

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure
Saskatchewan Research Council
Ordinary Expenditure — Vote 35

Item 1

Hon. Mr. Meiklejohn: — Thank you, Mr. Chairman. On my right is George MacKay, who is the vice-president of finance and administration with the research council, and on my left is Ron McGrath, who is the comptroller.

Mr. Koenker: — Thank you, Mr. Chairman. Mr. Minister, can you explain why payments to the property management corporation for the Saskatchewan Research Council increased by 24 per cent, and, in this same spending estimate that you present to the Legislative Assembly, payments for research programs increase only 13 per cent?

Hon. Mr. Meiklejohn: — Well the reason for the large expenditure to property management is because the research council moved into the new wing which added a tremendous amount of area to their facility and something that was very badly needed so that they could centralize more of their operation, part of which was the bovine blood lab that was moved over from other facilities on the campus. That's the main reason for the much larger increase.

Mr. Koenker: — And how much floor space did the research council have last year as compared to this year?

Hon. Mr. Meiklejohn: — The area was increased, Mr. Chairman, by approximately 30,000 square feet. The total area that the research council has now is 15,469 square metres.

Mr. Koenker: — I'll be honest, Mr. Minister. It concerns me that you spend this kind of money in payments to the property management corporation. You do this also in your own Department of Science and Technology. We see the same thing happening in all government departments, where there are massive increases in payments to the property management corporation, and program costs get cut. This is a consistent trajectory. And I realize that there is new floor space at the research council, but I think it's a cause for concern. And I urge you to look toward making the . . . now that you have facilities for the research council, that you look to increasing your program or your research expenditures, so you can begin to capitalize on the money you've invested in building.

Under the funding for the research council, a portion of it comes from contracts, and a portion of it comes from provincial government grants. Can you tell me what percentage of the contracts, the contractual revenue, is derived from contracts with the private sector, and what percentage is derived from contracts with the public sector.

Hon. Mr. Meiklejohn: — Two questions that the member

asked, Mr. Chairman: the one he's concerned about, it's not as much money or not as large an increase going into research. He's looking really only at the grants from the provincial government. I would point out that there's also money from the fee for service, money that's raised from contracts, some of which also goes for research. So it could well be that there's much more money being spent on research as a result of increases in contracts.

The breakdown roughly is about 50 per cent would be from industry contracts, and the other 50 per cent is split just about 25-25 for the provincial government and federal contracts. So the provincial grants cover about a quarter of their total budget. The rest, then, is fee for service with the federal government, plus grants of 25 per cent, and the other 50 per cent would be fee for service on contracts with private companies.

Mr. Koenker: — And how does this compare with the previous year or two? What kind of trajectory or similarity is there?

Hon. Mr. Meiklejohn: — The provincial grant from our government is up about 13 per cent, I believe. The industry . . . fee for service from industry is up quite a bit. The federal side of it, though, is down somewhat this year to what it was last year.

Our grant is up, I think, in the neighbourhood of \$600,000, and that has been designated, I believe, 300,000 for CAD/CAM (Computer Aided Drafting/Computer Aided Mapping) service, which is provided in helping companies with tech transfer. And the other \$300,000 for fermentation capabilities.

Mr. Koenker: — Your grant may be up \$600,000. I'm wondering though, how does the percentage of contractual work undertaken by the Government of Saskatchewan relate to the last two years of contractual work undertaken by the Government of Saskatchewan. I'm not talking about the provincial government grants, but provincial government contractual work. What's the comparison there for the last couple of years?

Hon. Mr. Meiklejohn: — The last two years, Mr. Chairman, have been very similar. Now there was a decrease from a couple of years before that, the main reason being the change with regard to the heavy oil research that was being done here in Regina. There was a change there because the previous agreement between the federal and provincial government was done away with — well actually it expired — and prior to that period of time it was treated as a fee rather than a grant.

Mr. Koenker: — And so what would the percentage be of contractual work by the Government of Saskatchewan agencies for, let's say, last year? Am I to take it it would be approximately 25 per cent? And for two years ago it would have been what per cent?

Hon. Mr. Meiklejohn: — For the last two years, it would amount . . . The fees from government departments, agencies, and so on, would have been 13 per cent last year, 14 per cent this year, of the total budget — total budget being in the neighbourhood of \$16.3 million; for

the current year, projection \$17.2 million. So you're looking at it being up a bit this '88-89 over the year before, but about 13, 14 per cent.

Mr. Koenker: — In the annual report for '87-88, I note that under the revenue side of figures, the top of page 25, the provincial government grant for general purpose and for employment assistance programs are non-existent. Can you explain why that is?

(1915)

Hon. Mr. Meiklejohn: — The first one there, Mr. Chairman, the employment assistance program, that was for grads and university — an assistance type of program which was phased out. It was initially, I understand, a two-year program. It was phased out and that would have . . . The employment assistance program of '87, the figure that you see there, would have been the last year of the program. And as far as the second one, the 36,000, there was no interest earned for 1988. So those were the two that were affected.

Mr. Koenker: — The 36,000, you say there was no interest earned. That doesn't make sense in that it's opposite the employment assistance programs. Could you explain that? Perhaps I just am not following.

Hon. Mr. Meiklejohn: — If you line them up there you'll see that the interest line is \$36,434. The one above that is the employment assistance program.

Mr. Koenker: — Thank you very much. I see and I've got it now.

And the employment assistance . . . Yes the employment assistance program is because, you say, of the . . . not graduates in university, I believe you said, but students in industry, graduates in industry program. Is that not correct?

Yes. And I think it's very important to note, Mr. Minister, that this is one of the most important programs, in my view, that the research council could be engaged in, is namely supporting students in industry, and graduate students in industry over the summer term or over a longer term basis. I say this particularly when it's a known fact, at the U of S (University of Saskatchewan), that 75 to 80 per cent of the engineering and the science graduates from the University of Saskatchewan, have to leave this province to find employment.

Therein is the logic for a program such as the one that you had at the research council, and was slashed in the spring of '87 with all the other cut-backs to the drug program and the dental program and everything else.

And I urge you to reconsider instituting this program. I know it's expensive. In the *Public Accounts* for 1985-86, the last year for which we find figures, it indicates that some \$1.8 million was spent on the students in industry, graduates in industry program. But you'd be hard pressed, in my view, to find a better use for that kind of money than to employ it in the service of science and technology with young students. And I'm wondering if you've given any thought to reinstituting that kind of program in the

research council.

Hon. Mr. Meiklejohn: — Well in the first case, Mr. Chairman, I wouldn't agree with the member's figures on 75 per cent of those people have to leave the province to get jobs. I think that there's lots of opportunity in this province as far as our graduates from university, particularly in the advanced technology sector.

With regard to the programs, there's no doubt about it, the member makes a good point that it is a valuable program. But I would also add that the Department of Science and Technology has, as you know, picked up on the SHAD Valley program and we are putting more money into that; we've got \$40,000 designated to that this year. We would expect to have about 20 students in that program in the province this year, about 10 of which we're sponsoring; the other 10 being sponsored by industry. And the SRC (Saskatchewan Research Council) is sponsoring one of those students again this year. They've been in the program for two or three years.

And another thing: you can't overlook the fact that the research council does employ in the neighbourhood of 15 students, summer students, from university then, to work there from when they finish university in April on until classes start in the fall.

So they still have students involved in the program, and Science and Tech has picked up in the other area and certainly will continue on that. We expect to expand on that program each year, not only our own involvement, but also the involvement of more companies, so that within the next couple of years we can get it up to 30 so that we can offer that right here in Saskatchewan at the University of Saskatchewan. Right now we have to rely on the University of Calgary or the University of Manitoba to do the theoretical part.

Mr. Koenker: — Well I still maintain that you had a valuable program right in your own backyard at the University of Saskatchewan at the Saskatchewan Research Council, and you let it go. And now you ship people down to Ontario for the SHAD program. And that's good, but I don't think it's nearly as good as the kind of program you allowed to slip away in the research council.

And you say it is a valuable program; I say it was a valuable program, because it's past tense. It is no longer; it doesn't exist. You cut it. I would urge you to reinstate it.

I'm wondering, also looking at the figures on the expenditure side of the annual report, page 25, why payments for research grants have continued to tumble since they reached a high of \$117,000 in 1983. How do you justify that?

Hon. Mr. Meiklejohn: — Okay. Mr. Chairman, the reason for that, the member opposite tries to tell something that isn't really the case at all, that the grants on research are being cut back. Actually there is a change that's being made here and that if you look at a figure above that, under the category of supplies and technical services, the SRC are changing from a policy whereby they gave research grants to now contracting services

with the university.

So you, in going down through those columns, didn't make any mention of the fact that the amount of money for supplies and technical services is increased by \$500,000. So there is a substantial amount of money that's been added in there, and that's because of the change of the way in which programs are being delivered.

Mr. Koenker: — And one wonders how they're being delivered, Mr. Minister: what percentage is being spent on supplies; what is being spent on technical services; what kinds of technical services? When one sees research grants, ordinarily one understands that to mean that grants are made to individuals to pursue research. You may well be right, but I don't trust you, and I don't think the people of Saskatchewan trust you with your numbers.

So I'll just leave it at that. I'll ask you another question about numbers and why your grants in aid have remained frozen the last two years now at \$110,000.

Hon. Mr. Meiklejohn: — Well I don't know where the member is getting the figures for grants in aid. That's what we're talking about here with research grants. It's gone from 97,940 to 96,069. And I find it just a little bit appalling some of the comments that you make about some of the figures here and the fact that the officials from the research council and all of the staff at the research council, I think, are doing a tremendous job.

If you consider the changes that have taken place at the research council over the last five to 10 years, they've been tremendous. We've got a group there that are working as a very valuable team providing a lot of support to industry and companies in this province. They're also providing a lot of support, contract work for the university and, I think, a very good relationship has been developed between our research institutions such as the research council, the university, the advanced technology sector, and certainly with government.

So I think for you to stand in your place and talk about the fact that some of these things are going backwards and that the people of the province are not going to believe them is just utter nonsense. The people at the research council are providing a very valuable service in this province, and as I indicated to you, they have upped the amount of money that they're doing on contracts, which again is research based.

We don't always have to have work being provided on the basis of a grant. I mean, you seem to think there's something wrong with people providing service on a type of a contract basis where they are paid a fee for the work that they do, instead of the idea of always just giving them a grant without really caring whether anything is given in return. So unless you have some other information there, what you're talking about, grants in aid, is the research grants.

Mr. Koenker: — Well there appears to be a bit of confusion over those numbers. I did wonder why it was listed as being 96,000 in the annual report and then on page 25, and then on page . . . Earlier in the same annual

report, it's listed as being 110 . . . No — on page 23 it's listed as being \$110,000. We'll leave that; it's nit-picking.

I'm wondering if you can tell me what kind of strategic plan the Saskatchewan Research Council has for the upcoming years.

Hon. Mr. Meiklejohn: — The last board meeting of the research council, not too long ago, where they talked about strategy, the main idea was that they would look at something that was Saskatchewan sensitive, meeting the needs that were out there in the province. And I'd like to just give you an example of some of the ones that they are into, and will continue to be into.

If you look at the CAD/CAM system, the type of support that they're providing for industry in the province — and I indicated that \$300,000 has been added to this year's budget to assist them in that, because over the last year somewhere in the neighbourhood of 122 different Saskatchewan manufacturers have been aided by this particular program.

The bovine blood lab, of course, is one that was moved here from Ottawa and that's providing a very valuable service.

But I would also point out a few other areas. The remote sensing centre — this is providing valuable service as far as different areas are concerned, whether it's in the area of agriculture, forestry, or mineral and exploration. And now that's something that isn't just happening for this year; that will be continuing.

We've also got radon testing. This is something that's very, very important today. A service is being provided by the research council. So if one were to look at a strategy that they're going to be employing over the next year and beyond that, certainly they will continue providing that service, whether it be for contractors or home owners.

Another invaluable area, certainly, is helping rural municipalities, and their search for gravel and sand that's needed in the construction of roads and asphaltting. Now this is something of course . . . This is what I mean by something that's Saskatchewan sensitive.

(1930)

There are many needs out there that are being developed all the time in an ongoing way. The creation of the Saskatchewan fermentation facility, that's something that's needed now to go along with the research greenhouses that SEDCO is just in the process of completing. Because we look at agriculture biotechnology as being a very important industry that can develop in this particular province, and when you combine some of those facilities it's going to bring in a lot of new companies from outside the province and going to provide an invaluable service — so, in answer to your question, something that is Saskatchewan sensitive.

We know that with drought in the last couple of years there's been a tremendous demand for services in that area, and a problem that they're dealing with, and there's been a lot of publicity about it lately, is work that they're

doing on the improvement of water supplies in rural Saskatchewan by trying to reduce algae in farm dug-outs and ponds. Again, that's the strategy that they're working on right now; that's the plan to meet the needs of Saskatchewan people.

Mr. Koenker: — Does there exist a strategic plan, Mr. Minister, or is it just the plan that you've indicated now verbally, off the top of your head?

Hon. Mr. Meiklejohn: — There is a very definite strategic plan, and some of the things that I've just outlined to you would be the types of work that you would find within that plan. The research council has always had a strategic plan. They spend a tremendous amount of time developing it, but these are the types of things that they include in their plan; things that are Saskatchewan sensitive.

Mr. Koenker: — Could I secure a copy of the current strategic plan.

Hon. Mr. Meiklejohn: — In view of the fact that many of the projects that are carried on at the research council are of a very sensitive nature, that is something that would have to be cleared through the board before you could obtain a copy of the strategic plan. But certainly there's nothing wrong with you making that request through the appropriate channels, whether it's through the president, Jim Hutch, or through the chairman of the board. But that's the route that you would have to go.

Mr. Koenker: — Mr. Minister, in the Speech from the Throne, mention was made of your government allocating moneys in this most recent budget for water quality management studies. Will Sask Research Council be doing any of that work?

Hon. Mr. Meiklejohn: — The research council is involved, and has been for some time, in the area of water quality. In fact, quite a number of people in the council are working in that particular area, not only on quality of water but also geologists working on the quantity of it, and different sources — working, I would presume, with towns and villages, providing data for them. There's been a tremendous call in that particular area, certainly in the last couple of years when it's been so dry. But this again is some of the work that the council would be doing on a fee for service basis.

Mr. Koenker: — And to answer my question, when your government's Speech from the Throne indicated that it would be allocating moneys in this most recent budget to implement a water quality management system, will Saskatchewan Research Council be doing any of that work? We know that it's involved in water management. That's why I asked the question whether it would be doing any of this particular water quality management work.

Hon. Mr. Meiklejohn: — The main mandate in so far as water in the province is concerned is the water corporation, as the member probably knows. And there's no doubt that the research council is involved with contracts with the water corporation and also through the Department of the Environment. So certainly in answer to

your question, I'm sure that they are involved probably now and certainly will be in the future.

Mr. Koenker: — And can the minister tell us how much money the government is looking at allocating, has allocated in the most recent provincial budget, for water quality management system studies.

Hon. Mr. Meiklejohn: — An answer for that question: you would have to direct your question to the Minister of the Environment who is responsible for the Saskatchewan Water Corporation.

Mr. Koenker: — One wonders, again, what kind of answer we'll get from that minister when we've had no indication to date that anything will be done. At this point I have no further questions. I do have some more but I'll turn it over to my colleague.

Mr. Lyons: — Thank you very much, Mr. Chairman. Mr. Minister, I'd like to ask you a few questions regarding the work being done by SRC in regards to research and development in terms of water management in the province, either under contract through the Saskatchewan Water Corporation or to the Department of the Environment.

The first area that I'd like to ask you about concerns the research done into the aquifers that underlie the southern part of Saskatchewan. Can you tell me, Mr. Minister, was there any work done by the Saskatchewan Research Council prior to the Saskatchewan Power Corporation, with the supposed blessing of the Minister of the Environment, for the drilling of a number of wells in the Macoun area in order to fill up the boundary reservoir?

Hon. Mr. Meiklejohn: — To our knowledge, we don't know of the contracts that have been done in that particular area or in other areas of the province. Again that would come under the jurisdiction of the water corporation. The work that is done on a fee for service basis by the council, as you can well understand, in many cases is confidential. And the only way that any of that information could be released is if the client gives permission to release it . . . (inaudible interjection) . . . Well you direct your question then to the minister responsible for the Saskatchewan Water Corporation.

Mr. Lyons: — Sorry, Mr. Minister. I'm directing the question to you in charge of the Saskatchewan Research Council. On fee for service basis, there are clients that approach the council and ask them to undertake certain jobs, and undertaking certain jobs the resources of the province, through the research council, are expended. So the proper person to answer the questions, I would submit, sir, is you.

Once again I will ask you this question: were you, Mr. Minister, or are your officials aware of any studies undertaken for the province of Saskatchewan, either through the Department of the Environment or the Saskatchewan Water Corporation, of any studies done regarding the aquifer or hydrology or any of the problems that are emerging in terms of tapping into ground water sources in southern Saskatchewan? Has the SRC undertaken any contract studies for that, and particularly

with relation to the Macoun well drilling project?

Hon. Mr. Meiklejohn: — With regard to the member's question, Mr. Chairman, you've got to keep in mind that the research council works probably in the neighbourhood of 4,000 different clients. A lot of the work which is done by the research council is of a confidential nature. You indicate that certainly the government is involved. We pay about 25 per cent of their total operating costs; the rest of the money they get from other sources, basically through fee for service.

As I indicated earlier, for the most part, that's the information that you can ask the minister responsible for the water corporation. But what I will do for you in this regard, is that we would have to go back and talk to some of the scientists that are involved in that particular area to see if in fact that they have done work in the Macoun area. But the people here don't have that information tonight, and we would have to question the scientists, and then in fact see whether or not they can release any of that information. But we'll check into it for you.

Mr. Lyons: — Thank you, Mr. Minister, but I find it rather incredulous is that you are standing here tonight saying that officials that are coming here to the legislature to answer questions concerning the work that is done through you don't have a list of the projects that were undertaken by the Saskatchewan Research Council over the past year. I find that incredible. I also find it incredulous, sir, and quite fact, I don't . . . quite frankly don't believe what I'm hearing when you say that.

Are you saying the SRC does not have a list of projects that it undertook and during the past year on behalf of whatever clients, particularly the province of Saskatchewan? And I don't think that your attempt to hide behind the mask of confidentiality when it comes to that Minister of the Environment or that minister, the same minister in charge of the water corporation, is going to hold, quite frankly — no pun intended — any water around here.

You, I submit, Mr. Minister, have perfect access to the list of projects undertaken by the SRC. And will you tell us, referring to that list, precisely whether or not the work that I asked earlier on was done?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, my comment to the member opposite, if he knew much about research, and I presume that he does, the majority of research that is done is of a confidential nature. And when we're talking about 4,000 different clients, there is no way that a list is going to be provided to you of the clients that the research council is doing work for; that is of a confidential nature. Can you imagine the difficult time that the research council would have getting contracts from anybody if they knew that the list was going to be made public?

Mr. Lyons: — Well, Mr. Minister, is absolutely . . . That answer holds no water whatsoever. That answer holds no water. I asked you in particular regarding the Minister of the Environment, that same minister responsible for the Saskatchewan Water Corporation.

Now if you're engaged in the same kind of cover-up operation that he was engaged in, in regards to the whole question of ground water in southern Saskatchewan in which he deliberately suppressed information regarding the pumping of ground water to fill the proposed Rafferty dam, thereby endangering the water supply for farmers and stock growers in that area . . . Are you saying that you're engaged in that same kind of cover-up?

There is no way that you can stand here in the House and try to submit that there's . . . or try to put forward the proposition that there's confidentiality in regard to that particular project.

I ask you specifically whether or not the SRC engaged in that kind of research prior to the drilling of the wells which, I may say, Mr. Minister, has caused hardships for farmers in the Estevan-Hitchcock area, in particular, and are you telling us here tonight that you're going to continue some kind of charade and cover-up under the guise of confidentiality? Either answer the question or just admit to the House that you either don't know what the heck you're about, or you're trying to pull the blinds over the activities of the Government of Saskatchewan — an activity, sir, that you and the other members of the front bench of this government are well known for.

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I don't seem . . . or I don't think that I need anyone with the lack of credibility that that member has, standing up in this legislature and lecturing me what I should be doing and what I shouldn't be doing.

You're opposed to the Rafferty project and have been from day one. But if you think that there's a research council across this country or anywhere else that is going divulge all of the information with regard to research projects that they are carrying on, then you are really out in left field.

So your question is out of order. I've indicated to you that we can check with some of the scientists and find out the specific type of information if you're really interested in it. But I very much doubt that anybody is going to provide that information.

So some of the remarks that you make are really just a little bit ridiculous.

(1945)

Mr. Koenker: — Mr. Minister, you also announced in your most recent provincial budget that the government will undertake a research study of the impact of the greenhouse effect on Saskatchewan in order to develop a plan of action to mitigate against any negative effects. Will the Saskatchewan Research Council be undertaking any of that work?

Hon. Mr. Meiklejohn: — Mr. Chairman, there is a lot of work being done there by one Elaine Wheaton. She's a member of the task force, I believe it's on water, land, and soil conservation. She's also going to be involved with projects, I believe, with the Department of the Environment, some of the areas to do with remote sensing with regard to crops, surface water, forestry, and range

land. So we do have some very good experts at the SRC that are involved in that area.

Mr. Koenker: — I'm not questioning whether you have very good experts; I know you have that. That's why I'm asking, Mr. Minister, if the experts or the staff at the Saskatchewan Research Council will be doing some of this work. Can you tell me how much you've allocated in this most recent budget for your studies of the greenhouse effect on Saskatchewan.

Hon. Mr. Meiklejohn: — Well it's not a matter of money that's being allocated in the research council. The money is going to come here probably through the Department of the Environment, and that will be on a fee for service basis. So I certainly can't say at this particular time how many contracts that this particular group are going to be involved with. We certainly don't allocate money from our budget in SRC to do that. It comes through fee for service.

Mr. Koenker: — I'm a little bit surprised, Mr. Minister, tonight, that you can't tell me essentially anything about some of the scientific activities that your government has proposed in its budget.

You have a water quality management study announced in the most recent provincial budget and you can't tell me anything about that. You can't tell me how much money has even been allocated for it. You refer it to the Minister of the Environment.

You have another study, announced in the same budget, of the greenhouse effect, and you've indicated that funds have been allocated for that study in this most recent budget. And yet you don't know anything about that. You can't tell us how much has been allocated.

You can sure go to great lengths and produce documents like *Challenges and Opportunities*, which are supplementary information booklets to the provincial budget, and propagandize the Saskatchewan people on all of the wonderful things you're going to do, but when it comes to telling us what it's going to cost or who's going to do it, you can't even tell us that. And you're the Minister of Science and Technology. Now how do you explain that?

Hon. Mr. Meiklejohn: — Well really, some of your questions are good but some of them are just a little bit ridiculous as well. Are you suggesting that the research council would be putting money in their budget for a fee for service basis that they're going to be working on the greenhouse effect? These are contracts that they're going to do for the Department of the Environment.

If you take a look at the annual report, which you've been referring to, there's a good outline in there in each case. If you look under aquatic biology, R&D (research and development) highlights, some of the type of work that's being done there, and I would point out that during the past year, up to the end of March '89, that about \$1.8 million was spent in that particular area, whether it was aquatic biology, terrestrial ecology, archaeology, remote sensing, atmospheric processes, sedimentary resources — these all come into the very area that you're talking

about.

So if you think there's a specific figure in SRC's budget for looking at the greenhouse effect, again, when you get to the Department of the Environment, maybe you need to ask the minister how much money is in the Department of the Environment this year for looking into the greenhouse effect and ways in which we can be countering some of the problems that are created by the changing greenhouse effect. We haven't heard a heck of a lot about the greenhouse effect in the last while since it started raining. So I don't know whether it's not as important now or what, but . . .

Mr. Koenker: — Well you wouldn't know whether it was important, Mr. Minister, given your past performance. I simply leave it at this, that I think it behoves you, as the Minister of Science and Technology, the minister responsible for the Saskatchewan Research Council, to be able to tell us what kind of plan your government has with respect to its study of water quality management systems and the greenhouse effect, without having to defer it to the Minister of the Environment. Certainly he has something to do with it, but it sounds to me that you have absolutely no understanding, or interest in understanding or relating to, some of these questions that are very, very pertinent to Science and Technology and the research council.

I only raise this because it's the chairman of your board of directors for the Saskatchewan Research Council who, in this most recent annual report for '87-88, indicates that one of the thrusts of the Saskatchewan Research Council activities has been directed to addressing the problems arising from the greenhouse effect and their influence on Saskatchewan agriculture. When it comes from your director, your chairman of the board of directors, and you can't tell us anything about your plan, announced in your government's budget, to study the greenhouse effect, I say, Mr. Minister, this is more hype from your Premier and your government, and you don't have any plan.

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I indicated that about 2, \$1.8 million was in that particular area last year, but it covers a whole, wide range of areas. And I would think that probably this year there would be at least that amount of money spent there.

But again I would remind the member that the amount of money that's going to be spent in any particular area, out of a total budget of \$16 million, is going to be determined by the number of contracts that SRC is going to have. So some of them are certainly dealing with the greenhouse effect, but again the Department of the Environment, in all probability, has money in its budget where they are going to be contracting with the research council to carry out some of this work for them.

So we'll be spending, at least, I'm sure, as much money or more than we did last year, but again the final figure depends on the contracts.

Mr. Koenker: — Mr. Minister, I'd just like to say that some of the questioning that I've asked tonight gives me reason to be a little bit more concerned than I was about the research council than when we started. I don't think you

appear to have a grasp of what's going on there as it relates to your government's larger plans, and I simply say, I find that very disappointing.

Hon. Mr. Meiklejohn: — You may find it disappointing, but I have every confidence in the officials and the staff at the research council to carry on the good work that they've been doing in the past. And I'm sure that they will be dealing in an effective way with greenhouse effect, water quality, and other concerns that are raised throughout the province of Saskatchewan.

Item 1 agreed to.

Vote 35 agreed to.

**Supplementary Estimates 1989
Consolidated Fund Budgetary Expenditure
Saskatchewan Research Council
Ordinary Expenditure — Vote 35**

Item 1 agreed to.

Vote 35 agreed to.

**Consolidated Fund Budgetary Expenditure
Economic Diversification and Investment Fund
Saskatchewan Research Council — Vote 66**

Item 8 agreed to.

Mr. Chairman: — I'd like to thank the minister and his officials.

Hon. Mr. Meiklejohn: — Thank you, Mr. Chairman. I too would like to thank my officials for the work that they've done in preparing for these estimates, and I wish them continued success in the coming year.

Mr. Koenker: — I'd like to thank the minister's officials for their time here tonight in helping to answer questions, and I'd like to express a particular thanks to the staff of the Saskatchewan Research Council.

I happen to believe that the Saskatchewan Research Council is one of the most efficient and effective agencies of the Government of Saskatchewan. And I think that with some of the trends that we've seen in the past years with regard to core funding for the council since 1982, have not done justice to the staff that are at the council. And I'd simply want to assure them that when the government changes, Saskatchewan Research Council will be a very, very high priority of a New Democratic Government.

The committee reported progress.

Hon. Mr. Hodgins: — Mr. Speaker, before we go into the adjourned debates, I would seek leave of the Assembly to move a number of motions into the Non-controversial Bills Committee. All these Bills have been agreed to between myself and the Opposition House Leader.

Leave granted.

**Referral of Bills to Standing Committee on
Non-controversial Bills**

Hon. Mr. Hodgins: — Mr. Deputy Speaker, I move by leave of the Assembly:

That the order for second reading of the following Bill be discharged and the Bill would be referred to the Standing Committee on Non-controversial Bills — Bill No. 17, An Act to amend The Change of Name Act.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move, seconded by the member for Kindersley, by leave of the Assembly:

That the the order for second reading of the following will be discharged and the Bill be referred to the Standing Committee on Non-controversial Bills — Bill No. 26, An Act to amend The Planning and Development Act, 1983.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move, seconded by the member for Kindersley, by leave of the Assembly:

That the order for second reading of the following Bill be discharged and the Bill be referred to the Standing Committee on Non-controversial Bills — Bill No. 28, An Act to amend The Psychiatric Nurses Act.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move, seconded by the member for Kindersley, by leave of the Assembly:

That the order for second reading of the following Bill be discharged and the Bill be referred to the Standing Committee on Non-controversial Bills — Bill No. 36, An Act to incorporate The Wanuskewin Heritage Park.

Motion agreed to.

(2000)

Hon. Mr. Hodgins: — Mr. Speaker, I move, seconded by the member for Kindersley, by leave of the Assembly:

That the order for second reading of the following Bill be discharged and the Bill be referred to the Standing Committee on Non-controversial Bills — Bill No. 39, An Act to amend The Statute Law.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move, seconded by the member for Kindersley, by leave of the Assembly:

That the order for second reading of the following Bill be discharged and the Bill be referred to the Standing Committee on Non-controversial Bills — Bill No. 40, An Act to amend The Public Utilities

MOTIONS

Easements Act.

Motion agreed to.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by 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. Thompson: — . . . (inaudible interjection) . . . Well you just sit there and listen now, Jack — it'll be good. Thank you. Mr. Deputy Speaker, I rise to take part in Bill No. 20, An Act respecting the Reorganization of the Potash Corporation of Saskatchewan — Mr. Deputy Speaker, reorganization of the Potash Corporation of Saskatchewan, one of the best assets that we have in this province, and not just reorganization, but I say to you, Mr. Deputy Speaker, it's a privatization and the sell-off of this great asset.

I want to address my remarks tonight, and my argument, to the members opposite. And I sincerely hope that some of the information that I present here tonight will convince them to change their mind and to pull Bill 20 as they did to pull the Bill to sell off Saskatchewan Power Corporation. I sincerely hope that you will do that.

I want to, first of all, give you some history about the potash and just how important potash is to the province of Saskatchewan, Mr. Deputy Speaker . . . (inaudible interjection) . . . If the member from Weyburn will sit down and be quiet, I will just give him a little bit of history as to how important this asset really is. Potash was first discovered in Saskatchewan, Mr. Deputy Speaker, in 1943. And in 1943 they were drilling for oil in this province and they discovered the large deposits of potash that we have underneath Saskatchewan, the richest potash reserves of any place in the world, Mr. Deputy Speaker.

An Hon. Member: — What are you reading from, Fred?

Mr. Thompson: — This is coming from a book that you put out, the mining . . .

An Hon. Member: — Good. What year?

Mr. Thompson: — And it's up to date. Not only is potash used for fertilizer, Mr. Deputy Speaker, but this great asset that we are sitting on top of in Saskatchewan is also used and experiments are taking place to develop and combine potash with sodium sulphate to produce potassium sulphate, which is a fertilizer utilized on fluoride sensitive crops. That is another big industry that's involved in the potash industry, and they are also using it for water softeners, and I might add, in a big way.

To show just how the citizens of Saskatchewan are opposed to this reorganization of the potash corporation and the privatization, one just has to take a look at the individuals who signed the petitions against privatization

in this province. And we on this side of the House, Mr. Deputy Speaker, in the last month have tabled in this House over 100,000 names of Saskatchewan citizens who are opposed to the sell-off of SaskPower and the privatization of our assets in this province.

Not only that, Mr. Deputy Speaker, one just has to take a look at the rally that we had here in Regina yesterday with approximately 5 to 6,000 people that came in here. When you take a look at that backlash — 5 to 6,000 people that came out yesterday on the steps of the legislature and the legislative grounds, over 100,000 individuals who have signed petitions against privatization in this province — I say to the members opposite that they should take a different look and create a different attitude, and especially when you take a look at what the polls are saying today in Saskatchewan regarding privatization.

And, Mr. Speaker, just to show you just how important this asset is, in 1976 all of Saskatchewan's potash industry was owned outside of the province, and 85 per cent was owned outside of Canada, Mr. Deputy Speaker. And now what do the Conservatives opposite want to do? They want to sell off this asset. They want to sell this asset, and they want to sell it outside of Saskatchewan — 45 per cent which would go outside of Canada, and 55 per cent which would go into Canada, probably into Ontario and Quebec where all the money is. And I say to the members opposite: here you are wanting to sell off this asset, an asset that we own 100 per cent of — 100 per cent. The citizens of Saskatchewan own 100 per cent of the potash industry in this province, and now you want to sell off that asset.

I intend to tell the member for Weyburn, and other members across there, why you should not sell off this asset; why you should hold Bill 20; and why we should get on with the business of this legislature and not worrying about selling off our assets and going into the debt to the tune that we are today.

In 1982, for the information of the member from Weyburn, this province was in debt to the tune of \$3 billion. That's the operating debt and the long-term debt. Now due to your privatization, I say to the member from Weyburn, we now have a total accumulated debt in this province of \$13 billion, and that's what privatization has done to this province.

And as I was indicating, I wanted to start off by giving you the history. And I know that the member from Regina South is interested in what I'm saying, and I sincerely hope that he will be one that will stand up in that caucus and take on the two or three members opposite of cabinet who are making those decisions, who are making these decisions that is destroying the political lives of just about all those members across the way when, at the same time, destroying the province of Saskatchewan.

In 1975, Mr. Deputy Speaker, in 1975, the Blakeney government decided that it was time that we took control of this great industry, and it is a great industry. We have potash reserves in this province, Mr. Deputy Speaker, that would last, at the present rate of development, for approximately 5,000 years — 5,000 years of potash that

we're sitting on top of. And you take a look at the profits that we've made over the years. Just take a look at the last year — \$106 million.

I tell you, and I say to the member from Regina South, build a lot of highways, and you build a lot of hospitals and schools, and you pay for a lot of social programs in this province with the profits that we have, that we own 100 per cent of.

Some Hon. Members: Hear, hear!

Mr. Thompson: — And I'll get on to just what the profits were up through the years. And the \$106 million that the Potash Corporation of Saskatchewan made this year is very small, I'll tell you, Mr. Deputy Speaker, compared to the profits that were made between 1975, 1976, and 1982, and that was under Allan Blakeney and the NDP government.

And then I will go on as I speak tonight, and just show you how things have deteriorated and how privatization and especially the loss of the revenue from the potash corporation has put Saskatchewan in the debt that it is today, a debt of \$13 billion.

In 1975, the potash corporation was established. And at that time, and at the same time today we still have nine potash corporations in Saskatchewan, both publicly and privately. And it was decided that the government would take over 50 per cent of the Potash Corporation of Saskatchewan, Mr. Deputy Speaker, and that's what took place.

The Blakeney government in its wisdom . . . And I will go on in my speech tonight, Mr. Deputy Speaker, to indicate to you and to prove to you just how smart a move that was, and the money that was derived from the potash industry.

The large corporations at that time, Mr. Deputy Speaker . . . And I might add that their head offices were all outside of Saskatchewan. None of them were in Saskatchewan. They were Pittsburgh paint and glass — they had their headquarters in the United States; Potash Company of America, headquartered in New Mexico; International Minerals and Chemical Corporation, head office, New York; Kalium, that was 100 per cent owned by Pittsburgh paint and glass. And I might add just to indicate just how important this industry is, and if one looks at the paper today, and you'll see that Kalium, just between Regina and Moose Jaw, has enough potash there, just where they're mining, to last for 400 years — for 400 years at the present extraction rate that they're using.

Now I say to you, Mr. Deputy Speaker, and I say to the members opposite, when we take a look at \$106 million profit this year, and we take that one mine . . . And I know that boggles the mind of the member from Pelly, but I know he'll be up here; he'll be speaking on this here Bill. He thinks it's important that we sell this important asset off, so he'll be up there and he'll be speaking. But when you take a look at that mine, that one mine which has enough potash in a life span of 400 years, let me tell you, that is an asset that we have, that we want to keep.

Now we don't own Kalium, but the Potash Corporation of Saskatchewan has far greater reserves than Kalium has. Kalium, as I indicated, has 400 years of minerals under there. And the other ones that the Saskatchewan citizens own, we have 5,000 years at the present day extraction rate.

And just think what that can do to Saskatchewan. That can make Saskatchewan what Alberta, British Columbia, Ontario, and Quebec are today, that's what that can do. That's what the potash industry of Saskatchewan can do. It can make us a have province and not a have-not province that we are today. And we can do that with potash. Over the years, there's enough potash there that the outlook looks bright so that we can have a future in Saskatchewan, and we will not be a have-not province; we will be a have province.

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And as I indicated, a large amount of those potash corporations and their head offices were in the United States. In 1975 the decision was made, and in 1976 legislation was passed in this legislature to create the Potash Corporation of Saskatchewan, to purchase, through negotiated agreements with the companies, 50 per cent of the potash industry in this province. That's what we own right now, Mr. Deputy Speaker. We own 50 per cent, and we don't see the head offices that . . . Duval used to have their head offices in Houston, Texas. That no longer is the case.

And you take a look at most of these companies. They're in Chicago, New York, Houston, Texas; Anglo-American Corporation, South Africa. Those companies were in other countries other than the United States. And the decision was made to go ahead and to privatize and to bring that revenue and that resource under the control of the Potash Corporation of Saskatchewan, and bring the head offices to Saskatchewan where we could control it.

By owning 50 per cent of all the potash industry in this province, it gave this province a window on the industry — and I might add, Mr. Deputy Speaker, an industry that is one of the brightest spots that we have in this province. It will take 10 years before any other resource in this province will ever create the type of income or the type of interest that we would get from any other of our resources, including farming and all. It would be 10 years at the present rate before another mineral would come in and take over it.

And what does this mean? Figures indicate that there's over 3,000 potash workers working in Saskatchewan at the nine mines that we have in this province — over 3,000 individuals who are working. Fifty per cent of those workers belong to the Potash Corporation of Saskatchewan; \$350 million are spent every year in goods and services.

And, Mr. Deputy Speaker, there's over \$100 million every year, well over \$100 million every year spent on wages alone for potash workers. And let's break that down. What does that mean when you have an industry that the workers are creating over \$100 million in wages, over \$350 million in goods and services? And I say, in all

sincerity, to the members opposite, you want to take a look at what that means to the success of this province. It just means either being successful or not being successful. And the way we're going . . . And we've watched how privatization, what it's done for this province. We've watched the privatization of the coal-mines. And has that improved anything? Where do we stand financially in the province?

We've watched the privatization of the dental therapists and the dental nurses. And have we got a better dental care program in this province? No, we haven't, Mr. Deputy Speaker.

So I'm just saying to the members opposite that the privatization of the Potash Corporation of Saskatchewan is something that should never happen. What is going to take place is that 45 per cent of the potash corporation can be sold outside of Canada; 55 per cent under this reorganization can be sold in Canada, which would go down East.

Now I ask the members, and I ask the member for Pelly, why would we want to sell 45 per cent of the potash corporation to India and Asian countries, and 55 per cent to other parts of the country, when we own 100 per cent of it? We own 100 per cent of the Potash Corporation of Saskatchewan.

The \$106 million profit that we got this year, that's all ours. We don't have to share that with anybody in China or Japan or India or some other country, or the big money markets in eastern Canada. That \$106 million that we received this year in profits is something that belongs to every citizen of this province and it contributes to the welfare of this province.

I want to now turn, Mr. Deputy Speaker, to just what it means in profits since 1976 when the Potash Corporation of Saskatchewan was first given the go-ahead here in Saskatchewan.

And before I do that, I want to indicate to you, Mr. Deputy Speaker, and to the members opposite, that the potash industry in the world is one of the bright stars — it's one of the bright stars in the world industry. It's something . . . It's fertilizer, and it's something that we need all over this world. And when we talk about the greenhouse effect and how we have to plant more trees and we have to get more vegetation, it's going to be potash that's going to contribute to that. It's potash that's going to make those trees grow and the plants grow and bring the greenery out so that we can fight the effects of the greenhouse effect that we have in this planet that we're living on.

So I say to you and I say to the members opposite, potash is very important. It's an asset that we have and it's an asset that we should protect; one that we should not allow to get in the hands of other nations and other countries.

In 1976 when the potash corporation first started to produce, Mr. Deputy Speaker, it paid taxes and royalties to this province of \$100 million, and the corporate earnings and the profits were \$540,000. That's just in the first year of operation. And when you take a look at the type of money that we're dealing with there, for a

corporation that was just starting up, I think that's pretty nice.

And why, as I indicated before — we own 100 per cent — why would we want to sell it? The Premier, he keeps standing up in the House; some of his members stand up in the House and they talk about diversifying the economy of this province. And if we want to diversify this province, then I say that what we have to do is we have to build on assets like the Potash Corporation of Saskatchewan. Those are the types of assets that will create diversification in this province and that will make diversification successful — not selling off those type of assets.

And I ask the members across there to take a serious look before you allow the few cabinet ministers that I say are making those decisions. I sincerely believe that there are members over there, private members, members in cabinet, who do not believe that we should continue down this road of destruction and privatization of PCS (Potash Corporation of Saskatchewan) and the Silver Lake farm at Green Lake, and many other of our assets that I say to you, Mr. Deputy Speaker, are putting us deeper and deeper in debt and no way of getting out. And I sincerely say to those members, take a look at that.

You talk about diversification, and I think that that's what has to take place, and that's what we started in 1975 and '76, and it was successful.

As I indicated, privatization hasn't helped this province at all; it hasn't helped this province in any way, shape, or form. We are losing more and more control of our resources; we are losing more and more control of our important assets.

And as I indicated . . . (inaudible interjection) . . . Member from Weyburn, he's talking from his seat again, but I sincerely hope, I sincerely hope that when you have your caucus meeting tomorrow, that you will stand up, that you will listen to what I'm saying tonight — that you will stand up and stop the sell-off of Saskatchewan assets, stop the destruction of this province.

Some Hon. Members: Hear, hear!

Mr. Thompson: — And I think it's time for the member for Weyburn, I think it's time for the member from Weyburn to stand up and be heard. And if you feel that it's important to sell off the Potash Corporation of Saskatchewan, and if you feel it's important to have an unemployment rate of around 8 per cent, and if you feel it's important to have the type of a debt load that we're carried in this province, then stand up and speak in favour of the selling off of the potash corporation. Don't speak from your seat. I say stand up and speak.

And I can tell you this much. If you continue down the road you're going, the next election that's called — but there's about 23, 24 members that'll never seek re-election again anyway — I can tell you that you will be defeated so badly that it'll be another repetition of 1934 all over again, because that's exactly what's happening.

The member of privatization who wants to sell off . . . He

sold off the peat moss and he sold off the Silver Lake farm. He'll sell anything that he can get his hands on. And these are assets, Mr. Deputy Speaker, that were built up by every man, woman, and child in this province. And we have a right to those assets, and I don't believe that the member of privatization has that right to go out and sell them off.

And as I said, are we any further ahead? Well let's take a look. Let's take a look at where we are today and where we were in 1982. As I just indicated, we had an unemployment rate of less than 4 per cent in 1982. We had balanced budgets. We had long-term debt of less than \$3 billion. Today we have an unemployment rate of over 8 per cent. We have an accumulated debt in this province of \$13 billion, and then you say that privatization is a good thing.

That's why I'm standing up here tonight, trying to convince those members over there that this is wrong-headed. Surely you can see what's taken place in this province. Surely you can take a look at the out-migration of the young men and women who are leaving this province to seek employment in other provinces — going to the have provinces when we have a province here that should be a have province and not a have-not province.

So I just say to the member of privatization, he knows full well that right now he shouldn't be selling off that farm at Silver Lake, because there is a caveat against that. And I sincerely hope that he will take a serious look at that caveat by Green Lake, and not sell that Silver Lake farm. That is another asset, just like the Potash Corporation of Saskatchewan, that should be retained in this province for the benefit of every man, woman, and child in this province.

Some Hon. Members: Hear, hear!

Mr. Thompson: — But when I was talking about those figures, Mr. Deputy Speaker, I was talking about the debt load that we're carrying, and I was talking about what privatization has done to this province. I talked about a balanced budget and the unemployment rate, the way it was. I say to you, Mr. Deputy Speaker, that potash was a major contributor to those figures. It was a major contributor. I will proceed to prove that potash was a major contributor to balanced budgets under the NDP government — and you'll see what I'm speaking about.

As I said, in 1976, the first year that we had the potash corporation, taxes and royalties paid to this province was \$100 million. In 1977, a year later, taxes and royalties to this province were \$16 million from the potash corporation. And this continued to go up. The long-term debt of the potash corporation in 1977 was only \$75 million, so you can see that the potash corporation was making big money and we didn't have a large debt.

Plus you have to take into consideration the spin-off from all the individuals that are working in this province in the potash industry, and you have to take a look at the goods and services that are purchased in this province; and the spin-off to all these communities and in the communities such as Biggar and those places; to the restaurants; to the

small hotel owners. That spin-off meant success or unsuccess. And now we see, under the Conservative philosophy of selling off everything, that that is not successful any more, and we see more and more small businesses who relied on the spin-off from PCS, the Potash Corporation of Saskatchewan, are now going under. And the debt in this province continues to grow and grow.

(2030)

So in 1978, Mr. Deputy Speaker, taxes and royalties paid to this province, \$58 million; 1980, \$167.450 million was paid to this province in taxes and royalties and \$50,000 was paid as dividends. Now it's starting to really pay off. We're getting all this here money in 1980 — we got 90,000 from royalties, \$167,000 from the corporate profit and earnings, and \$50,000 dividends.

And I want to go on to indicate to you, Mr. Speaker, just what that meant. And that meant to this province the difference between being a have province and being a have-not province.

The potash . . . And you just have to look at the figures. The six-year figures are there. And it goes to show you that the potash industry can survive in this country, publicly and privately owned, and that's what happened. We now have a corporation that's 50 per cent owned by the public and 50 per cent owned by the private firms.

And as I indicated, during the first six years of PCS, we see the profits going from a million dollars in 1976, to 1981, the last year of the NDP government, where taxes and royalties paid to the province were 71 million, and the corporate earnings and their profit was 141.721 million; and another \$50 million, Mr. Deputy Speaker, was paid in dividends.

So here we see, in the first five, six years of the potash corporation under an NDP government, we had taxes and royalties paid to this province of close to \$300 million. And we had the corporate earnings and their profits of 413 million, and \$100 million was paid in dividends.

Now I say to you, Mr. Deputy Speaker, and as I try to explain that to the members opposite, those types of profits is what we used to keep the unemployment figures down, to keep balanced budgets, and to keep the long-term debt down.

Now we go into the period of '82 to the present date and we just see what we have in this province — and I indicated before, the unemployment rate is up, no more balanced budgets, long-term debt that . . . not less than 3 billion but up to 13 billion, and that was in the first six years.

And in those six years, and the potash industry was stagnating. Pittsburgh paint and glass, they owned . . . Two per cent of their corporation was potash. They didn't really care whether they sold potash or not. They didn't go out and try to sell it because it didn't matter on their profit sheets. So that's why the potash corporation was created, and that's why today, Mr. Deputy Speaker, that's

why today . . . or in 1982, that's why we had the balanced budgets.

But the members opposite, in their wisdom, think that we should sell this asset. They think that an asset that has paid to this province in total in five years, six years, 271 million in royalties, in taxes; 413,510 million in corporate earnings and profit; and 100 million in dividends. They want to sell that off.

That's the Bill we're debating here tonight, the reorganization of the potash corporation so that this Conservative government can go out and sell off this asset — sell it off to other countries, 45 per cent to other countries and 55 per cent in Canada. That's what we're debating.

And I say to you, Mr. Deputy Speaker, this is something that we have to put a stop to. That's what the citizens of this province are saying: you've got to put a stop to this government's madness in the privatization scheme that they're implementing in this province.

And the member of privatization knows full well that it's the wrong thing to do. He knows full well because he's smart enough to know what the figures have shown from privatization. It has shown a tremendous debt load in this province. There's no good times left in Saskatchewan. He knows that the out-migration of our young men and women in this province are contributed directly to privatization, and specifically to the Bill we're dealing with tonight, the Potash Corporation of Saskatchewan, another asset that we're debating in here whether we should sell or keep.

And I think that there's a lot of members on that side of the House that will get up before this debate is over, unless the Bill is pulled, and that they will, I sincerely hope, will get up and either say that they're for the sell-off of the Potash Corporation of Saskatchewan or give us the reasons why they want to sell it.

And if that is the case, you're going to continue down this road, you're continuing down the road of destruction for this province and for the political lives of a lot of those new members who were just elected for the first term, because they'll never have a chance of getting back. And the polls indicate that very clearly. The polls indicate that very clearly in this province that the citizens are opposed to the sell-off of our assets, and you have to start listening to those polls because they're not that wrong. Even if they're out 5 or 10 per cent, you're still facing another 1934 all over again.

And I think it's time for those members over there to stand up and put a stop to this privatization. Stand up and put a stop to the out-migration of the young men and women who are leaving this province to seek employment and opportunities in other provinces. They shouldn't have to do that, Mr. Deputy Speaker. They should be able to get jobs, and the opportunities should be right here in this province.

But that's not taking place under this blind Conservative ideology, a blind ideology that they want to destroy everything that was built up by a CCF and NDP

governments. That's what it is, blind ideology — not by the total group over there. I say that there's some members over there that have a lot of common sense. A lot of those members were elected for the first time.

But the Premier, when he spoke about privatization and the selling off of PCS, he indicated that this was great times for Saskatchewan; that everybody was gung-ho; and that because of this policy, you were going to see some interesting nominations this spring.

Since this Bill has been introduced, and the SaskPower Bills, Mr. Deputy Speaker, there's been no talk of any nominations over that side. And there is a good reason, because there's about 24 — or 23 to 24 that's never going to run again.

And in those seats they can't even get anybody to run for the Conservatives. Nobody wants to take a Conservative banner. Nobody in their right mind would take a Conservative banner and expect to be elected in this province when you take a look at the path of destruction that has been created by privatization, and I say created by members who will never seek nomination in this province again, never will seek nomination.

So I say to those members opposite, especially in the back benches, if you want to continue your political careers, it's time to stand up and be counted. It's time to stand up and put a stop to this out-migration of the young men and women in this province, the destruction of our province, and the total debt that we'll never get out of if we continue down this road. And I ask those members to stand up and be counted.

As I indicated, Mr. Deputy Speaker, on every privatization that has taken place since 1982, Saskatchewan people have been the losers. They have been the losers. And this privatization of the potash corporation is going to be no different than the privatization of the highways. And you know what happened there, Mr. Deputy Speaker — in one sweep of a pen, 230 families destroyed. And that's what's going to happen with the Potash Corporation of Saskatchewan. It will be no different than the highways. And I say, are we any better off? Do we have better highways? Do we have more young men and women working in the summer on the Department of Highways? No, we don't. No, we don't, Mr. Deputy Speaker, we sure don't.

You don't see any highways and roads being built to the potash mines. You don't see them being improved. You don't see any engineers and young men and women who pound the stakes in and work with the engineers. That's not taking place. Some of those roads out to those potash mines are completely in disarray, like the rest of the province.

So I say to you, Mr. Deputy Speaker, has things improved under privatization? I say, no, they have not improved. They are getting worse.

Some Hon. Members: Hear, hear!

Mr. Thompson: — And I could continue on. And, Mr. Deputy Speaker, in order for me to make my argument, I

am going to have to give you some examples, because the Potash Corporation of Saskatchewan has not been privatized yet. There is still hope in this province that it will not take place. There's still hope that those members, Mr. Deputy Speaker, will stand up for the citizens of this province and stop this privatization. There's still hope.

And in order for me to present my argument to show you what has happened through the privatization and reorganization of departments, Mr. Deputy Speaker, I am going to have to give you examples of other privatizations that have taken place. That's the only way that I can do it. And I say to you, Mr. Deputy Speaker, there's no other way that I can stand up here and make an argument to have the privatization of this corporation and this asset stopped if I am not going to be allowed to give comparisons of other privatizations that's taken place in this province.

Some Hon. Members: Hear, hear!

Mr. Thompson: — And as I indicated to you, Mr. Deputy Speaker, are we any better off because of the privatization of the Department of Highways? No, we're not. Has the debt load lessened? No, it's not. The debt load has gone up in this province. And has the unemployment rate gone down? No, it sure hasn't; it's gone up.

But I tell you, Mr. Deputy Speaker, that we have a great asset in potash. It is an asset that we have and we have an abundance of. We have enough potash underneath us right now for 5,000 years. Just think of that, Mr. Deputy Speaker; just think of that, Mr. Deputy Speaker.

An Hon. Member: — That's what you said 20 minutes ago, Fred.

Mr. Thompson: — And I say to the member from Regina South, yes, I said that 20 minutes ago and it still applies 20 minutes later.

Some Hon. Members: Hear, hear!

Mr. Thompson: — No different . . . It hasn't changed at all. But we just take a look at what's taken place. It's just a continual privatization and sell-off of Saskatchewan assets, and we continually go farther in debt and the unemployment rate rises and the out-migration. They're just fleeing the province, getting out of the province and looking for opportunity; opportunities they should have had, Mr. Deputy Speaker, when we had the Highways department working; opportunities that they should have had, and as you see now privatization in SMDC (Saskatchewan Mining Development Corporation) which is now Cameco (Canadian Mining Energy Corporation). That is another good example of privatization that's not working.

And look at the lay-offs, over a hundred lay-offs up in northern Saskatchewan already. Look at the lay-offs in La Ronge. They cleaned out the whole SMDC office — all Northerners, Mr. Deputy Speaker. That's privatization; that's privatization.

And I see it in Saskatoon. You just take a look at what's happening in Saskatoon, what the privatization of SMDC

has done. You already see the lay-offs. I predicted that over a year ago that those head offices that we had up there were going to be amalgamated and you were going to see massive lay-offs, and it's taken place.

And that's the argument that I'm using, Mr. Deputy Speaker. That's the argument that I'm trying to put to you, to those members opposite, that to take a look at what has happened in privatization — take a look right close to home. You don't have to go too far from Biggar to Saskatoon to look at what's happened to SMDC. You know that it's not working. You know that individuals who had careers are losing those jobs. Men and women, families are losing their jobs, losing their careers, and they're losing hope.

And as they migrate to other provinces, and they go to the "have" provinces, and they benefit from our loss and we lose. And I tell you, Mr. Deputy Speaker, when we lose the Potash Corporation of Saskatchewan, as I indicated to the member from Regina South, we are losing an asset . . .

(2045)

An Hon. Member: — Don't pick on me.

Mr. Thompson: — Well you're the one, you were the one that accused me of using the figures twice. And I'll use those figures because they're important figures. We have an abundance of potash. We own 100 per cent of it. That's what we should be using to balance our budgets. That's what we should be using to build our highways and our hospitals and our schools. That's where those profits should be going. They should not be going to other countries and to central Canada.

Some Hon. Members: Hear, hear!

Mr. Thompson: — And I say to you, Mr. Deputy Speaker, that's where the decisions are going to be made. They're not going to be made in Saskatchewan any more. They're going to be made in Houston, Texas, and Chicago, and Pittsburgh, Pennsylvania. That's where the decisions are going to be made. And if they have their way, the Asian countries of China, Japan, India, those countries will be making those decisions. That's where the profits will be going.

And as I indicated, Mr. Deputy Speaker, I have to take this argument to those individuals, and I have to use real examples. I have to use real examples. I say that because I sincerely hope that through this debate they may pull that potash Bill. They may not sell it off. They know what the backlash is, and I think that there's members over there who are smart enough to know that their political careers are on the line here. They know. They know full well if they continue to sell off the assets of this province that their political careers are gone. They're totally gone.

And I say to the members who want to continue their political careers, not to the members who are not going to run again, not to the three or four who are making the decisions to destroy your political lives, I say it to the ones who want to make a political career — I say to the members opposite who believe in Saskatchewan that they should stand up and fight for Saskatchewan, protect

the people in this province, protect our assets. Don't allow this blind ideology of a few members over there to destroy our province and to destroy your political lives.

I want to give you another example, Mr. Deputy Speaker, of privatization that did not help this province, that destroyed the lives of over 400 young women in this province, and that was when they decided that they were not going to have a child-based dental program. That's privatization, Mr. Deputy Speaker — destroy the lives of 400 young women who had put their careers on the line and had worked many years to get to that position.

And I hear some rumbling from the Minister of the Environment when he talks about the pulp mill in Meadow Lake — and that's another privatization. I say to you, Mr. Deputy Speaker, that this is the second one that's been promised, and the folks up in Meadow Lake are still waiting for the first one. That did not take place, and the second one hasn't taken place.

So I say when you open that pulp mill up there, Mr. Minister of the Environment, then I'll believe it — I'll believe that. But I just want to . . . (inaudible interjection) . . . And he talks about the saw mill. Well that's fine. You want to go up and take a look at the saw mill and take a look at the inventory in the yards where it's empty, and you want to listen to the rumour mill that there's going to be a massive lay-off in that there saw mill. So I wouldn't sit there and chirp from my seat until you had the facts, because I think you're going to see a big change up there and you might not be chirping in your seat.

I just want to continue and I can say to you, Mr. Deputy Speaker, that the Minister of the Environment will not be seeking re-election again, either.

But I want to give you more examples . . . And I think the Minister of Highways is smart enough not to seek re-election again; he knows full well what's going to happen.

But to give you examples, and I indicated that I was going to bring forward my argument on two examples, which I did with the Highways and SMDC, and the dental program, Mr. Deputy Speaker.

Then we can take a look at privatization, the real, glory privatization of the Conservatives. And, Mr. Deputy Speaker, I know that's close to home for yourself, and that's Weyerhaeuser. And there we gave away, without one cent down, over 800 million acres of the best and the prime forest in this province. And where did it go? To an American firm. That's privatization; that's privatization, let me tell you, at its best.

And one can say, well is that a success story? Well I just say, go up to the individuals who are working in the bush; go to the individuals who signed petitions to the Minister of Highways to try and get roads that are in terrible shape, to try to get a piece of road from Canoe Narrows to 155, where school children are transported every day, back and forth, on a caribou road. And I say to you, Mr. Deputy Speaker, I have to have this to bring my argument forward that privatization is not working.

Because Weyerhaeuser, they can get all the roads they want built; we're paying for it. We build roads for Weyerhaeuser and they even send out the tenders. The Minister of Highways doesn't even send out those tenders. That's privatization. But the citizens at Canoe Narrows who request a road from him — nothing, nothing, nothing even planned for. That's the type of privatization that the member from Melfort agrees with.

And I just say that that's not the way to go in this province. I say, if Weyerhaeuser wants to build roads, let them build it and pay for it themselves. They're extracting our assets, so why can't they do that . . .

The Deputy Speaker: — Order. Order, order. I've allowed the member a lot of latitude. The debate before the . . . Order. The debate before the Assembly is Bill No. 20, An Act respecting the Reorganization of the Potash Corporation of Saskatchewan. And I would ask the member to keep his comments relative to the . . . Order, the member for Regina Centre. I'd ask the member to keep his comments in relation to the Bill that's before the Assembly.

Mr. Thompson: — Thank you very much, Mr. Deputy Speaker. As I indicated, I wanted to try and put forward examples of real privatization deals that have taken place in this province. I'm trying to keep on the narrow road. And I respect the . . .

Some Hon. Members: Hear, hear!

Mr. Thompson: — Mr. Deputy Speaker, I was giving figures before of the profits of the Potash Corporation of Saskatchewan under an NDP government. And as I indicated to you, in 1976 there was \$1 million dollars profits the first year. And then that continued: 16 million; 1978, 35 million, and just continued down through those years of NDP governments. And as I indicated, not only were there large amounts of money that were paid in royalties and taxes, but it also paid dividends.

I now want to turn to the Conservative years, and let's take a look at what we've accomplished under the Conservative government. Well let's look at when they first took over — 1982, that's when the first report came out. The last year, in 1981, under an NDP government, there was taxes and royalties that were paid totalling \$71 million. And what happened under a Conservative government?

And I say to you, Mr. Deputy Speaker, the figure I'm going to give you indicates just why we are \$13 billion in debt and that we've never had a balanced budget since this government took over. This is why. And the potash corporation has played a big part of that, because in 1981, instead of receiving \$71 million in taxes and royalties, what did we receive? — \$15 million; \$15 million, we received. Now that's a big change. And there was a dividend paid that year of \$50 million, once again paid back to the general revenue.

And as we go down through the Conservative years, you'd see what's happened. Our last year, under an NDP government, \$71 million profits in taxes and royalties. Then you go down — \$15 million, under the

Conservatives, 1982; '83, \$10 million; '84, 17 million; '85, 10 million. That's something. That says something for the business philosophy of the Conservative government opposite. It just backs up the argument that they are poor business operators.

When you take a look at the budget of this province, they haven't been able to balance a budget once since 1982. In 11 years prior to that, under the Allan Blakeney government, they were balanced budgets. And so you can see why they are such poor business men and women, just by looking at these figures — 1986, 13 million under a Conservative government. This is the Potash Corporation of Saskatchewan, Mr. Deputy Speaker, and it goes down to \$19 million.

Then last year, in their wisdom, they decided that they wanted to sell the Potash Corporation of Saskatchewan. So they transfer some of the long-term debt over to the province. We still have that debt. It's still part of the \$13 billion that we're in debt — still there, hasn't changed. But the international markets for potash has been increasing, and lo and behold! this year, the year that they want to push through Bill 20 to reorganize and sell off the potash corporation, there was a profit of \$106 million. I wonder if that wasn't well planned.

But I can say to you, Mr. Deputy Speaker, that that \$106 million profits also indicates the strength of the potash industry. It's improving, and it's going to continue to expand and continue to grow. And \$106 million profits, if we were to take that every year, guaranteed — and let me tell you, under our administration it would be a lot higher than that — we could start building highways again; we could start building schools and hospitals that are well needed.

And another thing I can tell you . . . (inaudible interjection) . . . That's right. And my colleague, the member from Elphinstone, talks about the food subsidy in northern Saskatchewan. Holy smokes, with the amount of money that we're making in potash we could have a food subsidy up there for the next 100 years.

But what do they do? They cut that off; they cut that off. And they're not building any hospitals. Our health care is the worst that it's ever been in in this province, and that's because there's a shortage of money — that's because there's a shortage of money.

They talk about their . . . You know, what are we going to do with all this money . . . (inaudible interjection) . . . Well I can tell the member from Regina Wascana that if you don't sell off the potash corporation, we take that \$106 million profit, we can build a lot of hospitals; we can reimplement the drug program — we can reimplement the drug program for our senior citizens in this province. And we can also bring back and put to work . . .

The Deputy Speaker: — Order! All members will get an opportunity to get into the debate so I would ask members — order! — to stop interrupting the member that's on his feet.

Some Hon. Members: Hear, hear!

(2100)

Mr. Thompson: — Thank you, Mr. Deputy Speaker. And I say to the member from Wascana, if we took that \$106 million profit that the potash corporation had this year we could put the 400 dental nurses back to work, we could reimplement that program, and it wouldn't even take a dent out of it.

That's what the potash corporation of Saskatchewan meant to this province. It meant that we had money to carry out the types of programs and services that are required to run this province. Those profits would keep those young women working. Those profits would create the type of a program that we need for the young people in this province, that dental program, have them all back working. That \$106 million would reimplement the drug program, which has been so hard, especially on our senior citizens and low income families. We could reimplement that.

So I say to the member from Wascana, we could do a lot, and we did a lot when we were making those profits with the Potash Corporation of Saskatchewan. We did a lot.

Some Hon. Members: Hear, hear!

Mr. Thompson: — We had a "have" province, we had a "have" province. Now due to the Conservative blundering, we now live in a "have-not" province. And I say this with all sincerity.

And just to close off, Mr. Deputy Speaker, I want to indicate . . . What are we really giving up here, what are we really giving up? Well let's start off with the head office. First of all, as I indicated, PCS head offices, they're not going to be in Saskatoon any more. Those decisions are not going to be made in Saskatoon. They're going to be made over in Japan and China and other Asian countries. That's where the decisions are going to be made. Or they're going to be made in the big boardrooms down east. That's where they're going to be made. That's what we're giving up.

We're giving up a resource that's paid us hundreds and hundreds of millions of dollars. We're giving up a resource that will continue to pay this province hundreds and hundreds of millions of dollars in order to carry out those types of programs, in order to reimplement the dental program. That's what we're giving up when we lose the right to this asset, when we give the decision making powers to other countries and other provinces.

And I say, Mr. Deputy Speaker, that Bill 20 is a dangerous Bill. It's so dangerous. When you take a look at the magnitude of the assets of the Potash Corporation of Saskatchewan . . . and here you see a Conservative government that is going to pass a Bill that will allow them to sell off 45 per cent of it to a foreign country and 55 per cent to the rest of Canada. I ask the other members over there to take a look at this very closely and ask yourself, what are we giving up? What are we doing here when we know for sure that we have 5,000 years' reserves of potash in the ground — 5,000 years of reserves in the ground — and making hundreds and hundreds of millions of dollars in profits for this province to carry out

the types of programs that you as individuals would like to see brought in to pay for nursing homes, to pay for new homes, to pay for highways and hospitals, and to pay for schools.

That's what we're giving up if you on the other side of this House stand up and implement and pass Bill No. 20, a Bill to reorganize and give this government the right to sell off the Potash Corporation of Saskatchewan and the assets that belong to every one of us.

You own 100 per cent of it — each and every one of you. Every man, woman, and child in this province owns 100 per cent of the Potash Corporation of Saskatchewan. Every dollar that we get out of that ground, every dollar that we get when we sell potash, comes back to each and every one of us. It keeps the taxes down. It keeps the debt of this province down. And I say to you, as private members, and other members of cabinet who are not making these decisions, to think closely at what we're giving up when we sell off this great asset that we have in the Potash Corporation of Saskatchewan.

And I just say that we just cannot allow this Bill to go through. It is a Bill that was tailor-made by this Conservative government to be privatized, Mr. Deputy Speaker.

And one could predict that. As soon as the Conservative government took over, what did they do? They brought in Chuck Childers, an American potash expert, to come in here and run the Potash Corporation of Saskatchewan. He was involved with International Minerals, IMC Corporation, in the United States.

One could almost predict when they brought him in to head up the Potash Corporation of Saskatchewan that that's what was going to take place — and that's exactly what he was here for. He was here to set up the sell-off of the Potash Corporation of Saskatchewan and he's selling it off to his friends — he's got his daughter working in there.

And I say to you, Mr. Deputy Speaker, that this has to be stopped. We cannot allow an individual to come in here and run our potash corporation and set it up to be sold to outside interests. Just imagine bringing in somebody to sell off the Potash Corporation of Saskatchewan to outside interests when we own 100 per cent of it. Why would we want to sell it?

Just take a look at the profits that we're making, the profits that we will continue to make, and I ask the members to take a look at Mr. Chuck Childers and ask yourself, why was he brought in here? And I say he was brought in here for the same reason the we're here tonight debating Bill No. 20. He was brought in here, and he probably drafted this Bill. I would suggest that he had a large part of drafting this Bill to reorganize the Potash Corporation of Saskatchewan.

And where does he get these figures? Ask yourself, why does he want to use 45 per cent foreign? Ask yourself, why does he want to do that? Why, if it's a Canadian asset, in particular belonging to Saskatchewan, would you want to put a clause in a Bill that states clearly that 45 per cent

shall be sold to outside interests outside of Canada?

So I say to you, Mr. Deputy Speaker, and to the members opposite, when they brought Mr. Childers in here, they brought him in here for one reason, and that was to reorganize the potash corporation so they could set it up to sell it off. And that's what's happening. That's what's taking place right today, and this has to come to a stop.

I just ask those back-benchers or private members on the other side, and I ask you sincerely, to take a serious look, go back into your constituencies and ask your constituents, send out newsletters and tell them what the potash corporation and what potash means to this province.

I say, Mr. Deputy Speaker, that it's up to those members to go out and tell their constituents what's taking place and say to them, what do you want me to do? Do you want me to continue to sit in here, not stand up in debate? Do you want me to continue to allow three, four members of the front bench, who will never seek re-election in this province again, to sell off all our assets?

And I say to you as members, you got to stand up and fight for what you think is right. It's time that you stood up to the few members who are making those decisions. You can't continually sit it back. You're elected to come in here and to protect the citizens of Saskatchewan, and by protecting the assets of the Potash Corporation of Saskatchewan you're protecting every man, woman, and child in this province. That's your duty, and I ask you to do that.

And I say, in all sincerity, when you take a look at the figures, they're there. Under an NDP government, when we were making hundreds of millions of dollars, the balanced budgets, the low unemployment rate, the debt in this province was nil; balanced budgets, Mr. Deputy Speaker. And then you look at the Conservative government years. You look at privatization and what has taken place, and I can say, in all honesty, that it's time for the private members to stand up, to stand up and be heard.

And I think that the member for Wascana should be able to stand up in his seat, he should stand up in his seat and he should say whether he's in favour of selling off this great asset or whether he's in favour of keeping it. Stand up and let your constituents know what you're doing because they want to know. Your time is running short, Mr. Member from Wascana. You're going to have to make a decision whether you want to seek re-election again. And I'll tell you, if you want to continue down this path of destruction, there's no sense in you ever seeking a nomination because you'll never be elected again as a Tory. It can't happen.

Some Hon. Members: Hear, hear!

Mr. Thompson: — It just can't happen. You can't continually sell off all our assets, drive this province in the hole, drive our young men and women out of this province to look for work. You can't continue down that path of destruction and expect to get re-elected in the next election — it just can't happen. And I say, you better

believe it.

And that's the view of 90 per cent of the people in this province — 90 per cent of the people in this province have been polled and they . . .

Some Hon. Members: Hear, hear!

Mr. Thompson: — Ninety per cent of the citizens in this province, Mr. Deputy Speaker, have indicated that they are opposed to the privatization of our assets. But that member says, no, let's just wait and let the people decide. I say yes. But I say that that should be done right now. In 1986 the member from Wascana did not go out around this province, and he did not go into his constituency and tell them: you elect me and I'll sell off the Potash Corporation of Saskatchewan. He never said that.

I say to you, Mr. Deputy Speaker, there wasn't one member on that side that campaigned on the fact that they were going to sell PCS off. They never said anything about it. And they never mentioned SaskPower. They never mentioned the drug program that's being paid from the profits of the Potash Corporation of Saskatchewan. They never said they were going to get rid of 400 dental therapists and dental nurses. That program came from the profits of the Potash Corporation of Saskatchewan. They never said that.

So I say, Mr. Deputy Speaker, in all fairness to those members, if this is the road that you want to go down, then get your Premier to call an election and tell them what you're going to do. Let's go out and test the voters in this province and we'll find out if they want to sell off the SaskPower and if they want to sell off the Potash Corporation of Saskatchewan. And we'll find out whether they were in favour of the highways and the dental program and the drug program and the increase in the taxes. These are programs, Mr. Deputy Speaker, that we kept under control.

Let me give you another example, for the member from Wascana. The education tax which we kept down at 5 per cent because we were making the type of profits that we were making with the potash corporation — they were coming in so that we could run this province, and we could hold up that sound, that five per cent.

What did the member from Wascana say? He was out campaigning and he said that he was going to eliminate the sales tax in the first term of office. He didn't do that; he didn't do that. And now what do you see? A hundred . . . Mr. Deputy Speaker, if I could just have the attention of the member from Wascana. We now see where we have a profit this year of \$106 million in the Potash Corporation of Saskatchewan, and where are the sales tax? They haven't eliminated them, they've increased them to seven per cent.

But I . . .

The Deputy Speaker: — Order. Order, order. I'd ask the member for Wascana to allow the member for Athabasca to continue.

Some Hon. Members: Hear, hear!

Mr. Thompson: — I want to thank the member from Wascana, because it gives me a chance to have a drink of water and to look over my notes.

Some Hon. Members: Hear, hear!

Mr. Thompson: — But in my closing remarks, Mr. Deputy Speaker, I've tried to put forward an argument to convince the members opposite that they should pull this Bill, that they should not go ahead with the privatization of the Potash Corporation of Saskatchewan. I think, Mr. Deputy Speaker, that there is a good argument there to not go ahead with this Bill.

And I say, why don't you pull the Bill, go out to your constituency this summer and talk to your constituents and just see what they think. Go out and talk to them, hold some public meetings and ask them what they think.

(2115)

You're going to hold annual meetings; the Premier said you're going to hold some interesting nominations. Then ask the citizens out there what they want you to do. But I think, in all fairness to the citizens of this province, that you should pull this Bill and not bring it back. As far as I'm concerned you should never bring it back.

Some Hon. Members: Hear, hear!

Mr. Thompson: — But I say to the member from Wascana that when you have your caucus meeting tomorrow, you should stand up and say, let's hold off here. Let's take another look at this great asset that we're selling off, an asset that we own 100 per cent of; an asset that has paid for the types — and has been a major contributor for the types of programs that we had in this program, like the dental program, and the drug program.

These are programs that were paid out of the profits from the Potash Corporation of Saskatchewan. These are profits that we will never, ever have again if this Bill goes through and the sell-off of this Crown corporation is gone. We will never have these profits again to continue to build this province. We will continue on the downward trend that we're going. If we don't have potash to sell and to continue to sell, and the profits that we get from the potash industry, then I say to you, Mr. Deputy Speaker, we are going to continue to go down and down.

The debt is going to continue to rise; unemployment rates are going to rise. And as every member knows full well, the population of this province is well below 1 million now, well below 1 million. And that's what's come through privatization. That is what's contributing.

So I say to the members opposite, I say to the members opposite in my closing remarks, I think you'd better take another look at what you're doing. I say to you that your political careers, along with the future of Saskatchewan, are on the line with this Bill. If you continue on this trail, if you want to sell off this great asset that we have — an asset that we could have for ourselves, for our children and our grandchildren and our great grandchildren for years and years; an asset that will always be needed on the planet

earth, the fertilizer that we have and that we own.

And I say that you should take a serious look at pulling this Bill. And I ask all members, in closing off, Mr. Speaker, I ask all members across there to reassess what is taking place in this province.

You can see the masses that are coming out opposed. You see the petitions that are being signed, Mr. Deputy Speaker. They're opposed to the selling off of our assets — assets that we own 100 per cent. We own them, our children own them, and our grandchildren own them. And I say to you, Mr. Deputy Speaker, in all sincerity, that this is an asset that we have to keep and protect.

And in closing I say to the members opposite, stand up and be counted. Don't allow the destruction of your political careers along with the destruction of this province. And let's stop this silly ideology that you have, that you want to sell off all the assets that we have and assets that can make this province what it is — a good province; a province that we can all be proud of; a province that can bring back the young men and women who have left this province for other provinces.

I say, in all sincerity, take a look at this. You're going down the wrong road; it's a road of destruction. And it's not too late. You can still turn around. You did it with SaskPower and SaskEnergy — you can do it with potash. And I sincerely urge that you will do that.

Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Goulet: — Mr. Deputy Speaker, it is my pleasure to enter the debate on Bill 20, which is the privatization of the Potash Corporation of Saskatchewan.

In regards to my presentation, I will be going through a general summation of the major points that I would like to make at the conclusion, and also I would like to do a bit of historical overview of potash.

I guess, being from northern Saskatchewan, I never really did know that much about potash till I was at the University of Saskatchewan back in '65. And at that time everybody was starting to get a bit excited about the potash development in Saskatchewan, and there was various samples of this pink crystalline substance.

And as I went about and moved to Ontario, I came back one year in '68 and I also got a chance to work in one of the potash mines. I worked in Colonsay for a few months during the construction phase of that mine, and so I got a chance to see the operation of the potash construction situation at the personal level.

As I went about my research, it became very clear of course that there was not only the aspect of potash itself as a world commodity, but also of the distinct strategy of public corporation and public ventures and public ownership in world development.

And it became very clear, as I looked at the debate in the early days, that the very first point that the people made

was that they wanted democratic control and democratic say on resources. And this has not been a major issue only since the '40s; it was a major issue right after the formation of Saskatchewan from 1905 to the period of 1930.

And the reason it was an issue is because the resources were not under the control of the people of Saskatchewan during that period. It was only after the natural resources transfer agreement of 1930 that we finally did have a control, and I say, in the resources that were right here in our province.

And many people, at that time of the '30s, recognized the tremendous and disastrous boom and bust strategy of private industry, and many had started talking about public enterprise. And a lot of the debates in the early '30s talked about having not only private enterprise, but co-operatives and also the public corporations.

But it wasn't until the '40s that a greater strategy on public control came to be put in place. Although public corporations had already been established in Canada, in different places, it wasn't until the election of the CCF (Co-operative Commonwealth Federation) that the public corporation, not only practice but theory became to be developed more fully, and the call for a mixed economy approach became more explicitly defined.

As we look at Bill 20, one therefore looks at the overall need for people having a democratic control over their resources. Many of the people had felt that the private foreign ownership in their provinces, you know, throughout Canada, was not providing the proper returns, and the small-scale returns that they had were never really brought up to a proper level basically because private corporations had a virtual monopoly control over the society at large in the economic sphere.

So one of the very first things that is part of the debate is the whole aspect of public control — public control in the sense of having a fair a return for the people in the province, and public control also in determining what direction the resource needs to grow as far as the future is concerned. So there was the whole question of expansion and/or stabilization at particular times in historical development.

The other aspects that were very clear as I enter into this debate is the whole question of not only a return in investments from a material resource level in regards to returns on taxation and rent and royalties, but also a greater control so that people from our province could have the jobs and we could develop the skills right here in this province. We didn't have to rely on the work-force completely from Europe or the United States or, in these days, Japan or elsewhere.

The people said that we needed to develop the work-force right here in Saskatchewan, that we indeed could stand up alongside any government in the world and say, yes, we could have a work-force that can be matched with anybody else in the world. So there was a great concern during the debates, that issue of jobs and building the skilled work-force right here in the province as a central way of providing the public ownership

strategy.

It was only in this way then that the people could say, yes, this is a good idea. It's not only a question of numbers of jobs. We know that we can get more jobs through greater public democratic control of our economy. We already have democratic political control of our systems, but we needed to do it also in the economic sphere. So a lot of people said that the only way that it could be done was to make sure that we went into public ownership of major resources.

So the second clear aspect is therefore the aspects of jobs. Just a quick overview: from 1981 to 1987, when the NDP, with a philosophy of democratic public ownership, there was about 2,200 jobs in the potash industry. And at the time the Tories entered the management of the potash industry, we lost 800 jobs, you know, as introductory comments.

The other aspect of the democratic public ownership of our resources was the fact that we had to keep pace with world development. We knew that technological advances were taking place throughout the world at a rapid pace during the '50s, '60s, and '70s, and that by that time it became to be recognized that we were lagging behind in technological advances and research and development in this province.

(2130)

And it became very clear that the only way that we could have a certain amount of control on research and development was to have public ownership of the resources, and in that way then, the direct investments and the returns could be redirected into a challenging mould for the future; that indeed we could have a basis for not only having one of the best work-forces in the world, and having the best rates of returns, but that we were progressing in the scientific and technological development of this world and we were taking a world-class leadership in all these spheres as the debate went on, you know, from the '40s, right up to the '80s.

As I also looked at a more modern issue, it becomes very clear that the world strategy has to consider the aspects of environment and that we have to move to sustainable economic development. But unless we have firm control and planned systems, there is no way that environmental concerns can be taken care of.

When the almighty dollar is the only thing that looms forward in the horizon, we know that the environmental consideration always takes a back seat. We recognize that very clearly from recently, from the Exxon spill in the B.C. coast, because the almighty dollar controls American corporations and because they only believe in privatized schemes of development that they would not dare challenge Exxon.

And it becomes very clear as we look at future development that environmental and sustainable economic development strategies become part and parcel of this development. And we were moving in that direction in many of the spheres of publicly controlled institutions and corporations in this province.

The other aspect that we have to look at in regards to the debate on Bill 20 is the fact of managing our resources. We well know the record of mismanagement that the PC government has put forth since 1981. Everybody has heard already about the \$4 billion that we are in the hole, over a million dollars a day in regards to interest payments. We well know the degree of mismanagement and even corruption in regards to such things as GigaText and many other situations that will arise from time to time.

And also, just in the past while, we can look back at the mismanagement of our public accounting. We cannot even account for our money through our public accounting system that we are . . . Our government today will break the law in regards to the public . . . of not following the public account regulations and laws.

So when we look at the whole question of Bill 20, we also have to look at the question of mismanagement and corruption.

When I looked at the debates in regards to the issue of the members from the . . . as I read the paper and so on, in many cases when the issue of public ownership comes in, I often hear the Premier talking about the late T.C. Douglas, and saying that Mr. Douglas would have agreed with the policies of the Devine Government.

The Deputy Speaker: — Order. Members are not to refer to other members by name, but by constituency or position.

Mr. Goulet: — In regards to comments on T.C. Douglas, I decided I'd do a little bit of research myself as to what T.C. Douglas actually said in regards to public corporations and mixed economy approaches. And I looked at the book, *The Making of a Socialist: The Recollections of T.C. Douglas*, edited by Louis H. Thomas, and this book was published by the University of Alberta Press in 1982.

His whole strategy, of course, had been talked about for many years, and in a more recent interview in the late '70s, I guess, and early '80s, this is what he had to say when a lot of people were saying that he was only dealing with moving into the area of private ownership. He said on page 100:

In the speech from this particular debate in 1936, in one of the last speeches I made in the federal Parliament in 1944, and also in the very first speech I made in the Saskatchewan Legislature in October 1944, I stressed the fact that we believe in a mixed economy. Public ownership, co-operative ownership, and private ownership should each operate in their respective fields.

As we looked at that strategy, the government — and especially the Premier — has always said, well, that is just a radical strategy — it's just a bunch of radicals that are making these demands, you know, from the opposition party. These demands are just a group of radicals controlling the show.

And in many situations, of course, the late Tommy

Douglas was confronted with that same issue. And this is what he has to say in that regard, and this is on page 168 of the book, *The Making of a Socialist*:

When people say, "You have become more mellow, less socialistic now, than before you took office," this is absolute nonsense. I'm more of a radical than when I took office for one very obvious reason. In 1944 I thought these things could be done, and today I know they can be done. I've seen health insurance become a reality. I've seen public ownership of power and natural gas. I've seen a bus transportation system. I've seen compulsory car insurance. All these things are now accepted as part of our way of life in this province. We've become convinced that these things, which were once thought to be radical, aren't radical at all; they're just plain common sense applied to the economic and social problems of our time.

Some Hon. Members: Hear, hear!

Mr. Goulet: — In further statements by the late Mr. Douglas, he said that the founding of the Crown corporations were based on three primary purposes. And on page 175, he states:

One was to process our primary products, the second was to create employment, and the third was to raise the wealth production of the province, and consequently the provincial revenue of the province.

It becomes very clear that the late Tommy Douglas recognized that you had to control our resources in order to get towards the goal of full employment, and that we need to be able to look at the returns and the fair returns that accrue from that development. And I think he stated it very clearly in that regard in this particular text.

The other thing that is always mentioned about the late Tommy Douglas was the relationship and what he had to say about the large-scale corporations. And many people thought that he had become mellow on that point in his latter years, but this is what he again says in that regard. On page 301 he says — this is on 300 and 301, and I think I might as well read the whole quote:

... the co-operatives and small independent producers have prevented the oil resources of Saskatchewan from being held by half a dozen big companies who can form a cartel. They represent an effective balance wheel. This is important in a mixed economy: the public and private segments of the economy must, in my opinion, represent at least twenty to twenty-five per cent of the total economy if they're to be an effective balance wheel against the big monopolies. Big monopolies can only throttle the economy when they have ninety or a hundred per cent of the control. Monopolies must be compelled by competition to keep their prices down and not to exploit the public.

In other words, as I look at the argumentation of the

members from across in trying to utilize the idea that T. C. Douglas was siding with them in the goal of privatization, it becomes very clear from the actual records of T. C. Douglas that that is simply not the case. He recognized the need for public ownership which you, the members of the government, are trying to destroy. You're trying to destroy an important part of the heritage that Tommy Douglas had built in this province. You're trying to dismantle the very basis of economic strategy that Tommy Douglas had outlined for our children and the future of our province.

It becomes very clear that ... he said that public ownership required at the same time a joint plan for job development, and that job development would come alongside public ownership. And also it becomes very clear that the late Tommy Douglas recognized that it is only because you have a certain amount of democratic control, in not only politics but in economic development as well, can you effectively say that you have a control of your resources.

I wanted to start that out because I have seen that debate go on for some time. And being new to the legislature and being new to the writings, I decided to do a bit of research in the past week in preparation for the potash debate. And as I looked at the potash debate, I also examined the more recent statements by other leaders in regards to the need for Crown corporations.

And before I get into that, I would like to first of all go into the history a bit on potash development and the need for utilizing fertilizers in regards to agricultural production.

(2145)

Of course, the use of fertilizers in agricultural development is not a new development; it's been going on for centuries. It has been recognized already, even when the European came to North America, that a lot of the North American Indians were using fertilizers in regards to their agricultural production.

Many had recognized the utilization of wood ash for fertilizer. And a lot of the general concepts of fertilizer and the utilization of the ash and the formation of potassium chloride on a natural level and the long-term geological development of it is an indirect relationship, I guess, on a more short-term scale, of looking at the historical level of the history of fertilizers.

And I think that the utilization of fertilizers, in the modern sense, in the 1800s when potassium was used, at that time it was recognized that it could be developed through large-scale pots, and that the ash and the remnants of the ash in there developed the potassium for fertilizers. And in that sense, that's where the word potash really comes from. It comes from the two separate words, the iron pot and also the ash — and the word potash was come. And potassium was simply a latinization of potash. And that's where the word potassium and potash have come about.

As I looked at the history of potash in Saskatchewan, I looked at the aspect of when it would first start. And from my research, I looked at it, and it said the first potash was discovered in around Radville back in 1943. And it was

only in 1946 that the first exploratory oil well near . . . See, there was an exploratory oil well near Unity where potash was discovered. At that time the core sample was at the depth of about 3,000 feet, and so on. And a lot of the oil exploration process then helped to develop the early discoveries of potash development.

The actual first attempt at the commercial production occurred at Unity in 1951, and an effort was made to mine the potash but this failed. And by 1960, the method used was bringing in flooding, so they abandoned that development at that time.

The privatization . . . the private interests in potash started their modern development in 1956 when the Potash Company of America, which also owns many mines in New Mexico, began sinking a shaft at Patience Lake near Saskatoon, and it began production in November of 1958. The development occurred right till the '60s.

Another major company which did development in potash was the International Minerals and Chemical Corporation, or IMC for short, and they began sinking a shaft in Esterhazy back in 1957. And it was IMC that first developed the . . . to overcome the problems that were initially . . . that they initially encountered during the '50s.

So a lot of the early development kept on going. Another was developed in Belle Plaine in '64, and three more potash mines came into production around Allan in '68, and Cominco's in '69 at Vanscoy, and the central mine near Colonsay, and another in 1970 at the Sylvite mine in Rocanville.

So there was a tremendous amount of development, therefore, that started with the mid-'50s and on into the '60s. The basis of development during this time, of course, was on a privatized basis.

And when I looked at the returns in those years to the province, and as the debates quickened during the formation of the Potash Corporation of Saskatchewan back in 1975, it is important to recognize that one of the central points of debate at that time was the fact of the returns, and the fact that although new laws had been established the companies were not following the laws.

And as I delved into the history, I looked at some notes made by Allan Blakeney on August 26, '87, and these are the points that he makes in regards to the need for the setting up of the Potash Corporation of Saskatchewan back in '75. And he talks about the reason why he had set this up. And in quotes this is what he says:

In 1976 all of Saskatchewan's potash industry was owned outside the province, and most of it — 85 per cent — was owned outside Canada. Our government tried to work with industry to develop sound resource policy, and ensure orderly expansion of the industry in Saskatchewan, and provide for fair taxation levels.

Most of the private potash companies refused to co-operate. They refused to provide the information required by government regulations. This information was necessary to calculate

royalties. They declined to proceed with orderly expansion of the industry in Saskatchewan. They launched a series of lawsuits challenging the province's right to collect fair levels of taxation. In 1976, the New Democratic Party took action to deal with the private potash companies' arrogant disregard for the public interest.

Mr. Speaker, as I looked at this quote, a lot of the central issues in relation to our debate on Bill 20 are stated fairly clearly at this time, in 1975. It says very clearly, and as I looked at the general comments on ownership, we recognize right here that 85 per cent was owned outside of Canada — it was 85 per cent — a significant amount of foreign ownership.

And this is the way that this Tory government wants to go back to. It's going back to the good old days where everything is owned from outside this province — and they haven't learned that the tremendous benefits of the public corporation in itself.

The other thing was that Mr. Blakeney mentioned was to have sound resource development policy and the orderly expansion of the industry in Saskatchewan. And what he means by that is that during the time of the Liberal era, not only did we get a very low rate of return, Mr. Speaker, we were getting about two and a half per cent return. And as . . . When the NDP came in during the first stages, they tried to work very closely with the potash industry, but the potash industry fought hard, and we were able to get about 6 per cent from the companies back in '71.

And as we look at the returns, I will be dealing with these in greater detail, as we proceed on my speech, but I wanted to deal with Mr. Blakeney's statements, but the member from Weyburn keeps interrupting. But I guess I'll just keep on going.

They also . . . Very interesting — what Mr. Blakeney was saying is that the companies were not following the law. Although there was improvements on the increase, when we tried to get better returns from the big corporations back in '74, and there was a reserve tax policy that was introduced where we would get a greater amount of return, what the companies did was they hired their best lawyers around and tried to take the province of Saskatchewan to court. And as I look at today, when we are debating this in the legislature, not only the corporations were trying to break the law in those days, today it's the PC Government of Saskatchewan that's not following the law.

Some Hon. Members: Hear, hear!

Mr. Goulet: — Mr. Speaker, they don't follow the law in regards to the . . . as we see in the latest auditor's report, where we can't access 50 per cent of our public accounts, especially as it relates to big corporations, especially as it relates to the privatization process of the PC government. I've tried to get information from them during the privatization process of SMD, but you couldn't get anything. I know the reason why the public accounts person just wasn't able to get anything from this government either.

So as I look at Mr. Blakeney's statements, we will recognize that the whole aspect of the province's right to collect fair levels of taxation was challenged by the corporations. The corporations tried to disregard Saskatchewan law, but it was only after that did they try and form the Crown corporations. Blakeney says very clearly that after they blatantly disregarded public interest we decided to go on the path of public ownership.

And, Mr. Speaker, because it's getting close to 10 o'clock, I would like to move to adjourn the debate.

Some Hon. Members: Hear, hear!

The Assembly adjourned at 9:58 p.m.