

EVENING SITTING

ADJOURNED DEBATES

SECOND READINGS

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

Hon. Mr. Andrew: — Mr. Speaker, before orders of the day I raised . . . or before 5 o'clock adjournment, I raised on a point of order the issue of the hon. member plagiarizing the speech of the Leader of the Opposition when he delivered his speech on this debate on April 19, 1989. Over the 5 to 7 break, Mr. Speaker, I obtained a verbatim copy of what the hon. member said, and I would wish to read into the record what the hon. member said from *Hansard* just before 5 o'clock. And what he read . . . and I raised the point of order and the Hon. Speaker asked for information . . .

The Speaker: — If I may just interrupt, some of the hon. members would like you to repeat the point of order so that . . .

Hon. Mr. Andrew: — Mr. Speaker, I raised the point of order pursuant to section . . . rule 25(2) of the rules of debate, which says:

The Speaker . . . after having called the attention of the Assembly, or of the committee, to the conduct of a Member who persists in irrelevance, or tedious repetition, either of his own arguments or . . . arguments . . . (made) by other Members in debate, may direct him to discontinue his speech, and if the Member continues to speak, the Speaker shall name him . . .

Now I will go back and read the content of what was said just before 5 o'clock. I will read it verbatim and I will table the verbatim in the House. It says as follows:

In simple terms . . . (I'm reading here just before I raised the point of order, Mr. Speaker). In simple terms, it's a non-renewable resource which offers Saskatchewan a sound base for economic development and diversification, and a sound base for growth and hope and opportunity that I talked about earlier.

One only has to look at the world sales figures for potash to grasp the size of that opportunity. In 1990 world potash sales are expected to top 31 million metric tons. At current prices, that makes potash a three and a half billion dollar a year industry.

Saskatchewan today supplies about a quarter of that market, but the potential for growth is exceptional. We are the free world's single largest producer. Only the Soviet Union is larger.

If, Mr. Speaker, I refer you to April 19, 1989, a speech by the Leader of the Opposition at page 900, and I will read, Mr. Speaker, from that, and it says:

In simple terms, potash is a non-renewable resource which offers this province the hope of a sound base for economic development and true diversification, not words (Mr. Speaker,) PC-style, but hope for economic development, a sound base for growth, hope and opportunity. One only has to look at the world sales figures for potash to grasp the size of the opportunity; in 1990 world potash sales are expected to top 31 million metric tonnes; at current prices (Mr. Speaker) . . . potash a \$3.5 billion industry a year . . .

Saskatchewan today supplies about a quarter of that market, but the potential for growth is exceptional, and we are the free world's largest single producer. Only the Soviet Union is larger. And our potash mines are the most productive and efficient in the world.

Mr. Speaker, that is verbatim what the hon. member was saying — verbatim from some other member's speech delivered April 19, 1989 in this House. That is plagiarism, Mr. Speaker. That is repetition, not of his own words but of some other member's words. That is violation of rule 25(2) of this Assembly.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, I just want to make a few comments on the minister's point of order in terms of repetition. I want to say, Mr. Speaker, that having been in the House for about 10 years, I have listened to many member in the government side speak on many issues. And I remember back in the days when some of them were in opposition, and it seems to me that many things are repeated in this House. I, for example, have seen the Premier repeat the same lines over and over again in speeches — that's right — in speeches, in the same debate. The same letters are often quoted over and over again.

Mr. Speaker, I can remember one line about a paper that was written by the Premier back in 1977 that refers to 80 per cent of the farmers being non-productive and should not be supported by the 20 per cent who are productive. That has been used, if not once, a hundred times, repeating lines over and over again.

Now the minister from Regina South is shouting and yelling . . .

The Speaker: — Order, order.

Mr. Lingenfelter: — Mr. Speaker, I would just refer that there are many times when lines are repeated over and over again in this Assembly. This is not new, should not surprise anyone. In fact, I want to refer again to *Beauchesne's* on page 98, rule 299, that refers to repetition in debate. I want to quote rule 299, section 2, and it says that:

The rule against repetition is difficult to enforce as the various stages of a bill's progress give ample opportunity and even encouragement for repetition.

These are the rules of the Assembly. We're not talking about plagiarism here. The member from Regina South doesn't know what he's talking about. We're talking about repetition — that was the point of order. That's the point of order. There's . . .

The Speaker: — Order, order. The member for Regina South, I believe, has had his opportunity to make his point, and let us allow the member for Regina Elphinstone to finish his remarks.

Order, order.

Mr. Lingenfelter: — Mr. Speaker, the member for Regina South continues to shout about plagiarism. There's no point of order being considered on plagiarism; the point of order is repetition. And I say again that in this Assembly the repetition by the Premier in his lines are often and many. Repetition by members in the government side, they repeat the same speeches over and over again. We know that. And in this debate you will hear the same lines over and over again on why potash privatization is a bad idea, and you're going to hear those lines repeated for many days, for many weeks. So I think the Minister of Justice should not be surprised.

If you go back to historic debates when the potash was nationalized or when parts of it were taken over by the government in '75 and '76, many of the lines in the opposition at that time, why it was a bad idea, were repeated again and again during the hundred-and-some-odd hours of debate.

I can't imagine why the Minister of Justice would have so little knowledge of the rules of the Assembly that people repeating the same lines would concern him a great deal. And I just can't simply understand why he would become so outraged when one member repeats two or three lines that were similar to another member's speech. I really find that hard to believe because it seems to me the rules in *Beauchesne's* are clear, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Member for Moose Jaw North, co-operate with me. There are two or three elements to this that the Minister of Justice has raised, and one element is the charge of plagiarism. Plagiarism is not a procedural matter and therefore it is not the responsibility of the Chair to rule on that.

Repetition, of course, is a procedural matter — is a procedural matter. And let me just quote one or two sources:

The precise relevance of an argument may not always be perceptible, but a member who wanders from a subject will be reminded by the Speaker that he must speak to the question.

The hon. member . . . for a point of clarification. The hon.

member from Regina Elphinstone, as he had earlier in the day referred to rule no. 299, and he quoted, and I would also like to quote from the same rule:

The rule against repetition is difficult to enforce as the various stages of a bill's progress give ample opportunity . . .

And I think that the operative words there are "the various stages of a bill." We are now in the stage of second reading. A particular stage does not give the opportunity for continuous repetition. A particular stage in the Bill . . . We are on second reading. Second reading by itself, in isolation, doesn't give the opportunity for repetition over and over.

The rule clearly states "in various stages" — in various stages. So as a Bill moves in stages . . . Order, order. Would the member for Quill Lakes . . . the member for Quill Lakes . . . Would the member for Quill Lakes just restrain himself. This is all part of the argument.

Now each stage of the Bill does not give ample opportunity for continuous repetition.

An Hon. Member: — But repetition is okay.

The Speaker: — In fact, it gives very little latitude for repetition. It is up to the Speaker . . . Order. The member for Regina Elphinstone, I don't intend to debate with you. I ask you to still . . . just be quiet until we're finished.

Now the member for . . . the Minister of Justice has raised the issue of plagiarism and repetition. Plagiarism is not in the domain of the Chair to rule on, and therefore I do not make a ruling on that.

Repetition is, and as we have said many times in this debate, that repetition is not permissible and is not acceptable. There is some latitude given, as all members know, in debate, but continuous repetition by the member speaking and of other members' arguments, of course, is not acceptable, is not acceptable.

And therefore, I bring that to the attention; the rules all clear. However, the Chair has the ultimate decision to be made, and I remind the hon. member that he should not be repeating arguments that are not within the bounds of the rules.

Mr. Solomon: — Thank you, Mr. Speaker. Mr. Speaker . . .

Some Hon. Members: Hear, hear!

The Speaker: — I think that to further clarify the issue and once more to refer to rule 299, which seems to be a rule that was being referred to:

Relevancy (it says) is not easy to define . . .

And therefore the Chair gives considerable latitude. But the repetition is easy to define; it's quite straightforward. And therefore hon. members do not receive the same latitude in repetition.

Mr. Solomon: — Thank you, Mr. Speaker. I'm pleased to

resume my remarks with respect to Bill No. 20, an Act respecting the Reorganization of the Potash Corporation of Saskatchewan.

I'd like to add, Mr. Speaker, that during the course of my last four hours of debate, I have raised a number of issues, I have used a number of sources with regard to my remarks over four hours of speech in this House. And indeed I have even used speaker's notes which have been provided to all caucus members which included excerpts from the Leader of the Opposition's speech on this Bill.

(1915)

And I have used those speaker's notes, Mr. Speaker, out of the four hours on my feet, I have used those speaker's notes for three minutes, as a speaker's section on all of the items that I've raised to date.

Mr. Speaker, what I'd like to do now is resume my remarks and comments with regard to the potash corporation. I want to talk to you about why, originally, the New Democratic Party bought into the . . . as a government, took over the potash corporation, or nationalized the potash industry in the mid-'70s.

We've heard from the members opposite . . . The Minister of Justice has made an effort to try and resurrect his credibility that he's totally had washed out over the course of this session. The members opposite have not participated in this debate and made an effort to increase their credibility through the normal course of doing their job and participating in this debate. And I think it's a sign of a real desperate government, I think it's a sign of desperation by the member from Kindersley and the member from Weyburn when they refuse to participate in this debate and explain to their constituents and explain to the people of this province why they believe that it's important to sell off the assets of the Potash Corporation of Saskatchewan to foreign owners, owners that live in other countries, and out-of-province shareholders. They won't stand up in this House and explain that, Mr. Speaker.

And I am asking them again, for the fourth or fifth time now, to participate in this debate, stand in this House and explain why they want to give away these assets at discount prices to their friends, the people in big business, as well as to foreign owners. Why do they not believe or have confidence in the people of Saskatchewan to run their own Crown corporation?

Mr. Speaker, we bought into this corporation for a number of reasons. And there was evidence that the province was missing many of the spin-off benefits that should have existed during the mid-'70s with regard to potash. For example, there was not one single head office here, even though technically and legally Regina was listed as the head office for Canpotex while in fact it was run out of Toronto. As a result, goods and services that should have been produced locally were obtained elsewhere. And that's part of the effect of having a head office in this province. If you've got a head office here, Mr. Speaker, you purchase products that the head office would consume locally, in most cases; you participate in the economy; you have your employees working out of that head office; and you share in the economy and help

build the economy locally.

We did not have a head office of any potash corporation here at that time, but expansion that should have been occurring as well in Saskatchewan in the mid-'70s was being planned in other locations, despite the fact that we were among the lowest-cost producers in all of the world. We had the lowest cost of production in all of the world in Saskatchewan. This was an area where we have the wealthiest resource of potash anywhere in the world, yet this government here believes that we shouldn't be in charge of that, or we shouldn't have a head office here or run the management of our resources.

As well, vital research and development activities that would keep our industry competitive and help us diversify into value added activities to create more jobs were simply not occurring in Saskatchewan.

So what did we do, Mr. Speaker? What did the government of Allan Blakeney and the New Democratic Party do in the mid-'70s? Well we took over the potash industry in 1975, and we had our first full year of operation in 1976. Financially the corporation was an outstanding success; for example, in 1980 it achieved a 40 per cent rate of return, Mr. Speaker, on Heritage Fund equity, and in 1981 it was at 34 per cent — a far cry from the overall 3.7 per cent the government now talks about, and what they've achieved in their 7 years.

In 1980 the Potash Corporation of Saskatchewan was number 17 for gross profitability among all Canadian companies. By the end of 1981 it had dividends, it had provided dividends out of the profits of \$100 million, Mr. Speaker — \$100 million in the treasury of Saskatchewan, which subsidized services and programs that taxpayers didn't have to pay out of their own pockets.

But companies shouldn't be measured by short-term profits alone; we're not going to look at that this evening, Mr. Speaker. The corporation proved it could make money plus pay the provincial royalties, to which disproved the contention debated consistently by the industry over many years. The corporation paid approximately \$270 million in taxes from 1977 to 1981, Mr. Speaker — over a five-year period, \$270 million in taxes.

In 1981, the industry, the potash industry, exclusive of the Potash Corporation of Saskatchewan, paid only \$160 million in taxes. The potash corporation profits and taxes in '81 amounted to \$210 million. We had half of the industry in this province in '81; we owned half of it. Out of 50 per cent of that industry the profits and taxes from Potash Corporation of Saskatchewan provided \$210 million; from the other half, the private enterprise system, the private system, they only received a fraction of that, Mr. Speaker.

The number of the employees in the potash corporation at year end totalled 2,267 compared to 1,164 employees in 1977, and had a total payroll of \$62 million, Mr. Speaker, compared to \$14 million in 1977. The payroll grew quite significantly, quite steadily; the number of employees grew; the number of people who lived in Saskatchewan, the number of families who lived in Saskatchewan

increased in terms of the numbers that benefitted from that Crown corporation.

The Conservatives would have you believe that these were nonproductive citizens. The government opposite, the Premier and his cabinet, say that these people that worked for a living, went to the mines in the morning and worked all day or did their full shift and helped produce the product of the Potash Corporation of Saskatchewan, were nonproductive. Yet when you look at the comparative figures, Mr. Speaker, you find that all of the years from 1976 onward increased in terms of productivity. The number of employees increased, the payroll increased, and the profitability of the corporation increased as well.

They define that kind of exercise in business unprofitable, yet they consider their exercise and their experience in governments by bankrupting the province as productive and profitable. What a terrific comparison.

They say something like the potash corporation was unproductive when it had a clearly profitable track record in terms of dividends paid to the treasury, in terms of taxes paid and royalties, and in terms of hiring more people and feeding more families, yet making a profit, paying off the debt — it was a self-liquidating debt.

They say that's unproductive, but yet we have here a government, Mr. Speaker, that has driven the debts up to over \$13 billion in total. They've decreased the number of jobs available in this province. They've increased taxes — personal income tax by 108 per cent, sales tax by 40 per cent, gas tax by another 40 per cent. They've increased all the taxes and added new ones, and they say that they're productive and they're profitable. Boy, that's unusual and strange logic, even coming from them. But it's not credible. They just don't have the credibility on this issue, Mr. Speaker.

But they would believe that we were non-productive. PCS (Potash Corporation of Saskatchewan), I want to remind members, had embarked on an ambitious program. They embarked on a research and development program which created jobs and economic activity. And I want to just make a comment about that. They embarked as well, Mr. Speaker, on a diversification program, on an expansion plan, and an agronomic program.

And in effect the Conservatives are trying to make a big point out of the proposition that one of the purposes of the so-called public participation, this sell-off or privatization of the potash corporation, is to bring about diversification — diversification. Well, Mr. Speaker, the Potash Corporation of Saskatchewan was diversifying during the course of its growth period from 1976 to 1982.

Now I've got some examples here. I talked about research and development. Well they undertook a pilot potassium sulphate plant adjacent to the Cory plant. That's what the potash corporation undertook, Mr. Speaker. It wasn't Cominco or Noranda, or any of these other major corporations, or IMC (International Minerals and Chemical Corporation (Canada) Ltd.); it was the Potash Corporation of Saskatchewan undertaking new innovative technological pilot projects to experiment and

refine technology in this province with Saskatchewan people for the benefit of Saskatchewan people. We also see, through the potash corporation at this time, investigations under way concerning tie-ins with the magnesium sulphate deposits at Quill Lakes, and the member from Quill Lakes remembers that.

The Potash Corporation of Saskatchewan undertook to refine technology and explore technology and to improve technology, and they investigated those concerns with tying in the magnesium sulphate deposits at Quill Lakes with the potash deposits. And these were potentially not only technological advances but market opportunities for the Crown corporation, the unproductive members of the Crown corporation that the Conservative government refers to on many occasions. They were technologically advanced.

As well, the Potash Corporation of Saskatchewan, Mr. Speaker, participated with the Saskatchewan Mining Development Corporation in a phosphate exploration program south of Lake Athabasca, and the member from Athabasca recalls that experiment and project quite well. A small seam of phosphate ore was found and further exploration followed, Mr. Speaker. Had this deposit been economic, it would have made Saskatchewan a world leader in fertilizer, with nitrogen from natural gas, phosphates and potash all on hand, as well as potential for sulphur. So here we had the Potash Corporation of Saskatchewan exploring further market opportunities right in this province with Saskatchewan talent, with Saskatchewan people, for ultimately the benefit of all the people of this province.

They undertook a feasibility study for a nitrogen fertilizer plant, Mr. Speaker. The Potash Corporation of Saskatchewan in the late '70s undertook a feasibility study for a nitrogen fertilizer plant, and the member from Qu'Appelle-Lumsden remembers that; he remembers it well. That proposal, Mr. Speaker, was looking at a feasibility of establishing in this province, in a number of smaller communities, fertilizer plants which would have had the major product sourced in Saskatchewan. The resource would have been sourced here, the technology would have been sourced here, the head offices would have been sourced here, and of course, Mr. Speaker, we would have had a product sold from Saskatchewan, shipped around the world, to put our name on the map once again.

Instead of that, Mr. Speaker, we've got a government that wants to do away with all of this technology and possible market opportunity, and they do away with it by trying to sell off this corporation, laying off sales staff and doing all the things they've done and neglecting the market opportunities.

In addition to that, Mr. Speaker, they say to Cargill, the largest U.S. private corporation in the world, with sales last year of over \$38 billion U.S., we are going to give you another \$290 million in cash and loan guarantees to build a fertilizer plant in Saskatchewan because we don't have a clue. This government doesn't have a clue how to go about it so they're going to give this grant and loan guarantee to one of the largest U.S. corporations, the largest U.S. privately owned corporation, when that

corporation has more net worth than what this government has left for the people of this province. And we are helping them establish here, guaranteeing them all sorts of things, guaranteeing a rate of return — other matters that I find totally unacceptable for government that's as incompetent as this.

The potash corporation also, Mr. Speaker, undertook a feasibility study for a nitrogen phosphate complex. These were ongoing studies, ongoing initiatives which from the start showed a great deal of innovation on behalf of the corporation. They actually had a corporate planning group. They looked at all of these options because they're always looking at opportunities.

And that was the result of the government of the day, headed by Allan Blakeney and the NDP, saying to the corporation — the Saskatchewan people who ran it, the Saskatchewan people who operated it — here is your company. We expect you to do the best job you can. We expect you to be productive and profitable and to look at future markets, and they did that. They got the direction from the government. They were given an opportunity to pursue other opportunities which would, in the long run, help all of the people of this province through increased profitability.

We also participated in the provincial railway study, Mr. Speaker; the potash corporation did this. And we did this with the specific objective, Mr. Speaker, of trying to determine whether or not private railways, with potash corporation in co-operation with the CNR and the CPR in Saskatchewan, could better serve the potash industry, and also other aspects of the railway study as well.

(1930)

But much has been said about the Lanigan expansion as the cause for the high PCS debt load, and I'm going to talk to you about that in a few minutes. But here we have, Mr. Speaker, a number of examples, a number of firsts for the industry in Saskatchewan, and Potash Corporation of Saskatchewan made money all the time they were undertaking these firsts for the province and the people of the province.

The Conservative government cut all these programs in a desperate cost-cutting measure instead of looking wisely towards revenue enhancements and viable job creation for the long term. Here they are, a government that has no future, that has no plan, saying to the Crown corporations, leverage up your debts; we want you to be as much in debt as you can possibly get; we want to posture your company for sell-off to private interests at discount prices to our big-business friends. We're saying that. And they leverage up the debt — and the member from Regina Wascana sits there and laughs because he says it's quite humorous that the Conservative government cut all these programs in desperate attempts . . . they're a desperate group of people, Mr. Speaker, that they cut all of these programs in a desperate attempt to cut some costs.

They didn't tell the people of the province they shut down the sales office. You talk to any business who sells a product anywhere in Canada that requires sales people to

market your product. If you lay off your sales staff, the opportunity for existing — let alone being profitable — is very slim. Yet this wonderful pro-business government didn't realize one of the prerequisites for increasing sales is to have a sales force.

So we have the member from Cut Knife-Lloydminster wanting to talk about investments. Well I'd like to have him stand up in this House and relay to the people of this province what kind of investments he has.

The Speaker: — Order, order. I think we're going to have to try to co-operate and allow the hon. members to speak without interrupting them, and the business of the House will proceed much more smoothly.

Mr. Solomon: — Thank you, Mr. Speaker. So here we have, Mr. Speaker, in the '70s, late 1970s, the potash corporation, in summary, was progressing in the technological route. They were progressing in research and development. They were progressing in identifying, developing, and seeking new markets for their product and variations of their product.

This government gets elected. They do away with all of these programs which any large corporation as a matter of general business sense has on an ongoing basis. They did away with it. These are the sharp business minds across this floor. The sharp business minds of this government, the Premier and his cabinet ministers, didn't have a clue about how to operate one of the most profitable corporations in the world, let alone in Saskatchewan; didn't have the smarts or the intelligence to follow a general business plan that any business person would have told them to follow, and one that was required. Even the banks will require businesses to put together a business plan and have a market plan and try and put forward some concrete financial statements as to where they plan to go in the next year or two or three, depending on the debt.

And the Potash Corporation of Saskatchewan had those same requirements to some of their financial people. And they had these things ongoing, and the bankers and bond dealers felt quite comfortable with that sort of direction. The financial statements were in order, the company was profitable, future potential problems were being looked at, strengths were being maximized, weaknesses were being minimized — basic corporate planning, common sense, was happening right here in Saskatchewan. And as a matter of fact, it was beyond basic; it was enhanced, yet this government did away with all of that.

In addition, the Potash Corporation of Saskatchewan, Mr. Speaker, developed a close working relationship with the university in many areas and with its graduates and postgraduates. The university students that were taking graduate work and postgraduate work were being hired to participate in some of these developments. They were looking forward to some kind of a future, graduating from our campuses with the Potash Corporation of Saskatchewan, because they were hiring them in their training years, their educational . . . the prime educational learning years.

And they weren't doing this out of the goodness of their

hearts because they were run by a socialist government; they were doing it because they were a smart business operation. And smart business people will tell you that the future of an ongoing corporation is the people who run the corporation, the people who work for the corporation. And if you don't go to universities and hire your graduates and postgraduates to do some of the work in the corporations, they're not going to have the experience. And if when they graduate they don't have the experience, they're going to go to another province seeking experience.

So we have a potash corporation going to the universities, actively recruiting them, getting students involved, male and female students from all around this province, from all the constituencies, even Last Mountain-Touchwood. They were coming from all over and they were being educated; they were being taught some of the technologies and processes of the potash business, and not because it was a benevolent corporation. This was happening because the corporation believed in the young people of this province.

The corporation was run by Saskatchewan people — the chairman, the president, David Dombowsky, you know well. He was born and raised in Saskatchewan. He ran the corporation the profitable way. The major assistant vice-presidents and others were all Saskatchewan born, raised, educated people, and they did a good job.

Now what we have is a Potash Corporation of Saskatchewan that's run by Americans or former Americans — the president and the vice-presidents and the assistant vice-presidents or the daughter of the president — and these are the people that are running it.

So what kind of commitment do they have to this province? They've got very little commitment to this province when you compare the commitment of the people who used to be in those positions that ran it in a profitable way. Six out of six years the PCS was profitable under the NDP; four out of six under this government they lost money under their American leadership. Now that's not saying anything negative about American people. I like the Americans; they're very fine neighbours. But I'll tell you, what it means to me, Mr. Speaker, is that we had a Crown corporation that was run by Saskatchewan people for the benefit of Saskatchewan people in a profitable way, doing all these research and development things, hiring graduates from university campuses in Saskatchewan.

And now we've got a corporation that's losing money, that's been leveraged up in terms of debt, that is run by the American friends of the ministers opposite. And what do we see? We see a corporation that is being sold off to the big-business friends at discount prices and to foreign owners outside this country. We're giving it away. It doesn't make any sense at all.

The corporation as well, Mr. Speaker, embarked on a Buy Saskatchewan program which drastically changed the Saskatchewan content of goods and services provided to the Potash Corporation of Saskatchewan and encouraged the development of local manufacturers. This is another good corporate initiative of the Potash Corporation of

Saskatchewan, PCS was a good corporate citizen — they hired local people, they promoted local people. What better way to have productive people than to hire from the province and promote from your own ranks to the upper management.

Any business leader, any business owner or business manager that has his head or her head screwed on properly will tell you that's how you make the ongoing corporation ongoing. You don't hire American guns, you don't go and fire your sales staff, and you don't do the goofy things this government's done with regard to the potash corporation.

Now we see in this House, Bill No. 20, An Act respecting the Reorganization of the Potash Corporation of Saskatchewan. They're not reorganizing it; they're selling it off. Why don't they rename it the Act respecting the sell-off of the Potash Corporation of Saskatchewan? It's crazy. It doesn't make any sense.

But I want to also note, Mr. Speaker, that it should not be overlooked that the corporation did not wish to sell to an industry cartel but rather to develop relationships directly with major end-users like India and China. Market share in these countries have been erratic, with producers price-gouging at every opportunity, with the obvious effect on demand and market share.

PCS wished to develop long-term relationships with customers, assuring consistent supply and stable prices so that in turn it could provide a growing work-force based upon consistent productivity. To back up market demand, it developed an agronomic unit and it made this service available to developing countries.

Potash Corporation of Saskatchewan recognized that the province and its employees would suffer in a boom-and-bust world as it would have been operating in over the course of time, particularly if we were to function as a residual supplier as is now the case with locked-in production and high lay-offs.

Potash Corporation of Saskatchewan recognized that once you lose market share to a producer such as Israel or Jordan, you rarely get it back. And they were determined to drastically alter this negative and very passive business-like approach. And that's what happened, Mr. Speaker.

We formed a sales staff based out of Saskatoon, and it had offices in Atlanta and I believe in Chicago, if I'm not mistaken, and from those bases, Mr. Speaker, we developed a relationship directly with India and China and others. And you know what happened, you know what the end result of that was? The end result of that initiative to become a real competitor in the world potash market, a real competitor, a self-independent, self-made competitor — the result of that, Mr. Speaker, was the most profitable Crown corporation that this province has ever seen without costing the taxpayers of Saskatchewan one penny.

Some Hon. Members: Hear, hear!

Mr. Solomon: — So here we are, Mr. Speaker, a

corporation of world calibre . . .

The Speaker: — Order.

Mr. Shillington: — Point of order, Mr. Speaker. I had occasion to do this earlier in the day and I'm going to do so again. The member from Weyburn continues to yell from his seat. Some of us are trying to follow this debate, and it's very difficult to do with the member from Weyburn continually making a noise. He has done it continuously for over . . .

The Speaker: — Order, order. The hon. member raised an issue that I think at various times can apply to various members in the House. And in this particular instance it is true that the hon. member from Weyburn was interfering with the speaker; however, I wish to point out that this admonition which I'm giving can apply to many members in the House and sometimes even the hon. member who has raised the point of order.

So let us all co-operate as I said earlier, let us all co-operate and work together to allow these debates to go forward in a reasonable and orderly manner.

Mr. Solomon: — So we've seen, Mr. Speaker, in the six years from 1976 to 1982, the Potash Corporation of Saskatchewan undertaking imaginative initiatives in research and development, undertaking a diversification program to create a fertilizer plant in the province, undertaking aggressive expansion programs, creating an agronomic program which was used with the end-users as an opportunity for us to not only achieve those markets but to educate them and sustain them and cultivate them and improve them for the sale of our product.

So we saw a very aggressive marketer of potash determined to market our potash at the maximum profitability for the people of this province. Meanwhile during the course of those six years, Mr. Speaker, the self-liquidating debt was decreasing annually, going down every year. The corporation was hiring Saskatchewan people to run the corporation. It was becoming more and more profitable. The more people we hired from Saskatchewan, the more profitable it became.

And in 1982 this bunch across the way, the Conservative government, got elected. And I can tell you, there's a whole different picture between what happened in 1976 to '82 and 1982 and the ensuing six years. And almost by any measurement, Mr. Speaker, the government has done very poorly. To be optimistic, they've done very poorly, to be kind to them. First of all, they were philosophically trapped. They didn't believe in the Crowns or respect their management, and yet they didn't dare privatize this corporation prior to 1986. As a result we got the worst of all possible worlds. The corporation was put at the service of the private sector, and I want to provide to you this evening some evidence of that.

We have the members opposite continuing to whine and chirp from their seats . . .

(1945)

The Speaker: — Order, order. I have ruled earlier and I believe on other occasions as well, that to refer to other members as whining, whiners, or such references, while in the strictest sense of the word we may not refer to it as unparliamentary, certainly we may all agree that it doesn't add to the dignity of debate in the House. And I'd like to bring that to the attention of all members, of all members, and ask them to refrain from . . .

Mr. Solomon: — Thank you, Mr. Speaker. The members opposite continue to make comments of questionable judgement from time to time — and certainly questionable intelligence — from their seat, rather than stand in this House and debate in the legislature. And I've got no problem with sitting down and giving them the floor to speak in this House on Bill No. 20. I challenged them time after time.

The member from Wascana said that he will follow me when I'm done, if that's the case. The member from Cut Knife-Lloydminster has now said that he wants to participate in the debate.

And I can tell you, Mr. Speaker, when I am done tonight or tomorrow morning, I will look forward to listening to them as politely as they listened to me. I will look forward to paying as much attention to their remarks as they have paid to mine. And I will afford them at least a tiny bit more courtesy than they've afforded the members of the opposition, but it won't be much more, Mr. Speaker.

But what we've got here, I want to examine the evidence of the record of this government with regard to the Potash Corporation of Saskatchewan. Before the government was sworn in, they destroyed the potash corporation, PCS International, without a hearing, without the new board in place, and over the objection of, not the people of Saskatchewan, but of the customers, Mr. Speaker.

India and China and others and the United States said, don't do that, don't destroy PCS International. They've given us good service. They've given us some technology to use. They've given us a product of high quality. They've delivered the product on time. They've delivered it to the places we wanted it delivered, and a long-term contract, a long-term, close relationship.

And they said, what are you guys doing? What's the government doing? Are they goofy? Well we've already answered that earlier, because I think we've established, Mr. Speaker, that the government is goofy on the issue of privatization. But this was done by the member from Qu'Appelle-Lumsden on the strength of the Premier's contention that PCS would do better co-operating with the industry rather than antagonizing, and that's a quote. The Premier contended, and I quote that:

PCS would do better co-operating with industry rather than antagonizing it.

As a result, PCS, PCA (Potash Company of America), and Kalium returned to Canpotex, Mr. Speaker.

So here we have the Premier and the Minister of Finance, without a hearing, without due regard for their customers, without even looking at what kind of a job PCS

International is doing, terminating the whole operation. Why didn't they privatize that, at that time? That's another question they can't answer, Mr. Speaker.

This decision had one major long-term effect and several disastrous financial short-term effects. In the long run, the decision alienated the customers, such as India, which to this day are cynical about Canpotex and this government as well, Mr. Speaker, and have diversified supply elsewhere, according to Canadian producers a very low market share — providing Canadian producers, I should say, a very low market share.

So we've seen, in the long run, one of the major customers that the Premier now goes to visit saying, well, look at, we're kind of sorry we goofed up on that one but we're going to give you a second chance; we're going to . . . We want you to participate again. We'll give you part of the corporation. We'll give India, the Government of India, part of the corporation. Please take it. Don't buy it; we'll give it to you. Maybe a few dollars exchange to make it look good so we can put a few bucks into the election campaign.

That's what they've done. They disturbed and alienated a major customer over the years who went to other markets and now they're saying, well, we're sorry about that. We goofed up but we're going to make it good. We're going to make it right. For all of the good business you would have had from us and the good product and the . . . We're going to give you the whole, or part of the corporation. And we're going to be looking very closely at that kind of a deal as well, Mr. Speaker.

In the short term, it destroyed the framework for the Lanigan expansion, which was premised on long-term contracts with the major users like India, and further reduced the Potash Corporation of Saskatchewan market share in Canpotex by allowing PCA and Kalium in without penalty. And of course, since the Potash Corporation of Saskatchewan was the largest supplier for Canpotex, it was damaged the most.

And so what happened then? They laid off the sales staff, they fired the sales staff. PCS International is gone. They alienated the major user of the product, the major client, India. And then they hurt their own market share by joining Canpotex because they were only a small portion of that operation. It also cancelled Bredenbury, even though supply demand trends were encouraging in the mid-'90s and others were expanding or planning major expansions. It also eliminated its engineering, research and development, and diversification staff.

Diversification staff eliminated. This government, the Premier opposite stands in this House, runs around the province talking about diversify, diversify, diversify. Well he made such a goofy mistake, he terminated the diversification section in the Potash Corporation of Saskatchewan. Now what kind of a consistent approach is that to business, in particular the potash corporation? And the Premier remembers. He remembers full well. Every one of those ministers opposite, the member from Regina South, they talk about diversify. I don't think they've ever looked up the meaning in the dictionary or they don't know what it means. But here in the potash

corporation, they eliminated the staff which was responsible for diversifying the Potash Corporation of Saskatchewan and its products. Unbelievable, Mr. Speaker.

But now they've changed their tune. It's now five or six or seven years later. They've bankrupted the province. They've got nothing left to do, so not they want to resurrect the diversification concept. Well isn't that sweet? Isn't that wonderful, Mr. Speaker!

As well, Mr. Speaker, it effectively moved the head office of the potash corporation sales department to Chicago from Atlanta. The industry in fact is being run by former IMC staff in the interests of the private sector which I referred to earlier.

And I note that a PCS mine has been shut down and that PCS has the lowest operating rate to capacity in Saskatchewan. And we've heard the numbers and we can go over the numbers again, but I'm sure the member from Weyburn doesn't want to be reminded, because if he is he'll probably rise on a point of order and try and talk about repeating numbers. But it's important, Mr. Speaker, to the constituents that I represent, Regina North West; to those I've spoken to in Weyburn on Monday or Tuesday last; to those I've spoken to in the Kinistino riding last Thursday; and to other people in those districts. And they're saying that it is important. They don't want the Potash Corporation of Saskatchewan sold.

I had a couple of telephone calls over the supper hour, Mr. Speaker, as a result of the remarks that I made earlier. And do you know what they were saying to me? They were saying, good speech, but what they were saying most importantly was that this potash corporation cannot be sold; it's too valuable for the existing generations that reside in this province, and for the future generations. Why would we want to sell that away?

Some Hon. Members: Hear, hear!

Mr. Solomon: — Now that's . . . It's not surprising that that's how they feel, Mr. Speaker, because that's how many, many people feel in this province I think it's around 60 per cent, the latest numbers that we've heard from polls. Sixty per cent of the population of this province don't want the potash corporation sold to anybody. They want it to remain where it is. And over 67 per cent say that they want it under new management, right away, as soon as we can possibly get it under new management, Mr. Speaker.

But we've seen a number of things happen. But nothing proves better that regulations are not the only answer with this government, and especially this government, than the ill-fated potash resource legislation. And we've heard some of my colleagues talk about that legislation. It shows how the PCS continues to be sacrificed for the private sector. The Act provided for the prorationing of potash production under the supervision of a potash resource board. And this was advanced in September of 1987, but almost two years later, Mr. Speaker, nothing has happened except that PCS was instructed to shut down one of its mines in the interests of the industry. In the interests of the industry, lay off 200 people, shut down the

mine.

Why do they want to do that when they're the leaders in the potash industry in the world? It seems to me when you're the leader you try and work with the industry, but you also try and put forward your product and make sure that you're returning a fair investment to your owners, the people of this province. You don't voluntarily shut down a mine.

But I'll tell you, that this government, they've been doing a lot of things like that — voluntarily laying off people; voluntarily shutting down potash mines; voluntarily giving away 35 per cent of the equity of the Saskatchewan Oil and Gas Corporation. That's what they voluntarily have done.

An Hon. Member: — Would General Motors do that?

Mr. Solomon: — Now would General Motors do that, Mr. Speaker? Would the Ford Motor Co., would IBM (International Business Machines), any of the major corporations? Not very likely. Any of the corporations that want to give away equity or take a beating on the market will do so for a price, for a net gain overall. Whether it's a leveraged buy-out, you always get a 50 per cent to 100 per cent premium on the value of your shares. Not this government. They sell Saskoil and give it away for nothing — for discounts. And they give 35 per cent away for zero; not one penny returned to the treasury of this province. But I'll get to those figures in a few minutes, Mr. Speaker.

Now if the legislation that I referred to, and their word means anything, it would allow the independent board to determine who should produce what and at what levels. And they have not done that, Mr. Speaker.

And, finally, I want to say with regard to their little track record, that it's rumoured on good authority that PCS is selling part of its interest in IMC. And this is a blatant sell-off of very important low-cost production which can easily access the U.S. market. And it's interesting to note that IMC won't cut back production. They're not going to cut back production. PCS is going to cut back, but not IMC. Rather, they'll simply erode the market share of the Potash Corporation of Saskatchewan.

It's doubly interesting that this will take place before privatization to ensure that the IMC managers and PCS won't be encouraged to change their mind with new ownership, Mr. Speaker. Well isn't that something.

Financially, the management of the Conservatives has been an unmitigated disaster as it applies to the Potash Corporation of Saskatchewan. They proceeded with Lanigan, even though they had no markets for the expanded output, and to 1987 they lost money — four out of the five years that I mentioned — and even worse, paid out dividends almost to the tune of \$110 million during that period.

So there you go, there's the proof in the pudding of leveraging the debt of the potash corporation. They paid out dividends of \$110 million. They didn't make anywhere near that in profit. So where did the dividends

come from? Only one location, Mr. Speaker, it was added to the debt of the corporation and they are now paying increased service charges and increased costs to produce their product. Leveraged debt it's called. Increase your debt for no reason, for no capital reason, no capital construction reason. Just do it to pay out a special dividend for a special Conservative reason, for a special Conservative purpose of privatization. That's what they're doing, Mr. Speaker.

And I want to say, if that is not the recipe for disaster, leveraging this company in terms of its debt, then none exists in this entire world. The 3.7 per cent rate of return that they have indicated, which is too low over the long term, it's clearly the result of their performance. They would have had to have a negative return if it hadn't been balanced by our very productive years. If it hadn't been for the profitable years and the retained earnings of the corporation, this thing would be bankrupt. It's almost . . . not quite bankrupt, but it's in dire financial situation, dire financial circumstance because of the Conservative government and their mismanaging of the corporation.

We have, Mr. Speaker, long-term potash policies and programs that should be based on certain basic elements. Many farmers with potash deficient soils can get along for a limited period of time without potash . . . with fertilizer, say for one or two or three years. But sooner or later they have to use it if they are to maintain an adequate level of productivity. Soils throughout a large portion of North America are potash deficient.

(2000)

And this is not news to anybody except the member for Weyburn, because he doesn't understand what "deficiency" means, or "soils" mean. He understands what promises mean, they mean the opposite of whatever he promises.

And what we see, Mr. Speaker, is that in the U.S. mid-west, in the Atlantic, in the Gulf of Mexico coast, they must have potash. There's a deficiency of potash in those soils and they must have it. And they can get their potash from various sources. They can get it from New Mexico, they can get it from off-shore Jordan, but the best source is Saskatchewan. The best source is Saskatchewan, which has the best and richest resource in the world, Mr. Speaker. Alternate sources are used sometimes, but if they can get a steady, reliable supply at reasonable prices from a place like Saskatchewan, then we have an assured market.

And I want to say that good corporate planning requires that we don't kill the goose that lays the golden egg. Good corporate planning is very important. Even moderate corporate planning is important, as compared . . . Any corporate planning would help. This government believes that corporate planning is figuring out how to sell off the assets to one of their corporate friends. That's their corporate plan, the revenue-producing assets of this province to be sold out to the friends of the Conservatives opposite, Mr. Speaker.

But prior to the advent of the Potash Corporation of Saskatchewan, the private potash industry did a lousy job

of corporate planning; everyone admits that; even the potash corporations admit that. And there was a boom and bust situation. Either the industry was short of product, or they overexpanded to the point that the market was so depressed that some plants were in danger of closing down.

PCS adopted a rational policy of steady, orderly expansion of its capacity based on a long-term trends, then operations would make adjustments for short-term trends in fluctuations. That was the corporate planning to which I was referring earlier, Mr. Speaker, where a corporate planner looks at the corporation, at its weaknesses and its strengths; looks at the markets and the weaknesses and strengths; looks at the product and everything else; and all of the weaknesses and strengths pertaining to that corporation, and they develop plans and co-ordinate the development of plans to maximize those strengths and minimize those weaknesses. And that's what a corporate planner does.

And I'll tell you, even governments use planners; they're not corporate but they're government planners; they're economic planners, which are not very dissimilar. They're very much the same. They look at where the province is going, and how they plan to get there under the direction of the government of the day. This government here . . . They've turned in all the planners and they've hired the wonderful minds of Ralph Katzman at \$48,000 or \$50,000 a year. He's teaching them . . .

Hon. Mr. Hepworth: — Mr. Speaker, on a point of order I see . . . I would suggest, Mr. Speaker, that there is absolutely no relevance to discussing a former member, and/or his salary in this House when the issue before this House tonight is Bill 20, relative to the potash debate, Mr. Speaker.

Mr. Shillington: — Perhaps in the narrowest, strictest sense he's accurate. However, I think more properly taken, one views the member's comments in their context. He was on point. I say to the members opposite, if it is legitimate to object every time some small minute violation of the rules occurs, that in itself may become a fair delaying tactic. While technically accurate, he was on point and was substantially within the subject matter.

The Speaker: — I was listening to the hon. member's remarks and he didn't make the relevance clear to me, so on that basis the point of order is well taken.

Mr. Solomon: — I didn't mean to mislead anybody, Mr. Speaker, or stray from the topic. I was making, drawing the analogy, and I didn't quite finish my point before the member from Weyburn interrupted. But basically what I was getting to, Mr. Speaker, was that the Potash Corporation of Saskatchewan undertook a comprehensive corporate planning initiative, as had the NDP government, in government. And corporate planners and economic planners and government planners pretty much have the same objectives, and their objectives are determined by the government of the day. But overall, their responsibility is to ensure that those objectives are achieved at the lowest costs to their employer and at the maximizing of the resources that are available to them, to the benefit of the people of this

province.

What I was saying, Mr. Speaker, is when the government got elected they did away with the corporate planners; they did away with the government planners that had the education and the experience in both sectors. Instead, they hired people like Ralph Katzman at 48 or \$50,000 a year, and they hired other people, Mr. Speaker, that didn't have the qualifications, didn't have the talent to do the job that they were supposed to do. And now we have a province that is bankrupt. The Premier sits there and has no concerns at all for the \$13 billion debt that he's creating. The member from Weyburn, the Minister of Education, thinks it's a joke that taxes have risen such great amounts over the number of years — he thinks that's terrific news.

And yet they lay off the people, the corporate planners and the economic planners and the government planners and the government planners, and who do they hire? They hired the former member that I referred to, but they hire from Great Britain, Madsen Pirie, at probably a million dollars a year — who knows what they're getting paid. But if the Thatcher government can pay that kind of money, I'm sure they're paying as much. So what we're looking at, Mr. Speaker.

The Speaker: — Order, order. I think the hon. member is getting a little wide-ranging. And I know the argument can be used of relevance, but some limitations have to be put on it. And I think the hon. member realizes that and will restrict himself to the proper element.

Why is the hon. member on his feet?

Mr. Hopfner: — Thank you, Mr. Speaker. On countless times the member opposite in his debate has asked government members to get into this debate, and I thank the member for taking his seat and I'll now begin my remarks regarding the . . .

The Speaker: — Order, order. The hon. member is out of order. The member from Regina North West has the floor.

Mr. Solomon: — With regard of the Potash Corporation of Saskatchewan, Mr. Speaker, corporate planning also has to take into account that if prices are forced too high on the potash markets, that new marginal mines will be developed in other parts of the world that once in operation will be permanent sources of competition and will have a depressing effect on Saskatchewan operations.

And in spite of the antagonism to PCS from the private sector of the industry, the Potash Corporation of Saskatchewan became an accepted and acknowledged leader in the industry. We've heard that before, we've seen the proof, and the proof is in the pudding that the Potash Corporation of Saskatchewan was the accepted leader in all of the world with regard to production and marketing of potash, and today it is still the acknowledged price leader in the world.

Prior to 1982 the president of PCS, David Dombowsky, was elected president of Potash and Phosphate Institute, an industry organization set up to promote and

encourage the use of both potash and phosphates. And I mention, that, Mr. Speaker, because here we have the chairman, the former chairman of the Potash Corporation of Saskatchewan, born, raised and educated in Saskatchewan, turned an embryonic corporation into one of the most profitable, aggressive, competitive corporations in the world — being recognized by his peers, Mr. Speaker, being recognized by his peers because they're the ones who elect the president of the Potash and Phosphate Institute. And they elected him in 1982.

And what I'm trying to get here, Mr. Speaker, is again the Potash Corporation of Saskatchewan showed world leadership, not only in price and quality of product and volume of product but in the quality of people that it had working for them, Saskatchewan, home-grown people. And now we've got, Mr. Speaker, none of that. If you're from Saskatchewan, the only way you're going to get a job anywhere with these Crown corporations is if you have a blue card. That's the only prerequisite. You don't have to be home-grown, you don't have to have any particular talents.

I want to say now something about the Lanigan expansion, and much can be said and has been said about that. But it's been mentioned by the government as the cause for the high Potash Corporation of Saskatchewan debt load and its poor financial performance over the past seven years. This in turn was blamed of course by the government on the former NDP government which did the preparatory work for the expansion and started as a part of an orderly expansion program based on market projections at that time. But most of money was spent with the Tory government in power.

All of the money, or most of it, was spent as a result of the signature of the Premier and the Executive Council saying, we're going to spend that money — the member from Estevan and the member from Yorkton and the member from Qu'Appelle-Lumsden. And they could have moth-balled that project any time if they felt that it wouldn't go, but they didn't. They kept extending the money and letting the money go.

But they pressed ahead. In the 1982 Potash Corporation of Saskatchewan and annual report, signed by the chairman of the board at that time, the member for Yorkton now and at that time as well, and I want to quote one paragraph if I might from this annual report. It's quite pertinent to my remarks. And the quote is:

It was said and is our firm belief that from these changes and as a result of these difficult times, a new and stronger PCS can emerge. With this belief in mind, the board of directors supported management's recommendation to continue with one of our major projects in Saskatchewan. I refer to the PCS mining Lanigan phase 2 expansion which is now under way.

Keep in mind this is the '82 report. To continue out of the quote:

Although the uncertainty in the market forced us

to look at an expansion of a construction schedule, the corporation will spend \$80 million on this project in 1983 and will employ hundreds of construction workers in the process. This clearly illustrates our commitment to, and our belief in, the future of PCS as a viable, vibrant commercial entity.

That is what the cabinet minister from Yorkton, the Conservative cabinet minister, the chairman of the potash corporation said in its report.

And I'm wondering why, since that time, Mr. Speaker, the members opposite continue to blame the NDP for commitments of this size, for the debt that they accrued, that the government accrued themselves and authorized and pushed with, when in fact the documents show — and there are many documents; you've seen and heard about many of them — but the annual report itself, under the signature of the member from Yorkton, at that time a member of the Executive Council, minister responsible for the Potash Corporation of Saskatchewan.

Another favourite gem used by this wrecking crew opposite is to refer to the PCS debt . . . is to refer to PCS debt to New York. They make out that PCS and other Crown corporations are head over heels in debt to New York bankers. That's what they keep on referring to. The member from Qu'Appelle-Lumsden on occasion — and as a matter of fact so frequently it's actually nauseous to hear it — has said many times that PCS is in debt, and all the other Crown corporations are in debt to the New York bankers and bond dealers. Now if that's the case, it certainly isn't because of the way things were managed by an NDP government.

Let's look at the record. I want to go over the record right now, Mr. Speaker. PCS long-term debt on December 31, 1981, was \$88 million — 88 million, December 31, '81. This consisted of \$75 million, less \$25 million current, borrowed by the province in Canadian funds and payable in Toronto and London, as well as \$33.4 million borrowed from the Saskatchewan Heritage Fund, right at home — borrowed Saskatchewan money, paid interest to the fund — and \$4.625 million owing to Webster County, Iowa, on an arrangement for building a storage facility at that location. Not one red cent was owed to New York as of the end of 1981, the last fiscal year, December 31.

(2015)

Now that's only the annual report. Maybe the annual report had a misprint. Maybe these things were wrong. But there was no errata issued in the '82 report, or the '83 report, or the '84 report or any subsequent report, so it must have been right.

Between 1977 and 1981, other long-term debt consisted only of money owed to companies on mine purchases and a \$42 million debt to The Royal Bank of Canada. All of this was paid off by the end of 1981. We paid off \$42 million in 1981 of that long-term debt. Between December 31, 1981, and May 8, 1982, the province did borrow \$75 million U.S. in Eurodollars, payable in New York and a number of European centres. This money was for PCS. In addition, financing for another storage facility

in Indiana was concluded on March 1 for \$4 million U.S. total. So here we have, Mr. Speaker, \$88 million as of the end of 1981 in debt, plus in '82 we extended our loans out for another \$79 million. So 159, \$169 million in total was the debt.

Subsequent to May 8, 1982, and members will recall opposite — the government members will recall May 8, 1982. That was the day the government was sworn in under the Premier. But since then the potash corporation has borrowed heavily through the province, and a listing of these borrowings are as follows, Mr. Speaker.

August 15, 1982, three months after the government took office, \$50 million U.S. was borrowed at 15 per cent, payable in New York — ah, there's a New York.

March 22, 1983, almost a year after the election, a year after the Conservatives took office, \$50 million U.S. was borrowed, payable in New York at ten and three-quarters per cent.

On December 2, 1983 under the Conservative government, \$80 million Canadian was borrowed at ten and three-quarters per cent, payable in a number of Canadian centres.

On March 5, 1986, \$115 million U.S. at eight and a half per cent, payable in a number of European centres, was borrowed again.

And on July 24, 1986, \$50 million U.S., payable at seven and a half per cent in a number of European centres as well.

And do you know what the total of that is, Mr. Speaker, the total debt? Not 169, which was the debt after January 1, '82, but it was in effect, Mr. Speaker, an additional debt of \$345 million — much of that in U.S. and Eurodollars. So here we have the government of the day borrowing all this money and saying it's the NDP's fault.

Well I was in this province, Mr. Speaker, during the course of those years, and the NDP were not in power after May 8, 1982. We were not in power on August 15, '82 when they borrowed 50 million. We were not in power on March 22 when they borrowed another \$50 million. We were not in power in December of '83 when they borrowed \$80 million. We were not in power in March '86 when they borrowed \$115 million. And we were not in power on July 24 when they borrowed \$50 million. So I don't know what that means. They say it's our fault.

Now what does that mean? Is that a misrepresentation? Is it a falsehood? Is it a smoke and mirrors? Is it a fiction? What are they trying to promote here? I just think it's an everyday reflection upon their credibility. The government of this province does things that are incredible on a daily basis.

And here's another example of saying that it was the fault of the NDP with regard to this, and yet they were in power. And the member from Cut Knife-Lloydminster wouldn't remember that because his memory is good, but it's not very long; it's a very short memory.

But by 1987 the Tory government had received . . . or had gotten PCS into such a financial mess that they had to bail it out by transferring all of its debt to the Crown investments corporation, and we referred to that earlier. This is the comment that I made with respect to their financial wizards that they hired at high rates of pay, high contract prices, to create a system, a complex financial arrangement system whereby 98 per cent of the people of this province would not be able to follow the transferring of the funds and the little magic game they're playing, the shell game they're playing.

They take the debt out of the potash corporation and they say there's no more debt because now the Crown investments corporation have, through the shell game, created equity out of debt — no transfer of money. Snap of the fingers, the shell game moves, and the Conservative government under Houdini over there says, well this debt, this debt is no longer debt, it's equity. Just like that, very simple, just like that.

Now if Houdini over there was such a bright person, then I would think, Mr. Speaker, that what he should be doing is trying to bail out the province from the massive debt that we're in. I think they should be looking at reducing taxes like they promised, instead of increasing them. They should be looking at answers to the record number of bankruptcies in this province. They should be trying to decide and make some long-term economic plans on how to stop the bleeding, the out-migration of citizens from this province to other parts of the country, and they should look at ways to resolve some of the massive economic problems that they've been responsible for.

Oh, they're real good with the shell game when it comes to moving from debt to equity, to the transfer of some numbers on a piece of paper, but they're not accountable. And do you know what they've done as well? They don't want the auditor of the province. Willard Lutz, the Provincial Auditor, to review these finances any more. And I'm not surprised. No one in this province is surprised at the move of the government with regard to that. We've seen the report of the auditor saying they broke the law 46 times with only half of the amount of money they were able to account for. The other half is under private auditors.

So here we've got this wizardry, this financial wizardry by the government opposite to leverage debt of corporations upwards, to make financial statements and financial transactions in the Crown sector so complex that not even the more highly educated business people can follow it, if they had the time to follow it.

Well all I can say is, who were the big-time operators who borrowed money in eastern Canada and New York and Europe? Well it wasn't the NDP; it was the Tory government, as one sad chapter of its mismanagement of Saskatchewan affairs. Between 1982 and 1986 the Tory government borrowed \$265 million U.S. and \$80 million Canadian in this way in order to finance PCS expansion. And they made those decisions as a result of board minutes and cabinet minutes to proceed with that expansion and to proceed with borrowing that money. And most financing under the NDP government was

done from the Heritage Fund with moneys earned and saved in Saskatchewan as a result of the wide management of the resources by the government of the day, which was the NDP government.

So here we see, Mr. Speaker, a government which has not been accountable. They've taken a corporation that has had massive initiatives in technology and research and development and expansion and diversification, and they've stifled those initiatives. They fired all the people that were involved with those initiatives, and they've hired nobody to replace them. They've leveraged up the debt of the corporation. They've hired their financial wizards and now they're saying it's all the NDP's fault — blame it on the NDP.

Well I don't think many people believe that; it's rather a humorous story, and it would probably be a lot funnier if it wasn't so costly to the people of this province.

Mr. Speaker, we have here a Premier who took a tour, an oriental tour, a month-long tour of the Orient, in February. I guess it's a comparative tour to Joe Clark's tour in the 1979 or 1980 election, I presume — I think that was the year. And here we have the Premier going around the countries, the world, providing confusion, providing information which was changing from day to day, providing conflict of information as it applied to the ministers he left in Saskatchewan, trying to say to the people that he was talking to in India and China and elsewhere that we want to give our Potash Corporation of Saskatchewan away.

Yet there was no . . . it was even confusing for the people he spoke with, Mr. Speaker. He went around visiting with these people, talking with them, and he didn't give the same story to the same people. He gave different stories to each government that he spoke with, and as a result he gave differing and conflicting stories to the media who reported it accurately, but showed very clearly that the Premier was as confused on this issue as he has been in most of the economic issues of the day — which I find surprising — although I don't find much surprising any longer from this government; they're quite a confusing bunch.

I don't know if you've heard, but one of the recent issues of *Greenmarkets*, which is the authoritative news-letter of the fertilizer industry, said that the Premier is planning to essentially give away a large portion of the Potash Corporation of Saskatchewan. According to this *Greenmarkets* news-letter the Premier has offered the Indian state fertilizer company, named Minerals and Metals Trading Corporation, up to 20 per cent equity in the Potash Corporation of Saskatchewan, valued at some \$200 million, Mr. Speaker.

And what's interesting in this *Greenmarkets* report is that the Minerals and Metals Trading Corporation has been offered an unspecified 10-year holiday on payments. That's what this *Greenmarkets* report refers to.

And it's my view, Mr. Speaker, that the people of this province have a right to know exactly what that holiday encompasses. We're concerned that it might be another amazing business deal such as the Tories offered the

Weyerhaeuser corporation — nothing down and nothing paid over a number of years.

It's bad enough that this government would sell off our potash resources; now it appears that it's giving them away. And that's what we're very concerned about, Mr. Speaker.

It leads to the question of what other deals the Premier has made or was trying to make on the Oriental trip. And the Premier is here; I would look forward to hearing his comments about this. And I look forward in particular, right after the member from Cut Knife-Lloydminster speaks, as he indicated he would, and after that the member from Regina South and Regina Wascana.

I guess people in this province, Mr. Speaker, are wondering how much of our potash corporation the Premier is planning to sell, as opposed to what proportion he's planning to give away. Because we've got here, Mr. Speaker, a very severe problem, that this corporation is an asset that is of high value. It has been almost paid for through a self-liquidating debt process, up until the time the Conservative government came to power.

And now we're looking at, Mr. Speaker, a corporation that has been driven into debt, that has been leveraged into debt, and that has now been put on the selling block. They haven't told us what the deal is yet. Of course the government never tells us what the deal is until the deal is done. And when the deal is done, they never tell us the details of the deal anyway. It's called cabinet secrecy. That's what they plead in centralizing all the power into the cabinet.

One of the problems, Mr. Speaker, with the loss of control of a corporation like the potash corporation is that you end up getting only what you have left. What I mean by that is that the board of directors make the day to day or the month to month decisions and the policy direction statements, and once you lose controlling equity of the corporation like the Potash Corporation of Saskatchewan, you end up losing controlling focus and the control of that corporation by appointing fewer directors to the board.

And the example I give you is Saskoil. Saskoil was sold in 1985 — it was privatized, I should say; it wasn't totally sold by then — and what happened, very clearly, was that \$75 million was paid as a dividend to the Government of Saskatchewan for 40 per cent of the company. I want to just run through Saskoil here because I think it's pertinent to my remarks. I want to draw the analogy, Mr. Speaker, of what's happened with Saskoil will happen with the Potash Corporation of Saskatchewan because it's being privatized in the same fashion. And I think it's important to know because the people of this province, in essence, have given up 35 per cent equity in Saskoil with not a penny return.

(2030)

But I want to go over a few figures, if I might. Forty per cent of the equity of the company was sold through issuing \$3.8 million in common shares at \$9, and 7.6 million preferred shares at \$10; 15.9 million common

shares at \$9 were issued to the province of Saskatchewan. So we received 15.9 million of that 75 million in shares and we received, as well, \$75 million to the provincial treasury as a dividend for the equity of 40 per cent of the company. The other \$35 million was used for company purposes from the share issuing. So in essence, we sold 40 per cent for 75 million. The government sold the shares, got \$35 million back. So we sold it for 75; we got 35 million from the shares. It cost \$40 million to give away the equity of the province of Saskatchewan.

Now this money, the dividend of 75 million, would have been available as a dividend for the government even if the company was not sold, because the shareholders — the government, that is had built up \$53 million of retained earnings at the beginning of 1985 and made profits of 40.6 million in 1988, 44 million in 1984, and \$31 million in 1983, for a total of about \$116 million, \$115 million.

So here we have the Saskoil and Gas Corporation being sold to ourselves for 75 million; we sell 40 per cent for 75 million; there's \$116 million in profits and retained earnings in the corporation. So the company still has that \$50 million . . . I'm sorry, \$36 million left in the corporation. And since 1986, Saskoil continued to issue new stock.

The incredible aspect of this move, Mr. Speaker, is that all the new stock was treasury stock or new issue. The board of directors, during the course of 1986 and 1987 and 1988, continued to issue new treasury stock. And what that means is they sold shares on the Toronto Stock Exchange, and the money was used by the corporation to assume other debt, to buy into corporations which had debt and to do other things with the money.

The Government of Saskatchewan and the equity of the Government of Saskatchewan was diluted, it was reduced. So we went from 60 per cent equity and \$75 million to the point where they continue to sell shares. And what's happened is that as of 1989 — in April I believe it was, or March — the corporation sold an additional \$10 million shares which resulted in revenues of \$97 million.

Not one share was sold to the government or issued to the government, but when you look at the shares and the proportion of shares that are held, the Government of Saskatchewan now owns 25 per cent of the equity. They've gone from 60 per cent of the equity down to 25 per cent of the equity, a loss of 35 per cent, without receiving one share or \$1 in dividend. We received no dividends in the course of the time the Sask Oil and Gas Corporation has been privatized. So we've seen a deliberate complex financial piece of wizardry. Take the Sask Oil and Gas Corporation from the control of the government for nothing in return, and give it to the stockholders living outside this province.

We also have, Mr. Speaker, an incredible amount of shares being held outside this province. We've lost control. We've had a loss of control to the point now where if you exclude the government's share of shares, 98.6 per cent of all the shares outstanding in the corporation are owned by non-residents of

Saskatchewan, and 1.4 per cent of the shares are owned by the residents of Saskatchewan. So you've seen 25 per cent of the equity left for the government and the people of this province, who received nothing in return.

This has been a leverage buy-out from within, an internal leverage buy-out. When you look at all the other leverage buy-outs in the markets, premiums are paid to the major stockholder, which in this case is the Government of Saskatchewan, or should be the Government of Saskatchewan, to the tune of 50 per cent to 100 per cent. So if the shares were valued at 9 or \$10, we should have had a buy-out of 35 per cent of the equity of that company; factor in the common shares and multiply it by at least 15 or 16 or \$18. That should have been the amount of equity paid to the treasury of this province.

And instead of that, Mr. Speaker, we got nothing. So we've sold the Sask Oil and Gas Corporation down the tubes, given it away to stockholders outside this province. With that comes of course a dilution on the board of directors, a fewer number of directors sitting on the board. We've gone from 10 out of 10 on the board, to 6 out of 10, to where we are now, I think we've got 3 out of 10 on the board, although the minister responsible, the minister from Swift Current, wasn't able to confirm that in our questions the other day.

So what I'm trying to say with regard to the potash corporation and the privatization of this potash corporation, Mr. Speaker, is that if it's sold off, if this Bill is allowed to pass, the government will not be looking after the interests of the people of this province. They will be trying to sell off the corporation at discount prices. Whatever equity they have left, they will attempt to reduce, not through payment of cash or payment of value, but in essence they will be trying to give it away to their friends, big-business and corporate friends.

So I look at this Bill, and I see what's happened with Saskoil, and I see what's going to happen with the Potash Corporation of Saskatchewan. And there's nothing in this Bill, in my view, to prevent control of the Potash Corporation of Saskatchewan from going to a corporate group in Toronto, or New York, or even Hong Kong.

And what they have done is they've arranged, Mr. Speaker, a very complex financial situation which is not unlike other complex financial organizations in the country. For example, I have a number of . . . a little schematic drawing, an organization chart before me here of the Edper group. The Edper group is a company which is owned by Edward and Peter Bronfman. It's a Canadian corporation, and as this applies to the Potash Corporation of Saskatchewan, Mr. Speaker, we have . . .

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

Hon. Mr. Hepworth: — Mr. Speaker, I can't imagine how the Edper company could be relevant to debate on the potash industry, and so I would raise a point of order relative to rule 25(2) as stated in our member's handbook, Mr. Speaker.

Mr. Shillington: — Thank you very much, Mr. Speaker, speaking to that point of order, if the member from

Weyburn would be patient, the member from Regina North West is arguing by analogy, arguing that what applies in one company may well apply in another. He's arguing by analogy; it's quite appropriate, and I suggest that the member from Weyburn be patient and he too will learn what the member from Regina North West has to offer.

The Deputy Speaker: — I've listened to the point of order, and I've listened to the remarks from the member from Regina. The point of order is well taken for this reason, is that I listened to the member from Regina North West talk about Saskoil, and I see it's been on the topic quite a few times, the same topic. And I have to say that maybe you should . . . the member should maybe get back on to the track of Bill 20.

Hon. Mr. Hepworth: — Mr. Speaker, on a second point of order, since I've been in the House, the legislature here, this afternoon and tonight, on at least seven occasions now the Chair has ruled clearly that the member is engaging in irrelevance and tedious repetition.

And according to rule 25(2), Mr. Speaker, according to rule 25(2), Mr. Deputy Speaker, my question is, and my point to you would be; how many times does a member have to be called in debate for being irrelevant and tedious before he would be asked to discontinue his speech, Mr. Speaker?

I would make the point, Mr. Speaker, that seven times . . . Seven times in a short few hours certainly would make the point, underscore and underline that point and make it strongly, Mr. Speaker, because it's been at least seven times now, at least seven times since I've been sitting in this House this evening and late this afternoon, Mr. Deputy Speaker.

So I think the hon. member should be discontinued. There's little to be said that this member hasn't already said or that some other member has said, Mr. Deputy Speaker. And I'd ask you to so rule, Mr. Speaker.

Ask the hon. member to discontinue, and let's get on with the business of governing this province, Mr. Speaker. And let's get on with the opposition being a responsible opposition, performing the role as the detergent of democracy, not engaging in simplistic, tedious, and irrelevant debate, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Brockelbank: — I rise, Mr. Deputy Speaker, to speak on the point of order that was raised by the member from Weyburn. I was listening very careful to the member from Regina North West and . . . (inaudible interjection) . . .

As I was saying, Mr. Deputy Speaker, before I was interrupted by the members opposite, I was listening very careful to the member from Regina North West, and if you, Mr. Speaker, were to check the tapes of the transcripts of this debate, you would find that immediately before the member was called to order, or quite some time before, he was talking about potash in the province of Saskatchewan.

The member's point is not well taken, I believe. I would suggest, Mr. Speaker, you just check the record to see what the member from Regina North West was saying. He was talking about potash.

The Deputy Speaker: — I have listened to the point of order and to the member from Saskatoon and the member from Regina. I have listened very carefully since I have been in the Chair. The member has strayed away several different times from the topic. I would suggest to you that you stay on Bill 20 more so than you have been, and I guess I'll have to say that you have been called to order several times since . . . I am speaking to the point of order, giving a ruling on it, and I would suggest to the member from Regina North West that he would stay on Bill 20.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Well, Mr. Speaker, the Act, Bill No. 20 that we're talking about here . . . I keep getting interrupted and I think in some cases the members opposite tend to interrupt before I finish my sentence. And I understand and appreciate and will follow your ruling, and I'll proceed on this Bill.

The Deputy Speaker: — Order, please. I just finished repeating that it is Bill No. 20 that you are discussing, or that you are talking about, and I would suggest that you stay as close as possible to Bill No. 20 not . . . It is my position here to call to order what is relevant across the way. I don't think it is up to the member from Regina North West to . . . suggesting that these people over here are interrupting.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Thank you. Well, Mr. Speaker, we have in my view a number of issues that I want to raise that are pertinent to Bill No. 20, an Act to reorganize the Potash Corporation of Saskatchewan. I was trying to draw the analogy — and I obviously was not very clear, and I apologize for not being clear — but I was trying to draw the analogy, Mr. Speaker, of the effects and the implication of the sell-off of the potash corporation and how it seems to me to be similar to the sell-off and privatization of Saskoil and gas corporation.

And I had tried to draw the analogy — and I apologize again for not being clear on this — but that the implications of the sell-off of Saskoil parallel the sell-off of the Potash Corporation of Saskatchewan. And they parallel it in a very, very serious, negative way for the people of this province.

We've seen Sask Oil and Gas Corporation lose control, people being laid off, a loss of jobs. We will see, when the privatization of potash corporation is completed, a loss of control of the corporation. We will see lay-offs; we will see economic hardships, loss of dividends to the treasury, and other negative economic factors on the people of this province.

(2045)

And I wanted to just draw the analogy as well that the Sask Oil and Gas Corporation started out as an honourable

kind of corporation. It had very specific objectives, and those objectives primarily were to satisfy the objectives of the government of the day, as the Potash Corporation of Saskatchewan satisfies the objectives of the government of the day.

And what Saskoil has done, Mr. Speaker, is that it has gone from being an economic instrument, a Crown corporation of the Government of Saskatchewan, to a foreign owned and a foreign controlled or an out-of-province controlled corporation. I maintain the potash corporation will go the same route.

I want to talk very briefly about some of the annual report for 1988. I have here the recent annual report, and I must say that the annual report showed a strong and a fairly efficient Saskatchewan company, even in 1988, which was built by Saskatchewan people and is now totally owned by Saskatchewan people and which is making a profit for Saskatchewan people.

But this report, Mr. Speaker, is an example, in my view, of very creative accounting. We can talk about . . . And this may have been stated before so I'm just going to try not to go verbatim on it, because again these are part of the speaker's notes that all caucus members are given on any particular issue or any particular Bill, and I will use them to a small degree. But we look at this annual report, and the highlights of the annual report show that the balance sheet is a healthy one, that more than \$106 million in profit was made by this corporation in 1988, that the privatization Bill before us today would sell off that company to non-Saskatchewan interests and give away those profits.

And it also had a very successful year with regard to production. In 1988, PCS mining operations produced a record 5.1 million metric tons, more than half a million more than the previous production record. Production costs, in addition have been reduced, and the report states on page 7 that, and I quote:

In short, PCS Mining produced record tonnes with record high efficiencies, record low costs and outstanding safety figures.

Seems to me to be an efficient and effective corporation, Mr. Speaker, making a profit for everybody that lives in this province. And yet this privatization mania of the government opposite is trying to sell it off and give it away.

And in my view, this privatization of the potash corporation has really gone too far. We look at the sales. In 1988 the Potash Corporation of Saskatchewan also had a strong year for sales. There was a significant increase in the level of offshore sales over the levels of the past several years, and total offshore sales were more than 2.3 million metric tons. Total sales, domestic and offshore, were more than 4.7 million metric tons. And once again I quote the annual report, page 7, which calls 1988 a record year for sales, record production levels last year, record sales volumes last year. Seems to me, Mr. Speaker, to be a very efficient potash corporation — a very efficient Crown corporation.

But what I want to talk about is . . . I just note with some interest several statements and comments contained in the annual report. On page 8, I quote: "Our outlook for 1989 is positive." Page 9, ". . . we are looking for increased sales into North America in the coming year." And again on page 9, ". . . we expect this (the offshore) market to remain strong in 1989."

And finally, Mr. Speaker, this last quotation at page 9:

We look forward to the future, eager to take advantage of market growth as more and more countries provide better diets for a growing world population. PCS . . . is well positioned to respond to this anticipated increase in world demand for potash.

A strong corporation, I maintain, reflected by this annual report, owned by the people of the province of Saskatchewan and for the benefit of the people of the province of Saskatchewan — good prospects for profits in the future, and for sales in the future, and for production.

And I guess . . . Why are they trying to sell this off? Doesn't seem right, Mr. Speaker. We've seen the privatization of all of those programs I referred to earlier. I won't be repetitious and repeat them, but as you recall when you were listening, Mr. Speaker, it was the dental plan, and day care, and family income plan, others. But all of these public services that we have now, the day-care programs and family income, and even veterinarian services, and the hearing aid plan, and home care, and the dental plan, could be paid for, Mr. Speaker . . .

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

Mr. Hopfner: — Mr. Deputy Speaker, the member is again carrying on far from the Bill and he has been brought to order on several occasions during his debate here in the legislature. He's been calling upon us, the government members, to get into the debate, but he himself does not stay on the motion that is being discussed here. And I would ask you to either get him back on to the motion or ask him to take his seat so government members on this side of the House can speak to the Bill and allow the people of this province the opportunity to hearing the truth.

Mr. Koskie: — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, all the member rose for is to interfere with the progress of the speech. There is no doubt that he was speaking directly on potash because he was referring directly to the report and the prospects of the potash corporation and the benefits that accrue from that as a result of the profits which accrued to the people of Saskatchewan this year.

And he's relating that if you have a profit from a corporation like potash corporation, then you can provide services to the people of Saskatchewan. And what more could be on point in the discussion of potash and why we don't want it privatized?

The Deputy Speaker: — I listened to the point of order

and I listened to the member from Quill Lakes. I would suggest that I've listened to both of you, and that I would ask the member from Regina North West to stay more on the topic, that is Bill 20. Stay on the topic.

Mr. Solomon: — Thank you, Mr. Speaker. I appreciate that. The point I was trying to make is that this annual report, 1988, of the Potash Corporation of Saskatchewan shows a great deal of optimism. It displays optimism in terms of sales, it displays optimism in terms of market opportunity, it displays clearly optimism with regard to profitability.

And what we're going to be seeing, Mr. Speaker, is an optimistic report that is either optimistic and real and provides a great deal of information with respect to the facts, or one that is just posturing for a sell-off. And it seems to me that when you look at the numbers, even the complex financing that I referred to earlier . . .

The Deputy Speaker: — Order, please. Order, please. Order. Both sides. Order, please. It is tough up here to hear the member from Regina North West.

Mr. Solomon: — Thank you, Mr. Speaker. What I was saying, Mr. Speaker, is that when I look at this 1988 annual report, it shows a great deal of optimism in terms of profitability for 1989. It shows a great deal of optimism for increased sales in 1989. It shows a great deal of optimism, Mr. Speaker, with respect to production and other significant economic factors which will make this corporation a very profitable corporation for the people that own it.

I contend, Mr. Speaker, that the people of Saskatchewan built this corporation, that they've managed it — except for the four mismanaged years or five mismanaged years of this government — managed it well, and they've created profits. They've paid off their debts on a self-liquidating basis, and they've produced an asset which is worthy of existing generations and future generations of this province.

Yet the government opposite wants to sell off the Crown corporation, sell it off to outside interests. And I just can't understand why. I say that again. That's repetition. I'm repeating my question because they haven't been able to answer why they want to sell it off.

I look at this corporation, from 1976, the year it was formed, until 1988, and we look at the production. We've seen the production of the potash corporation go from 8,000,190 tonnes of KCl in 1986 to where we're at in 1988 of 13,651 million tonnes. It's been pretty much consistent; it's varied between 8 and up to 11 or 12 and it ended in 13 in 1988. And that's the national production in potash.

The Potash Corporation of Saskatchewan increased on a regular basis 140,000 tonnes in 1976; 1977, it increased from 1.40 to 1.56 million tonnes of KCl; to the point where we're now at potash corporation in 1988 of a little over 5.8 million tonnes of KCl. So we've seen the production increase over the years; we've seen the sales increase over the years; we've seen the market share of this corporation increase substantially as well, from 1 per cent

in 1976 to 13 per cent in 1977 to 38 per cent in 1980 and 37 per cent in 1981.

But the government got elected in '82 and they cut back their sales and they dropped about 10 per cent, down to 32 per cent; and they maintained that level — 32, 33, 35, 31 — right through until 1988.

We've seen as well this potash corporation, through the financial statements, perform quite well as it pertains to wages. We've seen wages and salaries being increasing on a regular basis from the time it was created — contributed in 1988 over \$53 million in wages and salaries. In 1981 and '82 it was about \$65 million each year, \$63 million. And what that means, Mr. Speaker, is that this . . . (inaudible interjection) . . . The member from Weyburn keeps interrupting me, Mr. Speaker, and I would ask that you call him to order. He's interrupting my speech, and I think he should have some courtesy. I don't know if it's a point of order but he's really obnoxious with me tonight, and he's becoming a real pain. I'd like you to rule on that.

The Deputy Speaker: — Order, please. It will be up to the Chair to decide who's out of order here and who isn't in order. Order. Order, please.

Mr. Solomon: — Thank you, Mr. Speaker. What I want to do, Mr. Speaker, is convey to the people in my constituency who have not heard me speak on these particular items to date is read into the record some of the progressive performance . . . I guess reference points you might call them, that the Saskatchewan Potash Corporation has achieved over the years. These are milestones in any business, any successful business or corporation, and I would like to ensure that the people that I represent have access to this information.

And this is coming from again, I might add — in case the member from Kindersley wishes to raise a point of order — it's coming from speaker's notes which are made available by the research staff to all caucus members in the opposition. And it hasn't been read entirely by everybody, but if the member from Weyburn continues to be obnoxious I'll go through every last single figure and take the next six hours to do so, but I don't think he wants that. And I think the member from Weyburn continues to babble on from his seat and I think that that is unacceptable, but we'll proceed.

Mr. Speaker, what I'd like to comment about now is the facts as they relate to the economic performance of the Potash Corporation of Saskatchewan. We've seen, Mr. Speaker, in my view, a very important statistic. We see the number of employees that have been employed, and we talked earlier in my remarks about, one of the primary objectives of establishing a Crown corporation was to sustain employment and to plan a level amount of employment throughout the course of time.

(2100)

And we've seen with regard to the employment factor in the Potash Corporation of Saskatchewan, employees numbering 418 in 1976, increasing to 1,164 in 1977, and pretty well peaking in 1981 at 2,267 employees. We've

seen since '82, since the Conservative government came to power, a natural decline or a significant, continuous decline in the number of employees working in the Potash Corporation of Saskatchewan. It's gone from 2,267 to 1,273.

And I see that that's a factor that the members opposite have laughed at in the past. They feel that people working for this Crown corporation have been unproductive. They've gone on record as saying that.

And I can tell you, from looking at this very important document, that the assets of the corporation have increased on a regular basis during the course of an NDP government, have levelled off during the course of the Conservative government, that total equity was substantially increased over the time the corporation was set up, from \$230 million in 1977 to over \$732 million at year end 1981. And that has steadily declined over time until the debt was increased, the net equity was diluted, and we've ended up with almost no retained earnings left in the corporation as a result of their mismanagement, Mr. Speaker.

Retained earnings, of course, are the portion of the profits that the corporation keeps to reinvest in capital expansion or other costs related to the corporation. And the retained earnings of this corporation were growing steadily on a regular basis, and they peaked out in 1982 of \$314 million. The retained earnings were steadily eroded until 1987 when the retained earnings amounted to \$5 million — not \$314 million, Mr. Speaker, but \$5 million.

So we've seen the Crown investment corporation take on a debt of \$662 million from the potash corporation. We've seen the debt/equity ratio of the potash corporation continually worsen.

This is a new factor, the debt/equity ratio. This has not been read into the record as yet, and I want to share it with the members opposite. I notice that the members are listening, and that's quite important because in 1977 the debt/equity ratio of the Potash Corporation of Saskatchewan was 1:4.17. In 1978 the debt to equity was, for every \$1 of debt, there was \$4.36 of equity. In 1979, for every dollar of debt there was \$4.45 of equity. In 1980, for every dollar in debt there was \$7.94 in equity. In 1981, for every dollar of debt there was \$10.94 in equity, which is extremely good, I can add — extremely good by all financial tests.

You talk to the stockbrokers who are employed by brokerage houses across the country. They'll say a debt/equity ratio of 1:10 or 1:11 is extremely good — extremely good in particular for the potash corporations. But in 1982 and '83, they proceeded to decline to the point where in 1986 the debt/equity ratio was \$1 of debt for \$2.36 of equity.

What this shows, Mr. Speaker, is that the Conservative government have bungled the management of the corporation. They have taken the corporation with the debt/equity ratio of 1:11 and driven it down to 1:2.36. They've leveraged the debt of that corporation, clearly illustrated by these debt/equity ratios, to the point where the corporation has lost all its retained earnings, and it's

become not a powerful and economically viable, long-term corporation, but one that has to be dealt with in one fashion or another. Either the debt has to be written off, or the debt, as they have done, turned into equity, or it has to be sold off at discount prices. And they're doing the latter two. So we see that the creative accounting has illustrated once again that the debt/equity ratio has declined significantly over the last number of years under this government, and that is a very serious matter.

And this is not unusual, Mr. Speaker, because the debt/equity ratio of the Sask Oil and Gas Corporation also deteriorated, and has deteriorated to the point now where they could be in serious financial shape as a corporation considering the interest rates that may become volatile. If the interest rates shoot up a couple of points, Sask Oil and Gas could be in very severe economic hardship.

And with the Potash Corporation of Saskatchewan with debt/equity ratio having been watered down significantly, we're looking at a corporation that is really riding a very rocky economic shore.

I could go on, Mr. Speaker, I could go on for a long time yet, and I don't know if I want to because I think I've been fairly concise in what I've been saying. I don't want to string it out longer than members opposite will not listen for. But I think this is an important issue.

And we've seen . . . I guess in summary I'd like to say, we've seen the corporation go from one that has provided a large number of jobs to the people of this province to one where there are fewer jobs, almost half of the number of jobs now. Under privatization we'll see even fewer jobs. We've gone from a corporation which has been profitable, which has had a self-liquidating debt which was very manageable, to one where it is now almost unmanageable.

We've seen examples of the Conservative government opposite bungling the management of this corporation as well as other corporations. And what I can say, Mr. Speaker, is that with privatization, this economic program, the sole economic program of the government opposite of privatization, has proven in every case that I've covered this evening and this afternoon, has proven in every case, that with privatization comes hand in hand higher numbers of people unemployed, less revenues to the treasury of the province, fewer people working.

We've seen less control of the corporations that they've sold and we've seen, in my view, an abandonment of the obligation of government to the people of this province. They've abandoned their obligations to improve services or even to maintain services and programs as they existed. They've privatized many of them, and we've seen the increased costs of these services passed on to the ordinary taxpayer of this province, and in my view that is an unacceptable move. We've had people call all over the place with this privatization issue, call all of the members, including myself, expressing their concern.

A number of people are upset with the sell-off of the Potash Corporation of Saskatchewan. I've had calls and letters from a number of people, a number of people who normally don't support the NDP, saying that this

government opposite has gone too far. We've even had people who are employed by the Conservative Party buy memberships in the NDP. We've even got people doing that. We've got a person by the name of Karel Kvemshagen, who's employed at the Conservative headquarters, walk in and buy an NDP membership, because either she doesn't believe in what they're doing in terms of the privatization issue or whether she's just trying to get some information.

But it seems to me that here's another example: even the Tories that are employed by the Tories are abandoning the ship. They're buying NDP memberships, SYND (Saskatchewan Young New Democrats) memberships. Can you believe that? They're employed . . . And I'm not just making the insinuation, Mr. Speaker. I have here the 1989 Regina, Saskatchewan, city directory. And it says, Karel Kvemshagen, employed at PC headquarters. And this is the same one — same address, phone number, and postal code that's in here — that bought this NDP membership. She's opposed to the sell-off of the Potash Corporation of Saskatchewan.

Even the employees of the Conservative Party headquarters in Regina are buying NDP memberships because of this Bill No. 20. Can you believe that? Can you believe that? Unbelievable . . . (inaudible interjection) . . . Well we have the membership here. The member from Regina South doesn't believe it. I'd be happy to show him the copy of the membership later on. But here we have, Mr. Speaker, a government which is bent on ideology. They want to sell off this corporation. The people that elected New Democrats on this side of the House believe that this government has gone too far. The people that helped elect the Conservative government opposite believe they've gone too far.

And I can tell you, Mr. Speaker, that I would like to speak for the next six hours, and I believe I have the ability to do so, but my colleagues want to speak on this Bill. We've had comments from the member from Cut Knife-Lloydminster; he's anxious to speak on this Bill. He wants to speak on this Bill. The member from Regina South wants to speak on this Bill. The member from Regina Wascana wants to speak on this Bill.

And I say, Mr. Speaker, that as long as we have a New Democratic Party opposition, as long as we can keep the debate on this Bill concise, we will oppose this Bill when it comes up for vote. We do not support the sell-off of the Potash Corporation of Saskatchewan.

And this government, in my view, Mr. Speaker, has betrayed their principles yet again by selling off this corporation without going to the voters in Saskatchewan and asking them for a mandate. And I will oppose this Bill when it comes up for vote, and I think you very much for the opportunity to speak.

Some Hon. Members: Hear, hear!

Mr. Hopfner: — Thank you, Mr. Speaker. Mr. Speaker, the member that has been filibustering on the potash motion here and previous members of the NDP that have been doing it for days and days and days . . . In fact, now I believe we must be close into well 45 hours of debate. I

want to indicate to you, sir, that a lot of the things that have been said here today have been falsified and not very . . .

The Speaker: — Order, order. I must bring to the hon. member's attention that the information I have provided indicates that he has spoken on this topic. Order, order.

Mr. Hopfner: — Thank you, Mr. Speaker. Mr. Speaker, it's been so long ago I can't remember since . . . (inaudible) . . .

Some Hon. Members: Hear, hear!

Mr. Hopfner: — Could you indicate to me whether I had adjourned my portion of my debate or what the rules are. I don't understand.

The Speaker: — If you will give me a moment, I will get the exact verbatim and then I can indicate to you in specific.

Order, order. The verbatim indicates that on May 8, on page 1002, the hon. member for Cut Knife-Lloydminster concluded his remarks; therefore the hon. member . . . (inaudible) . . .

(2115)

Mr. Gerich: — Mr. Speaker, I rise today . . .

Some Hon. Members: Hear, hear!

Mr. Gerich: — Mr. Speaker, I rise today to enter the debate on public participation in the Potash Corporation of Saskatchewan.

We must never underestimate the importance of this debate, Mr. Speaker, or for that matter any public participation initiatives put forth by this government. It's time to get on with the business we've been entrusted to, govern our province for the benefit of all of the Saskatchewan people, and this is the way of a true democracy.

Before I proceed with my comments on public participation in the potash corporation, I'd like to elaborate on the meaning of a word, and the word "democracy."

You see, Mr. Speaker, our public participation program, and many positive initiatives that evolve from it, and a democratic right of the Saskatchewan people to participate in their government are undeniably linked. A democracy is a state in which supreme power rests in the people and is exercised by them.

As a government we believe that Saskatchewan people have a democratic right to participate in government decisions, and they have that right to make choices that affect the future of our province. And they have the right to know the real facts before a decision is made. And people have the right to express ideas and opinions and they have the right to make their concerns known.

They have a right to the basic freedoms where

government does not intervene in their personal lives but only serves to make a concerted effort to improve the overall quality of life, all through responsible and social and economic management—in other words, Mr. Speaker, government as a servant and not as the master.

Our members opposite believe that only the government should be the master; only government knows what is best for the people; only government runs business, can run a business. And this attitude is archaic and is long since past its time of usefulness.

I found the accusation that one of the members opposite—the leader, I think—made some time ago, maybe about 30 hours ago in this debate, that we are walking backwards into the future, most ironic, really ironic.

Here's a party firmly rooted in yesterday's policies. They resist change, they resist new direction, they resist new ideas, and they resist acknowledging that there's a world outside our borders that has a direct impact on how we are and where we will evolve as a province. But most of all, Mr. Speaker, they resist the right of Saskatchewan people to hear the truth about public participation.

The NDP are out of step in a democratic society. As the Leader of the NDP so eloquently stated in his opening remarks on Bill 20, they are walking backwards into the future. The ironic nature of the NDP philosophy is that it will destroy the very essence of what they say they are committed to protect. Their philosophy is devoid of individual choice and opportunity, really devoid. There is no freedom for us to grow either individually or collectively.

Now the NDP will impose their outdated solutions on Saskatchewan whether or not those solutions are consistent with reality. They're opposed to competition. They're opposed to entrepreneurship. They're opposed to the multifaceted economy in which government acts as a catalyst to promote economic growth and diversify in all sectors. By their own admission they're opposed to public participation and they're committed to creating and sustaining more and more Crown corporations that government own, and hire bureaucrats to run, and pay for with taxpayers' dollars.

And when the taxpayers' base is strained to the limit, Mr. Speaker, what are they going to do? They'll borrow money from outside the province to help keep the government in control. It's a fact of our history. Saskatchewan people have no more to say in this matter and that is wrong, Mr. Speaker.

We must build economic strength in our province through public participation. We have an opportunity to do just that. We can and we will put Saskatchewan front and centre on the international stage, there for all the world to see as an unequalled economic and social leader.

The NDP truly believe that government can provide an instant answer to every issue that arises. Well we know better, Mr. Speaker. We know that the government policy cannot be determined in that isolation.

And that's why my colleague, the member from Indian Head-Wolseley, has taken time to personally attend 22 meetings across the province, consultation meetings. He says, and our Premier says, that it's important that we listen to the Saskatchewan people, and we agree.

It was six or seven weeks ago, Mr. Speaker, that the Minister of Public Participation spoke to over 400 young adults about the benefits of the public participation program, about the opportunities and the incentives for the young people to stay in this province as we build, grow, and diversify our economy.

I would like to quote a part of my hon. colleague's address because I think it bears repeating inside these Chambers. The member says:

It's time to go out and dispel NDP lies about privatization.

He encouraged the young people to make their own individual choices about privatization because they will decide the future of Saskatchewan. And he said, and I quote:

You are the movers and the shakers of the province and I'm just the guy clearing the path for you. (He said) if you believe what I've told you here tonight, and I told you the truth, you go and tell your parents and your grandparents not to be scared by the NDP because no one is taking medicare away and no one is dismantling SaskPower or SaskTel or SaskAuto.

I'd like to say, Mr. Speaker, my colleague hit the nail on the head. All of us on this side of the House are committed to Saskatchewan and the Saskatchewan people. We are committed to the democratic right and people know the truth. And we're committed to making ours a strong and a prosperous province.

We care what Saskatchewan residents think and feel, and we want to know how they want us to run the public participation program. We are prepared to listen, and we are prepared to respond. And as the member from Indian Head-Wolseley has stated inside and outside this Chamber, one single message keeps coming through loud and clear: Saskatchewan people want Saskatchewan-based opportunities to invest in. The basis of the NDP philosophy is the same tired old rhetoric.

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

The Speaker:—The hon. member for Regina North West, what is your point of order?

Mr. Solomon:—Mr. Speaker, the member from Redberry doesn't seem to be speaking about Bill 20. He's talking about everything but potash and everything but the reorganization of the Potash Corporation of Saskatchewan. I rise on a point of order to ask if you could make a ruling on that.

The Speaker:—I've been listening to the hon. member's remarks and I must say that I haven't heard any real reference to the Bill No. 20. I am assuming that the hon.

member is getting to that very quickly. But up until this point in time I haven't heard any reference to Bill 20.

Mr. Gerich: — Mr. Speaker, all my remarks in my speech here are related to Bill 20, and as I go through them you will see how they relate to the Bill in question. We'll get back to it.

The basis of the NDP policy is the same tired old rhetoric. The NDP have quite a bit of opposition to foreign investment, and this opposition to foreign investment is because of their bankrupt policies and their belief that the private sector must be controlled by government, and this will set Saskatchewan back decades. We will continue to rely on government borrowing and deficit financing to support our Crown corporations. We will continue to drain our economy and our people of their right to be self-sufficient.

Mr. Speaker, our public participation program will create a new economic direction for the province and the people of Saskatchewan. I believe that every person in Saskatchewan can embrace this program with confidence and determination. Public participation will bring us to the threshold in the next decade as the world leader in economic and social development.

Mr. Speaker, the Minister of Public Participation has cited several examples, in different times that he has spoke, of public participation in Crown corporations. He's already working for the people of this province.

And they are good examples, Mr. Speaker, one that clearly demonstrates his program can bring substantial results. He referred to Saskoil, Weyerhaeuser, WESTBRIDGE, Printco Graphics, DirectWEST, to name a few. And he's illustrated beyond a doubt that these companies are delivering the goods.

The public participation program is of vital importance to all of us. We must accept the challenge to move forward, to create a new policy and new economic direction, and to do something with strength and purpose and a determination to succeed. We must provide a means for our Crown corporations to go beyond their limited scope under government ownership and control. We must create a sound economic policy that allows them to expand and diversify into major Saskatchewan-based corporations, with Saskatchewan people directly participating in economic growth and development. And we can and have, Mr. Speaker, and we will continue to do so.

The Speaker: — Order, order. The hon. member still hasn't referred to potash in any way that I can read into his remarks, and I'm going to have to ask him to somehow relate his remarks to Bill No. 20.

Mr. Gerich: — Mr. Speaker, I'm not being discourteous to the Chair or anything, but I have listened for some near 50 hours and listened to the members opposite . . .

The Speaker: — Order, order. I know that the hon. member is not being discourteous to the Chair, and I know that hon. members on the opposite side have also been called to order on various occasions for straying

from the topic. However, sir, I have listened to your remarks and I am asking you to relate your remarks to Bill No. 20, and I believe you have the ability to do that.

An Hon. Member: — Just say potash every second sentence.

Mr. Gerich: — Exactly. Potash corporation, Mr. Speaker, is a primary example of how government control and ownership can smother a business by preventing economic growth and diversification.

Some Hon. Members: Hear, hear!

Mr. Gerich: — In 1975, when potash was nationalized by the NDP, they didn't think about the restrictions they placed on the corporation through government ownership. The Leader of the Opposition knows fully well what advantages of widespread public ownership is, and public potash corporation. He put them forth in the share report. And why is he being so hypocritical, and now members opposite being so hypocritical and not supporting the motion to have the potash corporation shares sold in it? And I can really believe that this man is walking backwards into the future and is hard pressed to give a straight answer.

I ask, how can he stand before the House and the people of Saskatchewan and justify his party's nationalization of potash? He knows, although he's not likely to admit it, that his decision was based on pure political ideology, Mr. Speaker, and others know that too.

(2130)

Well, Mr. Speaker, I'm just going through some of my notes, and since I've been kind of handcuffed to talking about the potash corporation in the next few minutes and maybe hours . . . I hope that the people that were watching tonight seeing the actions of the opposition and how some of these people here, the member from Regina North West, how he could fool some of the people some of the time, but he won't be able to fool most of the people most of the time.

We can see that the potash corporation as a company has tremendous potential, potential of growth, and diversify away from potash into other marketable products. We see the opportunity for a potash corporation to become an international leader. We see the opportunity to keep the advantage of the growth and diversification right here in our province and to build Saskatchewan for Saskatchewan people. We see the opportunity for us to create a dynamic, world-class corporation.

Through public participation in the potash corporation, we will have a choice and an opportunity to help our Crown build on its own strengths. Bill 20 is one that offers the utmost protection for the Saskatchewan and Saskatchewan people. And I would like to examine a couple of principles enshrined in this Bill, principles of which the Leader of the Opposition takes great exception to and he probably doesn't understand. He said, and I quote:

That legislation proposes to sell off 100 per cent of

PCS, 45 per cent to foreign investors and 55 per cent to Canadian residents.

Nowhere in Bill 20 have we remotely indicated we will sell 100 per cent of the company, that the Leader of the NDP is grabbing at straws. He said that there's no requirement under legislation that a single share be held by a Saskatchewan resident. This man says he has a law degree. He obviously can't read a straightforward piece of legislation, Mr. Speaker.

It's not one single share will be held by Saskatchewan residents, that we had set in law the requirement that at least three members of the board of directors be residents of Saskatchewan. It doesn't make sense, Mr. Speaker. His interpretation is politically biased and unfounded and developed deliberately to create fear among Saskatchewan people. And it's ridiculous, Mr. Speaker, ridiculous for a man with a law degree, a man who is walking backwards into the future, that we would consider anything but a strong Saskatchewan base for this company.

Mr. Speaker, after reviewing the legislation, there were only two observations that were mentioned by the NDP leader. His arguments are based on the apparent lack of understanding of the contents of the Bill and his desire not to let the true nature of the Bill be known. And I say wonderful. Now that we've addressed your concerns and the NDP's concerns, let's get on with the business here in Saskatchewan, let's pass Bill 20, and let's build Saskatchewan and give the Potash Corporation of Saskatchewan freedom to grow. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Thank you, Mr. Speaker. And I welcome the opportunity to participate in the debate on Bill 20. An Act respecting the Reorganization of the Potash Corporation of Saskatchewan although, as others have pointed out, might more appropriately be named an Act respecting the sell-off of the Potash Corporation of Saskatchewan or an Act respecting the privatization of the Potash Corporation of Saskatchewan. The member from Redberry used that phrase, that euphemism used by the government opposite, of public participation.

Mr. Speaker, if the phrase was correct, it would be private participation, private participation in a public asset.

Some Hon. Members: Hear, hear!

Mr. Calvert: — And that in essence is what this Bill is about and what it proposes to do. It proposes to sell off the Potash Corporation of Saskatchewan. It proposes that 45 per cent of the Potash Corporation of Saskatchewan will be sold off to foreign investors, foreign governments. It proposes that the rest of the potash corporation can be sold off to investors from outside Saskatchewan.

Mr. Speaker, this is a Bill to allow for private participation in a public asset, in an asset that today is owned by all of the people of this province.

Mr. Speaker, I want to thank the member from Redberry for entering the debate tonight. It has been a debate that

thus far, I believe, has extended now some perhaps 40 or 45 hours. The contribution of members of the government to this debate, I would expect, has not reached yet one hour. And so I thank the member from Redberry for entering the debate because, Mr. Speaker, it seems to me, on an issue of this kind of importance, this vital importance — a corporation of this size, an asset of the province and the people — it seems to me, Mr. Speaker, an issue of this importance indeed requires debate. A Bill like Bill 20 requires debate. And for that kind of sober, serious debate that's needed in this House, obviously both sides of the House must participate.

Obviously that's how our system functions, that the government proposes and within the House should stand and speak and defend, and in this case, they should be defending, standing and defending why it is that they want to have private participation in this public asset. They should stand. It's their role to stand and defend their actions, Mr. Speaker. It's our role as opposition to put forward the questions. It's our role to put forward the contrary argument. It's our role to put forward the position that we hold and the philosophy that we share. It is the role of government in our system to defend their actions, and in this case it's their role to defend this Bill and this intention.

So, Mr. Speaker, I want to congratulate the member from Redberry for entering the debate and I hope that others in the government will indeed follow his lead. Earlier tonight the member from Regina South indicated that he wants to take part in this debate. We'll look forward to that. I heard the member from Regina Wascana today say that he wants to participate in the debate, and we'll look forward to his contribution, although I would hope, Mr. Speaker, that their submissions to this debate will be of some greater length and with some greater detail and to bring some more substance to the debate.

I think it's worthy to note, Mr. Speaker, that when the people of Saskatchewan became owners of a part of the potash industry in this province, when that debate took place in this House, opposition members at that time participated fully in the debate, spoke at great length, but also government members at that time participated in the debate, spoke at great length and in great detail. And I think that in that debate well over 100 hours was spent in the debate when the potash corporation was formed and part of the potash industry was brought into public ownership. It was a debate that lasted something over 100 hours. Now by my calculation, we've spent somewhere in the neighbourhood of 40 or 41 or 41 hours.

So if our system is to function and if we are to get a full and frank discussion of this very important piece of legislation, all members of the House must participate. So we look forward, I'm sure, from this side of the House, to more presentations by members of the government.

Mr. Speaker, that's very important for the functioning of our democratic process. But equally important, if perhaps not more important, is what leads up to a Bill like this. This is a major piece of legislation. It is a major policy initiative. There can be no debate about that in any quarter. This is a major piece of legislation. This is a major policy initiative. It is part of that broader policy initiative

of privatization which this government has undertaken, and this is one of the highlights of their policy of privatization. This is one of the big privatizations.

Mr. Speaker, again in our democratic parliamentary system, it seems to me if that system is to function and function well, this kind of issue, this kind of policy direction, this kind of legislation, should be part of a political party's program prior to the election. It should be there. If a political party, intending to be government, intends to undertake a major, major reorientation of the economy and the society; if a political party wishes to undertake something like Bill 20, a sell-off of a major asset belonging to the people of the province; then surely, Mr. Speaker, in our system that political party should make that intention known to the electorate, to the people, as they go to the people asking for a mandate to govern. Now, Mr. Speaker, I just believe that's fundamental to our system.

That, Mr. Speaker, in regard to Bill 20 and the potash privatization, did not happen. It just did not happen. Mr. Speaker, I, as all members in this House, went through the 1986 campaign. At no time during that campaign did members opposite tell the people of Saskatchewan that if they were elected they would go about privatizing — selling off the Potash Corporation of Saskatchewan — at no time during that campaign. In fact prior commitments, prior statements have indicated just the opposite, Mr. Speaker.

(2145)

To illustrate, I go back, Mr. Speaker, to before 1982, to before the Progressive Conservative government came to office in Saskatchewan. I go back to those days, prior to their election at that time. This Tory party were saying things like this to the people of Saskatchewan. Now again, I'm quoting from a little booklet that's called the Pocket Politics. It was prepared by the Progressive Conservative Party of Saskatchewan prior to the 1982 election. They were discussing in this document their plans for government. The document is set out in such a way that candidates can answer questions that might be put to them in the campaign.

And so the question is: "Is it true that the Conservatives plan to dismantle the Crown corporations?" That's the question.

Hon. Mr. Hepworth: — Mr. Speaker, on a point of order. The hon. member in referring to pocket-book politics, and in the manner he's referring to it, right down to his explanation of the question and answer format in that book, has been repeatedly made . . . those same observations have been repeatedly made in this House by other members, Mr. Speaker.

They have been repeatedly made by other members and rule 25(2) clearly states that not only must a member not be repetitive, tediously repetitive, but he must not be repetitive of other members' speeches in the same debate, Mr. Speaker. He is clearly being repetitive right down to even discussing the question and answer format. And if you so which, Mr. Speaker, I will find that in the *Hansard*, Mr. Speaker. The hon. member is repetitive of other members' speeches, Mr. Speaker. I think he ought

to discontinue right now.

Some Hon. Members: Hear, hear!

Mr. Pringle: — Point of order, Mr. Speaker. This is about the . . .

The Speaker: — Order, I believe you want to speak to the point of order, is that correct? Yes, okay.

Mr. Pringle: — This member has jumped up about 20 times today on points of order and he's been wrong every time, Mr. Speaker. What the member was doing was beginning to — in his comments about potash — was beginning to talk about the background pocket-book. He hasn't even been up for two or three minutes, he's just beginning to talk about the lack of mandate that this government has and to begin to document his arguments, and the member jumped up before he even had finished his sentence. I think the member's point will become very clear if you give him the opportunity to complete the sentence.

The Speaker: — Yes, I have listened to the hon. member's point of order and the member from Saskatoon Eastview's remarks as well. As I indicated earlier on a similar issue, when an hon. member indicates that a similar argument has been repeated at another stage in the debate, it will be helpful if you could point that out in some sort of tangible evidence. However, having said that, if the hon. member's argument that this argument has been repeated by the member is correct, then in fact according to rule 25(2), the member's statements are out of order. Rule 25(2) does say that:

. . . repetition, either of his own arguments or of the arguments used by other Members . . .

So according to Rule 25(2), that is correct if that has happened before.

Mr. Calvert: — Thank you, Mr. Speaker. Thank you very much.

Some Hon. Members: Hear, hear!

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

Hon. Mr. Hepworth: — Mr. Speaker, on a second point of order, Mr. Speaker, you seem to indicate in your ruling on this point of order that the argument would be better taken if I could provide tangible evidence of the fact that the hon. member made the . . . that this observation had been made by previous members speaking in this debate. Perhaps, Mr. Speaker, to expedite the matter, what we could do is you could review the record overnight and bring back a ruling on this point of order tomorrow and, in the meantime, this member could take his place. If we're proven . . .

The Speaker: — Order, order. First of all, I would like to point out to the hon. member that one instance of repetition is certainly not cause for asking the member to take his place.

Secondly, I will review the record; I will have the record

reviewed, see if I can locate a similar argument used.

Thirdly, of course, according to rule 25(2), if in fact the hon. member is using an argument that another member has used, then it's out of order.

Mr. Shillington: — Mr. Speaker, I want to be sure that I understand what you just said. It has long been the practice for each member to state the reasons why they vote for or against the piece of legislation separately. That hardly violates that particular rule. I suggest that that rule is designed to prevent one member from copying the comments of another. It's not designed to prevent individual members from stating the reasons why they will vote for or against a Bill. I think you've taken that . . . I'm not sure you intended to say what you just said, but I think the comments may have gone beyond what the rule was intended to prevent.

Hon. Mr. Hepworth: — Mr. Speaker, I thank you for undertaking to review the record. And in light of the fact that we had an earlier ruling tonight where obviously this House does not rule relative to the issue of plagiarism, while reviewing the record, maybe Mr. Speaker could as well take note of a word-for-word duplication of the hon. member from Regina North West, I believe it was, who was speaking earlier in this House tonight, and the speech given by the Leader of the Opposition on the opening day of this second reading debate, Mr. Speaker.

I accept the ruling, Mr. Speaker, that plagiarism is beyond the realm of the Chair to rule on. However, Mr. Speaker, if that's the case, then a word-for-word duplication has got to be exactly that, an absolute repetitive statement of the worst degree, Mr. Speaker.

The Speaker: — Perhaps to help clarify the matter, I should read the rule itself to all members, and then it will become more clear. It says . . . Rule 25(2) reads as follows:

The Speaker, or Chairman, after having called the attention of the Assembly, or of the committee, to the conduct of a Member who persists in irrelevance, or tedious repetition, either of his own arguments or of the arguments used by other Members in debate, may direct him to discontinue his speech . . .

The words, I think, hon. members should refer to are "persists in irrelevance, or tedious repetition . . .

If the hon. member persists in the use of irrelevance and he persists in tedious repetition, then of course rule 25(2) does allow for the Chair or the Speaker to cause the hon. member to take his place.

Now the hon. member has not reached that point at this stage but, however, I do bring to the attention of members that repetition and irrelevance of course are not in keeping with the customary debate and acceptable debate.

Hon. Mr. Andrew: — Mr. Speaker, while you were out of the Assembly an hon. member raised the issue of repeating over and over. And I think he pointed out that

on seven occasions during the speech of the member from Regina North West, the issue was raised about repeating and irrelevance — seven times, in which seven times the Speaker or the Deputy Speaker ruled the point to be in order. Now would the Speaker rule that that would constitute a violation of the rule seven different times in the same day?

The Speaker: — The hon. member has . . . Oh, fine. Okay.

Mr. Koskie: — I want to say, Mr. Speaker, that in this House today what we have seen . . . we have extended the hours of debate, a very important issue. And really what is happening now is the continuous interruption of points of order. And on the particular point of order, I want to indicate we can repeat, for example, the same facts to bring out a different form of an argument. I mean, I have to be able to indicate that potash corporation made \$106 million last year. Now in repeating that, other members will have said it, but I can certainly then go on to develop my argument. And the point that has been raised here of repeating certain facts, and then until you see the inference that is drawn, it's not irregular or out of order to do so. So I'd ask you to consider that.

The Speaker: — Once more I listened to the issue raised by the Minister of Justice and spoken to by the member for Quill Lakes. Without further reflection, and I intend to give this further reflection, I would say that it is quite clear that continuous repetition of other members' arguments, and several times —and I don't wish to put a specific number on it — but the repeated repetition of arguments used by not only a specific member, but other members as well, is in fact out of order. So the hon. member's point of order is well taken.

In a debate like this, it's going to take some creativity by hon. members to stick to the rules as we all understand, but rules are rules, and they are going to have to do their best. They are going to have to do their best to conduct their debate.

Order. Would the member for Cut Knife-Lloydminster please be quiet. The members will have to do their best to stick within the rules of debate, and as the Speaker, from time to time I will have to call you to order, and perhaps other members will also raise issues.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, thank you for your rulings, thank you for your clarification, and I'll appreciate your guidance during my time in this debate.

Mr. Speaker, the point that I am making here, let me state it very succinctly, is that we have a major piece of legislation before this House. It's a major policy initiative. A major piece of legislation and a major policy initiative that was not announced by the Progressive Conservative Party prior to their election and, Mr. Speaker, from my point of view that makes a sham of the democratic process.

It says also, Mr. Speaker, that they have no mandate — no mandate — to bring this legislation to this House, no mandate to sell off the Potash Corporation of

Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, I wish in these remarks and in making this point in this debate, I wish to provide the background that will argue that point. The point is that they have no mandate to do this because they did not promise or indicate to the people of Saskatchewan that it would be done under their government, in fact just the opposite.

And so prior to 1982 when their candidates were asked the question: will Conservatives dismantle Crown corporations? They responded, Mr. Deputy Speaker, they responded, absolutely not. That was their response prior to 1982 to the question: will the Conservatives dismantle the Crown corporations. And the stock response was, absolutely not. In fact the response went on, we will build and strengthen the Crown corporations. Now, Mr. Speaker, that was prior to the election in 1982.

Now prior to the 1986 campaign, the 1986 election, when the Progressive Conservative Party opposite went again to the people looking for a mandate, prior to the 1986 election, Mr. Speaker, senior members of their government were indicating that the Crown corporations of Saskatchewan were not for sale and would not be for sale. Mr. Speaker, that's what they were indicating, senior members of the Conservative government. And to illustrate that point, Mr. Speaker, I bring to the House tonight the comments of the current Minister of Justice, the current Minister of Justice who has spoken points of order on a number of occasions today, seemingly to try and delay the debate or slow the debate or stop the debate.

That Minister of Justice in 1985, Mr. Deputy Speaker, in 1985 — and I would remind you that's one year, just one year before the election — that Minister of Justice, that member from Kindersley, was in my community where I live, the community of Moose Jaw, and he said some things through the local Moose Jaw newspaper, the *Moose Jaw Times-Herald*. He indicated some things to the people of Moose Jaw about privatization. He said, Mr. Speaker, and I quote, "Privatization . . ." This is the Minister of Justice, the member from Kindersley, saying in Moose Jaw in 1985. That member said, "Privatization is yesterday's theory" — yesterday's theory.

An Hon. Member: — Who said that?

(2200)

Mr. Calvert: — That's the member from Kindersley, the current Minister of Justice.

One of the leaders of this government was saying in my community in 1985 that privatization is yesterday's theory. His comments that day generated a headline in the *Moose Jaw Times-Herald*, a headline that reads, "Crown corporations aren't for sale." Now that's what the headline reads. The date on this, Mr. Speaker, is January 29, 1985. The headline reads, "Crown corporations aren't for sale."

And I would like to quote some of this article because it's very germane, Mr. Speaker, to this debate, because what we are debating here is a major, if not the major privatization initiative of this government. Now one year before their re-election, a senior member of the government is in Moose Jaw and he's saying Crown corporations aren't for sale. He's saying that privatization is yesterday's theory. And I think it's extremely germane to this debate, the comments of that minister prior to re-election.

So I'd like to quote from this article, and I am quoting, Mr. Speaker:

Saskatchewan Finance minister, Bob Andrew, says the Crown Management Board's hiring of Dave Heron, a Saskatoon chartered accountant specializing in taxes, doesn't mean that the government is thinking about selling off some CMB assets.

He said that, you know, we're not thinking about, we're not even thinking about selling off the assets of the Crown Management Board. We're not even thinking about selling off the potash corporation or SaskPower or portions of SGI (Saskatchewan Government Insurance), Saskoil, or Sask Minerals — we're not even thinking about it, said the minister.

Now, he says further . . . That same day and the same article, he says, and this is . . . You know, Mr. Speaker, it's not that often, I guess, I'd find myself in agreement with that minister, but in some of his comments here in fact I do agree. He said that day:

To debate whether or not Crown corporations should exist at all is a "archaic" question.

And this is a quote again to the minister.

It just doesn't make sense for one government to build these things and for the next one to come and sell them off.

Now that's the current Minister of Justice, the member from Kindersley, just before the last election said, it doesn't make sense for one government to build these things and for the next government to come along and sell them off. Well I agree entirely, Mr. Speaker; that just makes no sense.

Some Hon. Members: Hear, hear!

Mr. Calvert: — And so the building that has gone on in this province, and not just under New Democratic Party governments, under other governments, under the Liberal governments, building that has gone on and the role that public ownership has taken in the development of our province, that kind of building that has gone on for years, it doesn't make sense for another government to come along and start tearing it all apart and selling it off. It does not make sense for one government to build these things and for the next one to come and sell it all off. He said again, that same day in the same article, he said that:

Selling off some Crown corporations isn't a viable

option for government, even though (because it was pointed out to him that day) it was recommended by the Conservative Party.

I guess the Conservative Party maybe is a little more honest than their leadership and their elected members. As the Conservative Party, I give them their due, they were talking about selling off the assets of the province before the 1986 election. But no, no. The minister came to Moose Jaw and said, no, no, not to worry; it's not a viable option. We're not selling anything. Crown corporations are not for sale.

Now you see, members of the Conservative Party at the time were suggesting that we should be selling off the potash corporation and other Crown assets because they themselves recognized that this was a cash starved government — cash starved government in a deep financial morass. The members of their own party recognized that. So the article indicates the Conservative Party was seeing the sell-off of potash, some of the other Crowns, as a method of raising money for a cash starved government.

Now that's what the members of the party were saying. And I again quote from the article: "Andrew doesn't agree because he says privatization is yesterday's theory." Absolutely right, yesterday's theory.

Now, Mr. Deputy Speaker, there is another cabinet minister, a former cabinet minister, who is also quoted in this article, who was answering questions of the local press in Moose Jaw, and I refer to Mr. Sid Dutchak, who at that time was minister for SMDC (Saskatchewan Mining Development Corporation) mining corporation. And I give Mr. Dutchak some credit. He was a little more forthcoming than the Minister of Justice was. He said his department was currently looking at methods of "giving people more control over Crown corporations."

Mr. Speaker, he indicated that there may be something happening here. He didn't just say that oh, it's not a viable option, and no; nothing is for sale. He did indicate that there might be some initiatives to give people more control over Crown corporations. But then he added . . . And listen to this, Mr. Speaker. He was careful to add that he doesn't want out-of-province speculators honing in on the action.

That was a comment of Mr. Dutchak. He said he didn't want out-of-province speculators honing in on the action here in Saskatchewan.

Well now what do we have, Mr. Speaker? We have a Bill 20 to provide for private participation in this public asset that guarantees that 45 per cent of it is going to foreign interests. Now before the election we have a minister of the Crown — well two ministers of the Crown in this case, one minister of the Crown saying, no, no, there won't be any foreign, out-of-province speculators coming in here and getting any of our assets. That's not in the cards.

Now we have a Bill before the House that ensures it, and we've seen it. I mean, we don't need to just look at this Bill; we've seen in other privatization initiatives. Take for instance Sask Minerals where the entire corporation was

sold to out-of-province interests — the whole works sold out of province even though before the election Mr. Dutchak was saying that, no, no, that's not in the cards.

Then we had the same day, the same article, the member from Kindersley, the Minister of Justice, assuring the people of the community where I live, and through the press assuring all of the people of the province, that Crown corporations aren't for sale. He's saying privatization is yesterday's theory. He says this whole debate, whether we should have Crown corporations, is an archaic question. He's saying it doesn't make any sense for one government to build and for the next one to come along and sell them off.

That's what was being said before 1986. And the people of Saskatchewan went to the polls in 1986 and they voted on that basis. They voted on the basis of a political party telling them that no, we're not selling the Crown corporations.

And then, once returned to office, Mr. Speaker, what happened? Well we've engaged in what I describe as the most massive privatization initiative anywhere in the western free world, anywhere in the world, with perhaps the exception of Great Britain. That from a government that before the election said Crown corporations aren't for sale, privatization is yesterday's theory, and so on and so on.

Mr. Deputy Speaker, that makes . . . One, that makes a sham; it makes a complete sham of the democratic process. Is it any wonder that the people in our province are so sceptical now about this government and so sceptical about anything that this government says? People across this province ask, is there anything they say that we can trust? Because before an election they say that no, Crown corporations aren't for sale, and after an election we get Bills like Bill 20 to sell off the whole potash corporation.

Now, Mr. Speaker, if the government opposite, prior to 1986, had gone to the people and had clearly stated, look, upon re-election we're going to split SGI in half and sell off half of that; we're going to sell off the natural gas division of SaskPower; and we're going to sell off the Saskatchewan Potash Corporation; if they'd have gone to the people and said that very clearly before the election, and then had been elected, well fair enough, then they have a mandate. Then they'd have a mandate to do it. No argument.

But what's happened is they've gone to the people of Saskatchewan before an election and said, no, no, we're not privatizing; don't you worry. If you're asked, were you going to dismantle Crown corporations, the answer is, absolutely not. We get the Minister of Justice coming to Moose Jaw saying, Crowns aren't for sale.

Now, Mr. Speaker, is that a mandate? Well they have a mandate not to privatize — not a mandate to sell off the potash corporation. They have a mandate not to privatize.

So, Mr. Speaker . . .

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

Mr. Pringle: — Mr. Speaker, I wonder if the House might grant leave so I could introduce a guest in your gallery.

The Deputy Speaker: — The member has asked for leave. Is leave granted?

INTRODUCTION OF GUESTS

Mr. Pringle: — Thank you very much, Mr. Speaker. I would like to introduce a close friend of mine, Mr. Mel Gill, in your gallery. Mr. Gill is the executive director of the Children's Aid Society in Ottawa, a very large organization, and was a resident, born in Saskatchewan. His family still farms here. And Mr. Gill is a long-time public servant of Saskatchewan, long-time senior manager in many departments, and has served the province well. And he's here on business and spending a few days now with his family. Our loss is certainly Ontario's gain. And I would ask the House to extend a warm welcome to him.

Hon. Members: — Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 20 (continued)

Mr. Calvert: — Thank you, Mr. Speaker. The member from Wolseley is anxious for me to get at it and I am too, Mr. Speaker, I am too. And I want to join in welcoming Mr. Gill to the legislature.

Mr. Speaker, so it would appear, to be as charitable as I can, after the election the government had a change of heart — they had a change of heart. Before the election, we're not going to privatize anything; after the election, everything is for sale. So, to be charitable, the best I could say is the government had a change of heart.

Mr. Deputy Speaker, they also appear to have had a change of heart in regard to the Potash Corporation of Saskatchewan itself. There seems to have been a real shift in thinking relatively recently about the potash corporation itself. And I think that the next member from the government side who enters the debate ought to deal with this obvious change in thinking that seems to have happened. Because, Mr. Speaker, the Premier of the province now describes the potash corporation as an albatross around the necks of Saskatchewan people. That's his description of the Potash Corporation of Saskatchewan. He calls it an albatross around the necks of the people of Saskatchewan.

Well that, Mr. Speaker, is quite a change of heart because when he uses that phrase, it is clearly derogatory. It is clearly to try and paint a picture of a corporation that's in great difficulty and a corporation that is causing great problems for the people of Saskatchewan.

Well that's quite a change of heart, Mr. Deputy Speaker.

I've done some research. I've gone through annual reports of the Potash Corporation of Saskatchewan. And I'm not referring to the annual reports that were written when we were government, but annual reports written since 1982 and the comments made by this government about the Potash Corporation of Saskatchewan.

So I go back to 1982. At that time the chairman of the potash corporation of Saskatchewan was the current member from Yorkton. And he said in the 1982 report, which was to be published and delivered in 1983, he said, and I quote,

It is our firm belief (referring to his government) that a new and a stronger PCS can emerge. And so with this belief in mind, the board of directors supported management's recommendation to continue with all of our major projects in Saskatchewan. I refer to the PCS Mining Lanigan phase 2 expansion which is now under way./

(2215)

And again this is a quote from the chairman in 1982:

This clearly illustrates our commitment and our belief in the future of PCS as a viable, vibrant, commercial entity.

In 1982 the then chairman, the current member from Yorkton, was saying that they view the Potash Corporation of Saskatchewan as a viable, vibrant, commercial entity, and on that basis he approved the expansion at Lanigan. He approved it on the basis that PCS was a viable, vibrant, commercial entity.

The president in that same report, the president of the corporation, on page 6, said:

In the longer run, we are optimistic about the future of PCS in that PCS Mining owns the largest and most economic potash reserves in the world.

In 1982 their president was saying that, "... we are optimistic about the future of PCS ..." Now today the Premier says this is an albatross. Somehow it's become an albatross.

Well let's go to 1983. Now in 1983 the chairman of the board was one Mr. Cliff Wright. I think that's the same Mr. Cliff Wright who now has a job with the Future Corporation. In any event, I think that's the same Mr. Wright in charge of the birthday party. Anyway, in 1983 the chairman's name was Mr. Cliff Wright. Now of the Potash Corporation of Saskatchewan, publicly owned corporation of Saskatchewan, he said, and this is right from the 1983 annual report:

The optimism with which the board of directors and (this is important) the provincial government view PCS (optimism with which the provincial government views PCS) is reflected in the decision announced shortly after year end that the corporation would move into new headquarters in 1985. While their decision was based primarily on economic reasons, the fact that it involves a

20-year commitment indicates the confident way in which the future of the corporation is seen.

In 1983, the provincial government, through its chairman of the potash corporation, was saying that we see much optimism when we view the activities of the Potash Corporation of Saskatchewan. We are involved in a 20-year commitment — 20-year commitment. That's how much optimism they had with PCS in 1983.

Mr. Speaker, in 1985 that same chairman, Mr. Cliff Wright, said of the Potash Corporation of Saskatchewan, he said in 1985 in that annual report, quote:

The corporation believes its mines are among the most efficient and productive in the world.

The mines of the Potash Corporation of Saskatchewan" . . . are among the most efficient and productive mines in the world."

That was Cliff Wright's judgement of PCS in 1985. Now I don't know what's happened, Mr. Deputy Speaker, that the most efficient and productive mines in the world now have somehow become an albatross around the necks of Saskatchewan people.

Let's move to the 1986 annual report. Now in 1986 we have a new chairman. Now this chairman's name is Mr. Paul Schoenhals. Now I think, Mr. Deputy Speaker, this chairman served some time in this legislature prior to the 1986 election. Anyway, the chairman now is Mr. Paul Schoenhals.

Now he says in 1986 of the Potash Corporation of Saskatchewan, with the report that's delivered in 1987, but from the '86 annual report, and I quote:

While the corporation has experienced hard times, it continues to be among the industry leaders in mine operations and technology, transportation, customer service, research, and development.

Mr. Schoenhals' opinion of the Potash Corporation of Saskatchewan in 1986 was that it was an industry leader — an industry leader in operations, technology, transportation, customer service, research, and development. We agree. The potash corporation has been and remains to be an industry leader.

Now perhaps, Mr. Deputy Speaker, more appropriate and more germane to the debate we're engaged in now would be the most recent report of the Potash Corporation of Saskatchewan, the 1988 report, delivered somewhat late, in 1989, but delivered at last. And, Mr. Speaker, because this is the recent report and because its comments on PCS will be the most relevant and most available comments that we have, I wish to quote rather extensively from this report about PCS.

And remember, this is the corporation that the Premier describes as an albatross around the necks of Saskatchewan people. That's how the Premier describes it when he wants to convince Saskatchewan people that we ought to sell it off.

Now does this sound like an albatross to you, Mr. Deputy Speaker? Now these are the comments of a Mr. Chuck Childers. He's the current president, chief executive officer of the Potash Corporation of Saskatchewan. These comments are from him. He says in his report, in the annual report, the very opening sentence:

I am pleased to report that the Potash Corporation of Saskatchewan had a net income of \$106 million in 1988.

One hundred and six million dollars, net income, profit, in 1988. Mr. Deputy Speaker, does that sound to you like an albatross around the necks of Saskatchewan people? Now that figure's not a figure that I've made up, taken from some researcher. I'm reading this directly from the report of the current president of the Potash Corporation of Saskatchewan. He says:

I am pleased to report the Potash Corporation (of Saskatchewan) had a net income of \$106 million.

Further in his report he says:

At Rocanville and Lanigan Divisions, every daily, monthly and yearly production record was broken.

In 1988 the potash corporation at Rocanville and Lanigan divisions broke every daily, monthly, and yearly production record. Does that sound like an albatross?

An Hon. Member: — Tell the people of Saskatchewan the truth.

Mr. Calvert: — Now the member from Cut Knife-Lloyd wants the truth to be told. I am reading from his government's annual report. If he is suggesting that this is not the truth, then let him do it from his feet.

Mr. Deputy Speaker, Mr. Childers points out that in 1988 every division of PCS, every division of the corporation "had a lower lost-time accident frequency than the year before."

Every division improved its lost-time accident frequency in 1988.

His summary statement here is this:

In short (Mr. Childers says) PCS Mining produced record tonnes with record high efficiencies, record low costs and outstanding safety figures.

Now, Mr. Speaker, that to me does not sound like an albatross around the necks of Saskatchewan people. A corporation that has an outstanding safety record, that has an outstanding record in efficiency and sales and production, that last year alone had a net income of \$106 million, does not in my book sound like an albatross around the necks of Saskatchewan people.

So what is the outlook? What is the future outlook for PCS? Well again I'm not using research material that we've found anywhere but in the annual report. What is

the outlook for PCS? Well the current president says that, quote — and I'm quoting from page 8 of the annual report. The current president says that:

Our outlook for 1989 is positive. (Positive.) The severe drought of 1988 has resulted in the depletion of grain stocks and most analysts are predicting a 10 per cent increase in U.S. planted acres in 1989. Even with increased competition for the U.S. market, we are looking for increased sales in North America in the coming year.

The current president of the Potash Corporation of Saskatchewan says that the outlook for 1989 is positive. He expects we will have increased sales into the North American market in this year. He says:

Although we are reluctant to forecast a third consecutive record year for offshore sales, we expect this market to remain strong in 1989.

Now, Mr. Speaker, we have the president of the corporation saying that the outlook for 1989 is positive, that they expect increased sales into the North American market. He is a little reluctant to forecast yet another record offshore sale, but he expects the offshore record to remain at least as strong as it currently is.

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So let me come to his concluding paragraph. "We look forward to the future . . .", he says, the president of the potash corporation. He says:

We look forward to the future, eager to take advantage of market growth as more and more countries provide better diets for a growing world population. PCS, through its nearly four million tonnes of excess annual capacity, is well positioned to respond to this anticipated increase in (the) world demand for potash.

Now, Mr. Speaker, I ask you, I ask all members present: does that sound to you like an albatross around the necks of Saskatchewan people? And I suggest to you, Mr. Speaker, it's anything but an albatross around the necks of Saskatchewan people. I suggest to you that by the evidence of this report alone, this potash corporation is one of the most valuable assets owned by the people of Saskatchewan, an asset whose potential for the future we can hardly begin to estimate in this House, in this debate now.

Mr. Speaker, this is the asset. This asset that generated \$106 million net income in 1988; this asset that had record production levels; this asset that had record high efficiencies, record low costs, outstanding safety features; this asset that the president himself describes as having a positive outlook for 1989; this asset that's well positioned in the international potash market to meet anticipated increases and demand. This is the asset, Mr. Speaker, this is the asset, Mr. Deputy Speaker, that the current government wants to sell off. This is the asset that this government wants to put into the hands of foreign, out-of-province owners, Mr. Speaker. This is the asset they want to sell off, and it is a shame, as my colleague says, it's a desperate shame.

Mr. Speaker, I'm sure you've had the opportunity to walk in the hallway on, what would be described I guess, as the first floor of the building where the native art gallery is now housed. There is, Mr. Speaker, in that gallery, and I'm sure you've seen it if you've walked there, a sketch, black and white, charcoal, by Gerald McMaster, 1984, which I think of all of that gallery, is one of the most prophetic. It's a beautiful piece of work . . .

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

Hon. Mr. Hepworth: — Mr. Speaker, a point of order. Once again under rule 25(2), I would fail to see the relevance of the member giving us a vivid description of a painting in an art gallery when the issue before the House is the potash Bill.

Some Hon. Members: Hear, hear!

Mr. Prebble: — Mr. Deputy Speaker, on the point of order. Mr. Deputy Speaker, the member from Weyburn has not even given the member from Moose Jaw South five seconds to make the point. He simply made reference to the picture. He was clearly going to relate the picture to this debate, Mr. Deputy Speaker, if he'd just been given another few seconds to do so. And this point of order, I believe, constitutes nothing but harassment, Mr. Deputy Speaker. I ask you to rule it out of order.

The Speaker: — I don't think the point of order was very well taken. I've been listening very closely to the debate and certainly I will listen closely from now on to hear the relevance.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, if I were to view the actions of this government and the agenda of this government; if I were to take this Bill No. 20, an Act to sell off the Potash Corporation of Saskatchewan to people outside of the province of Saskatchewan; if I were to portray that, if I wanted to portray what this government's doing in a work of art, I might well portray it in a prairie scene with a real estate sign stuck in it that says "for sale." Because that's precisely what this government is doing, they've put a sign on this province that says "for sale."

An Hon. Member: — At give-away prices.

(2230)

Mr. Calvert: — At give-away prices, as my colleague implies. And, Mr. Deputy Speaker, you may want to wander into the gallery on the lower floor and see just such a painting. It is prophetic in how it has predicted what this government has undertaken.

Mr. Speaker, this government in this Bill intends to take what is one of the most valuable assets belonging to the people of Saskatchewan, present and future, Mr. Speaker, and to sell it off.

And before I conclude my remarks in this debate — which with interruptions I'm prompted to go longer than I might have intended, Mr. Speaker — before I conclude my remarks in this debate, I'll want to talk about why

would any government want to do that. Why would any government want to do that, Mr. Speaker?

I do want to spend some time, Mr. Speaker, because if we are to understand the significance of this piece of legislation, if we're to understand the importance of this Bill, then we need to understand the importance of the resource, we need to understand the importance of the resource which is called potash — that red rock — that salty red rock that lies beneath the prairie soil here in such abundance.

Mr. Speaker, we need to understand this resource, and therefore I wish to take some time in this debate talking about the resource itself, the resource the control of which this government wants to give away — wants to give up.

Mr. Speaker, in my assessment, in my judgement of all of earth's mineral resources, potash — potash, sir — is one of the most valuable. Mr. Speaker, I would argue, I would argue that potash, particularly in the context of Saskatchewan, is much more precious than oil — much more precious than oil. And I say that, Mr. Speaker, because obviously within our lifetime, or at least well within the lifetime of our children, the resource of oil may well become obsolete. We may be here talking about a quickly depleting resource. And in terms of our provincial reserves, it is a resource that will deplete in a relatively short period of time. But indeed in as energy supplies change, as energy demands change and so on, obsolete . . . it may well become an obsolete resource, Mr. Speaker.

Potash, not so. Not so, Mr. Speaker, because potash will for ever have a demand so long as there are people on this globe who need to eat, so long as there are crops that need to be grown. So long as there are people who need to eat on this globe, there will be a demand for potash, Mr. Speaker, there will be a demand for the fertilizer that potash produces.

That, Mr. Speaker, in my mind alone, makes it a much more precious resource than oil. Much more precious too, Mr. Speaker, than uranium. Obviously the demand for uranium is falling off rapidly now, and it too may well become an obsolete mineral. And again the reserves are limited, the supplies are limited. Not so with potash, Mr. Speaker.

We've heard in this debate — I make the point again — the reserves of potash beneath this prairie soil of ours, these reserves at present levels of depletion will last 4,000 years — 4,000 years. Now, Mr. Speaker, 4,000 years is 2,000 years . . . if we took 4,000 years and went the other direction in history, we'd find ourselves 2,000 years before the birth of Christ. Mr. Speaker, that's a resource that will last not for tens, not for hundreds, but for thousands of years — four millenniums, Mr. Speaker.

That's the quantity of potash we have beneath this prairie soil. No other jurisdiction in the world, no other area on the globe, can claim this size of a potash resource, Mr. Speaker, and I submit to you that so long as the resource exists under this prairie soil, there will be a demand for that resource.

Mr. Speaker, I think it's very germane to this debate to bring this article which I found, Mr. Speaker, in the *Winnipeg Free Press* on Thursday, May 18, when I was there in Winnipeg, Mr. Speaker, attending a conference on the economy and the environment. Mr. Speaker, this article appeared that day because it was very current that day. It's out of Washington, and it reads, "The world's population, currently 5.2 billion, is likely . . ."

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

Mr. Trew: — Mr. Speaker, I'm sitting two seats beside the member for Moose Jaw South, who is speaking, and I'm having difficulty hearing him because of government members and their belligerent noises and heckling, and I'd like you to bring it to their attention.

The Speaker: — Order, order. The hon. member's point of order is well taken. However, to clarify it, I believe that in most instances it applies to all members in the House and I would like to ask the hon. members to allow the member from Moose Jaw South to continue his remarks.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Thank you, Mr. Speaker. Mr. Speaker, the point I wish to make now is that this resource called potash is in such abundance beneath the soil in Saskatchewan that we'll have a demand so long as the resource lasts, which predictions say can be up to 4 or 5,000 years.

An Hon. Member: — Well what does this have to do with the debate?

Mr. Calvert: — The member from Weyburn wants to know what this has to do with the debate. He is prepared, he and his government are prepared to give up, to give up this resource to foreign interests, to people outside of this province for their short-term political gain. Mr. Speaker, the point I'm trying to make is that there will be a long-term demand for this resource and that we should not consider the sell-off of this resource without considering that long-term demand.

Mr. Speaker, this article is a report from the United Nations population fund. It brings to light that the current population of the globe is 5.2 billion. It indicates that that population is likely to double to 10 billion by the year 2025. By the year 2025, the world's population is expected to double to 10 billion and to reach 14 billion people by the end of the next century.

Mr. Speaker, I think that's a very significant, very significant figure. Given that the potash beneath the soil in Saskatchewan, its primary use is in food production. Mr. Speaker, we can anticipate on this globe having to feed 10 billion people by the year 2025. That's not 50 years from now, Mr. Speaker. That's not very far from now that we anticipate, the United Nations population fund anticipates, that we're going to have to feed 10 billion, twice the population of the world today. And by the end of the next century, we're going to have to feed 14 billion people. And those actually, Mr. Speaker, are conservative predictions.

Now to do that, Mr. Speaker, to feed the people of this world, we are going to need the crops and that fertilizer that potash can produce. There's just no question about that. And because we have . . . Now I'm glad to hear that the minister says that she agrees. Now we are a province and we are a people who are given the stewardship of a resource that can feed the world, a resource that can share and help in feeding the world. We have beneath our soil some 4,000-year supply.

Mr. Speaker, we have a resource that will be in demand for as long as the resource exists. It's not going to run out next decade, it's not going to run out next century; neither the resource nor the demand is going to run out for centuries, Mr. Speaker.

So when we're considering the sell-off of this resource and when we're talking about the control, because that's what we're really talking about in this debate, the question of stewardship, of the control and the use of this resource, the question becomes: who will benefit, who will benefit from this resource. Will it be the people of Saskatchewan, will it be the people of this province, or will it be out-of-province investors?

That's a very central question in this debate. Who's going to control this resource, who's going to control this massive plate of potash? And you'll understand, Mr. Speaker, it runs right across the central portion of our province — massive plate of potash . . . a bit on an angle, of course. It's closer to the surface nearer to Saskatoon and further north, and so we have the shaft mines, but you get, of course, deeper when you come down to Regina and Moose Jaw and the area, and so we have the technology out at Kalium where the resource is mined with steam and brought to the surface in that way and then milled. There's no question that we have a massive resource of potash here. And the question becomes in this Bill: who's going to control it and who's going to benefit from it in the long term.

If we look at the world industry today, Mr. Speaker . . . and frankly, I was rather pleased that the Minister of Justice earlier this night chose to raise a point of order and in doing so repeated figures that I think are very, very important to this debate. He repeated them several times. He talked about the current potash industry in the world, an industry now that is something in the neighbourhood of three and a half billion dollars a year.

You know that huge industry, we now today already supply a quarter of that entire world industry in potash, that entire world market in potash, which as the Minister of Justice was good enough to point out, is some three and a half billion dollar market-place we supply — now, today — already a quarter of that from our province.

We are, in the western world, the largest producer of potash. We may not be as large as the Soviet Union, but in the western world the jurisdiction of Saskatchewan is the largest producer of potash. And as I have pointed out, our mines are the most productive in the world; our mines are the most efficient in the world.

And because of that, because of that, Mr. Speaker, we're

in a unique position in regard to potash. We're in the position that we, as a province, have an ability with this resource to influence the entire world market. In no other resource do we have that ability.

We certainly don't have that ability with our oil reserves. We don't have that ability with uranium. While agriculture is very large in our province, on the world scale we don't have the ability to influence directly the world market.

But when it comes to potash, we can do it. And we can do it because today already we already supply a full quarter of the world market-place — this three and a-half billion dollar industry we already supply a quarter of that amount. We are the free world's largest producer and that gives us the ability, and because not just the quantity, but the quality of Saskatchewan potash gives us that share of the market-place and it gives us that ability to influence the world.

So, Mr. Speaker, that's the resource we're talking about — a resource that will be available to generations after generation of Saskatchewan people, a resource that many predict will last 4,000 years, a resource that will last as long as there is a demand for the resource. And, Mr. Speaker, so long as there are people who need to eat on this globe, there will be a demand for potash. Today already we supply a quarter, a full 25 per cent of the world market from this province.

And so the question becomes very significant — very significant — when we ask who is going to control that industry. Who is going to benefit from that resource in our province?

Some Hon. Members: Hear, hear!

(2245)

Mr. Calvert: — Mr. Speaker, now we have a government that is intent, clearly, to take the Potash Corporation of Saskatchewan and to put the control, the ownership, and therefore the benefits, into the hands of others. And I guess it's appropriate in the debate to ask: well where does that idea come from? Like where do they get these ideas?

They didn't announce their ideas before the last election. We've certainly established that. In terms of the reporting through the annual reports of the potash corporation, they've given no indication that there's solid economic reasons for selling off PCS — just the opposite. The corporation's annual reports would indicate that this is a very valuable asset and valuable to the people of Saskatchewan. So where in the world, Mr. Speaker, do they get these ideas to privatize?

I am left to draw a conclusion, Mr. Speaker, and if members opposite wish to refute my conclusion, I would welcome them to do so. But I am left with the conclusion that this sell-off ideology, this mania of privatization that now engulfs the potash corporation, is imported. It's not a made-in Saskatchewan policy. I'm only left with the conclusion that it's imported, and imported primarily, from what I have observed, imported primarily from: one,

Great Britain; and two, a group called the Fraser Institute in British Columbia.

It seems to me that's where these ideas seem to have their germination and somehow they've been imported by the government opposite into Saskatchewan. I base that argument on the fact that the government opposite has engaged advisers who have come to the province from the government of Margaret Thatcher in Great Britain, Madsen Pirie being lead among that group.

And so I think it's more than appropriate as we're debating the sell-off of the potash corporation, I think it's more than appropriate that we should review some of the comments of this Mr. Pirie, this Madsen Pirie who the government opposite has brought from Great Britain to advise it on privatization, on putting public assets in private hands. Because it will give from his comment, from his indications, we will get perhaps a view of where this government is going. We're not getting a frank view from the government itself.

Madsen Pirie is quoted as saying of the Thatcher government plan in Great Britain regarding privatization, when he was asked what is going to happen, he responds:

Well last October, our finance minister said, "We have privatized 20 per cent of the public sector. Next year we will privatize another 20 per cent. And then in our next term of office, we'll privatize whatever's left."

Now that's the plan of the Thatcher government in Great Britain; 20 per cent one year; 20 per cent the next; and everything the year after that.

Mr. Pirie, who advises that government, now advises this government on the sell-off of the potash corporation. He comes here and he advises this government on how to sell off the potash corporation.

So we can, I think, therefore, assume that the privatization, that initiatives that have begun now, are going to expand. We may well see what's happening in Great Britain, that we have 20 per cent this year, 20 per cent next year, but then, Mr. Speaker, everything — everything goes on the block.

I think it's important that we listen to this man if he is indeed advising our government and shaping policy in Saskatchewan. The question is put to Madsen Pirie; but how do you ensure that the investment already made by the taxpayers does not get sold to private interests at a lower than market price? That's an appropriate question. Like how do you ensure that these assets which the taxpayers have built — the people of Saskatchewan have built and paid for — how do you ensure that they don't get sold off to some private interest at a lower than market value? Well you know what Mr. Pirie said about that? Well he said, we don't worry about that at all; we just don't worry. If that is what it takes to privatize that, then that's what we will do.

Fundamentally, the aim is to get the thing, which is operating in the public sector, in the private sector. You see, that's just the goal. There's no economic sense

behind that; it's just an ideological goal that says you've just got to get it from the public sector into the private sector, and if you lose a lot of money doing it, well we don't worry about that. If that's what it takes to privatize it, then that's what we'll do.

So the man who is advising this government on how to sell off the potash corporation is in essence saying, well if you don't get anything near what it's worth, don't worry about it, because that's what it takes to get it from the public sector into the private sector. That's what Madsen Pirie is saying to this government. Madsen Pirie is asked:

Canada's previous attempts at privatization ended up with government retaining a chunk of those companies for various policy reasons. What is your view of this, Mr. Pirie?

He responds:

Oh yes, the rule in Britain is if more than 50 per cent is in the private sector, then it's private. Sometimes in order not to make too big a demand on the capital market, the government privatizes 51 per cent. It leaves the government with a substantial minority holding which it then can quietly sell whenever it needs the money.

Now Mr. Pirie is in essence saying, Mr. Speaker, privatizing potash: well perhaps the government should maintain a minority portion. But then you see, as he says, then you can quietly sell it off whenever you need the money.

Mr. Speaker, he concludes his response:

And when you come near the vicinity of an election, it gives you substantial leeway with your budget.

Now, Mr. Speaker, does that sound like sound economic thinking? Does that sound like the kind of thinking that should be used when dealing with the resource of potash which we have in such abundance in this province?

Mr. Speaker, Madsen Pirie is saying — and he's the adviser to this government on this legislation and other privatizations — he's saying, you see, you maintain a little bit of it, or a minority share of it because if you do that then you can just sell it off quietly when you need the cash. And when are you going to need the cash? Well when you're about ready to go to an election. That can give you some budget leeway, he says.

Mr. Speaker, I was interested to see that Mr. Pirie was quoted in the "Report on Business" on May 18, in the *Globe and Mail*, Mr. Speaker, he betrays a little more of the kind of advice that he's giving to this government in this article. He talks about the government of Great Britain, the government of Margaret Thatcher. He says that the government of Margaret Thatcher intends to privatize such natural monopolies as electricity and water. And the author of the article concludes:

For better or worse, there isn't much time left for the government to get it right over there, because

after electricity and water, the Government of Great Britain plans to sell the railways and the coal mines, leaving it to run little more than the post office.

This is the advice that the government opposite is getting, advice that says that you sell off everything, you sell off everything. You sell off insurance, you sell off potash, you sell off power, you sell off electricity, you sell off water, you sell off the railways. That's the kind of advice they're getting from Madsen Pirie. That's where the ideas are coming from.

Mr. Speaker . . .

The Speaker: — Order. The hon. member for Cut Knife-Lloydminster.

Mr. Hopfner: — Mr. Speaker, you have ruled for my colleague, the member from Redberry, when he was trying to read into the record all the various types of information that was a bit wide-ranging, as you had indicated, and you're allowing the member from Moose Jaw to wrangle on, bring in topics that aren't even related to the Bill, such as the sell-off of SaskPower. There is no sell-off of SaskPower. There is no sell-off of post offices. There is no sell-off of a lot of these things that he's saying and it is very irrelevant to the issue, and I would like you to bring the member back to order. And I'm calling this point of order under rule 25(2), please.

Mr. Trew: — Thank you, Mr. Speaker. I have listened very carefully to the member from Cut Knife-Lloydminster as he tried to make his point. I have been listening all evening to the member from Moose Jaw South, and I'm sure you have virtually no option but to agree, every point the member from Moose Jaw South has been tied in, in fairly short order, to this potash debate, this debate on Bill 20. The member for Moose Jaw South has been doing an exemplary job of tying in the big picture, and I for one take my hat off to him. I urge you to find this particular point of order ill-founded.

The Speaker: — I have listened to the hon. member's point of order. First of all, I'd like to indicate that the ruling I had with the hon. member from Redberry is not relevant to the order that you have raised.

And secondly, I have listened closely to the hon. member's remarks tonight, and by and large he has been relevant. It may be argued that in the last two or three minutes perhaps he has been wandering somewhat from the topic, but other than that he has been relevant and I ask him not to get back on the topic.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Thank you, Mr. Speaker, and I indeed hope to and I wish to and I will endeavour to remain very closely related to the Bill at hand and the privatization of the Potash Corporation of Saskatchewan.

Mr. Speaker, I was attempting to indicate that in formulation of this piece of legislation and formulation of this privatization policy, that the government opposite seems to be getting its advice . . . It's not

made in Saskatchewan policy. It's not made-in-Saskatchewan policy. It's imported advice they're bringing in from, primarily from Great Britain, but also . . . I would suggest also from this little group that exists out in British Columbia called the Fraser Institute.

Because we seem to hear a lot from this Fraser Institute. And so I think it's appropriate again that if we're looking at this Bill and the background of this Bill and what this government intends to do, to look at maybe what its think-tank is saying about privatization.

Now it's very interesting in this publication of the Fraser Institute, and it refers to the privatization that's going on in Saskatchewan. In a little article called "Prairie Privatization Problems," the Fraser Institute indicates there's some problems with this legislation. And that's very interesting, that the think-tank out in B.C. that this government relies on suggests there's some privatization problems here.

Well the problem that it's . . . the problem identified by the Fraser Institute about privatization in Saskatchewan, and I just quote. It says here:

The most fatal mistake is limiting ownership of the shares and representation on the board of the new firm.

They say it's a big mistake to limit the ownership of the shares or to limit representation on the board. And this is a direct quote, Mr. Speaker. I want to be clear. I am quoting this from the Fraser Institute. This is not . . . These are not my words; these are the words of the Fraser Institute.

The problem with this approach to ensuring that the damned foreigners don't get control of an important Saskatchewan resource utility, is that it may doom the corporation to inefficient operation.

Now, Mr. Speaker, what this Fraser Institute is saying — let me be very clear about this — that the mistake the government is making is limiting foreign ownership. The Fraser Institute says the foreign ownership should be wide open, because if you have local people involved, if you have Saskatchewan people involved, well then you're condemning it to inefficient operation.

That's the position of the Fraser Institute: that we can't run our own corporation; that we can't develop our own resource; that we must have the foreign investment from the foreigners.

Well, Mr. Speaker, I find that totally unacceptable. And I find it unacceptable that the Government of Saskatchewan would rely on a think-tank like this for its policy and its program, because that's what's been happening.

This government goes off to Margaret Thatcher's government in Great Britain; it goes out to British Columbia to the Fraser Institute; it brings people in; and we end up with legislation like this, and we end up with policies of privatization. We end up seeing our assets being sold off and given away.

Mr. Speaker, again the question becomes, and a question that I'll want to pursue in my further remarks in this debate, the question becomes who will control and who will own this resource.

Mr. Minister, we are approaching 11 o'clock. I would move that the debate be . . .

The Speaker: — Order. It being near 11 o'clock the House stands adjourned until tomorrow at 8 a.m. . . (inaudible interjection) . . . The member moved adjournment? Oh.

I'll give the hon. member the benefit of the doubt and let him move that motion. The member for Moose Jaw South and I were both speaking at the same time, and however he has moved adjournment of debate and is it the pleasure of the Assembly to adopt the motion?

Debate adjourned.

The Assembly adjourned at 11 p.m.