

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Devine: — Mr. Speaker, I would like to introduce to this legislature, Canada's Ambassador-Designate to the People's Republic of China, seated in the Speaker's gallery, Mr. Earl Drake, and his wife, Monica.

Ambassador Drake is from Saskatchewan, having been born in Saskatoon and received his B.A. and M.A. at the University of Saskatchewan. He went on to receive his Ph.D. from the University of Toronto. Mr. Drake has had a long and distinguished career in External Affairs. Has worked in such places as Washington, Paris, Jakarta, Karachi, and has had such positions as director of planning for CIDA (Canadian International Development Agency), executive director of the World Bank, Ambassador to Indonesia, and most recently, assistant deputy minister of the Asia-Pacific branch of External Affairs.

As the assistant deputy minister, Mr. Drake was instrumental in developing the new federal-China policy which represents a major step forward in our economic relations with the People's Republic of China. Mr. Drake is visiting with us to find out what our objectives are for China so that as a new ambassador we can work co-operatively in achieving these objectives.

We in Saskatchewan are particularly proud to see that one of our native sons take on a important role of ambassador to the People's Republic of China which holds great potential for both Saskatchewan and Canada as a whole.

Mr. Speaker, I would ask all colleagues to please extend a warm welcome to Ambassador-Designate Earl Drake.

Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, on behalf of the official opposition I would like to associate myself and my colleagues with the remarks of the Premier in welcoming the Ambassador-Designate. Certainly the work you undertake, sir, is very important work for Canada and for Canadians. I think we all agree that the People's Republic of China, and that particular area of Asia, is a developing area and our relations with China present to us an opportunity not only for fruitful, cultural, and social exchanges but also a fruitful area for expanded trade and economic relations. We wish you well, sir.

Hon. Members: Hear, hear!

Mr. Johnson: — Thank you, Mr. Speaker. It is my pleasure to introduce to you, and through you to the Assembly, seated in your gallery, some 50 students. They come from Stockholm school, the MacDonald School in Stockholm in the Saltcoats constituency. And for a little bit of clarification, there are 25 from Stockholm and 25 visiting

from Grand Falls, New Brunswick. I understand that they're exchange students.

And of course along with them are their teachers — or some of their teachers — Arlene Stensrud and Dale Herperger; chaperons Norman Elliott and Edna Langlais; bus drivers Don Shivak and Robert Herperger, who are no doubt being chaperons even if they are driving the buses down the road.

I would like to meet with them after question period and visit with them a bit. I hope the question period will be enjoyable and informative. We wish that you have a safe journey back home tonight. You must have got up early this morning because you've come 150 miles, so that would get you up before 6 o'clock, I'm sure.

And I would like to ask all the members to welcome them to this Assembly in the usual manner.

Hon. Members: Hear, hear!

Hon. Mr. Lane: — Thank you, Mr. Speaker. I would like to introduce two special guests to the Assembly. They are Jislaine Carey and Miriam Cramer. Miriam is a school exchange student from Hamburg, Germany. She has been in Saskatoon for two full weeks. She is part of a school exchange program and is a grade 11 student at Evan Hardy High School in Saskatoon. Her stay will last for three months, and she will be taking part in the school semester.

The school student exchange program is arranged through the school board, as all hon. members know, and there are four schools in Saskatoon participating. In April of next year, her host, Jislaine Carey, will become an exchange student and will spend time with Miriam at her school in Germany.

I would like to take the opportunity, Mr. Speaker, through you, to welcome both guests to the Assembly, and I would ask that they stand to be recognized. And I hope Miriam's stay in Saskatchewan and Canada is enjoyable and educational.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Coopers & Lybrand Consulting Study

Mr. Van Mulligen: — Thank you, Mr. Speaker, my question is to the Deputy Premier, the minister responsible for the Coopers & Lybrand government reorganization study.

Two weeks ago, in your absence, the Premier took notice of a number of questions respecting this massive and expensive consulting study. And since the Premier took notice, I assume the Deputy Premier will be able to tell the taxpayers today: how many consultants have been involved in this study; when do you expect the work to be completed; and what is the budget for this massive consulting study?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, to answer the questions in reverse order. The work is essentially completed on the basic or prime study done by Coopers & Lybrand. And you're right, the Premier did take notice of the question some days ago, and I've had the officials pull together everything to present to the House. Unfortunately, I forgot to bring it to the House today, so I will give you the undertaking to bring it next day, Mr. Speaker.

Mr. Van Mulligen: — Mr. Speaker, a supplementary. I frankly find this very hard to believe. You're the minister that's responsible for this study. Are you trying to tell the House that even though you're responsible you have no idea of the cost of this reorganization study. This study is going to go down in the hall of fame for consultants, and you don't know the cost of this one?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I didn't say that at all, but I do know how critical the opposition can get when you don't deal with absolute precision in these matters. And out of an abundance of caution I intend to have the document before me when I answer the question, Mr. Speaker.

Mr. Van Mulligen: — Supplementary, Mr. Speaker. One of the people that is involved in this study is a former PC cabinet minister or — it was indicated that he was going to be involved — and I refer to one Tim Embury, Mr. Deputy Premier. Can you confirm that Mr. Embury, or one of the companies that he's involved in, was, in fact, a part of this study, and can you tell us how much money of this consultant's study is ending up in his pockets?

Hon. Mr. Berntson: — Mr. Speaker, the prime consultant in this study was Coopers & Lybrand. There were several other consultants that were brought in for specific purposes during the course of the study, several of them from Saskatchewan, some of them from outside of Saskatchewan. Tim Embury may have been one of them. And I will be more than pleased when I have the material before me, to answer that question with more precision, Mr. Speaker.

Mr. Van Mulligen: — Mr. Speaker, final supplementary. I respect the Deputy Premier's attention to detail in that he wants to make sure that we know exactly the dollars and cents involved in this study. But can he confirm, can he confirm that, in fact, that this study will cost about \$3 million, and that, at a time when you're cutting things like the children's dental program and asking people to put up more for prescription drugs, your government is spending \$3 million on simply the most massive government reorganization study that we've seen anywhere in this country.

Hon. Mr. Berntson: — Mr. Speaker, I will not confirm that. As I said, I will deal with the matter next day. It's interesting, and it's shown here again today that we have in opposition a group of people who are clinging to the past like they've never clung to anything, and to move any initiative in change . . . Two things, Mr. Speaker —

and they don't like to hear this — two things are absolutely certain in this world. One is, the world will continue to change, and two, the NDP will continue to resist all change.

Some Hon. Members: Hear, hear!

Privatization of SGI

Mr. Trew: — Thank you, Mr. speaker. My question was to be to the minister responsible for SGI (Saskatchewan Government Insurance), but in her continuing problematic attendance in this legislature, I will address the question to the Premier.

It deals with your government's plans to sell off Saskatchewan Government Insurance. Can the Premier confirm that the government's plans have progressed to the point where SGI executives, including the president, have been holding meetings in a number of communities around the province discussing the details of the sell-off of SGI? And can you now give the public the same information which has been shared at these staff meetings in locations such as Meadow Lake, North Battleford, Swift Current, and Moose Jaw?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, this question, or one similar to it, was raised earlier this week, and the answer was then as it is now: that in the throne speech of several months ago, it was made very clear that there were several candidates for public participation and/or privatization. And in the case of SGI, I think that it's quite natural that you should take a look to see what the opportunities are as it relates to public participation and privatization.

And like Saskoil, Mr. Speaker, I take a great deal of pride in the fact that we have in Saskatchewan the headquarters of a very, very major national oil company today. Now we have an opportunity, we have an opportunity as well, Mr. Speaker, with SGI to have headquartered in Saskatchewan a very, very large national insurance company. And I think we would not be responsible in this endeavour not to explore that possibility, Mr. Speaker, and that's exactly what's happening, Mr. Speaker.

And if the president of SGI, and if other people from SGI are consulting with agents and policy holders and other people related to the insurance company, how can you possibly be critical of that? You stand up here and beat on us for not consulting; now they're doing just that and you stand up hear and beat on them for consulting.

Some Hon. Members: Hear, hear!

Mr. Trew: — Supplementary, Mr. Speaker. Mr. Deputy Premier, you talk about the sell-off of SGI as somehow being public participation. But the public already owns SGI.

Some Hon. Members: Hear, hear!

Mr. Trew: — And your privatization plan means little more than selling shares to people from outside of

Saskatchewan — people from Ontario and other places, big money people.

More than 75 per cent of Saskoil, which you brought up, more than 75 per cent of the Saskoil shares are held by non-Saskatchewan residents. Within six months of the Saskoil sell-off, there was more than 25 per cent . . .

Mr. Speaker: — Order. Order, please. Order, please. I think we're getting into debate here, and I'd ask the hon. member to . . . I think we're getting into debate, and I'd ask the hon. member to direct his supplementary to the topic.

Mr. Trew: — Thank you, Mr. Speaker. Within six months of the sale more than 25 per cent of the Saskoil employees were laid off. How do lost jobs and lost control benefit Saskatchewan taxpayers, Mr. Deputy Premier?

Hon. Mr. Berntson: — Mr. Speaker, the member talks about the people of Saskatchewan owning SGI. The people of Saskatchewan also own the potash corporation, but I don't think you could give a share certificate to them. I don't think they would take it at any price. Members opposite might take one. They took the taxpayers' dollars, Mr. Speaker, back in 1975 and did just that, and look at the mess they got us into today.

Now if the people of Saskatchewan really are to own SGI, they should have the share certificate in their hand, Mr. Speaker, not because some members opposite decided that we should have this unto ourself on behalf of the people of Saskatchewan. That's not ownership, Mr. Speaker. That's not ownership at all.

Some Hon. Members: Hear, hear!

Mr. Trew: — Supplementary, Mr. Speaker. Mr. Deputy Premier, we're talking here about a vital public utility which Saskatchewan people have spent more than 40 years building up. And now you want to give it away without even consulting the public that's going to be affected with this give-away of their company. Will you at least give the employees of SGI and the public of Saskatchewan this guarantee: that before you make a final decision to proceed with the sell-off of SGI, you will submit the full details of this decision to public hearings so everyone in Saskatchewan can have their say? You know, it's everyone's insurance company, Mr. Deputy Premier, and it's just not yours to sell. Will you at the very least give that commitment for public hearings so that we can all have a say?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, he talks about this organization being built over the last 40 years, and I think to some degree that's true. I can remember not that many years ago it was a loser, Mr. Speaker. In the last four years that company has been turned around and it is now, I think, a very good insurance company. I'm glad to hear the members opposite put on the record their position on this. I'm glad to hear the members opposite . . . They're against, they're against any examination of the possibility of public participation or privatization with SGI (Saskatchewan Government Insurance), with the possible

exception, Mr. Speaker, of the member from Riversdale who was on television the other day saying that, well I don't object to public participation of SGI. What I worry about, he says, is control moving out of Saskatchewan. So we may have the support of the member from Riversdale, but not the rest of them. I'm not entirely sure.

Mr. Speaker, I think that they are very hypocritical — at one moment saying, you guys are not consulting, and now that we are consulting, they beat on us for consulting.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. I was interested in the observation of the Deputy Premier that the public couldn't own anything unless they had a share certificate.

And I'm wondering whether the Deputy Premier will give us some information on when he proposes to distribute share certificates with respect this legislative building and with respect to the University of Saskatchewan. Or does he take the position that the public doesn't own them?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — On potash we could just start up the press, and it would never end.

Mr. Speaker, I think the question was offered with some degree of jocularly, and that's how I will receive it.

But I did want to respond to the question just prior to the Leader of the Opposition because I didn't get finished before you sat me down. The question was: when will you hold public hearings, or will you commit to holding public hearings? Mr. Speaker, we will hold public hearings to the same degree — and maybe more — but at least to the same degree as members opposite held public hearings on the take-over of potash.

Some Hon. Members: Hear, hear!

Mr. Goodale: — Thank you, Mr. Speaker. I have some . . .

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker.

Mr. Speaker: — Oh, yes. Okay. The Leader of the Opposition. Sorry.

An Hon. Member: — Who's running the House?

Mr. Speaker: — I'm running the House, and I'm allowing the Leader of the Opposition his supplementary. That's the bottom line.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, I just want to confirm the last comment of the member for Souris-Cannington — just want to confirm it. He says that the procedure will be the same as with respect to the acquisition of potash mines.

Mr. Speaker, I ask the Deputy Premier — he will know

that there was a debate on the issue of potash acquisition which went 30 or 40 days in this House before anything was done. Will you guarantee that there will be similar opportunity for debate before you divest this province of SGI?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, hon. members can debate it for 40 days if they want, but I don't want to let the Leader of the Opposition get away with putting words in my mouth. He said, we will deal with . . . he said, I said that we would deal with this in the same way as we dealt with the acquisition of potash. I didn't say that at all. I said we would conduct at least as many public hearings relative to this as you did with your nationalization of potash.

The second thing that will be significantly different, Mr. Speaker, is we will not be forcing the people to buy shares with a cannon in their ear, Mr. Speaker, as you did when you took over the potash industry in Saskatchewan, Mr. Speaker.

Some Hon. Members: Hear, hear!

Federal Process of Tax Reform

Mr. Goodale: — Thank you, Mr. Speaker. My question is for the Premier, or the Minister of Finance, with respect to the federal process of tax reform in this country in which the provinces will be involved.

That process seems to be moving ahead, although progress is hard to determine. And I'm wondering if the Minister of Finance can give us his assurance that in preparing the Saskatchewan government position in response to the federal proposals for tax reform, that there will be in this province the publication of a response document that the people of Saskatchewan will have an opportunity to receive and review and to comment upon before the province of Saskatchewan takes a final position in relation to the federal proposals for tax reform.

Hon. Mr. Lane: — Mr. Speaker, I don't rule out that possibility. There is some difficulty with it, and that is that the positions of the federal government are going through discussions with a wide-ranging group of interests and people, and at some stage we may not get a crystallized federal position until near the end of tax reform, and whether we have the ability to respond at that time, I don't know. I don't rule out the suggestion of the hon. member.

I have indicated in the past that we do have a task force within the Department of Finance which is prepared to try and respond to inquiries from the public, do research on specific issues if necessary. I, as well, do not rule out the possibility of public hearings on that. To date the issues that have been brought forward have been fairly narrow and can be dealt with by those involved in the tax advising process. But I don't rule it out; there is some difficulty.

Mr. Goodale: — Mr. Speaker, specifically among the federal proposals there was a suggestion for transferring at least some farm tax accounting from the cash basis to the

accrual basis, and there has been at least the suggestion, if not the specific proposal, of the imposition of a sales tax with respect to food. Could I have the minister's specific assurance that those two ideas will be opposed by the province of Saskatchewan — the accrual system of income tax accounting for farmers, and the imposition of a sales tax on food?

Hon. Mr. Lane: — With regard to the sales tax on food, I have stated unequivocally that I and the government do not support the sales tax on food. Secondly, with regard to the change in accounting methods with regard to agriculture, the government is getting two views on this, quite frankly, from those advising farmers. We are asking for more input before we take a position, but no position has been formally made at this time.

Inflation Rate in Regina and Saskatoon

Ms. Simard: — Thank you, Mr. Speaker. My question is to the Premier. Mr. Speaker, for the second month in a row Saskatchewan's families have suffered the highest inflation rate in Canada. Statistics Canada reports this morning that the national inflation rate is 4.5 per cent, whereas Saskatoon's inflation rate is 5.7 and Regina's is 6.2 per cent.

Statistics Canada also says, Mr. Speaker, that these huge increases in the inflation rate . . . or that the inflation rate is due to huge increases in medical and pharmaceutical products and in gasoline prices; in other words, due to this government's policies.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, we can say every time we rise that the Health budget is up, and it's up over 63 per cent from '82, and it's the largest in the history of Saskatchewan — just to make the record straight — so that in fact it's larger.

Secondly, as I said before, the reason that you will see on an annual average base an increase, is because in the statistical analysis they do not count the rebate with respect to the drug program, and the hon. member knows that. They don't count it.

If you look to the month-to-month change, it's zero for Saskatoon and 0.1 for Regina, which is right . . . which is very reasonable. But you look over a year's average, they're going to take into account the new drug program, but they don't bring into effect the fact that there is a rebate.

Now there's an 80 per cent rebate, Mr. Speaker, which is very significant. And the hon. member will mention that, and she can for the next three or four or five months as she watches that average work us through an annual basis.

Month to month it's 0.0 rate of an increase in Saskatoon, 0.1 in Regina, which is not extremely significant when the average overall is 4-something.

So, Mr. Speaker, I point out again to the hon. member that the 80 per cent rebate on the drug program is not counted statistically, and obviously it will have an impact at the end of the year.

Some Hon. Members: Hear, hear!

Ms. Simard: — Supplementary, Mr. Speaker. The Premier knows that that 80 per cent rebate doesn't trigger in until the deductible has been taken up, and for that reason it's impossible to include that in the statistics. He knows that, Mr. Speaker.

The fact of the matter is, he can fool around with the figures in whichever way he likes. The fact of the matter is, from on a year-to-year basis the inflation rate in Saskatchewan is higher than Canada's national inflation rate. And the facts are that Saskatchewan families are suffering from that government's policies.

Mr. Speaker: — Order. Order, please. Order. Are you putting your question now?

Ms. Simard: — I'm asking the Premier: when can Saskatchewan families expect relief from your government's government-fuelled inflation? When can they expect relief from the fact that your government is decreasing their purchasing power?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the hon. member can stand there knowing full well the NDP, the NDP can holler today when they're in opposition. And when they had a chance in government and people were facing things like 20 per cent interest rates and all the small business and all the home owners were crying, where was the NDP — where were they?

When you look, Mr. Speaker, when look at interest rates, when you look at today, they can say there now: oh, it's the past, the past. But the past is their record, Mr. Speaker. The past will be the record that will haunt farmers and small business and home owners for the history of Saskatchewan, because you talked cheap; you talked cheap; you could borrow money and buy potash mines, but you — you can laugh today — but you wouldn't protect home owners; you wouldn't build hospitals; you wouldn't build a new agriculture college; you wouldn't build brand-new technical schools; you wouldn't protect the public.

And today when there's an 80 per cent rebate, and you know that it isn't counted, you'll even stand up and say: but, Mr. Speaker, that isn't fair. Well, Mr. Speaker, they know that it's actually a fact that the 80 per cent rebate isn't counted, and they know that they didn't protect people. We do, Mr. Speaker, and that's precisely why they're sitting over there, to stay there for some time, and we're here, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, I have a question for the Premier, and I want to ask him about the present. And the present, Mr. Speaker, is simply . . . The present simply is this, Mr. Speaker, that since this government took office in 1982, the new tax load on a family of four has increased by \$2,160 a year. And on top of that, Mr. Speaker, the property taxes of this province have reached unbearable levels because of policies of that Premier who talks about the past.

I say to the Premier and I ask him, Mr. Speaker: with tax increases of \$2,160 a year on a family of four, and with property taxes going up, and with health-care costs going up, and with students being refused an opportunity to go to university and technical institutes, how can he say, how can he say that this government is protecting the people of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, the hon. member doesn't want to talk about the past, and now he doesn't want to talk about the present. At the present, Mr. Speaker, we have the second lowest tax rate in Canada — the second lowest tax rate any place in the nation.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — So if he wants to talk about the present, let's compare our tax rate to anybody else in Canada, including the NDP, if he wants to talk about the present. If he wants to talk about the past, he didn't deal with the problems with respect to high interest rates that just crippled families across the country and across the province. He didn't do that. And to date our administration is better than his because we have the second lowest tax rate any place in Canada.

So, Mr. Speaker, I point out to the hon. member — we built new institutions for students; we built a new college of agriculture; we built a new technical school; we built new rehabilitation centres, Mr. Speaker. And we will expand the international offices and international capacity world-wide, including China, including Japan, and other places.

So today, Mr. Speaker, the record is better than it was in the past: in health it's better; in education it's better; and in taxes it's better, Mr. Speaker, and they're afraid to admit it. They'll just stand there and say, well first it's the past, and then it's the future. You can get them on either one.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Supplementary, to the Premier. Mr. Premier, you put the taxes up. You closed the doors of our university and our technical institutes to the students who want to get an education. I ask you: when are you going to come to your senses and consider the needs of Saskatchewan people and put the priorities on health care so that people can afford to get it, and universities and technical schools so our students can go there and get their education.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, the hon. member knows that there's more capacity for education in the province of Saskatchewan today than there was in the past, Mr. Speaker, and there are more new institutions, and there are more technical schools and more spaces in the rural, and he stands up and he says we have more kids interested in going to college. Well that's tremendous. That's exactly what . . . He would rather have them on welfare.

The opposition is against welfare reform. He'd rather give them \$1,000 a month, put them downtown and say, just live downtown on welfare — and they ask for that. They're against welfare reform. They're against new technical institutions, the new education. They're against change unless it's the government. As the Hon. Deputy Premier says: hold a cannon to their head.

I will summarize, Mr. Speaker, by saying: you want to look at tax load in the province of Saskatchewan, then you want to look at educational facilities. Look at Saskatchewan, Mr. Speaker, the total with respect to total tax income for the province of Saskatchewan. We, Mr. Speaker, are better than anybody in Canada except for one, the province of Alberta.

With respect to educational facilities, Mr. Speaker, we are expanding more than the NDP ever thought of. We're providing new rehabilitation centres, new technical schools, new university colleges, Mr. Speaker. The opposition doesn't want us to address welfare reform, or education, or address the fact that health care has expanded 63 per cent. They just hide in the past and are afraid of the future.

Some Hon. Members: Hear, hear!

CONDOLENCES

Hon. Mr. Devine: — Before orders of the day, Mr. Speaker, and with leave of the Assembly, I would like to move, seconded by the member from Regina Elphinstone:

That this Assembly records with sorrow and regret the passing of a former member of this Assembly and expresses its grateful appreciation of the contribution the individual has made to his community, his constituency, the province, and to the country.

Niles Leonard Buchanan, who died in Regina on September 16, 1987, was a member of this Legislative Assembly representing the constituency of Notukeu-Willowbunch from 1944 to 1956. Mr. Buchanan was born on June 12, 1909, at Browns Valley, Minnesota. He came to Canada and Saskatchewan in 1913 with his parents, who began a homestead near Spring Valley.

Mr. Buchanan received his early education in Spring Valley before attending high school and normal college in Moose Jaw. Upon graduation

Mr. Buchanan became a teacher and became involved in a teaching career that lasted 14 years. Mr. Buchanan was also a farm organizer, active in the co-op association as a secretary, president of the Assiniboia teacher superintendency, and Saskatchewan Wheat Pool delegate.

Mr. Buchanan served his country during the Second World War as a lieutenant of the King's Own Rifles in Canada. He earned his commission in 1943. Mr. Buchanan had a keen interest in politics as a result of his belief in his family tradition. He was a relative of James Buchanan, president of the United States of America. Before his election to the Assembly in 1944, Niles Buchanan contested the 1940 federal election in the constituency of Wood Mountain.

In recording its own deep sense of loss and bereavement, this Assembly expresses its most sincerest sympathy with the members of the bereaved family.

Hon. Mr. Blakeney: — Mr. Speaker, I would like to add a few words to those of the Premier with respect to Niles Buchanan. As the Premier has indicated, Niles was a member of the House from 1944 to 1956 — three terms, 12 years — and prior to that had been a federal candidate in 1940 for the CCF (Co-operative Commonwealth Federation).

Niles had a distinguished career in the army during World War II and was very active not only in teaching but certainly in the political arena. I knew Niles when I was a young public servant around the buildings, these buildings, in the early 1950s when Niles was a member of the legislature.

As members will have heard before, as a young public servant I had a number of duties to perform with respect to the then Crown Corporations Committee, and got to know the members of that committee because of the nature of the operation of the committee at the time.

Niles was certainly very active in our party. Not only did he stand at election time but was active in the councils of the party.

I had an opportunity perhaps a year ago to listen to a tape that Niles recorded of the early 1940s surrounding the selection of Tommy Douglas as leader of our party, which was not without controversy. Our party has controversies as well as others . . .

An Hon. Member: — Not this time.

Hon. Mr. Blakeney: — Yes, perhaps not this time, but certainly the lively ferment within the party at that time was recorded by Niles on this tape, and I am sure will be of interest to students of that particular period of Saskatchewan history.

Niles was a diligent member. Because of his lively interest in political issues, he kept active not only in his constituency but also in the legislature.

Subsequent to his no longer serving in the legislature, he continued his interest in politics. And I have, until comparatively recent times, within the last couple of years, I will have had discussions with Niles on political issues. I think it's to be hoped that those of us who, when we lay down active politics, will continue to maintain an interest in public affairs and maintain a sufficient interest so that we can have lively and controversial opinions on the issues of the day.

Such was Niles, and I'm sure that those who recall his contribution would wish to join with the Premier in thanking him for his contribution to the public life of this province and to extending the condolences of this House to the bereaved family.

Mr. Goodale: — Mr. Speaker, I would want to associate myself with the remarks just made by the Premier and the Leader of the Opposition about the late Mr. Buchanan.

It is my honour to represent in this House today a large portion of that constituency that used to be known as Notukeu-Willowbunch, and which Mr. Buchanan wished to represent.

I had the opportunity to meet Mr. Buchanan only recently, in fact when he visited here in this Assembly a few weeks ago and was introduced to all hon. members at that time. Therefore, I cannot say that I knew him well, but many of my constituents fondly and warmly recall Niles Buchanan. Some of the highlights of his record and career in public life have been recalled in the House today, and I want to join with all members in saluting his contribution to his constituency and to Saskatchewan. We pay tribute to his memory, and we extend our sincere sympathies to his family in their bereavement.

Mr. Shillington: — Thank you very much. I wish to make a very few comments. I have to confess I did not know Niles Buchanan as a member — quite obviously I'm not of that age — and I don't know a whole lot about his work as a member.

I did get to know him well when he lived in Regina. He was one of those people who was always interested in the current issues, whether it be potash today or Pioneer Trust of another year, he was always interested in them.

I think you'll agree, Mr. Speaker, that anyone who has been in elected office for any period of time often receives a good deal of advice from a lot of different people. Inevitably, the advice of some will be worth more than that of others, and Niles Buchanan was one whom I always had time for. I found his comments insightful; he followed the events closely; he was close to his community; he had the experience of a member, and thus, his comments were well worth listening to and I always enjoyed it.

And this in a sense reflects what my colleague for Regina Elphinstone said; he also lived very much in the future. I actually got to know him before I knew he had been a member. About the third or fourth time I met him I understood he had been a former member. He never talked about that. He lived very much in the future, always interested in issues of today, and particularly

tomorrow — what this world was going to look like when his grandchildren were his age. He would often ask that as a prelude to discussion of any issue. He lived in the future. He exhibited the compassion and the idealism that were really hallmarks of the early Douglas government.

I very much enjoyed my association with Niles Buchanan. I have profited a good deal from him. I think Saskatchewan, as a society, profited a good deal from the services of Niles Buchanan, and I think we all owe him a debt of gratitude, Mr. Speaker. Thank you.

Mr. Van Mulligen: — Thank you, Mr. Speaker. In his retirement Niles Buchanan and his wife Emmalou moved to Regina Victoria constituency. It was my great privilege to have been befriended by Mr. Buchanan and Mrs. Buchanan. I had many opportunities to sit and visit with him and to benefit from his observations and comments on the lie of politics and of our society.

(1045)

It was my great pleasure to have been able to read his unpublished memoirs which he made available to some people. In reading through those memoirs, some things impressed me and told me a great deal about Niles Buchanan.

One was the absolute dedication to his cause — the cause of democratic socialism. Enough was witnessed and was clear from the countless hours and days and weeks and years that he spent working to organize people, to help them to improve their lives, to improve this province. And all this work, at many times at the very edge of poverty, and many instances of where the only way that he would be able to attend a meeting, if the people at the meeting took up a donation to pay for the gas so that he could get back home again, and he always counted on a good meeting to be able to get that money to be able to get back home.

There was also a great love of country and of our institutions. Whatever his feelings might have been, and continued to be, about the political direction of this country and the need to make changes in the institutions of this country, he believed that in the face of an external threat by the Nazis in that instance, that we should unite and come together to defend our country, as witnessed by his war service. He was very proud of that record, Mr. Speaker.

And you will note that if you look at the pictures of the 1944 Legislative Assembly members on the ground floor of this building, that Niles Buchanan was one of two members at that time who was proud enough and wanted to wear his uniform when the legislature opened in 1944.

He also had a very strong belief in the Legislative Assembly and the workings of the Legislative Assembly. And he evinced at times some concerns about the power of executive branch, and the need for all members to play a greater role in the Legislative Assembly itself. He was very strong in his beliefs and his convictions, and thought that there should always be a strong role for the individual members, whether it was on the government side or on the opposition side, to involve themselves in the

governing of this province.

His interest in politics has, as has been indicated, continued. He watched this House diligently on the local cable channel. He was here, I believe it was on June 26, when he was introduced to members of the House. He continued to attend public meetings and to offer his insights and his comments and his advice on the politics of the day.

Mr. Buchanan had his share of health problems in the last few years, but it never seemed to defeat him. No matter what kind of condition those health problems might have put him into — and they were tough ones for him — there was always the spirit, and there was always a spark, and he always fought back. He never let the adversity of health defeat him. He always managed to fight back and always managed to look forward to the future. And I think in that way his latter years were so typical of his life — a life of working hard, and a life of commitment, and a life of always wanted to look to the next day.

Niles Buchanan will be missed by all those who knew him, including, I might say, the residents of Embury Heights senior citizens' high-rise on Winnipeg Street in my constituency where he lived in the last few years. But he will be especially missed by Emmalou and all of the Buchanan family. I join with the previous speaker to express my condolences to the family, Mr. Speaker. Thank you.

Mr. Brockelbank: — Mr. Speaker, I recall the first times that I met Mr. Niles Buchanan was when I was a youth about this Legislative Chamber. And because of interest in political life of the province at that time, I would be here quite often and see him in the Chamber. And I got the impression from Mr. Niles Buchanan, having met him a number of times over the years, that he had an aura of genuine interest in people, and he displayed that at any time that I was in association with him.

Mr. Niles Buchanan was a peer of my father, J.H. Brockelbank, and I can recall many times my father speaking warmly about Mr. Niles Buchanan and the dedication that he had to his work as a member of this Assembly.

And it's with a feeling of honour that I take part in this few words of sympathy to the family, and acknowledgement of the career, at least the political career, of Mr. Niles Buchanan, as I knew it. And I'm pleased to associate myself with the remarks of members on both sides of the House, Mr. Speaker.

Mr. Lautermilch: — Thank you, Mr. Speaker. I too would like to join with my colleagues in the House who have expressed their condolences at the passing — to the family and friends of Mr. Niles Buchanan at his passing.

I just recently got to met Mr. Buchanan, but I felt that I knew him through his mother who I had the opportunity to visit and have tea with over the years in Prince Albert. A number of Mr. Buchanan's family live in the Prince Albert area, and through my contact with them I came to understand why the member from Regina Victoria would

refer to Mr. Buchanan as a fighter. Certainly his mother was strong in her convictions as a social democrat, and through those convictions passed on, I'm sure, some of the attributes that Mr. Buchanan was able to share with members, or people of this province, and through his work in the Legislative Assembly.

So I too would like to join with other members and offer my condolences to the friends and the family of Mr. Buchanan.

Mr. Tchorzewski: — Thank you, Mr. Speaker. I also want to join the members of this House who have spoken about Mr. Niles Buchanan on his passing. As has already been said, Mr. Buchanan was involved in politics and public life in many other ways — as an MLA, as a candidate, and in a number of other activities.

I did not know him as long as some of the members who have spoken before me. I first met him in 1984, but since that time I came to know him very well, because on many occasions he and I discussed the interests of the country, as he saw it, and the interests of Saskatchewan as he saw it, not only in the present but also what it ought to be in the future.

I learned to admire his interest in public affairs very much. I also learned to respect his wisdom and the advice that he was able to give me on the times that we spoke about the things that we had a lot of mutual interest in. He remained interested and involved until his passing.

I think, Mr. Speaker, that this is an example of a person who lived a full life, but while he lived that life and made a very rich contribution, he never lost sight of what the future ought to be. This is the kind of an individual who thought about today, but also was very concerned about doing the things today so that tomorrow people could also have a good life and live with the kinds of means available to them that were necessary to live the good life.

His son Robert, and his daughter-in-law Gloria, live in my constituency in Regina North East. I know them very well. They are friends of mine, and I know that they will be missing their father very much, as will many others who knew him so well. And to them and to the rest of the bereaved family, I want to extend, along with everyone else in this House, my condolences on the passing of Mr. Niles Buchanan.

Motion agreed to.

Hon. Mr. Berntson: — By leave of the Assembly, I move, seconded by the member for Regina Elphinstone:

That the resolution just passed, together with a transcript of oral tributes to the memory of the deceased member, be communicated to the bereaved family on behalf of this Assembly by Mr. Speaker.

Motion agreed to.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 36 — An Act respecting the Potash Resources of Saskatchewan**Clause 1 (continued)**

Mr. Koskie: — Thank you, Mr. Chairman. Madam Minister, we have spent a considerable amount of time last evening going over some of the details of the Bill and some of the concerns that were raised by the member from Riversdale, and also the Energy critic, the member from Saskatoon South.

And so what I want to do is just to crystalize a few of the concerns that we have in the general clause in respect to the Bill, and we will, as we proceed, be offering, as was indicated, some amendments to the Bill, which I think will improve the Bill as we perceive it.

I guess our major concern, Madam Minister, is the sweeping powers that the Bill provides and gives to the cabinet and to the board. And what our concern here is that if in fact you took this Bill and if you took the worst case scenario, that is the potential for abuse of power, I ask you, Madam Minister: is it not possible — I'm not alleging that the government or you would do it, but I'm just saying, in respect to the bare bones of the Bill, the extent of power here is so extensive that indeed it could be used without recourse by any of the participants in the industry, no recourse whatsoever — and under the worst case scenario is it not possible, in your view, that mines could in fact be completely discriminated against, be completely shut down, and indeed some mines could be destroyed?

Would that be a fair interpretation of the worst case scenario in respect to the extensiveness of the power that is set out, and in particular in section 18, Madam Minister?

(1100)

Hon. Mrs. Smith: — Mr. Chairman, the question that the hon. member from Quill Lake raises is, I think, a fair question as it applies to all legislation. I think the potential for abuse exists in any piece of legislation brought into any Legislative Assembly, or the House of Commons, for that matter, in Ottawa.

If I could refer the member to section 18(3), I think that the answer to his question is basically one of "no" in this case. And I ask him to look at 18(3) and the criteria that is laid out, and it is very specific in showing how the allotment will take place. It also, Mr. Chairman, refers to each potash mine. It does not allow for discrimination in terms of the criteria, and from that aspect of it I believe that it will be done in a fair and equitable manner.

As I stated earlier, I suppose if you took any piece of legislation to its fullest extent, it would, indeed, allow for the abuse, but I believe that this legislation has put in some of the specific criteria in order to minimize that potential.

Mr. Koskie: — I'll be coming to the specifics but, Madam Minister, since you referred to a specific section, I take it that the chairman will allow me the privilege of just raising further concerns because that is, indeed, the section, and we'll come to it, that sets out the criteria. And I agree the criteria is set out. But will you agree that in setting out a criteria that there still is broad interpretation of the application of the criteria. And if I could be more specific, it goes on to such generalizations in the section:

any additional factors that may be prescribed.

And it doesn't even say who will prescribe them, may be prescribed by the board, and that is a total unfettered discretion in the hands of the board. And I'm raising it just from the standpoint of a basic concern.

I'm reluctant to agree with that section without having, as we normally do, a . . . if you say it's going to be fair and there will be no abuse, and maybe there won't be, and hopefully not, but you do have a very general provision there — any additional factors. And also in an interpretation of criteria under which they make the decision as to the amount of production — production by each mine — there is an interpretation in respect to the criteria, and also the additional factors.

And so I say to you that while you can give me the assurance that the board will be fair, I think in looking at it, and I hope you will agree, that even if a criteria is set down, there is room for interpretation of the application of criteria. Would you agree with that?

Hon. Mrs. Smith: — Mr. Chairman, as I stated earlier, the potential for abuse exists in all legislation. We believe, in laying out this legislation and the specific criteria, that we have, in fact, alleviated that potential. I want to go on record and make it very clear to the hon. members from Quill Lakes, Mr. Chairman, that I view this legislation, and particularly section 18(3), as being one of being fair and equitable. I would also suggest to the member from Quill Lakes that for a board in this particular situation to not be fair and equitable, we would in very short order hear from the industry and the particular mines. And that's covered in the legislation in terms of the appeal to cabinet.

On his concern of the powers to be prescribed, there is an accountability factor there. The member knows that the definition and prescribing is done by Lieutenant Governor in Council which is cabinet order, and that is then made public, so that accountability is there.

Mr. Koskie: — Well my follow-up question, Madam Minister: you say that there's a potential for abuse in all legislation. I ask you" would you agree that if the participants or the parties affected by any of the decisions, that if they had the right to appeal to a court, say the Court of Queen's Bench, that that would, in fact, give them some guarantee of protection as against any potential abuse. And I'm asking you what, if you're going to be fair, what possible excuse have you for not having the right to appeal to the court if the party feels aggrieved?

You say it's all set down; the criteria's there; you're going to follow it. And what I'm saying is if your board, for the

protection of the individuals affected . . . I mean these are sweeping powers. What you're doing is a complete interference in the market-place, and you'll have to agree to that. And in doing that, surely, why would you not consider the right of an appeal to the court?

If in fact everything is going to be above-board, it's going to be fair, then you've got nothing to fear by having an appeal to the court. And so I ask you, if there is going to be no abuse, why not put in the right of appeal of any decision by any of the companies that will be affected to the courts?

Hon. Mrs. Smith: — Well, Mr. Chairman, we did consider various options in terms of appeal, and we rejected the appeal process of the courts for some very good reasons.

First of all, Mr. Chairman, under the constitution changes of 1982 the provinces were, indeed, given the authority to manage and develop their resources. That power included, I will remind the House again, a specific clause that allowed a province to set the primary rate of production.

If we were to look at an option of appeal through the courts, as the member from Quill Lakes has suggested, first of all we have the possibility that the appeal could take several years. Perhaps the company that is in the appeal would be appealing their 1988 allocation, for example, and they could very well not receive a decision on the 1988 allocation until, perhaps, 1990.

The provision that is in here with the appeal going to the cabinet is a common clause, particularly as it pertains to resource management. And I would ask the member . . . if he is interested in knowing of others, I would refer him to the energy conservation resource Act in Alberta which has the same provision, and I believe it was probably placed in there after the constitutional changes of 1982.

Mr. Koskie: — Well I don't really believe that delay of justice is a good excuse for not putting in a right of appeal, because throughout our society in attaining justice there's many delays, Madam Minister, and that's hardly a basis of excluding an appeal to the court. But even if you did use the court, and even if you justified that the court procedure was cumbersome or delaying, or too long a delay for a decision, did you then think of an alternative - an alternative being a system of arbitrating a dispute by an arbitration board, in order that justice could be given in the event that the party was aggrieved. You eject the court. Did you think of any method of arbitrating an aggrieved party — a concern?

Hon. Mrs. Smith: — Mr. Chairman, I can only reply in the manner that I did in terms of the option of an appeal through the court. An arbitration process can be just as lengthy. And when . . . (inaudible interjection) . . . Well, the member says that's not true. That is precisely true, Mr. Chairman. When we looked at the situation of the resource management and time delays in terms of allocation for production for mines for a year, if even one were not to receive their decision — and I urge the member to talk to the industry to in fact find out if what

I'm saying is true. If you were to have, Mr. Chairman, a lengthy process on an appeal for an allocation it not only affects the mine — and let's use the Lanigan mine, the member from Quill Lakes, as the example — that it affects them all, because there's a total volume to be allocated within the province, and then the individual allocation to the nine or the 10 mines.

So if you have one sitting on appeal for two years, everything is on hold. And I believe that that is total disruption within the industry and its market-place, and would not be agreed to by the industry itself.

Mr. Koskie: — Madam Minister, you're giving us a lot of rot here because you're trying to say and put in two years' delay. I'm telling you that you could put in an arbitration board or an arbitration provision and you could specify that within such a number of days that the board shall adjudicate, and you could eliminate the long delay. Why haven't you considered such an arbitration board if you refuse the courts?

(1115)

Hon. Mrs. Smith: — Well, Mr. Chairman, I suppose we could look at a fairly pyramid structure if one wanted to. You could have several boards in place. When we took a look at the entire picture and we took a look at how resource management boards operate, including the energy conservation resource board within the province of Alberta, we also looked, Mr. Chairman, at the effects of any kind of a overly bureaucratic slow process in making decisions and the appeals.

Mr. Chairman, I believe that it is right for a cabinet to accept the responsibilities of the appeal. We already have one board in place. The members have some concerns about that board. Now I hear the member from Quill Lakes asking for another board. And that's rather confusing to this Assembly, as the entire position has been from the opposition during the entire debate, Mr. Chairman.

So, Mr. Chairman — a board of arbitration; he's quite correct; you could put a length of time in it when they had to make their decision, but we already have one board in place that is to do the allocating. The overall volume for the province will rest with cabinet, the government. And I believe, on the appeal process, if it is to be utilized, that indeed it is right for cabinet to undertake that responsibility to ensure that things are done in a fair and equitable manner.

Mr. Koskie: — Well if one could assume that we had a fair and equitable cabinet, then one I guess could make the conclusions that you make. But not everybody in this province believe that we have a fair and equitable cabinet. And many of the workers in Saskatchewan, I'll tell you, do not believe that we have a fair and equitable cabinet.

But more specifically, you deny the right of any aggrieved party in this legislation to have access to the courts if they're aggrieved. You also deny them any recourse to a board of arbitration. And even worse than that, what you do is to rule out the rights of . . . use of any of the

prerogative writs. So I mean what you have done is absolutely denied them those special prerogative writs which are designed to guarantee that individuals get natural justice, and I talk in respect to prohibition; I talk in respect to mandamus and *certiorari*. And you have specifically excluded that.

So you're . . . Even if natural justice is being denied, the special prerogative writs are denied within this Bill. And I say that with those sweeping powers and with some suspicions, I say, by many people throughout this province in respect to the fairness of this cabinet and its competence, I may say, that is the deal. The lack of an appreciation — not a lack of an appreciation, but the public perception of the total incompetence of this government is what frightens them.

And I'll tell you, if I were in the industry, or if I were a worker in the potash mine, I would want some recourse to protect my rights, and either it would be a court or a board of arbitration or at least the special prerogative writs. Why did you have to remove specifically the recourse to the prerogative writs?

Hon. Mrs. Smith: — Mr. Chairman, we could debate between the member from Quill Lakes and perhaps even the member from Regina Centre for a long time on the fair and equitable cabinet. I would remind the member from Quill Lakes that there's at least 37 constituencies that thought indeed it was fair and equitable. And if there's a question on that, I would also suspect and debate the issue of a fair and equitable opposition, or one to be trusted.

However, that is not the issue here, Mr. Chairman, and nor does it impact on the legislation and nor does it impact on the mines and the workers. The member talks about no access to the courts. He's wrong, Mr. Chairman. As a lawyer, I believe he knows he's wrong. If indeed the board is to act in bad faith, or to discriminate in its decisions, the producers under the administrative law principles do indeed have that access. That is always there, and the member from Quill Lakes knows that.

Mr. Koskie: — I asked you: why did you exclude the prerogative writs?

Hon. Mrs. Smith: — Mr. Chairman, I've already indicated to you and to the member from Quill Lakes on the appeal process being directed to cabinet and the reasons for that. Let me restate once again the necessity, as we saw it, in looking at the appeal process and that it must be done in a quick manner. And that was in the best interests of the industry, Mr. Chairman.

I would remind the member once again that to put a hold — whether its six months, a year, or two years — on one mine, in terms of its allocation, impacts on every other mine in waiting for that decision to come down.

Mr. Chairman, once again I state that it will be done in a fair and equitable manner. And while I recognize the concern from the member from Quill Lakes as being legitimate in ensuring that a board does make its decisions in a fair manner, does not discriminate against one mine or another, I also think, Mr. Chairman, that the

board, not even being appointed yet, deserves an opportunity and a period of time, and then the member from Quill Lakes can make his judgement. But I believe that he is not in proper order at this point in prejudging a board that has not even been put into place to make its first allocation.

Mr. Koskie: — Well, Madam Minister, again you're speaking nonsense. What we're doing here — we aren't waiting till the legislation is passed and waiting for the results — what we're dealing with is approval of legislation and deciding whether the legislation is proper. Surely you know that, and I hope that you will correct that nonsensical statement that you made, because that's what we're doing, in dealing with the Bill and deciding whether it can be improved. That's all we're doing.

And you're starting to assail that we aren't giving the board . . . I'm not running at the board; I don't know who the board is, but I do know that you have sweeping powers in here. And what you have said clearly: trust me. And you know the last person that said that was Brian Mulroney. He said: — there's a sacred trust, and you know what the seniors got.

But in any event it's clear, Madam Minister, that within here you've got sweeping powers by the cabinet. You have refused to put in any appeal to the courts. You have refused to accept our suggestion of a board of arbitration. You have refused even to put in the prerogative writs or allow the prerogative writs.

So I'm saying to you that it is our concern, and I don't think we should be criticized for indicating to you that there is sweeping, massive powers to the cabinet. And virtually what you're saying is, we don't want any inconvenience; trust me. And I say that's not good legislation. I think people that are affected by legislation should have the right of recourse to the court or the use of the prerogative writs and/or arbitrations to deal with their particular aggrievement.

I want to go on, you having indicated that we can trust you. And I have difficulties, and I may say that many people in Saskatchewan do. But I want to turn to the workers' protection in respect to this Bill. There's 3,800 workers, I believe you indicated, throughout the potash industry — an important employment sector of our economy.

I'm wondering if you could indicate whether, as a result of the Bill, whether you have made any assessment in whether or not there is likely to be a cut-back in the percentage of production capacity of the mines as a result of this legislation. Because you indicated last night the purpose of the Bill was twofold. You said it was to regulate supply, and as a corollary to that, increase price. I believe that's not misstating you — or not in exactly the same words, but those were the . . .

And if you're going to regulate supply, I ask you, do you anticipate that the production level presently that the mines are operating at, do you project that that can be maintained, or are you anticipating that there will be further cut-back in the production of potash in the respective mines, and as a consequence of that, lay-offs

of workers in the potash industry?

Hon. Mrs. Smith: — Mr. Chairman, before dealing with the latter question, I would like to go back to the hon. member's remarks in terms of the sweeping powers and once again restate in this House: indeed the powers are sweeping, but in 1982, Mr. Chairman, the premier of the day, the hon. member from Regina Elphinstone, NDP premier, fought long and hard along with Alberta for recognition and ownership and indeed the sweeping powers for the provinces to be able to manage and develop their resources.

(1130)

The member from Quill Lakes laughs. Why? I think it is fair and just that western Canada, which is resource rich, indeed have the authority and the powers to be able to manage and operate and develop their resources. That's fair, Mr. Chairman. I believe it is also fair that cabinet, in its elected position, takes on the responsibility of the appeal process in this instance, namely because the province does have the power to manage its resources.

I would once again say to the member of Quill Lakes that if we were to follow his suggestions, effective planning, particularly on the operations side, would be very difficult for any mine if they were into an appeal process under the member's suggestions. And it is not, Mr. Member, a matter of inconvenience; it is much more serious than that, with a delay of six months, one year, or two years. It is not inconvenience; it is very serious in terms of the mine itself and its workers.

Mr. Chairman, there is approximately 3,600 direct jobs tied to the potash industry today in Saskatchewan. I don't know what the number would be if you were to include the indirect, but certainly for today we are talking about the direct jobs, and that's approximately 3,600.

I have stated to this House before, I think any member in this House would jump at the chance to say: I can guarantee something. We all know that that is unrealistic. So then it becomes incumbent upon us to work very hard to ensure that you come to the closest thing to that, Mr. Chairman. And we believe with this Bill, that's precisely what we've done.

If this Bill was not in, Mr. Chairman, and was not passed, I believe at least one or two of Saskatchewan's nine potash mines would close, at least one or two. And with those closures, Mr. Chairman, I believe they ran the risk of 400 to 800 jobs being closed with the closure of the mines.

Mr. Chairman, this Bill has been brought in to keep the mines operating, to give them a fair chance to continue their operations. I also believe, and I think it's fair to say that in fact the management board, the potash resource board that will be put into place, will limit production only slightly, and then only if absolutely necessary, and we are not to that point where we know that for sure yet.

I also believe, Mr. Chairman, that it's likely this Bill will result in few, if any, job losses. And again, hundreds of jobs would have been lost without the Bill.

Mr. Koskie: — Madam Minister, you indicated that this Bill is important in the regulation of the supply of production of potash, that there's an overhang in supply, an over-supply of potash. I wonder if you could indicate: when did you, or when did the government, first become aware that there was an over-supply of potash in the world?

Hon. Mrs. Smith: — Mr. Chairman, the date that the Department of Energy and Mines works under shows that the supply was exceeding the demand in 1981 through '82 and '83. In 1984 it also shows that there was some market improvement, and that carried on through part of 1985. 1986 was not a good year; the demand went down again. Our data also shows that that excess will be there, without this situation that we are in today, well into the 1990s, so from that perspective it is not encouraging.

Mr. Koskie: — Well I guess what I'm specifically asking you is when you became first aware of this problem of oversupply, and I think you've answered my question in that you said it was in 1986 . . . (inaudible interjection) . . . Well I'll go to your report then, or the Potash Corporation of Saskatchewan, and the total potash . . . total Canadian producers' sales was the second highest since 1982, exceeded only by 1984. And similarly, total PCS sales were the highest in 1986, superseded only by 1984.

So what I'm indicating to you here is that surely in 1986 you ran up . . . Obviously the supply must have been too great, and you were selling at very reduced prices in competing with an over-supply in 1986, otherwise how could you possibly run up \$106 million, according to your report, in the operation of the mines and under the Potash Corporation of Saskatchewan during the year 1986?

If it was an over-supply and that you were in fact selling it at very low prices, then what I'm asking you: can you give any other explanation of what was happening in 1986?

Hon. Mrs. Smith: — Mr. Chairman, I had stated earlier that the imbalance on the supply and demand had begun to show up as early as late 1981. The productive capacity in Saskatchewan last year was 9 million K₂O tonnes; that was our productive capacity. Our actual production as 6 million K₂O tonnes.

Now you ask, you know, how did this all happen? Yes, prices were weak. You can see the difference, the imbalance between the 9 and the 6. There were some particularly difficult problems with one of our more lucrative markets, and that being the United States, in that with their agricultural situation I believe the demand was down approximately 20 per cent.

So you take all those situations and tie them together and you have some very difficult problems.

Mr. Koskie: — Madam Minister, you indicated that the problem was detected in '81, precipitated and continued in '82, '83; '84 there was a slight improvement, and you made a small profit, I recall; 1986 certainly was a lot of problems.

I guess the question I ask you: if this is the saviour of the

industry, this legislation which you purport here, and that it's addressing the question of world over-supply of potash in the market, I wonder . . . and you're not guaranteeing, but you're indicating that there will be minimal effect upon the workers in the mines as a result of this Bill. If that's what you're saying, and if that's the solution, then I guess my question is to you: where were you since 1982?

Hon. Mrs. Smith: — Mr. Chairman, I believe I responded to this same question last night; however, I will attempt to do so again. Perhaps the member was not aware of the question from last night.

Where were we since 1981? I believe, Mr. Chairman, that industry — most industries, all industries, should operate within the market-place on the premises without government intervention. That's ideal. And I believe that the member from Quill Lakes and others, such as the member from Saskatoon Fairview, would probably agree with that also. However, Mr. Chairman, there are various factors that have come into play over the last several years. Some of them we had no part in; we don't control.

And we had taken the position that while the playing field was even, the industry will sort itself out. And while that may be difficult, particularly for the workers and the families that rely on those industries, that indeed is one of the realities of the market-place and, in fact, the work-place. If you have a demand for your product, you're going to have more jobs. In fact, if the demand is so great, the price is probably going to go up, and that in turn will create more jobs. And, in fact, if the price goes so high, there is an incentive for more production of the same product to come onstream. And that is probably the story of the potash industry in the 1980s.

What we had was a product where those who forecast it forecast only an upward trend of potash use. That didn't happen. And while they forecast that, plans were made in various countries around the world, and including perhaps Saskatchewan, to bring new mines onstream. And if it wasn't new mines, it as the expansion of some of the older mines. So our productive capacity increased, but we didn't sell any more product. And in increasing that productive capacity there were more jobs brought onstream along with it, Mr. Chairman.

The playing field was relatively even for our producers in Saskatchewan in competing with other producers around the world up until this year — January, February — whenever the anti-dumping charges came down.

(1145)

That in turn, Mr. Chairman, created a very uneven playing field. In fact, it could be said that the duties were to the degree that we no longer believed that the industry had within itself the capability to deal with this problem on their own, and hence the legislation.

So the member says: where were you since 1981? I don't believe, Mr. Chairman, that there was reason for government intervention early in the 1980s. Perhaps there could have been more discipline — self-discipline — within the industry itself, but that didn't happen. And

as a consequence the production kept going up, the productive capacity, Mr. Chairman, but the demand did not.

And in fact the demand in most cases didn't even stay level. We had a fall on it because of the agricultural situation, and I might add the two are tied very closely together.

Mr. Chairman: — Order, please. Order. Why is the member from Redberry on his feet?

Mr. Gerich: — I beg leave to introduce some guests, Mr. Chairman.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Gerich: — I'd like to ask the members of the Legislative Assembly to welcome some visitors — 25 seniors from North Carolina, or South Carolina and Georgia. I'd like to welcome them to Saskatchewan and hope that they enjoy our scenery and hospitality and that they have a pleasant visit. And I'd ask the members to please welcome them and make them welcome to our legislature.

Hon. Members: Hear, hear!

Mr. Koskie: — Thank you, Mr. Deputy Chairman. I too take the privilege of joining with the member from the government side to welcome our special guests to the legislature. It's always nice to have you come and visit with us.

We're normally not in session at this late in the year, but as you can see, we're into an important debate this morning, and it is really relevant and has a lot to do with our trading with the United States, so it may be of some special interest.

So we welcome you here on behalf of the opposition.

COMMITTEE OF THE WHOLE

Bill No. 36 - An Act respecting the Potash Resources of Saskatchewan

Clause 1 (continued)

Mr. Koskie: — Madam Minister, you indicated that it was during, up until January, when the Department of Commerce, a petition was launched for anti-dumping petition, anti-dumping, a petition was launched in the United States, and you indicated that that is when the playing field was no longer level. And that in fact was the time that you, by the subsequent decision of the U.S., decided that an intervention was necessary. Am I reading what you have said previously, correctly?

Hon. Mrs. Smith: — Yes, that's correct, Mr. Chairman.

Mr. Koskie: — And would you then indicate that part of the reason that you have introduced the legislation then is to deal with the preliminary findings which have assessed

high tariffs on the potash entering the United States? Is that the reason for the legislation, is to address that preliminary finding that has come down very heavily by placing heavy tariffs all the way from 9 per cent to 85 per cent on various mines here in Saskatchewan.

Would you indicate if that is indeed the purpose primarily, because you said the market-place no longer could correct itself; so would you agree that this precipitated the need for the legislation?

Hon. Mrs. Smith: — Mr. Chairman, once again the same answer that has been stated many times as it pertains to this legislation. This legislation has been put into place, yes, to deal with the situation of the over-supply. We have stated straight up front that it also will assist the industry and its workers in maintaining a viable industry in dealing with the difficulties that they are having on the anti-dumping petition. That's very clear, Mr. Chairman, and it's been said several times over.

The first objective is to remove that over-supply. And I won't go through all that again, but I would urge the member from Quill Lake to read *Hansard* from last night because the answer is in there.

Mr. Koskie: — Just so the workers who are associated with the potash industry are clear, I would like to know some of the . . . what percentage of the productive capacity were we operating at in Saskatchewan during 1986? We have a total productive capacity, and I want to know the average percentage of that productive capacity during '86.

Hon. Mrs. Smith: — On average for the province it was 67 per cent.

Mr. Koskie: — Will you indicate on average what it is up until now, during the year of '87?

Hon. Mrs. Smith: — Mr. Chairman, the figure that I have for 1987 is to July, and it's 69 per cent. And that is mostly attributed to the sales to China.

Mr. Koskie: — Just in respect to 1987, there are a few announcements that have been made, either by the potash corporation or Canpotex, and a couple significant things come to mind. The first thing is that there was a price increase per tonne of potash prior to the last increase announced by potash corporation. As I understand it, the price was increased from \$54 to \$58 earlier in the first or second quarter of the potash corporation.

And can you verify that there was, in fact, during '87, a modest increase in the price of potash prior to the government's . . . or the Potash Corporation of Saskatchewan making this last announcement of a 60 per cent increase. Is that accurate?

Hon. Mrs. Smith: — Mr. Chairman, in the spring of this year - yes, first of all it's true that there has been some increases; however, I would call them slight, and our price lists indicate those minor increases beginning this spring. However, I would caution the member in the Assembly in that two or three months of a price increase

does not necessarily indicate an upward trend nor some stability. I would hope that it continues; however, we do not know that yet.

The other factor with the price increases that came this spring was that the practice of discounting was still taking place, so it's very difficult to determine that average that one can usually depend on.

Mr. Koskie: — And could you confirm that, as Canpotex indicated, offshore sales were up some 30 per cent this year in the first or second quarter? And I think it was primarily in respect to the large sale to the Chinese, but is that a correct indication of increased offshore sales in the first half?

Hon. Mrs. Smith: — Yes, they are up, Mr. Chairman, but I cannot confirm. I believe you used the figure of 30 per cent. I cannot confirm that right now for you, but they are indeed up, and most of it again is attributed to sales to China. And I would think that the second quarter for us looks fairly positive in that market, and we're fairly optimistic that the potential for that market is basically unlimited, I guess, to a point.

Mr. Koskie: — I'm glad you expressed that, because that's what we believe too. When we were in government and when we had the potash corporation, we felt that there was a great potential of offshore sales. And indeed what we did is to set up a branch of the Potash Corporation of Saskatchewan for international sales, and we were going to aggressively.

And what has happened during the past number of years, Madam Minister, in respect to the position at least of the Potash Corporation of Saskatchewan, that over the average five years that you are operating it, the percentage of sales offshore was about 44 per cent during your years of operation. When you took over the Potash Corporation of Saskatchewan we had 59 per cent of offshore sales, and it dropped to 44 per cent — again a clear and unequivocal facts of incompetence in respect to your government.

And what I want to ask again, Madam Minister - you've indicated a couple of facts: that the price had started to rise here on the American market, the offshore sales are up, and the future looks bright. I ask you one other pertinent fact, and that is: can you indicate, in '87, what is the inventory level throughout the potash industry in Saskatchewan?

(1200)

Hon. Mrs. Smith: — The inventory, Mr. Chairman, is approximately 800,000 tonnes. The member makes reference to PCS and its offshore market when he was the government of the day. And while that's all fine and dandy, I would bring him back to remind him that we are talking about a total industry which also includes PCS, but there indeed are other producers and people to be concerned about with it.

I agree with the member, Mr. Chairman, that the China market is indeed important. And while he thinks there has been a loss of market, I refer him to the year '81-82 —

which I believe is a good reference year; it was the last year he was government — and the percentage of the total offshore market that PCS had at that time, the Crown corporation, was 47.3 per cent, the same as it is today, Mr. Chairman. So I don't think he should be worrying and insinuating some of the things that he has.

In recognition of the importance of that China market, Mr. Chairman, I would also like the member to know that not only do we recognize it as being important but we have actually invested in trying to get more of that market. And between the industry and the potash phosphate institute and the producers, along with the government, we have spent in 1986 approximately \$5 million in trying to bring more of the market-place — what we consider market-place in China — to our Saskatchewan producers.

Mr. Koskie: — Well I recognize that we have a whole industry, but I guess what I want to ask is specifically whether the Potash Corporation of Saskatchewan, relative to its productive capacity, is getting a fair shake. And I think the workers want to know that.

And you indicate that the industry is operating at about 69 per cent capacity, and I guess what I want to ask is: is that evenly distributed throughout the industry, or is it, as we are informed — some of the mines are operating nearer to 100 per cent capacity, and some are reduced very substantially, and the ones that are reduced in productive capacity or production are, in fact, a number of potash corporation mines.

And so the workers involved are concerned, and all I'm doing is, of course, looking at the whole industry. But if you take a look — I ask you, too — what is the total percentage of Saskatchewan's productive capacity; what percentage of that is held by the Potash Corporation of Saskatchewan? What percentage of the total production is the capacity of PCS?

Hon. Mrs. Smith: — Mr. Chairman, I'm glad that the member from Quill Lake has stated that in fact his concern is with the entire industry. PCS has 49 per cent of the productive capacity in the province. In 1987 they will receive 49 per cent of the offshore market; however, they have been less successful in the U.S. market, and that's why their operating rates are lower than the others. They have been less successful with the U.S.A. market.

Mr. Koskie: — But, Madam Minister, you support my argument. You say that PCS has a production capacity, relative percentage of the productive capacity in the province, of 49 per cent. And you say whoopee, we're going to give them 49 per cent of offshore. Do you realize that before recognizing that they had some weakness in respect to the North American market, to give them an even break, what we were doing is pushing the offshore, and while they had less in the American market, they had an increased share of the sales offshore. In fact, they had 59 per cent of all of the offshore sales, which compensated for some of the lesser amount of sales that they had to United States.

And so what you have done is intentionally put them on an even basis, the Potash Corporation of Saskatchewan,

in respect to offshore. You say their productive capacity is 49 per cent, and you give them 49 per cent of the offshore sales. But you say they can't compete in the American market. And you realize that what they get in '86 with a productive capacity of 49 per cent, PCS got allocated about 33 per cent of the total production of potash in Canada. That's where it was at — down to 32, in 1985, of the total sales, with a productive capacity of 49.

Well I'll tell you, the potash corporation and the workers in the potash corporations have to be concerned if indeed you have a policy that in fact you will share in an equitable way the offshore markets — and that's what you've said. Our share of production is 49; we'll get 49 per cent of the offshore. But everybody will fight for the U.S., and the potash corporation, you say, can't compete in the U.S. market to the same extent.

That's where you have placed this corporation. You have taken away offshore sales; you have put it into Canpotex; you have allowed other private companies, which were not previously members of Canpotex, to come in and to devour up some of the offshore sales and to get a representative amount of the offshore. But you haven't reciprocated and asked the industry then, therefore, to share with Potash Corporation of Saskatchewan an equitable amount in respect to the U.S. market. And as a consequence we've seen . . . I think it's fair to say that as you go across Saskatchewan, and certainly I've talked to the miners at Lanigan, and they indicate that they've been laid off for five weeks recently, that they have notice again that in November there will be further lay-offs. And at Allan there has been indication on October 4 there will be a lay-off; Cory, that there will be some lay-offs.

And so what I'm really asking you: are the private sector corporations, in your view, under the circumstances that you provided and the facts that you provided yourself, getting preferential treatment in the allocation of markets? And that's precisely what you've done. You've cut it back from 59 per cent to 49, dead on with the production capacity. But they don't have access to the U.S. and you say, well that's fine, we'll cut back because we just don't have the market, but we'll give to the privates a share of the off-market even though they have better access to the American. And obviously there's concern by the workers. But the question that I ask you, too, is: can you indicate — I guess you did — the inventory of 800,000 tonnes in '87.

The point I want to point out here is, on your own indication, you indicate these facts: that the price for potash was on the upward swing — 54 to 58 is as I understand it. You indicate that offshore sales are increasing, and you say there's no limit. You indicate that, in compared to 60 . . . '86, that the productive capacity has increased from 67 to 69, and you indicate . . . I don't think you're indicating that the inventory is particularly high. And so what I am really saying is, that based on your own facts here, it doesn't really justify what you're saying — is that you're dealing, in fact, with a supply problem.

I think, Madam Minister, what you're dealing with — and you got flat-footed — and what you have to address now is the anti-dumping tariffs that have been levied against the potash industry here in Saskatchewan.

I want to go on and finish off because I do indeed want to get finished with this Bill, Madam Minister. We don't want to delay it. You indicated it's very important, but you filibustered your own Bill, but leave that aside.

I am concerned — and the member from Riversdale addressed this in some detail last night — but I am really concerned in respect to the Premier's consistent comments that a major part of the problem that we're having with the tariffs levied against the industry is, in fact, the existence of the Potash Corporation of Saskatchewan.

I want to lead you through a few facts, and the first fact is that in 1967, in 1967, a petition was launched in the United States, and as you will recall, the then late Ross Thatcher was the premier of the province. In 1969 a decision came down and they indicated that there was dumping of potash in the U.S. market. Are you aware, Madam Minister, that that decision is very similar to what is happening today? Would you agree that we had a problem in 1967, which was crystallized in 1969, that is very similar to the situation that we have today?

Hon. Mrs. Smith: — Mr. Chairman, I want to correct one thing that the member said at the beginning of his speech, and that was that I had stated that they can't compete. That is not what was said for the U.S. market in terms of PCS. I did say that they were less successful in their marketing in the U.S.A. than they had been on the offshore. In fact, Mr. Chairman, they've been able to improve their situation in regards to the U.S. market.

Mr. Chairman, the PCS and its share of the offshore market is the same today as it was in 1981, and it's nonsense to suggest anything - Mr. Chairman, it is nonsense to suggest anything else. I've already stated they've been improving in the U.S. market; in fact, they've gone from 28 per cent to 32 per cent, so there is an improvement.

(1215)

Yes, it's true, I'd indicated there is an upward swing on the prices. I also told the House and the member why, and I cautioned him because of some factors that go with it. However, I hope indeed that that stability comes into the picture and, in fact, that upward swing remains there.

He says, you know, there really isn't a supply problem. Well, Mr. Chairman, that just is not true.

Mr. Chairman, in the world today — and it affects not only the Canadian producers but all the producers around the world — and the oversupply is approximately four million tonnes. Unfortunately, Mr. Chairman, over half of that four million belongs in Saskatchewan. And that 's one of the difficult situations that we face.

Yes, I agree with the member that the situation is very similar today as it was in 196 . . . I believe it was . . . '69, thank you — '67 the member from Regina Centre. Never trust a lawyer, I'm told — some lawyers.

I've stated from day one, Mr. Chairman, history does in fact repeat itself and we were into a situation very similar

to what in fact had taken place in 1969 in regards to the potash situation. However, one of the differences — and it's major for this Assembly, Mr. Chairman — is our ability to deal with the situation today versus the government of the day in 1969 and their ability to deal with the problem at that time.

Mr. Koskie: — The minister has indicated that in '67 we faced a similar problem, and as a result of the constitutional changes brought in, that indeed the government of the day is in a better position to address the particular problem of anti-dumping, which I take that that is the prime purpose, from her answer, of the legislation because that's what she indicated, and also in respect to the supply.

I want also . . . There has been remarks made by the Premier that the Potash Corporation of Saskatchewan is a major problem. I've heard him say that on — as soon as the level of tariffs came out. I've heard him rant and rave in this legislature.

And the minister has submitted that in 1967 we faced a similar problem, but we didn't have the constitutional amendment to be able to address it in the same way. And I want to draw to the minister's attention that in 1967-69 — and '69 when the final decision came down — that none of the potash mines were publicly owned. And still we had the high assessment and the problem, as the minister said, that was similar to what we have today.

Yet the Premier says, the Premier of this province would want the people of this province to believe that even though we had the same nature of problem in '67 to '69 that the potash corporation — because it happens today — that it's the Potash Corporation of Saskatchewan that is a major part of the problem.

I want to draw also to the attention of the people of this province that not only did we have the same problem in '67 when we had no public ownership of potash industry, the people didn't own any of the mines, but also that the decision that has come down from the U.S., the preliminary decision, that not just the Potash Corporation of Saskatchewan were assessed, but every individual operator in Saskatchewan. And the highest level of assessment was against Central Canada Potash at 85 per cent. And the potash corporation was somewhere in the middle, with IMCC (International Minerals and Chemicals Corporation) at the bottom.

So it seems to me that that refutes, those statements refute, the very position, the nonsense that the Premier is trying to peddle around this province. But I draw also to the attention of the minister that in 1984 two U.S. Potash producers, Amax Chemical Incorporated and Kerr-McGee Chemical Corporation, filed a petition alleging the potash imported to the United States from Spain - you know, a socialist country - from Israel, from the U.S.S.R., and from East Germany, and they alleged that they were selling it below a fair market value.

And in 1985 the Department of Commerce investigators found that the potash from these social states, and the state-run potash industry from other countries — well they looked at the facts and they came down with a

decision. In 1985 the Department of Commerce investigators found that potash from Israel, East Germany, was not being sold at less than fair value in U.S. And the complaint was withdrawn against Spain. The international trade commission ultimately concluded that even though the potash from Russia was being sold in U.S. at marginally less than its fair value, it was not a cause, nor did it threaten to cause injury to the U.S. industry, and as a result the petition was withdrawn. Or the petition failed, I guess is the correct word.

So really what I'm putting forward here, Mr. Minister, just so the record can be clear to the people of this province, to sift out the nonsense and the truth, this is a problem that hasn't been created by the presence of the potash corporation. And let us assume, Madam Minister . . . Just let us assume that in fact you could document that it was a problem, and precipitated the tariffs, can you feature a premier which is running that corporation, is spouting out against the very corporation that he is running? Unbelievable, even if it were true! How can you possibly believe that the Premier of the province would join with some senator in the United States to criticize a publicly-owned corporation in Saskatchewan and help to precipitate its destruction.

Those are the facts. Madam Minister, I think you will agree, as is set out in the Saskatchewan report by your newly-appointed president of the potash corporation, that there is a very specific method of determination, and it's set out by Mr. Charles Childers, the president of the potash, and he indicates the basis of the determination. And those are the facts, and why run around with your political jargon deceiving the people because, I'll tell you, they don't trust you people any more. So I think you better start shooting straight with them.

And all of the evidence here indicates that what the Premier said was nonsense. You know it and I know it, and the people of Saskatchewan know it. And the sooner . . .

Some Hon. Members: Hear, hear!

Mr. Koskie: — I want those details to be on the record, and I can only say to you that if the potash corporation is a problem, it's a problem of your incompetence and your desire and intent because of your ideology to destroy it — your incompetence. If the potash corporation is a problem in the anti-dumping, it's your incompetence and your intention to want to destroy it. Because for 11 years the Potash Corporation of Saskatchewan operated, and I'll tell you, from '76 until '81 . . . \$414 million of profit to the people of this province during those years. And so I say to Madam Minister, get off of that kick; play fair with the people of Saskatchewan for a change; deserve the office that you hold by coming forward with the truth and not nonsense.

I want to get on with the Bill. I wanted that clarified. But there's one other aspect, and I wonder if the minister is aware . . . and I mentioned to her some of the potential lay-offs that have been advised in respect to the Lanigan, Allan, and Cory mine.

They indicate that Lanigan, they've been out for five weeks, because I just talked to a miner — two on holidays and three on their own time. And they indicate — and they got an announcement that mid-November that they're getting another lay-off; Allan, on October 4, and they don't know when and for how long. Cory is the same thing.

Is the minister aware of this, and is this a planned reaction to the intended application of the Bill? Are you aware of any intended lay-offs within the industry?

Hon. Mrs. Smith: — Mr. Chairman, the member has dealt with the issue of PCS and the perception of the United States, and the impact that that had on the anti-dumping petition. It was also an issue that was raised last evening by the member from Saskatoon Riversdale.

The ownership of PCS should not, in fact, or is not material to the actual Commerce department process of adjudicating the anti-dumping which I think the member from Saskatoon Riversdale and I had agreed on last night. That's one step in the process, Mr. Member, Mr. Chairman.

However, the public record from both the petitioners and the congressional record make it very clear, very clear, Mr. Chairman, that public ownership of PCS and the circumstances of its formation were heavily on the minds of the New Mexico congressional representatives and the industry, Mr. Chairman, as they initiated the petition that our producers are dealing with today.

Clearly from the petition and the supplementary evidence such as the petitioners' submission to ITC (International Trade Commission) on the injury question, allow me to quote, Mr. Chairman. And I quote:

As described at the conference, the pressure to maintain sales in a declining market is the consequence of a decade of management of the Canadian industry decided to achieving goals of democratic socialism based on demand miscalculations.

Now, Mr. Chairman, last night the member from Saskatoon Riversdale asked that I table these documents and I will do that for him today. He wanted to know . . .

An Hon. Member: — Do it. Table them, all you want.

Hon. Mrs. Smith: — Well, he says, table them all you want. You either want them or you don't. Last night you wanted them. Have you changed your mind once again today? I doubt it.

Mr. Chairman, I table the decision, the document of the decision, and the brief that led up to the decision coming down.

Mr. Chairman, what we have dealt with, it's clear that if, rightly or wrongly, for the member's benefit, it was part of the debate in launching the decision, and the focus clearly came on Canada.

Mr. Chairman, in regards to the lay-offs, yes, I am aware that there had been some notices sent out. And I believe, Mr. Chairman, number one, it is indeed a reflection of the market-place that we are in today. It's one that is not preferred, but it's there.

I also would remind the House, Mr. Chairman, that this Bill indeed is designed to minimize those job lay-offs because of the market-place. Without the Bill, we would see some possible permanent mine closures, or at least near to permanent. And, Mr. Chairman, that means massive job lay-offs.

(1230)

Mr. Koskie: — One final indication. I think the situation is regrettable, Madam Minister, that the recent report in respect to the petitioners is that it's, as indicated, a broken-down mine, almost into receivership, and that one of the reasons for launching the petition is of the desperate attempt of this mine to force up the prices in order that it might be able to refinance and survive in the United States.

And what I'm saying to you is that it's a kind of a sad day that one of our chief trading partners would in fact react right in the midst of the free trade negotiations to launch such a vicious attack against its trading neighbours.

And I think what it clearly indicates is the folly of the Premier's position, the incompetence of the Mulroney government in dealing with it, because ever since they launched their free trade objective that United States have in fact been over-reacting.

My colleague, the member from Regina Centre, has a few questions. I will also be addressing a few amendments, and I think we can fairly rapidly proceed with the conclusion of the Bill, Madam Minister.

Hon. Mrs. Smith: — Mr. Chairman, I would agree with the member from Quill Lakes that indeed it is regrettable that the action has taken place. And some words perhaps are too strong to use in this House. I would use the word that it is a desperate act that the petitioners indeed have done. And while I have recognized that on the one hand, as I stated last night, human beings being what they are, sometimes it's understandable.

The member says, you know, it's folly, the Premier's position. I think he is dead wrong, Mr. Chairman, absolutely dead wrong. If anything, this action has shown very clearly that the Premier of this province has been right in his desire and his thrust on a trade agreement for Canada and indeed for this province. And not with any backing, might I say, from the members opposite who have seen it as something other being a very positive move for the province of Saskatchewan.

Mr. Chairman, with the trade agreement, perhaps we would not be in the situation that we find ourselves in today.

Mr. Shillington: — Thank you very much. Madam Minister, I want to suggest to you that this Bill is the latest in a lengthy series of incompetent moves, and that this

problem is largely self-induced.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Madam Minister, a significant contribution to this entire problem was the Minister of Finance's repeated statements that they were going to write off the debt of PCS and eventually his commitment to do that. I quote, Madam Minister, from an article in *The Northern Miner* in June, which said:

Already the anti-dumping legislation has been complicated by the government's announcement that it would write off \$400 million in PCS debt. The Americans, naturally suspicious of any Crown-owned company, took it as a clear sign of a subsidy. The government quickly back-tracked, but the damage may already have been done.

Well the damage was done, because later he stated he was going to write off \$800 million.

Madam Minister, after bringing the problem down on your own heads, you then had warning in March and April that this was coming. In March, the ITA, International Trade Administration of the Department of Commerce stated that there was sufficient evidence to warrant an investigation. In April they determined that they were going ahead with the investigation, on April 4.

You had all those months to take the obvious action, and that is to make contact with your best allies, the American farm groups. You sat and did nothing — sat and did nothing at all until August when the International Trade Administration asked you to post bonds. And all of a sudden there was a crisis which you'd never heard of before.

Everybody knew what was coming, Madam Minister. You should have as well. You and the Premier should have been actively engaged in making contacts with those who might have been your allies.

Some Hon. Members: Hear, hear!

Mr. Shillington: — And I suggest to you, Madam Minister, that this Bill, far from being a solution, complicates the problem which you now have. This Bill, Madam Minister, may well be taken as an admission of guilt.

I quote, Madam Minister, from a comment made by the New Mexico producers. I quote from a September 3 editorial in the *Leader-Post*. It states:

If the Saskatchewan action causes producers in this province unease, it apparently leaves our American accusers laughing. Questioned about the legislation, Paul Becker of Lundberg Industries . . . (one of the two companies which launched the suit, I might add) said: — “. . . if you are asking, ‘is this something we wanted to see happen’, yes, it is.”

That's, Madam Minister, what your legislation has done, is to make the apparently difficult chore of those two small mines with 3 per cent of the U.S. market to succeed

in this suit.

Madam Minister, those comments are echoed by the . . . drawn blunt by Noranda and by Cominco, all of whom have been critical of this legislation. I won't take up the time of the Legislative Assembly to read those comments, but I have them sitting on my desk if you care to deny it.

I remind you, Madam Minister, that the U.S.S.R. faced similar anti-dumping legislation at this stage where the ITA makes a decision. They were assessed duties of 187 per cent. Later when the ITC, the International Trade Commission, made the final decision, the actual duties which were levied were 2 per cent. And I remind you, Madam Minister, that most Canadian producers expected the final levies, if there were any, would be considerably smaller.

I quote from the September 7 edition of the *Financial Post* in which it states:

Furthermore, producers and their customers are optimistic the hefty preliminary duties imposed by the U.S. commerce department on potash imports will be substantially cut down when the International Trade Commission makes a final ruling.

I say to you, Madam Minister, that this problem has been largely self-induced. There's a trial of incompetency which the workers of Saskatchewan and the taxpayers of Saskatchewan are going to have to pay for. You partially brought the problem on your own head by stating you were going to write off the debt. You did nothing during the three months when you had a golden opportunity to make friends and powerful allies in the U.S. Senate — the farm lobbys are. Later when you got a ruling that everyone expected at this preliminary stage, you over-reacted, brought in this legislation, and have admitted your guilt. Madam Minister, to the extent we have a problem at all, you brought it on yourself.

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — I can only assume that the member is recommending that we do nothing. On one hand, he degrades the Bill. On the other hand, I would remind him that he voted for it not too long ago on second reading. So I take with a grain of salt anything that he has to say on the Bill.

While the member likes to pull out editorials here and there, I would also refer you, with all due respect, to the other editorials, perhaps the Saskatoon *Star-Phoenix* you would like to pick up and read; perhaps the editorial that states, "The potash move satisfying"; the other article, it says, "Potash controls doing the trick," plus there's several others; the one that "The potash Bill strikes a perfect balance." Those are other media articles. And while I accept that not all people, Mr. Chairman, will see the Bill in the same manner that I do, nor will they see it in the same manner as the member from Regina Centre.

Mr. Chairman, we stated, and it's in the record from last night and from previous discussions as to the reasons for the Bill, and I will not spend time going over those points

again. It is also in the record last night between the member from Saskatoon Riversdale and myself, the contacts that were indeed made over the past several months, and I refer the member to *Hansard*.

Mr. Shillington: — Madam Minister, that was indeed the subject of my next question. What you're clearly seeking to put together is a cartel, Madam Minister. I ask you what evidence you have that it's going to work. If you have some evidence that this is going to work and that other producers out of Saskatchewan are going to follow suit, you could put a lot of mines at ease by sharing that with us.

Madam Minister, you refer to the 1969 legislation. I remind you that at that time the then premier of the day had been to New Mexico, had worked out an arrangement with them, and had that in his pocket when he passed the legislation. It seems to me what you're doing is very dangerous. You're passing the legislation and just hoping that the rest of the world follows suit. One would expect the Saskatchewan producers to follow suit. Given the nature of the Saskatchewan industry, they don't have a lot of option but to play ball with you, and given this Draconian legislation. But producers in the U.S.S.R. and Israel and other areas have other options, Madam Minister.

Madam Minister these concerns that this legislation may work to the advantage of other producers are shared by persons other than myself. John Gordon, vice-president of Noranda mines, expressed his concern in *The Globe and Mail* of September 3. In an editorial in *The Financial Times* of September 7 they said:

But Saskatchewan may find that other producers in the world potash market welcome the move for another reason. They may move into any part of the market vacated by Saskatchewan. Once they've moved in, they may be difficult to dislodge.

I remind you, Madam Minister, that other nations also have excess capacity. If you intend on restricting production in Saskatchewan, they may well move into the market which we vacate. If you don't intend on restricting production, then this legislation is just purely cosmetic.

So I ask you, Madam Minister: what are you going to be doing? Are you going to be . . . is this legislation cosmetic, and you don't intend to restrict production? Is it in fact real, and do you have some evidence that other nations are going to follow your lead? Are you simply playing very high stakes poker, and hoping they do?

Hon. Mrs. Smith: — Well, Mr. Chairman, once again the objective of this legislation is to clearly seek a mechanism that will help us reduce our over-supply or our unused capacity. That is the clear objective of this legislation. And for several reasons: — number one, Mr. Chairman, to maintain a viable industry, to hang on to the jobs that are already there. We don't want to see massive lay-offs . . .

An Hon. Member: — Are you going to deal with the question or are you going to give us this silly . . .

Hon. Mrs. Smith: — . . . Mr. Chairman. Well he doesn't like the answer. That's too bad; that's too bad. You ask if the legislation is cosmetic. The answer is no. There is a clear objective with the legislation, Mr. Chairman.

Mr. Shillington: — Madam Minister, I asked you if you have any evidence that other nations are going to follow your lead in restricting production, or are they going to take advantage of your restriction of production and take our markets?

Hon. Mrs. Smith: — Well, Mr. Chairman, once again it is our intention with this Bill — I've stated it several times over — to maintain our market-share with this Bill. And recent developments around the world would indicate that others are following our lead.

Mr. Shillington: — What recent developments?

Hon. Mrs. Smith: — I think there's been several reports of price increases from Israel and other countries, and if you would like I could get you the specifics on that. That's been public knowledge; I'm surprised you haven't read about that. But that would also indicate that they are not about to undercut and for some specific reasons — they've had as many difficulties within their industry as what Canada had.

(1245)

Mr. Shillington: — Madam Minister, I haven't read about it because it hasn't happened. The Saskatchewan producers have raised their price. There's been no media reports. If you have that, I would appreciate it if you'd table it. If you have evidence that other nations are going along with this cartel, which is what it is, then, Madam Minister, I'd like you to table that information.

Hon. Mrs. Smith: — Mr. Chairman, this is not a cartel, and I will send you the information that I have as it pertains to other countries and their production.

Mr. Shillington: — Madam Minister, I wonder if you're satisfied with the support which you got from the federal government on this. Madam Minister, you got none. I quote, for the sake of brevity since time is going, I quote from an article in *The Financial Post* of September 13 with respect to Minister Carney:

The fall-out continues. Carney refused to take part in Saskatchewan's efforts to make a deal with Washington before the U.S. Trade Commission. The absence of a Canadian federal presence made Washington reluctant to deal.

Madam Minister, I wonder if you agree with the statement of fact in *The Financial Post*, and if you're satisfied with the none-action and inaction by Minister Carney in Ottawa?

Hon. Mrs. Smith: — Mr. Chairman, I haven't read the article that the member is referring to, so I will not comment without reading the entire article as opposed to the quote that the member has given me. I would refer the member to other articles: one that includes

"Saskatchewan potash restrictions backed by Ottawa," and that's out of a Saskatchewan paper, the *Saskatoon Star-Phoenix*, on September 3. And I'm not sure what it is that you expect the federal government, or that you want the federal government, to do in terms of this situation, but I would remind you that Saskatchewan has authority to manage its own resources - not Ottawa, but Saskatchewan.

Mr. Shillington: — Madam Minister, I'll tell you what I expect the federal government to do. I expect the federal government to stand up for Canadians, stand up for Canadian industries, and stop acting and looking like a whipped dog when the American Congress does what it is elected to do, and that is protect American industries.

I remind you, Madam Minister, that the federal government is elected to protect Canadians and Canadian industries, and this federal government has refused to do that. During the softwood lumber dispute, they laid back and played dead. During this dispute, they were not to be seen. That's what I expect the federal government to do, Madam Minister. I expect them to stand up for us and our industries in what is a very difficult international trade market.

Clause 1 agreed to.

Clause 2

Mr. Koskie: — In clause 2, Madam Minister:

(a) "board" means the Potash Resources Board established under section 5;

Have you any idea, and can you indicate to us, since there's no numbers as to what the size of the board might be, do you have anything in mind as to the size of the board?

Hon. Mrs. Smith: — Yes, Mr. Chairman, we are looking at a small board of three to five members.

Mr. Koskie: — Who are they likely to be? Have you any details as to who they might represent, or what segment of . . . any representation from industry, any representation from workers, in respect to the composition?

Hon. Mrs. Smith: — No, Mr. Chairman, I am not at the point where I have been discussing who they might be. In terms of the question, are they industry, the workers, management — I would refer you to the conflict of interest clause that prevents anyone that benefits directly or indirectly from the potash industry is not allowed to sit on the board.

Clause 2 agreed to.

Clause 3

Mr. Chairman: — Order, order.

Amend section 3 of the printed Bill:

by striking out "conversation" in the second line and substituting "conservation."

Is that agreed? Order. I would like a little order in the Assembly so people can hear the Chair when he's reading an amendment. I am going to read the amendment again and ask if it is agreed.

Amend section 3 of the printed Bill:

by striking out "conversation" in the second line and substituting "conservation."

Is that agreed?

Clause 3 as amended agreed to.

Clauses 4 and 5 agreed to.

Clause 6

Mr. Koskie: — Yes, in respect to clause 6, indicates the Lieutenant Governor in Council shall prescribe the number of members of the board. And in respect to that, I've asked the definition, but I . . . Will there be members from the department represented on the board? Have you firmed that up yet?

Hon. Mrs. Smith: — Yes, they can be.

Mr. Koskie: — Well I asked you, are you intending to put representatives of your department on the board? I know they can be because it's in the legislation.

Hon. Mrs. Smith: — Legislation allows for the Department of Energy to sit on the board. It has not been decided yet, Mr. Chairman, who will be sitting on the board, as I stated earlier.

Mr. Koskie: — In respect to section 6, in the appointment to the members of the board, I want to move an amendment in respect to that. As the minister . . . and I will move it following my remarks, a proposed amendment, Mr. Chairman.

And here we have in the industry, 3,600 workers involved in the industry. Many of their lives may be affected or destroyed, and what you have purported to do is to set up a board to regulate the industry and have absolutely excluded any members or any representatives of the labour force. And I think that it's only fitting that those who actually do the work, who sell their labour, who have no basic input into the incompetence that led us into this problem, I say that the workers of Saskatchewan should have an opportunity to be represented on the board.

And accordingly I will be moving, as an amendment to section 6, that section 6 of the printed Bill be amended by adding the following as subsection 4:

At least one-third of the members of the board must be miners working in the potash industry in Saskatchewan at the time of their appointment.

You can give a copy of this to the minister if you want.

And that's the essence of the amendment, and I expect

that the opposition will view this with the same concern that we have on behalf of the workers of Saskatchewan and that they will indeed — indeed . . . (inaudible interjection) . . . While I'm thinking of you in the past, I'm thinking in the future — thinking in the future.

But members of the government for the time being - I correct myself.

But in any event this is an important, and it's a vitally important, principle that we think that the workers should in fact be represented on the board. And accordingly we move that and hope that other members on the opposite side will indeed support that very important amendment.

Hon. Mrs. Smith: — Mr. Chairman, I think we all in this House agree that workers indeed should have a say and a voice in the decision-making process within the working environment. However, there is a reason that the conflict of interest clause is in here, and it not only applies to workers but it applies to management. So if I were to take the hon. member from Quill Lakes, his argument as to who should sit on that board that knows the daily operations of the mines, we would have management and we would have the workers as the board. I think it puts a worker, a miner, or a supervisor, a manager of a mine, in a very difficult situation.

And let me use the example of, let's say, Lanigan versus Esterhazy — Lanigan versus Esterhazy. We have a miner from Lanigan that is sitting on the board and is going to do the allocating for all mines around the province. Now first of all he's going to have a fairly difficult time. He works in that mine with all his colleagues, and of course they're concerned about their jobs. That's what this whole issue is about. That's what it's about, Mr. Chairman.

But how can you possibly place a worker in that kind of conflict position in determining not only for that mine but the competitor's mine? I think that is extremely unfair to any miner to be put into that position. Now, it would be easy to do if you had one company that owned all the mines; then you might have an easier time. But even then there would be some difficulties.

But for that reason, Mr. Chairman, I have to say no to the amendment; that I believe that is unfair to put any worker in that position. And that if you start with removing the conflict of interest clause in here, you conceivably have management from one company versus management from another company versus miner from Lanigan and Rocanville, and on down the line. And I have to say no to the amendment.

Mr. Koskie: — Well, Madam Minister, you have spoken against what we have proposed here. In your Bill there's an exclusion of people who can act on the board. It can't be workers; it can't be representatives of producers. Who is the world are you going to get that has any knowledge of the industry? Is it going to be a Sid Dutchak or some other . . . Embury, or who are you creating a job for? Who is going to be the competent person that's going to sit on this board and do this fair job that you are alluding to? You have a total exclusion of producers, of workers. Who is the experts that you're going to have that are going to sit on this board?

Hon. Mrs. Smith: — Mr. Chairman, that's a fair question. I believe that there indeed are a fair number of people around within the mining industry — and when I say the mining industry, that could be uranium mining and other mining industries. I believe those people that are available, that are not directly benefiting in a monetary fashion from the industry — and that is the kind of people and the expertise that we would be looking for.

(1259)

Amendment negated on the following recorded division.

Yeas - 14

Blakeney	Brockelbank
Shillington	Koskie
Romanow	Tchorzewski
Mitchell	Simard
Solomon	Goulet
Hagel	Lyons
Trew	Van Mulligen

Nays - 33

Devine	Duncan
McLeod	Andrew
Berntson	Lane
Taylor	Smith
Muirhead	Maxwell
Schmidt	Hodgins
Gerich	Hepworth
Hardy	Klein
Meiklejohn	Martin
Toth	Sauder
Johnson	McLaren
Hopfner	Petersen
Swenson	Martens
Baker	Gleim
Neudorf	Gardner
Kopelchuk	Saxinger
Britton	

Mr. Goodale: — Thank you, Mr. Chairman. In light of the vote that has just been taken, and in view of the minister's concern with respect to conflict of interest, I gather from the minister's remarks that she is not opposing worker input into the decisions of the board; she is attempting to avoid the conflict of interest problem.

If I have her intention correctly in that regard, could I ask the minister: — in the search that she makes for qualified people with mining expertise, but without a direct monetary interest or involvement, will she give the House the assurance that in her search for that expertise she will not simply be looking on the management side or the industry side, but will in fact search as well on the employee and the worker and the miner side so that there can be, on the board, representatives who do reflect the point of view of employees but without the direct monetary interest that she is concerned with.

And if that is her intention, and if she can give the House

that assurance, would she entertain some modification in clause 6 or elsewhere in the Bill that would make that point, so that those who are concerned about employee input into the decisions of the board can have legislative assurance that that in fact will occur?

Hon. Mrs. Smith: — Mr. Chairman, indeed the . . . By not having a direct mine person on the board does not exclude the need for direct input from all levels within the mines, including union representatives on behalf of their members, the workers, and so on.

In terms of that board, I can give the House the assurance that what we want on the board are some knowledgeable people about the mining industry, people with some common sense, and that we will be looking for those that have had some, that have had some . . . (inaudible interjection) . . . Well then that might exclude the lawyer from Regina Centre, for example, who has great difficulty with common sense these days.

Mr. Chairman, I can give the House the assurance that we will be looking for board members who have knowledge, common sense, and a high degree of integrity to ensure that this is carried out in a very fair and equitable manner.

Clause 6 agreed to.

Clauses 7 to 9 inclusive agreed to.

Clause 10

Mr. Shillington: — Madam Minister, I am interested in the breadth of this section. You have excluded anyone who has any interest directly or indirectly, or is an employee of such a person. Apart from your officials of your own department, I can't imagine who you're going to appoint to this board who knows anything about it.

My colleague from Regina Victoria keeps wondering: what's Metro Rybchuk going to do? I suppose this might be a position for him. But apart from Metro Rybchuk and Gay Caswell and Bob Myers, I really have difficulty guessing who you're going to appoint to this board.

An Hon. Member: — Bud Smith, likely.

Mr. Shillington: — And Bud Smith. It is just . . . Your exclusion is so broad, I think you've excluded anyone who will know anything about the industry.

Hon. Mrs. Smith: — While the member may have some difficulties — and that's now new in this House — there are, in fact, a lot of people with a great deal of knowledge as it pertains to the mining industry in general who are not presently employed, nor are they benefiting indirectly in a monetary fashion from the potash industry.

Clause 10 agreed to.

Clauses 11 to 17 inclusive agreed to.

Clause 18

Mr. Chairman: — There is House amendment to clause 18:

Amend subsection 18(2) of the printed Bill by striking out "or" in the third line and substituting "of."

Mr. Koskie: — We have section - not clause but section 18 - is the power-rendering section. And in subsection (3) it indicates:

(e) any additional factors that may be prescribed.

And I'm wondering if the minister could indicate "prescribed" by whom, in respect to the criteria.

Hon. Mrs. Smith: — Prescribed as by the Lieutenant Governor in Council.

Mr. Koskie: — What I want in respect to this section, Mr. Chairman, is also, at the conclusion of my brief remarks, is to move an amendment here. Here again it is in respect to the potash workers of Saskatchewan - of the industry, of the whole entire industry. And because they may in fact be laid off — and we got assurances from the minister that that's not happening — but I think our major concern here has to do with the workers who produce the product and who, as I said before, had no input into the mismanagement by this government.

And therefore what I want is to move an amendment in the following words:

Any miner working the potash . . .

This would be that:

Section 18 of the printed Bill, be amended by adding the following subsection after subsection (4) (and that would be a new subsection, and I will send over to the minister, for her convenience, a copy of that):

Any miner working in the potash industry in Saskatchewan whose employment is terminated directly or indirectly as a result of the decision made by the board, is entitled to be fully compensated by the board for that loss.

Some Hon. Members: Hear, hear!

Mr. Koskie: — As I said, that makes eminent sense to give protection to the workers throughout the industry because, after all, they are an important part of the development of the corporation, of the mining. They had no input into the decision making, and accordingly what we're asking here is, at least if you're going on this course, to give some protection to the workers of Saskatchewan.

And certainly if, as the minister indicated, that there would be increase in prices and increase in profit, that some of that profit, in the event of loss, should give protection to any of the workers in the potash corporation that may directly or indirectly lost their jobs.

I so move that motion, seconded by my seat-mate, the member from Regina Centre.

Mr. Chairman: — Order. Order. The amendment is not in order. I'll read section 7 of paragraph 773, page 233 of Beauchesne's:

An amendment is out of order if it imposes a charge upon the Public Treasury, if it extends the objects and purposes, or relaxes the conditions and qualifications as expressed in the Royal Recommendation. *Journals*, June 17, 1969, p. 1172.

Mr. Koskie: — I accept your ruling, Mr. Chairman. Therefore I extend a challenge to the Government of Saskatchewan who can, in fact, and the minister, to take it upon herself to give protection to the working people in the potash industry by inviting her to put in such amendment to help protect the working people by giving them some guarantee of security.

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — I did not hear the comments at the end of the member's statement, but I'm assuring that he's asking for an amendment. Is that correct?

Mr. Chairman, the purpose of the Bill has been one of protection of the industry and its jobs. We have stated that . . .

An Hon. Member: — Your jobs.

Hon. Mrs. Smith: — It has nothing to do with my job, nor does it have anything to do with your job. This is industry, the potash industry, Mr. Chairman.

In response to the member's request of an amendment of this sort, let me ask the member how on earth he would ever determine that a lay-off in a mine is directly or indirectly connected to a decision by the board.

(1315)

Listen, Mr. Member from Quill Lake, how do you determine in the normal course of maintenance lay-offs, how do you determine that it perhaps is directly connect to market conditions versus any decision that a board may make? What if it's eight months after a board decision? I believe, Mr. Chairman, that that is near to impossible, and I once again emphasize this Bill is in here for protection of jobs in the industry.

Mr. Koskie: — Well that answer strikes me as the most incredible statement that I've ever heard. Here she is taking upon herself with a small board to control a whole industry, and she has no determination of whether a person lost his job as a result of cut-backs in production. That's what she's telling us to believe. All I can say, Madam Minister, it's incredible.

And the incompetence that you've demonstrated here today is, I think, demonstrated to all the people of Saskatchewan. And all I can say, I'm disappointed that you won't allow worker participation in the board, and you won't in fact allow worker protection by guaranteeing in the event of a loss of job as a result of your legislation.

Those are the basic things that you should be looking at. Governments are set up to provide protection for people and provide job securities in . . . And I think it's unfair that this government absolutely refuses to give any guarantee or any worker participation in this decision that it's made, brought on by its own incompetence.

All I can say is that — to the workers of Saskatchewan — that we attempted to give some protection to them, and that the members opposite . . . and there's just about every one of them here have refused to join with us to protect the workers.

Some Hon. Members: Hear, hear!

Mr. Goodale: — On the same point with respect to clause 18, the minister is probably aware that the issue of lost jobs in relation to trade issues has been very much the subject of discussion in the House of Commons, and the Government of Canada has indicated, at least in general terms, that job adjustment factors are on their minds in relation to trade issues.

And while they have stopped short of announcing any specific program in relation to the job implications in Canada of trade actions taken against Canada, particularly by the United States, while they've stopped short of making any specific announcements of a program, they have given some general indication that that issue is at least under consideration.

And I wonder if the minister could give us her specific assurance, in relation to the potash industry in Saskatchewan and this Bill and our trade difficulties in relation to potash, that she will prevail upon her federal colleagues in the Government of Canada to come forward quickly with a specific plan that would relate to some form of compensation or adjustment mechanism to assist workers in Saskatchewan in the potash industry who may suffer as a consequence of U.S. trade action or legislative action of the kind that we have before us this afternoon.

Will you ask the federal government to bring their resources to bear on that problem, because they've at least indicated they're thinking about it?

Hon. Mrs. Smith: — Mr. Chairman, I believe through my colleague, the hon. member from Kindersley, the Minister of Economic Development of Trade, that indeed those kinds of issues have already been raised with the federal government, and we will continue to press for what we think is necessary for Saskatchewan as it relates to trade.

Clause 18 as amended agreed to.

Clauses 19 to 22 inclusive agreed to.

Clause 23

Mr. Koskie: — I want to make a comment in respect to clause 23, Mr. Chairman. I have raised these points of concern with the minister on clause 1, and what we will be proposing at the conclusion of my remarks is an

amendment:

That a person who is aggrieved by a decision of the board may appeal to the judge of Her Majesty, Court of Queen's Bench for Saskatchewan, by filing a notice of appeal with the local registrar of the court within 30 days after the day in which the decision's appeal from was made.

I'll be moving that motion, but I just want the . . . and I'll pass over a copy to the . . . prior to moving it, so the minister has the opportunity to see it. You'll notice the courtesy and the degree of preparedness that the opposition demonstrates.

This is a very important principle because, as I indicated, Mr. Chairman, there is unfettered power here in this Bill given to the cabinet. As I said before, it goes: there is no challenge; there is no reprieve; there is no appeal by any aggrieved party. It's solely the discretion and the power of the cabinet in and through the board which it appoints. The record of this government in its appointment leaves a lot to be desired, because we've seen in the potash corporation itself, to be a chairman of that corporation they appointed a former defeated — badly defeated cabinet minister, rejected by the people of Saskatchewan, and they put him in charge of the potash corporation — the very person that had absolutely, he indicated here, no business experience when he took over Small Business.

And that's the concern that we have here is that they're setting up unfettered power in the hands of the government and a small board appointed by the government. And God knows who they'll put in charge of the board. And so what we're asking here is, rather than unfettered control that it in fact be an appeal to the Queen's Bench.

I think that if it's going to be fair, and operated in a fair manner, then government should have nothing to fear to have the provision at least for the right to appeal any time that it is agreed.

And so accordingly I will move that:

That right of an appeal to the Court of Queen's Bench be permitted.

I move it, seconded by my seat-mate, the member from Regina Centre.

Hon. Mrs. Smith: — Mr. Chairman, just briefly, while I appreciate the courtesy and co-operation from the member opposite, I must also state that it's relatively refreshing coming from that quarters, and we can only hope that perhaps it carries on.

Mr. Chairman, I have to state once again in opposition to the amendment, while I understand the concern of the members opposite, I believe that they in turn do not understand the impact on the industry, the mines, and its workers, with what they are asking. And I've stated the reasons why.

And once again, Mr. Chairman, I simply have to state that the board and the appeal process, we believe is done in

the best interests of the potash industry in ensuring that those mines keep operating and the workers keep working.

Mr. Koskie: — Well again, Madam Minister, I'm disappointed that you will not make the amendment as we propose, which I think is a good amendment in that it does give a recourse to the court.

And as I have indicated to you before, what you have indicated to the people of Saskatchewan and all of the producers and all the workers, is simply: trust me. And as I indicate, my experience with the workers across this province, they don't have much trust left in the fairness of this government.

And I'll tell you, as we've indicated, the tests and the criteria of whether this Bill is satisfactory has been laid clearly before this legislature. And if jobs are lost and sacrificed and families have to make sacrifice, I'll tell you this Bill will be a disaster and it'll be on your head.

So I again indicate that I'm disappointed that you will deny the natural justice even in wiping out the prerogative writs. And accordingly, I think it's a bad precedent for a government to take upon itself unfettered powers without some recourse to those who may be aggrieved.

Hon. Mrs. Smith: — Briefly, Mr. Chairman, again I believe I stated that this is common as it pertains to resource management legislation, and I refer the member to the energy conservation and management board in Alberta.

Amendment negated on division.

Mr. Goodale: — Mr. Chairman, in terms of the draftsmanship of this particular section, there are sections in other laws that attempt to prohibit or to restrict judicial review of those laws. I wonder if the minister can give us her assurance that the language used in this particular section is drawn no more broadly than the other precedents in other pieces of legislation, and that in this section she is not seeking any restriction upon judicial review that is of any greater extreme than that contained in other legislation dealing with other matters.

Hon. Mrs. Smith: — Yes, Mr. Chairman, there are other pieces of legislation. And again I believe the member was not here when I had stated that there is protection there in terms of the board. If a board should act in bad faith or in a discriminatory manner, they do, in fact, through the administrative law of principles, have access to those courts.

Clause 23 agreed to.

Clauses 24 to 26 inclusive agreed to.

Clause 27

Mr. Shillington: — With respect to section 27, I wonder if Madam Minister would undertake to table the regulations under this section. I assume since this is a crushing emergency that is barrelling at us like a steam-engine

down a set of tracks, you must have your regulations ready to pass.

I therefore assume you're in a position to table them. So I ask you, Madam Minister, if you'll table the regulations which you intend to pass, which I assume are necessary before this legislation can have any effect at all.

Some Hon. Members: Hear, hear!

(1330)

Hon. Mrs. Smith: — His words are "crushing emergency." My words have always been, this is important legislation but it will be dealt with in the normal course of events. And he knows that regulations, once they are approved, are public.

Mr. Shillington: — Madam Minister, I ask you when you think the regulations might be ready and when you think this Bill is going to pass?

You've introduced this with inflamed language. The Premier and the Minister of International Trade and Commerce sounded like Iranian Ayatollahs when they were talking about the Americans and their approach. They were going to stand the Americans against the wall.

And, Madam Minister, you as well stated this was an emergency; the potash industry was in the danger of imminent collapse. I wonder, Madam Minister, when we're going to have the regulations for this Bill.

Hon. Mrs. Smith: — Mr. Chairman, he knows that regulations are not put into place until the legislative authority is passed, and then the regulations are done.

And once again, contrary to the language that is spewing from across the floor, it has not been inflamed. If he wants to go back and read *Hansard* in terms of the introduction of the Bill, the introduction of the Bill, he will find non-inflammatory language. And I urge him to go back and read it.

Mr. Shillington: — When do you expect the regulations to be ready?

Hon. Mrs. Smith: — Mr. Chairman, I would expect once the legislation is passed that the regulations will be done very soon.

Clause 27 agreed to.

Clause 28

Mr. Koskie: — Well I just want to ask the minister, you came into the House and you said this was going to be an important Bill, and I guess the simple question is: when do you intend to proclaim the Bill? I mean, why not proclaim it immediately, on assent. There's no indication as to when you're even going to proclaim it. You don't have the regulations. Obviously, obviously it's a cosmetic Bill that you've brought into this House, and what I ask you simply is: when do you intend to proclaim it?

Hon. Mrs. Smith: — I believe Monday night it is

scheduled, Mr. Speaker.

Mr. Chairman: — Order. Order.

Clause 28 agreed to.

Mr. Chairman: — Would the minister move to report the Bill.

Hon. Mrs. Smith: — Before doing do, Mr. Speaker, I would like to take this opportunity to thank the member . . . (inaudible interjection) . . . yes, particularly the member from Quill Lakes, and the other members that have had an opportunity to question on this Bill.

If I could indulge the House for a moment, Mr. Chairman . . .

Mr. Chairman: — Order. Order. Allow the minister to make her comments.

Hon. Mrs. Smith: — If I could indulge some patience with the House for a moment, I would also like to thank my officials that are here today and a particular thank you to Mr. Bob Reid.

When I introduced the officials, I said my former deputy, and Mr. Reid is leaving . . . or left the Department of Energy Mines. I would also like to state to this House, it isn't often that we have an opportunity in this Legislative Assembly to say goodbye to a long-time, excellent civil servant who has served under several governments and under several ministers, and we have that opportunity today.

Bob is probably the true definition of a true professional, competent civil servant. He has worked in several departments under the NDP government and under the PC government. He is considered an excellent administrator, and I believe the member from Weyburn and myself can both attest to that. He is one of the best when it comes to negotiating in the best interests of Saskatchewan people. And in my one year with him, I have not met a civil servant that can match him when it comes to the best interests of the taxpayer in mind.

Mr. Chairman, he's leaving and he's going to become the chief executive officer of IPAC, which is the Independent Petroleum Association and I would hope that both sides would join with me in wishing him well in his future and thanking him for his time over approximately a decade of working for this . . . for government and the people of the province.

Hon. Members: Hear, hear!

Mr. Koskie: — Yes, Mr. Chairman, I do join with the minister to thank her officials for providing information. It was a difficult task with this minister, there's no doubt about that.

But I also want to extend our congratulations to her deputy, Mr. Reid, who will be leaving. We have seen during the course of this government many good, qualified individuals, competent people, leave for other parts of Canada, and that's why the incompetence that

has been set in, because what they have done is substitute competent civil servants with political hacks . . .

Some Hon. Members: Hear, hear!

Mr. Koskie: — . . . like Paul Schoenhals and Sid Dutchak and the list goes on. And I say that we are, in fact, sorry to have many of our competent people who have served this province well leave because of the incompetence of the government and inability to continue to work under such mismanagement.

The committee agreed to report the Bill as amended.

THIRD READINGS

Bill No. 36 - An Act respecting the Potash Resources of Saskatchewan

Hon. Mrs. Smith: — I move that the amendments be now read a first and second time, Mr. Speaker.

Motion agreed to.

Hon. Mrs. Smith: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title, with leave.

Motion agreed to, the Bill read a third time and passed under its title.

The Assembly adjourned at 1:40 p.m.