

The Assembly met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

### NOTICES OF MOTIONS AND QUESTIONS

**Ms. Simard:** — Thank you, Mr. Speaker. I give notice that on Tuesday next that I will move, pursuant to rule 16:

That this Assembly condemns the Government of Saskatchewan for its blatant disregard for the principles of parliamentary democracy, particularly with respect to its treatment of the Provincial Auditor and other officers of the legislature; its approach to changing the rules of the Legislative Assembly and its proposed constituency boundaries; its failure to table documents in a timely way; its SPMC's (Saskatchewan Property Management Corporation) security service; and its pursuit of a privatization agenda without a mandate from the people of Saskatchewan.

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

### INTRODUCTION OF GUESTS

**Mr. Saxinger:** — Thank you, Mr. Speaker. I'd like to introduce to you, and through you to the members of this Assembly, some guests from the youth exchange from around the world. They are — there's four of them, three from Finland and one from Japan. They are Tuija Lintilä, Jussi Niemälä, and Janna Mäkipelto from Finland. And from Japan, Mieko Shigeta. They are accompanied by Lion, George Loewen, and his wife, Arlene Loewen.

Mr. Speaker, I'd like to just say a few words on youth exchange and Lion's youth exchange. Lion's youth exchange started about 14 years ago with North Dakota and Saskatchewan. About eight years ago it started with Japan, Australia, Germany, France, Norway, just to mention a few.

I think youth exchange like this is an excellent idea to promote world peace and international understanding.

With this, I want to welcome the students from Finland and Japan and I would ask this Assembly to welcome them to Saskatchewan.

**Hon. Members:** — Hear, hear!

### ORAL QUESTIONS

#### Office Space for SaskPower Employees

**Mr. Lingenfelter:** — Mr. Speaker, my question is to the Deputy Premier, and it deals with the waste and mismanagement of your government. Mr. Minister, a year ago when you split up the Sask Power Corporation into four different companies you talked about efficiency. And since that time consumers in the province have had the opportunity to receive two bills, rather than one, and wonder about that as efficiency.

But I wonder, Mr. Minister, can you confirm that there's been such an explosion of your high-paid staff in SaskEnergy, the new corporation, that you've been forced now to move employees out of the SaskPower building, the publicly owned building, over to a privately owned building, the Executive Terrace office building on September 1 of this year. Can you confirm that, and will you tell us what is the deal, what is contract, how much extra is that costing the consumers, and to whom are you paying the money?

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

**Hon. Mr. Berntson:** — If what the member said is true, Mr. Speaker, to answer his last question first, I expect we'd be paying the money to the landlord.

But let me take you back, Mr. Speaker, to 1982. And in 1982 there were something like 33 or 3,400 employees at SaskPower, and that's as we found it, Mr. Speaker. And today, Mr. Speaker, there are something like 2,700 people working at SaskPower. And, Mr. Speaker, today they are moving more gas and generating and distributing more electricity than ever in the history of the company, with 27 per cent fewer employees, Mr. Speaker.

That, Mr. Speaker, is the kind of efficiency that has come to SaskPower over the last few years. And while they've been doing that, Mr. Speaker, last year I think they showed about a \$65 million profit, Mr. Speaker, and I don't believe that that's terribly shabby performance either, Mr. Speaker.

They are separate forms of energy and they are two different administrative lines, Mr. Speaker, and I have absolutely no difficulty with them being housed in different buildings.

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

**Mr. Lingenfelter:** — Mr. Speaker, I want to ask a new question to the minister. It may be true that there are less gas inspectors in the province of Saskatchewan today than there were in 1982, but what we're talking about here is high-priced executive members of that firm, SaskEnergy.

What I'm asking is whether it's true that you're moving them out of the SaskPower building over to a building that is owned by a private sector individual, and what is the cost of the lease and whom are you paying the money to at Executive Terrace?

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

**Hon. Mr. Berntson:** — Mr. Speaker, at SaskPower in 1982 there were no gas inspectors, and that happens to be the fact. So in addition to having taken on a responsibility for the gas inspectors and the electrical inspectors, Mr. Speaker, we still have 27 per cent fewer employees than we did have in 1982, delivering more electricity and more gas than ever before in our history, Mr. Speaker.

As it relates to the space at Executive Terrace or any place

else that SaskPower has space, Mr. Speaker, I'd be very happy to deal with those questions, Mr. Speaker, in the proper forum, that forum being Crown Corporations Committee.

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

**Mr. Lyons:** — Thank you very much, Mr. Speaker. Mr. Speaker, a new question to the same minister. Mr. Speaker, I think that the opposition decides what's the proper forum, and the people of Saskatchewan decide what's the proper forum in which we can ask you about your waste and about your mismanagement, sir.

And as part of that, sir, as part of that waste and mismanagement, will you confirm that one of the reasons that you're moving out of the publicly owned SaskPower building into a high-priced office building is because you've had a 400 per cent increase in the number of top executives at SaskEnergy and Trans Gas and Provincial Gas, and that the number of executives, of highly priced executive help has increased from seven to 29 — over a 400 per cent increase. Is that why you're getting the new office space?

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

**Hon. Mr. Berntson:** — Mr. Speaker, if we're talking about percentage of increase of executives of the gas side, Mr. Speaker, I'd say it would be infinite, because it's only a few months ago that those companies didn't exist and so there were no executives there. So I think . . .

**The Speaker:** — Order, order. Perhaps some of the hon. members who are interrupting would like to ask the question and answer them too, but I don't believe that's what question period is all about.

Now the member has been asked a question and he has the right to answer it without being constantly interrupted. And I know members must realize that because we've been through this before. Let's give him the opportunity.

**Hon. Mr. Berntson:** — All I'd say, Mr. Speaker, is if he wants to make a fair comparison he should pick the point in time that the companies and the structure of the companies were put in place and the determination as to the number of people that were needed to run those companies, and the people that moved from power where there were some commonality in administrative lines, Mr. Speaker.

And I mean, it's . . . (inaudible interjection) . . . He says less employees, they need more office space, and he may have some valid argument there. He may have some valid argument there, but the fact of the matter is, Mr. Speaker, the fact of the matter is they are two different companies and I have no problem with them being housed in . . .

**The Speaker:** — Order, order.

**Mr. Lyons:** — Thank you, Mr. Speaker. Another new question to the same minister. Mr. Minister, I think once again the beneficial effects of privatization have been shown here today. When you have 37 per cent cut in the

number of real working employees and a 400 per cent increase in the number of top executives shows in fact the kind of efficiency that PC-style privatization brings forth.

Mr. Minister, can you confirm today that as part of this great efficient privatization scheme that you now have thousands of small gas leaks which aren't being repaired quickly enough and that you're not able to supply regular safety reports to the union as required by the collective agreement; meanwhile, at the same time having that 400 per cent increase in top executives and brand new expensive office space paid for by the people of this province, sir.

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

**Hon. Mr. Berntson:** — Mr. Speaker, once again we see the opposition just plucking allegations out of the air with no basis in fact at all. He just pulls numbers out and uses them at will; nothing to support those allegations in any way, shape, or form — in any way, shape, or form. And if he has, I'd be happy to have it presented and I'd be happy to deal with it, Mr. Speaker. But it's become a rather consistent pattern of late of members opposite, Mr. Speaker, misinformation, just coming in here and making all kinds of wild allegations with nothing to support them in fact. We have example after example after example, Mr. Speaker. And if I was to go through them all, I'd use up all of question period, Mr. Speaker. Absolutely ridiculous.

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

**Mr. Lyons:** — Small supplementary question to the same minister, Mr. Speaker. I wonder, Mr. Speaker, or Mr. Minister, whether or not this great efficiency move of a 400 per cent increase in executives is going to be looked at by your other great efficiency move, that is this whitewash Barber Commission. Will you confirm today that you will instruct the Barber Commission to try to find some way to cover up that kind of privatization inefficiency, Mr. Minister?

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

**Hon. Mr. Berntson:** — Well I expect that from . . .

**The Speaker:** — Order, order. Now the member for Regina Elphinstone and the Minister of Finance, and the Minister of Finance and the member for Regina Elphinstone. Now just restrain yourselves. Once again the member is being interrupted. He's been asked a question. Now we can't have question period if we're going to have chaos in here and everybody decides they're going to ask questions and answer them at their own leisure. Let us allow the Deputy Premier to continue with his remarks.

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

**The Speaker:** — . . . (inaudible) . . . Regina Elphinstone and the Minister of Finance.

**Hon. Mr. Berntson:** — Mr. Speaker, the question really doesn't deserve an answer. It's members . . . Only members opposite, Mr. Speaker, would attack the

credibility of Dr. Lloyd Barber. Dr. Lloyd Barber, Mr. Speaker, has conducted investigations and inquiries for governments of every political stripe in this country, Mr. Speaker. He has excellent credentials and an excellent reputation and, Mr. Speaker, it's only members opposite that would attack him in as personal a way as they have done in the past and continue to do in the future, Mr. Speaker, I think they do not only do Dr. Barber a disservice, but they do a disservice to themselves, Mr. Speaker.

### Revenue Lost Through Lottery Tax

**Mr. Calvert:** — Mr. Speaker, since the Minister of Finance seems so anxious to get into the question period this morning, I will put a question to him right now. Mr. Minister, it's in regard to your lottery tax. The tax has been in effect a full two weeks now.

Can you inform the House this morning precisely what is the figure of the decline in ticket sales as a result of your tax? And while you're at it, can you give us some kind of an estimate on the revenue loss to the small-business people who sell the tickets in the province?

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

**Hon. Mr. Lane:** — First of all again, Mr. Speaker, the hon. member's making unfounded allegations, which we expect. I know some members of the press gallery will recognize that historically, Mr. Speaker, when the . . .

**The Speaker:** — Order, order. I just want to bring to the attention of the hon. members, and once again that includes the member for Regina Elphinstone and the member from Meadow Lake, that if this is going to continue in this manner, question period is going to just slow right down and I'm not going to recognize people until there's quiet in here. We cannot have this continue. Everybody knows that there is a certain leniency that is allowed, but it's getting out of hand — and that includes the member for Quill Lakes.

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. Again, more unfounded allegations from the NDP, the lack of truth that is something now to the rotten core, Mr. Speaker. Truth is something that they wouldn't recognize . . .

**The Speaker:** — Order, order. The member for Regina Elphinstone, I have reminded you, sir, including others, over and over this question period, and you keep interrupting and I want you to just rise and apologize.

**The Speaker:** — Order, order.

**Mr. Lingenfelter:** — Mr. Speaker, I was on my feet to apologize when I was interrupted by the Minister of Finance, but I do want to apologize.

**The Speaker:** — I thank you, and it's accepted.

**Hon. Mr. Lane:** — I thank the NDP member for apologizing, Mr. Speaker; it should be done more often. Having said that, I indicate to the member for Moose Jaw, Mr. Speaker, the member for Moose Jaw that the results of the lottery come in — and I said this some two to three

weeks ago; perhaps he wasn't listening to the answer — but the reports come in about the third week of the next full month. That's the report that we get from the lotteries, and I indicated that some time back, Mr. Speaker. I'm also advised that from most of the kiosks now that the numbers are coming back up.

**The Speaker:** — Order, order. I'd also wish to remind the Minister of Finance that when the Chair makes a ruling regarding another member, I think the appropriate thing to do is not to comment on it further.

**Mr. Calvert:** — Thank you, Mr. Speaker. Mr. Speaker, the source of some of the information we bring to the House is his colleague in Alberta, the Tory minister in Alberta who says that lottery ticket sales in Saskatchewan have fallen by 75 per cent.

Mr. Speaker, the minister says he cannot give us the figures today, and then he says, but lottery ticket sales are rebounding. Mr. Minister, what are the figures? Tell us the figures. How many ticket sales have been lost because of your tax, and how much revenue have small-business people lost in this province because of it?

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

**Hon. Mr. Lane:** — Mr. Speaker, as becomes part of their master strategy of distorted information or no information, Mr. Speaker, we should go back and remember what the story was, in fact, as it was corrected by the minister responsible for Parks, which was that some kiosks had that drop, Mr. Speaker, and some kiosks, I gather, had no drop.

So, Mr. Speaker, for him to extrapolate from that statement, Mr. Speaker, is indicative — and it's a little disappointing from that member who one would have thought had a little bit higher moral standards, Mr. Speaker, that he would so get caught up in the perniciousness of the distortion of the strategy of the NDP . . .

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

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

**Mr. Calvert:** — Mr. Speaker, new question. Let the people of Saskatchewan be reminded that this is the minister, this is the minister who somehow lost \$800 million worth of deficit before the last election.

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

**Mr. Calvert:** — Mr. Minister, a new question. Mr. Minister, we have reports that those who customarily buy large quantities of lottery tickets are now in fact arranging to have those lottery tickets bought outside the province. Do you have a process in place to monitor what's happening in this regard?

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

**Hon. Mr. Lane:** — I will assume, Mr. Speaker, that when we have a tax and the province of Alberta doesn't have a tax that some people will take advantage. There are

people in Saskatchewan even under an NDP government, much to the surprise of the members opposite, that would go to Alberta to buy fridges and stoves and furniture and clothing, Mr. Speaker, because there was a tax on clothing under the NDP, Mr. Speaker. So that will happen.

As a matter of fact, if you're so concerned about it, when we made the adjustments to the corporate taxes last year to avoid that happening, why didn't you support it? Why didn't you support it? In fact they were opposed to it. I've indicated when the reports come in. I also indicate to you that it is the policy of this government, and there are many in the health care field now that are very disappointed with the NDP who are opposing the concept of more gambling money going to health care in this province where they should be going, Mr. Speaker.

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

**Mr. Calvert:** — Mr. Speaker, a new question to the minister. He knows full well, in the legislation that he's introduced in this House to establish this charity and lottery tax, that there is absolutely nothing in that legislation, Mr. Speaker, absolutely nothing that guarantees that the proceeds from this tax will go to health care in Saskatchewan.

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

**Mr. Calvert:** — So, Mr. Speaker, then my question to the minister is this. All that we have is his assurance that it's going to health care. Mr. Minister, will you amend that legislation to put a guarantee in that legislation to say that the funds do go to health care and hospitals, or can we expect that some of this money is going to find its way into GigaText, your advertising schemes, your expensive office space, and so on?

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

**Hon. Mr. Lane:** — Mr. Speaker, I've indicated as to when the reports come in. I've indicated this government's policy, that more of the gambling moneys should be going to health care. Now the hon. member says that he wants a guarantee it's going to health care; we've given the assurance.

Mr. Speaker, that's not good enough, that's not good enough for the hon. member, just like his agreement not to ring the bells means something, Mr. Speaker. Mr. Speaker, some of the press didn't recognize yesterday that the NDP rang the bells when they promised not to, when they promised not to, Mr. Speaker. You know that they will ring the bells . . .

**The Speaker** — Order, order.

#### Removal of Oats from Canadian Wheat Board

**Hon. Mr. Hepworth:** — Mr. Speaker, yesterday I took notice on behalf of the Minister of Agriculture, the Premier, about correspondence he'd had with Mr. Mayer. Mr. Speaker, that was widely reported in the Saskatoon *Star-Phoenix*. I have correspondence and other correspondence as well that he Premier has had with the

grain company, Mr. Speaker, and I will table that after question period.

What I would like to say relative to the letter that the Premier wrote to Mr. Mayer, the letter that's attracted all of the attention, was something less than a hundred words long, Mr. Speaker. And since it is short, I'm going to go through it paragraph by paragraph, Mr. Speaker, because I think it's important that we have the facts on the table for all the reasons the Minister of Finance outlined earlier this morning.

The first paragraph says this, Mr. Speaker — and it only has four paragraphs and less than a hundred words. The first paragraph says, after saying, Dear Mr. Mayer:

There has been some concern recently expressed by both the private grain industry and individual grain producers over the current marketing of oats to the Canadian Wheat Board (CWB).

The primary message in that first paragraph is the Premier is raising, he says there has been some concern recently expressed by the private grain . . .

**The Speaker:** — Order, order. At the way the hon. member is going, quite frankly, it's going to take him an awful long time to give the answer if he's going to go through point by point. I'm going to give him a few more seconds. I think he deserves that to wrap up his answer, and I ask him to do that. Order, order.

**Hon. Mr. Hepworth:** — Mr. Speaker, I'll paraphrase then. Paragraph one says the Premier makes a point there's some concern. Paragraph two, Mr. Speaker, makes the point that there are certain market conditions existing in the United States where there is a premium . . . or buyers are prepared to pay a premium for Canadian oats. And I think I talked about that yesterday, Mr. Speaker. In fact, that premium amount is something like \$1 million in new revenues the year before.

The other point that's made there is that the Premier says, the industry has expressed an opinion that the timing is right to develop a long-term market arrangement for Canadian oats in the United States. The third and final paragraph in substance says that he is prepared to give his department's assistance — concern, there's a premium market available, and he'll help pursue that.

Nowhere in the letter, Mr. Speaker, does the words or the suggestion that we take oats out of the Canadian Wheat Board appear — nowhere in that letter, Mr. Speaker, and I want to make that clear.

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

**The Speaker:** — Order, order. Minister of Finance, would you please come to order. I would also like to take the opportunity to remind the ministers that if they're going to bring back answers — and the member for Regina Lakeview, and the member for Regina Rosemont — if you're going to bring back answers to notices, you have to bring back answers which are not of a lengthy nature. Unfortunately, when people start bringing a written answer they get long, and this was the case of the same.

**Mr. Lingenfelter:** — I want to ask the Acting Minister of Agriculture a supplement based on this government's lack of defence of the Canadian Wheat Board. Yesterday in question period a member of the opposition was asking a question to the minister, and he said in quoting from that letter as it was reported in the *Star-Phoenix*: "I would be pleased to offer my department's assistance in ensuring that this can happen," referring to passing the legislation or motion to get oats out of the Canadian Wheat Board.

Can you now give us your guarantee that you will go to bat for the farmers of this province and send a letter from this legislature and from the Premier, arguing with the federal government that oats should be included in the Canadian Wheat Board. Is that what you're giving your guarantee today?

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

**Hon. Mr. Hepworth:** — Once again, Mr. Speaker, the hon. member has his facts wrong. He has his facts wrong. The long-term marketing arrangement that the hon. member . . . that the Premier was talking about, Mr. Speaker, the long-term marketing arrangement that was discussed in some previous correspondence with the grain industry company, Mr. Speaker, that meant \$1 million in new revenues for farmers the previous year. It had been cancelled by the wheat board in the subsequent year, and the Premier was raising the point about maybe that option ought to be looked at again.

Those are the facts, Mr. Speaker, and I tell you, I resent the misrepresentation of facts. It doesn't matter whether it's hospitals in Assiniboia or Gravelbourg, the number of farm foreclosures, or our Premier going to bat for farmers in this province, I resent the misrepresentation of facts constantly in this House by the NDP, and enough is enough, Mr. Speaker.

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

**The Speaker:** — Order, order.

## MOTIONS

### Hours of Sitting

**Hon. Mr. Hodgins:** — Thank you, Mr. Speaker. Mr. Speaker, I would like to once again ask the leave of this Assembly, and in turn the co-operation of the NDP, to go to work, not walk out, and sit extended hours in this Legislative Assembly, Mr. Speaker.

I ask once again, Mr. Speaker, this is the third official time, and I would say, Mr. Speaker, that I don't want to waste the time of the Assembly, and I shall not be asking leave again, but I want to say for the third and the last time, will the opposition allow leave of this Assembly to sit extended hours and conduct the business of this legislature as has been the tradition in this province?

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

Leave not granted.

**The Speaker:** — Order, order. It's interesting but, quite frankly, I think members should not be proud on how they're carrying on here this morning. And I say that sincerely and with some concern. We hear a great deal of talk, gentlemen and ladies, about dignity and decorum in this Assembly. And I'll tell you, there cannot be dignity and decorum without co-operation of members. And what we're witnessing here this morning is, to put it generously, rather a disgrace.

## POINT OF ORDER

**Mr. Lingenfelter:** — Mr. Speaker, just on a point of order. I wonder if the minister would agree to table the letter that he was referring to having been written by the Premier to Mr. Charlie Mayer, as indicated. Has it already been tabled? If it has, that's fine then.

**The Speaker:** — Is leave granted for the question . . .

**Hon. Mr. Hepworth:** — Mr. Speaker, as I indicated in my response in question period, that as soon as question period was over I would table that letter and any additional and back-up correspondence that the Premier had had on that matter, as was raised in the House yesterday, Mr. Speaker, and that I have done on behalf of the Premier and Minister of Agriculture.

## ORDERS OF THE DAY

### MOTION UNDER RULE 39

**Mr. Lingenfelter:** — Mr. Speaker, I would under rule 39, given the debate that went on during question period about the Canadian Wheat Board, to show the true intent of this legislature and their support for the Canadian Wheat Board, because there seems to be some confusion about who in fact supports the Canadian Wheat Board, I would move, seconded by the member for Quill Lakes:

That this Assembly regrets that the sale of oats is no longer under the jurisdiction of the Canadian Wheat Board, and condemns the Government of Canada for their failure to support the Canadian Wheat Board.

Now what I would do in that is want to send a unanimous resolution to the federal government, supporting the Canadian Wheat Board. And that would clear up the whole issue of who supports and who doesn't support the Canadian Wheat Board.

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

Leave not granted.

**Hon. Mr. Hodgins:** — Mr. Speaker, if I could just be allowed to make a few comments on this issue.

**The Speaker:** — Order. If the member wishes to speak to the proposed motion, well, leave has not been granted, which ends discussion on it.

## ORDERS OF THE DAY

## GOVERNMENT ORDERS

### ADJOURNED DEBATES

#### SECOND READINGS

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

**Mr. Mitchell:** — Mr. Speaker, in my few brief remarks last night I had an opportunity to cover a number of subject areas, and while the House is settling down after question period I just might briefly review in general the areas that I covered.

I tried to make the point to the House that what Bill 20 represents in principle is a very serious attack on the Saskatchewan way of approaching and resolving many of the problems that we in this province have encountered since the time that the first pioneers came to this province.

And I traced, Mr. Speaker, the way in which the people of this province, from the time of the pioneers down to the present time, have approached many of their problems, and the techniques and the structures and the organizations that they have used to find Saskatchewan-made solutions to very serious problems which were imposed upon them — problems of climate, problems of isolation, problems of distance from markets, and problems related to capital and capital formation in Saskatchewan.

And I traced the history of the rise and the development of the co-operatives. I did that rather briefly and then also discussed the way in which the Canadian idea of a corporation owned by all of the people was used across Canada, and was picked up and adopted by the Tommy Douglas government after the Second World War in order to attack and resolve some of the problems that we in Saskatchewan faced at that time.

And you will recall, Mr. Speaker, I spoke about the way in which the power corporation had been used to resolve enormous economic and social difficulties as a result of electrical power not being available across this province.

I also talked about SaskTel, Mr. Speaker, and I made a special point about SGI Saskatchewan Government Insurance) and the way in which Saskatchewan people had resolved the very, very serious problem of not having adequate fire insurance coverage in this province, and how they had used the Crown corporation in order to organize their very own insurance company and insure themselves against loss by fire.

And in the result, in a very, very short period of time, fire insurance coverage and other kinds of insurance coverage was available all across this province at prices that people could afford and at prices which were a fraction of the prices that had been charged by the line companies before the formation of SGI — a splendid example of how Crown corporations were used by the people of this province to resolve some of the problems

that they encountered.

Now I think that, if I may say so myself, Mr. Speaker, was an important point to make because there is simply no question — there is simply no question that Bill 20, which is part of a general thrust by this government to privatize Crown corporations, strikes at the very core of the Saskatchewan method, the Saskatchewan way of attacking and trying to resolve some of the problems that we in this province have encountered and will continue to encounter as time goes on. And that, Mr. Speaker, as you will know from the discussion last night, is the central theme in the remarks that I have made and intend to make with respect to this Bill.

I then went on to talk about the potash resource itself and the background for the decision to form the Crown corporation, the Potash Corporation of Saskatchewan. And you'll recall that I traced the problems in the late 1960s and the way in which the Thatcher government, with the support and indeed at the request of the industry, had imposed a prorationing scheme on potash production in Saskatchewan. And part of that scheme was the establishment of a minimum price.

Then I reminded the House that in 1971, on the election of the Blakeney government, that prorationing scheme had been continued with the consent of the industry, indeed at the request of the industry, and continued up till the 1975 election, and indeed beyond that. Now the reason why that was important, Mr. Speaker, as I was trying to describe in as simple terms as I could the reason for the government of this province having made the decision to enter the field of potash mining through the agency of a Crown corporation.

The debate at that time in this House was a long, very long, very protracted, very vigorous debate where speakers on both sides of the House got up and spoke at length to the questions, the very serious questions of principle raised by this proposal, this bold proposal for a Crown corporation to enter this field.

I want to remind members, or tell the newer members of this House, that that debate went on far longer, far, far longer than the debate that we're engaged in now; occupied many more days, and it occupied full days, Mr. Speaker. It wasn't a question of calling the Bill for half an hour at the end of the day's business, or an hour or three hours. The debate went on full time, day after day for a very long period of time because we were talking about — this legislature at that time was talking about such an important principle, such a bold step where the people of Saskatchewan, through a Crown corporation, would actually go into the business of mining our own potash and refining our own potash and exporting it to the markets of the world.

And you recall, Mr. Speaker, last night I made, at some length I'll admit, the point that potash is a resource that will last, that will be available to the people of this province for literally thousands of years. So we're not talking here about an oilfield that will be exhausted after 20 years or a uranium mine that will be exhausted after 25 years. We're talking here about a long-term resource, and it raises questions of principle that deserve full debate in

this House.

And so back in 1975-76 we had a full debate in this House, Mr. Speaker. And I want to emphasize that. It wasn't just a question of the opposition standing up in the face of a wall of silence making its points and trying to penetrate that wall and engender some debate from the other side. And I say that because that's exactly what's happening in this House at this time with respect to Bill 20.

Rather, at that time there were speakers jumping up in their turn on both sides of the House and actually arguing the question of whether or not it was appropriate to have public ownership in the potash field. Now that's quite a contrast, Mr. Speaker, that's quite a contrast.

And if I may say so, we had it right in 1975. The opposition was right in 1975 to press their point of view as vigorously as they did. And the government of that day was right in defending their particular proposal and in advancing their case for public ownership and public participation in the potash field, public participation through a Crown corporation which of course is owned by all of the people of Saskatchewan.

(1045)

Now for some reason, in 1989, as we propose to dismantle this, or begin the process of dismantling this Crown corporation, selling it off, we're not having that kind of a debate. We're not having that kind of debate because the government is simply not putting up any speakers at all to defend their own interests in this Bill.

We had the Minister of Finance make a speech that lasted approximately 20 minutes on first reading of the Bill in which he made practically no argument at all in favour of the ideas expressed in this Bill. With respect, Mr. Speaker, he did not persuade anyone, and did not even try to persuade anyone that what the government is trying to do with the potash corporation is the right thing to do. He made practically no arguments to try and persuade anyone that such was the case.

And since that day, whenever Bill 20 has been called, it has been only opposition speakers who have gotten up to speak, until last night. And last night finally we were able to flush out a senior government minister to stand up and defend the ideas contained in Bill 20, and it was the Deputy Premier. Now that's a pretty heavy hitter from the government side of the House, a pretty heavy front-bencher.

He got up, Mr. Speaker, and he presented a defence to Bill 20 that lasted between six and seven minutes. And during that time, what he talked about was Saskoil and how he thought what had happened in Saskoil was such a wonderful thing, and if he could somehow just get the potash corporation in the same position as Saskoil, then we'd all be better off.

Well with respect, Mr. Speaker, that's precisely the point we want to make. It's exactly the Saskoil experience that we're trying to avoid, because what's happened in Saskoil is that the shares that have been issued and sold

have landed up outside the province of Saskatchewan. And so we have a spectacle in Saskoil of what was a Crown corporation, wholly owned by the people of this province, now being owned to the extent of 70 per cent — 70 per cent by people outside this province.

Now, Mr. Speaker, that is a shame. There is no way, in my submission, that anyone can be proud of that fact. That is just a sell-off. That is just a sell-off of an important Crown corporation performing important functions, a sell-off to people outside this province.

And why would we do that? I have yet to hear, I have yet to hear in my years in this House a rational defence of that proposition from members opposite. I have yet to hear any member of the government stand up and advance logical, rational reasons why it makes sense to sell off our Crown corporations to outside investors. And I look forward during this debate to hearing that, because obviously members opposite believe it. Obviously they believe it. Now if they believe it, they ought to be able to stand in their places and defend it, and I await that.

But I'm sorry to rehash that ground, Mr. Speaker. I do so because it is so important. And it's not just an effort to fill time or anything like that because, as I said last night, we're not being paid for sitting here these days, nobody in this House is, so we have no particular desire to drag this session out. But this is an important debate, Mr. Speaker. This Bill 20 goes right to the heart of so many public policy issues in this province it would be irresponsible of us to just sit back and simply let it pass through. We must have a debate on it.

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

**Mr. Mitchell:** — We must have a debate on it. And a debate is not just the opposition standing up and advancing every logical, rational argument it can think of . . . (inaudible interjection) . . . Rational. My friend from Mayfair talks about rational, and I would like to hear from the hon. member from Saskatoon Mayfair as to what part of my presentation he considers to be not rational.

I have tried with great care to found all of the submissions that I've made to this House, all of the arguments that I've made, firmly on historical fact. I have tried to found all of my arguments on things that actually occurred and that are provable, for the most part, from government documents itself. And I draw certain conclusions from those documents and those facts, which I consider to be rational.

If he considers them to be not rational, stand up in his place and make his argument, and let's have a debate about Bill 20. But we don't have that debate, Mr. Speaker. All we have, the best we have from government members is a charge that in some way we're trying to filibuster Bill 20. Of course we're not filibustering Bill 20. We're not at all. We're trying to engage you in a debate on Bill 20, and you haven't got the nerve to stand up and defend your position.

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

**Mr. Mitchell:** — You must stand up, Mr. Minister of

Health. You must stand up and defend your position. You must stand up and explain to the people of Saskatchewan how in the world it makes sense to do this to the Potash Corporation of Saskatchewan. Why does that make sense?

Now we realize, or at least our best understanding of your position so far is that this is part of a privatization thrust on the part of your government, part of a thrust which is ideologically driven, which is philosophically driven, which is nothing more than the remnants of a long-standing, right-wing attitude in this province, blindly opposed to Crown corporations of any sort.

And, Mr. Minister, may I say with great respect that we saw your true colours in that SaskEnergy Bill — we saw your true colours there. You're prepared to attack a Crown corporation such as the Saskatchewan Power Corporation, then you're prepared to attack anything, and your true colours came out.

Now you couldn't get away with that, that's obvious. There was a fire-storm of protest to your plans and it resulted, I think wisely, in you withdrawing your plans and having it off to your little committee that's going to be engaged in public hearings. And we'll just see where that goes, Mr. Minister.

And we also saw you withdrawing your proposals with respect to SGI, and I understand that, because if you think you had a fire-storm on SaskPower, stick around for SGI as you try to dismantle that Crown corporation.

But here's one that for some reason you think you can get away with. Here's one that for some reason you think you can slip by the public and somehow sell them on the notion that your old-fashioned, right-wing reactionary attitudes towards public ownership are something new — kind of dress up that tired old rhetoric in new garments, and in that fashion try and persuade Saskatchewan people that you represent in some way some forces of change.

You don't represent change, you represent the very opposite to change. You represent reaction to change. Your fight is a fight which arose in this province back in 1946 with the establishment of SGI, and it's never stopped; it's never stopped.

In little corners of downtown Regina and Saskatoon and some of the rural areas, these little pockets of resistance have remained alive, sort of passed on from parents to children. And we see it re-emerge every once in a while in the province. And we see it re-emerge now with the privatization thrust that we heard in the throne speech and about which ministers have spoken in public — not in this House, Mr. Speaker, but in public.

In this House we have yet to hear a senior government member or indeed any government member stand up and explain to us why in the world these plans with respect to the potash corporation make any sense economically, or socially, or from any other perspective, so far as the people of the province of Saskatchewan are concerned.

Now I was talking last night about the potash corporation,

and I traced, Mr. Speaker, the decision to incorporate it and on what factors that decision was based. And I talked about the early days of PCS (Potash Corporation of Saskatchewan).

I also talked about the very important relationship between the Blakeney government and the potash industry in the period from 1971 until 1975, and I made the important point — which I will not make again, I want to assure you of that — I made the important point that in the final analysis, following the 1975 election, the Blakeney government had no real alternative in the potash industry except to enter the industry in the manner that it did. There was no alternative.

It's not just me saying that, Mr. Speaker. A large preponderance of the experts who have examined that situation have come to the same conclusion. As I said, you can argue about the extent of the penetration into the industry, whether it should have been 10 per cent or 100 per cent or somewhere in between, but you really can't argue about the fact that the duly elected government of the day representing the sovereign of this country had no choice but to enter the industry. There simply was no alternative.

Remember, you can't tax profits when the books to determine whether there is a profit are not in the province of Saskatchewan. Our authorities have no legal right to go down to Pittsburgh and Carlsbad and Chicago and enter offices there and demand to see books the way we can do with the collection of our sales tax and our income tax in Saskatchewan. So those normal methods of tax collection were just not available.

What were we to do? The industry was refusing to pay tax, were refusing to tell us what their profits were, and were even refusing to tell the government of the day what the production was from the mine. This is information given by every mining company to every jurisdiction on this continent, and yet in Saskatchewan it was not happening.

So the decision was made, and the decision was made that the Crown corporation would enter the industry and enter to the extent of about 50 per cent of the action. Now I don't think it ever achieved 50 per cent, but it got to approximately that position. And in every case, Mr. Speaker, the rights of expropriation that had been built into that original Bill and which were the subject of so much debate in this House were never used. Every one of those acquisitions, from Duval, from Alwinal, from the Allan potash group, and so on, every one of those acquisitions were freely and voluntarily negotiated, and the prices that were arrived at were arrived at as a result of negotiation.

Nothing was forced, although there was a mechanism in that legislation to determine a fair market price in the event that expropriation was necessary. It was never necessary, so we never had the experience with that part of the Bill.

And as I left off last night, I was just talking about how that had worked. And we from Saskatoon, including the member from Mayfair, have a keen appreciation of the importance of the potash industry in this province



because of its particular importance to the city of Saskatoon. We have had there the head office of the potash corporation from its inception, and it has made a tremendous impact upon that community. Its impact has been in many different ways, but one of the most measurable ways is the employment that was created by the potash corporation, and a lot of that employment impacted upon the economy of Saskatoon.

I want to come back to that in a few minutes, but I also spoke — and I'm sorry to be taking a bit of time about this, Mr. Speaker, but some of the members opposite were not here last night, and I want to be sure that they understand exactly what the flow of logic is, because it is important to understand the flow of the argument that I'm trying to make. I want to say to the members opposite, and to the Minister of Health in particular, that I am really standing in my place in the earnest, if naive, hope that I can persuade you to have another look at this.

I want to persuade you to have another look at this. You're not just talking here about some little policy decision that you can make in the hopes that it might gain you some little advantage or some little political advantage or satisfy one of your constituencies or anything like that. You're talking here about Saskatchewan's most important resource. It's a resource that's going to be mined, developed, and exported from this province for hundreds or thousands of years. For as long as people grow plants to produce food, Saskatchewan's going to be selling potash.

We're not talking here about an oilfield that's going to play out in 20 years or a uranium mine that's going to play out in 25 years. We're talking here about potash that, as my friend from Cut Knife-Lloydminster says, just won't play out. It's going to be there for ever.

So this is a serious debate. And I am standing here in my place trying to persuade you people that you're wrong, that you're quite wrong. And what I'm earnestly requesting you to do is to just calm yourself and sit back and relax and look at this Bill with a fresh, clear, objective approach and assess whether or not this is what we should be doing.

(1100)

And that's the point that I'm trying to make to you, that I want you to do this. And if by the time I've sat down in a few moments, if I'm able to persuade you to do that, then my presence in this House for the last three years will have been justified, because this is by far the most important speech that I will make in this House during this legislature, I'm certain of that.

Now the member invites me to sit down and let someone from that side of the House speak. And if I had any sense at all that this would actually happen, that we would actually have a debate in this House, I would do that.

**An Hon. Member:** — Well then sit down.

**Mr. Mitchell:** — I'm telling the member from Cut Knife-Lloydminster that if I had any confidence in the suggestion that someone would get up from that side of the House and make the full argument, then I would sit

down. But I just can't do that.

I mean, we've had the experience in this House for weeks now really, with this Bill being called here and there for a half hour here, an hour there, a couple hours there, three hours in another day, and we haven't had any government minister stand up and make a substantial contribution.

We had the minister in charge introduce this Bill on second reading and talk only for 20 minutes. And then we had the deputy minister last night in a brilliant six and a half minute intervention, barely mentioned the potash corporation at all. So I regret that I can't pick up on the suggestion of the hon. member and yield my place because I simply have no confidence that what I hope will happen will actually happen.

Mr. Deputy Speaker, I realize that you haven't been keeping up with the — at least from the Speaker's chair — with the course of my remarks, but I will not repeat them. I want to assure you of that. You could check *Hansard* for the flow of the argument which I laid out in a rather full way last night and which I have just briefly summarized this morning.

When 10 o'clock came last night, I had been talking about the way in which the potash corporation had functioned and some of the benefits that had accrued to the province as a result of the existence of this corporation. I had talked about the corporation being used as a vehicle to expand a productive capacity in the industry by expansion of existing mines, by the . . . in the way that I described last night. I also talked about the rather interesting idea that a corporation the size of the potash corporation had been able, to quite a remarkable extent, to overcome some of the peaks and valleys of the industry, some of the cycles.

The cyclical nature of the industry had, at least to a moderate extent, been brought under some kind of control so far as the employees are concerned. Now to the people who are employed in the potash mine, the cyclical nature of the industry is a particular problem. They'll find during good times that they're working long hours and making lots of money, but when the market turns down and supplies build up, they find themselves on extended lay-offs, and there's simply no income during these lay-offs. And that's a bit tough for an ordinary family to be able to live with. It creates real problems for them.

And so it was one of the objectives of the potash corporation to see what could be done, see what progress could be made in smoothing out those cycles a bit so far as the working people are concerned. That's important, not only from the point of view of working people, but it's also important from the point of view of the communities in which they live. Now in Saskatoon it's important, but because of its size it's not as obvious as it is in a community like Lanigan or Esterhazy or Rocanville or Allan, where a lay-off can have quite an immediate, pronounced, and noticeable effect upon the businesses in those towns. And the communities I know appreciated that, at least for the most part, some of the cyclical ups and downs could be smoothed out, and continuous and

regular employment could be provided to the people who work in the potash mine.

I mentioned two other things, Mr. Deputy Speaker. One was the new approaches in labour relations that we saw in at least some of the mines of the potash corporation. I think of Cory in particular, which is the mine closest to Saskatoon and where so many of my constituents work. And finally I dealt with some of the advantages of the head office in Saskatoon, both as far as that community is concerned and as far as the things that that office was actually doing.

And I want to add to that list, Mr. Speaker, the research and development factor. Now that is important. That's far more important in the potash industry than we have understood in the past. In the history of that industry, in New Mexico and in the early days in Saskatchewan, in Jordan and other potash producing companies, potash has just been approached as a resource that you pull out of the ground and you process it in a relatively simply way to pull the potash out from the other salts, and then you sell the potash. And the potash is used in fertilizer, and that's sort of the beginning and the end of it.

Well of course it's not the beginning or the end of it. There are other possibilities. And just as in all other industries, an active research and development function can benefit the potash industry, as it does in the automobile industry, the steel industry, and I think every other industry. Potash industry is not exempt from the requirements for research and development.

The potash corporation under the Blakeney administration was certainly very active in that field, not in the beginning — I'll grant you that — but as time went on and they began to realize the importance of a research and development function, they began to establish one and the work started to get done. And it led to the pilot plant at the Cory potash mine, and it led to a lot of other ideas that were on the drawing board and in various stages of development.

It is my understanding, Mr. Deputy Speaker, that that research and development function has been abandoned; my understanding that we're not doing that any more; my understanding that we're relying on others to do whatever little bit of research and development is being done in the fertilizer business or in the alternative uses for the salts that are pulled out of the mine in the process of mining potash, including of course the potash itself.

And that's a shame, Mr. Deputy Speaker, that verges on irresponsibility because I remind members that we are, that is our Crown corporation is, the largest potash producer in the world. We are the giant, and with that status goes the responsibility to do the research and development work that has to be done.

Now members opposite, Mr. Deputy Speaker, are always talking about technology and change, and they're always trying really far-out things. And we've seen a lot of evidence of that in the field of mechanical translation — mechanical translation or the artificial intelligence. And yet when it comes to potash, they've managed to turn a

completely blind eye and decided that they're just not going to do any research and development in that area.

And when we're talking about a Crown corporation which is the giant in its field, the largest corporation in the potash industry in the world, then you're talking about responsibility. You're talking about a number of responsibilities, and one of those is to ensure that we are on the cutting edge, we are in the cutting edge of technological and other research and development functions as far as the potash industry is concerned. And we're not doing that, Mr. Speaker, and that is too bad. But it was one of the distinct characteristics of the early potash efforts of the potash corporation after its establishment in 1975-76.

Another thing that the potash corporation brought to the fore was local purchasing, the fact that all of our senior management was sited in Saskatchewan, the fact that all of our senior management was living in Saskatoon, except for some people in the sales department, had a great impact, Mr. Deputy Speaker, on the purchasing patterns of the potash corporation. And that was a matter of deliberate policy, and it was delivered, and it worked.

Now I have to say to the government opposite that I know that you have extended this to other Crown corporations. I think, for example, of your Buy Saskatchewan policy in connection with some of your power corporation developments, and I want to pay the minister and his staff a compliment with respect to that policy, because I think it's a sensible one and I think it's very effective and it's worked well.

We did that with the potash corporation. And one of the little incidental problems with selling off the potash corporation in the way that you propose to do, is that you're going to lose the kind of influence that you have with respect to buying Saskatchewan, with respect to local purchasing, and that must concern you. It certainly concerns me because I live in Saskatoon, I represent a Saskatoon constituency, and a lot of the potash mines are in the Saskatoon area. And accordingly it concerns me very deeply that the potash corporation in the future will continue to follow a local purchasing policy.

But you guys aren't going to have any control over that situation. That control will be gone. That control will reside in new shareholders. And those new shareholders are — mark my words, you're in no doubt about this — those new shareholders will be all over the world. Those new shareholders will be in Toronto and Montreal and Vancouver and Halifax, they'll be in Winnipeg, they'll be in New York, they'll be in New Delhi, they'll be in Bangkok, they'll be in Seoul, South Korea, and so forth, and your ability to have this corporation operate in the best interests of Saskatchewan will be gone — it'll be gone. Not just a question of it being compromised, but it's a question of it being gone.

And you're giving it away, and you're giving it away through this Bill 20. That's how you're doing it, and it's wrong. It is a dumb thing to do, it is philosophically and ideologically driven, it is irrational, it makes no economic sense, it's harmful in a social sense, and it's just simply the wrong thing to do.

The third point that I want to mention this morning, Mr. Speaker, in addition to the ones that I was talking about last night, and this may be described as an advantage of the Potash Corporation operating as a Crown corporation, is the development of management personnel, executive development. We have, as I've said before, in the Potash Corporation a large, powerful corporation. Large by any standard, Mr. Speaker, important, managing a resource, all of which is located in the province of Saskatchewan.

And we tried, and with remarkable success in the period 1976 to 1982, to staff that management team with Saskatchewan people, and we were successful to a very large extent. Not completely successful, not completely successful, because you can't always find the people with the qualifications that you need within the boundaries of the province, but still we made significant progress.

The president was a well-known, highly respected person from Saskatchewan, from Milestone, Saskatchewan, I believe, who had spent a long, illustrious career in the civil service of this province, having been brought into government during the regime of premier Thatcher, having risen through the Department of Finance at that time to become the deputy minister, and so on; holding important government positions through the Thatcher government and the Blakeney government, and ultimately becoming the president of the Potash Corporation.

And Mr. Dombowsky assembled around him a senior staff and a middle management staff drawn as much as possible from the people of this province, and enabled young people with executive potential to get valuable experience, get important experience, get important developing opportunities within that corporation to prepare them for increasing responsibility. And that's a very important thing to do, and it's hard experience to get in the province of Saskatchewan.

(1115)

If you're a young man or woman in Saskatchewan, if you're a young graduate from the College of Commerce at the University of Saskatchewan, it's very tough to find a career path in Saskatchewan that will qualify you for some of the senior corporate positions in the world of large corporations in this province. For the most part, these kids have to go elsewhere; they have to go to Toronto or Vancouver, and in certain industries, to Calgary, in order to get into this career path that will ultimately enable them to have some of the top corporate jobs in this province.

Well with a Crown corporation such as the potash corporation we had an excellent vehicle for that. Given enough time we could have had a good stream of young people developing through that corporation and becoming qualified as experienced and senior executives able to go anywhere, virtually anywhere, and do anything in the corporate world.

Maybe you can still do that. Maybe you can still do that, but I doubt it because you're surrendering all of your

influence. You're surrendering your control. You're selling it off. You're selling it off to whoever has got enough money to buy the shares. And you and I know who that will be. It won't be people from Saltcoats, or Indian Head, or Wolseley, or Outlook, or Rosetown, or Kelvington, or Wadena, or Yorkton — that would be some of them — but for the most part the big purchasers, the big shareholdings will be somewhere else. They'd be in Toronto or Vancouver or Winnipeg.

Why would we do that? Why does that make any sense? I'm going to suggest in a very short while some of the reasons why I think you're doing it, and they won't be entirely complimentary. But I don't know why you're doing it, you see. I haven't heard members from that side of the House stand up and tell us why this is a good idea, why any of this makes any sense, why it makes sense to surrender ownership of such a valuable corporation performing such a valuable function in the province of Saskatchewan.

All I can do in the meantime is just surmise, as best I can, what it is you think you're up to. And as I say, I want to deal with that in a few short minutes and try and evaluate whether your reasons, as I understand them, make any sense. And I'm going to suggest that they do not make any sense, that this is a wrong thing to do.

And I am going to plead with you to please sit back and reconsider this. Put your egos to the side. Put your sense of your own importance or prestige to the side. Forget about the importance of saving your face, saving your dignity, and take a long, careful look at this and ask yourself whether this is what we should be doing with this important corporation, mining and exporting our most important resource, and what will be our most important resource practically for all time — practically for all time.

There is a final matter that I want to mention, Mr. Deputy Speaker, on the subject of the importance of the potash corporation as it was conceived when it was set up and as it operated during the first half of its existence. And that was, it represented an opportunity to change the way in which potash could be marketed to the world.

Most of the world, with the exception of the United States, buys potash through a government or government agency. Most of the market is to government. It may be the government directly itself, but more often it will be to a government-owned corporation or agency.

And those people, those purchasers of potash, are comfortable, are completely comfortable with the idea of government-to-government relations. They're completely comfortable with the idea that they will be purchasing potash from a Crown corporation, because they understand about government corporations. They don't have any blind ideological or philosophical bias against them, but they're comfortable with this idea. And so the potash trading company of, say, India is perfectly comfortable with buying from a Crown corporation supplier, government to government.

And that represents an opportunity to market potash and to handle that marketing relationship in the wider context of government to government relations. I hope members

follow what I'm trying to say here.

The government to government relations are of course very complex, cover a wide variety of subjects, a wide variety of subjects respecting trade, but also subjects like cultural and social exchanges and aid programs and assistance programs, and all kinds of other relations that are common in the sophisticated world of government to government relations.

And a Crown corporation from Canada, like the potash corporation, dealing with a Crown corporation from one of the purchasing countries, one of the third-world countries, have opportunities to make deals on a broad range that include potash. Now that's just simply not available to IMCC (International Minerals and Chemical Corporations (Canada) Ltd.) or to Canpotex, simply not available for Canpotex, which is the marketing agency for the industry now on international sales for the most part. It's just not available for them to make any broader deal than just simply to sell potash.

And so we're kind of stuck in the old way of selling potash — private company to government purchasing agency. And there's nothing wrong with that; I mean, it's sort of the traditional way of doing things. But the idea of government to government relations opened up exciting opportunities to do other things and to enter into agreements and arrangements that would, in the end, result in an increased sale of Saskatchewan potash to these countries. And after all, that's what's important to us — that's what's important to us and . . .

**An Hon. Member:** — Mr. Speaker, on a point of order . . .

**Mr. Mitchell:** — I think I'm still up . . . That I was saying that I just want to . . .

**An Hon. Member:** — Mr. Speaker, point of order. A point of order, Mr. Speaker.

**The Deputy Speaker:** — What is the member's point of order?

**Mr. Lyons:** — I rose, was recognized and, sir, I called quorum. At this point in time you refused to seal the Chamber. You allowed four extra members from their side to enter into this room. And that, sir, I would suggest is just an unconscionable act on your behalf, sir. There was not enough members here . . .

**The Deputy Speaker:** — Order. I believe the chairman has no authority to call quorum. He would call the Speaker into the Chamber. Is that right?

Order. The member from Rosemont did rise to his feet, but I also acknowledged the member from Saskatoon Fairview had mentioned that he had the floor and I recognized him and allowed him to continue to speak.

**Mr. Lyons:** — Mr. Speaker, on the point of order that I raised, sir, I raised, was recognized, I called . . .

**The Deputy Speaker:** — The member from Rosemont was not officially recognized. The member from Fairview will continue the debate.

**Mr. Mitchell:** — Mr. Speaker, I just wanted to try and complete this point that I think is an important point about the fact . . .

**The Deputy Speaker:** — Order. Let's allow the member from Saskatoon Fairview to make his . . . continue the debate.

**Mr. Mitchell:** — I want to just finish this point very briefly, but it's an important point and I do hope that the members opposite will listen to me and try and grasp this gem of wisdom.

**An Hon. Member:** — You've been speaking now for three hours, Bob, and you haven't said anything.

**Mr. Mitchell:** — And if the Minister of Justice had been listening to me, he would know that I had been saying a great deal. Now the . . .

**The Deputy Speaker:** — Order. Member from Kindersley, allow the member from Fairview to speak to the Assembly.

**Mr. Mitchell:** — The member from Kindersley, Mr. Speaker, offends me by saying that I've been speaking for three hours and not saying anything, and I take sharp issue with that. And I invite him to review the *Hansard* record and determine just what it is I have been saying, because what I've been saying is the product of literally years of research and study . . .

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

**Mr. Lingenfelter:** — Mr. Deputy Speaker, I was just in the lounge watching on TV when a quorum was called. I checked with my colleague; he says 13 members were in the House when quorum was called and that you didn't recognize it and that you allowed other members to come in after quorum was called.

I wonder if you'll review the record, and it will clearly show — maybe the Clerks or somebody would have been watching — but there were 13 members in the House when quorum was called, and I think that it's important that . . . The issue here is that quorum was called and it wasn't dealt with.

**The Deputy Speaker:** — Order, order. I didn't officially recognize the member from Rosemont. He did rise. But there were members at the door and there were enough members in the House here when the member rose to his feet. But there were members right at the door, and as I was viewing the Assembly, and I believe the member from Fairview has a right to speak to this Assembly, and there was no other ruling, but the member from Fairview will be allowed to continue the debate on Bill No. 20.

**Mr. Mitchell:** — Thank you, Mr. Speaker. I was trying to complete that important point, and it is that what this Bill will do is deprive us of the very important mechanism of a government to government relations in the sale of our potash resource internationally. And I'm not sure that members opposite grasp that point, grasp the importance of it.

And I just want to briefly restate it just in the simplest terms that I can. Most of our purchasing countries purchase through government . . .

**The Speaker:** — Order, order. Emotions sometimes flare, but I think members also have to learn to control emotions. The member from Regina Rosemont has just made a rather unparliamentary statement from his desk, and I suggest to him that he go back to his desk and apologize.

**Mr. Lyons:** — Mr. Speaker, I was having a personal conversation with the member from Regina Elphinstone.

**The Speaker:** — Order, order. Well he may well have been, but the reality is that I clearly heard it from the Chair. It was a remark casting aspersions on the office of the Chair — on the office of the Chair. And I think that the hon. member just simply rise in the best interest of this House without any further discussion, equivocation, or qualification, simply apologize for making that statement.

**Mr. Lyons:** — Mr. Speaker, I apologize. I had certainly no intention of casting any aspersions on the office of the chairman of this House.

**The Speaker:** — Thank you.

(1130)

**Mr. Mitchell:** — I'm having great difficulty getting this point across. And I'm going to just abandon the point by simply saying that one of the results of this Bill is that we lose the obvious advantages of being able to trade government to purchasing agent, a Crown corporation in Saskatchewan selling to a government purchasing agent in another country.

Now that never happened, Mr. Speaker, because when the 1982 election occurred, PCS (Potash Corporation of Saskatchewan) had given notice of its intention to withdraw from Canpotex, had set up the international sales division in the potash corporation, but never followed through on it.

So I realize that I'm making a theoretical point, but I never represented it as anything other than a theoretical point. It was part of the objectives of the potash corporation that we could, through that agency, change the way in which Saskatchewan potash was marketed.

Now that is still available to us as an option in the future. You know, it would involve the government of the day reassessing or reviewing its relationship to Canpotex — and I'm not making any suggestions about that, Mr. Speaker; I'm just saying that with the privatization of the potash corporation through Bill 20, that option is gone. That option will go.

We will lose our ability to influence the affairs of the potash corporation to make that happen. And in addition, the potash corporation ceases to be a Crown corporation as a result of its privatization through this Bill. And that's serious. It's short-sighted. It passes up an excellent

opportunity in the future marketing of this valuable resource.

In short, Mr. Speaker, all of this can be summarized in one idea, and that is the opportunity which we've had with this Crown corporation, as with all the other Crown corporations, to use the Crown corporations as an instrument of public policy — as an instrument of public policy.

I'm not suggesting by that that we turn our Crown corporations into some kind of welfare organizations or that we behave in stupid or irrational ways or be inefficient or be bad managers or that we be incompetent, or anything like that. I'm only suggesting that the Crown corporation . . .

Mr. Speaker, the Minister of Justice is urging me to sit down. And I just simply want to say to him that I want to sit down. I do not like standing on my feet, but I have got to get through these arguments. What we're talking about in this Bill is so important and is of such vital importance to the future of this province that it would be irresponsible of me not to fully set forth my point of view.

Now, Mr. Speaker, that member will have an opportunity following me, I think following the member from Weyburn, to stand up and express his views for whatever length of time he chooses to express them. But he must do that, he must do that. We just can't have a one-sided debate on an issue of such enormous importance as the privatization of the potash corporation.

**An Hon. Member:** — You're not debating; all you're doing is standing logging time.

**Mr. Mitchell:** — Mr. Speaker, the Minister of Justice suggests I'm not debating, and I'm always in your hands on this point. I mean, if I start to get irrelevant or repetitive or raise arguments which are not germane to this Bill, then I expect that I'll be sat down. I expect they'll object to it, and I know that you won't tolerate that, Mr. Speaker.

But I am not prepared to accept a statement shouted across the floor from the Minister of Justice that all I'm doing is wasting time. I find that offensive, and I assure you, Mr. Speaker, I'm not trying to waste time.

But these arguments have to be made. I'm not going to repeat again the point that I made last night with some fervour that we must have a debate on this Bill. And if the only people who are going to speak on it are opposition members, then you're just going to have to . . . we have no alternative but to make our points and make them fully.

And we're going to continue to do that until that government opposite starts putting ministers up to explain the rationale for this Bill. Why, why would it make sense for this province to be going in this direction at this time? Why does it make sense to be surrendering, handing over our Potash Corporation of Saskatchewan to people who can afford to buy the shares, no matter where they're from, so that they can continue to mine our most precious resource for thousands of years?

Now if that doesn't deserve a full debate in this House,

then I'd like to know what does. I'd like to know what piece of business we've been conducting in the last 80 days that is more important than this Bill, and what deserves full debate more than this Bill I just can't imagine. So I find it quite intolerable that members opposite should be suggesting that it is wrong somehow for us to be debating this Bill in detail.

Now to get back to my argument, Mr. Speaker, and I assure you I'm nearing the end of it. After the potash corporation was established in Saskatchewan and begun to operate, we saw the other private sector companies begin to co-operate; they began to co-operate. All legal actions were put on hold with the exception of that first one that I told you about that the Central Canada Potash had begun where the federal government was a party. That one went right through to the Supreme Court of Canada, and you'll recall it resulted in the Saskatchewan tax regime being struck down, and we had to find another way of resurrecting that tax or restoring that tax through this legislature.

But all of those actions were put on hold and the companies, the private companies, began to operate, and indeed they began to expand because the market certainly justified expansion at the time.

And in the result of that experience, 1976 to 1981, the Crown corporations, the idea of a Crown corporation as an actor in the resource field was a proven weapon, a proven instrument. And as I said last night, it went a long way towards resolving the resource control and taxation issue in the 1981 constitutional arrangements. It went a long way towards achieving that result. And so it was a very important thing to do from that point of view, and the federal government have accepted that idea.

Petro-Can is a Crown corporation and its activity in the oil resource field is well-known and much respected. And we hear rumours from time to time about the privatization of that corporation, but it doesn't seem to be high on anybody's list, and indeed the Petro-Can has been well accepted and is well established in the oil industry.

So far as the potash corporation is concerned, with its performance record over the period of its existence, I want to spend a brief few moments on that, Mr. Speaker, because I know that you've heard this before, but it's important in the context of my argument to just review these numbers.

The earnings, first of all. Everybody would have to admit it is a remarkable earning record. It is a remarkable profit picture from the start-up of the corporation in 1976 to the end of 1981, the last full year of the Blakeney administration. And it's a remarkable success story — from a half-million dollar profit in 1976 to over a million in '77, to almost 25 million in '78, to about 78 million in '79, to about 167 million in 1980, to 141 million in 1981. I mean, that's a lot of money.

And it is a large return on equity, and it is a very, very satisfactory earning picture from any perspective at all. And during that period, as is well-known, it paid dividends to the province, from those profits, of \$100 million. And it paid for itself in the sense that it had

made profits that were approximately equal to the purchase price of the mines.

Now as the question was asked to you yesterday, how many investment opportunities do you have that completely pay for themselves within the course of five years? Not very many, not very many. A rather remarkable effort.

Now those are the years up to 1981. Now since 1981 the record has not been as good. And I now you're familiar with those figures, Mr. Speaker, from previous speakers, so I don't want to repeat them except in the very general, general way.

We find over the seven-year period to the end of 1988, that is from 1982 until 1988, there was a net total loss over those years of almost \$78 million. And that takes into account the rather remarkable 1988 figure where the corporation reported profits of over \$106 million.

Even during that period, Mr. Speaker, and we have to recognize the importance of this, the Crown corporation paid into the general revenue of this province \$124 million in dividends. That's \$224 million paid into the provincial treasury as dividends. And that is a remarkable, remarkable return from this or any other Crown corporation, or any corporation at all. A very, very remarkable record.

So it has worked. And for half that time, Mr. Speaker, for half that time, Mr. Speaker, it is in the hands of a group of people who — I say this without wanting to put too sharp a point on it — with people who don't really believe in it, who don't really think that the government should be in the potash business at all.

And after all, the debate in this House was engaged in by people like the Minister of Finance who is now proposing this Bill to the House, fiercely opposed the idea of the formation of the Potash Corporation of Saskatchewan, and I think it probably fair to conclude, has continued that fierce opposition right down to the present day. And when he brings this Bill into the House to privatize PCS, he is in effect trying to win a fight that he lost back in 1976. He's finally getting his day in the sun where he can get revenge, where he can achieve the objective that he had back then.

So my point is simply that in the last seven years the potash corporation has been in the hands of, or run by, people who don't really believe that they should be doing it at all; in fact being run by people who are somewhat embarrassed, who are somewhat embarrassed by the fact that they're doing it. And I think that's one of the reasons why they've done it so badly, Mr. Speaker. One of the reasons they've done it so badly is they really didn't have their heart in it.

But in any event, even with that . . . And my colleague reminds me that the private companies during this period did perfectly well — lots of profits, big financial successes, and actively, you know, producing at a high volume, using a large percentage of their productive capacity and enjoying a very, very successful time of it, while PCS kind of limps along, losing its market share and

not fulfilling the role that it ought to and can fulfil on the international potash stage.

I talked last night about the potash corporation's record as an employer, and I pointed out to you that in 1981 the number of employees had risen to 2,267. And in the period from then until now we have lost a thousand jobs in that at least a thousand people have been cut from the payroll. I shouldn't say at least a thousand — it is seven people short of a thousand have been cut from the payroll of the potash corporation. Now I'm not going to repeat that argument last night except to say that someone should stand up and explain how that was a good idea and how that was accomplished and how that makes sense.

We saw during the life of the potash corporation, as I mentioned, that their expansion took place in accordance with the market. And I want here to just touch on this question of the Lanigan expansion because it's important in the context of this Bill, Mr. Speaker. And I'll tell you why it's important before I make the point because I want to be sure that you're comfortable with my remarks from a relevancy point of view. I know this speech is going on for some period of time and I want you to be comfortable with it. I mean that sincerely.

(1145)

The corporation piled up a big debt. The mines were paid for out of profits — I made that point — for all practical purposes, give or take a very small amount. But the corporation then went on to pile up a large amount of debt and it was all in connection with the expansion at Lanigan.

That's important, Mr. Speaker, because the viability of PCS is at issue when you start talking about that. And the viability of PCS is very much a factor in considering its privatization. And have we got here a corporation that had to be bailed out by the government and we're selling off something that is a chain around our neck, you know, a ball, a chain that are dragging us down? Or are we selling here a vibrant, healthy corporation with a strong financial future. And obviously that is a relevant question when you're talking about the plan that is contained within Bill No. 20.

I'll do this as briefly as I can. The decision to expand Lanigan was not a remarkable decision in light of market factors that existed at that time. And it was done with the advice of the best consultants that are available with respect to the potash industry. It was made at a time when other companies were expanding in Saskatchewan, and when the industry generally was in an expansionary mode right across the world among producing nations. That decision, though, would dramatically increase the productive capacity of the potash corporation — dramatically increase it. And that decision was justified by two important factors without which that would have been a bad decision.

That decision was based on, first of all, a companion decision for the potash corporation to leave the Canpotex marketing organization and establish its own international selling arm. Now that's something that I am

not going to get into except to say that the potash corporation was not satisfied with the Canpotex marketing efforts, nor was it satisfied with its place within the Canpotex marketing arrangements, and felt for those and a variety of other reasons that it could do better selling on its own. That hearkens back to this government-to-government point that I was making a few minutes ago where a Crown corporation is selling to a government purchasing agent of a purchasing country.

So they decided to leave Canpotex and set up PCS International, and in doing that, Mr. Speaker, they made certain market projections about how much potash they would likely be able to sell that way. Now those predictions, Mr. Speaker, were not pulled out of the air or dreamed up by the board of directors at the time, or by management at the time. Those predictions were firmly based upon the best advice that was available in the potash industry at that time. The very best consultants around were consulted and gave advice on the basis of which those predictions were made. And they predicted, those predictions were that there were opportunities to significantly increase the sale of potash to offshore countries outside of the Canada and U.S. market.

The second element that lies behind that decision was the determination to make a better marketing effort in the United States, and to penetrate that market to a deeper extent than had been the case in the past.

Now I say, Mr. Speaker, I just want to remind, as far as sales into the United States in concerned it's every man for himself in the Saskatchewan potash industry. Every company sells its own product. So far as sales internationally are concerned, for the most part, the potash companies are in this Canpotex organization and those sales are made through this Canpotex organization.

So you got the two decisions — one, to leave Canpotex, and two, to increase the share of the American market and increase the amount of product that we sold down there. Those two reasons underlay the decision to proceed with the Lanigan expansion.

Then we have the 1982 election, and I think the first act, maybe the second act of the new government was to revoke the decision to leave Canpotex. Certainly it was made within the first week of the new government's term of office. They decided to stay within Canpotex.

As soon as they made that decision, Mr. Speaker, the case for the Lanigan expansion vanished. There was simply no basis for proceeding with such an ambitious expansion if you're going to remain within the marketing organization, because you're not going to be able to sell that much new product. You might be able to justify a small expansion, but not an expansion of the magnitude that had been contemplated at Lanigan.

And this government decided, in its wisdom, to proceed with that expansion anyway. Now I say this government, and I really mean the Potash Corporation of Saskatchewan decided. They had a new board of directors, they had a different management because there'd been a change at the presidency, and there had been some other staff changes. But that organization

decided to proceed with the Lanigan expansion.

Now, Mr. Speaker, that's about all I have to say about the background to it. But that expansion went on, and it was an expensive expansion and resulted in the creation of more than \$600 million in debt for the potash corporation, and we have a marvellous mine at Lanigan. I mean, talk about a world-class facility; that is one of them. And it's worth the price if you can sell the product. Problem is that we can't sell that much more product, given the marketing structures that we are within.

But what is not fair, Mr. Speaker, is to somehow say that that debt situation proves anything about the Potash Corporation of Saskatchewan. What we must not even think for a moment is that that situation is any kind of an argument for privatizing the potash corporation, because it's not — it's not. You can point a lot of fingers in that case at people who decided to proceed with that expansion after deciding to stay in Canpotex, but you cannot say that that proves that public ownership in the potash mining industry is a bad idea. Because that just simply doesn't follow at all, and that would be a grossly unfair thing for anyone to argue.

And I make that point, Mr. Speaker, because in an earlier debate a couple of years ago on The Potash Resources Act, that's precisely the argument that was being made. And we haven't heard it yet, but I expect that's because we just have heard so little from the government side of the House in connection with Bill 20.

Now the government has very wisely decided to take its medicine with respect to that decision, and not to penalize the Crown corporation as the result of the decision to proceed with that expansion. They did that by converting the debt into equity and putting the potash corporation back on the sound financial footing that it had been in at the end of 1981.

I want to make one final point now about this corporation, that is really the essence of it all. As a Crown corporation, Mr. Speaker, as has been freely admitted by the Deputy Premier and others on that side of the House, it is owned by all of the people of Saskatchewan. It is owned by all of the people in Saskatchewan.

It is run by a board of directors, all of whom are appointed by the government which is duly elected by the people of Saskatchewan. It is run from day to day by a management which is appointed by that board of directors. And, Mr. Speaker, for the most part, or without exception, one would expect that that corporation would act in the best interests of Saskatchewan and Saskatchewan people. That just goes with the turf when we own it and we run it. It just obviously follows that that corporation will act in our best interests.

If Bill 20 is passed, and if shares in the potash corporation are sold in the manner that is contemplated by this Bill, control over the potash corporation will slip out of our hands. Just as happened in the case of Saskoil, so it will happen in the case of PCS; control will slip out of our hands. The large money, the big money around will eventually wind up with the shares. That happened with Saskoil, and potash in the long run is a better investment

than oil. And it is inevitable that that will happen, and that simply means that we will lose control.

We will have another board of directors. We will have a board of directors appointed by other people. We will have management appointed by people other than the government of the day, and inevitably we will find that our potash corporation will begin to make decisions which do not fully take into account the interests of Saskatchewan and Saskatchewan people. And that's an extremely important point, Mr. Speaker, and it's right at the heart of the case that I'm trying to make — right at the heart of it.

And again I ask, why would we do that? Why would we just deliberately squander this ongoing opportunity to manage our own potash resource and to run a significant part of it through our very own corporation which we own and control? Why does it make sense to hand over control of that corporation to a few people who are able to put up the money to buy the shares in this privatized corporation? To me, Mr. Speaker, that makes no sense at all.

Now I want to move along to deal with the question that I said I'd deal with, and that is to try and express my understanding of why the government is doing this. And I would hope that my friends opposite would tune in to this part of the broadcast, Mr. Speaker, because I am now going to try and express what I understand is the motivation underlying this decision.

Now I'm not going to repeat the point that I made last night prematurely. You'll recall when I was responding to a remark from across the way, and I talked about this being part of a general privatization thrust, and ideologically driven, representing nothing more than the remnants of an old right-wing anti-Crown corporation philosophy that has been around this province since at least the Second World War, at least the end of the Second World War; and that this is not a new position but merely a rebirth of this minority stream of thought that somehow believes that we'd all be better off if all of the assets and all of the resources were in the hands of a privileged few, of a well-to-do few who we could then count on to manage those resources and those assets to the benefit of all of us.

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

**Mr. Mitchell:** — Now how that makes sense, why that makes sense has always totally escaped me and is one of the main principles upon which I find myself a member of this political party sitting with my colleagues on this side of the House. I've never been able to understand what it is about the idea that some private people, a relatively small number of private people should own everything, and that was somehow better than if us ordinary people got to own part of it. And that's, I guess, the difference between me and at least some of the people opposite, although I expect if you scratch the surface of some of the people on that side of the House their real feelings would be closer to mine than they are . . .

**An Hon. Member:** — No, never, never. It'd never happen.



**Mr. Mitchell:** — My colleague says that it would never happen, but I want to be generous in these remarks and say that I think with some of them they would make some allowances.

It is an outlandish notion, Mr. Speaker, an outlandish notion that you and I would be better off if the resources of this province were all owned by private companies. We could express private companies in many ways. We could say multinational corporations or international corporations or international pools of capital, but we all come down to the same thing. It is in private hands, in the hands of a privileged few.

(1200)

And why I and my family and my friends and neighbours would be better off if those assets were owned by some rich person or group of persons rather than when my friends and neighbours own the asset themselves, I have never been able to understand. And that old stream of right-wing thought, always been part of the political history of this province, and continues to be part of it, and finds its present expressions in the Conservative Party in this province.

Now as I said last night, that didn't used to be the case, Mr. Speaker. It's not too many years ago that that stream of thought was firmly embedded in the Liberal Party in this province. I'm not letting the Liberals off the hook because I don't think they've changed very much during the years, but a lot of the people that espoused this right-wing point of view now find themselves within the Conservative Party, and some of them are elected members in this House.

And what we're seeing here with this privatization thrust, this privatization thrust, that in the throne speech included SaskPower, SGI, and the potash corporation, is merely an expression of that old, shop-worn, reactionary, right-wing approach to this important public issue that's been around since the Second World War, and will probably be around all of our lives.

**An Hon. Member:** — Don't be so soft; toughen up!

**Mr. Mitchell:** — I'm being urged to toughen up, Mr. Speaker. But I don't want to exceed the bounds of rational debate in this House, because I'm trying to be very careful that my presentation is entirely rational and logical. And I don't want to slip into any polemics here, into any polemics. And I think that lies at the root of this privatization thrust.

There are two other possibilities, Mr. Speaker, that could underlie the approach of this government. I mean, if they say that this is not simply an expression of the old, right-wing, reactionary philosophy with respect to public assets in this province, if that's not the reason, then it may be one of the following two.

The first is just simply that what they're really saying here is that we're just not up to this. We just can't do it. The problems and the challenges of managing public assets like the gas distribution system, like the SGI, like the potash corporation is just too hard a job for the

government to handle. They just can't manage it, and so they say we want to give up. We want to turn all these things over to some private sector people and let them run it. We want those problems taken off our plate so we can concentrate on some smaller problems.

Now I'd be interested to know whether any members opposite will be picking up that point in the next few days and telling us that they do have the intestinal fortitude to face these challenges, and that they do have the strength and the courage to actually run our own potash corporation and our insurance office and our power corporation.

But I think that the privatization thrust in the throne speech was little more than an admission of defeat as far as this government is concerned, an admission of defeat in the sense that they're saying, we can't do this. We don't know how to do it. We don't know how to do it; we want to return it to the old way where all of the power facilities in this province were in private hands. We want to go back to the old way in insurance where all of the insurance companies were in private hands and privately owned. We want to go back to the old way in which all of the potash in this province was mined and refined and sold by private people, by private individuals.

That is how I read the throne speech when you consider its long-term impact. This privatization thrust is little more than that, Mr. Speaker. It's little more than a group of elected people who just say, we no longer have the stomach for this; this is too ambitious; it is too ambitious to think that a people would be able to own their own power corporation; would be able to distribute their own natural gas; would be able to run their own insurance company; would be able to run their own telephone company; would be able to do all the other things that we Saskatchewan people have been doing together for a long time. They're saying we no longer have the capacity or the ability to do that.

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

**Mr. Mitchell:** — Now that's one possibility. The other possibility is that they simply need the money, and that is grave.

**An Hon. Member:** — What would they need the money for?

**Mr. Mitchell:** — My colleagues ask the question: what would they need the money for? And the answer is to cover this enormous debt that they've created that is a burden on the people of the province of Saskatchewan. And we're talking about a debt of more than \$4 billion accumulated in little more than seven years.

And it is certainly possible, and more than possible. I believe it to be the case that these privatization efforts by this government is an attempt to collect . . . to bring some money in, to bring some money in to try and put their books in better balance. They simply need the money and they can't think how else to get it except to sell off our Crown corporations. Now, Mr. Speaker, that is a grave situation. We have described that in a number of ways within and outside this House.

It's like you, Mr. Speaker, a farmer, selling your land in order to pay your debt and remaining as a tenant on your own land. That makes no sense. That is stupid economics. That deprives you of the profit from your land and deprives you of any capital appreciation and all of the other things that go with being the owner of your own land. And these guys are selling public assets in order to cover their own financial and fiscal incompetence, Mr. Speaker. That's what they're doing.

Now they will admit this, Mr. Speaker. They will admit this in private conversation, and I would like them to stand up in this House and frankly admit to the people of the province that this is what they're doing, that this is what they're up to, that this is what drives their decisions.

And I'm glad to see that the minister from Weyburn is back in the House to listen to my remarks before I finish, because I . . .

**The Speaker:** — Order, order. The member for Saskatoon Fairview has referred to the return of a member, and we don't do things in the House of that nature, and I'm sure he'll recognize that.

**Mr. Mitchell:** — Oh, I apologize, Mr. Speaker. I know better. I got carried away — I got carried away. I was just saying that a possible reason underlying this privatization thrust is simply that they need the money. And so they're going through a number of one-time sales — one-time-only sales — selling off our public assets.

And that's what is it, Mr. Speaker, whether it's highway equipment or dental chairs or Saskoil or any of the other little privatizations that they've had going, and that's what they're hoping to do here — selling off our potash corporation so that they can get a one-time infusion of cash to put into the general revenue of this province so that they can look better, so that they can produce a set of books for one year, for one year only, where they wouldn't be in deficit.

What a wonderful, wonderful experience it would be for my friends opposite if just once that they could come down with a budget that was actually in balance, actually in balance. And the only way that they can get there is to sell off our public assets, to sell off our heritage. What a disgraceful thing, Mr. Speaker. What a foolish, short-sighted public policy.

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

**Mr. Mitchell:** — And if that is any part of the motivation of my friends opposite for their bringing in this Bill and for their proceeding with this privatization thrust, then I earnestly ask them to renounce that, to renounce that intention. These public assets have been accumulated by successive governments in this province over a long time, and underlying the accumulation of those assets have been sound, stable, long-lasting reasons of public policy. And it is simply irresponsible for anybody to be selling off those assets simply because they need the money.

You guys got your . . . pardon me, Mr. Speaker . . . They got themselves into this position by their own handling of

the economy of this province. They got themselves into this position by deliberate decisions that they made with respect to revenue and expenditures in this province.

The fact of the matter is that they've increased the flow of revenues into their coffers by almost 80 per cent since they've been elected government. Their tax take, on the whole, their total revenue is increased by almost 80 per cent. Problem is their expenditures have increased by 88 per cent, and there is your deficit. And they're trying to cover that deficit by desperately trying to sell off the heritage of this province, the public assets of this province — a one-time sale — a one-time infusion of cash into the general revenue of this province, so that the Minister of Finance can stand in his place next March at budget time and say, we have produced a balanced budget. And the Premier then says, let's have an election.

That's what I fear. And if that's the case, Mr. Speaker, then I would appeal . . .

**The Speaker:** — Order, order. I'd like to draw the member from Moose Jaw North and the member from Weyburn to attention, and allow the debate to continue without interference. I know that you'll want to co-operate; at least I trust you will.

Order. The member from Moose Jaw North, I'm giving you a second warning in a row, and please refrain.

**Mr. Mitchell:** — I do sincerely and most earnestly want to beseech the members opposite that if that is your motivation, if you are simply trying to bring in some money, if you're simply trying to pull in some money, then I would . . .

**The Speaker:** — Order, order. I'm going to call the members to order once more. I'm going to call the members to order once more and allow the member for Saskatoon Fairview to continue his remarks without constant interruption.

**Mr. Mitchell:** — Mr. Speaker, I simply want to finish this point by earnestly beseeching my friends opposite that if it is any part of the motivation of this government to be selling these assets in order to cover their cash deficit, that they abandon that policy for the sake of the province. For the sake of our future, don't do it that way, don't do it that way.

If they're not able to manage the resources of this province, and if they're not able to manage the fiscal affairs of this province, well we just have to put up with that; until they can be replaced, we have to put up with that.

We're better off, Mr. Speaker, just to let the deficit lie there and try and deal with it in the future than we are to try and artificially cover that deficit by having a fire sale of our assets. We must not have a fire sale of our assets. We must take a long-range view of the problems of governing this province and make decisions now which will be in the best interests of succeeding generations. People are going to be living in this province for a long time, Mr. Speaker, and it is incumbent upon us to take a long-range view when we come to certain questions which are as

serious as the ones posed by this Bill.

(1215)

One of the features of this Bill is that it allows, it specifically allows for a certain level of foreign ownership. And I'm going to deal with that in a few minutes in a number of contexts, one of them being the free trade agreement, which will gladden the heart of the member from Weyburn.

But the section 11(2) of the Bill deals with the non-residents and their associates holding shares in the company and permits a level of non-resident ownership to the level of 45 per cent of the number of votes that may be cast. Now this gets us into the very real prospect that the Premier raised in his Asian trip last January, where he in effect tried to peddle pieces of the potash corporation to a lot of countries in Asia.

Now he was offering some percentage of the potash corporation to so many countries you'd wonder that there was even going to be anything left for us in Saskatchewan. I think there wouldn't be. The terms he was talking, if everybody had accepted his offer, we would have sold more than 100 per cent of the potash corporation entirely to the countries of Asia. And the rationale for that from the Minister of Finance and from the Premier was that it somehow made sense to sell pieces of this corporation to our customers.

Now we took immediate exception to that, and the public immediately reacted to that, Mr. Speaker, because frankly it does not make sense that your customers would own your corporation, that your customers would have control over your corporation. As was pointed out at that time outside this House, what that means is that the customers could very easily control the affairs of the corporation in their interests, rather than in the interests of the corporation, so that the corporation would be run for the interest of the purchasers rather than the . . . the purchasers of potash rather than the producers of potash.

Now that's a very bizarre concept, Mr. Speaker, a very bizarre concept. As we on this side of the House have been consulting over the weeks with respect to this Bill, in the private sector, we have almost uniformly or almost always encountered ridicule with respect to this idea. We have, almost without exception, found expressions of ridicule at the idea that we would be selling pieces of this potash corporation to the countries who purchase the potash from the corporation. The ideas that are being expressed to us in these consultations, Mr. Speaker, is that that is just a foolish idea . . .

**The Speaker:** — Order.

**Mr. Hagel:** — Mr. Speaker, I recognize that you've just recently called this House to order because of conduct, and I'm finding it difficult to follow the debate going on because of the interventions of the minister of privatization. And I would ask that you would call the . . .

**The Speaker:** — Order, order. Well let me say this to the hon. member from Moose Jaw. The point of order is in

order; however, I believe that if he's going to raise an order of that nature, he should be fair and just in his remarks. Now I point this out to you, sir, that as you were raising that point of order against a member on the opposite side, your colleague beside you was doing exactly the same thing.

Now let me just say this, sir, that the point of order is well taken. Members should adhere to the fact that they should not be constantly interrupting the speaker. I also say this, that this has been brought to the attention of members over and over, and I find it interesting that members do not adhere to it and then stand up and raise points of order. All members have to do is refrain from the same, and the debate continues.

**Mr. Mitchell:** — Thank you, Mr. Speaker. I was just saying that in the consultations that we've had, particularly with resource sector people, on the contents of this Bill, they express ridicule, dismay . . .

**An Hon. Member:** — Jack Messer, David Dombowsky?

**Mr. Mitchell:** — No, the minister suggests some names to us, and I want to say, not them. These are people whom I have not had contact with before in any way related to the business of this House. And almost uniformly they express ridicule and dismay at the idea that we would be selling significant pieces of the potash corporation to the customers — to the customers. Because it raises the inevitable spectre of the customers being able to influence the policy of the corporation — the customers being able to influence the policies of the potash corporation, or whatever remains of it after this privatization Bill is brought into effect.

In the oil and gas sector, world-wide, Mr. Speaker, public ownership is the most common thing, public ownership is the most common attribute. If you go to . . . If you look at, for example, Saudi Arabia, Mr. Speaker, who is the king of the oil producers, the country that has such enormous reserves of crude oil that they dominate the complete market, you will find that the oil resources of that country are entirely owned by the state — entirely owned by the state.

It's a different form of government than ours. It is not a democratically elected government. It is a government with a monarchy, a real monarchy where the king runs the country, but the oil resources of that country are owned by the state, as represented by that monarch.

Mr. Speaker, the state owns the oil; the state explores for the oil; the state pumps the oil out of the ground; the state, Saudi Arabia, transports the oil from the well-head to the refinery; and the state does a lot of the refining. So that the idea of public involvement in the resource sector, in the oil resource sector world-wide, is the most common thing — is the most common thing.

What we're doing in Saskatchewan in potash is an experience that's been . . . that is an old experience, world-wide in the resource sector. We're not . . . the idea of creating a potash corporation here, a Crown corporation, to exploit our own resources is not a radical idea, not a different idea, one that has been repeated

many, many times in the past.

**An Hon. Member:** — Do they vote in Saudi Arabia?

**Mr. Mitchell:** — The member opposite asks whether they vote in Saudi Arabia, and if he'd been listening carefully to my remarks he would have known that I drew a distinction between our form of government and theirs. And I said that in Saudi Arabia they do not have a democratically elected government. They have a monarchy. The state in Saudi Arabia is not a democratically elected assembly as it is here, but is, rather, a hereditary king. But it is still the state; it is still the state. It is still the state, and the state owns the oil. The state owns the oil.

Mr. Speaker, if the king of Saudi Arabia were to die tomorrow and be succeeded by another king, one of the princes come up to be appointed the king, the new king would own the oil as king of Saudi Arabia, not as Prince Faisal, or whoever it is who's next in line.

So it is an exact parallel to what we have in Saskatchewan. The state owns the oil in Saudi Arabia; the potash corporation mines and refines and exports potash from Saskatchewan — a precise parallel. So that this idea of government, total government involvement in a resource, as a producer of the resource and as a seller of the resource, is not a radical idea.

My friends opposite have no reason to feel embarrassed by the fact that they are, for the time being, the stewards of a Crown corporation involved in the resource area because it is such a familiar idea. And if the rather right-wing, rather reactionary government of Saudi Arabia can live with the idea of being the owners and developers and exporters of a resource, then surely my friends opposite with their philosophy can live with the idea of being the owners and the developers and the exporters of one of our resources.

There's no need on ideological grounds to be embarrassed about the role that you were cast into when you were elected the government of this province, having the stewardship of the public's assets, as is the case with the potash corporation. Mr. Speaker, they are violating that stewardship. They are violating that stewardship. They are deciding to sell off these public assets, and they're doing it without a specific mandate on that point from the people of this province, and that's wrong.

Mentioning Saudi Arabia takes me, Mr. Speaker, to my second last major point, and it is the idea of using our strength, the idea of we in Saskatchewan properly using the situation which circumstance has put us in.

Let me just go back to the Saudi Arabia example on a different point now. The government of Saudi Arabia happens to be sitting upon the largest reserves of oil, of crude oil, in the world. By circumstance, by happenchance, they are in possession of that oil, and it is such a large portion of the world's supply of oil that they find themselves in a position to control that market.

So, Mr. Speaker, if Saudi Arabia wanted to, they could easily raise the price of oil internationally, and therefore

oil in Saskatchewan, by whatever they wanted to — \$10 a barrel, \$20 a barrel, \$30 a barrel. Whatever they decide to do, they have the ability to do because they're in that fortunate position where they control such a large share of the resource.

And Saudi Arabia is not about to give that up, Mr. Speaker. The king, the monarchy in Saudi Arabia is not embarking on any privatization thrust. The monarchy, the king of Saudi Arabia, is not trying to sell off its company that pumps the oil out of the ground, or to sell off the company that is taking the oil to the refinery, or to sell off the company that is refining the oil, or to sell off the company that is selling that oil on the international market. By no means. The king of Saudi Arabia simply wouldn't be so stupid as to do a thing like that and thereby surrender the control that Saudi Arabia has over the international oil market.

We in Saskatchewan are in an analogous position. We in Saskatchewan, with our Potash Corporation of Saskatchewan, our very own Crown corporation, are in a very strong position on the international potash market. Now you recall from my remarks last night, my analysis of the distribution of the potash resource across the world and how large a player in that international market is the province of Saskatchewan — a very large player.

Well within Saskatchewan, Mr. Speaker, and I believe I also touched on this last night, the potash corporation is the major actor. It is by far and away the largest corporation. And as such, it has enormous clout. As the largest producer, particularly with the overhang that it has in terms of excess capacity, it has the ability to influence the international and domestic market on potash to a remarkable extent. And they have proven that in the past, they have proven it in the past.

(1230)

The minister responsible for the potash corporation by a simple announcement can increase — by a decision made by his government — can increase the price at which potash is sold into the United States, almost doubling it as was the case in the steps that were taken to resolve the anti-dumping action in the United States just a little more than a year ago.

That demonstrates as clearly as anything could what kind of clout PCS has in the potash market. By a simple decision of this government, they almost doubled the price at which Canadian potash, Saskatchewan potash was being sold into the American market. No other company was in that position, IMCC could not have done that. Central Canada Potash could not have done that. Cominco could not have done that. None of the other potash companies have the clout to do that, but the potash corporation have that kind of clout.

Another source of their clout, Mr. Speaker, is this overhang I spoke of where they have unused productive capacity to an extent that no other potash company in the world has unused capacity. They could put another — how much? — another 600,000 tonnes on the market tomorrow, just like that, by simply deciding to do that, by opening the Cory mine and by running the other mines at

full capacity. They could do better than that; they could do better than that. That's a lot of clout, Mr. Speaker.

And my point is simply this. Why don't we learn something from the way in which Saudi Arabia does business? Why don't we learn that when circumstances . . . when events are placed in your hands, such an enormous lever, that we simply resolve that we will keep that lever in our hands; that we will continue to hold that position of influence that circumstances and hap and chances brought us into — that events that thrust upon us.

Just as Saudi Arabia was by no fault of its own, in possession of all that oil and has that enormous clout on the international oil market, here we are in Saskatchewan, the owners of the largest potash company in the world, sitting on a supply of potash that's going to last for thousands of years. Why don't we just steady the course? Why not just hang on to those levers? Why not face the responsibilities and the challenges in that situation and the opportunities in that situation for the best interests of all of the people of Saskatchewan?

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

**Mr. Mitchell:** — Why does it make sense to just voluntarily hand that control over to somebody else? A serious question, Mr. Speaker. Why does it make sense to just hand that control over to people who have enough money to be able to afford to buy shares in a new PCS? Why does that make sense? In no other sector, with respect to no other resource, will Saskatchewan ever find itself in that position. No time in the future of this province for thousands of years are we going to be in the fortunate position of having this opportunity, and my friends opposite are deliberately frittering it away.

And they're frittering it away for reasons which are not comprehensible, not understandable for us on this side of the House or for the general public in this province. They simply do not understand why the government thinks that this is a sensible thing to do. Now I've suggested the only reasons can this morning — ideology; or we simply can't stand the pressure of operating all these difficult corporations and facing and trying to solve all these difficult problems; or finally we just need the money so we're selling off our assets in order to balance our books.

Those are the reasons that I can think of, but we simply must find somebody on that side of the House who is prepared to stand up and make a defence to the prospect of handing over our privileged position with respect to this resource, to people who've got enough money to be able to buy shares in this new company. And that is a foolish thing to do, Mr. Speaker. That is a wrong policy.

And once again I would urge members on the other side of the House to objectively review the provisions of this privatization Bill and ask themselves the question whether this is really what we in Saskatchewan want to do with our most precious resource, and whether this is the heritage, this is the legacy that we want to pass on to our children and to succeeding generations of children in this province throughout all of the years in which potash will be mined in this province.

I suggest that this is not the legacy that we want to pass on. Rather, we should face the future with courage, with determination, and with the integrity to do the best thing that we possibly can for future generations. And that requires that we not give this corporation away; that requires that we fulfil our responsibilities as stewards of the people's Crown corporation and allow that corporation to continue to mine the potash resource and refine it and export it to the countries of the world, to the benefit of Saskatchewan people for future years.

Now as advertised, Mr. Speaker, the free trade agreement, to the delight of my friend from Weyburn, is an important factor in Bill 20. Mr. Speaker, you may recall that I raised this in question period one day in a question to the Minister of Finance. And my question, as I recalled it, was whether the government had considered in drafting Bill 20, the effect of article 1602, subsections 5 and 6 — article 1602, clauses 5 and 6 of the free trade agreement. And his answer was that Bill 20 was in full compliance with the free trade agreement.

What that answer indicated to me, Mr. Speaker, was that the minister didn't have any idea what I was talking about. What that indicated to me is that the minister had not for a moment considered how the free trade agreement may impact upon Bill 20, and that particularly the provisions of clauses 5 and 6 had not been considered. And they are important, Mr. Speaker, and they're directly relevant.

Now I would like to take the time of the House to read those clauses, which are short clauses in article 1602 of the free trade agreement, on page 234 of the agreement. And article 16 is the chapter dealing with investment, Mr. Speaker, investment by Americans in the Canadian economy. And I quote clause 5:

Canada may introduce any new measure in respect of any business enterprise that is carried on at the date of entry into force of this Agreement by or on behalf of Canada or a province or a Crown corporation that:

- (a) is inconsistent with the provisions of paragraphs 1 or 2 and relates to the acquisition or sale of such business enterprise; or
- (b) relates to the direct or indirect ownership at any time of such business enterprise.

In other words, Mr. Speaker, you are able to sell off a Crown corporation, and in selling off that Crown corporation you don't have to be bound by clauses 1 and 2 of article 1602.

Now those are the clauses that give the American investors a right to invest in Canada free from any kind of discrimination or any kind of control. Mr. Speaker, you recall in my free trade speeches in the House, I have discussed the provisions of article 16 at some length, how they open up Canada to American investment which we will not ever be able to control in any important respect.

Well what this says is that when you're selling a Crown

corporation you don't have to follow that clause. You don't have to give the Americans unlimited access to the sale of that Crown corporation. You can limit the amount of American ownership or the amount of foreign ownership or the amount of foreign ownership which is, for purposes of this agreement, the same thing. You don't have to give them unlimited access; you can limit the access. So that's what clause 5 says.

Clause 6 then follows that by saying this:

6. Once Canada has introduced a new measure pursuant to paragraph 5, it shall not:

- (a) in the case of a new measure introduced pursuant to subparagraph 5(a), amend such new measure or introduce any subsequent measure that, as the case may be, renders such new measure more inconsistent with, or is more inconsistent with, the provisions of paragraphs 1 or 2; or
- (b) in the case of a new measure introduced pursuant to subparagraph 5(b), increase any ownership restrictions contained in such new measure.

Now in simple terms, Mr. Speaker, what that says is that once you have limited the amount of foreign ownership of the Crown corporation under clause 5, once you introduce that limitation, you can't make that limitation any worse, any worse.

Now I know that that's a pretty complicated idea to be put before the House at such a late hour in this particular sitting, but let me just review that in the simplest terms, Mr. Speaker. It just simply means this: if we're selling a Crown corporation, then we can limit the amount of American ownership in that Crown corporation, but we can only do that once — at the time that we're selling. We can limit it at that time and at that time only. And having limited it at that level, we can never make it any more difficult for Americans to invest. In other words, we're stuck with what we do now.

Now if you look at section 11(2) of Bill No. 20, this potash privatization Act, it allows non-resident ownership of up to 45 per cent, of up to 45 per cent of the new PCS, Mr. Speaker. Now what does that mean? That means that under the free trade agreement, American investors are limited to 45 per cent ownership of the new PCS. And my point is simply this: if we pass this Bill, we can never increase any greater limitation. We will never be able to say, no, you can only own 35 per cent, or no, you can only own 20 per cent, or — Heaven forbid — no, you can't ever own any of it, any of it.

Now that, Mr. Speaker, is a very significant idea. In other words, if we pass this Bill, section 11(2), which is this 45 per cent limitation on non-resident ownership, it becomes embedded in concrete. I mean it becomes an irrevocable provision and we will never be able to change that.

Now the scary part of it all is, as I understood the exchange between the minister and I, is that the

government hadn't taken this into account. The government hadn't taken this into account because, I remind you, when I asked him whether he had considered this particular provision of the free trade agreement, his answer was that the Bill was fully in compliance with the free trade agreement. Obviously he did not know what I was talking about. Obviously he did not know that article 1602 of the free trade agreement is an extremely important provision as it relates to the privatization of any Crown corporation.

Now I don't know what that tells you, Mr. Speaker. I think what it tells you is that this Bill is not thought out at all; that this Bill is not carefully considered; that this Bill is simply part of this privatization thrust that I've been talking about; just one piece in the big old-fashioned, right-wing agenda, the anti-Crown corporation agenda, where somehow we're all going to be better off if all of our province is owned by a few wealthy individuals and the people have no right really to own anything. That's a philosophy with which I don't agree. It's a dumb philosophy, and it's particularly so in the case of the Potash Corporation of Saskatchewan.

(1245)

So again, Mr. Speaker, if there's anybody on that side of the House that's listening at the moment, I would urge the government to very carefully consider article 1602 of the free trade agreement, and particularly clauses 5 and 6 of article 16, and consider very carefully whether you want to cast that 45 per cent provision in stone. Because if we pass this Bill, Mr. Speaker, and if we make section 11(2) the law, then the Americans will for ever be entitled to maintain that 45 per cent provision. Whether they own all the shares or not they have a right to purchase them up to 45 per cent and it is that right that is protected by the free trade agreement.

Why would the government opposite want to tie the hands of future generations of Saskatchewan people by introducing a provision like that? I mean I can accept that they don't have the stomach to run the Potash Corporation of Saskatchewan themselves. They've proven that again and again that they simply don't have the stomach for it.

I've had put on my desk during the time I was talking, this so-called study from the Institute for Saskatchewan Enterprise, *The Potash Investment*, and what it shows is that the government and the management of this Potash Corporation of Saskatchewan have so bungled the affairs of the potash corporation that they must be replaced. They're the people we should be replacing.

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

**Mr. Mitchell:** — We shouldn't be standing here, we shouldn't be standing in here in this legislature debating whether or not we should sell off the Potash Corporation of Saskatchewan or whether we should privatize it or whether we should sell all these shares, we should be in here debating the incompetence that this government has shown in the way in which it's run the potash corporation and the incompetence of the managers that it's had running that corporation for the last seven years, that will

allow this study to pull out some of the statistics that it's apparently pulled in connection with this report.

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

**Mr. Mitchell:** — I have not of course had the opportunity to read this, because I think it wasn't released until I was on my feet and I haven't had an opportunity to read it because I've been so busy sharing my views on this piece of legislation with the House, Mr. Speaker, so I intend to come back to this report, but I have had a chance to glance at it and at aspects of schedule 2 to it, and I think this speaks more to the competence of the management of the potash corporation than it does to the idea of a Crown corporation exploiting our most precious asset.

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

**Mr. Mitchell:** — Now, Mr. Speaker, I want to just return to this free trade point for one more moment, and I want to strongly urge the responsible ministers, the Minister of Trade, the member from Kindersley, and the minister responsible for the potash corporation, to seriously review the provisions of section 11(2), in the light of article 1602 of the free trade agreement. And I know — I dare use that term — I know that this was not considered during the drafting process of Bill 20. I know that from the minister's answer that he gave me in this House.

So, Mr. Speaker, that circumstance demands that the government reconsider the implications of section 11(2) and ask themselves this very important question: are you suggesting, are you maintaining that we ought to write in stone in this legislature the idea that we ought to write in stone in this legislature the idea that for ever and all time, the Americans, as a matter of right, will be entitled to maintain a 45 per cent non-resident share ownership provision for the new Potash Corporation of Saskatchewan? I suggest that if that question were put to members of the government caucus in their caucus that they would not be accepting of that provision. They would not be accepting of that provision.

I know why that provision is in there. All members on this side of the House know why it's in there. The Premier went off on this grand junket to Asia last January and he started talking about the potash corporation, and you know and I know that he was doing that without any briefing notes, without any instructions from either the board of directors of the potash corporation or his own cabinet, but simply got shooting from the hip on this idea of selling parts of the potash corporation to our customers of all people; to China, to Japan, to India, to South Korea — very, very hot on the idea of a sale to China — and then ran into a great deal of political flak back here at home as the people of Saskatchewan came to the understanding that our Premier was out there actively trying to sell our potash corporation to the countries of Asia, to our customers. That was obviously absurd, and the Premier scrambled for cover, the Minister of Finance scrambled for cover as they said, well we didn't really mean that; we didn't really mean that.

In the end we see an attempt by section 11(2) to waylay those concerns, Mr. Speaker, and that's all it was — just an attempt, an attempt to waylay those concerns. Section 11(2) only attempts to say this. The government is only

attempting to say this, saying no matter how much of the potash corporation we sell to China or Japan or South Korea or India, we will never sell more than 45 per cent. That's all they were trying to do.

And I understand that. You know, obviously they had to do something because the Premier had created such an uproar, such an uproar with his off-the-cuff statements in those countries, and his unprepared, unrehearsed negotiations with the people that he met with. He created such a furore that he had to deal with it in some way, and this is the way the government sought to do it. And I understand that. And while I think it was just incredible that the Premier would have got himself into that position, the fact is he was in that position, so he had to do something.

So here he comes with subsection 2 of section 11 saying, well okay, I know I said all those things in Asia, but I didn't really mean them, and in the final analysis we are not going to sell off more than 45 per cent to our customers. And he says, well now, people of Saskatchewan, you can relax and you can feel good because our customers are at least not going to own more than 50 per cent of the shares. Quite an argument and quite a point, but that's what they're trying to say.

And all I say is that when you were doing that for that purpose, which I understand, nobody told you about article 1602. Nobody told you that by enacting those provisions you'd be tying your hands for ever. For as long as there is a potash corporation in this province, the American investors have a right of access to . . . have a right to ensure that 45 per cent of those shares can be owned by non-residents. They have that right by virtue of this free trade agreement. It's an enforceable right and we will be stuck with it.

So I want to, as earnestly and sincerely as I can, ask the members opposite to review that point, and to ask themselves whether that is really what they want to do. And I repeat, Mr. Speaker, I don't believe that that's what they wanted to do when they drafted the section. I don't think they knew about this provision. But now, knowing about it, I invite them to go back to their caucus and go over that once more and ask themselves whether that's really what they want to do.

Now just before leaving that point, of course, Mr. Speaker, I mentioned that my analysis for why the government would put in that subsection 2, and I just draw the obvious . . . I just make the obvious point that that does not guarantee that our customers won't control the corporation, because everybody knows that you can control the affairs of a publicly held corporation with less than 50 per cent of the shares. You can control the affairs of some public corporations in this country with as little as 8 per cent of the shares — with as little as 8 per cent of the shares.

Now I realize that one country can't own all of the 45 per cent of these shares, Mr. Speaker. But six countries could own 30 per cent of the shares. Seven countries could own 35 per cent of the shares. Six Chinese corporations could own 30 per cent of the shares. Six South Korea corporations could own 30 per cent of the shares. And

that could be control, and very effective control. And why we would want to do that voluntarily by an Act of this legislature; again escapes belief — escapes any logical explanation.

And if there is a short-sighted part of this Bill — there are many short-sighted parts — but of all the short-sighted parts of this Bill, surely that is the most short-sighted of all.

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

**Mr. Mitchell:** — Nobody knowledgeable about international trade in resources believes for a moment that there is any advantage to a supplier being controlled by its customer. In fact, nobody . . .

**The Speaker:** — Order, order. It's very interesting that the hon. member from Moose Jaw North, who just a few minutes ago rose on a point of order that somebody else was disturbing the decorum of the House, is now in the midst of doing just that, and I bring that to his attention. I bring it also to the attention of other members to once again refrain from interruptions.

**Mr. Mitchell:** — I was just making my farewell point on this question of ownership. Mr. Speaker, and I want to say it again — my last sentence on it — no one in international trade that I have talked to over the last year and a half has any respect for the notion that it is an advantage for a supplier to be owned and controlled by its customer. No one believes that.

Everyone believes that the customer will always act in his best interests. The customer, being the rather self-centred person that he is, or she is, will always act in their own best interests. And so if they have an ownership position in this corporation which could allow them to control the affairs of the corporation — and it's a publicly held company, Mr. Member, so you can't shake your head at that — they will always run it to their advantage and not to ours. And that makes no sense.

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

**Mr. Mitchell:** — Now, Mr. Speaker . . .

**The Speaker:** — It being 1 o'clock, the House stands adjourned until Tuesday, at 2 p.m.

The Assembly adjourned at 1 p.m.