

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

ORAL QUESTIONS

Report of Code Inquiry

Mr. Romanow: — Thank you very much, Mr. Speaker. My question today is to the minister in charge of Consumer Affairs, or the Premier, whomever wishes to answer it, and it pertains to the 6,700 Saskatchewan investors in Principal Trust who have been waiting now for all of these months wanting to get some statement from the government that their investments will be secure and safe.

The government up to now has been taking the position that it is not going to make a position known on this until such time as the Code inquiry completes its review and its findings. Well, as you know, Mr. Minister, Code has reported. He reports that the government has been negligent in Alberta. Your government has relied heavily on Alberta.

My question to you, sir, is imply this. In the light of the fact that the Code report is now been tabled will you tell, clearly and definitively for the 6,700 investors of Saskatchewan, whether or not your government will do the right thing, namely, guarantee payment back of their investments as a result of the fiascos created by Alberta and by your administration?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Well, Mr. Speaker, I would say at the outset that we certainly are very pleased that the Code report has now been released. And I'm sure as the Leader of the Opposition is fully aware, it's a very extensive report — over 600 pages. It was released late yesterday. We are going to want some time to study the report now, and it has been indicated that the Government of Alberta has requested at least a week in which they are going to be looking at the report and looking at the implications in so far as they are concerned.

We are pleased that we have the report, and we're concerned about our investors here in the province of Saskatchewan. And we will be waiting to see what steps the Government of Alberta are going to be taking, and then we will be making a decision at that time.

Mr. Romanow: — Mr. Speaker, I have a new question for the minister. I note that the minister says that he is going to await the actions of the Alberta government. And surely, Mr. Minister, waiting for Alberta has got you in this jam to begin with, because you waited and you followed Alberta.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Now given the fact that the Government of Saskatchewan has followed totally

and exclusively what the Alberta government has done, which we now know has been negligent — I think the word used by Mr. Code has been “reckless”, in the case of one of the ministers involved — we know all of that; we know the press reports of the Code inquiry are down and extensively and widely reported; we know all of those facts.

Mr. Minister, in the light of all of those facts, can you not do something positive and demonstrate some leadership on behalf of our Saskatchewan people, namely guarantee to them the payment of their deposits and their investments — those 6,700 who have been caught all of these months — guarantee their deposits now, and then go to the Alberta government and seek for compensation back from Alberta to the Saskatchewan government for doing that?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Speaker, it's rather interesting that the Leader of the Opposition should be so concerned about chastising the Government of Alberta and wanting to bail out the Government of Alberta in paying out these investors.

You know, if we go back about four years with the Pioneer Trust situation, the members on that side of the House at that particular time didn't even want to bail out the people that had deposits here with Pioneer Trust in the province of Saskatchewan, while it's interesting that the House Leader over there was one of those members who spoke very strongly against paying out any money to the depositors of Pioneer Trust.

But I would point to the Leader of the Opposition, Mr. Speaker, that the 4,400 investors — not 6,700 as the member would have us believe — 4,400 investors, the Premier in the province of Alberta has indicated at the outset and all along that if the Government of Alberta were found responsible, that they would be reimbursing the investors, and we would anticipate that they will be treating all investors fairly as they have in the past, Mr. Speaker.

To date, the investors in these two Alberta companies have received nearly 45 to 50 cents on the dollar from their investment. Now every investor has received that amount of money, whether they lived in Alberta or whether they lived in any of the other five provinces that were involved.

We will certainly be waiting for the Alberta government to make their decision, but we would hope all investors will be treated fairly as they have in the past.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question for the minister. I think we should rename that great work, “Waiting for Godot” — “Waiting for Getty”, as the motto of this government opposite. Let's stop waiting for Godot or waiting for Getty, whether it's 4,400 or 6,700, and let's forget about casting blame. These people have been waiting now for months. In many instances, Mr. Minister,

live savings are at issue here.

Now you've had time, considerable time, you and your officials, to consider all of the potential options. And the Premier has been involved in western premiers' conferences with the Premier of Alberta.

I want to tell this House, Mr. Minister, if you will, whether or not you have a rock solid commitment by the Alberta government that they will cover all of the deposits of all of the investors outside the province of Alberta, including Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — I don't really think, Mr. Speaker, that the Leader of the Opposition would expect that we would have any type of written guarantee from the province of Alberta that they are going to reimburse all of the investors. The Government of Alberta are responsible for regulating companies in Alberta. We relied on the information from the Government of Alberta to relicence companies here in the province of Saskatchewan.

We are now going to certainly wait, and as has been indicated, Mr. Speaker, all of the investors that have been interviewed by members of the media, regardless of what province that they have been in, have certainly accepted the fact that the Government of Alberta needs some time to study the report; they've accepted that.

We have the members opposite trying to make a lot of noise about this particular situation. We're concerned about the investors, but I think that if the investors are prepared to wait for the Alberta government to make a decision, certainly all of us can be prepared to do so as well.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Minister of Consumer Affairs, who I must frankly say, this answers today are getting curiouseer and curiouseer as he goes along. The situation is this, Mr. Speaker, Mr. Minister: you're saying to the House today that you need time to study. You're saying to the House that you have no commitment from the Premier of the province of Alberta that they will take a look at the Saskatchewan investors, notwithstanding the fact that your Premier bailed out the investors outside of Saskatchewan when Pioneer Trust went belly up.

You have none of that, you have no guarantees whatsoever, except asking for time. I say to you and I ask you this, Mr. Minister: is that good enough response for the investor of the province of Saskatchewan? Is it fair to have these people dangling on a thin thread of hope of PC governments in Alberta and in Saskatchewan? Is that the fair thing to do? Why don't you show some leadership and take your responsibility, because you're at fault for mismanaging this whole fiasco in Saskatchewan right now.

Hon. Mr. Meiklejohn: — Mr. Speaker, let me point out to the Leader of the Opposition that the failure of these two companies was not the responsibility of the province of

Saskatchewan. I don't recall hearing anything in the media or seeing anything in the report that implicates the province of Saskatchewan for the failure of these two companies.

The Speaker: — Order, order.

Hon. Mr. Meiklejohn: — This government will take responsibility for the investors in this province in treating them fairly and looking after consumers in the same way that they have in the past. The Leader of the Opposition and the member from Saskatoon Sutherland is screaming in the bushes over there.

At the time that the Pioneer Trust affair was going on back in 1985, the members on that side of the House didn't even want to reimburse the depositors in the province of Saskatchewan, and they were certainly very opposed to reimbursing anybody from outside the province. Now we see in one of the Edmonton papers this morning that the leader of the NDP in Alberta is suggesting the same thing in Alberta, that they should be really only reimbursing the Alberta investors.

We think, Mr. Speaker, that that is totally unfair. Here we reimburse depositors from wherever they were from. We feel that in this particular case that the Premier has indicated that they will be paying out the investors. We want all investors to be treated in a fair manner, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, my question is to the Minister of Consumer and Commercial Affairs, and when he says in this House just now that they will continue to look after Saskatchewan consumers as they have in past, then this is a sad day for Saskatchewan consumers.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Minister, the Code inquiry is very clear in demonstrating negligence on behalf and on the part of the Alberta government. Now time and time again in this House you and your predecessor from Maple Creek have said that you relied entirely on the judgement of the Alberta government. What you've said in effect is, let Connie do it. Well Connie blew it, Mr. Minister. Connie blew it.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Minister, will you finally today admit that by delegating your responsibility to a negligent government that you yourselves were negligent?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Speaker, there is no evidence of any negligence on the part of this government. I would point out that also during the inquiry . . .

The Speaker: — Order, order. Unfortunately there are several members attempting to give the answer that was asked to the Minister of Science and Technology. Let us

allow him to give the answer.

Hon. Mr. Meiklejohn: — Mr. Speaker, there was also lots of evidence that was brought out at the Code inquiry that these two particular companies were having trouble back in the 1960s when we had a Liberal government in this province. There was also evidence brought out at the inquiry, Mr. Speaker, that they were also having difficulty in the 1970s when the members opposite were in power in this province. Now one would ask, one would ask the same question: why were there no steps taken by the government in this province at that particular time?

And the answer is quite simple, Mr. Speaker. The government of the day has always relied on information from the primary regulator to decide whether or not a licence was going to be re-issued, and that's exactly the same thing that the government of the day did here in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, a new question to the same minister. The next thing we're about to hear from this minister is that the company was in trouble before David Cormie was born.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Minister, in 1985 the companies in question failed to submit their quarterly reports with your department as required by the law in Saskatchewan, and you did nothing. In that very same year the annual reports filed caused the Government of British Columbia to raise some very serious concerns in Alberta. Again you did nothing, nor did your predecessor. You were as negligent as the Alberta government, and because of your negligence Saskatchewan people have suffered.

And so do you not agree that today in this House you or your predecessor owe, at the very least, an apology to Saskatchewan people, or perhaps better, a resignation?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — It's interesting, Mr. Speaker, how the members opposite can make light of such a very serious matter that we're attempting to . . .

The Speaker: — Order, order. Let's co-operate and allow the minister to answer the question without undue interruption. The House would like to listen to the answer, and perhaps even our guests. Let's allow them to.

Hon. Mr. Meiklejohn: — It's very interesting, Mr. Speaker, how the members opposite laugh and joke about a matter which is very, very serious. If they're really concerned about the 4,400 people in this province who are affected, they would, I think, take a look at the fact that the report has just been issued, give the province of Alberta an opportunity to study the report, look at the implications for it, and then make a decision as to how they are going to be reimbursing the members that were involved.

The members opposite of course, as I said earlier, were

not interested in helping the people that were involved with the Saskatchewan company back in 1985 that got into difficulty. They weren't interested in that, and the House Leader over there indicated certainly that. And also we had the member from Quill Lakes who was also very concerned about what it was going to cost the taxpayers of the province of Saskatchewan.

So we're going to be waiting to find out what the steps are that the Government of Alberta is going to be taking.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, new question to the same minister. Mr. Minister, since this collapse, since the fiasco two years ago, your government has done precious little to either support or even inform Saskatchewan investors.

Now I recognize that you hired, you paid for some observers at the Code inquiry, legal and otherwise.

Mr. Minister, the information that was being brought back to you, how much of that information did you pass on to Saskatchewan investors and Saskatchewan taxpayers? And if the answer is none, then why should Saskatchewan taxpayers be footing the bill for those political observers of yours?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Well, Mr. Speaker, the member asks on one hand what steps this government was doing to provide protection for the investors, and then on the other hand he asks why the taxpayers of the province should be paying any money for this.

The fact of the matter is, Mr. Speaker, that we did have observers at the Code inquiry throughout the extent of it. We also had a law firm that was . . .

The Speaker: — Order. Unfortunately I must once more intervene, but there are several questions and answers being asked and answered at the same time, when really we should be paying attention to the Minister of Science and Technology. So once more, once more I ask for your co-operation and allow him to answer the question.

Hon. Mr. Meiklejohn: — Mr. Speaker, we did have an observer at the Code inquiry throughout the extent of it, which was over several months duration. We also had a law firm in Edmonton that was involved with this particular case. We were looking after the interests of the investors.

With regard to the contact that we had with them, I had several letters from investors, and there was a response sent out to each one of those, indicating what our position was. The investors in each case have certainly been prepared to wait for the Code report to come down. It is now here. They are also prepared, as indicated in many of the media in the last few hours, that they are prepared now to wait to see what steps the Government of Alberta is going to be doing.

So I would suggest that the members opposite also be a little bit patient in that regard, instead of trying to score

some cheap political points over a matter which is very, very serious and a very great concern for this government.

Some Hon. Members: Hear, hear!

Enforcement of Investment Regulations

Ms. Smart: — Mr. Speaker, my question is also to the Minister of Consumer and Commercial Affairs. Mr. Minister, your wait and see attitude about all this is exactly parallel to the Alberta former minister of Commercial Affairs, Connie Osterman's wait and see, wait and see, and I don't doubt that you've even read The Investment Contracts Act. If you had done that, you would know that you have regulations in place which, if they'd been enforced, would have helped the people of Saskatchewan.

Now my question is: if your department hasn't the political direction or the political will to protect the people of Saskatchewan, what good is your department in the first place?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Well that's a very good question that the member has posed, Mr. Speaker, and I believe that the Department of Consumer and Commercial Affairs of the province of Saskatchewan is doing a lot of very excellent work. In fact we're leading the nation in a lot of areas as far as education for consumers is concerned. Now you make mention of the fact that the department or the government here wasn't really doing anything.

I believe, Mr. Speaker, that this member has suggested on previous occasions that we should have been having our own inquiry here in the province of Saskatchewan. Well I think that all of us have seen that the inquiry that took place in the province of Alberta lasted for many, many months — seven hundred and some days, I believe, Mr. Speaker. It cost the taxpayers of Alberta in the neighbourhood of 25 millions of dollars. Now is she suggesting that we should have been doing a duplication of that here in the province of Saskatchewan?

I think that the investors in all cases were prepared to wait once the inquiry was under way, that they were prepared to wait for the end of it. But the members opposite, whom they . . . they try to represent investors in this particular case, are just being a little bit impatient, and if they'll just wait for a while, we'll have some of the answers as to what is going to take place in Alberta.

Some Hon. Members: Hear, hear!

Ms. Smart: — New question, Mr. Speaker. Mr. Minister, my question was around enforcing the regulations, not educating the consumers. The role of your department is to enforce the regulations.

One of the areas that you have control over is The Investments Contracts Act. Now your government gave us the Pioneer Trust fiasco, and your negligence contributed to the FIC (First Investors Corporation) and AIC (Associated Investors of Canada) fiasco.

And I say that you have not got the political will to enforce your regulations because the investment companies give large donations to the PC Party, and that's why you're not enforcing them. And I want to know, when are you going to change your approach and enforce the regulations on behalf of the people of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Well, Mr. Speaker, some of the statements that that member makes are among the most ridiculous that we hear in this place, and I think we've just heard another first prize.

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — The members or the officials in the Department of Consumer Affairs certainly do work at regulation and ensuring that the consumers of the province are protected. We were largely responsible for developing an information sharing agreement, which is now spread out across the whole country. It's been signed by all provinces. And maybe with information such as this it will enable provinces or regulators to have a much quicker way of knowing whether or not a company is in difficulty.

But I think at the same time we have to recognize this, Mr. Speaker, that when people are doing things which are outside the law, that there is no regulation or no amount of legislation that is going to protect people from that. She seems to make light of the fact that the department is very involved with consumer education. I think that it's very important that we ensure that investors are well educated with regard to making wise investments, and that's a very important role that we have and we will continue to have, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Smart: — New question, Mr. Speaker. Mr. Minister, the kind of education that you're giving consumers is to tell them to rely on you and the Securities Commission for advice in terms of investment, and look what that got the people of Saskatchewan.

Now, Mr. Minister, we're not talking about sharing information when you said you shared information with the province of Alberta before. And look at the mess that got us in to. What we're asking for are regulations that are cast in stone to ensure that when Saskatchewan people entrust their savings to a financial institution regulated by the province, that this institution is fully regulated and that their investment is protected. And when can we see that?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — We're involved, Mr. Speaker, with looking at the regulations and legislation at all times, and updating them. We are doing the same thing right now. We have also been involved with other provinces in the development of legislation which is protections for consumers. We'll be studying a new Act that just came down in the province of British Columbia, but we will be

doing all that we can certainly to ensure that consumers are protected.

The financial investment areas and other . . . financial planning industry is another one that we're looking at right now in ensuring that people are fully protected, and we will continue to do that, Mr. Speaker.

Some Hon. Members: Hear, hear!

Countervail Duty on Hogs

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Trade and Investment. Mr. Minister, yesterday we saw just how successful your trade agreement has been in protecting Saskatchewan producers from unfair American trade sanctions. And I'm referring to the countervail duty imposed on pork products.

Mr. Minister, can you explain to this House of what possible value a trade deal is which does nothing but cost Saskatchewan hog producers money, and will not protect our producers from unfair U.S. trade practices?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, I think all people in Saskatchewan, certainly from all political parties and walks of life, was disappointed yesterday with the U.S. Department of Commerce's recent determination, Mr. Speaker.

Two things we have to keep in mind, Mr. Speaker: number one, Mr. Speaker, is that there's still the final determination that will come down on the 5th of September, and we'll have to wait for that, and we are hopeful that we will have a good hearing with regard to that and a proper determination with regard to that.

The hon. member, though, asks: what has the free trade agreement done for us in this regard? Well what it has done, Mr. Speaker, is in situations like this we can refer this matter to a binational panel to determine, Mr. Speaker, and that's exactly what the free trade agreement was about. Without the free trade agreement, Mr. Speaker, you would not be able to do that. With the free trade agreement we can now refer to a binational panel, Mr. Speaker, which we believe will give us a proper and fair hearing in this regard.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Mr. Minister, what we're talking about here is about approximately \$2.5 million out of Saskatchewan pork producers' pockets. We're also talking about 2 per cent of the U.S. consumption. So there's the difference, And now this countervail is in place because the Americans object to our agricultural policies, and they're telling us that loud and clear. Why will you not represent Saskatchewan farmers by standing up and supporting the necessary programs that we have in place; and why are you willing to allow the Americans to dictate Canadian agriculture policy?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, the hon. members were against the free trade agreement in the first place.

The Speaker: — Order, order. I'd like to ask for the co-operation of members. The Minister of Justice is giving the answer to a serious question, and I'm sure that the House is interested in the answer. Therefore, I would like to . . . in conclusion I would like to ask the co-operation of both sides of the House in this matter — including the member for Regina Elphinstone, and perhaps Weyburn and those other constituencies. Let us allow the minister to . . . and the member for Saskatoon South . . .

An Hon. Member: — Name me too.

The Speaker: — Yes, I will. Order! The member for Saskatoon South is casting reflections and interfering with the authority of the Chair. And I would like to ask him to rise and apologize.

Mr. Rolfes: — Mr. Speaker, I do apologize to the Chair.

The Speaker: — Order, order.

Hon. Mr. Andrew: — Mr. Speaker, the members opposite were against the free trade agreement and all aspects of it. Mr. Speaker, one of the things that the free trade agreement does is allow for a binational panel to determine trade disputes, and there's been many trade disputes over the years between United States and Canada, going both ways. And what this allows, Mr. Speaker, is a fair and independent body to review the decisions, whether it's American decision or a Canadian decision.

We support that, Mr. Speaker. We believe our case can be well made before an independent binational panel, and this is where this matter will go, Mr. Speaker, to the benefit of the Saskatchewan producer, not to the detriment. If we were to listen to what the hon. member said, follow an isolationist policy, supply hogs only for the people of Saskatchewan, and chase numbers and numbers of farmers out of business, Mr. Speaker.

Some Hon. Members: Hear, hear!

MOTIONS

Hours of Sitting

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. Mr. Speaker, prior to orders of the day I would like . . . Thank you, Mr. Speaker. Mr. Speaker, prior to orders of the day I would like to ask leave of the entire Assembly to move a motion that respects the sitting hours of this Assembly, and to therefore extend the sitting hours from 10 in the morning until 10 o'clock at night in order to . . .

Leave not granted.

ORDERS OF THE DAY

GOVERNMENT ORDERS

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. Shillington: — Mr. Speaker, on, I believe it was, Monday, when I finished speaking at 10 o'clock, I was addressing some comments with respect to the Potash Corporation of Saskatchewan. I had made some preliminary comments with respect to this province's historical development. I suggested, Mr. Speaker, that the privatization of the potash corporation is inconsistent with this province's historical development. I suggested, Mr. Speaker, that this government is running contrary to the grain, contrary to the grain of this province.

Mr. Speaker, on of the comments which deserves passage, and one comment of the Premier's which shouldn't go unmentioned was his comment with respect to the Potash Corporation of Saskatchewan, that this would be our Alamo. I recall the Premier saying that — this would be the NDP's Alamo.

Mr. Speaker, in a strange way that's true. It is true, I think, Mr. Speaker, of the Premier. He is, and I don't mean this to be in the sense of a personal attack . . . He studied in the U.S. and I think is an admirer of many things American — there's nothing wrong with that, so am I in a sense — and probably some sort of a student of American history but, I think, not a very keen student of American history.

Mr. Speaker, I think the comment that this will be our Alamo, I think, in a sense is very true. Mr. Speaker, with some understanding of what actually occurred at the Alamo, I think it's true. I think the Premier's comment is apt in a way which . . .

The Speaker: — Order, order. Let's just all calm down and relax and allow the hon. member to continue with his remarks.

Mr. Shillington: — Thank you very much, Mr. Speaker. Mr. Speaker, as I had occasion to say in a different debate on a different subject, this has a number of parallels to the Alamo. I think, Mr. Speaker, a brief illustration of what occurred there indicates how this may well be our Alamo, and it may well be your Alamo.

Mr. Speaker, I assume that what the Premier meant to say when he said this would be our Alamo . . . I assume, Mr. Speaker, that what he meant to say just as the Texans within the fort . . .

The Speaker: — Order, order. I'm going to once more ask the member for Weyburn to allow the member for Regina Centre to continue. Now I've asked the hon. members once or twice, and I'd like them to respond in order that the business of this House may proceed in a reasonable manner.

Mr. Shillington: — Thank you very much, Mr. Speaker. Mr. Speaker, I had occasion to actually visit Fort Alamo.

Mr. Speaker, that was at the time a Spanish mission. There were any number of them. Texas, at that time, was in fact a province of Mexico . . .

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

Hon. Mr. Hodgins: — I'd like to raise a point of order, Mr. Speaker.

The Speaker: — What is the hon. member's point of order?

Hon. Mr. Hodgins: — Mr. Speaker, I do recall, and you correct me if I'm wrong, but I do recall . . . Mr. Speaker, I do recall that the . . . Mr. Speaker, I do recall that the member has previously talked about the Alamo in Texas and has gone on, in some unbelievable fashion, to relate that to Bill No. 20. I think, Mr. Speaker, you have ruled on the repetitive nature and the irrelevant nature of Fort Alamo in some place in Texas to Bill No. 20, and I would ask for a ruling on that, Mr. Speaker.

An Hon. Member: — Point of order.

The Speaker: — I would permit the hon. member to speak to the point of order, but not to raise another one.

Mr. Rolfes: — I want to speak to the point of order.

The Speaker: — You may speak to the point of order.

Mr. Rolfes: — Mr. Speaker, I was in this House when the member spoke about the Alamo, and that happened to be on privatization Bill No. 1, not Bill No. 20. It was Bill No. 1 and therefore, Mr. Speaker, the member has the right in this debate to make those particular arguments that he is making. It had nothing to do with Bill No. 20; it was Bill No. 1.

Some Hon. Members: Hear, hear!

The Speaker: — I've listened to the point of order and to the hon. member's response and in response let me just say this. Issues being discussed should of course be relevant, and the member from Regina Centre is aware of that, and of course they shouldn't bear repetition. I'll be quite frank, in immediate recall I can't say for certain, I would have to check the verbatim record; however, I will ask the hon. member, on the honour system, that if he has spoken on the issue he has raised before, I would ask him to go on to another topic.

Mr. Shillington: — I say, Mr. Speaker, as my colleague from Saskatoon South said, I made the comments, but it was on a different Bill. It was on Bill No. 1. And the point is . . . I happen to think the point's a good one. I happen to think that the Premier's misunderstanding of what occurred in that battle illustrates what's wrong with their position and why they have failed so much, to date, to deal with privatization. Those comments, Mr. Speaker, were made on a different Bill. I therefore think I'm quite in order to make them again on this Bill. They were not made on this subject.

Mr. Speaker, as I was saying before the member from Melfort interjected with that point of order, the Fort

Alamo was a Spanish mission in Texas. Texas was, at that point in time, a Mexican province, had been a Spanish province for 300 years, and I suppose it's been an American state for 100 years.

Mr. Speaker, shortly before the battle of the Alamo occurred, the Mexican government passed a law. Indeed there had been a law for some time in effect in Texas to the effect that only Catholics could own land. That was fine, as long as Texas was settled by people from the South, but increasing numbers, Americans, began to arrive in Texas and took objection to that. A few hotheads without, I think it's fair to say, the backing of the people in the state of Texas seized a few forts, of which Fort Alamo was one.

Mr. Speaker, the Mexicans left Mexico City with an enormous army, some 300,000 soldiers, almost equal to the entire population of Texas at the time, left and came north. There were a few forts . . .

The Speaker: — Order. I'm listening carefully to the hon. member's remarks, and it seems that he is about to give historical background and explanation of the battle of Alamo itself. Regardless of which Bill, whether it's Bill 1 or Bill 20, I quite frankly don't think that the issue discussed in that detail is relevant. And I would like to ask him, if he wishes to speak on it very briefly with a few words, move back to the Bill itself, or relate it directly.

Mr. Shillington: — I will be somewhat briefer, Mr. Speaker. I enjoyed being there. I enjoyed the historical incident. I felt it illustrated a good deal about the arrogant use of power, and I may have gone into more detail than is strictly necessary to illustrate the point with respect to this particular Bill.

The point was that the Mexicans arrived with an enormous army. At the battle . . . at Fort Alamo, there were less . . . there were never more than a hundred Texas irregulars, not trained soldiers.

Mr. Speaker, it is true that the Mexicans eventually overcame the fort, after a very lengthy siege. It is also true that the outrage felt by the people in Texas at the behaviour . . .

The Speaker: — Order, order. I must, unfortunately, interrupt the member again because once more he is enamoured by the history of this incident and wishes to allow the whole legislature to hear about it, but unfortunately I cannot allow him to do that in this debate. And after the second — I wouldn't call it "warning" — but after drawing it to his attention for the second time, I would now ask him to get directly back to the Bill.

Mr. Shillington: — Mr. Speaker, it is our view that this government feels it has the numbers, a majority in this legislature; it can therefore do whatever it wants with respect to potash. That is apparently their view.

Mr. Speaker, the members opposite must know that public opinion is opposed to the sale of the Potash Corporation of Saskatchewan. I assume they're aware of that because they promised in the last election, they promised in the last election, Mr. Speaker, that they

wouldn't do it. So I assume, as is the case with everyone else, that they are aware that the public of Saskatchewan don't want this.

But they say to themselves, that doesn't matter, because we've got the numbers; we got the power; we have the authority; we can do whatever we want, and the rest of the world can simply catch up to us. If Saskatchewan people don't like it, they can learn to.

The point, Mr. Speaker — and I will summarize in a few sentences — the point with respect to the battle of Alamo is that the Mexicans made the same mistake. They won the battle, but the outrage felt by the people of Texas welded those far-flung communities into a nation which felt like a nation, and some 18 months later, at San Jacinto, a hard-drinking car-sharp from Tennessee, Sam Houston, led an army which defeated the Mexicans.

I say that with respect to these people. You may think you numbers will carry the day. You may think public opinion and the outrage people feel at the way you're behaving doesn't matter. That's the way General Santa Anna felt at the battle of the Alamo. He was wrong. He won the battle, but lost the war.

I say to you people that you people are in danger of making that same mistake, thinking that numbers and power count for everything, public opinion counts for nothing. You can do whatever you like and the public can like it or lump it. Mr. Speaker, it is based on a sort of an arrogance that we know what's right and the public don't — same attitude that General Santa Anna displayed.

So when the Premier says this is our Alamo, I say that's probably right. It is probably this issue which will turn this opposition caucus into a government, just as the battle of the Alamo turned a few communities in a far-off province in Mexico into the nation of Texas.

My point is that if the premier understood, if the Premier had some understanding of American history, he might have chosen a different illustration. I frankly don't think he could have chosen a better illustration.

The member from . . .

(1445)

An Hon. Member: — Wilkie.

Mr. Shillington: — Wilkie, thank you. The member from Wilkie is making these brilliant comments from his seat . . . (inaudible interjection) . . . Mr. Speaker, the member from Wilkie invites me to be so crass as to let them make their mistakes, and then capitalize on them. Mr. Speaker, that might have been an approach for us. We might have simply sat back and said, well pass it. It isn't going to work. You're going to outrage public opinion, and therefore we'll let you pass the potash program. We'll let you pass it.

The Speaker: — Order. I don't think it's going to help the business of the House if you're to have a debate between the hon. member from Regina Centre and the hon. member from Wilkie who's sitting in his seat and asking

questions, and the member from Regina Centre responding. It's just going to lead to further incidents of the sort, and not a good situation. The hon. member from Regina Centre I know will appreciate that.

Mr. Shillington: — Mr. Speaker, I appreciate that. I was merely trying to illustrate that we think we're doing our job in this debate. Public opinion doesn't want the Potash Corporation of Saskatchewan nationalized. It's a clear division of opinion. You people think that'll change as soon as you start to shower money on them, and I'm going to get back to that in due course, what you plan to do with the money.

To me it is the height of irresponsibility for a government that is elected and claims to have been elected as a government which will run . . . as a party which will run a business-like government, to take the money from the sale of a capital asset and say openly that you're going to use it to shower goodies on people so that they'll re-elect you, is the height of irresponsibility — the height of irresponsibility, Mr. Speaker.

Mr. Speaker, we are taking a determined stand with respect to the Potash Corporation of Saskatchewan because we have a mandate to do that. I ran on a platform which included opposition — opposition to this government's nationalization . . .

An Hon. Member: — Privatization.

Mr. Shillington: — This government's privatization. So did the member from . . .

Some Hon. Members: Hear, hear!

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

Mr. Martin: — A point of order, Mr. Speaker.

The Deputy Speaker: — State your point of order.

Mr. Martin: — Well the member from Regina has talked about nationalization in the past, and I just want to bring it to your attention.

The Deputy Speaker: — It's not a point of order.

Mr. Shillington: — Mr. Speaker, while I would enjoy doing that, I don't know whether or not the patience of The Deputy Speaker will permit me to expand on that incident which I think illustrates so well what happens when a government misuses power.

Power, Mr. Deputy Speaker, is a trust. It's given to you by the public to use for their benefit. It is a trust; it is not a gift. It is not given to you to do whatever you will with. I think the members opposite have forgotten what power in an democracy means. It means that you have the authority to carry out the public will. It doesn't mean you have the authority to do whatever you want, and that's the way this government has behaved.

They have behaved . . . (inaudible interjection) . . . The member from Thunder Creek says he's heard this speech

before. It's interesting. I don't think I have made these comments before, so presumably other members are making them, and there's probably something of a timeless truth about them or they wouldn't be emanating from so many different sources.

Mr. Speaker, these people need to recall that they were elected to provide leadership in a general sense, but to carry out public will in a more narrow sense. No political party is bound in the strictest sense to the platform which it is elected on. That cannot be. We know that circumstances change. We know, Mr. Speaker, that circumstances will change and that things which we plan to do and objectives, which we set for ourselves are no longer attainable, and the public understand there will be some deviance.

What I think the public does not understand, Mr. speaker, is an outright breaking of a commitment. I'll put it no higher than that, out of deference to the rules of this Assembly. Suffice it to say, Mr. Speaker, that evidence which we now have makes it clear that this government had studies the privatization of a number of Crown corporations before the election. So this wasn't a circumstance which changed — this wasn't a circumstance which changed.

They studied the matter; then after having, I suggest, a good deal of knowledge about the matter, they then went on, Mr. Deputy Speaker, to promise in the election that they . . . (inaudible interjection) . . . Well, the member from Tisdale is concerned about . . . he's concerned that I have no audience. I say to the members opposite that as long as the member from Tisdale is listening, that's all that counts to me. So if you're listening, that's all that counts, and I shall carry on.

The member from Regina South believes that my colleagues are off watching *Romper Room*. I'm not aware that the show is on at this time of the afternoon. It may be. Mr. Deputy Speaker, I frankly have to say that I don't watch *Romper Room* a lot. I know the member from Regina South, I'm sure he hasn't missed a show in a long time, so I am no one to argue with you about what time *Romper Room* is on, but I don't think it's on at this time of the day.

I suspect that my colleagues are out researching the history of this resource, the history of this province. I suspect, Mr. Deputy Speaker, they're out preparing some remarks, and I suspect that's probably a more likely explanation as to what they're doing.

But again, I don't want to argue with the member from Regina South. If he says *Romper Room* start at quarter to 3, I'll take it that it starts at quarter to 3. I take him to be the expert on *Romper Room* and all equivalent shows. No doubt his quality of his performance here suggests that he's a keen student of that particular television show and ones of like ilk.

Mr. Deputy Speaker, as I was saying before the concern was expressed opposite that I didn't have an audience — and I appreciate their compassion on the matter — as I was saying, in a democracy, power is a trust . . . (inaudible interjection) . . . Well, the member from

Assiniboia-Gravelbourg says he hopes this is a democracy. So do the public of Saskatchewan. That is what this debate is all about. There is some hope that the . . . Well the members opposite seem to think they're being misinterpreted. There is a solution to that, Mr. Deputy Speaker. They could rise when I am finished and make their own comments.

Mr. Speaker, they knew the background to the potash industry and SPC (Saskatchewan Power Corporation) and SaskTel. They had studied it extensively. We know that from documents which we now have. During the election, Mr. Speaker, we said to them, you are going to privatize potash, you are going to privatize SaskTel. What was their response? Their response was, no, we're not going to — a definitive ringing statement, a commitment in unmistakeable terms that they weren't going to do it.

That doesn't fit under the category of commitment you make which you do not completely understand at the time you make it. That's something very different. That's a commitment you made knowing all the facts, and there's no excuse for breaking the commitment, none at all. They may say, members opposite may say, but we have had a change of heart. We think we understand the situation better now than we did then. There's a solution to that too, Mr. Deputy Speaker, and that's to call an election. And I suggest, Mr. Speaker, that on this kind of a pivotal issue . . . the Bills which are before this Assembly this session of this legislature are pivotal Bills, pivotal Bills, Bills, which will change and alter the fabric and the kind of life we have in Saskatchewan.

Mr. Speaker, it is my view that one of the reasons why the government has got into the difficulty they have — and I think they are in difficulty on it if political difficulty can be described by saying that they cannot sell the issue to the public — so far as I am aware the public opinion hasn't changed in two years since this issue first arose. Since this issue first arose, those who were opposed to the privatization of the Potash Corporation of Saskatchewan are in the 50s: 52, 53, 54, up to 57, but it moves within a fairly narrow range. Those who are in favour of it are in the 30s: 32, 33, 34. There's a solid majority say no — a solid majority . . . (inaudible interjection) . . . The member from Assiniboia-Gravelbourg invites me to get back into the subject of the Romper Room; that's his area of expertise, potash is mine. I'll leave Romper Room to him and I'll deal with potash. I know that when the member gets on his feet . . .

The Deputy Speaker: — Order, order. All members will get an opportunity to enter into the debate. Order. And I'd ask the member from Regina Centre to keep his remarks on Bill 20, which is the specific motion before the Assembly, but I'd ask members on the government side to allow him to make his comments.

Mr. Shillington: — Mr. Speaker, I think this government, the Conservative Party, has got itself into difficulty on the issue of privatization. I'll say, Mr. Speaker, that if this were November of 1988, and they know then what they know now, we'd never have seen these three Bills. We would never have seen them . . . (inaudible interjection) . . . Well there's no way of doing that. You people face certain

defeat whenever you call the election. There is no way of turning back the clock.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Speaker, I think they've done that because I think they misunderstand what this province is about and how this province was made up. This is, Mr. Speaker, this is a different . . . we are a different people. We are not Americans; we are not British; we are Canadians, and we're different. We haven't . . . (inaudible interjection) . . . Well the member from Assiniboia-Gravelbourg tells me that he thirsts for additional information on the subject. As briefly as I can, I shall try to slake that thirst that he obviously has.

Mr. Speaker, we are a different people. We developed differently. We have a different view of the world. We have a different historical background. They are who they are, and we are who we are. I suggest, Mr. Speaker, that a mixed economy, public and private, has always been an integral part of Canadian society and western Canada in particular. We, Mr. Speaker, are not like the free-booting Americans, the private buckaneers; nor are we like the British who, without putting a fine point on it, believe that the business community is the basis upon which the nation is founded.

Mr. Speaker, the potash corporation had that mixture — had a mixture of . . . the potash industry had a mixture of public and private. It enabled us to have a public presence in it the same time the majority of the industry — and I think this is accurate — the majority of the industry was always private.

Mr. Speaker, this province was settled, as I believe I said the other day, this province was settled in part by . . . initially from people from Ontario and the British Isles. Up until the 1880s that was pretty much the limit of immigration.

(1500)

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

Mr. Hopfner: — Mr. Deputy Speaker, by the member opposite's own submission, he is now repeating back as to what he had said the other day, and I'd like you to bring him back to . . . brought back to order. I realize, under the rules of this House, is that a member cannot stand in this Assembly and continually repeat himself. And the member opposite, as I had indicated earlier, by his own submission is going into that repetition, if you want to check back on his words he's been using.

The Deputy Speaker: — I've been listening very closely to the debate, and certainly . . .

Mr. Brockelbank: — Mr. Speaker, on the point of order raised by the member for . . . Mr. Deputy Speaker, I appreciate the concern of the member for Cut Knife-Lloydminster, but I think that it's quite proper for a member to repeat something that he said before. The rules, rule 25(2), of course prevents a member from constantly repeating the same thing — repetition, constant repetition.

I've listened to the member for Regina speaking on this subject and I thought that he was doing quite well in not repeating himself. And I think I'm at variance with the point raised by the member from Cut Knife with regard to the member being out of order. I think the member is quite in order, and I'd be prepared to listen to him for some time yet, Mr. Deputy Speaker.

The Deputy Speaker: — The point of order is in order. But I have been listening to the member's comments and I will certainly listen closely as the member speaks. And I think . . . Order! But I've listened to the member and he has not gone into tedious repetition as yet.

Some Hon. Members: Hear, hear!

The Deputy Speaker: — But I will listen very closely to his comments.

Some Hon. Members: — Hear, hear!

Mr. Shillington: — I thank you, Mr. Deputy Speaker, for that very fair ruling, actually.

The difficulty — and I'll try to be brief on this subject — the difficulty, as members may or may not be aware, is that I've spoken on this I think on four different occasions, but it's been in short verse. Thanks to the . . . I'm not being critical of the Government House Leader, but this matter has been called, in all the cases I've spoken with one exception, less than an hour to quitting time. So one gets started on some comments and doesn't get finished. You start the next day, two days later, and it is necessary to summarize briefly so that the matter makes some sense to members who might not have been here the other night, and to members of the public who are presumably watching as well.

I was doing no more than simply trying to make sense of all this, Mr. Speaker, and I admitted quite candidly that I had made these comments on a previous occasion and was simply summarizing them. And that's all I will attempt to do.

Mr. Speaker, as I had said, this country was settled initially by people from the British Isles in Ontario. They were largely in a position to go back if things didn't work out. With the 1890s and the ascendancy of Clifford Sifton in the federal government, they began to welcome people from areas other than the British Isles — Holland, Germany, Ukraine, Russia, the Baltics.

What is remarkable about that migration, there were several million people came in the space of 15 years, one of the most remarkable migrations in human history. A number of things were remarkable about it. One is that there was no going back — not a step to be retraced. They were committed to come.

They left an existence which, while not comfortable, was at least understood; came to a land about which they knew nothing, and a language they could not speak, by and large. Came here for what? One word — land, private ownership, something in Europe at the time was unknown. To that extent private ownership and the portion of the Potash Corporation of Saskatchewan which

was privately owned and always is, is very much a part of our heritage.

But, Mr. Deputy Speaker, they came with more than just a desire to replace their landlords, often the nobility, whether it be Ireland or . . . whether it be the English nobility in Ireland or the Russian nobility in the Ukraine, they came intent upon something else. They came to this country intent upon establishing a newer and a more just society. They came, Mr. Speaker, not wanting to replace the landlord, but the whole society. Thus they wanted to establish a new and more just society.

One of the tools that they used from the very beginning was a co-operative approach. They didn't want, Mr. Speaker, to transfer the Russian or the Ukrainian or the Irish, in my case, society to Saskatchewan and turn it upside down with them on top and the others on the bottom. They sought to do something much more fundamental than that. They sought to establish a new and a more just society.

Very rarely, Mr. Speaker, has a society been established with such idealism. How did they do that? First of all with private ownership. The notion that a man should own the land upon which he . . . family — I use somewhat sexist language — but a family should own the land which they work on. But as was the case in the potash industry where one had a mixture of public and private . . . (inaudible interjection) . . . The member from Assiniboia-Gravelbourg invites me to comment on land bank. I will in due course. You will hear that in due course. You are anticipating my speech, and I know that's the mark of someone who's listening with rapid interest and great inspiration. You rush ahead because you want to get to the end of the story, it's so good. I know that's what the member from Assiniboia-Gravelbourg is suffering under. He's trying to get ahead of me in my story, but I will keep to it and stick with the potash corporation and maybe not get into land bank if you think, Mr. Deputy Speaker. I see by The Deputy Speaker's view on the matter that he would invite me to stay with . . . he would have me stick with the Potash Corporation of Saskatchewan and perhaps not get into the land bank in enormous detail, not in enormous detail.

They sought to establish a just society. And this is where I think these members opposite misjudge the society in which they're dealing. When they attempt to privatize the potash industry and turn this Crown corporation over to the private world, I think they are misunderstanding the people with whom they are dealing. I say to members opposite that this is not England, this is not the U.S.; this is Canada and we are different.

Private ownership of land was certainly a part of it but so was a public effort. Co-operatives were a part of this. Co-operatives were a mechanism by which the people who came sought to achieve a collective control over their own existence. They sought in a community sense to control their existence. They didn't want to be controlled by landlords as they had in Europe, or the nobility, nor did they want to control others.

In the very beginning, Mr. Deputy Speaker, there was a mixed approach, as was the case with the potash industry

up to this point certainly. It was partially public, partially private. Each provided a check and balance on the other.

In the 1890s the beginning of co-operativism as a major force began in this province. The dairy producers' co-operatives, most retail co-ops are 75 to 100 years of age. They began in the same era. That's what they came intending to establish. This was very different, Mr. Speaker, than what they had left behind, certainly in eastern Europe, but even in England and the U.S.

One of the problems this government has is that it has relied too extensively on English advisers. As I say, while we are a child in a sense of that society, like any child, we're different than the parent. What works well for the parent, often will not work for the child. All of us who are parents know that we see, just as children develop and grow, so do the parents. We begin by thinking these are carbon copies of ourselves, just smaller and shrunk. As they grow older, we realize they're different human beings, different needs. They will do things differently, and they will be different. What has worked in England will not necessarily work in Saskatchewan.

An Hon. Member: — Like the family of Crown corporations.

Mr. Shillington: — And the member from Assiniboia says, just like the family of Crown corporations. As I intend to suggest, the family of Crown corporations has a place in Saskatchewan society. It might not in Oklahoma, it might not in Texas, and I don't think it would in England, but it does in Saskatchewan. It is consistent with our historical development.

We are a different people. We have long done things through a joint, co-operative, private-public approach. Our society has been built on that basis. When these people seek to transfer, to change our economy into a carbon copy of the English economy or the American economy, they're making a mistake. An economy is not like a picture you can paint whatever you want on it. An economy is a reflection, a reflection of the people who are there.

I suggest, Mr. Speaker, that the English economy developed very differently than ours. I won't go into this in great detail. Suffice to say that the English empire was based upon the English business community, more so than any other empire in history.

Mr. Speaker, when the folks from the People's Republic of China were here, the interpreter spoke with a distinctively English accent. It was very interesting. He spoke with an English accent because of the role played by the business community in London in the 18th and 19th centuries.

Beginning at the time of the South Sea Bubble, at the time of the South Sea Bubble — I won't get into it in detail — the English monarchy got themselves in a very serious difficulty. They were bailed out by England's first prime minister, Sir Robert Walpole, a grit — that meant, at that time, a business man. In those days, the Conservatives were the nobility; the grits were the business community.

They did a number of things, one of which was they

began to trade with some of England's traditional enemies. Whereas the previous wars had brought taxes, the grits brought prosperity — shipped British steel and British woollens to Russia and got back Russian furs and timber — more so than anyone else. That was the basis of the nation. I remember being in law school, and the test by which English judges would judge a decision was whether or not it was good for the business of London.

Our society, Mr. Speaker, is different. Our society, Mr. Speaker, has never been based on the welfare of its business community. Unlike the British experience in which the British empire was in fact an extension of the business community, it was more or less accepted that the empire existed to serve the business community. That has never been the assumption in Canada, and it particularly has never been the assumption in western Canada, more so than even the folks in Ontario and Quebec.

(1515)

Our society was founded to establish the just and equitable society. We sought not, as the Americans did, an atmosphere in which individuals could excel. We sought not, as the British did, an atmosphere in which British business could excel. We sought to establish a society which would be just and equitable.

The people who came here, the people in sheepskin coats, be they from Ireland, the Ukraine, the Baltics, sought to leave behind not their serfdom but the whole society. They didn't come here wanting to turn the society of eastern Europe upside down with themselves on the top and somebody else on the bottom, they sought to sweep away the society. They were coming to establish a new society, and that was unlike the experience of other nations, and particularly our good neighbours to the South, the Americans.

Mr. Speaker, I'm not saying other models haven't been more successful than ours, and I'm not in a sense being critical of the British society, which is an empire built on a business community, really. They have been obviously, in a space of a couple of centuries, the British business community spanned the globe, and that's why we have people from China who come to interpret who speak with an English accent.

We sought to do something different. We sought to establish a society which was just and equitable. We did not seek to establish what somebody else had. It was a different dream. And integral to that dream of a just society and an equitable society was a mixture, not a society exclusively based on private ownership, which certainly at the time they came was the British model and the American model.

They sought to establish a society not with something which was exclusively public as was sometimes the case in eastern Europe, they sought a mixture — a mixture which would achieve a number of different goals.

They sought to establish a society in which the good of all the public weal, would be the foremost consideration — a society in which everyone would live with dignity, everyone would live without want, privilege would be

abolished. It was what some European philosophers had referred to as the New Jerusalem, the first Jerusalem being the establishment of Christianity.

Hon. Mr. Klein: — Mr. Speaker, just on another point of order. I've been listening to this member for the last few occasions while he's spoken, and he's obviously struggling. He is talking about television series; he is talking about history; he has been talking about the Alamo and England and now Europe; he's talking about Jerusalem and Christianity. I think that he's very, very far off the Bill. He's obviously struggling, and I would ask you to rule on that accordingly.

Mr. Brockelbank: — It's quite clear the minister has a difference of opinion with the speaker; that's understandable. I've listened to the member quite clearly. The member is describing the mélange of people that make up the society which decides the policies of this government and of the previous government, and which is right and which is wrong. The member's putting the arguments in support of the potash case. I think it's quite clear that the member is right on track, and I want to compliment him for staying on track.

The Speaker: — Order. I have listened to the Minister of Urban Affairs and to the member for Saskatoon Westmount; also I have been listening to the words of the member for Regina Centre for the past while. And I must say that, giving it consideration, that the Minister of Urban Affairs' point of order is in this instance well taken.

The hon. member is going into a historical perspective in depth — in depth. And if of course we accept that argument, then of course members would be permitted to go into long, long, historical explanations of whatever issue. And I don't believe that this is the intention of these debates. And as we mentioned earlier, indicated earlier, certainly hon. members may use examples, but I think long, convoluted discussion of those examples aren't actually on the topic.

Mr. Koskie: — Mr. Speaker, I wonder with leave of the Assembly, whether or not I could introduce some special guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Koskie: — Thank you, Mr. Speaker. I want to take this opportunity to welcome to the east gallery a good constituent of mind, Mr. Gordon Nystuen, a well established seed grower in his area, a very successful farmer, a man that has been the president of PAMI (Prairie Agricultural Machinery Institute) both under our government and under the present government. And he has with him relatives and friends from Norway.

And I want to take this opportunity, and I ask other members to join with me to extend a warm welcome to Mr. Nystuen and his guests from Norway.

Hon. Members: Hear, hear!

Mr. Shillington: — I too want to join the member from

Quill Lakes in welcoming the guests from . . . Mr. Nystuen and the guests from Norway. I regret that I don't speak any Norwegian, cannot even say welcome in Norwegian, so I'll say it in English. Welcome to Canada. I hope your stay is very enjoyable.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 20 (continued)

Mr. Shillington: — Mr. Speaker, I do of course accept your ruling, may have got into more detail than what is necessary, but I think the key mistake the government opposite has made is that they have not dealt with this industry in its historical context. I think that mistake is key.

I think if you better understood our history, you would better understand the people and you would better understand why they don't want it. And it is relatively clear, Mr. Speaker, that they don't want it.

An Hon. Member: — That ain't what the polls say.

Mr. Shillington: — Well the member from Wascana — it is indeed — says that's not what the polls say. I don't know what poll the member from Regina Wascana has access to. Those which . . . (inaudible interjection) . . . The member from Swift Current also believes that there is a poll which suggests something different.

I suggest to members opposite that the polls say no such thing. A number have been made . . . (inaudible interjection) . . . Well the member from Swift Current and Wascana are vigorous in urging me to ask Roy, they say.

Let me just make the obvious comment that during the debate on SPC, on the privatization of the Saskatchewan Power Corporation, there were a number of polls which were made public. Those polls, Mr. Speaker, those polls were consistent, done by widely varied groups. Angus Reid was one; Decima was the other that I recall. Both of them did polls on a number of questions directly relevant to the privatization of the Saskatchewan Power Corporation, and some only relevant in a peripheral sense.

Both of those polls were remarkably consistent. The results were within a percentage point on all occasions. They suggested that 54 per cent of the Saskatchewan public were opposed to the privatization of the Potash Corporation of Saskatchewan, and 34 per cent were in favour.

Those were two different polls done by two different groups, neither one of whom I think play a significant role in Saskatchewan, neither one of which have any interest in fudging the results.

I'd be the first to admit that the poll results can be swayed, but I think it's unlikely to happen by two rival industrial groups, and they are rivals.

They said that the public don't want the sale of SPC. The member from Meadow Lake know that, as does other members. They want good government. They want competent management, Mr. Speaker, and they're used to that.

Mr. Speaker, again I won't get into historical context in enormous detail; I will avoid that. Suffice it to say that up until this group — and I will put it no more strongly than that — took office, Saskatchewan had the lowest per capita debt of any province in Canada and almost the lowest per capita debt of any jurisdiction in North America. It's not entirely true, because some American states are constitutionally unable to borrow money. But of those jurisdictions which have the constitutional authority to borrow money, we had the lowest per capita debt of any in North America.

That came about again because people in Saskatchewan have always taken a keen interest in their government. They see a government as one of the prime instruments through which they shape and mould their society. They view public ownership such as the Potash Corporation of Saskatchewan as an integral tool with which to build their society.

Mr. Speaker, this was done with a number of other industries, but by the time potash was developed, we had reached a somewhat different stage. We have always viewed resources differently than other countries. It's very key, Mr. Speaker.

I watched this confusion over the philosophies with respect to resources in the mid-70s when the potash debate was ongoing; it was very interesting. Lord Durham described the English in Ontario and the French in Quebec as two solitudes warring within the breast of a nation. What we had with respect to the potash industry in the mid-'70s and the government was in a sense also two solitudes; they could not understand each other. They simply could not understand how the other could take the unreasonable views that they did.

The reason I think why the potash industry . . . the public ownership of the potash industry came about because the industry refused to pay their taxes. Mr. Speaker, in the mid-'70s we levied taxes which admittedly were higher than the taxes of other jurisdictions in Canada. We produced spectacular results with that resource policy, but we did indeed have royalties which were higher than other provinces. We made no bones about it.

(1530)

They were also structured differently, and that also entered into the entire affair. They were not a percentage of the oil. The old royalty was one-eighth, you got one-eighth of the value of the oil. That's almost the beginning of the industry at the turn of the century until the mid-'70s in Saskatchewan was the standard royalty, one-eighth. You got one-eighth of the value.

The NDP government of the day felt that was inappropriate. We felt that these resources ought to be

used for our benefit; they were ours. The Americans had a very different view, and I know that . . . I summarize briefly again — they are a different people. When you people take ideas and philosophies which have been developed south of the 49 and try to apply them north of the 49, you are making a serious mistake. They again are a different people.

The American constitution begins with the words . . . the Declaration of Independence, I'm sorry, begins with the words: "All men are created equal." The emphasis is on the individual. They believe that everything, including resources, are there for the individual to exploit.

That isn't our view with respect to potash or resources. We have a different view. They are a society of individualists. They believe that the role of society exists to provide an opportunity for individuals to excel, and they believe the resources are theirs. They're owned on an individual basis. It is true that society has a right to some benefit from those resources, but by and large it is their view that resources belong to the individual or to the company which owns them, and society is entitled to a small take.

Our view is entirely the opposite. Our view is that those resources are owned by the public. The private companies, where they develop them, are entitled to a reasonable profit, but no more. Americans . . . and this lay at the basis of the very dispute. The individualism of the U.S., their belief that resources are there . . . that society exists as a structure in which individuals can excel, and that's the function; all men are entitled to the pursuit of happiness — not entitled to happiness, just entitled to pursue it. That's their view.

It is very different than the British view which I described earlier, that the business community is in fact the foundation of an empire. And it's different than our view. It is different than the men and women in sheepskin coats who left behind an unjust and often tragic society in Europe, came here, not to replace their oppressors but to abolish them. It's the key that these people miss. It's the key that these people miss.

Ideas borrowed from other jurisdictions don't fit into our economy in general, and our potash industry in particular.

We are a very different people. We've always sought to use the public sector as an instrument. It has been true from the beginning of this province. When you people seek to abolish the public portion of the commercial world, you are trying to rewrite Saskatchewan history, and I suggest to you, it is not going to work. It's always been true.

Mr. Speaker, my parents and grandparents left Ontario, came here in 1908. That was the very year that the Saskatchewan telephone company was established. I've read the debate of the premier, Walter Scott. Saskatchewan government telephones, as it was called, was established, as he said, so that we may bring telephone services, this new marvel, to our great burgeoning agricultural industry.

First Crown corporation, I think, in Canada, was the Saskatchewan government telephones, again using the public sector and the private sector to work together as we were doing in potash, as we had done in oil, oil industry, as we had done with all our resources. And it was eminently successful.

My parents and grandparents got telephone service 30 years earlier in Saskatchewan than they would have if they'd have stayed in Ontario. Why? Because it was the view in good old Ontario that it ought to be left to the private market to develop a society and develop the economy.

That wasn't the view in Saskatchewan. The view in Saskatchewan was there was a place for private ownership, there was a place for public ownership, and the only question was, who could do the job most effectively. And that was the only question pioneers asked — who can most effectively do the job?

They felt very keenly that land should be privately owned. They felt equally as keenly, I think, that utilities should be brought by the government. That way the marvel of the telephone would arrive that much earlier. And it did.

One must say this about the Saskatchewan public. They may be stubbornly resisting the members' efforts opposite to abolish the private sector by selling off the portion of the potash. I think the view of members opposite and the view of the member from Saltcoats who's gesticulating . . . (inaudible interjection) . . . I will. I'm not in any sense being critical of the member. He has a right to his views as much as I have a right to mine.

I suspect that members opposite take the view that the public haven't thought about it much. To the extent that they have thought about it, they just haven't had the facts explained to them. I think it is their view that with respect to privatization we have somehow been guilty of the big lie, that we have somehow been guilty of perpetrating some untruths. It is the view of members opposite that this whole system will work like a charm if given a chance — if you sell the potash Corporation of Saskatchewan, you turn it over to the private industry; sell the SPC, turn part of it over to the private industry; turn a portion of SaskTel over to the private industry — that the society will improve.

You take the view that we are perpetrating an untruth. I say to you that we are behaving in a fashion which is consistent with the historical development of this province. It is we who are being true to our heritage and true to our history and culture when we say that there must be a mixture. We never said, not ever did we say that the potash industry should be entirely owned by the public. We never said it was necessarily a bad thing that it was entirely owned by the private sector. What we have said is we want a system, we want the system which provides the maximum benefits for the Saskatchewan people.

An Hon. Member: — At any cost.

Mr. Shillington: — Well, yes. The member from Saltcoats says, at any cost. It is true that we are prepared, in our

pursuit of a system which will provide the maximum benefits for Saskatchewan people, we are prepared to make some sacrifices and we're prepared to take some risks. If necessary, Mr. Speaker, we are prepared to beard the lion, as we did in the past.

Mr. Speaker, when the potash industry was privatized, we made a number of . . . a great deal of planning went into it. It's remarkable that so much planning should have gone into it over many months without anyone in the media or in the opposition ever being aware that it was being done. It is just remarkable.

One of the things that was done was to meet with members of the American Congress, since it was their industries which were being taken over. One Senator Thurmond from North Carolina said — I wish I could mimic his southern accent — when he was told about it, as chairman of the U.S. foreign . . . not foreign relations — finance, I think at the time, senate committee said, "That's awful tall cotton." Indeed it was awful tall cotton. It was the largest nationalization in the history of the world.

So when members opposite say, at any cost, I say, not at any cost — not at the cost of our principles, not at the cost of being fair and equitable, but at a cost, if necessary, of antagonizing the powers that be in our society; at a cost of risking electoral support over a temporary period of time. As we are certainly prepared to do it at that cost. And we have.

The members opposite might ask themselves, well if it was all that . . . I'm interested to hear the references to Tommy Douglas. He was a highly partisan and an extremely controversial member . . . premier. It was his fate to be detested by a portion of the population, loved by a portion of the population, when he was in office. It was his good fortune that those who loved him, by a relatively narrow margin, outweighed those who detested him. He was no saint then or now.

He was a gifted inspirational speaker, compassionate human being, but he was not the saint that one would think when one hears both sides of the House suggesting that Tommy did it or Tommy said it. I hear the Premier referring to, with almost reverence, as if one were quoting one of the Apostles, something Tommy Douglas said or did. It's not a fair comment of the Premier because some of his relatives, at least, were supporters of Mr. Douglas. But some of the members opposite who think Tommy Douglas could walk on water ought to have listened to their parents.

But members opposite say, because the man is now a saint and can do no wrong — I suppose that's the fate of all saints; eventually your life blends into some sort of a perfection. Members opposite have said, well if it was such a grand idea, why didn't Tommy do it?

I have spent some time trying to research that point. I think the answer to that is . . . the simple answer to it is that they didn't have the money, just simply could not lay their hands on the resources necessary to take over a portion of the industry. One must remember that that government came into office and took over a bankrupt province, a

province which was literally unable to meet the debts, and they spent some considerable period of time working around that.

Next to the importance of the hospital system which they set up, next to the importance of the Saskatchewan Power Corporation which they put together after they came into office, owning the potash industry, while a desirable objective, was not an essential one. And thus the potash industry was allowed to develop in an entirely private mode.

I remember Mr. Douglas defending the private ownership of the potash industry. In those days . . . It doesn't happen now; I'm told the Premier of Saskatchewan hasn't been on the Saskatoon campus for a dog's age, but when I was at university, Tommy Douglas used to be there a lot. He was there on a fairly regular basis and met the students of the '60s who were a hostile — sometimes hostile — but often a very aggressive group. I remember someone asking him: who do you . . .

An Hon. Member: — Does this have anything to do with the Bill we're talking about?

Mr. Shillington: — Yes, indeed it does. I'm suggesting to the member from Kelvington that if you . . .

An Hon. Member: — That's Kelvington-Wadena.

(1545)

Mr. Shillington: — Kelvington-Wadena — he corrects me. I'm suggesting to the member from Kelvington-Wadena that if you understood a little better the society in which you live and if you understood the culture better, you wouldn't be making the mistake you are with respect to potash. You wouldn't be trying to abolish the public sector in Saskatchewan, as I think that's what you're doing.

I think that's a fair comment that what you are doing, you're attempting to abolish . . . our economy is now divided into two sectors: public and private. I don't know whether one is greater than the other, but we have two sectors. This is the most fundamental change, perhaps the most fundamental change that I have witnessed in the years I've been in office. You are seeking to change that whole mix. You are seeking to take the public sector out and leave it almost entirely a private sector. That is a very, very fundamental change, and it is germane to the subject of potash, although somewhat on the periphery.

The potash . . . I'll wind up the comment with this: we have . . . our province has been built on a public and on a private sector working hand in hand. When you seek to bring in the Potash Corporation of Saskatchewan, you seek to take us out of the largest resource in the province, and that's an accurate comment, I think, of potash. It's undoubtedly our largest and richest resource.

When you seek as you have to take us out of oil; when you seek to sell off the major utilities portion of SPC, you're seeking to make a fundamental change in our economy.

Mr. Speaker, I was making the comment, when the member from Kelvington-Wadena asked for my assistance on a point, I was making the comment that I heard Tommy Douglas describe, and I heard him ask the question: why don't you own the potash corporation. Why isn't the potash industry publicly owned? His response was: there's no need to. We've never believed in that. We believe we can achieve the same benefits out of the private sector by regulation and taxation. So it was never part of our philosophy that everything had to be publicly owned. There are references to that effect in some historical documents, but it's never been part of our policy.

It's never been part of our policy that privatization is all bad. We've never believed that, nor have we ever said that. We believe that government is an organic affair. We believe that goals change. What was a goal in the '50s and '60s and '70s might not be a goal in the '80s and '90s. I don't know what you call the period after the turn of the century, the zeros I guess, but what was a goal in the '60s and '70s might not necessarily be a goal in the '90s and the 2000s, or whatever they're called. Goals change.

The Douglas government sought to establish adequate health care to abolish want; to provide an education system. That was, while a refinement of those things was the goal of the Blakeney government when it took over the potash industry and other such, it was not a primary purpose. The primary purpose was not to achieve an adequate health care system. The primary purpose was not to improve the educational system so that young people might enjoy the same opportunities that we did. The goal, I think, was more to develop a strong economy, which would provide the base for services which were becoming increasingly expensive. By the time . . . and they have become very expensive. By the time the government, I think this is accurate, by the time the government left office, the Health budget was greater than the entire budget when they took office. The cost of public services increased dramatically in the 1970s.

What Mr. Blakeney was seeking to do was to establish a solid economy which would fund the kind of services which he believed were essential to a civilized society. He believed that seniors should not have to pay for their own drugs. He believed that that ought to be made available to seniors so that after you've made your contribution and your years or earning are past, you shouldn't have to worry about whether you buy bread or whether you buy drugs. He believed the children's dental health shouldn't depend on whether or not they were rich or poor, society ought to do it.

But that's expensive! Earlier governments had paid for those services by increasing taxes on individuals. It was Mr. Blakeney's recognition that there wasn't much further scope for that. The taxes load paid by individuals had reached a point as high as it could. It was his view that those services ought to be provided to everyone and that the money should be found if possible from the resources.

Mr. Speaker, it is accurate in the 1970s, we had the third lowest level of personal taxes. By that I include sales taxes, income taxes, medical care insurance premiums. If you add those taxes that individuals pay, ours was the

third lowest in Canada. Only Alberta, which enjoyed enormous wealth from oil in the '70s, and Nova Scotia, which as far as I can see doesn't do much of anything, only those two provinces had lower levels of personal taxes.

We had a much higher range of services than any government. How was that achieved? That was achieved by getting for the public of Saskatchewan a fair and equitable share of the revenue from resources. It was a very real achievement to have the level of services we did, and to have the third lowest level of personal taxes was a very real achievement. Part of it, to be fair, had nothing to do with resources; it had more to do with Mr. Blakeney's ability to manage a government. He ran a government which was very efficient and lean. But part of it had to do with his resource policy; part of it had to do with his view of what resources are here and what they are to do.

Mr. Speaker, it's worth remembering that the Blakeney government tried a different tack before they came to public ownership, genuinely tried to make their earlier system work.

The members opposite, and I've alluded to this before and will not repeat it, but just so that this makes coherent sense, let me repeat what the platform was in 1971. I will do so with some degree of conciseness. I dealt with this in some length the other day and I won't do so again. Suffice it to say that resources were viewed as a linchpin about which the whole platform was going to work. It was an enormously ambitious platform, 25 pages in length. And the rules of the Assembly prevent me from showing this document, but it is very few pictures. People wouldn't recognize it as an election platform. Very few pictures and 25 pages of hard copy, in detail, saying what the government was going to do. I will do this in the briefest sense.

They were going to deal with an absolute crisis in rural Saskatchewan — farmers growing older — somewhat the same problems we have now except that they weren't in any way near as serious — farmers growing older; children unable to buy their parents' farms, unable to farm; talked about the values of rural life and promised an ambitious program for rural Saskatchewan.

Labour. Went on to talk about things that the government was going to do for labour. I won't get into this in detail, but it is fairly fine print and covers two pages.

Employment. Saskatchewan had, during the '60s, exported our most valuable resource — our young people. I remember the former member from Maple Creek, actually Eugene Flasch, describing the image of Saskatchewan as it should be — the back end of a moving van — because the young people were just leaving the province. Then as now there's some real parallels. We said we were going to deal with that. I say "we" because I was part of that administration.

Small Business. We had a small business platform.

Taxation. We talked about lowering taxes, particularly property taxes which we felt were too high, and business

taxes — and they are, and they've got much worse since this government's got in office. On complaint we met constantly was that property and business taxes were too high.

We talked about education in this platform. And again I'm fleetingly going over this document. I am not dealing in anywhere near the detail I could.

Education. We talked about the need to improve schools, particularly so that young people who lived in rural areas would enjoy the same education as young people who lived in cities. It's not often recalled that the quality of your education was very, very dependent on where you lived. The quality of education was much better in urban areas.

I say to those who are watching, that when I went to school, the encyclopedia I used had been printed in 1928. It described eight planets. Pluto had yet to be found when that encyclopedia was printed. That's what I used for an encyclopedia — woefully out of date.

The Blakeney government said, we are going to ensure that in rural Saskatchewan they get the same quality of education they do in the cities.

The Speaker: — Order. I've been listening quite intently to the hon. member, and his remarks are interesting; however, as he himself mentioned earlier, rather on the periphery — if we're generous in our assessment — rather on the periphery. And I must say that he has just stepped outside the periphery and I'd like to ask him to get back to the topic.

Mr. Shillington: — Thank you, Mr. Speaker. I'll step back in again and step quickly.

The document also covered health, social security and welfare — these are major expenditures — senior citizens, pollution, housing, consumer affairs, Indian and Metis, which turned out to be a major expenditure. In fact, it turned out to be one of the biggest ones.

In the 1975 session of the legislature, I remember Mr. Blakeney standing in his seat, holding this document, going through it in the throne speech one by one and saying there was 123 promises. We kept every single one of them. And he went through them one by one and pointed out how that had been done.

Pointed out how education was as good in rural areas as it was in urban areas, and was vastly better for both. Pointed out how the section with health care, which I didn't deal with, which involved some very major expenditures, had all been kept. Point out how the agricultural crisis had been largely dealt with, partially world markets, but partially he . . . The obvious question arose as how on earth it was paid for, and I might add — and I might add — never had a deficit all the years he was in office.

The obvious question which I asked myself when I was listening to him — because I wasn't an elected member in that session; I was in fact watching from the gallery — how on earth could he do it? How does one pull off a sleight of hand? How does one keep such an expensive

set of election promises without incurring a deficit? Why?

Well that's the portion I want to deal within slightly more detail; it has to do with resources. This was not written by Mr. Blakeney; it was authored by an assistant of his. I know now; I didn't know then. But it states our policy with respect to resources. I'll read a couple of short paragraphs and then our specific statement on potash.

(1600)

Saskatchewan's natural resources are the rightful heritage of the people of our province — not the preserve of private interests. The New Democratic Party believes that (the) Liberal policy (then the governing party) of selling out our birthright is both unwise and unnecessary.

We have faith in Saskatchewan people. We believe them capable of developing their own resources for their own benefit. Outside help is sometimes necessary, but a sell-out is not. Development must be aimed at maximizing benefits for people — not maximizing profits for big business and its promoters.

New Democrats recognize the need for research and planning . . .

And that takes us into a slightly divergent area.

Toward these ends, a New Democratic government will:

5. Review existing royalty and other arrangements with a view to renegotiating, where necessary, those not in the interests of Saskatchewan people. Where feasible, we will reclaim ownership and control of foreign-owned resources.

It was, Mr. Speaker, the view of the Blakeney government that, by and large, public ownership would not be necessary; that their goal, the development of resources for the benefit of Saskatchewan people, could be done through the private sector. As Mr. Douglas had said in Saskatoon and had said on many other occasions, public ownership is not always necessary; one can often accomplish the same thing through regulation and taxation. And they sought to do that.

The initial effort was to avoid public ownership. Royalties — and this is somewhat technical but integral to the story of how we come to nationalize them — royalties were changed. The oil royalties from time immemorial had been one-eighth of the oil; whoever owned the mineral rights got one-eighth of the oil rights. It's true in a world-wide sense.

We changed that, changed it and made it a system so that it was based on the profit of the company producing it. Thus on wells which produced a thousand barrels a day, on an old well which produced a thousand barrels a day, the royalties were much higher than a new well which produced five barrels a day. I don't think in Saskatchewan we have any wells producing a thousand barrels a day, but on an old high-producing, the royalties were much

higher than on a new well. We sought to recognize their costs.

In one sense the policy was spectacularly successful. It first met with enormous resistance from the industry. Oil companies, which are more mobile than potash companies, simply said they were going to leave the province, and for a very short period of time they did. When the government didn't cave in, and the government didn't . . .

Incidentally, Mr. Speaker, part of the public ownership was achieved during that period of time — some very shrewd dealing. Some of the . . . Saskoil, for instance, was based on leases bought from Atlantic Richfield, who said they weren't going to work under such a government and they sold all their leases to us. We got them at a fire sale price and Saskoil made money ever, ever, ever after — very, very large returns in terms relative to the initial investment.

Oil companies were used to dealing with governments world-wide, dealt with some very conservative governments in Oklahoma and, I suppose, communist governments in Russia. They reacted by huffing and puffing, but not a whole lot more.

The potash companies, however, reacted very differently. This was a very different industry. They were naive and unsophisticated, by and large based in the south-western U.S. states. It's not entirely true — there were some Canadian companies, there were some . . . a South African company — but the leadership always seemed to come from Carlsbad, New Mexico.

It simply could not understand what was happening. It could not understand why we wouldn't do things the good old American way. And I know that some embers opposite felt I had gone into too much detail with respect to the American approach to the economy — it was very relevant. You people in a sense have bought it, but you're not going to be able to sell it. You may buy it, but you're not going to resell it.

The member from Weyburn is back. He doesn't often escape one's attention. I think no one makes as many comments away from a microphone as does the member from Weyburn . . . (inaudible interjection) . . . It's probably unparliamentary to repeat that exchange. It's a great shame. It was worthy of repeating, but probably unparliamentary.

The Speaker: — Order, order. As the hon. member had just indicated that private remarks members are making were probably deemed unparliamentary and perhaps we should discontinue them and allow the hon. member for Regina Centre to continue.

Some Hon. Members: Hear, hear!

Mr. Shillington: — The potash companies took the view those resources were owned by them. And that's another difference within the oil industry and the potash and it turned out to be key. That's why most of the oil industry's still privately owned and half the potash industry isn't.

Oil people had never owned the resource; they'd always lease them. That had been the case in the beginning, partially because they had difficulty defining what they wanted to buy. So they simply took out a lease.

The potash companies bought the mineral resources and they owned them. They took the view, with respect to those resources, we own them; they exist for the benefit of our shareholders. You are entitled to a small — what they would call modest and reasonable — a modest and reasonable return, but you are not entitled to the entire benefit; that's private property. We own the resources; we're entitled to them.

The '71 election was fought around issues of that sort. In a sense this issue is neither new nor old. In a sense the potash issue is new: you people are the first to fly in the face of public opinion in the fashion which you have. In a sense it's very old: in a sense it's an ongoing debate which has gone on for years about how this province is to be structured.

During the late 1960s, the Thatcher government, the Liberal government, encouraged companies from New York, Parsons & Whittemore, to build pulp mills — all kinds of benefits given to them. The NDP government of the day said, that's wrong; those trees and the pulp are there for Saskatchewan people, should be used for our benefit. And it was central — the member from Saskatoon South will recall — the debate over the forest industry was absolutely key to the '71 campaign, absolutely key.

A second issue was the potash. The Liberal government had introduced prorationing, which in effect produced benefits for the companies at the expense of the Saskatchewan public. That was our view of it. It was Mr. Thatcher's view that he saved the industry from ruin. But the potash industry was an important secondary issue in the election campaign.

Mr. Blakeney, the Leader of the Opposition in 1970, made it crystal clear that resources should be owned by the public, must always be developed for the benefit of the public, and that was the purpose for which they existed. As I say, in one sense his system worked. Vast resources were produced . . . not vast resources, very considerable revenue was produced for the treasury. It funded an ambitious and very successful program. Health improved, education improved, so did agriculture.

What happened in the potash industry is, though, that the potash industry, I think, thinking they were dealing with a supine government of the sort one might find in New Mexico, said we aren't paying our taxes. And it flew in the face of what the government was elected for. The government had been elected to ensure that resources, Saskatchewan resources, were used by Saskatchewan people and they'd been successful in developing a very prosperous economy.

The industry said, that's not fair; we own them; you're taking them away from us; it's not the good old American way. We tried to say to them, but this is not New Mexico, this is Saskatchewan. We have a different view of the world than you do. But it didn't work. They simply just refused to pay the taxes.

An election intervened. During the election . . .

An Hon. Member: — How do you spell tranquilizer?

Mr. Shillington: — . . . o-r-t-h. Parliamentary rules permit me from pronouncing tranquilizer.

Mr. Speaker, in 1975 the government was able to claim a successful resource policy, able to say that it had kept its promises, but dealt in a very specific way with the potash industry, dealt with it very specifically.

Mr. Speaker, our election platform in 1975 — and I want to bring this to the attention of members opposite — the only attempt I heard members opposite make to excuse the inexcusable, the breaking of the commitment, the only excuse I've ever heard is, you people didn't tell them you were going to take it over. Not so, not so. Not so. We did.

Mr. Speaker, in 1975 . . . our 1971 our platform was called New Deal for People. In 1975 it was a continuation of that, called New Deal '75. We said with respect to resources in general, and I will be brief here . . .

An Hon. Member: — How brief?

Mr. Shillington: — Oh, very brief. The member will make it home for supper. The member wants to know how brief I will be. I will not interfere with his next meal. We said:

In 1971, the New Democrats promised to act decisively to see that . . . resources are developed to benefit Saskatchewan people. Under the Blakeney government, that has been done. Direct revenue to the provincial government from minerals alone . . . was four times what it was in 1970.

Then I want to talk about oil which is strictly relevant. Then we went on to say:

When re-elected, the New Democrats will continue . . . to see that Saskatchewan people get the greatest possible benefit from our resources in the decades ahead.

This may well involve new approaches to public ownership, to joint ventures between the government and private enterprises, and to resource(s) . . . and taxation. All approaches will be measured by the test of what will give to . . .

This is the key to our approach, and it should be the key to your approach, should be the key to the approach of members opposite. What you are doing should be judged by the following guide-line.

All approaches will be measured by the test of what will give to Saskatchewan people the greatest overall benefits in the decades ahead — benefits in revenue . . .

That's what you ought to be doing. One of the tests of the integrity of election platform is how would you like to run

on it in the next election. Take the ones from the past and ask yourselves: how would I like to run on it in the future? How would you like to run on your election platform?

(1615)

Member, money in your pocket; member, money in your pocket. Building Saskatchewan, the member says — how they have built; how they have built. The rules of this Assembly prevent me from describing in detail exactly what you've built in Saskatchewan. Suffice to say it's becoming an economic basket case.

Mr. Speaker, we went on to say:

This may well involve new approaches to public ownership, to joint ventures between the government and private enterprises, and to resource royalties and taxation.

Specifically, we will:

Speed up direct government participation in exploration for and development of potash and hard rock minerals to achieve a greater measure of public ownership of these resources and industries.

That's what we promised, and in the end result that's what we did. Mr. Speaker, after the election, those . . . (inaudible interjection) . . . The member from Regina Weyburn, the member from Regina Weyburn continues to insist . . .

An Hon. Member: — Come on. We've got to have some order in the House.

An Hon. Member: — Yes, get some order in the House, eh.

The Speaker: — Order, order. Let . . . Order, order. The hon. members have a good point — we should have order in the House. And I ask all members to adhere to that request.

Mr. Shillington: — The member from . . . Well, since you've ruled the remark out of order, I won't comment on it. Suffice it to say to people who are listening, such as the . . .

The Speaker: — Order, order. I'm just going to bring it to the attention of the hon. members once more. I know that it's getting on in the afternoon, and they've been listening to remarks all afternoon, and sometimes you do something to break the trend; however, the member from Regina Centre should have the opportunity to speak without being interrupted.

Some Hon. Members: Hear, hear!

Mr. Shillington: — I say to members who are watching and to young people in the gallery, this debate's about your future. This debate is about whether or not this government is going to have the kind of resources which it needs to fund, to provide jobs, to provide a good educational system, to provide the kind of health care

system which your parents had.

I say to members opposite that we are no longer — and I say to the people in the gallery that we, at this point in time, aren't providing as good an education for you as was provided for me. The reason for that is because government opposite has abandoned some important areas of resources and are no longer using them. They are about to abandon a very, very important resource, and if they do, the quality of education which you get, the resources which will be available to provide jobs, will be that much weaker. This Bill is about your future.

Some Hon. Members: Hear, hear!

Mr. Shillington: — I know the member from Weyburn will never understand that. It's one of the problems of the member from Weyburn is that he rarely stops talking long enough to listen. One cannot learn much when one's mouth is in full flight.

The Speaker: — Order, order. I don't really think those kinds of remarks are necessary. Order. No doubt at times those kinds of remarks would be applied to other members as well, and it serves no purpose in debate for the hon. member speaking to introduce those remarks into his debate.

Mr. Shillington: — Probably, Mr. Speaker, I'm sure you're right, it didn't contribute much to the debate. In that sense it's sometimes a reflection of some of the comments made by some members who will go unnamed.

Mr. Speaker, in 1975 we campaigned on the basis of resources. After the election, for a period of time we still sought to make the old regime work. We sought to reach an agreement with the potash corporations; they were defiant. They weren't paying their taxes.

An Hon. Member: — That's true. And wouldn't expand either.

Mr. Shillington: — And wouldn't expand either, the member from Saskatoon South points out. And when I get to the benefits of public ownership, I'm going to talk about how the industry was managed.

At any rate, nothing could be done. In the throne speech in November of 1970 — 1975 rather — in November of 1975 the Blakeney government announced its intention to take over a portion of the potash industry. At the time the government had . . . in speaking to the throne speech, Mr. Blakeney stated that he had in mind taking over approximately one-half of the industry. It was interesting to watch the members of the Assembly. Very few understood it, actually. When the announcement was made, only one or two actually understood what had happened. One who did was the former member from Lakeview, Mr. Malone, who understood it.

An Hon. Member: — You said you were going to be brief, Ned.

Mr. Shillington: — One who gave — Well I'm being brief. Well, you know, it's one of the . . . one must be . . .

The Speaker: — Order, order.

Mr. Shillington: — Mr. Speaker, my function and my role is to persuade members opposite, and if I cannot persuade them, at least to bring them to an understanding of the point I'm making. Members opposite continue to display no understanding of what I'm saying, and therefore presumably I'm not going into too much detail. By the rules I cannot be repetitious. There is no rule about how long I may be, and I'm going to take as long as it takes until you people understand.

Some Hon. Members: Hear, hear!

Mr. Shillington: — This debate is key to way our society functions. It is key to the way our society exists and is structured. This is no trifling debate; this goes to the very essence, the very essence of how our society is built. Mr. Speaker, if one travels through the Saskatchewan community — Saskatchewan's an agricultural community — if you travel through that community and then you visit other agricultural communities . . .

An Hon. Member: — Tell us everything you know about agriculture. That'll only take you three minutes.

Mr. Shillington: — The member from Regina South invites me to tell him all I know about agriculture. He says it'll only take three minutes. All the member would understand about agriculture would take a great deal less than that. It seem probably a waste of time to make any effort to enlighten the member from Regina South . . . (inaudible interjection) . . . Mr. Speaker, the member from Swift Current is now adding her . . . she's getting into the . . .

The Speaker: — Order, order. I know it's getting on to 4:30. The hon. members have to consciously co-operate so that the member from Regina Centre can continue with his remarks, and there are hon. members on both sides of the House, and there are one or two hon. members, quite frankly, who are more guilty than others, and we all know who they are.

And I would ask all hon. members to allow the member for Regina Centre to continue with his remarks.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Speaker, the then premier of the day, Mr. Blakeney, announced that as his intention. There were one or two . . . and it was understood.

There were then some Conservative members in the Assembly, not many, only one of whom I think is left at this period of this time. The member from Souris-Cannington, I think, was the only Conservative member who sat in 1975. It was apparent that most of them did not understand the announcement when it had been made.

There was one or two routine Bills introduced. We did use private members' day just for private members' business. The House ran a little differently in those days. We usually didn't sit in the evening until somewhat later

in the session. We didn't start sitting in the evening early in the session as we have done in the past few years.

With those changes, the fact that we did not sit during the evening in the beginning, never used private members' day, the debate on the potash Bill took the entire session, and it was a session all on its own. It took the entire session — began end of November, the very end of November as soon as the throne speech was over; ended at the very end of January, and it consumed the entire period of time. Some members showed some promise in the debate.

The member from Quill Lakes moved the motion in reply, and it's interesting to note he's still here after 14 years; showed then that he was in touch with the heartbeat of Saskatchewan when he moved the motion, and has remained so ever since. He has therefore continued to be a member and has in fact outlasted almost all his contemporaries. There are only, I think, four left who were elected in 1975. Some were elected earlier than that. We won't get into an exhaustive discussion of who spent the longest period of time in this Assembly. I'm not sure that's a recommendation that everyone would endorse.

The debate took 24 days and 105 hours — 105 hours. We did not use any — and I say we because I was then a member of government — we did not use any extraordinary means to force . . . to try to tire out the members. We did not extend sitting hours. It was never suggested to them. We did not extend the hours at all. No thought of any motion which would end the debate was ever put forward.

The members of the opposition, who felt very strongly about it, were allowed to say their piece, and they did. Mr. Merchant, Mr. MacDonald, Mr. Cameron, Mr. Thatcher, all spoke — the very able members of that caucus. I wished I could name a few Conservative members, but they frankly took no part in the debate.

The Conservative members of the day took very little part in the debate, very, very little. Whether through inexperience or because you're afflicted with the same disease now as then — you're unable to say anything on your feet, I don't know — but the Conservative members of the day took very little part in the debate.

We allowed, however, the Liberal members who did, to make their full comments. They spoke at length and spoke with passion. Obviously they felt strongly about it. They felt . . . I want to get back to these comments in due course.

They said that taking over the potash industry would be the ruination, the ruination of the province — the absolute ruination. Not a nickel would every come into the province. Everybody would leave. To hear the Liberal members of the day . . .

An Hon. Member: — They were only holes in the ground.

Mr. Shillington: — They were only holes in the ground, that's right. To hear the Liberal members of the day describe it, it was an Armageddon — the end of the world

was coming.

Mr. Speaker, we didn't agree with them but we let them say their piece. We sat here and dealt with nothing else, nothing else for two full months. At the end of two months the legislation passed; did so after they had had a chance to say all that they wanted to say.

(1630)

The current member from Saskatoon was the Speaker at the time, allowed the members a full debate; treated them very generously . . . (inaudible interjection) . . . I'm going to get to the money in a moment. It's one of the real success stories. One of the real success stories is that the public of Saskatchewan got their money back. The member from Redberry wants to know how much we spent on it. I'm going to get to that in due course because one of their arguments for selling it has been this enormous debt that was incurred when we bought it.

Mr. Speaker, the member from Redberry wants to know all sorts of information about the financing. I know the member thirsts for knowledge and I will, I'm sure, be able to satisfy him with my comments in due course. Somewhat like the member from Turtleford, though, he has a habit of leaping ahead of my narrative. So much do the members oppose enjoy it that they're getting ahead of me. If you'll be patient and patiently absorb what I'm saying now, I'll get to the points which you want me to discuss and members . . . (inaudible interjection) . . . Yes, I'll get to the point members want to discuss and you will have come to understand that which you ask.

You will understand that the potash corporation cost the public of Saskatchewan very, very little. Indeed, they got back more in profits than they actually paid. By 1981, by the time this government took office, the profits had exceeded the cost. It's quite a feat. It's quite a feat to take over an industry in a developed industry, as it was — potash was a fully developed industry — to take over a portion of a developed industry, insert virtually nothing by way of equity, and there wasn't, borrow it all and pay for it all in seven years, less than seven years actually, six and a half years — a major feat.

Liberals of the day who spoke on it and the odd Conservative, if any spoke, but as I say I do not recall any taking any significant part in the debate; then as now members seem to have a disdain for this process — the debate.

Members, I think, misunderstand what is happening here. This is the crucible, the legislature is the crucible in which we put all our ideas and thoughts and out of which is distilled the pure government policy. This is not a decision making body as such. It's a legislative body that doesn't quite fit any other analogy.

Mr. Speaker, it's worthy of noting that we did not actually nationalize any of the industry. For all the foofraw that took place at the time — the Liberals claiming that we were buying holes in the ground, that we were ruining the province, that the province's reputation would never recover — the members' opposite may find something familiar about this. What's familiar about it is, it was said

in '75; it's being said in '89. It wasn't true then, it isn't true now.

And the obvious question is, how long does it take you people to learn? How long does it take you people to learn? It seems that one of the attributes needed to be a Conservative member is you must never tire of being wrong. If you did, you'd obviously seek some other pursuit than to advance the sort of philosophy you do.

Mr. Speaker, we weren't just buying holes in the ground. We were buying the richest potash resource in the world. The potash industry is situated in western Canada, a small amount in New Mexico, a small amount in Germany, in Europe, a small amount in New Brunswick, fairly significant quantities in the Soviet Union, and a touch in Jordan. But those in Jordan and in New Brunswick are not really serious actors on the stage.

But we had 40 per cent of the world's supply of potash, by far and away the largest portion existing within any single jurisdiction. We had 60 per cent of the western world's — by that I'm excluding the Soviet Union — we had 60 per cent of the world's supply of potash outside the Soviet Union.

One must remember that those were the days before Mikhail Gorbachev, before the thawing in relations when supplies of resources behind the Iron Curtain were thought not to be very secure supplies. I think much of that has been washed away in the three years that . . . some of that has been washed away in the three years that the current General Secretary has been in office, and I guess the Premier now as well.

But we're careful to note that we had 60 per cent of the supply of potash outside the Soviet Union, 40 per cent of the world supply, by far and away the richest resources in the world — by far and away.

Mr. Speaker, we went about evaluating the mines, and did so. One of the things this government oppose could learn, and that is to do some review and some studying before they leap. I wished I understood the decision making process of this government . . . (inaudible interjection) . . . The member from Assiniboia-Gravelbourg apparently wants me to get on to the subject of crop insurance, but I won't, Mr. Speaker.

I want to speak on potash and I'm in danger of being interrupted in the relatively near future again before I've even got a full head of steam up and gotten any of my comments out. This is a great tragedy, actually. The sitting hours are such that I no sooner get a head of steam up and get started, the doggone bell rings and I've got to quit. And then I don't get back into it for a couple of day, and everyone's forgotten the genius of my remarks and I have to summarize.

Some Hon. Members: Hear, hear!

Mr. Shillington: — And the whole process takes a lot of time. And it really is a great shame that I can't continue my remarks and bring them to some sort of a conclusion without being interrupted. But I am always interrupted. It's my fate to be interrupted in this debate. Just as I see a

glimmer of understanding in the eyes of members opposite, just as they cease to doze off and start to listen, I think they're coming to understand it, 5 o'clock comes. Happens to me every time.

It is just my fate in life to be cut off at the knees by the seemingly intolerable hours that we sit here . . . (inaudible interjection) . . . No, I am getting to the Cigol case . . . (inaudible interjection) . . . No, no. I'm getting to that.

Some members opposite want me to — and I should touch on that briefly because it is relevant. One of the reasons we took over the portion of the potash industry is that we . . . part of the opposition to our resource policy in the early '70s came from a source we didn't anticipate. We anticipated that the New Mexican people and the oil industry in Houston and the potash people in Carlsbad, the mining people in Toronto, would oppose us. We expected that. We anticipated that members in the Assembly, the Liberals and the Conservatives of the day would oppose us. We expected that.

What we did not expect, and we should have — we should have known that there is no difference between the Liberals and Conservatives; they are all the same — we did not expect the Liberal government in Ottawa to run interference for the industry. But they did.

They said earlier that our royalties in potash and coincidentally in oil, were based on a gross basis minus costs so that we did not bankrupt the industry. They were very high. If they had simply been inserted as a flat percentage some companies could not have paid them; they weren't making enough money. Some companies could have paid them with ease.

I have an article clipped from *The Financial Post* of that era describing the taxes as very high, but fair. But they were. They had this element of gross revenue minus costs. It's now changed, and the taxation system changed when the constitution was brought home from England. But in those days provinces could not levy indirect taxes. That's not been true now since 1981. But at that point in time provinces could not levy indirect taxes.

The federal government challenged our taxation legislation on the rather spurious base that it was indirect taxation. That wasn't what they thought at all. They frankly didn't care whether it was direct, whether the taxation was direct or indirect. They had absolutely no interest in the subject.

An indirect tax — and I'll describe it very briefly for the member from Weyburn who again is having difficulty with the subject — an indirect tax is one that was not paid directly but was passed on to someone else.

The federal government argues the royalties are being passed on because they are on a net basis. We said, that's not so. And in any case the federal government didn't care whether they were direct or indirect. It always was a foolish and a very difficult distinction to make as to when a tax was passed on by someone else, by an industry.

The truth of the matter is the federal government felt that our taxes were too high. They somehow or other felt it

was immoral, it was improper, it interfered with the way we do business.

In other words, they were doing what Liberals and Conservatives have long done, are doing now, and probably will do till the end of time — acting as the mouthpiece of the international business community. That's all the federal government was doing was acting as a mouthpiece for the international business community when they attacked the taxation system.

What we did, we took over part of the industry. We then . . . I am again in danger of running out of time. The clock's going to cut me off. It's frustrating me. It is hard to get started again.

Mr. Speaker, we said, all right, if you think . . . and the name of the law case was Cigol (Canadian Industrial Gas and Oil Ltd.). It was a small oil company which challenged the taxation regime. The challenge went to both oil and potash.

It just so happened there was a relatively small oil company which challenged it, called Cigol — Canadian Industrial Gas and Oil Company, that was it. The federal government joined them. We said, partially as a defensive mechanism, if you're going to challenge it and we're going to own part of the industry, the very worst will be is that if our taxation system falls, of half the industry, we'll get our share because we can take it out in dividends if we have to.

That was part of the motivation . . . the Cigol oil case was part of the motivation for taking over the potash industry. It was Liberals and Conservative opposite who sought to deny the public of Saskatchewan a fair share of the taxes, who sought to give those resources to the potash companies in Carlsbad, the oil companies in Houston and Dallas.

Liberals and Conservatives opposite, doing what they have always done, act as the mouthpiece for the international business community; give them what they ask; do what they say. Why? Because if you don't the world will come to an end; you'll be left with black hole; nothing . . . this will be a black hole; nobody will invest in Saskatchewan. Gad, I'm repeating all those Liberal and Conservative arguments of the day.

An Hon. Member: — And are they right?

Mr. Shillington: — I'm going to get in due course, Mr. Speaker, to the question of whether or not they were right. They patently were not.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much. I said a moment ago — and I'm going to return to the subject of how that company performed because it is key to this whole discussion — that every nickel that was used to buy the industry was borrowed; there was no equity in the company. We took over a fully developed industry, paid for it in six years — paid for it in six years — a very significant achievement.

Mr. Speaker, in the months, the year that ensued, we took over the . . . we bought about 40 per cent of the industry. One of the problems which was mentioned a moment ago that we had with the industry was they refused to expand. Expansions in the potash industry are very, very long-term affairs. Some of the members who have potash mines in their riding, some of the rural members will know this; they are enormous capital structures.

In the potash mine in Rocanville . . . not Rocanville, Esterhazy, there are some 2,000 miles of tunnels under the ground. That's an enormous project when one thinks about it, 2,000 miles of tunnels. Several hundred million dollars in sophisticated equipment which brings the ore up, a lengthy lead time is needed. If the PCS were to decide today that it wants to expand and it wants to build a mine, it takes a least five years from the time you decide to the time the mine starts.

It was clear, Mr. Deputy Speaker, that the world was an increasingly hungry world. It was clear that agriculture would have some ups and downs, but that in the long run there was a desperate need for more food. In almost all parts of the world, that can only be achieved with fertilizer.

There are only three ways to increase food production. One is to produce varieties of plant which give more. That's a very difficult process and it's achieved only very, very slowly. It is a fact, Mr. Speaker, that the yields in Saskatchewan now, the average yields, are less than what they were at the time of the First World War. It's a very slow process if it can be done at all, and there's no evidence it can really be done on a long-term basis.

The second method is to break new land. There's a rapidly diminishing amount of new land which can be broken. Most productive land is already under cultivation in the world, most of it very badly treated.

So the only way that we could really increase food production was to increase the use of fertilizers. The third method is the increased use of fertilizers, and it's the only way. Mr. Speaker, it's accurate to say that our population, the world populations, is increasing at a rate which should alarm people. I think it's fair to say that some 60 per cent of the people who were ever born are still alive today; 60 per cent of the people who were ever born are still alive today. The world's population is increasing very, very rapidly.

Central to the continued existence of the human race is the ability to feed them. That can only be done by increasing food production and, as I said, there's only three ways to do that. You can break new land, but there ain't much more of it to break. You can develop varieties which give higher yields. That's proved to be very, very difficult to do, and there's no real evidence that it can be done over anything but the longest period of time. So there's an increasing need for fertilizers. We recognize that.

In the '70s we said to the industry, Mr. Deputy Speaker, you should be expanding. There is going to be a need for additional potash and you should be expanding to meet that. They told us to mind our own business. They were a

little more polite than that, but not very much.

We said to them, but listen, this is our resource; it's our province. We own it; we are developing it for the benefit of Saskatchewan people. That's our background, that's our history. We are not like you Americans. You have a different culture, a different society. There's nothing wrong with yours, but you are now in Saskatchewan. You are here where we do things in a co-operative sense and where we do things together. The notion that these are your resources to do with what you will is foreign to us. We believe in private ownership, not for the benefit of the state — I think is the case in England — not for the benefit of the individual, which was the case in the U.S., but for the benefit of the people who live here. That's what we said to them. Their response was, Mr. Speaker, their response was that we own those resources; we're developing them for our benefit; if we think it's in the interest of our shareholders to develop them, we will; if we don't think it's in the benefit of our shareholders to develop them, we won't.

It should be recalled, Mr. Speaker, that the vast majority of those shareholders, with some exceptions, were not Canadian. The vast majority of those shareholders were Americans. There were more South Africans who were shareholders in the potash industry that there were Canadians.

And they want to take us back to the days when decisions are made in Johannesburg or Carlsbad or London or New York, but never, never, never in Regina. Heaven forbid that the folks in Regina or Morse or Saskatoon or Kelvington or Wadena should play a significant role in the resources of their province. Heaven forbid that that should happen. They insist on taking us back to a different era.

Well, Mr. Speaker, we approached the companies. We said, all right, if that's your view of it, then we obviously are going to have to be more than just a regulator. There was no way, Mr. Speaker, we could enforce our insistence on seeing the books. Our ability to enforce collection depended on our ability to audit the books. Our ability to do that was very limited since that was largely kept in foreign jurisdictions.

So we said to them, all right, we're going to take over part of the industry. Now, anybody want to do business? A pleasant surprise ensued; a whole bunch of people wanted to do business. Not all those companies were as well managed as PCS (Potash Corporation of Saskatchewan). They didn't all make money. Some of them — members opposite will relate to this comment since you are apparently doing this to lay your hands on some fast cash — some of the companies wanted to sell their mines because they needed some money, Mr. Speaker, and so we bought.

Some of the mines we didn't want. Some weren't efficient, some had some very serious engineering problems with underground water. Some had some very expensive methods of solution mining. But by and large most of the mines in the province we were prepared to buy and — a pleasant surprise — about half of them were for sale. We did not expropriate any. The expropriation

Bill, I think, to this day remains unproclaimed. I think that's accurate. I don't think we ever proclaimed the Bill, much less used it.

We bought the mines, paid the Americans a fair dollar for their mines, and got about 40 per cent, a little over 40 per cent, 42, 43 percent of the industry, as I recall it — got that percentage of the industry — that together with the expansion which was planned would have made up the 50 per cent.

Mr. Speaker, we did this over the dire predictions of Conservatives and Liberals. I was unable to tell the difference between the two when they sat on this side of the House. And if they share, as they might, this side of the House after the next election I suspect we'll have an equal amount of difficulty telling the two apart.

Some Hon. Members: Hear, hear!

Mr. Shillington: — There always was some method to our madness. We kept the Liberals on one side and the Conservatives on the other so we could physically tell them apart, otherwise there's just simply no way of doing it.

An Hon. Member: — Jack, we couldn't tell which one you were in those days.

Mr. Shillington: — Neither could the member from Regina South tell which one he was in those days. That was before he was elected.

An Hon. Member: — Neither the member from Wascana.

Mr. Shillington: — And some others had some even greater difficulty. The member from Wascana had some very real difficulty, Mr. Speaker, indeed.

Mr. Speaker, the first year the potash industry was in existence . . . This is a company. Now let's recall what this company began with. It went into a developed industry; it didn't start making a new widget which the whole world wanted. It had lots of competition for the potash dollar. It went into a fully developed industry, in which there was room for expansion, but only limited. Everything that is borrowed . . . every nickel put into it was borrowed, so interest was paid. There was no equity, and thus the costs were grossly inflated.

The first year it was in existence, it made a profit of \$450 million. At the same time, it continued to pay the taxes and royalties which the potash company said were breaking them. It paid the same taxes, paid the same royalties that the potash companies, the private potash companies said were breaking them, and still made a profit of \$540,000 the first year it was in existence.

So much for the integrity of the private industry in telling us how much they were making. They were either very inefficiently run or they were not being entirely candid with us about their operation, not being entirely candid with us. However it was, that company enjoyed good management, the best of management. The Potash Corporation of Saskatchewan became a model of the way

companies should conduct themselves in this province.

Some Hon. Members: Hear, hear!

Mr. Shillington: — One of the things we did, Mr. Speaker, was with competent management — the best management, I think — one of the things we did was to work closely with the people who worked in the mines. Through their elected representatives, the members of the union, we never thought that this was some sort of a hostile group. The men who worked in the mine, sometimes at considerable risk, elected their union. Their union spoke for them and we worked closely with them. That company enjoyed the best of labour management relations, Mr. Speaker, and that was part of the success of this company — the men who worked in the mine and the men who worked in the head office who worked with them. That was part of the success of the Potash Corporation of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Shillington: — It was, Mr. Speaker, a model employer. The Potash Corporation of Saskatchewan was a model employer. It set standards in the potash industry, paid very, very good wages. From the very beginning, the potash industry of Saskatchewan had good jobs, and they worked, Mr. Speaker . . .

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

The Assembly adjourned at 5 p.m.