

July 20, 1989

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING, SELECT AND SPECIAL COMMITTEES

Standing Committee on Public Accounts

Clerk Assistant: — Mr. Van Mulligen presents to the Legislative Assembly the third report of the Standing Committee on Public Accounts, which is designated Sessional Paper No. 201.

Mr. Van Mulligen: — Mr. Speaker, I would like to make some observations about this report and equally, I think, the vice-chairman may want to make some observations. And so as to not unduly delay the introduction of guests and as is the custom, I move, by leave of the Assembly:

That the third report of the Standing Committee on Public Accounts be considered immediately before orders of the day, today.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Calvert: — Mr. Speaker, on behalf of my colleague from Regina Lakeview here in Regina, I would like to welcome to the legislature and introduce to you, sir, and all members, six young people from the Bosco Homes here in Regina. I sincerely hope that you've enjoyed your tour of the legislature. I hope you enjoy question period this afternoon, and I look forward to meeting with you after question period that I might answer any questions you might have.

So I would ask all members to welcome these young people from the Bosco Homes.

Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Mr. Speaker, it gives me pleasure to introduce today, seated in your gallery, the third group of seniors from Indian Head that have been taking part in the tests at the Paul Schwann Centre. Today we have Hazel Buglass, Josephine Hubbs, Bessie and Charlie Heaslip, Mike Glass, Alma Kelln and Marg Krushelnicky. These are the people from Indian Head that are with us today. I hope you enjoy the proceedings and I look forward to visiting with you after the questions period. Welcome to the Assembly.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Removal of Oats from Canadian Wheat Board

Mr. Romanow: — Thank you, Mr. Speaker. My question today, in the absence of the Minister of Agriculture and the Premier, is to the Deputy Premier, and it concerns, Mr. Deputy Premier, with the *Star-Phoenix* reports today

pertaining to what is obviously now a full-scale lobby by the private grain trade of which this government, your government, sir, was part and parcel, to undermine the Canadian Wheat Board, the principle of orderly marketing, and the removal of oats from the CWB. And all of this, according to the *Star-Phoenix*, took place before the federal election, and took place in secret.

My questions to you, sir, is this: will the minister table the complete letter of January 11, 1988, from the Premier to Mr. Charlie Mayer on this topic, where he urges that oats be removed from the Canadian Wheat Board, plus all other correspondence on this subject matter. And as well, while you're at it, will you tell us the number of times that you met, you or your officials met with the federal people urging that oats be removed from the Canadian Wheat Board — all the times that you acted as the mouthpiece for the grain trade?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Well relative to any meetings or correspondence around the issue the hon. member raises, Mr. Speaker, I will simply take notice on behalf of the Minister of Agriculture.

Mr. Romanow: — Mr. Speaker, a new question. I am bound by the rules of the House, of course, to accept the notice that the hon. Acting Minister of Agriculture has given us, although I might add, Mr. Speaker, that it's passing unusual that the members of the cabinet and the acting minister would have no knowledge of this.

I will ask the Deputy Premier this question and perhaps he could answer us. The acting minister has no knowledge of it, but surely the Deputy Premier, who run the government opposite there, would have knowledge of it. Will the Deputy Premier please get up and tell this House whether or not he'll table that letter of January 11, 1988, plus all other correspondence. And while he's doing this, will he please tell the members of this House and the farmers of the province of Saskatchewan why it was that your government lobbied and worked secretly against their interests to the advantage of the grain trade in undermining the Canadian Wheat Board? How about giving us those answers?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, what I can tell the hon. member and all farmers in Saskatchewan is what this Premier and what this government does is to work for things that are beneficial on behalf of Saskatchewan farmers, and will continue to do that. And it doesn't matter whether the issue is drought, Mr. Speaker, world trade, wheat wars, if you like; trade wars in the wheat industry — this Premier has been a very influential spokesperson at the national and international level, Mr. Speaker.

Now I'm not suggesting for a moment that oats isn't an issue of some significance, Mr. Speaker. I'm not suggesting that for a moment. I know as well that it represents about 1 per cent in terms of volume handled by the wheat board. But I can tell you, Mr. Speaker, that the

Premier has already said that we'll be watchful of the situation there.

And having said that, Mr. Speaker, I think the Premier, like many other farmers, are going to continue to turn their heads to some of the really major issues facing farmers in western Canada and in Saskatchewan today — things like the debt question, Mr. Speaker; things like can we grow a crop and put it in the bin this year; things like where are the world wheat prices going to stabilize or level out at, Mr. Speaker. Those are the things that are high on the minds of Saskatchewan farmers. Those are the things that our Premier will be watching as well, and we're not going to see any jeopardy of the position of Saskatchewan farmers, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Deputy Premier, but I guess if I'm stuck with the Acting Minister of Agriculture I'll be forced to ask him the question. The reason that I'm stuck with the Acting Minister of Agriculture is his first answer indicated to the House that he had no knowledge of this letter, but the second answer seems to indicate a lot of knowledge and a lot of defence.

Now, Mr. Minister, my question to you is this: are you not aware of this letter which is widely reported in the *Star-Phoenix* from your Premier to the minister in Ottawa, Mr. Mayer, which says in part, referring to the privatization of oats from the Canadian Wheat Board:

I would be pleased to offer my department's assistance in ensuring that this can happen (the Premier writes to Mr. Mayer and to Mr. Mulroney).

Now my question to you, sir, is this. Surely you must be aware of that decision to write that letter. That is the position of your government, is it not? Will you please confirm that it is.

And while you're standing on your feet, will you tell the legislature why it is that you failed to reveal that position to the farmers of the province of Saskatchewan before the federal election.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Well I have heard what the Premier has said in this legislature on this issue before. As I said earlier, Mr. Speaker, relative to letters or calls, I have no knowledge of those particularly.

But what I can say about this issue is, while there are some who see it as a cause for some great concern, I think there are other farmers, many farmers, many farm groups, including groups like the UGG (United Grain Growers); the U of S crop development centre, as I understand it; the western Canadian wheat growers; the canola growers that are very supportive of this initiative, Mr. Speaker. So I doubt that it's all bad with the kind of widespread farm support evident from those very important and influential farm groups, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the members opposite, at least to the member from Weyburn, the Acting Minister of Agriculture. I wish the Deputy Premier would get into this, give his honest explanation of the government, but for some reason he won't do it. Whoever wants to answer the question will be okay.

And my question, Mr. Speaker, to the minister is this: how in the world it is that the Acting Minister of Agriculture can say that there are farming groups and organizations who support this attack on the Canadian Wheat Board and the privatization of oats from the Canadian Wheat Board when the evidence is, according to a poll commissioned by the Saskatchewan Wheat pool, that fully 71 per cent of the farmers are opposed — 71 per cent of farmers are opposed, Mr. Minister. I repeat that again — 71 opposed to this attack on the Canadian Wheat Board.

Will you please tell this House who in the world it is that supports this gross attack on the Canadian Wheat Board and, more importantly, your duplicitous attack under dark of night as mouthpiece for the grain trade. Who supports it?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Well the hon. members asks how is it that I know that there are some other farmers that support this move, Mr. Speaker. I would just reiterate that I know that this is a contentious issue in some quarters. It is one that this Premier and this Minister of Agriculture will want to . . .

The Speaker: — Order, order.

Hon. Mr. Hepworth: — As I said, I know that this is a contentious issue in some quarters. The Premier has gone on record, as I recall him saying in this legislature, that we will be watchful of the situation.

But to back up my comments earlier, Mr. Speaker, I have before me headlines that say thing like: "Hehn backs mayor's move to free up oats exports." For the members' information, the Hehn they're referring to is Lorne Hehn, the president of the United Grain Growers.

I have a news release here that says: "Oats decision supported by prairie farmers." That's a news release from the Western Canadian Wheat Growers.

Mr. Speaker, I have a letter here from the Saskatchewan Canola Growers Association that talks about the decision in the same light.

I think, Mr. Speaker, if we look . . . if we try and stand back and look at this issue, well we should recognize that oats is largely a speciality market, a niche market. The hon. member . . . and maybe the jury will be out and maybe in a year or five or ten we can all decide whether this was a good move or a bad move in an intelligent fashion.

But I think for the NDP merely to position themselves, you know, don't touch oats, don't touch the wheat board,

really, a . . . really makes the point that this is a groups of change resisters, Mr. Speaker. They don't want to look, like many of these farm groups do, towards the future — merely change resister, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the acting Minister of Agriculture. If the acting Minister of Agriculture says that this side of the House is resistant to the attacks on the Canadian Wheat Board, I want to tell him something; he's dead right, we are resistant to that kind of an attack.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Now we know that under the guise of the 21st century, or some other theory that you Conservatives are out there to lock this, lock stock and barrel with Cargills and the free traders in the United States under the free trade deal, that's not the position of this side of the House, I want to tell you, Mr. Minister.

Some Hon. Members: Hear, hear!

Mr. Romanow: — My question to the minister is this — my question to the minister is this — I wish the minister would listen to the question and not to the Minister of Justice to get his answer. My question to you, sir, is this: if you're so confident that the farmers of the province of Saskatchewan support this attack on the Canadian Wheat Board, and more importantly, support the secret . . .

An Hon. Member: — Call an election.

Mr. Romanow: — No, no, not call an election yet, but we'll call it, if you want, a secret set of negotiations in trying to do away with oats in the Canadian Wheat Board. Why don't you urge your federal counterparts in Ottawa to join with the establishment of a plebiscite and let the farmers decide whether or not oats should be moved from the Canadian Wheat Board?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — These members here seem awfully interested, Mr. Speaker, in having votes and plebiscites, and yet they won't let potash legislation in this legislature come to a vote and let the people decide on that issue.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — And I want to tell you one other thing, Mr. Speaker. When it comes to oats, the difference between the NDP and the Progressive Conservatives and this Premier and this Minister of Agriculture, is that we have some faith in Saskatchewan farmers. They are somehow worried, Mr. Speaker, they are somehow worried that because oats is outside the wheat board's jurisdiction that our farmers are going to get blown away.

Well I'm telling you what, Mr. Speaker. Our farmers are not going to get blown away. I have faith in our farmers. They produce high quality oats. They racehorses in Kentucky like these oats, and we are going to blow the

Americans out of the water with these oats, Mr. Speaker. That's the kind of faith I have in our farmers.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, just because the minister opposite may be full of oats this afternoon, doesn't mean he knows a thing about oats as far as the Canadian Wheat Board is concerned.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, my question to the hon. member opposite is this. There are two issues involved here. First of all there is a secret game plan that you and the multinational grain trade were involved in, judging by the *Star-Phoenix*, with respect to the letters, in doing away with oats in the Canadian Wheat Board. That is the basis of the letters' reports and you haven't denied that at all today. That's issue number one. Issue number two is allowing the farmers to have a say on this thing. You people don't know everything about all the issues, and especially not about agriculture.

I say to you, Mr. Speaker, and to you, Mr. Minister, my question is simply this: look, if you are so confident in your position, do two things — table all of the letters which saw oats being removed from the Canadian Wheat Board, and support a plebiscite so the farmers of this province can decide, and not you. How about doing that?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — I've already told the hon. member what I would do relative . . .

The Speaker: — Order, order. Would the hon. members come to order. The hon. members come to order. Order, order. Perhaps we should all come to order. It would be much preferable to what we're witnessing — much preferable, much preferable.

Hon. Mr. Hepworth: — Mr. Speaker, I've already indicated to the House that I would take notice of the question relative to correspondence and meetings, etc., etc., that the Premier may have had. And I'll tell you . . . and the reason I do that, Mr. Speaker, he asked me about the kind of confidence we have. Well I'll tell you the kind of confidence I have. I have a lot of confidence in our farmers too . . . And he can sort of laugh this off if he likes, but I have a lot of confidence in our farmers to face the future, given all the challenges that exist from Europe, from the U.S., from other nations of the world, including India and China, relative to this whole grains and oil seeds business, Mr. Speaker. I've got a lot of confidence in our farmers.

If we strictly adhere to the NF . . . or the NDP — I mistakenly almost said NFU (National Farmers' Union) view which, they are almost replaceable, MR. Speaker, or interchangeable, Mr. Speaker — if we were to stick to that view, Mr. Speaker, we wouldn't see the kind of diversification that's going on by farmers across Saskatchewan. We probably wouldn't have seen them get into some of these specialty crops the way they are. We wouldn't have seen them feeding out a million hogs

instead of 700,000. We wouldn't see them going into the food processing like they are, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have one last question to the Acting Minister of Agriculture. The Minister of Agriculture, Mr. Speaker, talks about the Premier and this government being vigilant as regards the actions of their federal counterparts on Ottawa, the Conservatives in Ottawa, with respect to agricultural matters. And I wonder, Mr. Speaker, how it is that the minister can say that in the fact of the fact that the federal government opposite obviously announced a new change with respect to charging interest now on cash advances, increases in freight rates, now the debate about changing the method of payment, high interest rate policy generally, delaying the drought payment, Mr. Speaker, that the Minister of Finance and others apparently endorse, lowering of the initial price.

Mr. Speaker, my question to the minister opposite is this: if they are so vigilant, how in the world did all of these things sneak through this vigilant crowd of PCs in Regina? How is it that they snuck through? And moreover, given this track record, why in the world would any grain farmer anywhere in Saskatchewan rely on this crowd opposite to protect the Canadian Wheat Board in the hands of those people? They have no support for that.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, I think we have now come to the nub of the issue.

The Speaker: — Order, order. The member from Weyburn is trying to answer the question, and he has the right to be heard by all members in the House, and I ask the hon. members to co-operate in that. We've had kind of a lively session; however, I think it's getting a little out of hand and I ask your co-operation.

Hon. Mr. Hepworth: — We've come down to the nub of the issue, Mr. Speaker, in terms of what they view as the highest of priorities in agriculture policy and what we view. As I already said in the House, the oats issue is a significant enough issue. The issues the hon. member just raised, the interest on cash advances, a significant enough issue. The question of rising freight rates, a significant enough issue, Mr. Speaker. All them are significant issues. But if you look at it through a farmer's eyes, which I ask him to do, when I go into my riding and when these members go to their riding, are these the questions that are asked? Do they ask us about article 705 of the free trade agreement? No, they do not. Do they ask us about that? No, they do not, because in reality those issues are like pennies compared to the larger issue. The question they should be asking of this Premier, the Minister of Agriculture, is what are you doing about the international grain trade wars? Because that issue, Mr. Speaker, adds up to not pennies per bushel, not pennies per bushel, Mr. Speaker, to our Saskatchewan farmer, but those are the kinds, those international issues, Mr. Speaker, are the ones that can make the difference of \$1 and \$2 per bushel on our wheat, Mr. Speaker. Those are the issues we want to see addressed.

And I'll tell you what I've been . . .

Some Hon. Members: Hear, hear!

Meeting with Computer Experts

Mr. Anguish: — Thank you, Mr. Speaker. My question is to the Deputy Premier and it concerns a very strange set of circumstances form one of your cabinet colleagues on Tuesday. When the minister in charge of SEDCO was asked about having met with computer experts to analyse GigaText, she reported:

. . . we have had two independent expert reports on GigaText, both of which found the technology somewhat encouraging. Since that time the Deputy Premier and myself have met with both of the experts to go further into their summary of the technology.

After question period, she then ran from the press and emerged some time later to claim that she had never met with these people. Now could the minister tell us this afternoon whether or not the minister in charge of SEDCO misled this legislature, or has she misled the press in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, the minister responsible for SEDCO today is at the funeral of Bobby Bird, an important citizen of this province, Mr. Speaker, and I think that members opposite, now that they know that, will hold with their cheap shots.

Mr. Speaker, I sometimes wonder what members opposite do with their research money, Mr. Speaker, and the reason I say that is not only today's question from that particular member — not only today from that particular member, Mr. Speaker, but the other day, Mr. Speaker, the Leader of the Opposition stood up in this House and waxed on eloquently about 10,000 farm foreclosures, Mr. Speaker — not accurate, simply not in keeping with the facts, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order.

Mr. Anguish: — The question is very simple, Mr. Minister. New question, Mr. Speaker, to the same minister. You're saying to us you've had expert reports. The minister in charge of SEDCO says that she met with the experts, along with yourself, sir. Outside of the House she says, no, we didn't meet with the experts. How can you expect people in the province and this side of the House to have confidence in your answers?

What we want to know: have you met with the computer experts; have you not met with the computer experts; and when are you going to make the decision whether or not you keep pumping money into this dark hole?

Hon. Mr. Berntson: — Now getting back to the research money, Mr. Speaker, it was also the Leader of the

Opposition who stood in this House reading from a document that he claimed to be the judgement of a Judge McLachlin, I believe, from British Columbia, and terribly misquoted or misrepresented what was on that particular document, Mr. Speaker, relative to the constitutional question of 25 per cent variance in electoral boundaries.

Then we have Ms. Information, Mr. Speaker, the member for Lakeview . . .

Some Hon. Members: Hear, hear!

Mr. Anguish: — New question, Mr. Speaker. Mr. Deputy Premier, you're ultimately responsible for GigaText, which is a big gigamess which created a lot of concern for people in the province, and I can't believe your blatant disregard to answer questions in this legislature.

I'm asking you whether or not you've received a report from experts on their study of the technology at GigaText, and was the minister correct when she said, yes, we met with the experts, along with you, sir, or was she correct when she said, no, we did not meet with the experts? The House was misled or the press was misled, which is it, sir?

Hon. Mr. Berntson: — Mr. Speaker, the point . . .

The Speaker: — Order, order.

Hon. Mr. Berntson: — The point that I'm trying to make, Mr. Speaker, is that . . . and I'm going to get to answer the question directly in a minute. But the point that I'm trying to make, Mr. Speaker, is maybe one or two in 10 questions that come from members opposite are based in fact. They just pull something out of the sky, pull something out of the sky and shoot with the questions.

I wasn't here the other day when the minister responsible for SEDCO was answering that question, but I'm told that she said, Mr. Speaker, that her and I had visited with two experts, Mr. Speaker. In fact, we have expert reports, or expert opinions from three different people, Mr. Speaker — one from the University of Montreal, one from the University of Ottawa, one from Woods Gordon in Montreal, Mr. Speaker — three.

Now in addition to that, in the last couple of weeks, 10 days or a couple of weeks, my office, Mr. Speaker, has been in touch with their offices trying to get us together to visit over the questions arising from their expert opinions, Mr. Speaker. In addition to that, both the minister responsible for SEDCO and I have met with another expert, Mr. Speaker, a guy by the name of Dr. Bob Fabian who is with the consulting firm of Gellman Hayward, Mr. Speaker, Gellman Hayward.

Now this Dr. Bob Fabian is a high-tech expert from this consulting firm in Toronto, not as members opposite have said, that he's from the University of Toronto. He is not; never has been, Mr. Speaker. My light's still on, Mr. Speaker, so let me conclude, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Anguish: — New question, Mr. Speaker, to the same minister. We don't pull things out of the air from here and

there. We pulled out of *Hansard*. I'll quote to you:

. . . we have had two independent expert reports on GigaText, both of which found the technology somewhat encouraging. Since that time the Deputy Premier (that's you, sir) and myself (that's the minister of SEDCO) have met with both of the experts to go further into their summary of the technology.

This *Hansard* does not come out of the air, it comes out the mouths of members on the government side.

Some Hon. Members: Hear, hear!

Mr. Anguish: — Can the minister tell us whether or not you're going to show us those expert reports, and have you, whether or not, met with those experts, along with the minister in charge of SEDCO? Who did she mislead? Did she mislead the House, or did she mislead the press who informed the people in the province of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — You see, Mr. Speaker, that's exactly what I'm talking about. That's exactly what I'm talking about. Now more often than not, Mr. Speaker, they use the *Leader-Post* as their . . .

The Speaker: — Order, order. The hon. member has the right to answer the question without immediately being interrupted. And I think that all members would appreciate that. And if they don't like the answer, you still must allow him to answer.

Order, order.

Hon. Mr. Berntson: — More often than not they use the *Leader-Post* as their research material or resource material, Mr. Speaker. Today they're using *Hansard*, and I think that's okay.

But I think on this particular occasion they should have used both, because had they read the *Leader-Post*, which almost every other day they do — except today the Leader of the Opposition used the *Star-Phoenix*, Mr. Speaker — but had they read the *Leader-Post* they would have seen where, when the minister of SEDCO was interviewed outside the House, she corrected herself and said that we had met with Dr. Bob Fabian of Gellman Hayward from Toronto, a consulting firm in Toronto, Mr. Speaker, a consultant in the area of high tech who was working with us, Mr. Speaker, to put together the meeting with the three technical experts that we have been trying to meet with now for some time.

But it's been difficult, Mr. Speaker, because one has been in Morocco, the other one has been on holidays, and I don't know where the third one is, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. We are unable to hear the Clerk, quite frankly. I can't hear her and I'm sure nobody else can. Let us allow the business of the House to

proceed.

Order, order. Perhaps if there wasn't constant interruption by some people, perhaps the business of the House would run a little more smoothly. And let's just settle down. Members have the right to be heard. The business of the House has a right to proceed without constant interruptions.

PRESENTING REPORTS BY STANDING, SELECT AND SPECIAL COMMITTEES

Standing Committee on Public Accounts

Mr. Van Mulligen: — Thank you, Mr. Speaker. At the conclusion of my remarks, before orders of the day, I will move a motion to the effect that the third report of the Standing Committee on Public Accounts be now concurred in. Although it's incumbent upon me, Mr. Speaker, as chairman of that committee, to move the report and to move the motion, I want to take this opportunity to express some strong personal disappointment about the report.

There are two major areas of concern that I want to share with the House at this time: one is the matter of the committee's mandate and operating procedures, and the second is what would see to be an indication, in the report before the House, of a sense of satisfaction, indeed agreement, or hinting at agreement among all the members about the contents of that report.

First, the matter of the mandate and the operating procedures. Mr. Speaker, the report that was tabled in the House, that is being distributed to members, indicates in part 3 that:

Your Committee has devoted many hours (I want to underline many hours) to considering its mandate and operating procedures and the role of the Provincial Auditor.

Now that is certainly true, Mr. Speaker. The committee did spend many hours, indeed many days, considering its mandate, discussing the question of operating procedures. Yet the report that is before the House provides no substance on this point. All it says is that we devoted many hours, but it does not purport to report to the House any of the details of that discussion, and some of it is substantial issues on mandate and operating procedures which were discussed.

In my opinion, I think that it would be helpful to the House to have reported to the House some of the questions and some of the discussion that we had on mandate. After all, Mr. Speaker, it's the committee on behalf of the House that has a very special obligation to hold the government accountable in terms of expenditures.

Mr. Speaker, when the people of Saskatchewan, or indeed the people anywhere in any province in Canada, or in Canada itself, set out to elect a government, they elect a party, and one party has a majority and that majority party selects from within itself — the Premier selects — an executive government to run the

government.

That still leaves a Legislative Assembly to have control over a number of things. For example, an executive government cannot pass laws. That executive government must come to the House to have the laws passed. The executive government or the cabinet can also not spend money without the approval of the Legislative Assembly. They must come before the House and submit a budget. And we go through a series of estimates, that is, detailed discussion on the spending estimates for each department, before approval is given to the government to go ahead and to spend money. The government must seek approval.

The government must also account. The government must also account to the people of Saskatchewan for its spending. It must be able to set out in detail how all of the taxpayers' dollars had been spent on behalf of the taxpayers. It is then incumbent on the Legislative Assembly, all of the members of the Legislative Assembly, and especially those outside of the executive government and outside of the cabinet, all members on this side of House and on the other side of the House, on the government side of the House and on the opposition side of the House, to review how that money has been spent; to ask question; to obtain answers for all of the people in Saskatchewan so that we can go to the people of Saskatchewan and say, you money has been well spent in this instance, or, your interests had not been well served and there are areas where your money could have been better spent. That is the purpose of the House — to hold the government accountable to the people of Saskatchewan. That is how our functions in governing are broken down in this jurisdiction and in much of the British Commonwealth.

We have a government. It's elected to run the government, but it cannot pass legislation. It must come before this House to have legislation passed. In many cases there is agreement on the legislation, but there's also instances where there's disagreement, and certainly there are plenty of examples of that, Mr. Speaker, equally important in the area of spending.

You elect a government to carry out, you know, its mandate and what it was elected to do. But is also must at all times seek approval of all of the members of the Legislative Assembly on behalf of all of the people of the province, to get approval for any spending and also account to them as to how their taxpayers' dollars are spent.

This is important. How else can the public — the ordinary voter, the people of Saskatchewan — how can they make a decision about whether or not the government has acted in their best interest unless they have the information about how their taxpayers' dollars have been spent? And unless there are opportunities for their representatives to ask questions of the government about how their funds have been spent, how else can they make an informed decision at election day about whether or not the government's mandate should be renewed, or whether some other party should be given an opportunity? That's the essence of our democracy.

That is something that is traditional, that is something that is ingrained in our system, that division of responsibilities, and that there's a very clear responsibility for all of us, as members of the Legislative Assembly, to account to the people for spending.

Now in this case, in the case of Saskatchewan, in the case of many jurisdictions, some of those functions of the Legislative Assembly are referred to or are functions that are taken over by committees of the House. In this case we have a Standing Committee on Public Account.

The function of the Standing Committee on Public Accounts is to review the spending of the government, how all the taxpayers' dollars have been spent, very broadly put. And I can't get into further detail on that, but that is basically the function of the Public Accounts Committee.

This whole question of what is the mandate of this committee has been set down in previous reports of the Legislative Assembly, and as has been agreed to in the past by the Legislative Assembly, was an item, as is suggested in this report, is an item that merited a great deal of discussion. In fact, as the report states, many hours were devoted — indeed many days were devoted to a discussion on that topic.

One of the items that I had sought to include, that I personally had sought to include as chairman in the committee, was a restatement, Mr. Speaker, a restatement of the guide-lines that the Public Accounts Committee operates under, guide-lines which were approved by the Legislative Assembly in 1982. And in 1982 the Legislative Assembly approved the following guide-lines, and I want to quote from them, Mr. Speaker. Firstly, there's a preamble that:

... the role and responsibilities of the committee comprise a general statement of purpose and a list of issues that the committee is to examine, assess, report on to the legislature and the follow up with the administration including:

(a) the reliability and appropriateness of information in the Public Accounts to provide a full and fair accounting of operations and financial transactions;

That is to say that the committee's job is to ensure that the information as set out in the *Public Accounts*; that is, the *Public Accounts* which purport to report on how all taxpayers' dollars have been spent, that that information is in fact reliable, and that the information is full, and that there is in fact a fair accounting as to where the money has gone.

Secondly, the committee's role is to include an examination of:

the collection of, and the proper accounting for, all taxes and other revenues due;

That is to say, were all the taxes that were to have been collected, were they in fact collected? Were the revenues, the revenues which were projected for that year, were

these realized? And if these revenues were not realized, why is this the case?

And we have an opportunity to put questions to officials, deputy ministers and other officials about these projections that you made at the beginning of the year as to what revenues. If these were not realized, can you provide some clear explanation as to why that is not the case, because perhaps there might have been mistakes made of officials in either projecting the revenues that were to be made or in collecting those revenues. And as a committee, we have an obligation on behalf of the people of Saskatchewan to find out about that, to find out whether the collection of and proper accounting for all taxes and other revenues has in fact taken place.

Thirdly, the legislature agreed that one of the mandates of the committee would be the maintenance of . . . or to examine:

the maintenance of expenditures with the limits and for the purposes authorized by the legislature;

Spending plans are approved by the legislature. The legislature approves a budget and detailed spending estimates for each department. Those plans call for X number of dollars to be spent on any particular program. It also makes clear the purposes for which moneys is to be spent. And those are plans that are authorized — and I want to again emphasize the fact that these are not plans that are made and authorized by the government, but these are the spending plans that are authorized by the legislature on behalf of all of the people of Saskatchewan.

So the committee examines the expenditures for a particular year to see whether it was within the limits prescribed by the legislature, and to see whether it was within the context of the objectives set by the Legislative Assembly. There may well have been instances of moneys spent without the legislature providing some authority for that money to be spent, and it's the job of the committee to search that out and to report back to the Legislative Assembly, if in fact the expenditures were within limits and for the purposes authorized by this Assembly.

Additionally, it's the responsibility of the committee to examine:

the adequacy of safeguards (that would) protect assets from loss, waste, and misappropriation;

I think the Legislative Assembly and the people of Saskatchewan are always concerned to ensure that there has been no dissipation of that which they own' that of all the assets which belong to them that there is no misappropriation; that there has not been any loss; to make sure that these things are properly accounted for.

(1445)

Now there has been very little disagreement, Mr. Deputy Speaker, very little disagreement within the committee on those aforementioned responsibilities. In fact those are

what might be termed very traditional responsibilities of public accounts committees throughout the British Commonwealth.

But there's an additional set of responsibilities that the committee also proposed to the Legislative Assembly in 1982, and which the Legislative Assembly adopted and agreed to as being a proper part of the mandate of the committee, but which has seen a great deal of discussion and debate in the last year. And I refer to a number of responsibilities or rules which fall under the rubric of value for money, and essentially the question of economy, efficiency, effectiveness.

Now the 1982 guide-lines, as adopted by the legislature, state that the committee should also be concerned or have regard for economy in the acquisition of goods and services, regard for efficiency in operations, regard for effectiveness of programs in achieving their stated objectives.

The Legislative Assembly at that time took the point that in addition to making sure that expenditures were within limits; that the information that was provided was reliable; that there were safeguards to protect the people and the public from misappropriation and loss; that the committee examine the whole question of economy and efficiency and effectiveness.

It was felt that the public has a right to know that there was an ability to ask questions and to obtain answers from officials, and ultimately, I suppose, from the government, about economy in the acquisition of goods and services. Did the public get the best deal possible?

Members of the government might say that, in fact said it many times in the committee, those are questions which should be decided at election time. And rightfully so; they should ultimately be decided at election time. But how is the public to know whether or not there was economy in the acquisition of goods and services unless members of the Legislative Assembly are in a position to ask questions about whether or not we got the best bang for our buck, whether we got the best deal possible when we spent money.

How are we to know these things unless we are in a position to ask questions? And I can tell you, Mr. Deputy Speaker, there was a great deal of debate within the committee about that very point and as to whether to not the committee should be pursuing those kinds of questions of officials in our consideration of the spending in the year under review.

There was also questions about the efficiency of operations. Did operations run well? Did they serve the public interest? Where spending money for certain operations, did they work well? And again, the committee had a great deal of debate and concern about that, and equally about the effectiveness of programs in achieving our stated objectives. Are we spending money that is simply being spent ineffectively? Are we making any headway in terms of the objectives that the Legislative Assembly set? Should we not be in a position to put questions to officials about whether or not programs are effective, whether programs are efficient, and whether

programs have regard for economy.

And I can tell you, Mr. Deputy Speaker, there was a great deal of discussion within the committee about those guide-lines. I felt that it was appropriate to ensure that the Legislative Assembly was aware that the guide-lines for the committee included a mandate of being able to look at economy, look at effectiveness, and to look at efficiency. But the committee decided that it would not be appropriate to report to the Legislative Assembly any reference at all, or any details on the question of . . . or on the fact that the committee spent many hours discussing its mandate.

So I wanted to make the Legislative Assembly aware, and also the people of Saskatchewan who, although they have the opportunity to sit in on Public Accounts Committee and are from time to time informed about what takes place in the Public Accounts Committee through the media and the press, are not always familiar with the workings of the House and what rights they have to information.

And I think that it's important that the report should also have included again a restatement of the 1982 guide-lines as to the committee's role and responsibilities; indeed, the roles and responsibilities of the Legislative Assembly itself and the very special commitment and responsibility that we all have as members of the Legislative Assembly, whether here on the opposition side or on the government side, to the people of Saskatchewan, that we are accountable for each and every penny we spend here.

Mr. Speaker, that accounts in part for my disappointment with the report before us, that we were not able to flesh out, as it were, the very considerable arguments that we had on the questions of mandate within the committee, and I felt it would have been appropriate for the House at this time to reflect further.

And I hope my reports make it possible for us to at least have some debate about this, the question of mandate and what is appropriate ground for the committee to review on behalf of the Legislative Assembly, because if we do, it would be some of that, and I think that the interest of the public will have been served.

The second area of concern that I have with the report, Mr. Deputy Speaker, is that throughout the report the members of the committee saw fit to add statements to the effect that the committee was satisfied that all matters have been resolved. For example, it states in clause 4 of the report that:

. . . your Committee completed its deliberations on the Provincial Auditor's Report for the year ending March 31, 1987 and the Public Accounts for 1986-87. And your committee is satisfied that all matters (of concern) have been resolved.

Now the report I put before the committee did not include the phrase that "your committee is satisfied that all matters . . . have been resolved." But throughout this report to the Legislative Assembly, the word "satisfied" and "resolved" appear now many times. And it would

clearly indicate that there is satisfaction on many items. And I think in doing so it would also seem to indicate then that there's agreement on many items, that there's a unanimous agreement on many items, and I want to make it clear to you, Mr. Deputy Speaker, and to the Assembly and to the people of Saskatchewan, that nothing further could be from the truth.

In fact, there was many times very major disagreement on items before the committee, and is one of the reasons, one of the reasons why there is such a dearth of recommendations to the Legislative Assembly about things that we might have found out, because we were unable to agree, we were unable to agree on many items that maybe some other year we might have been all able to agree on, to report to you about what we found in our review of the expenditures, in this case for the year 1986 and 1987. The report, again, Mr. Speaker, would leave one with the impression that there is a great deal of unanimity, agreement, when it uses words such as "satisfaction" and "resolved."

Now members of the Legislative Assembly will be aware that in the year under review, 1986-87, the Provincial Auditor, if I just might get my copy of the report, Mr. Speaker, the Provincial Auditor had, of course, many comments. But in the introductory chapter of his report, the auditor, as is the custom, reported on a number of issues of importance to him. In addition to his comments about specific departments, he saw certain trends evolving; he could ascertain certain things happening that he felt was important to report to the House and to the committee, and to have the committee reflect on them.

There was issues such a parliamentary accountability. And he stated:

I am deeply concerned about the continued ability of the members of the Legislative Assembly to hold the executive government accountable due to the lack of timely, appropriate financial information provided to members of the Legislative Assembly.

And he went on in some detail to talk about things such as the tabling of the 1986 and 1985 *Public Accounts*, and went on in some detail about an aspect of those *Public Accounts* called supplemental information. And he pointed out that in 1975 the Legislative Assembly had taken a position, and it was subsequently amended, that in addition to expenditures which are reported for every department in the Public Accounts, and which are reported beyond a certain level, that in addition to that that there be a volume called supplemental information, which then would pull together any expenditures which might have been made by a number of departments which exceeded a certain threshold.

For example, so that if, as the rules stand now, we have a report from a department and \$9,000 might have been spent by a department on a certain item, that would not be reported. The specifics of that would not be reported. Might have another department where \$9,000 has been spent for the same purpose, and to the same company, and again, that would not be reported. In 1975 the Legislative Assembly took the position, well if that's the case, then there should be some supplemental

information so that all of this information is put together so that it can be shared with members of the Legislative Assembly and ultimately the public so that they know where their taxpayers' dollars have gone.

In the last number of years the current government has seen fit to not publish this supplemental information. So the only information that we are now aware of is the information that comes to us with respect to every particular department. There is no pulling together of the information across departments. So it might well be that company A is being paid \$9,000 by the Department of Agriculture, \$9,000 by the Department of Consumer Affairs, \$9,000 by the Department of Education, and \$9,000 by a large number of departments, but we would not be provided the details of that.

In 1975 those kinds of details were available to members of the Legislative Assembly, but in the last couple of years, because of a change in policy by the government, by the PC government, we are no longer provided with that kind of information. The auditor makes the point that that kind of information should be made available to the Legislative Assembly if they're to have access to all of the information on which to be able to base their opinions on whether or not government funds have been well spent.

Now many members of the committee agreed with that point of view, but again the majority of the committee disagreed with that point of view. And I wanted to make it clear to the Legislative Assembly that there was disagreement on that particular question. In fact there was a motion moved, a motion moved that . . . It was moved on February 7 by my colleague, the member for the Battlefords. It was moved:

That the committee recommend to the Legislative Assembly that the *Public Accounts* documents continue to include supplemental information which provides a report by payee on an aggregate basis, in addition to the payee information presently included in volume 3 of the *Public Accounts*, which is on a department-by-department basis.

Now a debate arose in the committee when the question was put, and it was negatived, Mr. Speaker; the motion was lost. So the committee, after some debate, took the position that no, this supplemental information should not be made available to the Legislative Assembly, should not be made available to the public, and it was after some considerable debate.

I think it's important, Mr. Speaker, that in addition to any feeling that one might obtain from reading this report and looking at words such as satisfaction and resolution, that there was disagreement on this point and that the committee was unable to come to a consensus or agree unanimously on this particular point, and that there was disagreement. So again I want to illustrate that notwithstanding the report before us, that there were substantial and deep divisions in the committee about, I think, very fundamental matters and matters of important for the Legislative Assembly and the people of Saskatchewan.

The Provincial Auditor also included in his report and he said . . . this was the report for the year ended March 31, 1987, and the year that we examined. The Provincial Auditor said:

I find it regrettable that, for the first time since my appointment, I must include in my annual report comments concerning a lack of co-operation in obtaining information that I consider necessary.

(1500)

And he went on in some detail to point out where, in his opinion, information had not been provided.

There were a number of motions put before the committee by the members to address this particular point. These motions talked about the committee put forward a motion that is express its concern about a lack of co-operation.

They also put forward a motion that in responding to a specific instance that was raised by the Provincial Auditor, it was moved that this committee request that the September 17, 1987, minutes of the CIC board; that is, the Crown investments corporation.

Denying the auditor access to CIC minutes be rescinded by the minister responsible for the CIC and by the Crown Management Board, and that the minister be requested to ensure the Provincial Auditor has access to CIC minutes in the future.

And that motion was lost, again after some considerable debate.

There was another motion that this committee indicate to the Legislative Assembly its concern about the lack of co-operation awarded to the Provincial Auditor by various agencies. Again a debate arising, the motion was lost.

Then there was a motion that we recommend to the Legislative Assembly that the Assembly call on the government to enunciate a clear set of guide-lines for all departments and agencies to ensure future co-operation with the Provincial Auditor. A debate arising, that motion was also lost.

So my purpose, Mr. Speaker, is to make it clear that even though the report speaks in many instances of matters having been satisfactorily resolved, that in fact that resolution was only . . . or satisfactory for some of the committee, not all the committee, and that there are many questions which are left unanswered; there are many issues which are not now being reported to the Legislative Assembly, which I am sure many of the committee felt should have been reported to the Legislative Assembly. These issues were put forward in motion, were lost in committee, and are not now being reported.

So I wanted to make that clear, Mr. Speaker, that in fact there was not agreement on all items, and in fact to point out that there was some substantial disagreement on items before us and specific items before us.

As another example I point out, Mr. Speaker, that the fiscal year 1986-87 was a year of much debate, much debate in this Legislative Assembly and outside the Legislative Assembly, because the fiscal year 1986-87 was an election year. And prior to the beginning of the election, the government came to the Legislative Assembly with a budget, its spending plans for that year '86-87, and said that we project a deficit of approximately \$4 million . . . or \$400 million — \$400 million.

The legislature was dissolved, an election ensued. And during the course of the election further questions were raised about the size of the deficit, and it was then reported that the deficit would be in the magnitude of \$500 million; that contrary to the budget which was approved by the legislature, that in fact some overspending or underachievement in revenues was being realized and the deficit was going to be much larger than initially thought; that instead of it being the 389 million or 400 million, it would not be in the neighbourhood of 500 million.

The election over with, we came back to the Legislative Assembly, and it was reported to us that contrary to a projected deficit of 389 million, a revised deficit of 500 million, that the deficit would in fact be \$1.2 billion. Now by anyone's books, and all partisan consideration notwithstanding, Mr. Speaker, putting aside all partisan consideration, no matter what your politics might be, the people of Saskatchewan — whether you're Conservative, Liberal, NDP, whatever — I mean there much be some agreement that it's difficult for a government to project a deficit of \$389 million and then to come in with an actual deficit of \$1.2 billion. And certainly any sense, any sense that you feel that the Legislative Assembly should hold people responsible for spending within a specific year, fiscal year, would suggest that you ask some questions about that.

And given the magnitude — the magnitude of the miscalculation, if you will — the magnitude of that from 389 million to 500 million, ultimately to \$1.2 billion, the magnitude of that miscalculation, whether it was deliberate or whether it was unplanned, that that suggested there be questions, and many questions both within the Legislative Assembly and, following review in the Legislative Assembly, that there also be questions of the officials of the departments concerned to see where the errors and miscalculations came from.

Because if you and I, Mr. Speaker, are responsible to our constituents, and indeed to all of the people of Saskatchewan, to account to them for how each and every one of their taxpayers' dollars is spent, then certainly we have to be able to account for them that how an estimated deficit of \$389 million could balloon to \$1.2 billion.

And if the answers in the House from the politicians suggest that these are normal matters; that these are not matters of policy, but these are matters because of an underachievement in revenues; that we didn't get the revenues that we thought we were going to get; that the expenditures were greater than we initially thought, and that these were not matters of policies but these are

matters that simply occurred, then it seems to me that the Public Accounts Committee should be asking many questions of the officials within the Department of Finance to see where the miscalculations occurred. And the committee did that.

The committee for many hours questioned officials of the Department of Finance. And we asked them questions about revenues. How is it that the revenues that you initially projected for oil — and we also asked these questions of officials of the Department of Energy — how is it that these initial projections that you had for oil revenues were in fact so grossly overstated compared to what was actually received?

And how is it that these revenues for agricultural land, for the sale of agricultural lands, were in fact not achieved? And how is it that these expenditures that you have here are so much higher than the expenditures which were initially projected.

And throughout all of your spending, how is it that spending was so much higher? Can you account for these? We want to know, we have to understand. We want to be able to say to our constituents, we have found out where the errors occurred; we found out why the miscalculations were made; we want to be able to report to you; we want to be able to fulfil our responsibilities to you. And we did that, Mr. Speaker, we did that.

But again there's no mention in this report that in fact there was a motion before the committee that would have made it clear as to where the committee stood on this matter, this very substantial matter — certainly one of the grossest, grossest financial miscalculations certainly within the history of this province, if not the grossest within the history of this province. And I would venture to say that anyone would be hard-pressed, Mr. Speaker, to find an example anywhere, anywhere in the British Commonwealth, of such a gross miscalculation.

That such a miscalculation has not been reported to the Legislative Assembly I think deserves some comment in this House.

Mr. Speaker, again I wanted to make it clear that although I move the report, I have strong disagreement and disappointment — disappointed that we were not able to fill you in, and the people of Saskatchewan, on the mandate of the committee. And secondly, that we were not able to report to you on some of the areas that the auditor had raised and some of the areas that the public were concerned about that we are unable to report to you on because there was no agreement, even though the report might suggest that there is agreement on many items.

Finally, Mr. Speaker, I want to thank all members of the committee. I want to thank all of the members of the committee for their diligence and hard work. All of the members of the committee, Mr. Speaker, I can safely say, worked hard this last year, attended at meetings many long hours and, I think, worked hard on behalf of their constituents.

I would simply leave you with the concern and the hope

that perhaps all this hard work and diligence might, might result in the members coming together to put aside partisan differences and to agree that the scrutiny of the *Public Accounts*, and that an accounting of how all taxpayers' dollars are spent is something that demands we put aside partisan consideration; something that demands that we come together to look at those issues and to account to the public. And it's my hope, Mr. Speaker, that perhaps at some future time that in fact we might take that attitude more seriously and also put that together with the hard work of the members and come forward with better reports than the report that's before us today.

Having said that, Mr. Speaker, I want to move, seconded by my colleague, the member for Cut Knife-Lloydminster, that the third report to the Standing Committee on *Public Accounts* be now concurred in.

Some Hon. Members: Hear, hear!

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

Mr. Romanow: — To speak.

The Speaker: — I'm waiting for the motion so we can act.

Mr. Martens: — Thank you, Mr. Chairman. I want to address a few points on the debate relative to the report of the committee of public accounts. I want to begin by saying that there has been an unusual amount of discussion and debate on *Public Accounts* in this session, and it has arisen, I believe, in large part from the political partisanship of the individuals involved in the committee. The whole thing is probably continuing on in the forum of this House in the same fashion as it did at the time.

And I believe, Mr. Speaker, that the forum that I used in the committee was exactly the forum I used here in listening to the chairman of the committee. I listened and I on occasion disagreed with him. On many occasions I agreed. He dealt reasonably fairly with members of the committee, I believe, Mr. Chairman, in outlining the role of the committee, outlining the kind of debate that was relevant to the discussion that took place.

The intensity of the debate in the Public Accounts Committee began late last spring in dealing with some of the matters that the Provincial Auditor had placed before the House. And I believe that they had a right to be discussed, Mr. Speaker, in relative terms to the Public Accounts Committee. We dealt with a considerable amount of the issues in the spring sitting. We also dealt, Mr. Speaker, with a number of the items in a week-long debate relative to proceeding to conclude the Public Accounts Committee in an off-session basis.

(1515)

And in that period of time, Mr. Speaker, the committee members changed and there was new committee members on the committee. And the partisan debate that began at the discussion we had in February in our week-long meetings on the committee were resolved at the conclusion of that week of meetings.

And in that week of meetings we talked about a lot of different things, Mr. Speaker, about how the committee could deal with the mandate that it had, with the dynamic of the politicians that were involved in it. And in that dynamic we came to the conclusion that there were certain rules that we would have to follow as a committee — members on our side and members on the side of the NDP. And at the conclusion of those meetings we also came to the realization that we could not, Mr. Speaker, deal with assessing public accounts in fairness to the people of Saskatchewan in a partisan fashion.

And we, with the help of the chairman, who worked very well to maintain that from that point on, we dealt in a fashion that I believe added respect and a fair amount of dignity to the committee. There were some lapses, and the member from Regina Victoria rule don those lapses, and I think he did a fair job.

The week of discussion that we had in February also tended to give a certain degree of sensitivity and a desire to have a review of the mandate of the committee; what it's role should be; how we should handle the various kinds of issues, and the various kinds of problems that we come across with the partisan political positions taken by individuals there. And that became the focus that we had to discuss, and we did that, and I believe we did it in a reasonable fashion because we came to a conclusion, I believe, Mr. Speaker, that assisted the committee in finding the dynamic that it needed to continue its work.

From that period of time on, the members of the committee dealt with many of the issues that the auditor had presented, and we went through them. And in that presentation, Mr. Speaker, there were a lot of things that there were disagreements on. And the auditor presented a number of them to the committee in his report.

We looked at a lot of them and we found that the departments were providing some encouraging mechanics to control the kinds of things that the auditor was concerned with. And in dealing with items that he had raised a concern about, we took a look at them, and in many, many of the cases the departments were improving the kinds of things that they would do to control the spending, how to put the checks and balances in place in relation to that spending.

And therefore we felt, Mr. Speaker, that many of the issues, although they were addressed by the auditor of the Assembly, the issues were being looked at and I believe they were being addressed by the departments and the departmental officials. On many occasions they said that they were . . . in the next year they were being resolved, and some of them have already been addressed. And I believe that that's the route that we should be taking a look at and the route we should be going.

I believe, Mr. Speaker, that this is a political . . . a matter, in speaking in a forum such as this, and I believe that the chairman outlined a number of instances where there had been disagreement. What I found highly unusual, Mr. Speaker, is that in the discussions of the committee, on at least two occasions the opposition members walked out and left the chairman by himself. And I found that highly,

highly unusual.

I don't believe that in the time that I have been involved in that committee that at any time have they decided, members of the government side or the opposition, have they ever walked out. And I want to commend the chairman for the kinds of things that he did in spite of his colleagues walking out. I believe that he did a commendable job in relation to that.

I want to point out a number of other areas that had to be addressed. The calling to order by the chairman on members of the opposition on many, many times, that was an occasion that lent itself where the chairman had to exercise his authority and his responsibility in dealing with the conduct of members of the committee and I think he did an excellent job on that.

I want to just point out another item. In dealing with the '86-87 report by the Provincial Auditor, the timing . . . and you have to understand the timing of this, Mr. Speaker. The report of the '87-88 came out before the report of the '86-87 had concluded. And in that, the whole aspect of the role of the auditor and the dynamic that the auditor played came into a considerable amount of discussion in this House.

And in that time we had moved through about 50 percent of the budgets of the different departments that were in relation to the Public Accounts Committee, the report of the auditor. And then it all of a sudden became necessary, Mr. Speaker, that we conclude them in a rushed fashion — Mr. Speaker, I want to point this out — when Social Services were not completely considered. Health issues had not been considered at all, which is \$1.2 billion. The total of that was in excess of \$2 billion that we did not, as a committee, has an opportunity to go with.

So what we did is we as members of the government side, we decided that we were going to address the questions in the matters of Health because we felt they were important, in matters of the Social Services, in other aspects. We felt, Mr. Speaker, that we were, as a Public Accounts Committee, responsible for showing to the people of Saskatchewan that the delivery of moneys on their behalf was substantially done as best the administration could possibly do it.

So we asked the auditor and the officials of these various departments to bring those points to the attention of the committee, and we decided that we were going to continue on. And that, Mr. Speaker, is why we felt that we should present the kind of report that we did.

And I want to indicate to you too, Mr. Speaker, that when we went through the report . . . we presented the report to both sides of the House, as the chairman suggested. And as we presented that to the House, as the members of the committee, earlier, prior to today's sitting, we went through the various aspects of that and we found agreement on some issues but we did not find agreement on other issues. And in some of the issues that we found agreement with, they went right on through.

But there were some matters that had to be addressed that we felt were substantive. If you say in a blanket kind of a

way that all of them are good or all of them are bad, it would not give credit to those departments in our government that had done a very credible job — and there were many of them, Mr. Speaker. And so what we did as a committee is asked that the wording include that the matters that had been presented on various issues had been resolved, and that they met the satisfaction of the committee.

Now at that point, Mr. Speaker, the members of the opposition decided to walk out. And that, Mr. Speaker, gives us no alternative but to deal with the kinds of things that we have in this report in the fashion that we have. And they deliberately walked out, leaving us as a government side of the House, requiring us to make a decision on how the spending was done in relation to the budgets of the 1986-87 annual report. And that, Mr. Speaker, has caused a good deal of concern on our part, as it relates to how to handle it and how to deal with it from this point on.

I would like to point out that the role of the committee has had . . . there have been a lot of questions raised in this Public Accounts Committee session on the role of the committee, what its mandate is, what the role and the responsibility of committee members are, what the role and responsibilities of the departments appearing before the committee, what their mandate is.

And I believe, Mr. Speaker, that there are a whole lot of other issues that need to be addressed as a part of a legislative review committee, that we have had some discussion about here earlier. And I believe that that is also a part of what we need to be addressing in a far broader context, not only from the perspective of the Public Accounts Committee, but for the benefit of the people of Saskatchewan.

We have seen issues raised that I think are interesting. I've not seen them or heard them raised prior to this session. And members of the committee indicated that they were proud to be radicals. I tended to perhaps take that with a grain of salt, but it's evident that the members, I believe, really meant it.

And I'm concerned about that because in a truly democratic society, Mr. Speaker, we cannot continue to be radical in our relationship with other people because that, Mr. Speaker, only ends up with what you had in China; it only ends up with what you have in various parts of the countries like Vietnam and Afghanistan.

And I believe, Mr. Speaker, that we need to place ourselves in a position where we become sensitive to those demands of the people in our constituencies, relating the kinds of things that we ought to be doing in relation to this.

And therefore, Mr. Speaker, because of these things and many other things, and I think that we need to sit down and review the matters in a detailed fashion with members of the committee, I'm going to ask the House to adjourn debate.

The division bells rang from 3:28 p.m. until 4:08 p.m.

Motion agreed to on the following recorded division.

Yeas — 29

McLeod	Andrew
Berntson	Taylor
Smith	Swan
Muirhead	Maxwell
Schmidt	Hodgins
Gerich	Hepworth
Hardy	Klein
Meiklejohn	Martin
Toth	Johnson
McLaren	Hopfner
Petersen	Martens
Baker	Wolfe
Gleim	Gardner
Kopelchuk	Saxinger
Britton	

Nays — 13

Romanow	Rolfes
Shillington	Lingenfelter
Tchorzewski	Koskie
Thompson	Brockelbank
Mitchell	Anguish
Lyons	Calvert
Van Mulligen	

Debate adjourned.

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

MOTIONS

Hours of Sitting

Hon. Mr. Hodgins: — Mr. Speaker, I'd ask for leave of the Assembly on a certain motion, and, Mr. Speaker, I think especially in light of the past obstruction by the NDP, I would seek leave of the Assembly to move a motion that the hours of this Legislative Assembly be extended.

Leave not granted.

The Speaker: — Order, order. Would the hon. members please come to order.

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: — My first words, Mr. Speaker, must be one of thanks to the Government House Leader for his applause when I rose. It undoubtedly is an indication that he's enjoying my remarks and looking forward to a great deal more of the same.

Some Hon. Members: Hear, hear!

Mr. Shillington: — I shall, Mr. Speaker, try to do something to shake that seemingly inexhaustible appetite for my comments on potash that exists among members opposite.

Mr. Speaker, we are discussing potash, and before closing yesterday I had commented on the debate which had taken place in 1975. I had commented on the lengthy and very full debate we had, an attitude which seems to have largely disappeared from this House.

We have a report on the Public Accounts Committee. Many of our members felt very strongly about how that had proceeded, and we were not allowed to discuss it. Instead it was adjourned, solely because this government wanted to avoid accountability.

Mr. Speaker, that isn't the way this legislature's conducted itself in the past. In the past we have allowed full and complete debate on subjects of interest to members. That was done in the . . .

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

Mr. Wolfe: — I don't feel that the hon. member's comments are relevant to the potash debate, Mr. Speaker.

The Speaker: — Order. I've listened to the member's point of order and the hon. member's comments. It's fair to say that the member's point is well taken, and I'll ask the hon. member to stick to the topic.

An Hon. Member: — Oh, way to go, Arnie. Why didn't you rise on it then? Why didn't you rise on it? Why didn't you rise on it? You're sitting there doing nothing.

Mr. Shillington: — Mr. Speaker . . .

The Speaker: — Order, order. The hon. member from Regina Elphinstone, who is breaking the rules of the House in relation to the Chair, I'm just going to bring it to his attention and tell him that he cannot abuse the rules in that manner, or action will have to be taken. Order, order.

Mr. Shillington: — Thank you, Mr. Speaker. It's obvious, Mr. Speaker, the members opposite want to hear a great deal about potash and aren't interested in any other subjects. So we'll oblige them, Mr. Speaker, we'll oblige them with a full and complete discussion of this particular subject.

Mr. Speaker, I had said yesterday, for the benefit of the member from Assiniboia-Gravelbourg who obviously wants to hear all these comments and doesn't want them side-tracked by such trifles as Public Accounts Committee and the appropriateness and efficiency and economy with which expenditures are made — I had

made the point yesterday, Mr. Speaker, that we were not opposed to all sorts of privatization. Government objectives change, goals change. Those things which we pursue in one year may not be the goals we pursue in another year.

(1615)

By and large, Crown corporations have been instruments through which we seek to achieve a certain goal. That was true of what I think was Canada's first Crown corporation, SaskTel — certainly one of the first — sought to bring telephone service to large areas of rural Saskatchewan, and did so very successfully, an example of the private sector and the public sector working together to achieve something that probably neither could have achieved when working alone.

Mr. Speaker, we don't believe that all Crown corporations should be fixed and in place forever. There may be times when something has outlived its usefulness. That, we do not think applies to any of the privatizations which are currently before this session of the legislature.

We don't think that SPC should have been privatized, and neither do the overwhelming majority of Saskatchewan people. We don't think SGI should be privatized, and neither do the overwhelming percentage of Saskatchewan people. We don't think, Mr. Speaker, that the Potash Corporation of Saskatchewan, PCS, should be privatized, and neither do the public of Saskatchewan.

Mr. Speaker, the government opposite obviously believes that for some reason or other they know better than the public of Saskatchewan. We don't think that is the case. We think that . . . and neither do the public of Saskatchewan, as a matter of interest. If one looks at the polls, if one looks at the party standings in the polls, and this government further behind than I think this party has ever been since 1982, it's apparent the public of Saskatchewan don't trust your judgement either.

Mr. Speaker, this government has neither the mandate nor does it have the . . . it does not have the consensus of the public. It does not have a mandate and it does not enjoy any broad public support in a general sense. One must ask, therefore, on what basis do they feel it appropriate to substitute their judgement for that of the Saskatchewan public.

Mr. Speaker, we believe that there may be times when some Crown corporations may have served their purpose. It may be time to wrap them up. Sometimes a Crown corporation may be sold, sometimes the assets may be sold, but there are no doubt times when some Crown corporations can be wrapped up. So we don't believe that all privatization under all circumstances everywhere is wrong.

Mr. Speaker, this government, however, seems to proceed with the opposite hypothesis. This government seems to perceive that all privatizations are good. This government seems to believe that it doesn't matter whether it's something relatively minor, such as the government printing company, or something very, very major, such as the Potash Corporation of Saskatchewan.

This government seems to believe that all privatizations are good and that all assets should be privately held.

Mr. Speaker, that's not our view. Our view is that what has worked in Saskatchewan is a mixture of private, of public, Mr. Speaker, we believe that private sector has a role to play in Saskatchewan and always has. It was in a sense a desire to own private property which brought people here, brought people to Saskatchewan, and enabled this province to be settled in a fashion which I think is truly remarkable.

Mr. Speaker, I pointed out yesterday that from the very beginning, although it was the lure of owning land that brought people here, they also sought and believed that the public sector had a role to play in the economy, and it did play a role from the very beginning. I pointed out yesterday, Mr. Speaker, that co-operatives arrived almost as soon as the first settlers did. And before very long, shortly after the province had been formed, 1908 to be precise, the Crown corporations were involved in delivering what was a very major service for the time.

It is difficult for modern people to appreciate just how drastically the lives of people, particularly living outside the cities, was changed by the advent of the telephone.

Well that was an example of the public sector being used. It served different purposes, Mr. Speaker. Sometimes it was used to bring a necessary service at cost, to bring it in a more complete fashion at a lower cost than the public sector could do. Sometimes, as was the case with the Potash Corporation of Saskatchewan, it was felt that a commercial activity ought to be under the public sphere, in part perhaps to earn revenue for the treasury, in part to achieve other goals.

Mr. Speaker, I pointed out yesterday that we are different. When this government takes advice, as it does from England, from those who have advised Maggie Thatcher, they are dealing with a different people, a different economy, with a different history, a people who have built an empire developed largely on the world of business.

Mr. Speaker, I pointed out that the Americans are also different. They see the role of a society to provide an atmosphere in which individuals can excel — very great deal of emphasis on the individual, on individualism, individual rights; very little emphasis on the collective.

Mr. Speaker, I think it's true to say that we have excelled, that Canadians have excelled in areas in the public sector. The great achievements which we have achieved have been largely in the public sector. That was true of the railways, that was true largely of the telephone system.

It's not true of the Americans. The Americans, apart from . . . particularly earlier in their history, their great achievements were all in the private sector. Only recently have things like . . . This is, interestingly enough, Mr. Speaker, the 20th anniversary, I believe, of the landing of the man on the moon. I believe today is that 20th anniversary. That's an example, I guess, of Americans excelling in the public sector. That was certainly a public sector endeavour, but by and large they have put their

resources and their efforts into the private sector.

Canadians, I think, have achieved their greatest achievements through the public sector. We have always utilized the public sector. For members opposite to come along as they do now and say that the public sector has no role is to entirely misunderstand the history of this country.

Mr. Speaker, I pointed out yesterday that one of the real achievements in this country was in fact to build a nation in a northern atmosphere, at such a latitude, strung out along 4,000 miles with some 85 per cent of the people living within 150 miles of the border — very real achievement, really has no parallel anywhere else in the world. It was accomplished through the public sector, through the building of railways by the federal government; strung the nation together and turned a very, very far-flung group of provinces and territories into a nation.

I could give any other number of other examples, Mr. Speaker, of our use of the public sector, our use of the public sector in building this country. If the public sector has played a major role in building this nation, it's played a much larger role in building this province.

I pointed out yesterday, Mr. Speaker, that the public sector had always been integral to our building of a province, a province based on agriculture. I think it is true, Mr. Speaker, that agricultural societies around the world tend to be rather poor ones. If one thinks of societies which are almost purely agricultural in nature, they tend to be poor societies. Urban areas tend to have the wealth; the rural areas tend to be poor.

That is not true in Saskatchewan. Although we're undergoing some difficult times at the moment, we have in fact achieved a considerable degree of prosperity, and have achieved a greater degree of prosperity when we had a government in office which was prepared to utilize not just the private sector but the public sector as well.

The Douglas government in the '40s and '50s sought to bring a greater measure of public services, a greater measure of fairness to society. While that was a goal of the Blakeney government in the '70s, the Blakeney government, as I pointed out yesterday, began with a slightly different agenda. Given the rapidly escalating costs of some public services, I pointed out, Mr. Speaker, that when we left office in 1982 we were spending more on health care than the entire budget in 1971. The percentage of the . . . the per capita spending by government in constant dollars had not increased very much.

The education, as we saw it, with all parts and all people in the province having an equal right to an education, with all people whether they live in Kinistino or Regina, having a right to the same education, that's a very expensive system. Those kinds of services — drug plans, dental plans — those kinds of services require money. The Blakeney government saw the means to finance them in its resources.

The Speaker: — Order. I'm listening carefully to the hon.

member's comments, and I must inform him that he is beginning to repeat himself from yesterday's arguments which he was espousing, and I know that he realizes that is correct.

Mr. Shillington: — Mr. Speaker, I appreciate your warning. I did sort of warn you yesterday, if you interrupted me at 5, I was going to have to start and summarize it, and I'm only doing that.

I pointed out, Mr. Speaker, and I will be brief, that one of the main reasons why we were able to achieve what we did is because we got a much larger percentage of our revenues from resources than any other government in Canada.

We have three resources of considerable significance. One was oil. We were able to reach an arrangement with the oil industry. One was uranium. There seemed to be little difficulty in reaching an arrangement with the uranium industry. The uranium industry suffered from other problems, and that was the inability of those in the industry to assure the public that the waste products could be safely disposed of and the energy could be safely harnessed.

The third resource which we have in major quantities was potash. Mr. Speaker, the potash industry is the richest in the world. We have, as I pointed out yesterday, some 60 per cent of the potash outside the Soviet Union; some 40 per cent in total.

(1630)

Mr. Speaker, unlike some other industries, we are in the position to exercise a dominant influence on the potash industry world-wide. It was therefore of particular concern to us when the potash industry didn't just complain about their taxes — that's probably universal — didn't just complain about their taxes, but refused to pay them.

Mr. Speaker, as Mr. Blakeney, who spoke himself on this subject last night pointed out, that began in the winter and spring of 1975. The industry complained about the taxes, and then some time in the late winter or very early spring, announced they weren't going to pay their taxes.

The series of events which unfolded thereafter are truly remarkable. The potash industry was told that that wouldn't be tolerated. There are farmers in your riding, Mr. Speaker, who probably don't like the land taxes they've got to pay, but they pay them. During the time that this went on, an election intervened.

Mr. Speaker, we made our intentions quite clear. We told the industry that we would speed up direct government participation in exploration for and the development of potash and hard-rock minerals to achieve a greater measure of public ownership for these resources and industries. The warning was clear. The government was returned with a slightly increased majority — one more seat; the potash industry still refused to pay their taxes.

Mr. Speaker, one of the things we found is that when we were a part of the industry, if we were outside the industry

looking in, you always were an outsider; you never really were able to exercise firm control or indeed sometimes any control. Once we opened the door and went inside and became a part of the industry, it was much, much easier to control that resource and we made no apologies for that.

I pointed out yesterday, Mr. Speaker, that the industry took what I call with affection for my American friends, the American view of things, and that is that they owned the resources. They were there for the benefit of their shareholders. We had a right to a small return but nothing more, very much in keeping with the American experience, the American view of why the good Lord put resources on the earth — apparently to benefit the companies which happen to own them.

They were unable to understand our point of view that we regarded those as our resources and we, as I said yesterday . . .

An Hon. Member: — And the day before.

Mr. Shillington: — No, I didn't say it the day before. I'm merely summing up what I said yesterday.

An Hon. Member: — You don't want to get into yesterday.

Mr. Shillington: — No, if the member for Souris-Cannington has forgotten what I said the day before and the day before that — in fact this is I think the fifth day I've been on my feet — I can go back and recount all that was said over those five days. I'm not sure what the member from Souris-Cannington is asking of me. If he has indeed forgotten what I said all those days, then I will be happy to go back and refresh the member's memory.

The member from Souris-Cannington assures me that his memory is recovering and he's now able to recall a good deal of what I said, enough that I don't need to repeat it all. So I shall then go on. But the offer is open. The offer is open to the member from Souris-Cannington. If you're having difficulty recalling a bit of this . . .

An Hon. Member: — We could bend the rules a little.

Mr. Shillington: — I know certainly we would be prepared to accommodate the member in any regard with respect to refreshing his memory on what I've said.

Mr. Speaker, our goals in taking over the potash industry were, one, to achieve a greater measure of revenue for the province. My colleague from Saskatoon South was minister of Health during that period of time, and a very good one, need not be said. We had very considerable strains on the Health budget.

The question always arose, where's the money going to come from to fund these programs? The obvious answer was to look to our richest resource. Potash was our richest resource. The obvious answer was to look to our richest resource and get the revenue out of that, and so we did — so we did.

Our royalties were based, not as traditionally had been

the case in the oil industry, on one-eighth of the production. Since time immemorial that had been the royalties. Our royalties were based on a system whereby we took the cost of production away from the gross value of the potash and took a percentage of the net. But we had a suspicion that the dividends . . . the royalties, rather, were a small portion of the profits. So we said to ourselves, some of that, some more of that revenue from potash should be available to the people of Saskatchewan.

I'm going to, in a brief moment, I'm going to describe for members opposite what the difference was and what we got for the public of Saskatchewan. It was remarkable. It really was remarkable. The returns to the public of Saskatchewan — I'm going to get to these figures — exceeded our expectations, even those of us who were optimists. The Potash Corporation of Saskatchewan proved to be many things, one of which was a virtual cash cow that made a lot of money.

We sought other goals. We had had that royalty scheme challenged in the Supreme Court of Canada, by the Government of Canada none the less on the basis that it was an indirect tax. We sought a bit of a guarantee. If the legislation fell, and it might, there was no precedent for that kind of a tax. It was one of our devising, one by and large, I think, the potash industry didn't object to. They objected to the level but not the system. The level at least assured them that the royalties would never be higher than the profits, something that's quite capable of happening.

But the federal government opposed to the province owning and controlling, opposed to the province . . . opposed to our philosophy of resources which was that those resources were there for the people of Saskatchewan, intended to benefit the people of Saskatchewan, to be developed by the people of Saskatchewan. That was our view. The federal government's view was that something akin to the American view of resources ought to have held sway.

Mr. Speaker, the third goal which we sought to achieve was a measure of control over the industry. Mr. Speaker, we sought to ensure that the industry was developed in a fashion which was rational, which was in the best interests of the public of Saskatchewan and the best interest of the potash industry. Mr. Speaker, a review of the history of mining companies and their activities during economic cycles gives one no comfort at all that mining companies are at all able to develop resources in a fashion which is rational, in their own best interests, never mind the best interests of society.

The cycle is always the same, Mr. Speaker. As an economic boom builds up, shortages develop in raw materials. Companies then expand and the . . . first of all, their expansion, which is very capital intensive, contributes to the shortage of materials, and inevitably the resource comes on stream after the boom's over.

We sought to encourage the potash companies to think about their planning, to think about their expansion. Their response to us when we said . . . or we asked them to consider expanding the industry, their response to us was,

ah, but that's not necessarily in the best interests of our shareholders. Those good folk who have bought the shares and live in Tulsa, Oklahoma or Carlsbad, Nevada, or New York, an expansion at this time isn't necessarily in our interest.

So one of the things we sought to do when we set up the Potash Corporation of Saskatchewan was to achieve an orderly development of the industry, something we had been unable to do, something we had really been unable to do.

Mr. Speaker, we achieved about 40 per cent of the industry in a relatively brief period of time. In less than a year, we achieved 40 per cent of the industry. From there on, Mr. Speaker, the Potash Corporation of Saskatchewan was a success in every respect. In every respect it was a huge success.

The member from I believe it was Assiniboia-Gravelbourg, yesterday in an interjection asked me, what about all that money you sunk into it? What about all that money you sunk into it? Well let me answer that question about all the money we sunk into it.

Mr. Speaker, we made a decision that we would borrow the money, that we would not inject equity, but we would borrow the money. And we did. Apart from a small equity, almost all the money which went into the potash corporation was borrowed.

We took over . . . managed to achieve 40 per cent of the industry for a total of \$418 million. Mr. Speaker, to listen to members opposite talk about it, you'd think that we had taken that sum of money and pounded it into a rat hole somewhere. That was invested in an industry which did very, very well.

Mr. Speaker, the profits were truly remarkable. The first year — this was the start-up year, 1976; the legislation wasn't passed until about March 1976 — but the '76 taxation year, we made \$540,000. Not an enormous profit, but a profit and a very real achievement.

The next year we made a million dollars — \$1.1 million in profit. In 1978, 1.1 million profit became 24 million — almost \$25 million profit in 1978. One can see these profits are increasing by a geometric progression. In 1979, 24.7 million became \$77 million, once again more than doubled. In 1980, 77 million more than doubled again to \$167 million. In 1981 the company achieved the profit of \$141 million. The total of these, Mr. Speaker, was \$413 million.

(1645)

So between 1978 . . . between 1976, rather, and 1978 the company earned as much money as had been invested in it. One must remember that the potash corporation's financial year is a calendar year, and that's true of most of the Crown corporations.

The government's year is a fiscal year . . . their fiscal year rather is April 1 to March 31. So it's almost certainly true that by April 26, when this government was elected, by April 26, 1982, it's almost certainly true that the Potash

Corporation of Saskatchewan had earned more money than had invested in it. A very remarkable achievement.

I ask members opposite . . . I ask, Mr. Speaker, and members opposite, whether or not you'd be prepared to buy that half section of land that you've had your eye on, whether or not members will be prepared to buy the business that they've been looking at if they thought they'd get their money back in six years, and if they thought they could accomplish the following.

Let us look at what sort of an achievement the Potash Corporation of Saskatchewan was. Every cent of it was borrowed. We had to get new management since in fact the company started from ground zero, from level zero. We came with new management; by and large we borrowed all of the money, and in six years paid off the debt. I ask members opposite what sort of a business you think that is, if you think that's not a good business, a profitable business which is well run?

How many of us wouldn't mind buying a half section of land, another business somewhere else, if we could borrow all the money, put none of our own in, start with new management and pay for it all in six years — the Potash Corporation of Saskatchewan was a remarkable success story.

What was interesting, Mr. Speaker, was that we . . . the companies had refused to pay the taxes because they had said, the royalties are too high, we can't pay it. This achievement was all the more remarkable because the Potash Corporation of Saskatchewan continued to pay the same taxes and royalties.

This structure was virtually unchanged when we left office and I think is virtually unchanged to this day. At a time when these . . . I mentioned earlier profits of 540,000 in '76; 1.1 million in '77; 24 million in '78; 77 million in '79; 167 million in 1980; 141 million in 1981. At a time when the corporation earned those profits, it continued to pay taxes and royalties as follows — these are the taxes and royalties which it paid: 1 million in 1976; 16 million in 1977; 35 million in 1978; 78 million in 1979; 90 million in 1980; and 71 million in 1981 . . . (inaudible interjection) . . . I did not hear the question from the member opposite.

Mr. Speaker, so the province got 271 million in addition to the \$413 million profit. In addition, we got these royalties and taxes. Now members opposite might say, but you would have got those anyway if the industry had been privately owned; those were ones which were levied on all people. I remind members opposite that we had . . . that those taxes were not being paid; the company said they weren't going to pay them, and we found to our chagrin, Mr. Speaker, that we could not really enforce the payment.

The members opposite will note that there's a correlation as the profit went up from a half a million to 1 to 24 to 77 to 167 million. The taxes and royalties went up from 1 million to 16 million to 35 million to 58 million to 90 million.

Mr. Speaker, the taxes and royalties were on a net basis;

that is, they were levied after the deduction of legitimate costs. It was then incumbent upon us to check to make sure to see what their net figures were. If they weren't going to show us the books, and they said they weren't, then we had virtually no way to enforce the payment of this.

So I would admit that this was a very high level of taxes and royalties, and there isn't any sharp distinction between the two. When I say taxes, this does not include income taxes. Any income taxes paid by the corporations would have been paid to the federal government and not to us. These taxes and royalties simply are returned for the resources which we asked all companies to pay directly to the provincial government.

So we got our 413 million in profits. We got another 271 million in taxes and royalties which we . . . and it is extremely unlikely that we would have got any portion of that, any significant portion of that if we hadn't moved against the potash industry in 1975.

It is really fair to say, Mr. Speaker, that they threw the gauntlet at us. In doing so, Mr. Speaker, they badly misjudged the mettle of the person they were dealing with, the former member from Elphinstone, Allan Blakeney. Although smaller in stature than some, he was a giant in terms of his courage, his resourcefulness, his grasp of general principles, and his grasp of detail, all at the same time.

Mr. Speaker, in addition to the taxes and royalties, the province took home in 1980, with the debt virtually paid off, we believe . . . and I see some smiles on the faces of the members opposite when I say the debt was virtually paid off. This government . . . I know that this government opposite hates to deal in facts and you love to deal in fantasy, but the facts will show that when you took office, a long-term debt of . . . there was virtually . . . the short-term debt was very, very little; the long-term debt was \$88 million. That was set against a value, an equity of 7.5 billion, so it was a very small, very small long-term debt.

Mr. Speaker, the company was virtually debt-free, and since it was virtually debt-free we felt that it was appropriate and within prudent and appropriate fiscal and administrative principles that we take a dividend, so we did. We took a dividend of \$50 million in 1980, a dividend of \$50 million in 1981.

Mr. Speaker, there were other advantages as well. Mr. Speaker, there were other advantages to owning the industry. One advantage was occupational health and safety for workers. Mining is traditionally a very dangerous occupation, much more so than being a Speaker in the Assembly or being a member of the Assembly. Traditionally the accident rate had been very high.

One of the advantages with the Potash Corporation of Saskatchewan is that we were able to set some standards. We were able to say that these are the standards which shall be followed, and of necessity other mines had to follow suit. They could hardly expect to hold workers if their workers were not as well treated as they were in the

Potash Corporation of Saskatchewan. Eventually the Potash Corporation of Saskatchewan would wind up with all the hard-working workers. Those who weren't as good would wind up working for the private sector. They had to compete, and so they did.

The Speaker: — It being 5 o'clock, the House stands recessed until 7 p.m.

The Assembly recessed until 7 p.m.

The accident rate, Mr. Speaker . . . and we set up in the Potash Corporation of Saskatchewan, we set up quite an elaborate system whereby safety was really the responsibility of the men, not the responsibility of the mine manager, except in an indirect sense. We had set up occupational health and safety committees, appointed good, competent people to them, and we had ensured, Mr. Speaker, that when the men, occasionally women. . . There were not a lot of women worked underground, and I hope members will excuse me if I use the generic term, men — it included certainly some women. But when the men and women who worked underground complained that a certain procedure was unsafe, we ensured that in a publicly owned company, responsible not to shareholders but to a government which had to get elected by those same workers, we ensured that those complaints were listened to. Mr. Speaker, the accident rate in the potash industry fell, and fell fairly markedly.

Another advantage: we were able to become, in many ways, a model employer. Too often, Mr. Speaker, when we are debating Bills of this sort we think about the dollars and the cents; we talk about what we want to accomplish with the finances. Too often we neglect those who actually do the work. We were able to look after both. We were able to ensure that the province and the taxpayer, which was, I suppose, if one must have a shareholder, it was the taxpayer; that those who owned the company got a rich return, and they did get a very rich return. At the same time we were able to ensure that those who worked in the mine worked under conditions which were as close to ideal as possible.

We were able to demonstrate, Mr. Speaker, something that people in this caucus have long said, and that is that the goals of labour and the goals of management are the same. A work-force which is well looked after, which feels that they're being fairly treated, are a more productive work-force than those which are constantly at loggerheads with the management, which feel that the management have no interest in them. It's a principle, Mr. Speaker, that is . . . I understand that work in places like Japan, where management and workers see a common goal to make the industry a success and to make the company a success.

We were able to achieve the same thing. We were able to achieve a harmony in the goals of those who worked, and secondly, those who managed, and thirdly, those who owned. We achieved profits which were remarkable, paid for the company in six years, at the same time became a model employer — a model employer; a leader in occupational health and safety, as I have mentioned.

The Potash Corporation of Saskatchewan didn't introduce occupational health and safety; that had been done in the early '70s. The former member for Moose Jaw North, Gordon Snyder, and the then deputy minister, Donald Ching . . .