

June 15, 1989

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Mr. Kopelchuk:** — Mr. Speaker, on behalf of the Minister of Education, the member from Weyburn, I would like to introduce to you, and through you to the legislature, 25 grade 8 students from the Stoughton Central School in Stoughton. They are here to take in question period and visit Regina.

They are accompanied by their teacher, Lloyd Morrison; chaperons Bruce MacDougall, Linda McElroy, Gail Taillon, and Ruth Linklater. They are located in the west gallery, Mr. Speaker.

I wish them a pleasant welcome to the legislature. It will be my pleasure, on behalf of the Minister of Education, to meet with you for pictures and an informal talk a little later. I would ask the members of the legislature to assist me in welcoming them to Regina.

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

**Hon. Mr. Taylor:** — Mr. Speaker, it gives me pleasure today to introduce 20 grade 4 students from Montmartre that are situated in your gallery. They are accompanied by their teacher, Sandi Brown, and teacher aide, Helen Baumgartner.

And I understand there's a number of parents that I would like to introduce that are with them today, drove the young people in: Rick and Pat Sebastian, Vida Stevenson, Wanda Buesis, Sherry Quam and Lea Fisher. We welcome you people from Montmartre here today. I hope you enjoy the proceedings of the House, and I look forward to meeting you on a nice day like this out on the lawn after question period. Welcome to the legislature.

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

**Mr. McLaren:** — Thank you very much, Mr. Speaker. It's also my pleasure to introduce to you, and through you to all members of the Assembly, a group of 33 grade 6 six students from Russell, Manitoba. They are with the Major Pratt School. And they're seated in your gallery, Mr. Speaker, and they're accompanied today by their teachers Wayne Dunham and Jan Shauer, and chaperons Judy Preston and Dianne Lovas, and their bus driver is Ivan Derbowka.

If I'm not mistaken, Wayne, I think this is about the third year in a row that you've brought students to the Assembly, and we want to thank you very much for considering to come to Saskatchewan and, of course, Regina and to the Assembly to watch the proceedings.

I want to wish them every success in their exams. We hope you enjoy your stay here at the Assembly, and we want to say that we'll also meet with you at 2:30 for some refreshments in room 218.

So I would ask all members to please welcome these students from outside our boundaries from Russell, Manitoba.

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

### ORAL QUESTIONS

#### Purchase of Lambda Computers

**Mr. Lautermilch:** — Thank you, Mr. Speaker. My question is to the Deputy Premier and it concerns the GigaText scandal. Mr. Minister, on May 30 in this House you said, and I quote:

we conducted all of the normal investigations into the principals who owned this technology . . .

Taking you at your word, Mr. Minister, can we assume that you were aware that in January of 1988, shortly after Mr. Montpetit's company, Systems, purchased the American computer firm, LMI, that Systems made a decision to scrap the Lambda line of computers because they couldn't sell the technology? Are you aware of that, or are you not aware of that?

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

**Hon. Mr. Berntson:** — Mr. Speaker, perhaps this is the appropriate time to answer some questions that . . .

**The Speaker:** — Order. Order. Order. The hon. member has asked a question, and I'm afraid I can't allow the minister to bring his answers to notices taken a motion of at this time.

**Hon. Mr. Berntson:** — Mr. Speaker, the fact of the matter is, the Lambda computer — the Lambda computer that members opposite say that GigaText paid altogether too much money for — they paid, I think they suggested \$2.9 million was what GigaText paid for the computers, the Lambda computers that that particular member is talking about, Mr. Speaker.

I want to give you, for comparison's sake, for comparison's sake, some computers, Lambda computers, Mr. Speaker, that were sold to various people in Canada. One of them, Mr. Speaker — and these are similar in configuration — one of them was sold to a numbered company, 148840 Canada Incorporated. Those were sold, Mr. Speaker, for \$158,546. Another one, Mr. Speaker, sold to the same company, 158,546.

Now, Mr. Speaker, here is another one, here is another one, and this one was sold in 1986, Mr. Speaker. This one was sold to Norlus in Winnipeg. The expenditure had to be approved by the federal Department of Communications and it was sold, Mr. Speaker, for \$97,000; another one to the National Research Council, Mr. Speaker, to the National Research Council for \$142,000.22, and there will be some difference in these because of the configuration, Mr. Speaker.

Then there was another one, Mr. Speaker, that was sold to the Defence Research Establishment. Now this is a little

different configuration, but it was \$234,853, Mr. Speaker. Now here's one that was sold a . . .

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

**Mr. Lautermilch:** — I have another question, Mr. Speaker, for the Deputy Premier, and Mr. Deputy Premier, so you can follow me in what I'm saying, I'm going to send over a chart for you. And this chart that I'm sending you is prepared by the court-appointed inspector from the chartered accountant firm, Thibault Marchand Peat Marwick. It was filed in the civil action in Montreal last week as an exhibit, exhibit four from volume one of the inspector's final report.

Mr. Minister, you must have been aware that Systems, after taking over LMI, found itself with 20 Lambda computers which did not appear in the inventory sheet. And then they got a firm owned by one of Montpetit's employees, Edubi, to supply the Systems company with an invoice for \$1.5 million to give the machines a resale value, because prior to that, sir, they had none. Systems then sold the computers to Lisp, another firm of Montpetit's, and . . .

**The Speaker:** — Order, order. Order. Order. The hon. member I think should get to his question. He's had plenty of time to set the stage for it, and I'd like him to get to the question now.

**Mr. Lautermilch:** — In light of these facts and further facts, they stayed in Lisp for five months and then Lisp sold them to GigaText. And you sharp business operators . . .

**The Speaker:** — Order, order, order, order. I've asked the hon. member to put the question. I'm going to ask him once more. Please get directly to the question.

**Mr. Lautermilch:** — My question, Mr. Speaker, is this: in light of the fact that GigaText paid almost double — your investigation told you that, didn't it, Mr. Minister?

**Hon. Mr. Berntson:** — Mr. Speaker, one of the things being investigated by the RCMP is whether or not the Government of Saskatchewan got value for the money on the Lambda computer. We believe they did, Mr. Speaker.

Simon Fraser University, for instance, spent \$148,000 for theirs, Mr. Speaker — Simon Fraser. Bell-Northern Research — not pikers in the research world, Mr. Speaker — they spent \$204,000 for their Lambda computer. And the National Research Council, Mr. Speaker, spent \$199,000 for theirs.

Now what did GigaText pay for theirs, Mr. Speaker? They paid \$152,000 for each one, for a total of 2.9 million, I'm told by members opposite. And he talks about: these are the facts as filed in evidence in Montreal, Mr. Speaker. That's what he says.

Let me tell you what else he says was a fact filed in evidence in Montreal. I'm told yesterday that that member stood in his place and said that the Deputy Premier, among others, flew on a private jet from Montreal to Boston to New York to Montreal. Mr.

Speaker, I have never flown on a private jet from Montreal to any place in the world except Regina. Mr. Speaker, it's the same old NDP style of justice. Hang them, give them a fair trial, and damn the innocent.

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

**Mr. Lautermilch:** — I have a new question for the Deputy Premier. Mr. Deputy Premier, regarding the cost of the Lambda computers, you know full well how rapidly computer technology changes. And I want you to explain how 20 computers that you bought in 1988, outmoded, delisted, and a very cold item on that market, appreciated by 100 per cent in the space of five months. Do you see that as a common occurrence in the computer field?

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

**Hon. Mr. Berntson:** — Mr. Speaker, I . . .

**The Speaker:** — Order. Order. Order. Order. Order.

**Hon. Mr. Berntson:** — Mr. Speaker, I don't accept anything that members opposite are advancing relative to this matter. I don't accept anything. Obviously the guy was misleading the House yesterday, Mr. Speaker, when he talked about me taking a private jet from Montreal to Boston, because it's simply not true.

Mr. Speaker . . .

**The Speaker:** — Order. Order. Order. Order. Order. Order. Order. Order. Order. Order. Order. Would the Minister of Finance and the member for Regina Rosemont, Minister of Finance and Rosemont please come to order so the House can proceed. There's been some bedlam here and difficult to understand what anybody's saying. Order. Member from Meadow Lake and Regina Victoria, let's allow the Deputy Premier to continue.

**Hon. Mr. Berntson:** — Thank you, Mr. Speaker. I'm not prepared to accept what members opposite advance relative to this case.

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

**Hon. Mr. Berntson:** — But I am quite prepared, Mr. Speaker, as most fair-minded people would be, I am quite prepared to rely on the police investigation that is going on right now that was called by this government, this investigation initiated by this government the moment that the civil action started in Montreal, Mr. Speaker. I think it's fair and reasonable that we should rely on that police investigation.

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

**Mr. Anguish:** — Mr. Speaker, my question is to the same minister. Mr. Minister, how dare you accuse the members on this side of the House of being misleading. Your name is named on the flight manifest, signed by a pilot, that was tabled as an exhibit in a Montreal court-house with your name on those flights. Are you saying, Mr. Minister, that the pilot is lying?

**Hon. Mr. Berntson:** — Mr. Speaker, I don't care what was filed in evidence in Montreal. I don't care what was filed in evidence in Montreal, Mr. Speaker. I can tell you, and I can tell this House, and I can tell anybody that's prepared to listen, that I have never been on a private jet from Montreal to any place in the world except Regina.

I've already told the House about that one, Mr. Speaker. I filled up an empty seat in a plane that was coming here in any event, and saved the taxpayers of Saskatchewan some significant money, Mr. Speaker.

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

#### Financial Affairs of GigaText

**Mr. Anguish:** — A new question to the same minister, Mr. Speaker. Mr. Minister . . .

**The Speaker:** — Order, order, order. Order, order, order. Let's just start over. The member for The Battlefords. Order.

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

**Mr. Anguish:** — A new question to the same minister, Mr. Speaker. Mr. Minister, the court appointed inspector in Montreal has also been able to ascertain that \$300,000 of GigaText money, Saskatchewan taxpayers' money involved in the computer sale, went directly to Mr. Montpetit's personal bank account. Your colleague, the minister responsible for SEDCO, has admitted that Mr. Montpetit had sole signing authority for GigaText from the time it was set up until long after he had run through our \$4 million.

Did anybody in your government ever notice, or did you ever question, a cheque signed by Guy Montpetit to Guy Montpetit for \$300,000? Was there a board minute approving that? And would you maybe think that that could have possibly been theft, Mr. Minister? And has that also been referred to the RCMP?

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

**An Hon. Member:** — We now know why Roy's ducking.

**Hon. Mr. Berntson:** — You see, Mr. Speaker, I believe probably that is why the Leader of the Opposition has put some distance between himself and members opposite.

Mr. Speaker, I really feel bad for members opposite because they don't know, they simply don't know how people can be hurt by irresponsible statements like members opposite are wont to make, Mr. Speaker. And they say anything and know no shame, Mr. Speaker, absolutely. Now there may well be \$300 million paid to Guy Montpetit . . . \$300,000. There may well be.

In any event, Mr. Speaker, it is the subject of a police investigation. The police have full access to all of that, Mr. Speaker, and member opposite calls it theft. Well if it is, the RCMP will discover that, Mr. Speaker, and they will report it to the Minister of Justice, and the Minister of Justice will take appropriate action, Mr. Speaker.

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

**Mr. Anguish:** — New question, Mr. Speaker, the same minister. Even if there was the odd person in Saskatchewan that didn't believe us, everything here being said is credible because it's involved in the court in Montreal. And the court-appointed auditor, are you questioning that individual too? Look at the flow chart that was presented as an exhibit in the court. That validates the information we're putting across to you.

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

**Mr. Anguish:** — Mr. Minister, let us get this straight. Although you claim to have done a full investigation on the people involved in this company, you know nothing of the history of the 20 computers you purchased. Are you not at all surprised about the little flip that increased their value by 100 per cent?

Mr. Minister, you may remember the Oerlikon land flip, another adventure involving Quebec Tories where the land travelled through a number of parties; it increased substantially in value each time it moved. There, however, there were a number of transactions involved before the price actually doubled. It took you people one.

My question to you is this, Mr. Minister. The people involved in the Oerlikon land flip must be looking on in dismay. Who conducted the extensive investigation, and has that person been fired?

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

**Hon. Mr. Berntson:** — Mr. Speaker, the member hasn't changed his attitude since the previous question. He's still making all kinds of wild allegations. And he says, Mr. Speaker, that simply because this is filed in the court it is fact. That's not necessarily true, Mr. Speaker.

The reason they're in court is because there are two sides to the story. Members opposite are standing up and saying, Mr. Speaker, it was theft; it was a criminal offence. What, Mr. Speaker, if the judge or the RCMP, or whoever, says it is not. Will they then get up, Mr. Speaker, with some degree of humility and say, I'm sorry I called you a crook, Mr. Speaker? These people, Mr. Speaker — no integrity at all. Any wild allegation for a headline, Mr. Speaker. And I mean, can you imagine the bow that that member is trying to stretch by tying a Lambda computer to the Oerlikon affair. My God, Mr. Speaker, I've never such a weak attempt to try and get a headline.

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

**Mr. Anguish:** — New question to the same minister, Mr. Speaker. I certainly think that the people in the province of Saskatchewan will believe the accountant and the pilot before they believe you, Mr. Minister.

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

**Mr. Anguish:** — I think we should just kind of sum this up for today, Mr. Speaker. First off, Montpetit finds himself with 20 computers carried on his inventory with a zero market value. He can't sell them, so using a president of

Systems, which Montpetit owns, he gives them a fake value of \$1.5 million by selling them back to himself.

Now thirdly, he can't get anyone to buy them at that price either, so he sells them to your people at \$2.9 million. He takes some of the proceeds . . .

**The Speaker:** — Order. Order. It is very, very difficult for the Chair to really judge what the member is up to and how long he's going to speak with a preamble. It seems like he's right in the middle of a preamble, and he's already taken quite a bit of time, as he realizes, and I think he should be getting to the question.

**Mr. Anguish:** — Thank you, Mr. Speaker, I appreciate that. It's a very complex affair and I wanted to lay it out. If the minister could just follow the flow chart done by the accountant, he will understand the scam that went on here, and the flip increasing the computers' value within a few months by over 100 per cent, costing us \$2.9 million.

My question to you is: what is the possible justification that you can offer to the people of Saskatchewan for allowing Guy Montpetit to sell you 20 computers for twice what was clearly a fictitious value to begin with, Mr. Minister?

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

**Hon. Mr. Berntson:** — Mr. Speaker, the National Research Council, Bell-Northern Research, Simon Fraser University, Defence Research Establishment, National Research Council, Norlus Incorporated and several others, Mr. Speaker, believed, Mr. Speaker, that they got value for their dollar when they bought these very specialized computers.

We believe, Mr. Speaker, that GigaText . . .

**The Speaker:** — Order. Order. Let's allow the Deputy Minister to continue.

**Hon. Mr. Berntson:** — We believe, Mr. Speaker, that GigaText got value for their dollar. And members opposite, they sit there and they rub their hands with glee and they pray, they pray that GigaText will not succeed, Mr. Speaker.

Well I can tell you, this very day, Mr. Speaker, this very day we have at GigaText an independent expert doing an analysis as to the business opportunities of . . . And we're going to do this, Mr. Speaker, we're going to do this so that it's there for all to see, and independent of government, independent, absolutely, completely.

And, Mr. Speaker, next week, next week we have an independent expert associated with a major university, a linguistics person with excellent credentials, Mr. Speaker, coming in to do his analysis as to the translation ability of this system. And following that, Mr. Speaker, we will open the doors.

I know that members opposite have been invited to go over and look at this, Mr. Speaker, but they have not. They prefer to stand in here, Mr. Speaker, and defame any

name that crosses their lips, Mr. Speaker.

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

**The Speaker:** — Order. Order. I'd just like to bring to the attention of the member for The Battlefords that it is not parliamentary for him to be challenging the Chair just because he decides he doesn't agree with something.

It's a long . . . Order. And the member for Quill Lakes, the member for Quill Lakes, I'll call him to order as well. The issue of challenging the Chair, I will not tolerate any longer. I'm bringing it to the members' attention and I'm going to ask the member for Battlefords to rise and apologize to the Chair.

**Mr. Anguish:** — I apologize to the Chair.

### Construction of Hospital at Gravelbourg

**Ms. Simard:** — Thank you, Mr. Speaker. My question is to the Minister of Health, Mr. Speaker.

Mr. Minister, this evening in Gravelbourg, various service clubs from that community and the surrounding area are having an emergency meeting. I understand the reason for the meeting is to show support for construction of a new hospital facility in that community and put an end to the rumours being spread by the government and the member from Assiniboia-Gravelbourg that there is not . . .

**The Speaker:** — Order, order. Order. Order. Would the Minister of Finance allow the member to put her question?

**Ms. Simard:** — And the rumour's being spread, Mr. Minister, that the community is not in agreement about the hospital facility. Mr. Minister, will you give your undertaking today to this House that you will watch what takes place at that meeting and that you will act upon it?

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

**Hon. Mr. McLeod:** — Mr. Speaker, without question I'll watch what takes place at the meeting, but I should set the record straight, Mr. Speaker, that the member from Assiniboia-Gravelbourg, the newly elected member from Assiniboia-Gravelbourg, has been in consultation with the people of Gravelbourg and the people associated with Gravelbourg hospital, as well as the long-term care centre in Gravelbourg, as well as neighbouring communities like Lafleche.

And it's important work that the member from Assiniboia-Gravelbourg is doing and bringing communities together to discuss with each other, communities that have not discussed with each other for a good long time their health care needs on a wider area than just the one area.

Now, Mr. Speaker, the member from Assiniboia-Gravelbourg, who the member over here brought into the question, has worked very hard on this and is well accepted in that constituency, as the election results showed, when he said, your hospital will not close, and they said it would.

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

**Ms. Simard:** — New question, Mr. Speaker. Mr. Minister, the people of Gravelbourg have good reason to doubt your word. They feel betrayed in the worst possible way. And in June 12 in the Gravelbourg **Tribune**, there was a story I'd like to quote, a quote rather from Dan Lamarre of the Gravelbourg Kinsmen club in which he said:

During the election I was approached personally by (the Premier) and he said plainly enough to me that if he (meaning the member from Assiniboia-Gravelbourg) was elected, we would get our hospital.

That was your government's promise — vote for us and you'll get your hospital. And now it isn't even mentioned in the budget, Mr. Minister, and you appear to be backtracking on it. Will the people of Gravelbourg get their new health care facility?

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

**Hon. Mr. McLeod:** — Mr. Speaker, it's a continuing source of amazement to me — the nature of that question and regarding Gravelbourg — and all member in this House will have been to Gravelbourg in recent months and certainly during that election. She says that there is a quote in the Gravelbourg **Tribune** about someone who was approached by the Premier. I believe that's the way the question was.

Mr. Speaker, hundreds of people in that area were approached by that member, and especially her leader, and all of those other members over there saying, if these guys are elected, if that member that now sits in our benches, proudly, if he's elected, all five hospitals in here will close. That's what they said. Well, Mr. Speaker, he's elected, and those hospitals are not closed, and Lafleche is having one built. And we're still discussing it with Gravelbourg and Rockglen and Coronach.

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

**The Speaker:** — Time has elapsed. Order. Order. Order, order. I believe . . . I believe question period is over. The questions can be continued tomorrow, but let's now move on to further business.

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### SECOND READINGS

#### **Bill No. 25 — An Act to amend The Saskatchewan Pension Plan Act**

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. Forty-seven thousand Saskatchewan people have joined the Saskatchewan Pension Plan since it was introduced three years ago. This steady growth in membership is indicative of the public support that the plan enjoys. By providing a means of retirement savings to those with little or no access to other plans, the Saskatchewan Pension Plan fills

an obvious gap in retirement savings plans.

This government remains committed to providing security for our residents. We are continually looking for ways to improve the delivery and the operation of the Saskatchewan Pension Plan. The proposed amendments to the plan legislation will enable us to meet these objectives.

Many plan members have suggested that portability be incorporated into the plan. Recognizing that portability would make the plan more attractive to Saskatchewan residents, and particularly young people, we are requesting an amendment to the Act which would give members who leave the province the option to continue to contribute to the plan.

These members would not be eligible for the government matching contribution, however, but would be able to continue building for their financial future. In conjunction with this improvement is a provision to charge an administrative fee to non-resident contributors to cover any incremental costs that may be incurred.

Another amendment to the Act will allow for regulatory authority to establish how the matching government contribution is determined. Application of the existing formula, given recent changes to the Canada Pension Plan, is not consistent with the government's intent to assist low to middle income earners in saving for their retirement.

We want to ensure that the plan continues to assist those for which it was originally intended. A made-in-Saskatchewan basis for determining government matching contributions will ensure the needs of our people are met.

Another amendment allows for the inclusion of the standard government . . . (inaudible interjection) . . . Vote against it. You've been opposed to it from day one. I just challenge the members opposite who are highly critical of the Saskatchewan Pension Plan to vote against it, Mr. Speaker. All of them are opposed to it, Mr. Speaker.

**The Speaker:** — Order, order. Order, order. Order. Let's just allow the Minister of Finance to continue, and then those who wish to speak on the Bill will have their opportunity.

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. We want to ensure that the plan continues to assist those it was intended for. A made-in-Saskatchewan basis for determining government-matching contributions will ensure the needs of our residents are met.

Another amendment allows for the inclusion of the standard government clause appointing an auditor for the plan. Further amendments are of a housekeeping nature and will assist in the efficient operation of the plan.

In summary, portability will make the plan more attractive and accessible to all Saskatchewan people. A made-in-Saskatchewan basis for determining matching contributions will ensure the plan serves those it was established for. The remaining changes will allow for the

efficient operation of the plan, Mr. Speaker. I move second reading of this Bill.

**Mr. Shillington:** — Thank you very much. I'm going to be relatively brief; our caucus will not be opposing this.

What we find dismaying, Mr. Minister, is that this government is so quick to come to the assistance of people who don't need it and so insensitive to those who do. I'd remind the Minister of Finance that approximately two weeks ago the galleries were filled with single parent families, mostly women, and the Minister of Human Resources was insensitive enough and had the gall to suggest that there is no such thing as poverty.

I say that, Mr. Minister, because those insensitive and crude remarks are in contrast to what you're doing now. This pension plan provides a scheme for women, many of whom are not really on the lowest economic rung. Many of the people who use this probably have other means of support. This government has done a good deal for the middle class, if I may put it that way, but you've done virtually nothing for women in need.

Most of the women who sat in this gallery two weeks ago on International Women's Day, the vast majority of those women, Mr. Speaker, will live in poverty once they're finished working. Their old age will be spent in poverty. My criticism of this current scheme is that it does nothing for them, absolutely nothing for them, and does a good deal for the middle class, many of whom don't need it.

In fact, some of the women who are participating in this thing, I suspect, would embarrass the minister if he'd release the statistics. I suspect there's women who are taking advantage of this whose husbands enjoy, and therefore whose family enjoy, very comfortable incomes. It's possible, Mr. Minister, for a woman to participate in this, whose husband makes a very good income. And children as well, as some members point out.

Mr. Minister, I think the proof of the fact that this scheme is a little skewed in its priorities, the proof of that is that we have asked for statistics on this scheme and you don't give it to us.

**An Hon. Member:** — We've released them.

**Mr. Shillington:** — You have not. The minister stands up and gives us a lot of blather, but will not give us the statistics on who's utilizing this. I say, Mr. Minister, it would be very interesting, because I think it would establish that this is doing nothing for those who need it most.

Having said that, Mr. Speaker, our criticism of the Bill is what's not in it. We don't have any real criticism of this amendment as such, and we will therefore not be opposing this amendment.

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

**Bill No. 27 — An Act to amend The Mineral Resources Act, 1985**

**Hon. Mr. Lane:** — Thank you, Mr. Chairman. On behalf of the Minister of Energy, I rise on second reading of Bill 27, An Act to amend The Mineral Resources Act.

The amendments are of an administrative nature, and the amendment authorizes a reciprocal exchange of information agreement to be entered into with the Government of Canada or the government of any province or territory with regard to the enforcement of taxation.

Much of the information required by legislation to be reported to the department by those individuals that are actively exploring, developing, or producing the mineral resources of this province are very confidential. That is why The Mineral Resources Act contains a provision requiring that this information be kept confidential.

In administering the statute, my department officials are highly sensitive to the confidential nature of the information received. However, Mr. Speaker, there is a growing recognition by taxing jurisdictions that information exchange relating to the administration of taxation statutes makes a significant contribution in improving the enforcement of taxation legislation.

There is also a recognition that many of the problems encountered today are national in scope, and that assistance from other jurisdictions in assembling information for tax enforcement is necessary. Not only does the taxing jurisdiction benefit from this information exchange, but the taxpayer also benefits from a more equitable application of the taxing provisions, particularly where the operations are carried on in more than one jurisdiction.

The information that is exchanged between jurisdictions is used only for the purpose of aiding in an audit or an investigation under the respective mining tax and royalty provisions. Furthermore, each partner to the agreements will be required to keep the information and documents maintained pursuant to these agreements confidential in the same manner as if information or documents were obtained directly from the taxpayers themselves. Several of the provinces, Mr. Speaker, are now exchanging information, and this is helpful to both the taxing jurisdiction and to the taxpayer.

I urge the support and approval of this amendment by members of the Assembly, and I move second reading of Bill No. 27, An Act to amend The Mineral Resources Act.

**Mr. Shillington:** — I'm not going to make any comments on this, Mr. Speaker, other than to point out that our critic in this area is not in the House at the moment. And we are going to therefore adjourn the debate, and when our critic is back they will no doubt have comments to make on this.

Debate adjourned.

**Bill No. 29 — An Act to amend The Tobacco Tax Act**

**Hon. Mr. Lane:** — Mr. Speaker, this legislation increases the tax on a package of 25 cigarettes from \$1.42 to \$1.67, effective March 31, 1989, and the tax on one gram of fine

cut or pipe tobacco goes from \$2.30 to \$2.70.

In addition, Mr. Speaker, there are minor increases in the tax rates in cigars. The tax increases from 16 to 17 cents for cigars retailing for less than 20 cents. The tax on cigars retailing in the 21 to 40 cent category increases from 32 to 34. And for the . . . (inaudible) . . . member from Saskatoon, the tax on cigars retailing in the 41 to 60 cent category increases from 48 to 51 cents for a cigar. For those cigars that retail for more than 60 cents, the tax rate increases from 80 per cent of the retail selling price to 85 per cent of the retail selling price. They're expected to yield an additional \$16 million in 1989-90.

Consumption of tobacco has been declining, Mr. Speaker, in recent years, and much of this has been through people adopting healthier life-styles. However, higher tax rates have played a part in reducing consumption. In the past, organizations such as the Canadian Medical Association, the Canadian Cancer Society have appreciated the efforts of this government for increasing the tax rate on tobacco.

I move second reading of An Act to amend The Tobacco Tax Act.

(1445)

**Mr. Shillington:** — Mr. Speaker, one's view of the wisdom of this tax depends very much on whether or not you smoke. Those who do are noticing that taxes are getting very stiff indeed on tobacco. Those who don't think that no one should, and therefore the tax is appropriate. Suffice it to say with respect to all consumption taxes, these are retrogressive taxes, taxes levied without any regard to a person's ability to pay.

Mr. Speaker, we have been moving in this country away from corporate taxes and away from personal income taxes, which are by and large based on ability to pay, and towards consumption taxes, which are not. I think that's an unfortunate trend, and it continues to be unfortunate, even although the product which is being taxed is, in the eyes of many, an undesirable product.

So I say, Mr. Minister, that we will not be voting against this. It does not make a great deal of sense to be voting against this particular tax. We are, however, opposed to the increasing consumption taxes at the expense of corporate tax and other taxes based on the ability to pay.

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

#### **Bill No. 30 — An Act to amend The Fuel Tax Act, 1987**

**Hon. Mr. Lane:** — Mr. Speaker, I rise to move second reading of Bill No. 30, An Act to amend The Fuel Tax Act, 1987. This Bill increases the tax on gasoline and diesel fuel from 7 to 10 cents per litre effective March 31, '89.

In order to protect Saskatchewan residents, Mr. Speaker, the tax is fully rebatable for their personal use fuel purchases. And we continue to be the only province to provide such a rebate.

Mr. Speaker, farmers and other primary producers of renewable resources who hold fuel tax exemption permits may continue to purchase their fuel, tax free, in bulk from bulk fuel dealers. If they purchase their fuel, tax paid, in bulk or at retail, they may apply for a rebate. The tax changes are expected to yield an additional 62.1 million in 1989-90.

The Bill also establishes a 2 cents per litre non-rebatable environmental surcharge on leaded gasoline. The surcharge on leaded gasoline will generate about \$12 million revenue in 1989-90. The surcharge should reduce the incentive to use the higher pollutant leaded fuel before its sale terminates in December of 1990.

Mr. Speaker, the Minister of the Environment and Public Safety will, after consultation with established groups, introduce legislation to tax environmentally harmful products. The 2 cent per litre environmental surcharge will be imposed under that legislation when it's introduced; until then the surcharge will be imposed under The Fuel Tax Act, 1987.

This measure is one of many measures our government is taking to protect the natural environment for future generations, Mr. Speaker. Our social programs are an important part of the fabric of our society in Saskatchewan. This government is committed to protecting and enhancing these essential programs. The revenue measures outlined in this Bill will allow us to protect these programs so future generations will be able to enjoy the same benefits we cherish.

I move second reading of an Act to amend The Fuel Tax Act, 1987.

**Mr. Shillington:** — Thank you very much, Mr. Speaker. At the conclusion of my remarks on this Bill, I will be moving an adjournment of the consideration of this statute.

I may say, Mr. Speaker, it would have been very difficult, had you not heard the opening paragraph of the minister's remarks, to know what subject he was talking on, I think with good reason. This particular tax is unwise, it is most unfair, and I can assure the minister that we will be speaking against it and we will be, probably in due course, voting against it.

Mr. Minister, I just want to make reference to the minister's comments with reference to the environment. The minister suggested that the increasing tax on leaded fuel was making some sort of a contribution to a cleaner environment. As is so often the case with the Minister of Finance, what he said is utter balderdash.

The federal government has phased out, and has done so many months ago, phased out the use of leaded gasoline at the end of this year. Everybody who's at all interested in the subject has known that leaded gasoline will disappear on December 31, 1989. It was the case long before that tax was introduced. And so for the minister to claim that he somehow or other had made a bold, innovative step in cleaning up the environment is just nonsense.

Mr. Minister, the gas tax is a tax which falls most unfairly on small businesses. Farmers do not pay it, by and large,

do not pay it at all. They pay some of it, but not a great deal of it. Individuals can get a rebate. The vast majority of this tax is being paid by small-business people. Small-business people, which often service rural areas out of Regina, Saskatoon, and the other cities, contribute the vast majority of the tax.

I want to point out, Mr. Speaker, that the fuel tax . . . The amount raised in '88-89 in the fuel tax was \$148 million. In 1989-1990 it's estimated that there'll be 204 million raised, an increase of \$56 million, or well over a third — approximately 40 per cent increase.

Most of this tax is paid by small-business people, and many of them are not in a position to pass it on. This government sometimes, not often, but sometimes makes passing reference to the importance that small-business people play in this province. But you sure wouldn't know it from their actions, as distinct from what they say.

This is a tax which is most unfair. I would point out, Mr. Speaker — let me give you some examples. A trucking firm with 12 diesel units will now pay 107,000 per year in fuel tax. Bus company with 12 buses will pay 19,600. It's going to cost the school boards 2.6 million per year in gas tax, and it's going to cost the municipalities a good deal more than that.

This is a tax, Mr. Minister, which does not fall on everyone fairly — certainly bears no relation to the use people make of the roads, no relation to people's ability to pay. It's simply a tax that this government thinks will not cause a good deal of outcry.

Well I say, Mr. Minister, business people in this province are getting impatient. They're getting impatient with the level of taxes they pay, Mr. Speaker. I have been out of Regina and on Main Street in some smaller community at least once a week in connection with my role as Finance critic. The most common complaint by far and away on Main Street is taxes. It depends upon the kind of business. Sometimes it's property taxes, but sometimes it's gas taxes.

This government has been loading taxes on small businesses, all the while pretending to be their friend. Well I say, Mr. Speaker, the business community in this province is going to judge this government by their actions, not by their words. And this government's actions have been downright hostile to small businesses. It's they who are paying this tax. It's called the fuel tax. It might be styled, the tax on small businesses, because it is small businesses that pay this tax.

Mr. Minister, I know that there are others in our caucus who have concerns about the gas tax. I know there are others who will want to speak on it. We will certainly want to review the minister's comments in his claim to be protecting the environment.

I therefore, Mr. Speaker, move that debate on this Bill be adjourned.

Debate adjourned.

## **Bill No. 35 — An Act respecting the Implementation of**

## **the Grasslands National Park Agreement**

**Hon. Mr. Maxwell:** — Thank you, Mr. Speaker. I'm happy to stand today to move second reading of Bill No. 35, An Act respecting the Implementation of the Grasslands National Park Agreement. Now, Mr. Speaker, this Bill will allow the province to implement the Grasslands National Park agreement, and it will pave the way for the establishment of the Grasslands National Park by the Government of Canada.

The idea of a Grasslands National Park has been the goal of many residents, including conservationists, naturalists, wildlife enthusiasts, people who love the outdoors, Mr. Speaker, people who love that area of the province, since the late 1950s. That includes many members of the opposition.

This park will be the first grasslands park to be established in North America and I think that is very noteworthy, Mr. Speaker. It will serve as a representative landscape of the short-grass prairie, and of course that is an area very dear to Saskatchewan. The prairie captures the spirit and the imagination of all who visit it.

The Grasslands National Park will ensure that many rare and endangered species are protected. Wildlife species found in the park area include the burrowing owl, peregrine falcon, piping plover, plains pocket gopher, prairie long-tailed weasel, greater prairie chicken, prairie rattlesnake, and prairie dogs. And as most members would be aware, Mr. Speaker, recently we introduced the swift fox to this area of the province.

Mr. Speaker, I had the pleasure of signing the Grasslands National Park agreement on behalf of the province of Saskatchewan last September, along with the Minister of Environment Canada. This Act will authorize the Government of Saskatchewan to fulfil its obligations under that agreement.

Mr. Speaker, I invite all members to support this initiative and to participate in the establishment of the Grasslands National Park so that a unique area of Saskatchewan can be protected as a national park for the enjoyment, not only of this generation but, Mr. Speaker, future generations.

I now move second reading of The Grasslands National Park Act, 1989. Thank you.

**Mr. Thompson:** — Thank you very much, Mr. Speaker. Of course, Mr. Minister, we welcome this legislation which I indicate to you is long overdue and probably 10 to 15 years overdue. And one of the main stumbling blocks for implementing this park has been a major hold-up from your government for insisting on retaining certain rights over minerals and water resources within the designated national park — gas, oil, and exploration and water in the Frenchman River.

As you indicate, this park is going to be a great asset to Saskatchewan, and most certainly we can use more parks, I have always indicated, and my priority over the Grasslands park would have been a national park in the Clearwater valley. Of course, that has not come to be. But



I would sincerely hope, Mr. Minister, that you will take a look at continuing on and creating more national parks.

And the Grasslands National Park, as you indicate, is habitat for many wild animals such as you indicate — the kit fox, which is a new species that's been reintroduced into this province, and I sincerely hope that it is successful. And of course there's the burrowing owls, which is another species of bird that has to be watched very closely because it is coming close to extinction.

But, Mr. Speaker, in closing this off I say that we welcome this announcement and we sincerely hope that it proceeds as fast as possible. Thank you very much.

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

(1500)

**Bill No. 38 — An Act to amend The Saskatchewan Mining Development Corporation Reorganization Act**

**Hon. Mr. Hodgins:** — Thank you, Mr. Speaker. It's my pleasure to rise today before this Assembly and propose second reading of a Bill to introduce The Saskatchewan Mining Development Corporation Reorganization Amendment Act, 1989.

As the hon. members of the Assembly will recall, Cameco (Canadian Mining Energy Corporation), a Canadian mining and energy corporation, was incorporated on June 19, 1987, pursuant to the Canada Business Corporations Act, in order to accommodate the then-planned merger of SMDC (Saskatchewan Mining Development Corporation) and Eldorado Nuclear, a federal Crown corporation.

To facilitate this merger, this Assembly passed The Saskatchewan Mining Development Reorganization Act, which was given Royal Assent on June 29, 1988. Included in this legislation were provisions such as the requirements of Cameco to maintain its registered and head office in Saskatchewan, and the establishment of a special share to be issued to the province of Saskatchewan to preserve and protect the province's interest in this new entity.

Subsequently, SMDC and Eldorado Nuclear sold their assets to Cameco and created the operating entity that we know today. At the time of the sale of SMDC's assets to Cameco, SMDC had certain partnership arrangements which, for business reasons, neither they nor their partner wished to dissolve. There has been some question expressed that an assignment of SMDC's partnership interest to Cameco might trigger an unintended and unintentional dissolution of these partnership interests. In order to allay these concerns, the amendment contained in this Bill is proposed to the Assembly today.

Mr. Speaker, I therefore do move second reading of An Act to amend The Saskatchewan Mining Development Corporation Reorganization Act.

**Mr. Goulet:** — Mr. Speaker, a few comments. We will not be opposing what appears to be a technical change, but I

had a lawyer examine the change. There was some uncertainty as to exactly the explanation that the minister gets, so that there was a bit of . . . more, I guess, a question, a series of questions which I will raise in my short comments.

I guess, number one, in regards first of all the general outlines, you've made very clear, Mr. Minister, that this was one of the privatization of Saskatchewan Mining Development Corporation, and in a seven-year period it would be privatized to Cameco.

And the facts were very clear, Mr. Minister, in regards to the privatization process which started last year. And I would say off the bat that we were talking in regards to assets that ranged anywhere from 1.5 billion to 1.8 billion, you know, depending on who made the estimated figure on the assets.

And we were also talking to a yearly production of approximately a billion dollars. And we also recognize that the profit margins of SMDC were very clearly in the high range of a good business. And we were looking at a business profit of SMDC, on the year prior to its reorganization, of \$60 million. Last year I looked at the transfer to Cameco figures and it was \$52 million clear-cut profit.

And one of the major questions we had raised at that time, which I thought for a moment that the minister may have considered, was the question of jobs. And although the minister had said that no jobs would be lost during the privatization process, we recognized this year that 100 jobs were lost in Rabbit Lake, and also the fact that 250 lay-offs would be there for a six-month period, and also 14 jobs with an office closed down in La Ronge just this past week.

So that these are the general parameters of which we are talking about in regards to the specific technical amendment of section 38.

Now as I looked at the amendment, I thought first of all that there must be something major in regards to this. But the conclusion that come out of it, Mr. Minister, was again one of incompetence. I felt that this should have been done already during the reorganization in 1988, you know, rather than a year later. And I thought that this was another prime example of PC-styled incompetence.

And when I looked at the particular question, I thought maybe that it wasn't only incompetence but that the government had made another major error. And when I checked with the lawyer, there was two basic questions to this. And he thought that maybe it was a question of having to do, not only with a partnership Act but also a question relating to the Income Tax Act. And we couldn't figure out whether or not it had to do exactly with a partnership connection and the fear of dissolution of the original member in a partnership when it changes hands, because technically if there are two partners and one is dissolved, then you don't have a partnership any more; you only have, you know, one business. So we thought that maybe that was the original reason.

But the other reason that was raised was that some tax

authorities will argue that it may have something to do with the Income Tax Act. The explanation though that the minister makes is that it is one, you know, due to the dissolution of it.

So I would say overall, Minister, Mr. Speaker, that we will not be opposing this Bill, basically because it appears to be one of a technical nature, although I might conclude that this is just another example of long-term incompetence by this government. And it raises the point that the auditor raised earlier on, that mixed corporations cannot be accessed in terms of dollars, and maybe this is what this has to do with, but we will be raising these and other questions, you know, in the committee.

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

## ADJOURNED DEBATES

### SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hodgins that **Bill No. 2 — An Act respecting Railways in Saskatchewan** be now read a second time.

**Mr. Brockelbank:** — Mr. Speaker, I spoke briefly before on Bill No. 2, an Act respecting Railways in Saskatchewan, and I've had a chance now to examine the minister's comments in moving the Bill more thoroughly. As I read through the minister's comments, I notice that he remarks that the member for Redberry, the member for Kelvington-Wadena, and one of the other members, the member for Morse, have been significant fighters against rail line abandonment in Saskatchewan. He says they've been standing alongside the farmers at the rail line abandonment hearings and fighting to retain rail lines.

Well I think if we don't have the benefit of a historic perspective on what happened in rail line abandonment in Saskatchewan, some day that historic perspective will be here, and people in the future will be able to look back to see who was part of the problem and who was part of the solution on rail line abandonment in the province of Saskatchewan and on the prairies. I believe that the historians will conclude that the members for those three constituencies and their political party were part of the problem with regard to rail line abandonment in Saskatchewan.

This particular piece of legislation which I spoke on before, Bill No. 2, The Railway Act, which allows the growth of private railways under the Bill, in Saskatchewan, is really an inadequate response to rail line abandonment in Saskatchewan. I think that will be recognized, Mr. Speaker.

Bill No. 2 allows an opportunity for CN (Canadian National) and CP (Canadian Pacific) to sell off their failures. They'll be selling off their failures to local private operators. And this is not too much different, when you compare it, to the creation of VIA Rail in Canada. VIA Rail was set up to sell off an operation which the railways, CN and CP, didn't wish to carry on — to dump it all in an area called VIA Rail and design the thing for failure.

This is exactly what's happening with regard to rail line abandonment in Saskatchewan. The CN and CP are avoiding their obligations. They're selling off their failures to the private operators, whoever those operators may be.

We will want, in due course, to examine the minister in committee on this Bill to find out what kind of cushion the minister's going to provide for the private operators, and what access the people of Saskatchewan, the taxpayers, will have to information about the kind of provisions the minister will make in this cozy arrangement for private operators. That will be something of interest to us.

Bill No. 2 allows the federal government to continue to evade its obligation to move grain to the markets. That's what Bill No. 2 does. Bill No. 2 allows the Saskatchewan taxpayers, as opposed to the Canadian taxpayers, to assume more of the financial burden which should be paid by the taxpayers of Canada in general. That's what Bill No. 2 will do.

Bill No. 2 is a sop to the Manalta Coal. It makes it very convenient for Manalta Coal to improve their operations. Manalta Coal, as members will know, is an operation which assumed, at cut-rate prices, assets of the Government of Saskatchewan which they are turning to their advantage at the detriment of the taxpayers of Saskatchewan. Manalta Coal is obviously one of the ones who's going to want a private rail line; it's going to be one of the private operators, or some such arrangement with Manalta Coal.

So you can see, Mr. Deputy Speaker, that this Bill raises a number of questions which I know I will be wanting to ask a number of detailed questions about when we get into committee on this Bill. And I hope that the minister has appropriate answers, because we'll be asking a number of questions about rail line abandonment and the inter-relationship with the growth of private railways in Saskatchewan.

We know that the majority of railways in Saskatchewan are protected until the year 2000. However, after the year 2000, which is not too far away, Mr. Deputy Speaker, up to 50 per cent of those railways could be abandoned. We'll want to know what the government . . . how the government is aiding and abetting the abandonment of rail lines in rural Saskatchewan.

The branch line rehabilitation program concludes in 1988 . . . 1990 year, and I'll want to know in committee, when the minister's dealing with the detail of this Bill, what kind of financing commitment has been made to the province of Saskatchewan with regard to rail line rehabilitation, whether that commitment has been exhausted, and other terms with regard to the railways in rural Saskatchewan.

(1515)

What the private operators will be doing, as I said in my initial remarks, will be taking over the failures of the CN and the CP in rural Saskatchewan. We'll want to know what kind of provisions will be made for these failures to be made valid operating entities in rural Saskatchewan to

get our grain to market. We'll want to know how all parties will be protected when this legislation's put into effect, and how the private operators will have to answer to the public for the movement of public goods.

So I serve notice on the Minister of Highways and Transportation that there are a number of questions that will have to be asked when this Bill gets into committee.

**Mr. Upshall:** — Thank you, Mr. Deputy Speaker. I too would like to enter in this debate. There's a number of areas that we have to look at in this Bill, and one of those being how this Bill is going to affect the national rail policy that is so necessary to have in place, especially for Saskatchewan, being the land-locked province, and how that will relate to the movement of grains and products out of this province that benefit Canada as a whole, not just Saskatchewan.

We have to look at the process that we are possibly going through where . . . In the past, you'll know that the government in Ottawa is trying to cut their transfer funds into Saskatchewan, and in turn the provincial government is passing on to municipal government, and eventually, of course, the taxpayers have to pick up that tab.

In the whole movement of grain and the short-line railways, we have to remember that there are a number of instances in Saskatchewan where, through political manoeuvring, and through meeting with all the people involved, that it is being determined where the elevators are going to be located and where they won't be located. And we have to ensure that the process that we're going through now will not affect how and where elevators are placed, how lines are upgraded, and how elevators are upgraded.

So there's a number of areas of concern that I have in this area. But for right now, Mr. Deputy Speaker, I would move that we adjourn debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hodgins that **Bill No. 3 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Railway Act** be now read a second time.

**Mr. Brockelbank:** — Mr. Deputy Speaker, I have very little to say on this Bill, which is consequential on the previous Bill we've just discussed. However, I think it's suffice to say at this point that the main Bill that we've completed talking about at this point, completed second reading on, is the Bill that should be considered first, and the consequential Bill should follow afterwards. If that order is followed, I see no problem with the second reading of this particular Bill, and we'll get into the main Bill in committee.

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Schmidt that **Bill No. 9**

— **An Act respecting Adoption** be now read a second time.

**Mr. Prebble:** — Thank you very much, Mr. Deputy Speaker. Mr. Deputy Speaker, we have a number of concerns about this piece of legislation. We're not able to support this legislation in its current form, and I say that for a number of reasons.

Mr. Deputy Speaker, there are two parts of this Bill which are particularly objectionable. One part is a proposal for the Saskatchewan government to allow the establishment of private agencies that will handle, particularly, infant adoptions in the province of Saskatchewan.

And clearly what the government's agenda is, Mr. Speaker, is to have established two, or at the most three, private agencies in the province of Saskatchewan which will assume responsibility for a large portion or perhaps all infant adoptions in this province.

And we have objections to that on a number of accounts, Mr. Speaker. First of all, we have a concern about the ability of rural people and northern people to adequately access adoption services in the province of Saskatchewan. At this point in time, the people of Saskatchewan are well served through a number of regional offices of the Department of Social Services, where if they want to apply to be an adoptive parent or if they in some other way want to avail themselves of the adoption services offered by the Department of Social Services, they are able to do that, and they are able to do that without driving significant distances.

In effect, what the result of this Bill and the changes that are being planned by the PC government and the Minister of Social Services, the member for Melville, in effect what will happen, Mr. Speaker, is that two or three private agencies will be established in the province of Saskatchewan which will have responsibility for handling the large bulk of infant adoptions in this province. And we are talking, Mr. Speaker, not about a large number of children. We're probably talking about less than 100 children a year.

Now the concern that we have about that, Mr. Speaker, is that clearly these agencies are going to establish in the major urban centres of the province of Saskatchewan. They will establish in centres like Regina and Saskatoon. In fact, we already have one private non-profit agency operating in the city of Saskatoon, Mr. Speaker.

But the result will be that we will see no more, I suspect, than three private agencies operating in this province. And that will mean that anyone who lives in Rockglen or who lives in La Ronge or much further north in this province will be at a very real disadvantage when it comes to accessing infant adoption services in Saskatchewan.

Because in effect, it appears from all the planning that has gone on in conjunction with this Bill, Mr. Speaker, that the agenda of the Minister of Social Services is to have the Department of Social Services basically get out of the infant adoption field.

Now that reality, Mr. Speaker, leads to a number of other important concerns. Because if you look at the way that the private agencies may well operate, and you realize that rural people are not going to be able to access adoption services and access the services delivered by those agencies as easily as urban people are, then clearly rural people and northern people are going to be at a disadvantage when it comes to adopting children.

And I say this with a great deal of concern. And I've heard the Minister of Social Services, because I've raised this issue on previous occasions, say absolutely nothing to rebut it, Mr. Speaker.

You look at the way that Christian Counselling Services, for instance, in Saskatoon operates right now. And one can't help but notice that the large majority of people who are on the waiting list for Christian Counselling Services in Saskatoon to adopt a child are, naturally enough, from the city of Saskatoon.

But the question becomes, how will people in rural Saskatchewan and in northern Saskatchewan adequately access these adoption services? And I believe, Mr. Speaker, that they will be at a significant disadvantage.

Now, Mr. Speaker, we have a second concern with respect to the establishment of private agencies, and our second concern relates to the very real possibility that these agencies will charge a fee for their service and that in addition to that, as a result of this legislation, Mr. Speaker, the adoptive parents will have to pay legal fees and significant amounts of legal fees in order to complete the adoption process and adopt a child.

Mr. Speaker, first of all with respect to agency fees, the Minister of Social Services has already indicated that he would have, as I've understood it, no objection to private agencies charging fees. I find that, Mr. Speaker, and members on this side of the House find that to be very disturbing because, in our view, the ability to adopt a child should not depend on one's ability to afford that adoption, Mr. Speaker. Instead, whether or not someone becomes an adoptive parent should depend solely on whether or not that family would be a good family for a child to be adopted into. That should be the sole criterion under which adoption takes place in this province.

And, Mr. Speaker, what the Minister of Social Services and the PC government wants to introduce into the equation is the question of the adoptive parents' ability to afford an adoption. And what that will mean, Mr. Speaker, is that those who are well-to-do or at least middle income will be able to afford adoptions, and those who are of lower income will not be able to afford or at least easily afford to adopt a child — another two-tier system in the province of Saskatchewan that this government has become well-known for with its record over the last seven years, Mr. Speaker.

Now, Mr. Speaker, I want to elaborate on this concern, because although the agencies to be licensed, the private agencies to be licensed specifically under the Bill are to be non-profit agencies, obviously those non-profit agencies, private non-profit agencies will experience very significant costs, Mr. Speaker.

First of all, there'll be the cost of staffing the agency; the cost of renting a location; the cost basically of doing all the business that it will be responsible for with respect to the processing of the adoption. And, Mr. Speaker, that cost can only be handled if the Government of Saskatchewan is prepared to fully pay the agency for all those costs. And we have seen no indication from the Minister of Social Services that he is, in fact, prepared to cover those costs for the agencies that will establish.

In fact, Mr. Deputy Speaker, if you look at the record of the one agency that is operating now, namely Christian Counselling Services in Saskatoon, I am informed, Mr. Deputy Speaker, that even Christian Counselling Services, although it's been a pilot project, has not had its costs of undertaking the adoption service that it offers fully covered by the Government of Saskatchewan. It has had to pick up some of the costs itself through other moneys that it's able to raise.

And so, Mr. Speaker, even this pilot project was not fully funded by the Government of Saskatchewan. I think therefore that there is every reason to think that other private agencies that are established will not have their costs fully funded either. And if those private agencies don't have all their costs covered by the Government of Saskatchewan, they will have no choice, Mr. Speaker, but to charge adoptive parents a fee for their service. And that, Mr. Speaker, is unacceptable. It's clearly unacceptable to members, at least on this side of the House.

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

**Mr. Prebble:** — Now, Mr. Speaker, I said that I believe that these private agencies will have to charge a fee and that the Minister of Social Services has no objection to that.

And another reason, Mr. Speaker, why we are unfortunately confident that the minister fully intends for private agencies to charge a fee, is that recently, over the last 18 months, the Minister of Social Services has changed a number of the regulations governing post-adoption services in this province to require that adoptive parents and adoptive children and birth parents are all charged fees by the Department of Social Services when they take advantage of post-adoption services in the province of Saskatchewan, Mr. Speaker.

(1530)

Do you know, Mr. Speaker, that the Minister of Social Services is the first Minister of Social Services in Canada to set fees, to charge fees to people for the provision of personal information about themselves when it comes to the post-adoption registry in the province of Saskatchewan?

If you, for instance . . . right now, a person wants to find out what the heritage of their birth parents were. If an adoptive child wants to know some information about their natural mother or their natural father, Mr. Speaker, if they want to know what their hair colour was or what their eye colour was or what their heritage was, do you

know the Minister of Social Services charges \$60 for that information, Mr. Speaker? — information that is only available through the Department of Social Services, information that no other province in Canada and no other minister of Social Services in Canada charges for, but this Minister of Social Services has sought to charge for that. Mr. Speaker, that information used to be free. It was free when the NDP was in office, but it's not free under a Tory government in the province of Saskatchewan, Mr. Speaker.

Mr. Speaker, if an adoptive child wants to make contact with their natural birth mother or their natural birth father, do you know, Mr. Speaker, that even if the Minister of Social Services and his officials know where the natural birth mother or natural birth father are, there'll be a charge to the adoptive child of some \$300 for them to make contact with their natural mother or father, even if the location of the natural birth mother or father is fully known by the Department of Social Services.

Now, Mr. Speaker, that kind of charge is inexcusable, in our judgement, in the province of Saskatchewan. It's inexcusable for the government to charge people for personal information about themselves and their natural family, Mr. Speaker.

Now a government that is willing to charge people for that kind of personal information, which this government is willing to do, will have no hesitation at all to require that private adoption agencies charge adoptive parents for adoption services in this province. And, Mr. Speaker, I fear that when this legislation is law, we will see private agencies take over the infant adoption services in this province. They will not be fully funded by this government. They will be forced to charge fees, and often, I believe, prohibitive fees to adoptive parents. And low income adoptive parents in this province will find the process of adoption very difficult in light of those charges.

Now, Mr. Speaker, we'll see if that comes to pass. And I will be asking the Minister of Social Services detailed questions on this matter when we get to Committee of the Whole. But I have no doubt, Mr. Speaker, that that's the agenda of the Minister of Social Services, and I believe that we will see that come to pass in the months after this Bill unfortunately becomes law.

Now, Mr. Speaker, in addition to the prospect of an agency fee, of the private agency charging a fee to adoptive parents for adoption services in this province, it's also clear from this Bill that adoptive parents are going to have to pay legal fees, because this Bill rightly requires, in the case of, for instance, dealing with an agency, that an adoptive parent get independent legal advice. Now we have no problem with the notion that adoptive parents ought to get independent legal advice. But, Mr. Speaker, in our view the Department of Social Services should pay for that legal advice, not the adoptive parent.

But that's not what this Bill says. This Bill says that adoptive parents will be required by law, on several occasions during the adoption process, to get independent legal advice, and on each of those occasions, Mr. Speaker, they'll have to pay for that advice themselves. That will undoubtedly come to several

hundred dollars, and that's something that many adoptive parents will not find easy to afford.

Now, Mr. Speaker, when someone becomes a parent, whether a natural parent or an adoptive parent, they take on a very important responsibility to society. Adoptive parents, Mr. Speaker, also perform a very important function for this society. They take on the responsibility of raising a child from the time of birth to 18 years, and in reality take on a responsibility that goes for many years beyond that. And that's a responsibility that no adoptive parent takes lightly. And that's a responsibility that society should express appreciation for. Society, I believe, appreciates adoptive parents taking on that task.

And, Mr. Speaker, in my view, the least that the Department of Social Services can do is ensure that adoptive parents aren't encumbered by significant amounts of expense, legal expense, during the process of adoption. And yet what does the Minister of Social Services choose to do? He chooses to place that expense clearly on the backs of adoptive parents, Mr. Speaker, and we on this side of the House believe that that's inappropriate and unacceptable.

Now, Mr. Speaker, we have several other concerns with respect to this Bill, and I want to comment on them at this point. A second concern we have, Mr. Speaker, is with respect to the process as it relates to independent adoption. And I want to make it clear right now, Mr. Speaker, that I'm not referring to the process of step-parent adoption. It's quite common, Mr. Speaker, that in the event of a death among a husband and wife, if the husband or the wife dies, it's obviously not uncommon at a future date for the remaining partner to remarry.

And it's natural, upon that situation occurring, that the step-father or the step-mother will want to formally adopt the children of the previous marriage. And that's perfectly understandable and very appropriate, and obviously we want to support that. And should that occur, Mr. Speaker, we on this side of the House don't see any need for a detailed home study to be done before that adoption goes ahead.

But, Mr. Speaker, we on this side of the House do believe that it's very important for an independent home study to be done for all other kinds of independent adoption. It's not good enough, Mr. Speaker, just to leave it to the discretion of a judge as to whether or not a home study and detailed research into the ability of a prospective adoptive family to adopt children should be . . . it's not good enough to leave it up to a judge to decide whether or not that kind of research and that kind of home study should be done, which is what this Bill does, Mr. Speaker. This Bill does not require home studies to be done in the event of independent adoptions, and that is a very serious concern.

For those members of the Assembly, Mr. Speaker, who are not familiar with what an independent adoption is, it very simply means a situation in which the natural mother or father, usually the natural birth mother, makes a decision, Mr. Speaker, about who will become the adoptive parent. In other words, the birth mother decides

who will adopt her child.

Now, Mr. Speaker, independent adoptions have been going on for some time in the province of Saskatchewan. They'll continue to go on as a result of this Bill. And there is nothing wrong at all with that process except, Mr. Speaker, that before that adoption is completed, there ought to be a home study done.

We should not just assume, Mr. Speaker, that the birth mother has made the right choice with respect to prospective adoptive parents without some kind of independent assessment taking place first. And in 95 per cent of cases, Mr. Speaker, the birth mother will have made the right choice.

But, Mr. Speaker, there should be a check done, for instance, to make sure that the prospective adoptive parents don't have a criminal record. There should be a check done to make sure that there are not other serious social problems within the prospective adoptive parent family that would make the placement of a child inappropriate in that family or with those adoptive parents, Mr. Speaker. We require, by law, independent studies to be done for all other forms of adoption in the province of Saskatchewan, but the Minister of Social Services wants to exempt independent adoptions from that process, Mr. Speaker, and we believe, on this side of the House, that that's inappropriate.

Now, Mr. Speaker, there are two or three more minor issues that we would want to raise with respect to this Bill. One is, Mr. Speaker, that I note with some concern in the Bill that there is a provision in this legislation for independent legal advice, which is good, except it should . . . the cost should be covered, as I mentioned before, by the Department of Social Services. But there is no provision in this Bill, Mr. Deputy Speaker, for independent psychological and emotional counselling for birth parents and, if necessary, for adoptive parents.

Mr. Deputy Speaker, why is it that the Minister of Social Services thinks that getting independent legal advice is so important but that there is no importance attached to independent psychological and emotional counselling, which is just as important, in our view, as the legal advice when it comes to the adoption process, Mr. Speaker, because this is above all a social process rather than a legal process. And yet there is no assistance offered and no provision for covering cost of assistance offered in this Bill for social, emotional, and psychological counselling, Mr. Speaker, and I think that that should be covered. It should be provided for under this Bill. Those sorts of services really ought to be offered by the Department of Social Services, Mr. Speaker, and yet we see nothing in the Bill with respect to that.

Further, Mr. Speaker, I also note with some concern that the Minister of Social Services has chosen to change the Bill that he originally brought in last year, in 1988, respecting adoption in one very important area. And that is, Mr. Deputy Speaker, that he has chosen to change the period of time during which a birth mother can revoke a consent to adoption.

Now I think this is an important issue, Mr. Deputy

Speaker. A decision by a birth mother to put her child up for an adoption is obviously a very major, major decision. It's not something that any birth mother does lightly. And we've seen fit in this legislature and as a society to put in place a provision whereby birth mothers can change their mind after they've consented to the adoption, within a reasonable period of time. And the period of time that was provided in the legislation that was brought in in 1988 was a period of 30 days which, in my judgement, was reasonable.

Now there is a good deal of hardship created, Mr. Deputy Speaker, when a birth mother does change her mind with respect to consenting to an adoption and revoking the adoption order because, Mr. Deputy Speaker, the adoptive parents, during that 30-day period, have obviously begun to bond with the child that they've adopted. And it's very, very hard on adoptive parents in the event that a birth mother does choose to revoke her consent to adoption. It's very hard on those adoptive parents, and no one wants to diminish the impact that it has on a couple who've just adopted a child, when they suddenly find out that that consent to adoption has been revoked.

But on the other hand, Mr. Deputy Speaker, it is a very major decision for any woman in this society to make the difficult decision to put her child up for an adoption. That is always an extremely difficult decision, and it's a decision that should never be taken lightly. And it's a decision that people sometimes have serious doubts about, and in some cases, Mr. Speaker, upon having serious second thoughts about it, it's a decision that they choose to change.

Now what the Minister of Social Services is doing under this Bill is he is reducing the amount of time that he was originally proposing for this consent to adoption to be revoked. He's reducing it from 30 days to only 14 days. In other words, following the adoption and the consent to adoption, a birth mother has only 14 days now, under this Bill, to change her mind.

(1545)

And, Mr. Deputy Speaker, I think that her decision to put her child up for adoption is such a major decision in her life that she has a right to have a period of 30 days to change her mind and to revoke the consent to adoption if she chooses to do that. And I don't think that the Minister of Social Services should take that away from her, Mr. Speaker, which is what's being done under this Bill.

So, Mr. Speaker, I say then that on at least four accounts this Bill is wanting, and on two accounts, very seriously. First of all, Mr. Speaker, this Bill, Bill 9, on adoption, is objectionable because it proposes to place the process of infant adoption in the hands of private agencies rather than the Department of Social Services. And we believe, Mr. Speaker, that the Department of Social Services was, generally speaking, doing a fair and equitable job in terms of offering quality adoption services to the people of Saskatchewan.

Clearly the agenda of the government is to move the adoption services into the hands of private agencies. And

as I said, Mr. Speaker, we find it objectionable that there will be only two or three private agencies in the province of Saskatchewan that will handle these infant adoptions, and that therefore, Mr. Speaker, adoption services will not be accessible to the people of rural Saskatchewan and the people of northern Saskatchewan who will be at a significant disadvantage, Mr. Speaker, with respect to accessing adoption services in the province. Because the private agencies will be located in Saskatoon and in Regina and will be able to provide service to people in those cities, but people in Rockglen and in Buffalo Narrows will no longer be able to access infant adoption services in the province of Saskatchewan. They'll no longer be able to rely on their local regional office of the Department of Social Services; they'll have to go to the private agencies, and therefore will have unequal access to adoption services in the province of Saskatchewan, Mr. Speaker. And that's our first concern.

Our second concern, Mr. Speaker, is that we object to the principle that adoptive parents should have to pay legal fees for adoption services and should have to pay what may well be hefty agency fees for adoption services. And this Bill ensures that adoptive parents will have to pay legal fees on at least three occasions when they adopt a child, which will run them several hundred dollars at least. And we object, Mr. Speaker, to the notion that private agencies should be allowed to charge fees to adoptive parents in the province of Saskatchewan, which will clearly happen once this Bill comes into force.

Third, Mr. Speaker, we object to the provision in this Bill which fails to ensure that when independent adoptions take place in the province of Saskatchewan, there will be a home study done before the independent adoption is completed. And as I mentioned, we're not talking here about step-parent adoptions; we're talking about other independent adoptions. What this Bill in effect does in my judgement, Mr. Deputy Speaker, is it makes independent adoptions easier in the province of Saskatchewan, and it makes no provision at all for home studies to be done before independent adoptions go ahead. And that, in our judgement, is highly inappropriate.

There is no basis, Mr. Deputy Speaker, for saying that all other adoptions will be subject to a home study but independent adoptions will not be. We believe that the Bill should be changed to ensure that whenever an independent adoption is done, a home study will be done first.

Fourth, Mr. Speaker, we object to the provisions in this Bill which will continue to allow the Government of Saskatchewan to charge unreasonable fees for post-adoption services in the province of Saskatchewan. We find it, Mr. Speaker, highly objectionable that adoptive parents should have to pay \$60 just to get some information on the medical history of the birth parents of the child that they've adopted.

We find it objectionable, Mr. Deputy Speaker, that an adoptive child should have to pay hundreds of dollars to make contact through the Department of Social Services with her natural father or natural mother, particularly when the Department of Social Services already has the location of the birth parents on hand in their office.

We think it should be a basic principle of this legislation, Mr. Speaker, that adoptive children, birth parents, and adoptive parents should not have to pay for personal information about themselves or about the child that they've adopted. And this Bill will ensure that that continues to be the case in the province of Saskatchewan, the only province in Canada that charges people hefty fees for personal information about themselves when it comes to the adoption process.

And finally, Mr. Speaker, we object to the fact that there is no provision in this Bill for people to get independent counselling during the adoption process or prior to or after the adoption process in the province of Saskatchewan. Surely, if it's important to get independent legal advice prior to an adoption being completed, it's only reasonable that people should also have access to independent counselling, and yet this Bill makes no provision for that at all, Mr. Speaker.

We believe that the Department of Social Services should be paying for the legal costs, not the adoptive parent. We believe that the Department of Social Services should be paying for the counselling advice, not the adoptive parent. It should be a basic rule in this province, Mr. Speaker — and this gets to the heart of the Bill and the fundamental difference that we have on this side from members opposite on the government side, and that is that we believe that the sole criterion for adoption in the province of Saskatchewan should be whether or not the prospective adoptive parents would make good parents for the prospective adoptive child; whether they would be a good family for a child to be adopted into and to live with for the rest of their childhood life, until they become an adult; and that what should not be a criterion is whether or not those prospective adoptive parents have the ability to pay for legal costs and agency costs and counselling costs during the adoption service.

And the government members opposite have chosen to place the burden for those costs on the adoptive parent, rather than those costs being covered by the Department of Social Services, as they are now. And we take strong objection to that, Mr. Speaker. We take strong objection to that, and for that reason we will be opposing Bill 9.

Motion agreed to on division, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Andrew that **Bill No. 11 — An Act to amend The Criminal Injuries Compensation Act** be now read a second time.

**Mr. Koskie:** — Thank you, Mr. Deputy Speaker. Mr. Minister, I have a number of concerns I want to raise when we get into the Committee of the Whole. But first of all, in respect to it, I hope you will assure the House that in moving the amendments, that you have had contact with the various groups that are interested in respect to the compensation paid under this particular Act.

And I note that the Law Reform Commission has basically recommended, Mr. Minister, that governments should

compensate crime victims for their suffering, even if they're not totally innocent. That was the recommendation of the Law Reform Commission, and I don't see that provision being adopted within the legislation.

In fact, I think there are some positive aspects to your amendments, but also there are some which I think are less favourable to the victims seeking compensation under the Act.

I see where you indicate that there can be interim payments made, which wasn't provided before. And I think that makes good sense, interim payments before the board has made their final ruling.

The difficulty that I see is that after they reasonably satisfy themselves that there's likely to be an order made in favour of compensation, that the board then can go back, in the event that they should rule the other way, on the recovery of that money. That puts those people in very, very difficult circumstances, because why the money is being granted in the first place, one of the considerations is the financial position of the individual, where their financial needs are very great, and that's why the interim is put into effect. But it's just like welfare payments. Once granted by the department — and then for financial reasons — and then if it's reasonably substantial and then if the board should decide otherwise, you say they can come back and recover that money. That puts them into a very, very difficult situation.

I think a couple of other aspects of that. I note in the Bill, and I don't want to go section by section just on the general principles, but I notice that you have also included the right of the subrogation similar to the compensation board. And I take it that provision was not there before. And I guess I don't disagree with that, but the provision which I take a little exception to, I think, is in respect to where an individual has received a compensation and then subsequently he is the actor or causes an injury to someone else, then you have a situation where you deduct any payments to the extent of the previous compensation that he received. This is really in respect to section 39.

I would have thought that the merits would be based on the particular facts there and would not relate back in respect to a previous offence, that he may have caused compensation to be paid. I don't know why you relate the two in respect to that, that that's really basically section 39.

Those are our general comments. I want to go into some of the specific details of your amendments . . . generally supportive of those, with some explanations in respect to a couple of the issues that I have raised, Mr. Minister. And further, whether or not and why you have not, in fact, considered the Law Reform Commission's recommendation, and whether or not that report could be made public in order to see whether or not those recommendations are somewhat consistent with the other amendments that you have made in respect to the Bill. Other than some specific questions on a few of the specific sections, we will be supporting the amendments.

**An Hon. Member:** — Is that the Law Reform Commission of Saskatchewan, the Law Reform Commission?

**Mr. Koskie:** — Yes, yes. Yes, the Saskatchewan Law Reform Commission. And it made that recommendation that government should compensate crime victims of their suffering even if they're not totally innocent. And that was the recommendation of the Law Reform Commission.

With those comments, Mr. Speaker, we're prepared to support the amendments, and we'll deal with some of the specifics in Committee of the Whole.

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

(1600)

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Andrew that **Bill No. 12 — An Act respecting Regulations** be now read a second time.

**Mr. Koskie:** — Thank you again, Mr. Deputy Speaker. In respect to the amendments to The Regulations Act, well actually the Act may be cited as The Regulations Act, 1989.

As the minister has indicated here, and we're in concurrence with it, is that the major purpose of the Act is to introduce what is termed "the key word test" to determine what a regulation, in fact, is.

Under existing Act, a regulation is defined as a regulation, rule, order, or by-law of a legislative nature. And what is happening now is that there is going to be a clear test decided by the Legislative Assembly, I take it, as to determination of what really is a regulation. We concur with that.

I note also that Manitoba has introduced similar clarification. I believe Alberta is working on it and British Columbia. So in that respect, we are in concurrence.

I take it that the recommendation for the "key word test" was recommended back in 1983 by the uniform law conference and forms part of the uniform regulations Act.

I think generally it's a step forward. There's a couple of items which we'll deal with in clauses. And the potential for the retroactivity of regulations, I want to raise that, and why you would seem to need retroactivity in regulations. And that potential is set forward.

One other aspect that you have changed, and we're not hung up on it a lot, but the minister here now appoints the registrar of regulations, rather than the Lieutenant Governor in Council.

I note also in looking at a couple of the other Acts, they have also adopted the right of the minister to appoint the registrar. I don't think it's a big item, but perhaps we could have your rationale in respect to that.

But generally speaking, we will be supporting the



amendments . . . or the Act, and have those specific questions during the Committee of the Whole.

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Andrew that **Bill No. 13 — An Act respecting Certain Amendments to Certain Acts resulting from the enactment of The Regulations Act, 1989** be now read a second time.

**Mr. Koskie:** — Thank you, Mr. Speaker. This Bill is consequential in respect to The Regulations Act which we just discussed, and subject to the comments and the clarifications in The Regulations Act that I raised with the minister, we will be supporting that.

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

**Hon. Mr. Andrew:** — I wonder, Mr. Speaker, with the indulgence of the Clerks, if we could move to item number 11, Bill No. 19, and deal with that, and then deal with item number 10, Bill No. 16, The Clean Air Amendment Act. Only in the sense that the hon. member has had then the four Bills that he's dealing with and they're somewhat related. If you could do that, please.

**The Speaker:** — With leave of the House, we can do that. Is the House agreed?

Okay, then we'll do that.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Andrew that **Bill No. 19 — An Act respecting Victims of Crime** be now read a second time.

**Mr. Koskie:** — Thank you, Mr. Speaker. We've taken a look at the new Bill, The Victims of Crime Act. I want to note that this Bill is being passed . . . or being submitted here in contemplation, I take it, of an amendment to the Criminal Code which is going to be putting a surcharge in respect to levies or fines imposed on those who have committed a crime.

We will want to discuss whether or not this overlaps in respect to the crime compensation Act or whether it has a separate defined purpose. In looking at the purposes of this, it seems to be somewhat akin to what is being covered under the previous Act that we dealt with, and therefore we want that clarification.

Also I guess what we would like to know whether you have any knowledge, Mr. Minister, in respect to the anticipated surcharge that is likely to be imposed. Our understanding is that it's somewhere around 15 per cent. I don't know if that's accurate or not. But other than that, clarification as to whether or not there's overlapping, we will want to know those particular inquiries. But in principle, I think we would be prepared to support you again in respect to the legislation. Thank you, Mr. Speaker

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Swan that **Bill No. 16 — An Act to amend The Clean Air Act** be now read a second time.

**The Speaker:** — The member's not in his seat; he cannot speak.

**Mr. Lautermilch:** — Yes, Mr. Speaker, in the absence of the critic, I would move that we adjourn the debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Lane that **Bill No. 20 — An Act respecting the Reorganization of the Potash Corporation of Saskatchewan** be now read a second time.

**Mr. Koskie:** — Thank you, Mr. Speaker. I rise to enter into the debate on Bill No. 20, the potash corporation reorganization Act. And I want to say at the outset, Mr. Speaker, that we have indicated our concern in respect to the government's obsession with privatization and indeed the privatization of the Potash Corporation of Saskatchewan.

We have a situation that we're dealing with, the privatization which this Bill would in fact effect at a time when the industry has turned around.

This year the government was able to report that the people of Saskatchewan benefitted by the potash corporation to the tune of \$106 million — \$106 million into the coffers of the Government of Saskatchewan. And indeed if you look at other Crown corporations, you will find that, not only with potash but others, that this government has been able to raise a very substantial amount of revenue for the people of Saskatchewan.

I think that the people of Saskatchewan should be concerned with what is happening because the record of this government in respect to privatization is not one that is to be envied. And in this Bill here, Mr. Speaker, what the government proposes to do is to sell some 55 per cent of the potash, that amount which they decide to sell, to privatize — 55 per cent of it can be sold to residents. But within that definition of residents, it means all Canadians.

And we here, here we see a contradiction, a very major, basic contradiction in the government. On the one hand they're saying everything is being given to eastern Canada; that's where the industry is; we have to diversify; we have to build. And in the next step what we're doing is allowing eastern Canada to take control of our economic destiny by the privatization which this Bill purports.

There's no doubt that a large proportion of the equity in this potash corporation, if privatized, will be owned by eastern Canada. And it seems to me, as we have been saying on this side of the House, that we have to be in control of our own economic destiny here. And one way of doing that was to use joint ventures and Crown corporations. And I've always said, Crown corporations — I don't believe in total ownership by government any

more than the members on the other side do. But we have to analyse how we develop our economy, and it seems to me that a Crown corporation having a window to the industry is of immense value to the people of this province.

And all I can say is in respect to . . . I want to say in respect to using the analogy of Saskoil, we had a window into the industry and that Saskoil gave to the people of Saskatchewan in '85, I believe, the last year it was not privatized, \$44 million. And that was operating on the same ground rules as the privates. And so we knew we were being reasonable in our taxation policies and that we were getting the maximum amount for the people of Saskatchewan.

Now those that say it has to be all privatized, one, disregard the difficulty that we have had in the laborious efforts that we've had in order to build a strong economy here in Saskatchewan to increase the population growth. And I think by the total privatization, basically the people of Saskatchewan will be losing control of a very important industry.

I think if the government was serious that they're dealing with the people of Saskatchewan in privatization, and I would concur with some notion along these lines. But if you wanted to, over a period of years with Saskatchewan people, totally Saskatchewan people, setting up an entrepreneurial group that can run potash mines, that we do that. But for us to take what is making piles of money — \$106 million this year — and suddenly saying, for the sake of privatization we're going to turn it over to the financial barons down in Toronto and Montreal and it's going to be better for the people of Saskatchewan, I'm not one that believes that.

I say that the people of Saskatchewan have worked and used all of the cylinders of development of the economy, and potash demonstrates that. The records will show, Mr. Speaker, if you go back you will find that during the years that we were in government from 1976 to 1982, every successive year, millions of dollars were poured into the province of Saskatchewan — millions of dollars — over \$400 million during those period of time, benefit to the people of Saskatchewan. That's over and above paying those same royalties as private companies.

Now where do you suppose that profit would go if it was owned in Montreal or in Hong Kong or in China? It not necessarily would be reinvested here in the province of Saskatchewan. Not necessarily, in fact, not likely.

And so what we're saying here, I think we had the best of both worlds. We had public participation in about 40, 45 per cent of the production. And that has gone up a little, perhaps up to 48 per cent of the productive capacity under public ownership. And I'm not saying that we have to be frozen at that level, but if you're going to divest, surely there can be a plan that the people of the province of Saskatchewan can have over a period of time, rather than turning it loose to the outside interests.

(1615)

It baffles my mind to see the Premier and the Minister of

Finance take their trip to the Far East and come back here and say: Japan is excited about buying in; China is interested in buying in; Taiwan wants to buy in; Korea wants to buy in. Well can you imagine why they want to come over to Saskatchewan and buy in?

Two reasons: one is they want to have control of a major resource to supply their own market through their investment; secondly, investors don't invest unless there's profit. Major corporations don't invest unless it's a relatively good deal. And under this government, I'll tell you, under their privatization kick it's the best deal that money can buy.

Because what they do here in privatization is to undervalue the asset, set the valuation way low, make it enticing for those to purchase shares, and they get an asset twice the value of what they're being offered to the public. And of course there will be takers. And then after they get that set up, they say, well it's going to be 60 per cent government and so much privatized. Well isn't that a great deal.

Because just like with Saskoil, the same thing will happen with potash. With Saskoil we were going to have 60 per cent, and then it was down to 40 per cent, and now it's down to 20-some per cent. You know what they've done? They've allowed the shareholders, the private shareholders, to go out and raise additional money through share offerings, and as a consequence, the equity by the provincial government, who receives nothing, is decreased and we've gone from 60 per cent down to somewhere in the 20, 24 per cent equity in Saskoil.

So I say to you, Mr. Speaker, that the Crown corporations here in Saskatchewan, and indeed potash, have brought many benefits to this province. I ask you, Mr. Speaker, would there have been the headquarters of an oil company in Regina like Saskoil if it had not been for the Blakeney administration founding Saskoil? I ask you, Mr. Speaker, would there be a head office for the Potash Corporation of Saskatchewan if we did not have the vision and the foresight of wanting to develop industry which should be developed here?

We brought, by public ownership, the Potash Corporation of Saskatchewan to Saskatoon. And don't tell me that hasn't been a tremendous asset to Saskatchewan and to Saskatchewan people and to Saskatoon. It never otherwise would have been. By the very nature of having some considerable investment in the potash by the people of Saskatchewan, it also indicates clearly by having that investment that the people of Saskatchewan are the ones who get the benefits.

I looked at one of the pocket manuals that were put out by the party opposite, the PC Party of Saskatchewan. And this was back in about, I believe, 1982, their pocket . . . Speaking of points, that's what it was.

And we get into privatization, and the question is asked in there: are you going to privatize the potash? Are you going to privatize Crown corporations? And the answer in the manual: why would we want to privatize a corporation which the people of Saskatchewan already own? That's what they said in their own manual. That's

what the Tories were telling the people of Saskatchewan. Why would we privatize Crown corporations? — this is when they were trying to get elected — because the people of Saskatchewan own them, they said. And now they go with privatization.

Do you know what they give to the people of Saskatchewan, their share in privatization? They give the potash mines — they intend to — to foreigners and outside Canadians in Bay Street in Toronto. Do you know what they give to the people of Saskatchewan? Bonds, just like Canada Savings Bonds. And they call that participating in the economy of Saskatchewan.

I want to say that this debate in respect to potash is certainly one of the most important. And certainly during the debate under the Blakeney administration when we were getting the public investment into the potash, that debate lasted some 72 days, somewhere in that neighbourhood. There was no talk then by the premier because it was an important economic decision being made. There was no decision that they were going to cut off the debate. That debate carried on on a major issue in Saskatchewan for a considerable length of time — about 70 days, somewhere in that neighbourhood.

And what I am saying, that this is another major step. And on the record of the government of this day, on their steps that they have taken so far in privatization, there is no earthly way that we can in good conscience allow more of the assets of the people of Saskatchewan to be squandered.

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

**Mr. Koskie:** — Because that is what's happening under this administration. It's a squandering of our heritage, it's a squandering of our resources, it's a give-away to outsiders. And I'll tell you, we intend to debate as heavily here in this legislature, Mr. Speaker, as the opposition did when we went into the public ownership of some of the potash mines.

I want to say, Mr. Speaker, that this is an historic debate for the people of this province. And we can turn our back on our past and on our history and on our pioneers. And we can turn our backs on something that worked so well in Saskatchewan under the previous administration. This province, for the use and the development of its resources, both publicly and privately, was the best managed province in all of North America.

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

**Mr. Koskie:** — This province, under that administration, with Crown corporations, with private investment, with joint ventures, with co-operatives, had the lowest per capita debt in all of the nation. This administration, under Allan Blakeney, with the use of the potash corporation — which we're talking about giving away to foreigners because it's making too much money, says the Tories . . . As the leader said the other day, there's two reasons why they want to privatize potash: one, it's not making enough money; and two, it's making too much money.

That's the Tory argument. Two reasons for giving it away.

And so I want to say, Mr. Speaker, we can go back and we can transplant Margaret Thatcher's right-wing philosophy here into Saskatchewan, and we can bring in her hired hands to tell us how to run our province, but I'll tell you, the record is there. This province was well run under the administration of Allan Blakeney, and it was the admiration of every other province in Canada. And it was balanced budgets, not \$13 billion in debt as we massively continue to privatize and get no benefits. That's the Tory record in this legislature and during the last six years.

Privatization. And what have we got? Have we got jobs? We got 42,000 people unemployed. We got almost 12 per cent unemployed in Saskatoon. We got massive debt — \$4 billion of debt just on this Consolidated Fund.

And these amateurs are going to now turn around and tell the people of Saskatchewan: let us continue to do the good things for you. Privatize a little more, they'll say.

**An Hon. Member:** — So much more we can be.

**Mr. Koskie:** — Yes, so much more we can be if we listen to the rhetoric of the members opposite.

What a flop. Has anyone ever seen a government in seven years do more damage to a province than this government has done? You give me one single sign of making steps forward. And there are none. There are . . .

**The Speaker:** — Order. Order. Order.

**Mr. Koskie:** — What are we to expect that we're going to get out of the privatization of potash under that administration. Can you believe it? Are our tills going to be filled here? Is the services going to be increased for the people of Saskatchewan? Well I ask the people whether they are better off having privatized what has been privatized here in the province today.

Are we better off with SaskTel . . . of SaskTel, portions of it being privatized? Are we better off having privatized Saskoil? Well I'll tell you, we made \$44 million in 1985, but I'll tell you, that government cannot point to having made that much money out of Saskoil since they privatized. But I'll tell you, there are some people making money, but it's not the people of Saskatchewan that are getting the benefits.

And here's what they want to do. And they say, let the good times roll. Let's change the map of this province. In fact, the Minister of Justice said this is more than just economics; what we want to do is change the people sociologically. We've got to change their thinking of working together and building as they have before. We've got to get them thinking like the Tories, that everyone is a capitalist and everybody buys shares and everybody becomes rich. What a myth, perpetrated. But they sit at 23 per cent in the polls and are whining now because the people of Saskatchewan have turned on them, and turn on them they should.

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

**Mr. Koskie:** — Yes, privatization is going to do it for us. When we took public ownership into the potash, you

know what the Tory line and the then Liberal opposition line? — you're buying holes in the ground, they said, worthless holes in the ground we're buying. So what do they do now? Suddenly that worthless hole in the ground is worth over \$2 billion in assets.

How can they have so much to give away to their friends on their privatization scheme if there wasn't success in building during the 11 years of the Blakeney administration? How can there be billions of dollars of assets to squander off to their friends if there had not been building under the New Democratic? Building we did, and we provided the best services to the people of Saskatchewan, and you can't deny it.

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

**Mr. Koskie:** — Privatization, they say. Yes. We're going to be great for the people as they leave the province by the thousands. That's what's happened. Every time they privatize, there's fewer opportunities.

I think in the first five months we have close to 14,000 people that left this province — in the first five months. And these people can try to convince the people of this province that they have an economic policy that works. Well I say it's rubbish, and I say the people of Saskatchewan no longer trust this government, no longer trust the judgement, no longer trust the management of their affairs to the people opposite.

(1630)

Mr. Deputy Speaker, I want to say, we can mortgage the future of our people and of our province. The Premier of this province says he has a vision of the future. This vision of the future is simple and it's very succinct. And I want to be fair in this debate. I want to be fair of the simple political gamesmanship that is being played.

So I will describe the vision of the new Saskatchewan in the words of the Premier himself. He said, Mr. Speaker, at a news conference to announce the final figure of the Saskatchewan Power bonds, these words, Mr. Speaker. These are his words; this is his vision. This is the kind of leadership he wants to provide to our province. This is our future and our children's future, as seen by our Premier. And I quote:

We will turn this province over to everyone who wants to participate.

We will turn this province over to whoever wants to participate, disregarding the rights and the work and the effort of the people that have built it.

Here is a man that . . . the Premier that was prepared to go to China prior to the revolution taking place, who had almost committed a sale of 25 per cent of our potash resources to the communist government of China. That's what he promised. And now he says, well we can't do that. Suddenly there's a revolution, these guys are bad now; he didn't know that before. So now he says, but we can go ahead yet with potash. We can go ahead and privatize it because, you know, he said there's the Japanese that will buy in, or Taiwan, or Korea, or Hong

Kong money. You bet they'll buy in.

But I ask the people of Saskatchewan, and I ask the Premier: why do we have to have the Japanese come in and buy into a resource as valuable as our potash and have them take it over and do the selling for us and become a middleman? Why can't we keep the profits here for the people of Saskatchewan? And certainly privatization of the potash will reduce the profits to the people of this province — no doubt.

But the Premier's vision — and I want to state it again: "We will turn this province over to everyone who wants to participate." So she's wide open regardless of their philosophical . . . or whether or not they're a stable government, or whether or not we could do it better ourselves. We are no longer, Mr. Deputy Speaker, open for business. Our province is up for sale, and it's cheap.

This, Mr. Speaker, is not a vision. This is a nightmare to the people of Saskatchewan and the people that have built this province.

I'd like to preface my remarks with a brief economic history of our province and of Canada. The members opposite will understand some of this information because one of their colleagues, Sir John A. Macdonald developed what he called a national policy. And key features of the policy was a protective tariff, western settlement, and a transcontinental railway. And I'll tie this in to this debate. And as a result of this policy, Ontario became the major manufacturing centre for Canada and western Canada became a major resource centre for central Canada, and to a significant extent became dependent upon the vagaries of weather and of the international price of wheat.

A second significant factor that emerged from the national policy was the establishment of branch plant economy in central Canada. As U.S. producers jumped over the tariff wall and set up subsidiaries in eastern Canada, as a result of . . . as a result, significant sectors of the Canadian economy have a substantial degree of foreign ownership, and the development, Mr. Speaker, of what has been called a branch plant mentality within our business community.

Well as the West developed, it became apparent to most people residing here, Mr. Speaker, that while we couldn't do much about the weather, we could certainly do more to control our economic destiny. And so we did. We had, as I said before, people working together, building together, the co-operative movement, public enterprise, private enterprise, joint ventures. And that's always a necessary mix in western Canada, for all too often eastern business leadership did not want to participate.

No, Mr. Speaker, the history of our efforts here in western Canada, here in Saskatchewan, is one of going it alone. Did the business community in eastern Canada help us when we established our co-operatives and our wheat pool? I say, no. No, Mr. Speaker, they did not. They weren't interested in participating.

I ask: did the banking community of eastern Canada come to help us to establish our credit unions here in

Saskatchewan? No, credit unions were established because the banking community of eastern Canada had no interest in western Canada. No, Mr. Speaker, the banks did not. They weren't interested to participate.

And I ask you again: did the steel industry in eastern Canada help us to establish when we founded Ipsco here in Regina? The steel industry did not. They weren't interested in participating.

Mr. Speaker, the history of this province is a history of our people working together to build our solutions for our problems. And we did a good job. The people of our province can look with pride at our achievement, and they look with horror at the emergence of the so-called privatization ethic espoused by the members of the government. Privatization runs counter to values held by most of the people in this province and certainly the recent polls have indicated the opposition to the privatization.

If we take a look at the recent Reid poll, over 50 per cent of the people that were polled indicated clearly that they were opposed to the privatization of potash. Close to 70 per cent said they were opposed to the privatization of SaskPower.

And so here in Saskatchewan we have a long history, a growth in our development of how we can better build our economy. And it happened through the efforts of our pioneers and the former premiers of this province, other elected officials, the credit union, the co-op movement. And it took place because of public investment.

And I say to you, Mr. Speaker, as I said before, the people of our province can look with pride at our achievement. Privatization runs counter, as I said, to the values held by the people of this province. Privatization did not build this province, but privatization Tory-style is going to help destroy this province.

I can really say, Mr. Speaker, with all sincerity, I was born and raised in this province. My parents homesteaded in 1905. We have a great attachment to the development of this province. And I can honestly say what I've seen during the last seven years of the waste and mismanagement and the misguided policy of privatization is doing great harm to this once very proud province.

As I said, we've been privatizing, and now we want to privatize more of the potash corporation — more. And what have we achieved, Mr. Speaker? The problem is that we have not been achieving anything for the people of Saskatchewan because as I said, the statistics doesn't support that.

If privatization, Mr. Speaker, had been the prevailing economic orthodoxy here in Saskatchewan, virtually every institution we know today would be non-existent. Privatization, in my view, and private ownership, is done solely for one reason, and that is profit. And I'm not against profit, nor am I against the purpose that private companies have as their motive. But I'll tell you, you cannot build a strong western Canada or a strong province simply by allowing outside capital to come in

and to rape our resources and give nothing in return. And that's what has been happening.

I talked to a farmer friend of mine on Monday, a large farmer with his sons. They farm 50, 60 quarters of land — and good supporters, by the way. They believe in initiative and they believe in ownership, but they also believe that the government has to have an economic policy that is decent for the people of Saskatchewan. And they said, this government is out of tune; this government is out of tune with the people and the desires of the people of this province. That's what they're saying.

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

**Mr. Koskie:** — When you look at Saskatchewan and the people who built this province, the architects of Saskatchewan, we see the farmers and we see the workers and we see the professional people and we see politicians, but with a common cause, and that is to build and to make this a better place for its people and for the children of those parents.

Look at the people who back privatization. Look at them. Well I guess it's the media buyers will support privatization. Investment dealers will certainly support privatization. Communication advisers will support privatization of potash. Underwriters will support it. Consultants, bankers will.

But I ask, Mr. Speaker, how many people do you really believe are going to be able to be in a position to really participate in buying shares that are listed on the Toronto Stock Exchange? Very, very few people in this province have shares in companies. And do you realize that regardless of the ratio that they set — 55 per cent Canadian content or ownership, 45 per cent foreign — you know as well as I do, Mr. Speaker, and members opposite, that doesn't matter a whit what percentages they put in.

Let's go back to a Saskatchewan-based company that this government supported. Let's take a look at Pioneer Trust where people throughout this whole province bought shares. Do you think those shareholders really had a say as that company was driven into the ground by a few of the executive officers that we have discussed in this House before? Of course they didn't. I'll tell you, the executive branch runs the large corporations, and they run them to their interest and not to the interests of the people of this province, and the taxpayers.

But as the Tories said before the election, why would we privatize potash, or why would we privatize SaskPower. After all, the people own them already. Well then they told the truth. But then they got into government and suddenly, suddenly they decided that they would have to go privatization of the potash corporation.

Let me come back, Mr. Speaker. As I said, these were the builders of the province. These people made no bones about the nature of their work — buy or sell, up or down, just keep them trading. That's what the stockbrokers say. They just pile up commission and margins as the players vie against each other over control, completely detached from the real world of goods and services. And this, Mr.

Speaker, for the members opposite, is the new Jerusalem, their vision of what they want to see here in Saskatchewan.

Well, Mr. Speaker, I prefer to see Saskatchewan for the people of Saskatchewan, ordinary people working together, building together, creating together Saskatchewan solutions for Saskatchewan problems and for real participation of Saskatchewan people.

(1645)

It's our future and I think the people of Saskatchewan have a right to be involved in the direction of the building of our economy. I say we have to build for our future which is made in Saskatchewan for Saskatchewan people and by Saskatchewan people.

In the privatization that the Tories are spewing to the people of this province, they try to use the British experience. And I want to go into a little bit of the British experience to indicate to the people of Saskatchewan the major, major risks that they take in allowing this government to go any further in the wrecking of the economy of this province.

If you're getting a fair deal, if they were business men, if they had competence, if they were up front, if they had advisers that we in fact could have confidence in, that's one thing. But look what has happened in this House just over one small deal — the 4 million, \$5 million that have been blown, sucked out of this province. And you guys couldn't even manage \$5 million with one single Quebec French Canadian business man from Montreal — took you to the cleaners.

And the people of Saskatchewan are going to have this same bunch, this group of incompetents, deal with their resources . . . (inaudible interjection) . . . Initially, my friend, they did. They said yes, we'll go along with you. But the people of Saskatchewan have seen enough. And what has frightened them off is the massive incompetence and waste of this government. There is no competence. And you cannot allow and we cannot, on behalf of the people of Saskatchewan, not attempt to prevent the further squandering of our future.

As I said, Mr. Speaker, I want to give a little history to the people of Saskatchewan who have been somewhat brainwashed by the glowing reports of the Margaret Thatcher privatization success. Well my wife happens to come from England, and she visits England every couple of years to go and see her parents and her aunts and her sisters and brothers. And she has seen England under privatization Margaret Thatcher, and she also saw England prior to Margaret Thatcher.

And I'll tell you, there are two classes of people left in England, the rich and very, very poor. The northern half of England is a national disaster — thousands and thousands of young people without hope. Constantly generations are now going on the welfare roll, no hope, and that's privatization Margaret Thatcher style.

But let's see what some of the people that have analysed this so-called new economic revolution that they talk

about. This is not new. This is Adam Smith *laissez-faire*. Why do you say it's new? Because you know what? You people can't build anything. You couldn't build anything. And the best excuse for economic development is to sell it off and pretend to the people of Saskatchewan that it's a new economic development course.

Well, as I say, Mr. Speaker, this government likes to brag about the new economic revolution taking place in Great Britain, under that wonderful woman, Margaret Thatcher. And this government has even brought in, as I said, at great expense to the taxpayers of this province, some of her advisers to tell them how to go about changing this economy — I say wrecking this economy. And they spend a great deal for that advice and they ignored much of the advice, but they have still managed to do a disastrous turn to the economy here in Saskatchewan.

And, Mr. Speaker, let's take a look at that British experience. As the British business magazine *Management Today* put it:

The ideology of privatization tends to assume the private section is a paradise replete with fountains of technological creativity, wells of customer services and streams of production innovation in which case one might be forgiven for wondering why Britain's industrial performance, 90 per cent of which has been the responsibility of those green-fingered private hands, has been so poor.

This is the business magazine, *Management (Today)*. But, Mr. Speaker, these are the people who will show us how it is to be done. These are the people in whom the Premier confides in. These are the people in whose hands the Premier has placed the economy of Saskatchewan. Well, Mr. Speaker, give me Saskatchewan folks any day when we come to building Saskatchewan . . .

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

**Mr. Koskie:** — . . . over those Hong Kong or Margaret Thatchers.

Mr. Speaker, the magazine's point is simply: Britain has been, above all, a private enterprise failure for millions of people. And as you know, and the members in this House will know, the massiveness of unemployment in Great Britain is a national disgrace. Those with wealth are increasing; those on poverty are increasing substantially. There is no in between. They're losing the middle class which we prided ourselves here in Canada, and we were able to do it with the mixed economy here in Saskatchewan.

I say, Mr. Speaker, Great Britain's experiments has been a failure that began in the 1880s, long before there were public enterprises and a socialist party to blame. And I ask why did it happen there and why will it happen here? One of the main reasons, a lack of business enterprise and innovation vigorous enough to attract capital. This happened when London was the world's leading financial centre of the world.

And these, Mr. Speaker, are to be the new movers and shakers in Saskatchewan. These are the people who the

Premier brings in so that he can plaintively ask, please sir, could you tell me some more about privatization.

I want to say, I wonder if the Premier did in fact ask why it was that the British steel industry which was publicly owned was making a profit, while at the same time in the United States the free enterprise steel industry was running up huge losses brought about by excess capacity, short-sightedness, poor management, inefficiency, and managerial incompetence.

So what I'm saying here, Mr. Speaker — we're talking about potash privatization, and we have to know what's happening, and they can't sell it without an analysis of what is happening because we have the advisers from Great Britain here — and what I'm saying is it hasn't been working in Great Britain, despite the reports. And what we're heading for here in Saskatchewan, and indeed in Canada if Tory governments are allowed to be re-elected again, is the same type of society.

And so I say, Mr. Speaker, that we as the official opposition who are responsible for giving to the public of Saskatchewan a great share in the ownership of potash, we find ourselves here not on an ideological basis, but on a truly principled method of developing this province. We oppose Tory-style privatization of any kind.

And I say to you, Mr. Speaker, the Potash Corporation of Saskatchewan, as I said, between 1976 and '81 made close to a half a billion dollars for this province; this last year, \$106 million in profit. And now at the height when it's turned around, what does this government want to do? They want to divest the ownership of the potash from the people of Saskatchewan to outsiders.

And that will not bring security to this economy. What it will do is that the resources here will be taken off, the profits will be skimmed off, and those profits will be used in other parts of the world, rather than the development of programs and policies for the people of this province.

But I want to continue, Mr. Speaker, with what I was discussing in respect to the experiment and how it does not work — privatization — and will not work here in Saskatchewan. I want to say . . . I want to ask, Mr. Speaker, did the Premier ask why, once the enormously difficult and successful adjustment had been made by the nationalized industries to get the British economy back on its feet, why the British private enterprise should get these same money-making public companies as a prize for their own historic failure?

And that's really what's happening here. We have had tremendous success in the public sector of the Saskatchewan economy, and now, when we have gone through the growing pains and we have built up some expertise of Saskatchewan people, the Premier of this province says our economic policy is now to divest the people of their interest in the potash corporation.

I think one thing that I have learned, Mr. Speaker, about this government is that if it doesn't make sense, if in the face it is guaranteed nonsense, then this government seems to adopt it.

Mr. Speaker, let us examine some of the key aspects of this government's privatization philosophy, built up and copied on the British model.

**The Speaker:** — Order, order. Order. I'd just like to bring to the member's attention that he has to be careful in his wide-ranging analysis of privatization, because while that's certainly an aspect of this, we are actually debating Bill No. 20, An Act respecting the Reorganization of the Potash Corporation of Saskatchewan.

And we have before the House, Bill 1, An Act to establish the Public Participation Program, which probably is closer to what the hon. member might want in a wide-ranging discussion of the effects of privatization. So I just bring that to his attention so that he focus his remarks more closely to Bill 20.

**Mr. Koskie:** — Thank you, Mr. Speaker. Certainly I will. And certainly the people of Saskatchewan can make an assessment in respect to this Bill, this privatization Bill of the potash corporation.

And one of the ways they're going to determine whether or not they'll support it is by comparing what has happened in respect to other privatizations. That's the point I make in discussing this Bill and whether or not we're supporting it.

We have to look also at the record of this government, the dismal record. And if there's dismal record in other aspects of their privatization — that's the point — then what confidence can the people of Saskatchewan have, that when they step into the reorganization and the privatization of potash, that they're going to be successful or they're going to get any benefits?

I say the people of Saskatchewan have decided. The people of Saskatchewan have indicated that they have had enough and that they will not be supporting even the privatization and the reorganization of the Potash Corporation of Saskatchewan.

Certainly, it's germane, it seems to me . . . I want to keep on the Bill. I'm not challenging your ruling. I appreciate that.

But when you talk about what they are proposing to do in the Bill here is to have 55 per cent ownership in Canada or Bay Street, Toronto, and 45 per cent foreign, and if they say they're only going to sell off 60 per cent as they did in Saskoil, logically what is likely to happen in respect — once they proceed with the privatization of the potash, is the repetition of what has happened in respect to Saskoil. And therefore it's relevant in that context, and that's the context that I'm using those comparisons. I'm not trying to get off the debate.

And then I'm saying is that they'll set up this initial privatization of a portion of the potash corporation. They'll undervalue the asset. They'll get people . . . of course, I presume that they have the money set up already for the privatization. I don't think it's dependent upon what's going to happen in the market. I think the deal is so good that the Bay Street boys are going to be breaking down the doors to get in there, telling them to get on with

it just like the Yankees are saying down in the United States.  
Get on with the damn thing, he said. It'll sell fast . . .

**The Speaker:** — Order, order. Being 5 o'clock, the House  
stands recessed until 7 p.m.

The Assembly recessed until 7 p.m.