trade and whether this government, this country, needs freer trade. *The Economist* magazine out of London, England – hopefully it's a little more knowledgeable than those British economists who predicted a 15 year doubling in potash that the NDP listened to – probably they were people like Michael Foote and Neil Kinnock and their friends over in Britain who don't understand the British economy, advising them on what would happen in the world economy. But *The Economist* magazine out of London, England has done a calculation, and in their opinion, if world trade were to stop, everyone in the world would be 20 per cent poorer instantly. Now that 20 per cent of misery from the lack of world trade would not be spread evenly; it would be spread hardest on the poorest countries because they have a very fine margin to operate on.

(1245)

When a country is near subsistence, it cannot afford to lose 5 per cent of its wealth, not yet 20 per cent, and it would be spread very, very heavy on Saskatchewan and Canada, but in particular Saskatchewan, for 50 per cent of our income is earned from trading with the world, so it wouldn't be a 20 per cent loss in Saskatchewan. And the examples of the American tariffs bring home very clearly what happens when there is no trade. When you have tariffs of 52 per cent and 80 per cent, that gives you an example of the kind of misery a world without trade would bring us.

Well, Mr. Speaker, we're now in the situation where we have to protect our miners, where we have to manage our supply. And I'm very pleased that two NDP members have seen fit to speak on this topic. It is disappointing that the others know so little about this topic that they will not speak, but they still have a policy. And the policy is as it always was, as the member for Riversdale said in 1977. On November 8, 1977, the member for Riversdale is quoted as saying:

If a Liberal government managed to sell potash mines back to the former owners, an NDP government, if elected, would move to take over the industry once again, (Romanow said).

Their current policy still is to expropriate any potash mine that might be sold to the public or to corporations for \$1. They know so little about potash that only two of them

have chosen to speak, and I would hope that we are never again burdened with an NDP government and their great wisdoms on potash.

Therefore this Bill is essential, and I will be supporting the Bill.

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — Thank you, Mr. Speaker. I will try and make my comments very brief. My colleagues have done a very good job in covering all aspects of the potash problem, from the technical aspect to the historical part of it including the political part of it.

Mr. Speaker, it's been interesting to sit here and listen today. The Liberal leader, the member from Quill Lakes — and they talk about being confused and this side of the House in a panic and asleep at the switch when it comes to this legislation on potash.

Mr. Speaker, I take a look at the course of events over the last three weeks, and I will refresh the member from P.A.-Duck Lake's memory — confused. Let's take a look at the events over the last two weeks.

You know, the first thing I saw was a press release put out by the Leader of the Opposition that really did, in fact, call for prorationing. He was an advocate of it. Confused, I looked at the next, to be anointed, leader of the New Democratic Party. One day he says: do this all in one day, Mr. Speaker. The next day he says: adjourn it, we need some time. Confusion, Mr. Speaker — panic.

I look at the member from Saskatoon South, the Energy critic. He didn't have too much to say. I frankly believe he does not understand the issue before. Instead he takes the road of personal criticisms, and it really didn't go much further than that. The Energy critic says in his speech: I will allude to the solutions. And that's precisely what he did. In fact, the allusion was so great that they are not in there even today, Mr. Speaker.

I take a look at some of the panic within the NDP caucus, and I think: now how must they address this in the room? How are they going to vote? And I can see: who's going to speak; who's going to speak? They obviously came up with very few until today. And I can imagine the discussion around the table: which way do we vote? Which way do we vote? And until today there was absolutely no indication of what they were going to do with this Bill.

And who's asleep, Mr. Speaker? Who's asleep at the switch? Not a peep, not a peep out of a member that had a potash mine within his constituency, until today — until today. And all of a sudden he said: wow, I've got a potash mine in my constituency; I better talk about it. The only good thing I can say about it, Mr. Speaker, is he had the wisdom to say: I will be supporting the Bill.

Mr. Speaker, some of the questions that have been put to me, some of the criticisms — I want to address a major one. Why Bill No. 36? It has been asked by the Energy critic, the member from Saskatoon South, and it has been asked by the member from Assiniboia-Gravelbourg.

Mr. Speaker, we looked at our options over a period of time. We looked at The Mineral Resource Act. That's been suggested by the Energy critic. We don't need this Bill, he said, all you had to do was exercise your authority through The Mineral Resources Act. I would ask him to go back and read The Mineral Resource Act.

Mr. Speaker, the options before us were to do nothing, let the industry try and cope with this themselves. That was an option. The other option was to look at The Mineral Resources Act and bring it in for many amendments. In fact, Mr. Speaker, the amendments would have been very substantial and then they would have applied to all resources. That was not our intent, Mr. Speaker. We felt that any time a government is going to control or put limitations on production within its resources, it is important enough that it be brought forward by itself within this Assembly, and that all members have their say on it.

Someone suggested, Mr. Speaker, fix the anti-dumping. In fact, I think, that perhaps came from a lawyer, and I'm amazed, because the anti-dumping action in the United States in fact is a legal process within that country. How do you fix it, Mr. Speaker? There's only one person or group that can fix it, and that is the petitioner that brought it forward to begin with. That is the law in the United States. Only the petitioner that brought it forth, in this case the producers in New Mexico, have the power to fix it. They can withdraw it, but they haven't. So the preliminaries came in and, Mr. Speaker, we have to deal with it.

Mr. Speaker, the other severe criticism and suggestion, and again, it comes from the NDP, and I am absolutely astounded today to hear the member from Assiniboia-Gravelbourg, a lawyer — a lawyer — tell this Assembly that this government should have been working with New Mexico to strike a deal — to strike a deal.

That may have been possible back in 1969. But there was one thing that changed in the course that prevented this government from doing that, and that was in fact, Mr. Speaker, that the Government of Saskatchewan became an owner of a potash mine in the mid '70s and that prevented us, under the anti-trust laws in the United States, in seeking a solution in that manner. And I suggest that the Liberal leader should have known that.

It's one reason, Mr. Speaker, why New Mexico has not been one of the participants in this solution, and I would suggest a very good reason. We would have preferred that perhaps we didn't own the potash mine. It wasn't necessary to begin with. But, Mr. Speaker, we have to work with the realities, and the realities are that the Government of Saskatchewan owns a potash mine.

Mr. Chairman, many efforts have been made over the course of several months — and I can go back to 1986 when this government, with the protectionist attitudes going on right around the world when it comes to trade, under the leadership of our Premier, started to discuss trade issues with the United States. And I look at our Premier in taking that leadership role into the United

States and the impact that a trade agreement, or lack of, might have on this province, and that's when the consultations began – as far back as early 1986, Mr. Speaker.

On this particular issue with the Department of Commerce in the United States, we have met several times with the Department of Commerce. We have legal counsel that we use; we have the secretariat out of Ottawa that also consults with Washington, and those have been utilized to the fullest extent possible, Mr. Speaker.

We also have our own producers in this province, through their customers in the United States, that have in fact made contact throughout the past months with associations like the Corn Growers Association, one of the largest users of potash within the United States; the Central Farmer's Industry, a co-operative, Mr. Speaker, down there that distributes approximately 25 per cent of the potash.

So the contacts have been many, but they have been to no avail. And as stated earlier, we met with a great deal of apathy. Perhaps, Mr. Speaker, that will change.

It has also been suggested, Mr. Speaker, why are we doing this by ourselves? Where's New Brunswick in all this? In fact, the Energy critic even said, where's Canada? How come Mulroney isn't fixing this? And then he wanted to know why we didn't get Canpotex. Well, Mr. Speaker, Canpotex is merely a marketing arm for offshore. I'm not sure what that has to do in dealing with anti-dumping actions for producers in the United States. Certainly Canada has been kept up to date on the events, and we have asked for their assistance where we think it's appropriate.

But, Mr. Speaker, it is us in Saskatchewan, the people in this legislature, that have the authority on the resources. The responsibility for managing those resources falls with this group in here, not down east in Ottawa, but with this group right here, Mr. Speaker, New Brunswick . . . the reality is New Brunswick only supplies 8 per cent of the potash into the United States. However, they are going to be affected by the anti-dumping. They've had levies put on their companies. One of their companies is the same as in Saskatchewan. The levy is 77 per cent. So they, in fact, will have to take a look and see if their producers are going to be able to manage without assistance, or perhaps with some assistance.

Those are the essence of the criticisms that I have heard, and my colleagues have addressed some of them along the way, Mr. Speaker. When it comes to our world market share . . . and that is a concern, and we have recognized that and it's been raised by several people here today. Mr. Speaker, 60 per cent of this potash resource goes into the United States – 60 per cent; 40 per cent is offshore.

There is suggestions that perhaps we don't need the U.S. market, and I find that astounding. Here we are, a land-locked province. We do not have many alternatives when it comes to transportation. That is our closest neighbour with a friendly border and let's hope it stays that way, Mr. Speaker, for the future. Why would you not

want to seek that as a market? Why would you deliberately cut it off when it is the best market that you could possibly have for the resources within your province?

Now, Mr. Speaker, there's no doubt that we need to diversify our markets. And I believe that Canpotex has done a very good job on that end for us. We've increased markets into China, and we will continue to pursue that.

As the market share relates to this Bill, Mr. Speaker, we have simply said we're not prepared to sit back and see us lose it. And the member from Assiniboia may say: well how are you going to fix it? It's very simply, Mr. Speaker – you simply lift the volume limit and that will in fact take care of your market share.

Mr. Speaker, I would hope with these closing comments that this Bill receives unanimous support in this House, because this is one issue that we in fact need – a unified voice in dealing with those who would put up barriers for our producers and our people in this province.

Mr. Speaker, this legislation is there with the intent, first of all, to protect our industry, the jobs that go with it, and the investment. And we will ensure that when this legislation is passed that it is carried out in an equitable manner.

Some Hon. Members: Hear, hear!

(1259)

Motion agreed to on the following recorded division.

Yeas — 46

Muller	Gardner
Duncan	Kopelchuk
Andrew	Saxinger
Berntson	Britton
Lane	Blakeney
Smith	Prebble
Schmidt	Brockelbank
Hodgins	Shillington
Gerich	Koskie
Hepworth	Romanow
Hardy	Tchorzewski
Klein	Thompson
Meiklejohn	Simard
Pickering	Solomon
Martin	Kowalsky
Toth	Hagel
Sauder	Calvert
Johnson	Lautermilch
McLaren	Trew
Petersen	Smart
Swenson	Van Mulligen
Gleim	Koenker
Neudorf	Goodale

Nays — 0

The Bill read a second time and referred to a Committee of the Whole at the next sitting.

ROYAL ASSENT TO BILLS

At 1:09 p.m. His Honour the Lieutenant Governor entered the Chamber, took his seat upon the throne, and gave Royal Assent to the following Bill:

Bill No. 37 – An Act to amend The Urban Municipality Act, 1984.

His Honour retired from the Chamber at 1:11 p.m.

MOTIONS

Visit of the Queen

Hon. Mr. Berntson: — Mr. Speaker, just prior to adjournment, I wonder if I might have leave of the Assembly to deal with a change in sitting hours to accommodate Her Majesty when she visits our province later this month. I therefore ask leave of the Assembly to move:

That notwithstanding rule 3 of the *Rules and Procedures of the Legislative Assembly of Saskatchewan*, this Assembly shall on Thursday, October 15, 1987, meet at 10 o'clock a.m. until 1 o'clock p.m., and that when this Assembly adjourns on Thursday, October 15, 1987, it do stand adjourned until Monday, October 19, 1987.

So it will be adjourned from 1 o'clock on Thursday until Monday, normally, but that Friday will be a special day here in the Chamber with the Queen.

I move, seconded by the Minister of Justice.

Leave granted.

Motion agreed to.

The Assembly adjourned at 1:13 p.m.