

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Shillington: — Thank you very much. I want to ask all members of the Assembly to join with me in welcoming 21 students from grades 3 and 4 at Connaught School. They have gone on a tour of the building, will be here for question period, and I look forward to meeting with them. They're accompanied by their teacher, Mike Hubick, and Dawn Holzer. I know all members will want to join with me in welcoming these students to the Assembly.

Hon. Members: Hear, hear!

Mr. Koenker: — Thank you, Mr. Speaker. I'd like to introduce to you, and through you to members of the Assembly, Brian Walton, who is a United Church clergyman and constituent in Saskatoon Sutherland, who is in Regina on a return trip from Vancouver.

Hon. Members: Hear, hear!

Mr. Solomon: — Thank you very much, Mr. Speaker. I'd like to introduce to you this afternoon, and through you to all members of the Legislative Assembly, 60 students seated in your gallery. They attend school at the R.J. Davidson Centre in the wonderful constituency of Regina North West, Mr. Speaker.

They are accompanied by their teachers, Erna Wiebe, Grace Korchinski, Judy Krause, Donna O'Shea, Karen Winsor, and their bus driver, Jake — I don't have Jake's last name, but I welcome Jake as well. I look forward to, Mr. Speaker, meeting with them after question period for a very brief moment. Hopefully we'll have an opportunity to discuss one or two major issues of the day in our province. I'd like to ask all members to join with me in welcoming this fine group from my constituency. Thank you.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Electoral Boundaries Decision in British Columbia

Mr. Romanow: — Thank you very much, Mr. Speaker. My question is to the Premier. The Premier is no doubt aware of yesterday's decision in the British Columbia courts by soon-to-be Supreme Court Justice McLachlin pertaining there to the British Columbia Electoral Boundaries Bill, which decision struck down the B.C. Bill because it violated the principle of one person, one vote. In fact, according to the newspaper story, the judge ruled that British Columbia must redraw its electoral boundaries because the laws governing them are unconstitutional.

Mr. Premier, my question to you is: have you looked at this B.C. ruling which orders that all B.C. boundaries be redrawn in the terms of your own government's

gerrymander Bill so as to avoid a similar result here?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, as back-up minister to the Minister of Justice, we're certainly aware of the press reports on the report. I must say, having gone through several elections . . .

An Hon. Member: — Several gerrymanders.

Hon. Mr. Lane: — That's right, several gerrymanders by the opposition — several gerrymanders, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — . . . that I take some offence, I take some offence at the remarks made by the hon. member from Saskatoon Riversdale who went through on a boundary commission established by himself representing half as many people as the hon. member from Saskatoon — half as many, Mr. Speaker.

Let me indicate to the hon. member that the range in British Columbia, to the best of my information, was somewhere around 86 per cent between the high and the low. And in Saskatchewan, Mr. Speaker, we use exactly the same criterion that the federal electoral boundaries do, which is at plus or minus 25 per cent, Mr. Speaker. If the courts were to rule that the national electoral boundaries is wrong, then perhaps it would affect Saskatchewan. We believe that the courts will uphold the federal criteria, Mr. Speaker, which is the same as Saskatchewan's.

Mr. Romanow: — Mr. Speaker, I have a new question. I guess it's directed to the Minister of Finance. When the Minister of Finance talks about gerrymanders and points over to this side, I think he's greatly confused because the hon. Minister of Finance will remember that when he was a Liberal, all these many years ago, he was himself responsible for the most infamous gerrymander in the history of the province of Saskatchewan, which brought down the government.

Some Hon. Members: Hear, hear!

Mr. Romanow: — And, Mr. Speaker, he's up to his old tricks in 1989 again with this gerrymandering Bill that's before this House. Now my question to you, sir, is this: the British Columbia decision clearly says, one person, one vote. It's an equality provision. In this Bill we've got a situation where Morse constituency, rural, held by one of your members, has got 4,000 fewer votes than a rural constituency held by one of our members, Humboldt — 4,000 less. How does the hon. minister say that complies with the B.C. decision of equality of opportunity? Why don't you take a look at this gerrymander Bill that you're introducing and reinstitute the principle of one person, one vote — fairness for the province of Saskatchewan?

Hon. Mr. Lane: — Because I'm going to stand here and with a great deal of reluctance, accuse the Leader of the Opposition of blatantly distorting and misleading this House as to what was said by the justice who ruled on the

case. Mr. Speaker, here's what the justice said:

The apportionment scheme proposed in the final report of the commission before the legislature in British Columbia says the maximum deviation from the electoral quota, plus or minus 25 per cent from the norm, appears to be within the tolerable limit.

Mr. Speaker, that is the norm that has been established by this government and this Legislative Assembly in the recent legislation, Mr. Speaker. I have no doubt, not only will it be constitutionally upheld, Mr. Speaker, it is a lot more fair than the one that let the member from Riversdale have a situation where he represents half as many people as Saskatoon for Mayfair in the same city, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Minister of Finance. If I represented half the number of some other member over there that he's identified, I've got him to thank for that because he's the one who fixed the boundaries to that disproportionate sense when he was the operation.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Oh no, you did. You did. And I want to say this, Mr. Speaker, by way of a question . . . (inaudible interjection) . . . No, no . . .

The Speaker: — Order, order, order. Order. Order, order. I believe it could be said of both hon. members that we're once more entering the realm of debate, and I'd like to bring this to their attention.

Mr. Romanow: — Thank you very much, Mr. Speaker. I understand why the Minister of Finance is getting so antsy about this whole operation. I just beg the Minister of Finance, please don't slam the table like the Deputy Premier and the Premier because we're very worried about the status of the front bench there, given the slapping of the table.

My question to you, sir, is this. Take a look at that judgement in some careful detail, the B.C. decision. The B.C. decision talks about the equality of votes. It talks about regional differences and variations. We all understand the necessity for that. In this case, however, under the current boundaries Bill in Saskatchewan, you have wide variations, wide variations which at first blush seem to violate the B.C. law.

My question to you is this: why in the world don't you take another look at it? My question is: why is it that this government is so dug in, so arrogant, so lost touch with the people that you force everybody to go to court whether it's on Rafferty, whether it's to get the legislature to convene in 1987, whether it's on social services? Why is it that you're so insensitive to the people? Are we reduced to going to court? Come on, how about taking a look at this thing from a fairness point of view.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I want the people of this province, and I want the press to see what has just happened from the Leader of the Opposition, Mr. Speaker.

The Speaker: — I'd like to remind our guests in the galleries that they are not to participate in the proceedings of the House. Order, order, order, order, order.

Hon. Mr. Lane: — Thank you, Mr. Speaker. I want the public and the press to recognize what started out saying that this decision in British Columbia is going to throw out Saskatchewan. That's how he started today. Now he's backed away; he's saying, at first blush. This man has backtracked on three different things since the start of question period, Mr. Speaker. First of all, he didn't read the decision, because it turns out that the new justice of the Supreme Court of Canada accepted the 25 per cent deviation which is in the Saskatchewan legislation. He obviously hadn't read it.

Secondly, Mr. Speaker, he was . . . and I don't know whether it was deliberate or not when he said that the last election was fought on boundaries that was designed by this government. That is not true. They were done in 1978, 1979, by the previous administration, Mr. Speaker, and they applied in the 1982 election, the 1986 election, and he was the attorney general of the time that brought that legislation. I don't believe he forgot, Mr. Speaker. I believe he tried to deceive this House, Mr. Speaker, and that's what we're seeing. That's what we're seeing from a desperate man, Mr. Speaker, from a desperate man that is afraid of a fair legislative electoral boundaries commission.

Some Hon. Members: Hear, hear!

The Speaker: — Order.

Privatization of PCS and the Free Trade Agreement

Mr. Mitchell: — Thank you, Mr. Speaker. My question is to the Premier, and it regards the policy of the government in proposing the foreign ownership provisions that are included in the potash legislation, and the policy of the government that lies behind those provisions. My question to you, Mr. Premier, is: have you considered the impact of article 16 of the free trade agreement on the foreign ownership provisions in the Bill?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — The answer is yes. Well, if you could get your members to calm down over there, the answer is yes.

Mr. Mitchell: — Thank you for that answer, Minister. No doubt then you've considered the provisions of article 1605 of the agreement which make it clear that your provisions or your rules respecting the degree of foreign ownership can be enacted as you wish, once, but having enacted them, they then remain in effect and you can never change them to the detriment of foreign investors. Now the effect of that, Minister, is to permanently entrench the rights of American investors regarding the Potash Corporation of Saskatchewan.

Now, Minister, if that isn't a permanent abandonment of this province's right to control its own resources and to control its resource development in the future, what else would you call it?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, under the free trade agreement, although we certainly have no intention of doing it, as recommended by the member from Regina Rosemont, we could nationalize the potash industry. Mr. Speaker, we can take means to control the potash corporation and the potash industry under the free trade agreement.

Mr. Speaker, I might advise to the hon. member as well that there were very restrictive limitations on Air Canada passed by the Parliament of Canada, Mr. Speaker. We are very confident that the proposals that we have, which have been criticized by the eastern media as being too restrictive to protect Saskatchewan's interests, Mr. Speaker, are . . . not only are they constitutional, Mr. Speaker, they will be accepted and seen as reasonable within the international investment community to protect Saskatchewan's interest.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — A new question to the same minister. That wasn't the question I was asking you. The point I was making is that under article 1605 of the free trade agreement, having prescribed the limits on foreign ownership, those become the limits for as long as the free trade agreement is in existence, and Saskatchewan loses its right to enact any different provisions or make them less restrictive. So once you pass these restrictions, you can't change them in the future.

That's the question I'm asking you. How does that make sense, Mr. Minister? How dare you lock us into these provisions for ever?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I don't think the hon. member is asking us to throw it wide open, but I do suggest to the hon. member that we are extremely confident that the restrictions that we have put in are not only, Mr. Speaker, in the best interest of the people of this province and protect their interests, but secondly, Mr. Speaker, they are received as necessary and desirable in the international investment community. And thirdly, Mr. Speaker, that we are very much of the view that the legislation which we will pass will not be challenged in any way, shape, or form. And, Mr. Speaker, we've considered the free trade agreement, and we're satisfied that the legislation does not contravene the free trade agreement.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Premier which I hope the Premier will take and not pass off to the Minister of Finance because, judging by that last answer, we get no answer.

I want the Premier to understand what's being said here. At 45 per cent foreign ownership under the free trade deal, your deal, you can't ever increase that. You can't increase it. You can decrease it; you can lower the level of foreign ownership making it even more wide-open, but you can't increase it. That's the free trade deal; that's our interpretation of the free trade deal. And a member gets up and simply says he has all kinds of good hopes and expectations, but the free trade deal says otherwise.

My question to you, sir, is this. It is widely reported that the annual report for 1988 Potash Corporation of Saskatchewan, which has a profit, it is widely reported, of \$108 million in 1988, is to be tabled. The Deputy Premier says I'm wrong. If I'm wrong, I want to know that I'm wrong, or right. I ask the Premier: will he get up and give us a simple yes or no; will he table the annual report for the Potash Corporation of Saskatchewan today? Will he table it before we continue on in the debate of this important Bill 20 legislation he's introduced?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, let me first of all congratulate, and I had neglected to do that earlier, the Leader of the Opposition for his courage today in standing up today with his back to his own members. I understand the meetings in Regina are getting quite vicious.

The Speaker: — Order, order, order. Order, order. Order.

Hon. Mr. Lane: — Mr. Speaker, I thought it was somewhat appropriate then that they started on free trade and ended up on the annual report, so I thought that my congratulations to the hon. member were somewhat appropriate as well. The annual report will be tabled at the appropriate time by the minister responsible for the potash corporation, Mr. Speaker.

Obviously you've established your position. You've said you're going to fight this on ideological grounds, Mr. Speaker — that's what the privatization critic has said, Mr. Speaker. You've given your estimates to the Leader of the Opposition of what the income will be. It hasn't stopped them from setting out their position, Mr. Speaker. We'll table it at the appropriate time.

Some Hon. Members: Hear, hear!

Mr. Romanow: — No, Mr. Speaker. No, Mr. Speaker, that's not good enough. Mr. Speaker, a supplementary question to the Minister of Finance; that's not good enough.

We are debating Bill 20 sooner or later — apparently, according to House business, today. The annual report for 1988 is an integral part of that debate, whatever the numbers are. That's not good enough, in due course. We want that 1988 annual report now before we debate it. What are you hiding? Get that annual report tabled, that's what I'm asking you to do.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Again, Mr. Speaker, I've repeated it. I

don't believe that the tabling of the annual report will, or lack thereof, will hinder the opposition from its position. Its position has been made clear that, notwithstanding any evidence out there, the opposition is going to oppose this Bill for ideological reasons. That's what they've said. So, Mr. Speaker, yes, we will be proceeding with second reading today, and the annual report will be tabled at the appropriate time by the minister.

Some Hon. Members: Hear, hear!

Grants to Universities

Mr. Rolfes: — Mr. Speaker, my question is to the Minister of Education. Minister, I'm sure that you are aware, in the *Leader-Post* the other day, that the president of the University of Regina has said that he has to go begging to the community at large now for moneys in order to fund the University of Regina. In fact, he stated that the debt at the university is going to increase by \$1 million to \$6.5 million because of lack of operating funds received in this last budget from your government.

Mr. Minister, my question to you is this: why are you not making adequate funds available to the University of Regina so that the president doesn't have to go out and beg for money from the community in order to keep that institution afloat? Why don't you give it a higher priority for our young people for their future so that they can have accessibility to the University of Regina and in order for them to have a guaranteed future in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Well, Mr. Speaker, because our government does view the opportunity to have a post-secondary education, including at universities, important, that is why in this last budget not only was there an increase in the operating grant but as well the establishment of a \$10 million enhancement fund for our universities and our institutes.

And I know the hon. members opposite continue to ignore that fund, but the reality is, Mr. Speaker, it is there, and it is there so that our young people have opportunities to a high quality, continued high quality university and technical institute training — high quality, and as accessible as possible to as many as possible, Mr. Speaker. That's too why, Mr. Speaker, this government, this government has put in place the SCAN (Saskatchewan Communications Advanced Network) proposal and distance education and regional colleges, so we can have standardized first and second year university delivered across the province, Mr. Speaker, across the province, very well accepted across the province, Mr. Speaker.

Now as it relates specifically to the university and any fund raising initiatives, whether it's the University of Regina or the University of Saskatchewan, that they might like to undertake, I would never discourage that, Mr. Speaker. In fact, I would congratulate them for doing it. I look at the several millions of dollars that the University of Saskatchewan is . . . (inaudible) . . .

Some Hon. Members: Hear, hear!

The Speaker: — Order. Order.

Mr. Rolfes: — Thank you, Mr. Speaker. A new question to the minister.

Let me remind the minister, let me remind the minister that the increase in operating grants for the University of Regina and the University of Saskatchewan has been 1 per cent annually for the last four budgets — 1 per cent annually.

Mr. Minister, the university . . . the president of the University of Saskatchewan has clearly indicated that he needed an \$11 million increase in operating grants in order to maintain the status quo. He has indicated that they are in a crisis situation at the U of S. They will have to cancel programs. They will have to cancel classes. My question to you, Mr. Minister, is this: are you so preoccupied with privatization and selling off of our resources of the province of Saskatchewan that you don't have sufficient time and moneys to allocate to the University of Saskatchewan in order to maintain a high quality education for our young people?

Hon. Mr. Hepworth: — Well, Mr. Speaker, the hon. member referred to the University of Saskatchewan and what the University of Saskatchewan's response was to this last budget. He used the word "crises", and for the life of me, Mr. Speaker, as I read the news release that was put out by the university, by Dr. Kristjanson the day after the budget, I cannot find the word "crisis" in there. What I can find are sentences like this:

Dr. Leo Kristjanson, president of the University of Saskatchewan, says the provincial budget reflects a response to the concern that the university faced in financing crisis in 1989-90.

And he went on to say further:

He stated that the operating grant increase, plus the U of S share of the new fund, should enable the university to maintain programs and services at near current levels.

Now does that sound like a crisis, Mr. Speaker? I suggest not, Mr. Speaker.

Some Hon. Members: Hear, hear!

Education for Native Students

Mr. Rolfes: — Mr. Speaker, what the minister is clearly indicating, that he's quite happy to allow another 1,000 or 1,100 students to leave this province in order to seek education somewhere else.

Mr. Speaker, I have a new question to the minister. Mr. Minister, you are aware that today about 200 native people demonstrated in Saskatoon. They're very concerned about the E-12 guide-lines that have been established by the federal government. My question to you today is this: have you, or any member on that side of the House of the executive branch, have you made representation to the federal government on behalf of

native people in this province, so that the moratorium and the ceiling be taken off and the future for native people in this province be guaranteed so that they can have access to quality post-secondary education in this province? Have you made those representations?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, it is very important to us that all Saskatchewan young people have an opportunity to have post-secondary education, including our native population. And to that end, Mr. Speaker, some two or three or four weeks ago now, I met with the Hon. Pierre Cadieux, raising this very issue with him. Prior to that, Mr. Speaker, at the annual meeting of the ministers of Education for all of Canada, the matter was discussed.

So in answer to the hon. member, have we raised the issue with the federal government? — individually and collectively as ministers across this country we have raised the issue, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — New question, Mr. Speaker. I am certain that since the minister says that he has made representation to the federal government, I was wondering whether he today would table the documents that he has presented to the federal government so that our native people can be assured of what your position was.

I want to know, Mr. Speaker, whether or not this government has recommended to the federal government that the ceiling be taken off and the moratorium be lifted in order to ensure a bright future for our native people here in Saskatchewan. Will you table those documents today?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, in terms of tabling documents, in my personal meeting with the minister there were no documents exchanged. It was eyeball to eyeball, if you like. And what the delegation from the Canadian minister has advanced, I don't have, quite frankly, in my hands, Mr. Speaker.

But I think because we are all interested in making sure that there is as much opportunity as possible, I think it's worth noting that some several years ago there was a \$9 million expenditure by the federal government, because it is a federal government responsibility. And today that same expenditure is 130 millions of dollars. But more importantly, we've seen 3,000 native young people have the opportunity, and today we have 15,000.

Some Hon. Members: Hear, hear!

Would we like to see it 16 or 17,000? You bet, Mr. Speaker. And that's why we're into distance education; that's why we're into Northlands Career College; that's why we're into building a new technical institute campus, or why we built a new technical institute campus in Prince Albert, Mr. Speaker. This is a

government that delivers.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 20 — An Act respecting the Reorganization of the Potash Corporation of Saskatchewan

Hon. Mr. Lane: — Thank you, Mr. Speaker. I rise today to move second reading of An Act Respecting the Reorganization of the Potash Corporation of Saskatchewan.

This Act provides for public participation in the potash industry in Saskatchewan. It will permit the assets of the Potash Corporation of Saskatchewan to be transferred to a share capital corporation. In exchange for those assets, the government will receive 100 per cent of the shares in that corporation. A portion of these shares will then be sold to the public.

In recognition of our confidence in the positive implications of this action over the long term and in the importance of the potash resource and the potash corporation to our province, the legislation providing for public participation in PCS (Potash Corporation of Saskatchewan) contains eight safeguards that will protect Saskatchewan's people's overall interest in this initiative.

Firstly, Mr. Speaker, the headquarters of the corporation will always remain in Saskatchewan. At least three of the directors must be Saskatchewan residents.

Thirdly, a majority of the members of the board of directors must always be Canadian residents.

Fourthly, residents of Canada will always own at least 55 per cent of the shares of the corporation.

The total level of foreign ownership cannot exceed 45 per cent of the shares of the corporation, and the voting rights of non-Canadian shareholders, as a group, are limited to not more than 25 per cent of the votes cast at a meeting.

No person or group of persons or companies may own more than 5 per cent of the shares of the corporation, and there can be no significant disposition of the assets as a whole or of the current mining assets of the potash corporation.

Mr. Speaker, these eight safeguards are not just for the initial public offering, but are enshrined in law in perpetuity and will be strictly enforced.

The rules of association set out in this Bill do not permit persons to combine their share holdings to vote as a block and thereby circumvent the restrictions. If any shareholders violate these rules, the board of directors may declare those persons to be associated and collectively disenfranchise them.

The government will continue to regulate the potash industry through such legislative measures as those which set taxation and royalties. There will be absolutely no tax breaks to induce people outside of Saskatchewan to purchase shares in the new corporation.

In addition to these provisions that I have outlined, the employees of the Potash Corporation of Saskatchewan and the people of Saskatchewan will be given preference in the share offering. The government will retain a portion of the shares. Prior to the initial public offering and after passage of this legislation, the size of the share issue and its price will be announced.

All of these provisions, Mr. Speaker, and the known enthusiasm of Saskatchewan people for all things Saskatchewan will ensure that the majority of shares will be held in Saskatchewan hands.

The principal benefits of this initiative to the people of Saskatchewan are: firstly, to provide Saskatchewan people and the potash corporation employees, among others, with another new Saskatchewan-based opportunity in which to invest. To secure, secondly, a productive, broadly-based diversified partnership with our people that will create a more stable corporation and allow it to increase its contribution to Saskatchewan. Thirdly, to allow for the targeting of more taxpayers' dollar to such priority programs as health care, education, agriculture and economic diversification.

This public participation initiative can be seen from an historical perspective. Saskatchewan people have a history of working together to build and develop their province. And that kind of partnership brought about the credit unions and the co-ops, such as the Saskatchewan Wheat Pool. People got together and worked together, and they worked with each other to build and diversify this province. This was not imposed by government.

In the 1970s, this concept was changed to one of government ownership and government participation. And we want to reinstall in the people of this province a way of life where people themselves, Mr. Speaker, work together and with the government to set economic priorities, to participate in our province's growth, and to create the enterprises which meet the people's needs.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I believe that history is on our side in public participation initiative, and history will not be denied.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Through public participation initiatives such as this Act to Reorganize the Potash Corporation of Saskatchewan, our government is taking a lead role in creating a new economic direction. Our strategy is to build in Saskatchewan, diversify here, and allow our companies to build and expand and compete nationally and internationally, and to invest in our province to strengthen our economic and social foundations.

And public participation, Mr. Speaker, is the way that we are going to achieve our goals. This legislation that we are considering is consistent with the high priority of this government since 1982 of strengthening the Saskatchewan economy through economic diversification.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — The policy is aimed at achieving economic growth through the direct personal involvement of the people of this province committed to this province. It also is and has been central to our economic plan for this province. It is through our commitment to public participation initiatives such as this that we as a government are able to provide exciting new opportunities based here in Saskatchewan in which the people of Saskatchewan can invest, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Public participation is designed to increase economic growth. It's designed to create new investment and new jobs, and public participation is designed to help diversify Saskatchewan's economy. And public participation is working, Mr. Speaker. To understand how public participation in the potash corporation will benefit our economy, we need only to look at how other similar initiatives have worked.

The public bond and share offerings in Saskoil generated \$125 million in new capital for the provincial oil company to expand and compete. Planned gas development activities resulting from the purchase of unutilized SaskPower reserves for \$325 million in 1988 will create new economic activity for Saskoil with 1,000 jobs projected, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — A forerunner of public participation in the potash corporation, Saskoil is now the eighth largest oil and gas company in Canada. It has now become a major distributor of natural gas in North America with its recent acquisitions of ICG Resources Ltd. and Metro Gaz Marketing Inc., both of Calgary. In 1985 when Saskoil became a private company, its asset value, Mr. Speaker, was some \$236 million. This year Saskoil's asset value will exceed \$1 billion, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — And another public participation initiative which preceded the potash corporation legislation before us today was the formation of WESTBRIDGE Computer Corporation, with 97 per cent participation in its ownership by its employees. And that's resulted already in 50 new jobs being created. Continued expansion is expected to mean another 200 jobs for the people of Saskatchewan. And WESTBRIDGE has since earned \$6 million in out-of-province contracts, Mr. Speaker.

Public participation programs like the one we are considering in the legislation before this Assembly, can take other forms. In 1986 our government sold the Prince

Albert Pulp Company to Weyerhaeuser Canada Ltd. for \$236 million. Weyerhaeuser has since added a \$250 million world class paper mill which is now in operation, Mr. Speaker.

That created 700 construction jobs and 169 permanent jobs for Saskatchewan men and women. As well, Weyerhaeuser has announced another \$22 million expansion to its paper manufacturing operation.

Another public participation measure was the sale of Sask Minerals to Kam-Kotia Mines for 12.1 million. That brought an additional \$3 million investment in new marketing and technological expertise to the province. Kam-Kotia's profit-sharing plan resulted in over \$100,000 being given back to the employees at Chaplin and Fox Valley.

Employee participation through shares in the company, as planned in this Act before the Assembly, is a key part of our program, Mr. Speaker. The Meadow Lake saw mill was sold to its employees and 10 local Indian bands. That has now attracted a \$236 million investment by Millar Western Ltd. for a pulp mill in the Meadow Lake area, and an \$11 million chopstick factory. Over 400 jobs for Saskatchewan men and women are projected from this project, Mr. Speaker.

Other employee ownership initiatives carried out by our government include the take-over of Saskatchewan government printing services which became Printco services, and the formation of a new company, DirectWEST, to publish SaskTel's yellow pages and telephone directories.

Mr. Speaker, this government firmly believes that the people of this province want the opportunity to put their money into enterprises such as the potash corporation to help build the Saskatchewan economy.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — And they have already demonstrated that in various ways, Mr. Speaker. Over 42,000 men and women in Saskatchewan have invested \$343 million in the provincial economy through the purchase of SaskPower bonds, and more than 33,000 provincial residents purchased over \$106 million of SaskTel TeleBonds. These initiatives I have outlined add up to 2,900 new and projected jobs, and over \$600 million in new investment here in Saskatchewan.

Some Hon. Members: Hear, hear!

(1445)

Hon. Mr. Lane: — Mr. Speaker, we believe that public participation is very important to the economic diversification of our province. Through preference provisions in the share and bond offerings we have undertaken, and in the PCS issue which is about to take place, our government is encouraging the people of Saskatchewan to join together and to join with us in new ways to set new economic priorities, and to further participate in our province's growth, and better, Mr. Speaker, to secure the Saskatchewan way of life.

Public participation and PCS have been measured against the same criteria we apply to all initiatives, regardless of their scope. The first and most important of these criteria is that the initiative must directly benefit the people of Saskatchewan. It must enhance the overall diversification and opportunities for growth and development. Service levels must remain the same or improve; existing jobs must not be threatened; and there must be potential for new job creation. Widespread public participation initiatives must also be affordable and accessible for all Saskatchewan people, and public participation in the potash corporation meets and exceeds these criteria.

The decision to invite public participation in the potash corporation was based on its future needs rather than on its past, and public participation in the potash corporation, subject to the safeguards that I've outlined, is the next step in the corporation's evolution. In fact, public participation in the corporation is critical if PCS is to vigorously pursue all of the opportunities available to it as a world leader and a major contributor to Saskatchewan's economy.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — The new corporation will be able to compete strongly in the private sector from its Saskatchewan base, and the province will benefit from having the largest private sector potash company in the world as one of its corporate citizens.

And with a broad shareholder base, the potash corporation will be free to pursue business opportunities both within and without Saskatchewan, without risking taxpayers' dollars; nor will it have to compete with such important priorities for our people as health care, agriculture, education, social services, and economic diversification, Mr. Speaker.

This public participation initiative will give PCS . . .

The Speaker: — Why is the member on his feet?

Mr. Trew: — I beg leave to introduce a guest.

The Speaker: — Is leave granted?

Hon. Mr. Lane: — I'll be finished in two minutes.

The Speaker: — Two minutes.

Hon. Mr. Lane: — Thank you. The public participation initiative will give PCS the freedom to grow and to diversify, and it represents an opportunity for the people of this province, the employees of the potash corporation, one, an opportunity that everyone in Saskatchewan will be a part of, Mr. Speaker.

I am pleased, Mr. Speaker, therefore to move second reading of the Potash Corporation of Saskatchewan Reorganization Act.

Some Hon. Members: Hear, hear!

Mr. Trew: — Thank you. Again, Mr. Speaker, I beg leave

to introduce a guest.

The Speaker: — I believe you've been given leave. You may proceed.

INTRODUCTION OF GUESTS

Mr. Trew: — Thank you very much, Mr. Speaker, and hon. colleagues. I'd like to introduce to you, Mr. Speaker, and through you to members of the legislature, a guest seated in your gallery, Tony Sydor. Tony was originally from Foam Lake, and indeed you may recall a tragic fire, about four years ago I believe it was, where a number of businesses were burned. Mr. Sydor's was one of those. Since then he has moved to Saskatoon, but is currently in Regina where he is undergoing some relatively minor surgery tomorrow at the Plains Health Centre. I ask all members to join me in welcoming Tony Sydor.

Hon. Members: Hear, hear!

SECOND READINGS

Bill No. 20 (continued)

Mr. Romanow: — Thank you, Mr. Speaker. I'm pleased to enter this debate. I will have some rather extensive remarks to make today before I adjourn the debate.

I would like to begin, however, by making an observation or two about the Minister of Finance's introductory remarks in second reading; to observe, as a general point, that not necessarily does longevity make for a great speech, but the brevity of the hon. minister's explanation of this very important Bill certainly raises some doubts about the commitment of himself and his government to what they're doing.

I don't know whether that commitment is wavering considerably because of the public reaction in Saskatchewan in opposition to the belief that they really are going too far in privatization, that they're really selling off our heritage, that they're really practising what has been described to me, Mr. Speaker, as a scorched earth policy, or whether it's because of their friends in the *Toronto Globe and Mail* who object very much to the Bill, describing it neither as a potash privatization Bill nor as a Bill of pabulum. They're not quite sure which it is. For whatever reason, the minister was disappointingly short, and disappointingly short on a number of very important details.

I say, Mr. Speaker, to you, and I say to the people of the press gallery and to those who may be watching the debate of this important issue, with the greatest of respect to the Minister of Finance, it is the job of every government on major legislation — for that matter any legislation — but major legislation, to articulate the details of what the Bill does. It's the job of the government to articulate the details of the legislation. It's the job of the government to outline how this legislation is going to be fleshed out into the blood and the guts and the bones of an actual policy which will affect Saskatchewan families and the future of the province of Saskatchewan. It's their job to try to explain to the House and to the people in the province exactly what the end result is likely to be, as

much as one can foresee.

But we have here a speech of less than 20 minutes, delivered by the minister on what probably is the most important privatization in North America in terms of dollars — perhaps important, from my point of view, in other regards as well — carried out in a very cursory, very polemic, very rhetorical, very generalized address, which I say, frankly, is a disappointment to this legislature — and I might say, Mr. Speaker, will raise considerably more questions as the debate progresses as to exactly what the hidden agenda of this government is on this project — more questions, which the minister could have answered, should have answered at this time, more questions than it solved or answered in his initial remarks.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Instead the minister talked about privatization. I want to recast the discussion of privatization . . . I'm deviating yet from my written remarks, Mr. Speaker, with your permission, for just a few moments. I want to cast the debate of privatization in slightly different terms. I think the debate really has to be asked in these questions, in these terms.

The government opposite, the PC Party opposite, tied in as we know to their big-business corporation friends from all over the world and a certain philosophy, tells us that privatization is a good social objective.

I say to you, Mr. Speaker, I say to the people watching this debate, how has privatization proven to be a success? I ask you, sir, and I ask the public, has the public debt of the province gone up or down since privatization was implemented by the current administration? We know that it has gone astronomically high.

I ask anybody watching this, I ask you, sir, if you haven't filled out your income tax form, whether your taxes have gone up or down. And the taxes have gone disastrously high because of privatization.

I ask the 10,000 people who are waiting for a hospital bed in Saskatoon, and the 4,000, approximately, waiting for a hospital bed in Regina, I ask them, how has this major government economic policy helped them? Have they got better access to hospitals, or are the waiting lists going up? Has the cancer clinic got better access to treatment on this dreaded disease of cancer, or is the waiting list the same?

I ask the government and the people of the province of Saskatchewan, how has privatization helped the farmers who are facing the complex range of difficulties, whether it's a drought situation, whether it's a question of a debt situation, whatever the current crisis of farm gate problems are — and there are many — how has privatization helped that person? Has it helped them in the highways, for example, when they privatized? Has it helped them when they privatized the dental workers' program, a rural program? Has it helped them in terms of staving the threat of demise in this current year? Not at all, Mr. Speaker. Not whatsoever.

And finally, the acid test, the acid test of any government:

is this province growing, or is it decreasing in its population? Are we getting people to come here because there are jobs and hope and opportunity for the future? Has privatization provided that kind of diversification? Or have we faced, as we know we have faced, massive jobs lost, massive outflow and exodus by the people of the province of Saskatchewan — 6,300 in February alone, this year; 1,600 in March of this year, just last month.

We have had nearly 8,000 people in out-migration. We'll have 13,000, if the record continues. This is an unparalleled outflow of young men and women. Since the Dirty Thirties, we've not seen something like it. Mr. Speaker, I say privatization by any one of those yardsticks is a disaster, and this government ought to pony up to that.

Some Hon. Members: Hear, hear!

Mr. Romanow: — I say, Mr. Speaker, there's another dimension to this as well, and that is to take a look at the legislative work-load before this legislature now. Mr. Speaker, we have now been in day 28 in this Legislative Assembly. And I want to remind you, sir, and those who may be watching this debate that we have not been in this House since June of 1988, and for about nine months, for nine months the government has not had the task of preparing the day-to-day question period and preparing for the legislature to meet. For nine months it's got the job of preparing its legislative work-load.

Now we know, it knows, it says that it knows that there is farming crisis of major proportions. We know that small-business people are facing bankruptcies. We know that young men and women — 40 per cent of the out-migration I've referred to — have fled the province of Saskatchewan because there are no other alternatives. We know all of these pressing economic challenges that are before us, and here we are on day 28, Mr. Speaker, we have 20 pieces of legislation. Bill No. 1 was the Bill to privatize, generally, everything the government has. I call it the scorched earth policy. Bill 20, which we're debating today, is the potash privatization as part of Bill No. 1.

And we don't have one single piece of legislation to help the farmer who's facing his legal problems or his seeding problems. We don't have anything to help him or her. We have nothing for small-business people, we have nothing for our young people except quotas on universities. They can't get into post-secondary educations.

There is no legislation, and moreover, Mr. Speaker, the government has told the opposition, and I report this to the members of the press, they have told the opposition that they are going to stick with this potash privatization Bill — I call it the privatization sell-off Bill — they're going to stick with this potash Bill until this opposition finally gives up before it introduces any other legislation. They think they can browbeat us into agreeing to this early passage of the Bill. They might be able to, Mr. Speaker, because after all, we're only a minority.

But they're penalizing hundreds of thousands of families and young men and women and farmers and workers who are desperately looking for action by this government. They're holding them up to ransom because of this ideological commitment to Maggie Thatcher's

privatization. And I say that is an outrage, and this government is going to pay a big price for it when the next election comes.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Now, Mr. Speaker, I don't intend to go back into the 1976 debates about this potash Bill. I have got copies of the 1976 debate that the member who introduced this legislation took part in . . . (inaudible interjection) . . . I'd ask the Minister from Urban Affairs, please, to calm down and to . . . he may not like truth, and I know he reacts kind of negatively and badly to it, but please try to listen to this aspect of the truth of this debate for a moment.

I say, Mr. Speaker, that the debates of 1976, when the potash corporation were introduced, are interesting debates. They're interesting not only for what we said, because I was the proponent and the mover of the Bill, but it's very interesting for what they said, Mr. Deputy Speaker — those in opposition.

And today's speaker, the minister in charge of the Potash Corporation of Saskatchewan, at that time was a very prominent member of the Liberal Party of Saskatchewan. I'll say a word about this at length. Not only was he a member of the Liberal Party, but he dug in as the Liberal Party of Saskatchewan did. They dug in in opposition to what we were doing with respect to the potash crisis. And there were some Conservatives there. I think maybe the member from Swift Current was also a member of the Conservative Party at the time, and they too dug in.

(1500)

The Liberals and the Conservatives, the two old line, free enterprise parties dug in, Mr. Speaker, because they were determined that what we were doing for the people of this province they were going to stop. They had decided that their role was to be, not the role for the farmer or for the business men, their role was to be the mouthpiece for the big multinational potash corporations. That member was the leader and one of the leaders of that debate. I'll say a word or two about that in a moment.

But I want to begin now about a discussion of this legislation because, Mr. Speaker, in my judgement the debate on this Bill truly is a debate about the kind of future for our great province — the future for ourselves, our families, and our children and our children's children. I say this because the legislation will determine how our province will manage, develop, and sell an important, non-renewable resource, potash, well into the 21st century, after long . . . many of us are gone from this political scene.

Unfortunately, Mr. Speaker, what this legislation offers Saskatchewan people is a future of economic servitude to outside investors, as we see the Bill. It does not offer Saskatchewan people control of their own future but a future controlled by others, Mr. Speaker. This Bill will long be remembered by the people of this province as an Act which sold out the future of the province of Saskatchewan, and we're going to fight this Bill precisely because it does that.

Some Hon. Members: Hear, hear!

Mr. Romanow: — I want to take a moment to explain why potash is so important as a part of our future. This is what we're talking about — the future, not 1976. We're talking about the 1990s. It's a part of our future, Mr. Speaker, because potash is a very special kind of resource for Saskatchewan — very unique. Unlike our non-renewable resources such as coal or oil, we know that we're not going to run out of potash for many, many years. In fact at current rates we have about 4,000 years of reserve, according to all estimates. That makes our province rich in this resource.

And because potash is a product vital to world agriculture, we can count — there may be ups and downs, but we can count, over the long haul, a long-term, steady demand for potash with prices and sales going up. And the question is: who's going to get the benefit of those prices and sales? whether it's those to whom this company, this corporation, this government opposite is selling out, or . . . we, right here — you, me, our children, and the people of the province of Saskatchewan.

In simple terms, potash is a non-renewable resource which offers this province the hope of a sound base for economic development and true diversification, not words, PC-style, but hope for economic development, a sound base for growth, hope, and opportunity. One only has to look at the world sales figures for potash to grasp the size of the opportunity: in 1990 world potash sales are expected to top 31 million metric tonnes; at current prices, that makes potash a \$3.5 billion industry a year, Mr. Speaker — \$3.5 billion industry.

Saskatchewan today supplies about a quarter of that market, but the potential for growth is exceptional, and we are the free world's largest single producer. Only the Soviet Union is larger. And our potash mines are the most productive and efficient in the world. In fact, PCS is the most efficient in the world.

This gives our province and our corporation an unmatched ability to influence the world market-place, Mr. Deputy Speaker — to influence the world. Just take a look of all the things that we do and we produce. In how many areas can we actually influence the world? We can't do it, unfortunately, in agriculture. We can't do it in so many things that we produce. But right here in potash we can influence the world market-place, and to take on all the competitors and beat the world market-place. That's the future.

Some Hon. Members: Hear, hear!

Mr. Romanow: — And I want to tell you, Mr. Speaker, because of the hard work and the vision of thousands of Saskatchewan people in the 1970s, potash industry in this province truly now is a world class corporation.

Now that's why this Bill and this debate are so important to the future of our province. We're discussing here, Mr. Deputy Speaker, how best as Saskatchewan people to manage, to develop, to sell a resource — for what purpose? To do so to bring in millions of dollars in profits

for our treasury — to do what? To build schools and roads and hospitals, and to provide quality education, to create jobs for people to stay here, young men and women not to flee this province as they're doing, but to stay here and to raise their homes and their families and to provide undreamt of economic spin-offs and research and development and economic research, unheard of dreams, perhaps beyond our fondest imaginations to do so.

We are debating here, Mr. Deputy Speaker, how best to increase Saskatchewan's share of the world potash market. We are also debating how to turn that bigger share into the maximum number of jobs and opportunities for Saskatchewan families.

Now, Mr. Deputy Speaker, this Bill presents the people of this House and the people of all Saskatchewan with a vital, critical choice, a choice which can be boiled down to a single question, and that question I put to this legislature as follows: should we, the people of the province of Saskatchewan, manage, develop, and sell our potash ourselves, for our own benefit, and make those decisions, for our own benefit, or should we let others do it for us, for their benefit? That's the key question. It's as simple and as complex as that.

And with this Bill, the member from Qu'Appelle, the Minister of Finance, and the Premier, they're telling the people of the province of Saskatchewan that they don't believe that we can do the job right here at home. They say that they have lost faith in the people of the province of Saskatchewan to do the job. I say shame on that approach. We have not lost the faith. We are standing behind the people of this province.

Some Hon. Members: Hear, hear!

Mr. Romanow: — I referred earlier, Mr. Speaker, to that debate in 1975-1976 that I piloted for three months in this House. I want to tell you that was one of my most, I feel, from my personal view, best contributions to public life in Saskatchewan and in Canada, of all the things that I've done.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Members opposite, members opposite may not share that view; that's mine. But I want to tell you that this position that I took was because we took a faith, we demonstrated a faith in 1975-76 to take on the world — not, Mr. Deputy Speaker, words, you know. We didn't say, in 1976, first class and world class. We didn't say, there's so much more that we can be. We did it. We believed it and we did it.

And I said, a few moments ago, I personally recall the very minister who spoke before me, who introduced Bill 20 today, the member from Qu'Appelle, the Minister of Finance, leading the fight against the creation of PCS back in 1976 when he was a member of the Liberal Party. In fact, I remember the then Liberal member criticizing every aspect of PCS at every turn, even turning on the third party of the day, as it then was, the Conservatives, and chastising them for not fighting the creation of PCS hard enough. Oh, he said, how those PCs had let down on

the job. They simply weren't fighting this creation of PCS as important — as hard as they should.

In fact, he was the real hawk in the opposition of what we were trying to do — building a future for the province of Saskatchewan — the member who introduced the Bill today. So we know where the minister is coming from. What we didn't know at the time of the speech is where he was going to. And he ended up going to the Conservative Party, and lo and behold! here we are in 1989 carrying his political and personal views forward again to the destruction and the dismantlement of this bold experiment and adventure called the Potash Corporation of Saskatchewan, 1976.

And he did so then, and he does so now, because he fundamentally doesn't believe in the ability of our province to make PCS a world class company. He didn't then and he doesn't now. And no matter how he attempts to dress up the Bill, no matter how much of your money — and to those who may be watching this debate — your money, the taxpayers' money, you are going to spend to convince others, Mr. Minister, about your position, it says at the end of the line, you don't have faith in the province of Saskatchewan.

He doesn't believe that we've got the skill, the determination, the savvy to take the world on, more than just words, but to take the world on in action and to win. He wants the world to take us over, Mr. Deputy Speaker, while he stands back on the sidelines and facilitates the rest of the world taking us over, and I say no to that. We have faith in our province and we're going to continue on that approach.

Some Hon. Members: Hear, hear!

Mr. Romanow: — So, Mr. Deputy Speaker, in fact there is a very different vision, there is a very different vision about the future of the province of Saskatchewan. We're optimistic about what the people have accomplished in the past. We know what they've accomplished, and we're even more confident about what they can do in the 21st century and beyond.

We believe that Saskatchewan people relish the challenge of building and expanding a world class company like PCS. Saskatchewan people, I believe, want to encourage the growth of private business and the co-operative business. I'm a firm believer of the private enterprise, small business sector as an engine of economic growth in the province of Saskatchewan. I advocate that, Mr. Deputy Speaker, at every turn.

And I'm a strong proponent of the co-operatives. But I'm also a strong proponent because the people understand this too, that the public sector, working with private and co-operative enterprise, is also needed in a true partnership.

I want to tell you something else, Mr. Deputy Speaker. Saskatchewan people know that there are some enterprises which are so important to all of us that the public sector simply can't be eliminated. The public sector simply should lead the way. I say to you, sir, potash is one such enterprise.

Some Hon. Members: Hear, hear!

Mr. Romanow: — So, as I said earlier in the first part of my address this afternoon, Bill 20 represents a critical choice. It poses a critical choice for all of us in this House and all of us in the province of Saskatchewan. And the choice is, I repeat again: are we going to work together to build the Potash Corporation of Saskatchewan so that it can provide even more jobs and economic and educational opportunities for our province and our families and our youth right here, or are we going to do as the government proposes and surrender the control of this great company to foreign interests and out-of-province interests?

I say the people, at the end of day, come the next election, are going to choose our vision — people working to help people right here in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Now, Mr. Deputy Speaker, I'll have more to say about why we say this about the vision, because this debate is about the future, but first I want to deviate a little bit and tell you why I feel so strongly — other than the future that I've talked about — about why Bill 20 is the wrong way to go.

A learned American author once wrote, Mr. Deputy Speaker, no one can walk backward into the future. No one can walk backward into the future.

And with Bill 20, to the member from Regina, Urban Affairs Minister, that's exactly what you're attempting to do — walk back into the future. It pretends, Mr. Deputy Speaker, it pretends that it has unveiled a new direction. That's the words they use, "a new direction". But we know the actual fact is that Bill 20 is simply turning back the clock.

This legislation proposes to sell off 100 per cent of PCS, 45 per cent for foreign investors and 55 per cent to Canadian residents. I'll just stop there, Mr. Deputy Speaker, to remind you there is no requirement under this legislation that a single share be held by a Saskatchewan resident. I repeat, there is no requirement under this legislation that a single share of the Potash Corporation of Saskatchewan, after they get done with it, will be held by a single Saskatchewan resident.

In other words, PCS could wind up in the hands of foreign corporations and interests and a few corporations and investors outside the province of Saskatchewan. And in effect, total control is lost. That's what we're talking about. I say they walk back to the future.

Well, Mr. Speaker, let me tell you why. That really does turn back the clock to the 1960s and the 1970s when outsiders, outsiders owned all of the potash companies operating in this province. That's what we're doing here — back to the '60s and the '70s. Everything in potash was owned by the private multinational corporations, and, Mr. Deputy, they called all the shots.

The current government argues that Saskatchewan people don't need to own the potash resource to get

maximum benefit. They say tax and regulate; that's good enough. Well I want to tell you, Mr. Speaker, I lived through it. And Saskatchewan people lived through it to know that that's a false argument. Saskatchewan people have been there, and I want to tell the minister and the Premier, that does not work. It hasn't worked.

In the early 1960s and early '70s, the private potash companies were exploiting our potash, and the people's return was peanuts. The provincial royalty on potash on a regulated, taxated framework, but a privately owned potash industry — what these people are proposing — averaged less than, averaged less than two and a half per cent; that was our return.

(1515)

And, Mr. Deputy, there was no planned development of the industry. The industry decided when and how and where to develop. And in the 1960s the private companies expanded production too quickly; they created a huge glut on the world market.

In fact, it took the private enterprise government of the day, led by the late premier Ross Thatcher, a Liberal, to bail the private potash companies out with a prorationing plan, Mr. Deputy Speaker. Late premier Ross Thatcher, he introduced a potash prorationing Bill. Journalists should be aware of this; the public should be aware of this; it's key to the history of this province — because it was in such a mess the way the private corporations developed it, that this proration attempted to control production and set a minimum price for the product. And I might say the Minister of Finance was working with the Liberal government at the time when that scheme was introduced.

Even Ross Thatcher, Mr. Deputy . . . I want to tell you that I've been in this legislature for quite some time, and I've been in this ring with the heavyweights. And Ross Thatcher was a heavyweight, Mr. Deputy Speaker. Ross Thatcher was the consummate Liberal and the consummate free-enterpriser, and even Ross Thatcher looked with disdain and dismay about what the private potash multinational corporations were doing in their failure to manage this industry, this resource, in the best interests of all the people of the province of Saskatchewan.

In 1969 Thatcher said — I was in this Chamber — Thatcher said this quote about the crisis:

Seldom in the economic annals of Canada have we seen such responsible companies get in such an economic mess.

That's what Ross Thatcher said. And the consummate free-enterpriser, ironically, had to introduce an Act of socialism by introducing the potash production regulations, the proration regulations, in order to bail out the mess that the private enterprise sector in potash had produced. Even Ross Thatcher did that in 1969, and the Minister of Finance was there, and he knows of what I talk as being absolutely accurate. It was a mess.

In fact, I want to tell you, Mr. Deputy Speaker, what Ross

Thatcher got for all of his efforts. He went down to New Mexico to try to reason with the multinational potash corporations, and for all of his efforts he ended up being charged as an unindicted criminal co-conspirator against the laws of the United States because he dared to speak up for Saskatchewan potash and Saskatchewan industry, because regulation and taxation didn't work.

The Minister of Finance was there; he knows that to be the case. And what does he want to do in Bill 20? He wants to go all the way back to the 1960s and 1970s. Shame to him on that operation.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Deputy Speaker, we then assumed office in 1971, the Blakeney government came in 1971, and we inherited that mess, the private enterprise market collapsing all around it, because this is a multinational corporation, a multinational industry. You just can't control a hardware store here in Saskatchewan, then pass a provincial law. You're talking about multinational corporations all over the world, and we're trying to regulate from little old Saskatchewan here. And we inherited this mess created by the private enterprise people. We did inherit the mess in 1971.

The hon. member from Regina, the member from Urban Affairs, he laughs, but his laughter betrays his total ignorance about the situation. Absolute total ignorance about the situation.

Some Hon. Members: Hear, hear!

Mr. Romanow: — And when we came to office, we had the potash proration regulations. They were still there. And we said, well look, this is an attempt at least to manage and to control, by regulation, how to manage the resource and how to get the maximum profit for the resource. Not for government. Who is government? Government is people. But get those resources to build the schools and the highways and the hospitals and get jobs and get the future going for the province of Saskatchewan.

We looked at those regulations and we said, let's see if we can improve this situation by getting fair, economic rent. Potash was put there by the good Lord, not for the International Minerals Corporation, IMC. It was put there for all of us. And if they're going to exploit it, we're going to use the benefits of that for our people and for our young men and women. That's what we're going to do.

Some Hon. Members: Hear, hear!

Mr. Romanow: — And so in 1974 — and these are historical facts which tie into the argument today in 1989 — in 1974 we introduced a potash proration reserves tax to try to get more revenue, because the potash prices were going up, in order to do the things for people, in order to control our heritage, in order to control our province, in order to build for the future and to give our young people some hope.

But what did the private companies do? The private companies, I say to the member from Regina Wascana,

the private companies said no, Mr. Blakeney; no, elected government of the people of the province of Saskatchewan; we are not going to pay your increased tax load. And they refused to pay the taxes.

And then not only refused to pay the taxes because regulation and taxation wouldn't work, they then refused to reveal their financial statements. They pleaded that they couldn't pay, but they wouldn't show the financial statements to prove that they couldn't pay. They said to a duly elected government of the day, they said to us, no, you're the government, but we're the international potash companies; we're not going to give you the financial statements.

And then when we said, give us regular production reports; how much are you ploughing out; how much are you taking and selling out, and at what levels; and what are you doing? They said, no, you're the government of the day, but we're not going to give you those production reports either.

They went on strike, Mr. Deputy Speaker. The large multinational corporations and the private investors to which this minister and this Premier want to take us back to, they went on strike. And our regulatory and taxation powers came to a standstill because they then took us to court.

And when they took us to court, Central Canada Potash was the case, the Supreme Court of Canada struck down the power of a province — one little old province — struck down our power to try to get the best returns, not to kill the potash industry, but returns in order to spread it around for the benefits of schools and hospitals and roads. They struck it down and we had no power to act, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — And there was another insidious aspect about that period. Not only did they refuse to pay their taxes, not only did they refuse to give us the financial statements, not only did they refuse to give us the production records, but they did something else. They refused to expand their potash production, Mr. Deputy Speaker. They said that we're not going to expand until the government gave in. They arrogantly told us that they were not going to expand production until we cut back our taxes. That was the stand-off in that period.

In effect, the private potash companies told Mr. and Mrs. Joe Farmer, in effect they told Mr. and Mrs. Joe Business Person, I am holding you to ransom. Unless you lower your taxes to what we say is right, we are not going to develop an ounce or a pound of potash anywhere. They took the government right to ransom and right to the wall. That's what we were at.

That was only 10 years ago; that's history. That is not Roy Romanow rhetoric, that is history that is written in tens of thousands of academic articles everywhere, that only if the Minister from Urban Affairs would take the time to read something thoughtful, they would understand that that's the history of the province of Saskatchewan. Those are the circumstances. That's how this whole thing

developed into that period.

And I want to add something also, Mr. Deputy Speaker, and make it absolutely clear. Not only was the government of the day beset by major lawsuits, not only were we beset by a large lobby of chambers of commerces in Saskatchewan and beset by the large multinational corporations, not only were we beset there; yes, the Minister of Urban Affairs, we were also beset by a determined, obstructive opposition by the Liberals and the Conservatives, or the Conservatives and the Liberals, who ended up selling their souls, selling Saskatchewan's interests in order to be the mouthpieces of the large multinational potash corporations. That's what we were faced with.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Time after time, and I have here . . . I'm not going to rehash it, but this is how lengthy the minister of Finance — those 40 pages in a filibuster which took only days, the minister of Finance, today's Minister of Finance, the member who introduced Bill 20, tried every argument of ridicule on his Conservative colleagues, on ridicule of us, calling this a communization of Saskatchewan and of Canada.

Every single tactic, every amendment was tried to bring this whole situation to a halt because the Liberals and the Conservatives were in the hip pockets of those large multinational corporations. They made a choice. The choice they made was with the corporations and not with the people. Mr. Deputy Speaker, Bill 20 is still that choice. We are standing with the people of the province of Saskatchewan, make no mistake about that.

Some Hon. Members: Hear, hear!

Mr. Romanow: — As that great American author says, nobody can build by walking backwards into the future. And that's what they're doing. They're walking backwards to the future, these Conservatives; these people who don't build; these people who don't improve on previous governments; these people who tear down; these people who have old ideas; these people who are out of touch; these people who are arrogant; these people who think they're going to wear down this opposition with this debate until we somehow collapse; this arrogant, out-of-touch party and government, one which is not concerned for one minute about the farmers or the small-business people; they're following the same tactics in 1989 that they did in 1976, only in reverse — only in reverse. And I tell you, Mr. Deputy Speaker, they paid a price in 1978 when they got washed out, and they're going to pay a price in 1990 when this election takes place, or sooner — or sooner.

Some Hon. Members: Hear, hear!

Mr. Romanow: — So I've talked about the vision. Then I've talked about the history, and the history is important because this is where we're heading — we're heading back to the regulation taxation model. That's what we're doing here basically on the privatization of Bill 20, as opposed to acting as an operator.

Now I want to move to a third category, and that is, how did we perform once PCS was established? What kind of a job was done? Was the venture successful or not? Well in a couple of words, Mr. Deputy Speaker, the answer is, PCS was extremely successful.

In a few short years, PCS became the largest and most profitable potash company — get this — the largest and most profitable potash company in the world. And get this, Mr. Deputy Speaker, basically Saskatchewan people, Saskatchewan people . . . take a look at the list. Oh sure, there were some from outside Saskatchewan, but at the top levels of management, Saskatchewan people to the miners, they made it a success. Those people made it a success.

Some Hon. Members: Hear, hear!

Mr. Romanow: — You know, I just want to take a moment to tell you about how successful this was, and just a moment. It's all on public record, but this is the debate where I want to put my position on record.

You know, in 1976, the first year of operation of PCS, the company paid more than a million dollars in provincial taxes and royalties and made a profit of a half a million dollars in the first year of start-up time. In 1977 taxes and royalties went up to \$16 million; profits topped \$1.1 million. Already we're going up. In '78 taxes and royalties went to 35 and profit went to 25 million. In 1979 more than 58 million in royalties and taxes, and the company's profits jumped to 78 million.

In 1980 this public company, your company, Mr. Deputy Speaker, our company, paid 90 million in taxes and royalties. Look, this is money to be used for schools and hospitals. This is not some sort of theoretical . . . this is money to be used to build Shellbrook's roads and Shellbrook's school and hospitals.

Ninety million in 1980, and its profits were \$167 million. And PCS, on top of that, on top of that, in 1980 paid a dividend, a bonus of \$50 million. That's how successful we were in 1980.

In 1981, taxes and royalties paid were 71 million. Its profits were 141 million. And the company then paid in 1981 a second \$50 million dividend to the treasury. That was our record from 1976 to 1982. That is a public record. All the journalists can check what I say. It is true. It is fact. Six years of operation, six years of straight profit for the people of the province of Saskatchewan, with jobs. That was our record.

By the way, may I say parenthetically, 11 years of government, from 1971 to 1982, in the ordinary budgets of the province of Saskatchewan, and 11 years of balanced or surplus budgeting. That was also our record at the same time.

(1530)

In six years, from 1976 to 1982, Mr. Deputy Speaker, PCS had made more than \$413 million in profits. That's, by the way, more than we invested for it when PCS was established. It paid the provincial treasury more than

\$270 million-plus in taxes and royalties, and it paid dividends of \$100 million.

Get those numbers, Mr. Deputy Speaker — 413 in profits, 270 in taxes and royalties, 100 in dividends, right here, staying in Saskatchewan. Not dividends to private shareholders, not dividends to foreign shareholders, not dividends to the Chinese communists or the Indians, as proposed by these people opposite, but dividends right here.

And during those same years — and this is the part that really makes me the most proud — the number of Saskatchewan people working at the potash corporation from '76 to 1982, it increased from 1,164 to 2,267, Mr. Deputy Speaker — up 1,100 workers, feeding their families and their children. Twenty-two hundred and sixty-seven Saskatchewan people having good jobs at good wages, contributing to the small businesses where they live. No wonder we were thriving in the 1970s and building a future for the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Romanow: — And, Mr. Deputy, when we left office, the Potash Corporation of Saskatchewan had a long-term debt of only \$88 million. It had already turned more than the original public investment back to the people, as I've said. PCS gave the people ownership of a profitable corporation, more than 2,200 employees.

All this nonsense in question period yesterday about a world class corporation. We had them — a world class headquarter corporation right in Saskatoon in 1982. We had world class research. Money was being spent, through universities, everywhere, through the University of Saskatchewan.

There's a synergy working here. When you put money to the university for research — how to use potash, how to mine it more efficiently, how to mine it more safely, their jobs — and young graduates could leave the university and they took their place — no wonder the work-force went up. That is the kind of operation that we developed because we had faith in the people of Saskatchewan.

Mr. Deputy Speaker, that is our record. It's a record that we can be proud of under the history of the province of Saskatchewan and this party.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Now those, sir, are the facts. Those are the facts.

But now I want to move on to a fourth category. I've talked about division. I've talked about how it was that PCS was set up as a pragmatic response to the battle we had with the corporations. I talked about how we performed from '76 to '82. Now I want to talk about how they have performed when they took over in 1982, Mr. Deputy Speaker. This I want to contrast.

And here, Mr. Deputy Speaker, as some of my colleagues are saying, this is the sad time. They came to office in April of 1982. And I want to examine the facts and figures

about what took place after that.

In 1982, the first year of operation under the PC government, Mr. Deputy Speaker, the profits of the corporation fell, in the first year, from 141 million to less than 1 million. Just like that, overnight. Even though the company made less — now get this, Mr. Deputy Speaker — even though the profits were less than a million dollars, what did the government do? The government, nevertheless, somehow found its way clear to take \$50 million dividend from the company to general revenues to start working on what we now know, but didn't at that time, was going to be a mountainous, disastrous debt, engineered by that Minister of Finance. They still took 50 million. This, by the way, was the first of many questionable accounting practices by PCS since 1982. I won't belabour those on this debate.

And then in 1983, in 1983, Mr. Speaker, under the Conservatives, PCS suffered its first loss ever — \$18 million. And in spite of that loss — get this — somehow the government opposite took yet another \$62 million in dividends from the company back into the general revenues of the people of the province of Saskatchewan. By this time we knew we had a major debt problem on our hands, thanks to the PC's mismanagement and waste, and they were now siphoning the money away into their general coffers to try to keep control on that debt.

In 1984 there was a profit of \$25 million, and they siphoned another \$12 million dividend back to the ordinary purse, because by this time this debt had grown up like Topsy; there was no way to control it. It had simply become a gargantuan problem, but they were struggling everywhere they could. Then in 1985 they lost 68 million; in 1986 they lost 103 million. In 1987 the losses piled up; they lost 21 million.

Now just contrast that. Under our administration from 1976 to 1982 — six years — six profits and dividends for the people of the province of Saskatchewan. Under the Conservatives, four deficits of major consequence, even though they played some hanky-panky in order to get the money over to the treasury. Four out of six years, deficits of the Potash Corporation of Saskatchewan, just like that. At the same time, the Tories allowed the corporation's long-term debt to go from \$88 million to more than \$600 million during this period, post-1982.

Now, Mr. Deputy, this increase in the long-term debt was the result of the PC government, I say, robbing the potash company of more than \$120 million in dividends — I've identified that — taking \$120 million in dividends to pay for the government's now uncontrollable huge deficit which, by the way, is going to be the crisis for this province in the years ahead, thanks to what this administration has done.

And what was the government's response to this sorry mess? Well at first they didn't say very much, but then eventually what was the government's response? Well the response was, it blamed the NDP, if you can believe it. We're not even in office, and seven years later they blame the NDP. It sounds ludicrous, Mr. Deputy, but that in fact was their strategy and, by the way, it still is their strategy.

If Rafferty gets shut down, blame the NDP, not the Canadian Wildlife Federation. If somebody takes a moral position on hunger, blame the United Church, not the NDP. And the member from Regina, Urban Affairs minister says, right on. If there's a statement of concern on social policy and ethic, blame the Catholic bishops and say they're the mouthpieces of the NDP. Blame everybody except those who are at fault, Mr. Deputy Speaker.

Those are the people on the front benches — blame them.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Now, Mr. Deputy Speaker, one of the . . . and the journalists take this approach from time to time as well. And I wish they would take a look at the financial statements. With the greatest of respect to them and to the opposition, the government, one of the explanations about this 1982 to 1986 period is, well, you know, the NDP was way too optimistic in 1982 before it left office, about the potash demands. The potash market in 1970s was too big so the NDP decided to go with the major expansion of a mine at Lanigan. That's what they say. This myth is a myth, and it ignores the facts which I'm going to describe in a moment.

Fact number one, Mr. Deputy Speaker, is that the final approval for Lanigan expansion did not come from the NDP, but it came from the government opposite, and it came from the member from Yorkton when he was the chairman of the Potash Corporation of Saskatchewan, who speaks glowingly in the context of the annual report. I have a copy of the annual report there. He says this, referring to the expansion:

This clearly illustrates our commitment (this is what the minister wrote) clearly illustrates our commitment to and our belief in the future of PCS as a viable, vibrant commercial entity.

And I'll go one step further. I will say, Mr. Deputy Speaker, that the government had memoranda at the board of directors' level — I'd even say so high as the cabinet level — in 1982, on Lanigan, which clearly gave them the viable option of shutting down Lanigan if they wanted. I make that statement, and I challenge the minister to produce the documentation in that regard if it's wrong. They had that option open to them, but they looked at it and they made the decision to proceed in 1982, because that was, at one point, their situation where they weren't quite sure what to do exactly with this situation of the potash corporation in Saskatchewan.

But, Mr. Deputy Speaker, the government can't have it both ways. You can't say the Lanigan expansion decision was bad and then take credit for it in the annual report as a wise decision at the same time. Which way is it? It can't be both. Now that's fact number one.

The second fact is that the government ignores, when it attacks the Lanigan expansion, is this, and this is very critical: between 1982 and 1988 — get this, Mr. Deputy Speaker, and I especially speak to those who are watching the debate in the public and to the journalists —

between 1982 and 1988, new potash production came on stream. New, Mr. Deputy, new potash production came on stream in Jordan, Israel and New Brunswick during the time that this bunch was in control of potash and managing our resource.

I want to review in some detail that point, because it cuts to the heart of the government's argument — even more important than the Lanigan issue. The PC government says that Lanigan phase 2 should never have been planned because it helped create a glut on the world potash market. That is their rationalization. Lanigan phase 2 expansion increased the productive capacity of the PCS Lanigan mine, Mr. Deputy, by about 1.9 million metric tons of KCl a year — 1.9 million tons.

But, Mr. Deputy, I want you to make a special note of this: between 1982 and this year, 1989, the Israeli potash company, called the Dead Sea Works, increased its capacity — increased, in this so-called period of glut by over 500,000 metric tons, and it's announced plans to increase capacity by another 300,000 tonnes this year. I point out that that is 90 per cent . . . or 90 per cent of Israel's production is production for export. They're our competitors. They are expanding and producing potash because they're meeting our customers in the world all the while that our people are shutting down our expansion so the Israelis can take over.

Some Hon. Members: Hear, hear!

Mr. Romanow: — And get this: Israel has announced plans to increase capacity by a further 300,000 tonnes this year — this year, 300,000 tonnes more. I point out again, as I say, that's 90 per cent of Israel's production is for export.

Now I want to give you another one. Between 1982 and this year, Jordan, not Israel — they're obviously enemies — Jordan's potash company, called the Arab Potash Company, it increased its capacity by nearly one point — get this, Mr. Deputy Speaker — from 1982, all the while that this government was in office, Jordan increased its capacity by nearly 1.3 million metric tons on top of the amount that Israel increased its expansion. So there is Jordan. Where's the glut? They're expanding. They're producing the potash. Our boys are asleep at the switch. They're shutting down the jobs and shutting down the potash operation.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Get this figure, Mr. Deputy Speaker, between 1982 and 1988 — get this, Mr. Deputy, I know you're interested in these figures — the Potash Company of America . . . who knows, maybe soon to be a 5 per cent owner of the brand-new PCS, or more. The Potash Company of America, the Denison Potash Potash Company, they opened two brand-new mines between this period in New Brunswick with total capacity of 1.6 billion metric tonnes on top of the tonnage that I have described. Right here, the Potash Company of America and Denison Potash, they've increased it. Right here in the Canadian-North American context.

Now, Mr. Deputy Speaker, what in the world do these

numbers tell you? Well I want to tell you for the honourable benefit of the member from Regina, Urban Affairs Minister, and the others in the back benches there, for the government members, that adds up to, that adds up, Mr. Minister, to more than 3.2 million metric tonnes of new capacity since 1982, compared to Lanigan's 1.9 million metric tonnes of new capacity. They're out there producing and selling while our government's asleep at the switch.

(1545)

Mr. Speaker, the government says it can't sell Lanigan's new production. We're too optimistic, it says. But today all of those new or expanded mines in New Brunswick, Israel and Jordan are selling nearly 100 per cent of their production.

Mr. Deputy Speaker, why should our young families and workers suffer with unemployment when those in Jordan and Israel and other parts of Canada expand their production? Why? I think the people of this House and the people of this province have the right to ask the question, and we're going to put it to them time and time again: how is it that all of these new mines find new markets, but PCS under the Tories can't find new markets? I think the answer's quite clear.

The fact that PCS has shut in capacity today is not a result of a lagging world demand for potash. No way. Do you know what it is, Mr. Deputy Speaker? It's the result of lagging marketing and total mismanagement on the part of the PC government in Saskatchewan, that's what it is!

Some Hon. Members: Hear, hear!

Mr. Romanow: — Now there's one other point, Mr. Deputy Speaker. Members opposite will say, well on this question of productive capacity they've got another little wrinkle to come at. I'm sure that government members will try to argue that while production has increased in some parts of the world — oh well, they say, maybe Jordan and Israel — they say other productive capacity has been forced off the market because of the new tonnage. And they point to the United States.

I want to say, Mr. Deputy Speaker, that so optimistic are those producers of the world that that statement is not true either, Mr. Speaker, between 1986 and 1988, even the high-cost mines in New Mexico have found enough markets to justify going back into production and even increasing production — our main North American competitors.

I wonder what Ross Thatcher, if he were alive today, would be thinking? He was down there in New Mexico, the big competitor as it was back in those periods, and now, thanks to these policies, even they are expanding their production. Mississippi Chemicals has recently reopened an old . . . my desk mate, the deputy leader says, inefficient mines, a very old mine near Carlsbad, and they're selling an additional 270,000 tonnes, metric tons of potash. That's what they're doing today.

And the plans announced by Amax corporation to close down its operation in New Mexico, those are scrapped;

they've been put on hold; they're not going to close them down. In New Mexico, where potash mining is a high-cost operation, they, the Americans, are reopening or maintaining the mines, not shutting them down like we did in Cory here in Saskatchewan.

No, but here, Mr. Deputy Speaker, right here in Saskatchewan, Mr. Deputy Speaker, right here in Saskatchewan where we have the best potash supply, the most efficient mines, the most dedicated workers, and the most committed Saskatchewan people, right here in this province, this government has doomed them to unemployment so that Americans and Israelis can work, and that's a shame. That is a shame.

Some Hon. Members: Hear, hear!

Mr. Romanow: — What is the true answer? Because somebody failed to forecast world markets, or is the real answer because those people right there opposite do not know how to manage . . . no, I wouldn't say do not know . . . yes, they do not know how to manage. But it's more than not knowing how to manage, because they came to office carrying the philosophy of the Minister of Finance, who in 1976 wanted to kill the PCS, and today, for personal, political reasons, right-wing reasons, is about to achieve his goal. Is that the reason why we're not getting our share of the market and our jobs? That's the answer.

They're tied in to all of the large multinational corporations in potash — lock, stock, and barrel. They were in 1976 and they are in 1989. It's going to take an NDP government to restore potash again back to the people of this province, I guarantee you that.

Some Hon. Members: Hear, hear!

Mr. Romanow: — But I'll tell you, Mr. Speaker, whatever else it is, these facts are not reason to introduce Bill 20. I say with the greatest respect to the Minister of Finance, the member . . . actually we've had many debates, great debates in this legislature, but a person I respect although I disagree with his views. That's not a reason to sell off the potash corporation. That's not a reason to change the company. That's a reason to change the government.

Some Hon. Members: Hear, hear!

Mr. Romanow: — So I've touched now, Mr. Deputy Speaker, on a fourth point. I've talked about our vision; I've talked about how PCS was set up; I've talked about how we did; I've talked about how they did in 1982.

And I want to move on to a fifth topic in my address, and that is the current dilemma that the government finds itself in in trying to explain what it's trying to do here, and the deep political trouble that they're in. Because people know that this is their Alamo. They've gone too far. They've gone too far with their ideology. They've gone too far and they know it. Everybody senses it and they're telling them that.

And the government therefore, Mr. Deputy Speaker, has had a great deal of difficulty getting its story straight. This is something for the journalists to analyse — the schizophrenia of the position, the story.

We were hinting at that at question period yesterday and the day before that, about what it is — and by the way, I repeat again, in today's second reading speech the minister was not able to tell us what shares are going to be retained by PCS, what shares are going to be sold off, what assets are going to be retained. None of that. I mean, this is really, with the greatest of respect to the hon. minister, an incredible, incredible, shabby performance for second reading of a major Bill of this nature.

And do you know why they can't do that? Because they're caught. They're caught between not being able to get a straight story out as to why they're doing this. The government can't get its story straight.

Now, Mr. Deputy, the Premier took a famous trip to the Orient about a month ago, a month and a half ago. Everybody calls it the Orient express. We're just not quite sure who got taken on the Orient express. The Premier offered 25 per cent of the Potash Corporation of Saskatchewan to five corporations, five companies; somehow came back saying, don't worry, we'll still retain 100 per cent. No wonder the deficit situation is so critical. These boys can't count over there, Mr. Deputy Speaker.

But he came back, and actually before he came back — I noted this because I was on an airplane for a three- or four-day holiday just outside of Victoria. February 9, I got on the airplane and I see this story, Mr. Deputy Speaker, which says: "Albatross must be sold; half of PCS could be foreign-owned." Well it wasn't half, it's 45 per cent. But it's half. Albatross.

Well I alluded to this in question period the other day, but I want to say it in my main remarks today. Someone, I think, should tell the Premier to think through his descriptions a little more carefully in the future, because any encyclopedia would have told him that an albatross is — as I said yesterday, but I want to put this on record:

. . . a large oceanic bird with unsurpassed powers of flight. They are most common (albatrosses are, Mr. Speaker) in the turbulent seas around Cape Horn where they ride out the roughest storms with ease (is the description in the encyclopedia I have).

Some albatross, Mr. Deputy Speaker, some albatross that is likely to produce a profit of \$100 million.

I tell the Premier that the Potash Corporation of Saskatchewan, built by the people of this province, will in the end prove strong enough to ride out even this short-lived storm by the PCs and overcome their mismanagement.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Because I think the albatross has taken flight. But the Premier's message in that article was clear, depressingly clear. He was telling them in that article, the journalists, that the PCS's long-term debt was a burden, a burden that should be sold off to foreign investors. That was a few weeks ago. By the way, that's like selling off the home quarter to pay off the debt, once in a lifetime —

maybe pay off the debt, maybe not.

And now the government says it's changed its story. The Minister of Finance now says in his second reading speech: why, PCS is a modern, world class potash company which is going to lure investment from all over the globe, the Minister of Finance says. Come on in, China. This is PC style privatization in Saskatchewan. Let's get the ownership out of Saskatchewan hands, and come on down, China; come on down, India; come on down, Pakistan; come on down, the United States at 5 per cent; come down, Toronto, and come down, Montreal, it's open for sale. That's what they're saying.

They've changed the story. All of a sudden they're going to get investment from all corners of the globe. Now they're saying that foreign investors are knocking on the door — I think, Mr. Minister of Finance, you said "breaking down the door," was the exact quotation — wanting a piece of the action.

An Hon. Member: — Kicking at the door.

Mr. Romanow: — Kicking at the door, wanting a piece of the action, Mr. Speaker.

Well, you know something? I'm not going to believe the Premier in his albatross comment because he doesn't know what he's talking about. But you know something? I am going to believe the comment of the Minister of Finance if they're breaking down the door to get a piece of the action of PCS. But I've got to ask the question, why? If PCS is such a great company with such a great future, why are they breaking down the doors, these foreign interests, to get a piece of the action? And if it's such a good company, why aren't we keeping this company in the hands of the people of the province of Saskatchewan?

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, that is a fundamental good question that needs to be answered, and they didn't in second reading. The journalists know that and the public know that. That's why they're caught in this debate politically. The government is suffering political schizophrenia at its worst. They're totally confused. They have no details, and now even their big-business friends are out after them and have pointed out their confusion.

Now I have here in front of me the *Toronto Globe and Mail*, which is of course a great booster of the Conservatives, April 18 edition, in a headline called "Potash and Pablum". If you haven't read it, Mr. Speaker, I'd ask you to read it.

Oh, the hon. Minister of Urban Affairs laughs again. No, I don't think that he thinks a joke. I think that his laughter is a cover-up for the fact that what he knows we say is true. It's a nervous concern.

But this "Potash and Pablum" article, I think, is very, very important. I'm not going to make any references to Mr. Devine . . . to the Premier, in the personal sense that the editorial did. But the editorial talks about the schizophrenia that I'm discussing. It refers to privatization of PCS, and begins with this question, Mr. Speaker. I'm

reading from the editorial:

Is this the Waterloo of socialism or the Revenge of the Nerds?

Some Hon. Members: Hear, hear!

Mr. Romanow: — That's a direct quotation. This is not Roy Romanow speaking, this is *The Globe and Mail*. In fact, if I may so, parenthetically, in this election, which I hope is held as soon as possible, I could see a very nice little advertisement about the potash corporation privatization Act put forward by the PCs, and I think we'd just simply have the visual on the screen and ask: is this the Waterloo of socialism or the Revenge of the Nerds?

Some Hon. Members: Hear, hear!

Mr. Romanow: — I'm going to continue, Mr. Speaker, as to what this editorial says. The editorial says:

When Saskatchewan Premier Grant Devine announced plans last month to sell off three provincial Crown corporations, he predicted a battle royal with the opposition New Democrats.

"This is their Alamo, this is their Waterloo, this is the end of the line for them," he thundered.

Now he has unveiled the Bill to privatize the Potash Corp. of Saskatchewan, and he shows (according to the editorial) a disappointing failure of nerve.

Former NDP premier Allan Blakeney was wrong to nationalize (the editorial says) Saskatchewan's potash industry more than a decade ago . . .

I disagree with it, but that's what the editorial says. Then it goes on to say this.

. . . but at least Allan Blakeney showed the courage of his convictions.

Some Hon. Members: Hear, hear!

Mr. Romanow: — The revenge of the nerds! No, but you see we laugh a little bit about that; we laugh a little bit about that. But you know, Mr. Speaker, that's exactly what I fear is a lot of the animist behind this — revenge, revenge for what we built, revenge that they're not ever, ever going to allow if . . . not if, but when they lose this election in 1989 or 1990, they are not going to allow the people of the province of Saskatchewan — I'll say a word about free trade and the tie-in there again — ever to build the hope and the future of a million people with jobs and opportunities.

We can joke about this being the revenge of the nerds, but I'll tell you one thing it is not. If it's not the revenge of the nerds it is the revenge of the multinational corporations who in 1989 have been restored to where they were in 1973 and 1960s, all the way back to the future, thanks to those people over there who have no faith in our province and in our people.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Yes, the editorial says, referring to the Premier, he says, well . . . “at least he (Mr. Blakeney) had the courage of his convictions . . .” But not so the current Premier of the province of Saskatchewan.

That is the position of the big business friends of *The Globe and Mail*.

The Premier gets up and he says, well, you know, it's because they're mad we want to keep Saskatchewan having some say about it.

No, it's the worst of all worlds, this Bill. I suppose what could be worse is just absolute, outright sale, which is what will happen in any event. But this is neither fish nor fowl, this Bill. That's why everybody is opposed to it. Those who oppose privatization are going to be mounting a big battle on this because this is the way they're going to handle the power corporation, Mr. Premier . . . Mr. Speaker.

This is the way they're going to do away with power. They'll handle it the same incompetent way where only their big business friends benefit. This is the way they're going to . . . they've done it with WESTBRIDGE. Their private friends have taken that over. That's the way they've done it with Weyerhaeuser — thirteen and a half per cent profit without having to pay back a penny on the purchase price. This is not the revenge of the nerds, this is the destruction of Saskatchewan, that's what this is.

Some Hon. Members: Hear, hear!

Mr. Romanow: — This government is done politically. It's dead politically, and this Bill shows it. It doesn't have the courage of its convictions. It can't manage. It's wasteful. It's misdirected. It is out to hurt Saskatchewan people.

This editorial clearly, more than any, says this government is done. It's going to be defeated in the biggest rout ever experienced in Saskatchewan history. I guarantee you that, Mr. Speaker, I guarantee you that.

Some Hon. Members: Hear, hear!

Mr. Romanow: — And you know, this schizophrenia, this schizophrenia doesn't stop there because it also comes down to the question of the 1988 annual report. I'm glad that the minister in charge of piloting this Bill is sitting in the legislature to listen to my remarks.

And may I say parenthetically here again — but I mean this in the sense of colleagues — I think that that is a very good thing that the minister is doing. I listened to most of his remarks — I was called away momentarily for a few minutes for other reasons — but I think that it's a good thing he's listening. I think what's happened in this legislature is too many of the speeches which are just simply watched on television or otherwise, and the Minister of Finance displays here a certain principle and approach that I like. I don't like what he's doing; I want to make that clear.

But I say that because while the minister is here I want to make this point to him, and I want to make it to you too, sir, not as a warning, because I respect your office, but I tell you, Mr. Speaker, I am not going to conclude my remarks on the consideration of Bill 20 unless and until I get the 1988 Potash Corporation of Saskatchewan annual report tabled by the time I am next on my feet.

An Hon. Member: — Is that a threat?

Mr. Romanow: — Yes, it is a threat and a promise, because I am not going to be handicapped in the debate of what is one of the most important economic and political debates of this legislature, of not having access to that 1988 annual report. I want to know what it says even if it's detrimental to our debate. I want to know what it is. That's only fair, I say, Mr. Minister. We're entitled to it; it's democracy.

I'm going to be adjourning the debate. I'm going to be adjourning debate because I've got much more to say on the Bill itself and the future in detail about what we would do. But I'm going to be asking the minister — and I'm glad that he's here — to make sure that that 1988 potash annual report Bill is tabled and we have enough time to analyse it and to consider it. Because I tell you one thing that I will not, and my opposition side will not agree to, we will not agree to a Bill and a debate being foisted on us, all the while the government covering up or hiding what might be a report damaging to their case. That's not democracy, that's not fair, and we're not going to stand for it.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Because, Mr. Speaker, if — I say if — if that annual report says that there is a profit in 1988 of \$108 million or thereabouts, notwithstanding the mismanagement of the corporation by all of their IMC and Texas pals that now run it, from Mr. Childers down or Mr. Childers up, if there's a profit of \$108 million, I'm going to want to ask the question: why are we selling a company that is making a profit of a hundred million dollars a year? Where are you going to find that kind of money in future to build hospitals, schools, and highways if you give it away to the private corporations and individuals?

I want to know that. And therefore I say, not in . . . It sounds aggressive, but I say this in the best of spirit to the minister, who I think in his parliamentary spirit will try to make the annual report available to us. I simply say to this House, when I adjourn the debate, before I speak next, I want to analyse that 1988 annual report, because that question is going to have to be answered. It's only fair. They're not going to ram this Bill through, and they're not going to muzzle me or anybody on our side by doing so or by trying to do so.

Now, Mr. Speaker, let me close with a few more remarks. I've touched on five or six major headings. Now I want to close for today, before I adjourn. In light of the facts, many Saskatchewan people are asking the simple question, Mr. Minister. We can take away all the arguments and the rhetoric. The question that they're asking is: why are you so adamant about selling off this public potash company

and resource? Why are the PCs doing it?

I think you're going to have to answer that. I think the answer is all too clear in my books. You're doing it because you owe a political debt to large, private, multinational potash producers who support your cause. And I think you're also doing it, sir, because you ideologically believe what you're doing. That part of it I disagree violently with, but at least I can understand. But I don't think that's 1990 Saskatchewan.

I want to say something else, Mr. Minister, and to you, Mr. Speaker, and to members of the House. We'll be exploring deeply whether or not this sale is a conspiracy. In fact, I will say this sale is a conspiracy between the government and the friends of the private multinational industry corporation. How else can one explain the government's decision, even before it officially took office in 1982, to kill PCS International, which was our world arm, our world outreach? This new offshore sales arm of PCS was about to compete head to head. That's language they like to use — first-class and world class, head to head with the private multinational corporations and overseas markets. But they killed it and forced it to go back into Canpotex, guaranteeing lower overseas sales for the public potash company, putting ourselves at the mercy of Canpotex, yes.

And by the way, somebody laughed about Canpotex, and the big argument is made about head offices. You know Canpotex has had a head office in Saskatchewan since about 1971 or '2, and it amounted to a post office number. It wasn't until we took office later on that steps were taken to make it a meaningful office, and now we do have a meaningful office.

But they killed PCS International. The private producers benefitted; the public company lost. If there isn't a conspiracy between the PC government and the private potash companies, tell us why PCS would be reducing its production levels when everybody else increases. Tell us why we're firing our workers and closing down our mines while they're employing workers and opening up their mines. And tell us, Mr. Speaker, why it was that last year they introduced the potash resources board legislation, which to this day still remains unproclaimed. Why?

The government closes PCS Cory mine, throwing people in this province out of work, throwing hundreds of families out of work, claiming a glut on the world market. But at the same time, Potash Company of America invests millions to convert Patience Lake, an old mine, from conventional to solution mining so it can reopen. Why, Mr. Speaker? Why can they do it and we can't?

My sources in the industry tell us that in 1988 the Potash Corporation of Saskatchewan was operating at 67 per cent of capacity, and the private potash producers were operating at 88 per cent of capacity. Why? Why is that the case? Private benefits; public losses.

And I note for the news media and the members of the general public who is running . . .

An Hon. Member: — Sounds like Rafferty.

Mr. Romanow: — Yes, the member says it sounds like Rafferty. You're doggone right, it does sound like Rafferty. It's the same incompetence here that you had in Rafferty if you'd done your job. It's the same thing.

Some Hon. Members: Hear, hear!

Mr. Romanow: — I say there's a conspiracy because all of the indicators show that PCS is going down in market share; PCS is not getting jobs; PCS was not expanding; in fact were selling off. All the privates are going up. I have to ask the question, why? I suggest that there's a conspiracy.

The president of our public potash company is Mr. Childers from IMC. The president of the sales sector in the United States — IMC, Mr. Doyle, and on it goes. These people, I do not allege that they do anything improper, but I say their motivations lie with interests which are not Canadian or Saskatchewan interests. That's what I say, and I say that I want that question answered when the minister responds.

Perhaps conspiracy is too strong a word. Perhaps again it is not too strong a word. But I want to leave the media with this question. It's my information, Mr. Speaker, that this government has attempted to sell the Potash Corporation of Saskatchewan reserves at Esterhazy to IMC since 1982. And, Mr. Minister, in fact it is my information that it is involved in such negotiations right now.

I call on the Minister of Finance, at the appropriate time, to explain to the people if this is the case, and if it's the case, why that's taking place. And I would call him to lay on the table at the appropriate time, when he re-enters the debate, the answers to these questions and these statements that I make. And I challenge the minister to explain how that sale fits into the long-term plans for Saskatchewan's potash company.

And, Mr. Speaker, during this debate, I want to put on the record a thorough review of Bill 20 — I've not done that yet — and its implications. And I also want to discuss, in detail, our party's future vision because there's a better way to do this. There's a new way of doing it. There's a new day coming. I want to talk about that at the next . . .

Some Hon. Members: Hear, hear!

Mr. Romanow: — I say to the members opposite that, unfortunately for them, we've only just begun, Mr. Speaker. We've only just begun. Because of the lateness of the hour and because of my hoarse throat and cold, I believe this would be a logical place in my remarks to beg leave to adjourn the debate for this afternoon. Thank you.

Some Hon. Members: Hear, hear!

Debate adjourned.

(1615)

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the

proposed motion by the Hon. Mr. Taylor that **Bill No. 1 — An Act to establish the Public Participation Program** be now read a second time.

The Speaker: — Order, order, order.

Hon. Mr. Klein: — Thank you, Mr. Speaker. It's a privilege for me to join once again in this debate on Bill 1. It's seems that — and I'd like to set the record straight — that when I was speaking on Monday last, the NDP, for whatever reason, called quorum and closed this House. And we should really make that clearly understood, Mr. Speaker, that it was the members opposite that decided they didn't want any more work for the day, for whatever reason.

And it was unfortunate because for the week prior we had heard them, one by one, asking the members of the government to become involved in this debate, and as we did become involved, they chose to close the House. It was unfortunate for the debate, unfortunate for the democratic process, certainly unfortunate for the people of this province and my constituents of Regina South who were amazed at their action.

Although they wanted us to become involved in this debate and they wanted us to get to Bill 20, according to the media at least, Bill 1 all of a sudden became unimportant. And it became unimportant to the NDP after a whole lot of them had stood up and talked about it. So they seem to be, again, all over the place.

They also seem, Mr. Speaker, to be all over the place again in crying for . . .

The Speaker: — Order, order, order. I just ask the hon. member to please restrain himself. The Minister of Urban Affairs is speaking, and certainly loud, loud hollering in the House is not acceptable.

Hon. Mr. Klein: — Thank you, Mr. Speaker. It seems that every time I get involved in a debate in this House I have to challenge the whole bench of the members opposite, but, you know, my voice is powerful enough; I think that I can handle myself. But I appreciate the fact that you have brought them to order again.

But they keep asking for legislation, Mr. Speaker, and I ask: what has legislation got to do with good government? The NDP believes in big government, in big legislation, and in regulations, and in the like. That's their belief — to just choke and stifle everything in our economy. So the howl goes out, where is legislation? and that we're going full speed ahead with privatization and public participation at the expense of farmers and small business, for instance, and that we should be introducing legislation, rather, to avoid that.

And you know, what does legislation have to do with, for instance, Mr. Speaker, the fact that we have introduced the business tax program for the small-business people of this province — \$10 million in our budget? It doesn't require legislation; it's there for the small-business people. And the list could go on and on, but that's not what we're debating today.

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — The NDP, Mr. Speaker, fails to recognize that public participation and privatization results in economic diversification and job creation. And that, I guess, is the big thing that they miss. And certainly our two members from the Prince Albert area, they miss that because they're living in the midst of one of the most successful of all, Weyerhaeuser.

The small-business community that is in place now to support Weyerhaeuser since they have come along, since they have put in a paper mill that this province has never had before, again creating jobs, sending product all over the world from Saskatchewan — that's exactly what we're talking about.

And when the sale of the PCS goes through, that's exactly what we're going to do, Mr. Speaker, is we're going to further diversify our economy. We have been saying for a long, long time, no longer can we be a resource based, single province, depending on agriculture and our resources. We must diversify. And by doing this, Mr. Speaker, and by privatizing the potash corporation, that's exactly what we will be able to do.

The Leader of the Opposition said that the public must ask the question, how privatization has helped them individually. He referred to that in his remarks this afternoon again. I couldn't agree with him more; not a bit more. Ask the small-business community in this province what privatization has done for them. Ask them. They don't talk to the members opposite.

The member from Prince Albert stands there. Have you joined your chamber of commerce yet? I doubt it. And if you have, it's only because you were embarrassed into joining them. And that's the only reason. But the other members opposite, the other lawyers that all belong, that could belong to chambers of commerce, do they indeed belong, Mr. Speaker? No, they don't.

Now they stand here and they claim to represent the small-business community, only one of the groups of this province, Mr. Speaker, that has enjoyed the benefits of privatization and will continue to enjoy those benefits.

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — They say that they know that small business is the engine that drives our economy and creates all the jobs, and yet if the small-business community recognizes and appreciates the privatization and the diversification that's going around in our province, think about the numbers of jobs that go on with that, Mr. Speaker. But they can't think that far.

I agree again with the Leader of the Opposition — ask the people how privatization has affected them. Ask the people that have bought SaskTel participation bonds, the people that get the discounts now on their telephone bills. Ask them how privatization has affected them. They'll tell you. The list goes on and on.

And you then talk, Mr. Speaker, about politics. You know, the NDP are famous for tabling documents. Table it in the

legislature, table it in the legislature. Or they'll ask the ministers to resign — every day, resign, resign, resign. Or they'll call for an election — call an election, call an election.

Well . . . (inaudible interjection) . . . And they're calling for it right now. Well I'll tell you, I'll get into that in a moment.

But you know, now there's a new group formed now. And I ask you, and I ask them, who formed this group? The citizens against privatization formed to oppose government privatization, right here in my home city of Regina. I doubt that there's anybody from Regina South in that group. But their only hope, their only hope, Mr. Speaker, is to force a provincial election. That's what they say. Well who sponsors that group, that's what I ask.

An Hon. Member: — Tell us who's behind that group.

Hon. Mr. Klein: — That's right. Who indeed is behind that group? Who indeed calls for all of these elections? It's the NDP; it's the NDP. And we've heard them calling for an election. One by one they all get up and they all speak and they call for an election. And we heard the Leader of the Opposition again calling for an election, the member from Riversdale.

And he mentioned in his remarks this afternoon, Mr. Speaker, about the Rafferty project. Well, you know, he was sitting there earlier during the federal campaign last fall when the issue of the day was free trade and that was the argument. And he said, we can't go with free trade; we've got to vote against free trade because we're going to give away our water. We're going to give away our water, that's what your leader was saying. What happens today on Rafferty? Nope, don't let Rafferty go through because we want to give the water away, we don't want to keep it here. You talk about not wanting it both ways.

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — What do you want really? Do you want an election? I'll tell you what, don't be in a hurry. He lost once in 1982, and he doesn't want to suffer that embarrassment again. And I'll tell you he's getting perilously close to it at this point. Mr. Speaker, I wouldn't be in a hurry.

But moving along with what I was saying before I was interrupted on Monday by the call of the House Leader opposite, public participation is more than the contracting out of public services to the private sector, the volunteer organizations, or to other third parties, although these are major measures in taking as much economic activity as possible out of the hands of big government and placing it in the hands of the work places of our citizens.

Public participation is more than the privatization or the sale of government owned assets, although these are important developments in creating more efficient and more viable enterprises, thereby contributing greater economic development and a stronger economy. Public participation is all of these and more. It's a new way of doing things in this province. It's a new era and a new way

of life.

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — Mr. Speaker, it's a place where big government will have less control of our lives, exactly the opposite of the legislation that they continue to call for. For example, the privatizing of potash will be good for economic diversification and job creation in our province.

And you know, they miss the boat — opposite. The Leader of the Opposition really misses the boat. You talk about living in the past. You talk about not understanding how that will be good for economic diversification and job creation.

We just witnessed the Leader of the Opposition in a real grandstanding performance. He is so politically afraid of what's going to happen to him tomorrow that, you know, he resorts to meaningless babble. He went back into the archives of *Hansard* and probably pulled out a lot of his old speeches. He has nothing new to say.

He got a standing ovation from his caucus, the third one this season, and that's pretty good because he's the one that publicly stated that there was disunity. So they must have got their stuff together in the last little while and given him a cheer. And that's good, I guess.

But when you listen to his story on privatization and public participation in the potash, it's kind of like opening last year's mail. There's really not a heck of a lot in it, and there's nothing new.

What changed between 1975 and now? You know, the efficiency, the world production at our fingertips, the control of the market, the 4,000-year supply of potash. What changed? Well I'll tell you what changed. It was the private sector that was involved in it before, trying to get a grip on all of this, trying to make it work. Something that the NDP is dead set against.

The Leader of the Opposition stands up and said, we did it; we did it. They did it all right. What did they do? They nationalized the potash industry, and what happened? What's changed? What caused a total disaster in the potash industry since that time?

You talk about being 15 years behind the time and missing what public participation does, Mr. Speaker — the diversification to the economy and the jobs. You know, the Leader of the Opposition says that he's a firm believer of private sector. Persiflage, I say. We tried public sector potash. It failed, and it failed miserably.

He talked about walking backwards into the future. He is the author of the economic plan for the 1970s. The problem is the book was written in 1989. Where has he been for the last 15 years? I don't know.

Well I'll tell you what, Mr. Speaker, if his hidden dream of being the national leader for the NDP ever comes true, he's probably going to argue against jet engine aircraft as well. That's how far back he is. He can't lift himself into the modern era. It's really, really an unfortunate situation.

But where do the NDP members opposite stand in the midst of successful public participation initiatives? Do they recognize the diversification and the jobs it'll create? Not a bit. They're out of step as usual. They put their heads in the sand and they stubbornly refuse to accept any progress, anything. They're still trying to exist with their policies for the first half of the 20th century — the first half. And here we are moving along almost into a new century, never mind the first half of the last one. And the rest of the world is getting ready for it, but they're not.

Even the NDP leaders are starting to admit that they're not in step with the rest of the world, Mr. Speaker. Gerry Caplan, one of the socialist back-room strategists, one of their top people, admitted the other day that their policies were not viable in this new economic world. One of their strategists said that — there's something going on in the new economic world that we in the NDP don't know about. That was his confession.

That may be startling for a die-hard NDP socialist to confess. But as a business man for many, many years in the city of Regina, I could have told him that 25 years ago, Mr. Speaker, it was nothing new.

Another NDP stalwart for many years, Stephen Lewis, who was reported, although recently he again denied that he was going to be the . . .

The Speaker: — Order, order. We're having difficulty hearing the minister. I'd ask for your co-operation.

Hon. Mr. Klein: — Thank you, Mr. Speaker. I'm trying hard to be heard but my vocal cords are getting a little weak. It's difficult with all the noise that the members opposite are making. But I'll keep struggling through it. They just don't like to hear what I have to say, and I thank you for bringing them under control.

But Mr. Lewis, who reportedly was one of the stalwarts for the vacant national leadership said he isn't, the other night, but none the less, he also made quite a confession. And he said the other day that the NDP were great at distributing wealth but very poor at productivity. How very true. How very true. And he said that.

Many of us in this province have long, bitter memories at the efforts to try and distribute wealth and their weak experiences in production. But they were great at distributing that wealth. They taxed companies and industries to their death, companies and industries who had been providing jobs for the people of this province. Then if they couldn't finish them off by heavy taxation or their bureaucratic regulations, there was always the threat of simply taking them over, nationalizing them. And that has been a key platform plank in the NDP philosophy.

(1630)

Even recently, Mr. Speaker, where we are trying desperately to go along the way of public participation and privatization, the NDP come along and say that they're going to nationalize the banks — public statements that were heard. I don't know how they intend on doing all this, or what they intend

on doing, or what the reasoning behind that would be.

But can you even begin to think of anything worse than that, to have the government — the government owning the banks. And how many banks would there be then? One. And how would that work? We would have a total socialist state. It would be total communism. I don't suppose you would even need money except for the people that run it. Everybody else, nothing would matter, nothing would count. I really don't know. They just simply make these big grandiose statements, we're going to nationalize the banks. What does it mean? They probably can't even explain it.

The only way in which the NDP could hope to develop any productivity was really to take over an existing industry or business already developed by a private entrepreneur.

Mr. Speaker, I lived with that my entire business career in this city, day after day after day. And now the NDP come along and try to convince us that they are the saviours of the private sector, that they understand entrepreneurship, that they really understand small business and all the rest of it. And here they sit in the House and they ask for legislation so that the small-business community can get something from the government, that we can get on with delivering the programs.

That's exactly what their problem was — legislation, regulation, legislation, regulation, big government, more taxes. Who was paying for all that?

And now they come along and they say, oh we've changed. They haven't changed. They don't intend on changing, and they're not going to fool the business community to think that they are. They've never understood business and they never will.

The only thing that they know about creating jobs is to add people to the government payroll, either directly within government departments, or within that vast family of Crown corporations that they had created and which they had added to the tremendous burden of Saskatchewan taxpayers. And that basically laid the foundation for the debt that we are now carrying. A major flip-flop.

You know, despite the current amount of noise being made these days by the NDP MLAs in opposition to public participation, did you know that back in January of 1982, Mr. Speaker, four months before they were turned out of office — four months before they were turned out of office — the former NDP government secretly decided to launch a massive privatization program of their own family of Crowns at that time?

And this decision that was made in January of 1982 — and this is leading up to something, so I hope that they pay attention — would have allowed individuals and private corporations to buy up to 50 per cent of Crown companies. But even though they favoured the philosophy of public participation while they were in office, the NDP MLAs are now travelling up and down the province loudly voicing their opposition to our

government's efforts.

You know, they're calling for an election; they call for an election. I wouldn't be in a hurry. And I'll explain one reason that the member . . . for instance, the member from Regina North East, he'll be in trouble in the next call for an election, Mr. Speaker. You can't do what he is doing, the member of Regina North East, where he keeps saying things. And you know, I can quote out of *Hansard* and different quotes attributable to the member of Regina North East that what we are considering here today is a right-wing privatization Bill. That's one of the statements he made, and that wasn't even this year; that was last year. The purpose of the Bill is simply one that is to sell out Saskatchewan; that's the purpose of this Bill, privatization; and it won't work because we won't let it work. I mean, that's what he's saying.

And yet he was one of the members of Executive Council at the time that had agreed in 1982 that maybe privatization wouldn't be too bad, and that they were contemplating doing something along that line in 1982 prior to the election. Now he comes along and he's speaking out against it. And he stands back now and he calls for an election. The people are going to ask, well what do you stand for really, Mr. Member from Regina North East? What is your stance really if it's an election? Here in 1988 you're saying that privatization and public participation is no good; and here in 1982 when you were a member of Executive Council, you were planning on doing the same thing.

I mean, you can't be on both sides of the fence. So, you know, I think that for the members opposite to keep harping and saying, call an election, call an election, that's going to lead up to their own demise. And I wouldn't be in such a hurry if I were them unless if they don't like it in here, but I'm sure that the people would welcome the opportunity to get rid of them now.

But when you get back to why they're against it, for some strange reason it's a motive on their political calendar, and it's only one more small reason why their leader, the member from Saskatoon Riversdale, is quickly losing any credibility that he was desperately trying to regain or gain from the people of this province. It's obvious that he has no control on his caucus. He has admitted that publicly that he's suffering unity in his caucus. So he's got a tremendous problem.

Another reason why . . . why are they against public participation? Well, I believe that they're against everything. They have no policies, they have no programs. They don't have anything to offer to the people of Saskatchewan. So all they can do is oppose any program that the government puts forward, including Rafferty. Their leader never takes a positive stand on any item, and how can he with his caucus all over the place. I guess at any given time, if he asked the caucus opinion over there he'd probably end up with 25 different opinions. So it's no wonder that he suffers that kind of a thing.

They just have no policy; they have no plans; they have no agenda. They simply each have their own political agenda on whatever suits their needs. And day after day,

day after day, Mr. Speaker, that's brought forward as we listen to them, either publicly through the media where they're all over the lot, or as they speak wherever they might be speaking, or in this Assembly. They're just all over the place.

Question period, for instance — they go from one to the other. Is there any plan, is there any meaning, is there any rhyme or reason to it? Is it really the burning issues of the day, the questions that they bring up? And then desperately looking at the clock most of the time to see if they're even going to get through question period — make a big foofraw to hopefully waste the time to get through question period, Mr. Speaker.

But they found out how they rate with the voters in this province. They found that out in the worst way in the past winter's by-election in Assiniboia-Gravelbourg, and what some of their policies, and how they deal with the public, are. A constituency that they used to win under former leaders, but they couldn't win under their current leader. No, sir.

No wonder there's talk in that caucus already encouraging their leader today to run as the federal leader and sending him to Ottawa to rescue their leaderless party there, and then maybe they can do whatever they choose to do here. I really don't know. But the Leader of the Opposition requires some discipline in that caucus, and it's quite obvious to those of us sitting here that he just doesn't have it.

But on the subject of privatization and public participation, Mr. Speaker, when we listen to the members opposite, and as they went through the debate on this in the last week, their policy and their speeches and the like, there was no focus. They were just each one on their own agenda, failing to see the diversification; failing to see how the economy of Saskatchewan could flourish; how the business community would help diversify; how this would create jobs and employment for our people.

And then, you know, recently as we were talking in this same debate and we got into the section of diversifying through public participation, our agricultural economy. And they continue their irresponsible behaviour. You know, they laughed when we worked to tackle the serious problem of dangerous dogs in this province. They laughed at that. They thought it was humorous.

You know, it resulted in the government introducing legislation that had been applauded by communities large and small across our province, but we had the amazing spectacle of the opposition insulting the whole agricultural community of our province, Mr. Speaker, insulting them, the political party, by poking fun about how our agricultural community has to depend on rain.

Now the NDP members thought that that was pretty funny. Well, if they were farmers and their very life depended on rain, I don't suppose that they would take that as being so humorous. But when you see how they handled the other things, you know, it's all in bad taste. I never thought that I would see the day when members of this legislature would try to make fun of rain. But if they

make fun of things like the Rafferty and saving the water, then the rain as well . . . But they care so little about the agricultural industry, that that moisture is so vital to our economy so that we can get on with the job of what we're trying to do, and that's diversify, and diversify by means of public participation.

And, Mr. Speaker, the agricultural sector is very important to our plans, and so is the badly needed moisture so that we can grow good crops and make that part of our economy prosper, because as that prospers then we can continue with our public participation. That we must do, to continue to diversify exactly that, so that we're not so desperate and need to rely so much on one industry like agriculture or like our resources.

You know, it's simply a fact of life. I don't know where the NDP, where have they been for the last year. The worst drought since the Dirty Thirties hit us last year and dealt a severe blow to our economy, and I suppose next, Mr. Speaker, they'll be making fun of that. But I don't consider it to be very funny, and I'm sure that the agricultural sector doesn't. We depend very much in Saskatchewan on good crops, and we have to have adequate moisture and good rains to produce that.

At this winter's annual convention, Mr. Speaker, of the Urban Municipalities Association in Saskatchewan, I had the privilege of discussing the merits and opportunities created by the private sector deliveries of activities that are currently carried out by governments — federal, provincial and municipal. And I talked there about the possibility of privatization in some areas. And I must say that I received quite a favourable response from the record attendance of more than 1,000 delegates from around all parts of the province.

And as I discussed with the SUMA (Saskatchewan Urban Municipalities Association) delegates, we as governments, provincial and municipal, are here to provide service to the public, Mr. Speaker. The public expects us to maintain, and not only maintain but to improve the level of service. And at the same time, they obviously resist paying more in taxes for those services, Mr. Speaker. So we as government agencies have a duty, have a responsibility of considering alternative ways of delivering services.

Municipal public participation can help to achieve these ends, and at the same time encourage local economic development, because there too, Mr. Speaker, public participation will encourage diversification, will create employment. And it will create employment because we will see the private sector, small business, really start to boom and flourish in our local economies and create those jobs.

Mr. Speaker, as I advised the SUMA delegates, if private sector delivery of services works well in many circumstances provincially, and it does, then it should work in municipalities as well.

And there are many examples of municipal privatization and public participation, Mr. Speaker. In Yorkton, for a long, long time now, garbage has been picked up by the private sector. No longer do they use their own municipal

staff to do that, at quite a substantial saving to the taxpayer.

Transit services: in Prince Albert the transit services for many, many years, many years, very efficient, very successful, operated by the private sector, Mr. Speaker, not by the municipality, but by the private sector. And as I mentioned, garbage collection in many, many communities throughout our province, the collection of refuse, Mr. Speaker, done by the private sector.

Municipal rink management, municipal rink operation — many communities, Kamsack, for instance; the town of Kamsack is in that — very, very successful operations. It's less costly for the municipalities to operate under that form of public participation and privatization, and it improves service.

(1645)

So it seems that if they can do that and if our government, Mr. Speaker, as a result of public participation and privatization, can improve service, can decrease costs — in other words, you know, supply a better quality of work for less dollars — our taxpayers, Mr. Speaker, are the big winners. They're the beneficiaries.

I believe that my constituents in Regina South understand and recognize that, and that's why they asked me to speak on Bill 1. They want to participate in public participation and privatization. They want to see and have the opportunity to do the things that should be done to provide better services that they require and demand from the government, and by the same token, to expect to see their tax dollars spent wisely and efficiently. And we're trying to provide them with just that, Mr. Speaker.

But over the past few years there has been growing public discussions all over, on the merits and opportunities created by private sector delivery of activities currently carried out by government.

And this discussion, Mr. Speaker, is not just simply here in Regina or at the SUMA conference or in Saskatchewan. It's not even in western Canada or all the provinces — Canada, or in the United States, or in North America.

Mr. Speaker, indeed this movement is world-wide. It's going on across the entire world. It's not limited to governments of any continent. It's not limited to any particular ideology. And within this context the provincial government has carried out a number of public participation initiatives that have the goals of encouraging economic diversification and enhancing private sector opportunities in a way that respects employee rights and maintains service levels that I mentioned earlier.

And as we get into the debate on Bill 20, we will see there how that participation and privatization, Mr. Speaker, will enhance the diversification of our province. Again, where we have to diversify our agricultural sector, we must diversify our resource sector, take all of our eggs out of one basket and spread them around. And that's what Bill 20 will allow us to do. And by diversifying Saskatchewan's economy, it will provide many badly

needed jobs for the people of our province.

We've had cases in public participation where employees themselves, Mr. Speaker, have come forward with an idea and have been very excited about the challenge of serving the public, but serving them from the private sector for a change and not from the public sector.

And in all cases the provincial government screens these potential initiatives carefully. And if delivery of a particular government activity by the private sector doesn't make sense, then understandably, Mr. Speaker, it's not pursued. However, if it is feasible, if it expands economic opportunities, if it can be done in a way that protects employee interests, then it is pursued in a careful, methodical, organized fashion. Throughout, there must be assurances that service levels will not deteriorate. In fact, we make every effort, Mr. Speaker, to improve services.

Many of our public participation initiatives have been well received, both by the public and the employees involved. My colleague, the Minister of Public Participation, has done an outstanding job in implementing these initiatives and in making public participation a successful achievement for our province. And indeed he has carried the message far and wide across this province, Mr. Speaker.

He has met with I don't know how many communities, countless communities now, countless number of people from all walks of life — farmers, retired people, young people, people in business, people in government, union people — from all walks of life have attended these countless meetings that the minister's held around the province. And after they start getting some understanding and some knowledge about what we're trying to do, they recognize that's not a bad idea. Why wasn't this explained to us this way before?

Maybe, you know, in some instances, we should even go one step further, Mr. Speaker, when we go into public participation. I dare say that there might be a lot of people involved. I can think of some of my own relatives that have never had the opportunity to invest in shares or in a business or in a bond. They really don't understand that once they put their money in . . . they're used, as a lot of us are, saving our money in a bank and just leaving it sit there and getting the bank interest. That's fine, pretty safe, good security, but there's other different ways of doing it.

Maybe we should explain to these people just how they can put their money to work for them, and, once the money works for them, how indeed it works for this province. Because by putting the money to work in this province instead of giving it to some big outfit in New York, the interest money on a loan, and by having it here in this province, Mr. Speaker, where our own people can get these dollars and invest it, then what happens of course is that this money goes to work here, creates jobs and employment here.

So maybe we should go back and just start explaining the very basic principle to these people, explain to them how they can get dividends from companies when indeed the companies show a profit as they can expand their market.

Saskoil is a typical example. We heard the big howl come up from the members opposite when Saskoil was first taken out into the private sector. And look at it now — one of the top oil companies in all of Canada, because they've been able to expand their horizons — certainly still have all the Saskatchewan holdings; certainly still represent all the Saskatchewan people very well; certainly has millions and millions and millions of dollars invested by Saskatchewan people that are gaining and reaping the benefits of it.

The head office is here in Saskatchewan, employing hundreds of people here in Saskatchewan, and yet having the opportunity to expand their horizons well beyond this province so that they can indeed grow and prosper more and create more opportunity and create more employment, and eventually, Mr. Speaker, create larger dividends for the people of our province that have invested in that very company. And I think that what we should do is perhaps go and tell that to the people.

Interestingly enough, with Saskoil they always did have the opportunity to have Alberta holdings, even when they were the beloved little company here in Saskatchewan before the public participation occurred. So what was the hoot and holler from the NDP about? Because if they had Alberta holdings before and they could have them again now, what was the big difference? What made it so darn different that they wanted to fight about it and argue about it?

One thing, Mr. Speaker, they will be against anything that this government does — anything and everything — regardless, and it doesn't matter. And they will fight it; whether it makes sense or not to them doesn't matter. And that's why they shouldn't be in a hurry to call an election, because they will not be here, Mr. Speaker, after that election is called.

But as I was saying, it stands to reason that if private sector delivery works well in many circumstances provincially, then we can carry it to the next step, and it can work very effectively in our municipalities as well.

And as I mentioned, there were quite a few successful ventures in contracting out these municipal services. One right here around our legislature, one right here around the legislature, Mr. Speaker, and that was with the Wascana Centre Authority where, rather than continue on with an old piece of equipment that we had, our old street-sweeper, we contracted out to a firm that manufactures street-sweepers right here in Regina.

For whatever reason or other — and my colleague, the Minister of Finance often refers to the fact that the Regina council is of different political persuasion than us — they will not deal with Sweeprite here in Regina, their own manufacturer who deals around the world. And this is right on the topic of diversification and public participation, Mr. Speaker, because here we have this firm manufacturing right here in Regina that the city of Regina won't deal with. And they're dealing throughout North America.

As the people come in from New York, from San

Francisco, from wherever, they could see the plant, they see the product, but they couldn't see the product in operation. So what did we do at the Wascana Centre Authority, Mr. Speaker? We decided that we would put out for tender to contract out and get some privatization, some public participation, and public sector work by putting that out to tender.

Sweeprite came along and tendered on that. They do it for us cheaper than we were able to do it in-house, and they are now showing off their machine. I think that they've done a pretty good job around this legislature, Mr. Speaker. I think that our roads and sidewalks are very clean as a result of this piece of equipment.

Now when these customers of theirs come in from around North America, they can see their machine in operation. Only one of the little benefits that I'm referring to, of public participation and privatization, Mr. Speaker.

But about municipal activities, many of these opportunities have been pursued in the United States of America, and I've mentioned many examples right here in our province and indeed across country, and the point is simple. We as governments — provincial, municipal — we are here to provide services to the public. Health care and education are obviously major programs provincially, and in the municipal areas there are such programs as street maintenance, or recreation, and water and sewer services.

And the public expects us to maintain and improve those services for a reasonable price. So we as government agencies have a duty and a responsibility of considering alternative ways of delivering these services. And it seems that the members opposite, Mr. Speaker, will just simply not look at alternative ways of supplying those services. They just simply want bigger government; they want more government. And that ends the conversation as far as they're concerned.

So as I mentioned earlier, I suggested to SUMA that they examine the many successful ventures in contracting out various municipal services right here in our province, among their own membership. And then, as the speech to the throne outlined, public participation will continue to chart a new course for economic growth for diversification and job creation in Saskatchewan.

And during the coming year, our government will be giving further encouragement to public participation initiatives through employee ownership, and there will be new savings opportunities in Crown corporation bonds and the like.

And indeed public participation opportunities such as these are leading to the creation of our own capital market right here in Saskatchewan, Mr. Speaker, which mobilizes local savings, as I mentioned earlier, rather than borrowing only from the international financial market at high interest rates.

Again I commend my colleague, the member for Indian Head-Wolsley, for the tremendous leadership that he's giving to the public participation movement in our province. And under his leadership our province has

moved to the forefront of public participation initiatives across Canada. And this is brought about day in and day out, day after day after day. The NDP say that the only thing on our agenda, Mr. Speaker, is privatization and public participation — and indeed it isn't the only thing on our agenda, but if they choose to say that, so be it.

Saskatchewan is joining many countries now, not only provinces, but countries around the world that are active in public participation programs. And as it has been mentioned before, and well worth re-reading into the record, countries as diverse as China, a communist nation; Australia, with a socialist government; France; Sweden; New Zealand; the United Kingdom, are all busy reducing government involvement in their economies.

These countries, Mr. Speaker, are adopting public participation measures because it creates new investments, it creates jobs, and it gives their economies a shot in the arm for sure. And that's why both free enterprise and socialist governments around the world support it.

We find that even now the Soviet Union is getting involved in public participation and recently they announced a plan to present public share offerings within the state farms in order to raise capital and give greater control to the local people. Imagine that. Imagine that, Mr. Speaker. Soviet Russia is planning on doing that; Soviet Union on privatizing and selling their state farms off to the people that work them.

And I think that that's going to be to their betterment as well. They too realize that, you know, government ownership of companies and industries hasn't really worked anywhere in the world. And that's why it's going to be interesting to get into this debate of Bill 20 because we now have history to delve into.

And we will establish, Mr. Speaker, for the people of this province, indeed, how government ownership of companies and industries just doesn't work. And as soon as you can get out of a lot of those areas — not all of them perhaps, but a lot of them — then we should move along into that area and let the private sector do what they know what to do best, and that's to drive our economy and to create the jobs. And that proof will be in the pudding.

But one of the objectives of the public participation movement is to take as much control over the lives of people out of the hands of government, Mr. Speaker, and put it back into the hands of the people, just as the Soviet Union is doing on their farms, and letting the people run their own lives and get on with the job of living. And that's probably . . .

The Speaker: — It being 5 o'clock, this House now stands adjourned until 2 p.m. tomorrow.

The Assembly adjourned at 5 p.m.