

July 27, 1989

The Assembly met at 1 p.m.

Prayers

ROUTINE PROCEEDINGS

ORAL QUESTIONS

Farmer Facing Cut-off of Power

Mr. Koskie: — Thank you, Mr. Speaker. I'd like to direct a question to the Deputy Premier, the minister in charge of SPC (Saskatchewan Power Corporation). Mr. Minister, we have been contacted by a number of small-business men and, indeed, many farmers, and the problem that they're facing, and let me give you an example, is a farmer which, I guess in the terms of the Premier, has gone into diversification.

He has 12,000 broilers, 75 cows that he is milking — dairy herd. They're working day and night; they're indebted. They have contacted ACS (Agriculture Credit Corporation) in respect to the restructuring of debt. SaskPower came out to their farm yesterday, indicated to them by August 1 the power would be totally cut off.

I want to ask you, Mr. Minister, rather than having your high-paid former president of the Tory Party walk around and tell people how to get rid of their assets, why doesn't he attend to shop and represent the people that built this province and give a reprieve on paying this power bill until the drought payment is advanced?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, SaskPower has, in the past, when people have met difficult circumstances, met with them and worked out arrangements to cover off those very kinds of things, Mr. Speaker. And I would be happy to take a look at this personally if the hon. member would supply me with that information.

I should also point out that SaskPower, because of things like the rural gas program, Mr. Speaker, provides low-cost space heating for dairy farms and broiler parts and that kind of thing, Mr. Speaker, and SaskPower has gone a long way towards providing low-cost service to rural Saskatchewan, Mr. Speaker.

But in any event, if the hon. member were to provide me with the name of the individual that he's talking about, I'd be very happy to look into it, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Mr. Minister, someone is asleep at the switch if we in the opposition have to continually bring these to your attention. You're asleep at the switch, and George Hill, paid over \$200,000, is not attending to business.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Let me give you another example, Mr. Minister. There's a small-business man in this town and he made arrangements with SPC to pay \$250 a week on

arrears in power. They subsequently said he had to increase it to 500. He increased his payment to 500. He missed one week, paid up the thousand dollars, and do you know what happened this morning as he was preparing to serve his customers? SaskPower walked in and shut the doors . . . shut off the power.

I ask you, Mr. Minister, who are you representing? The people of this province built the power. It's for their service. Will you get George Hill and yourself attending to the business and representing the people of this province, rather than trying to tell them to sell off their assets?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — I think SaskPower has something like 600,000 electrical customers in the province, Mr. Speaker, and this member today brought in the first two complaints that have ever came from the opposition, Mr. Speaker, the very first two to the House.

In the normal course of events, Mr. Speaker, these kinds of situations are dealt with by the people at SaskPower, and in those circumstances where there can be arrangements made to help these people through a difficult period, Mr. Speaker, those arrangements are made.

Now I quite frankly don't think the people of this Assembly should be satisfied with the grandstanding of that member. He just comes in here and makes these allegations. I have told him, Mr. Speaker, that if he would provide me with the names and the circumstances, I would be happy to look into it. Two people, Mr. Speaker, out of 600,000 customers is not bad, Mr. Speaker, not too bad.

Now I don't take that as gospel either, Mr. Speaker. I will be waiting — waiting, Mr. Speaker — for that member to provide me with that information.

Some Hon. Members: Hear, hear!

Mr. Koskie: — A new question to the Deputy Premier. Mr. Deputy Speaker, this is just the tip of the iceberg. There are 10,000 farmers, by your own statistics, that are in deep and serious trouble and are facing the same problem as created by your government.

Mr. Deputy Speaker, when your government has money to bail out GigaText, the SED Systems, the Joytec, 290 million to Cargill, and a host of others, I want to ask you, Mr. Minister, just who is your government representing? You're here to represent the people of Saskatchewan, and I ask you for action in defending the people of Saskatchewan and to cut back on that vicious policy of shutting off power in a time of great need by the farmers of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I told that member that I'd be happy to look into the case. I would be happy to look into the cases that he's brought to the floor today,

Mr. Speaker. I don't know, nor do I think that we should talk about it across the floor, but I don't know whether that particular customer is one month behind, two years behind, five years behind. I don't know what kind of arrangements in the past have been made with that particular customer. I don't know that, Mr. Speaker; I can't know that.

Now, Mr. Speaker, let's talk about the credibility of that member. Once again, once again he stands up and says 10,000 farmers facing foreclosure. Once again, Mr. Speaker, in fact the number is about 2,600 or some place in that neighbourhood. And he stands up and he talks about sums of money being poured on Cargill — totally inaccurate again, Mr. Speaker.

One thing he does not talk about is 21 per cent interest rates to farmers when he was in office; one thing he does talk about is 100 per cent increase in gas rates during the seven years that they were in power as compared to 1.8 per cent roll back while we're in power.

Some Hon. Members: Hear, hear!

Farm Finance Regulations

Mr. Upshall: — Mr. Speaker, my question is to the Minister of Agriculture. Mr. Minister, two weeks ago we forced you into bringing forward the agricultural Bills to this legislature. We co-operated 100 per cent, we co-operated 100 per cent and passed them all in one day. We have just seen the results of your policy, or your non-policy. All the policy was in regulation.

Mr. Minister, today will you table you agricultural farm finance regulations so that people know what your programs are so farmers like the one we just heard about at least know there's a light maybe at the end of the rainbow?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I appreciate the fact that the members of the opposition did decide to stand in their place and vote on the legislation after farmers and others had been calling it to their attention that in fact if we have this legislation working then we can provide the legislation, then we can provide the changes, we can provide the financial assistance and the new legislation so that, in fact, we can.

The regulations are being drafted, Mr. Speaker, and they will be brought forward as quickly as possible.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Mr. Minister . . . new question, Mr. Speaker. Mr. Minister, you stood in your place and hypocritically said that we were holding up the finance legislation. That was two weeks ago it was passed. You've had 80-or-so-odd days in this session. You've had a year since the drought last year. You've had four years of agricultural problems in this province and you don't have the regulations. Can you tell me, Mr. Minister, why you stand there so hypocritically, and when will you table your legislation?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, we've put together the legislation, we've put together the Speech from the Throne, we've put together our budget. The members opposite go on strike, Mr. Speaker, for 17 days. They waste the time of the taxpayer to the tune of about \$5,000 an hour that they stand in here and go over and over and over the same thing. No new arguments, Mr. Speaker.

And they stand there now and say, when are you going to do something for farmers, Mr. Speaker, we've allocated new programs and new financing and cash to farmers like they've never seen before. We don't allow 21 or 22 per cent interest rates to be levelled against farmers, Mr. Speaker. We do something about that. We've designed new legislation for the first time in Canadian history that will be here for Saskatchewan farmers, and the regulations will be appropriate, Mr. Speaker, and they will be introduced in this legislature. And Saskatchewan farmers will appreciate them because they come from this side of the House when in fact we got the opposition and the NDP to stand in their place and to vote and to be counted like they should in the Saskatchewan legislature.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Mr. hypocrite . . . I mean, Mr. Minister, two questions, simple questions: do you have the regulations ready, and when will the people of Saskatchewan find out about them?

Hon. Mr. Devine: — Mr. Speaker, the members opposite have held up the House for four months. We have record debates going on over absolutely nothing, and he stands up finally when we're looking into August, August 1, and asking, well do you have some agriculture legislation, do you have regulations.

Mr. Speaker, we have agriculture legislation, we have regulations, and we are quite prepared to co-operate and to have this place work as smoothly as possible when the members opposite agree that democracy is important enough to take a professional role and to stand in your place. Mr. Speaker, I hope that they will now. We've got extended hours; maybe they can see some co-operation in the future.

Some Hon. Members: Hear, hear!

Principal Trust Pay-Out

Mr. Calvert: — Mr. Speaker, my question is to the Minister of Consumer and Commercial Affairs. Mr. Minister, this week the press reports in Alberta are indicating that the Alberta government may now be prepared to make a pay-out to those who lost money in the collapse of Principal Trust. But there was a hint in those reports that in fact the Alberta government's only going to be prepared to pay out to Alberta residents and not to Saskatchewan residents. Mr. Minister, my question is this: in your communications with the government of Alberta over the course of the past week, what have they been telling you about a pay-out to Saskatchewan residents?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Speaker, what I would suggest to the member opposite that he wait until tomorrow when the Alberta government, the Premier of Alberta will be making a comment as to the steps that they are going to be taking to compensate the investors.

Mr. Calvert: — Supplementary, Mr. Speaker, I'll repeat the question. Mr. Minister, what has the Alberta government said to you in the course of the past week regarding a pay-out to Saskatchewan investors?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Speaker, the officials in the province of Alberta have not indicated to us or to any other government in Canada what they will be doing in so far as any of the investors are concerned. Any of the reports that have been in the papers are pure speculation at this point, and we'll wait until tomorrow when they make their announcement.

Mr. Calvert: — Mr. Speaker, new question. Mr. Minister, if in fact the Government of Alberta chooses not to pay out to out-of-province investors, i.e., Saskatchewan investors will not receive anything from the Alberta government, will you, sir, then as a government refund their money, and then as a government go after the Government of Alberta or go after the Cormie's yourself. Would you do that, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Speaker, the Government of Saskatchewan is not going to be announcing any decision until the province of Alberta has announced what steps they are going to be taking, and we will be doing that in due course.

Mr. Calvert: — New question, Mr. Speaker. Mr. Minister, then let us move to another area. As you should know, or will know, Saskatchewan investors have been receiving letters telling them that they must appear in an Edmonton court room on August 24 at their own expense to file their claim. If they are unable to do so, then they must send an affidavit notarized by a lawyer that could cost each one of them up to \$350. Mr. Minister, if we accept your figure of 4,400 investors at \$350 each, that's \$1.54 million.

Mr. Minister, you and your government hired a lawyer to be at the inquiry to cover your political interests, Mr. Minister. Will you today extend that same thing to the investors in the province? Would you — your department or the Department of Justice — provide some legal help for the paperwork necessary to get these claims filed?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Speaker, I think it's very interesting to notice the actions of the opposition today when we know that when Pioneer Trust was having difficulty that they were opposed to paying even the Saskatchewan depositors and helping them in any way. I would suggest again to the member opposite, Mr.

Speaker, that when the Alberta government has made their decision what they're going to be doing, then we will be making our decision what we're going to do here. In the past, the Alberta government has treated all of the investors fairly, whether they resided in Alberta or in other provinces, and we would expect that they would be doing the same thing now.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, the minister seems to have difficulty hearing my questions. Mr. Minister, will you provide some legal assistance to the investors in Saskatchewan that they can get their claims filed?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Speaker, I haven't been . .

The Speaker: — Order, order. The members are being interrupted when they're giving the answers and when asking the questions as well. And let us allow members from both sides to proceed in an orderly manner.

Hon. Mr. Meiklejohn: — Well I think, Mr. Speaker, for the most part, the opposition isn't necessarily interested in hearing the answers. I have not been made aware of the fact that the investors have been asked to appear in the Edmonton court room to file their reports and with regard to any costs. But we are not going to be making any decision or taking any steps until after the Alberta government makes its move.

Some Hon. Members: Hear, hear!

Performance Bond with SED Systems

Mr. Koenker: — Thank you, Mr. Speaker. My question is to the acting minister responsible for . .

The Speaker: — Order, order.

Mr. Koenker: — My question is to the acting minister responsible for SEDCO, and it concerns this government's recklessness when it comes to a \$1 million performance bond SEDCO has posted for SED Systems. Since the Deputy Premier told this House just days ago that there is no problem with SED meeting its contract with the contractor building the Canadian frigates, why was your government to post a performance bond for the company? And doesn't Fleet Aerospace have faith in SED Systems to post the bond?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, since I'm not the minister responsible for SEDCO, I'll be taking notice of the question, but I . . . (inaudible interjection) . . . you got it.

Mr. Koenker: — New question, Mr. Speaker. While the minister is taking notice, I'd also like him to take notice of another question: if SED Systems has a contract for 26 million and is sure it could meet the contract, why would someone purchase the company under the opinion it would not fulfil that contract? What's the purpose of the

purchase, in other words? I say, Mr. Minister, there's only one reason for this bond and that is that the contractor is afraid that the conditions of the contract will not be met. Would you answer the House what security of SED Systems or Fleet Aerospace is this bond posted against?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — I'll take notice, Mr. Speaker.

Annual Adjustment to Civil Service Pension

Mr. Trew: — Thank you, Mr. Speaker. In the absence of the Minister of Finance, I address my question to the highest elected official, the head of the government. Mr. Premier, you will know that former employees of the government and Crown corporations rely on the provincial government for annual inflationary adjustments to their pensions. This has traditionally been done through legislation in this Legislative Assembly. Since we have not as yet seen any such legislation this session, will you advise us when that is coming?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, as I said with respect to agriculture legislation, and no doubt several other things with respect to this session, the opposition has been very restrictive; they've worked extremely hard, Mr. Speaker, to make the place ungovernable; they said that they will not co-operate; they ripped up an agreement yesterday, and they're standing now asking when will we see various kinds of legislation or new legislation or pay increases.

Mr. Speaker, the opposition knows that we have been in for months and months. If they really want to have productivity here, it's in their hands, and they know that. They can co-operate, they can build, they can pass legislation, they can debate, and they can vote.

We've had a restrictive attitude in this House for some time, Mr. Speaker. If we can get co-operation, they'll see all kinds of things take place.

Some Hon. Members: Hear, hear!

Mr. Trew: — New question, Mr. Premier, you set the agenda in this legislative session. You need to do more than simply shuffle the seats on the Titanic. Bring it in this afternoon and let's see what happens. Bring that legislation in.

Some Hon. Members: Hear, hear!

Mr. Trew: — Mr. Premier, your government has got \$9 million to blow on a birthday party that nobody wants. You've got money to keep churning into GigaText, which is the biggest fiasco this province has seen for a long, long time. You've got millions and millions and millions of dollars to throw to Cargill, the multinational grain corporation.

Why is it that you don't seem to have money for the people who have so faithfully served the people of Saskatchewan and the government? I'm talking about

retired civil servants from the government and from the Crown corporations. Will you bring that legislation forward today?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I've said to the hon. members that in democracy, in democracy, the British parliamentary system, people are elected, and the majority of the people . .

The Speaker: — Order, order.

Hon. Mr. Devine: — Thank you, Mr. Speaker. If the hon. members are interested in democracy . . . And they laugh at even the word "democracy," Mr. Speaker. They have no regard for this House. They have no regard for democracy. In democracy members are elected and the majority of the members form the government, and the majority of the members, which is the government, Mr. Speaker, puts together a Speech from the Throne and a budget, and normally, traditionally, where it is respected in this legislature or any other legislature, people debate it and they vote in their place so that government can proceed.

The members opposite have stood here month after month and they've refused to co-operate. Mr. Speaker, you ask for legislation. They don't want any more legislation. They grandstand. They ask about people who are not getting paid and they won't even give the names. They mention Bills, and they've said at the same time not to have legislation, Mr. Speaker. Look it, I don't have any time for that kind of stuff.

Some Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker, new question. Mr. Premier, democracy is here to serve all of the people. You bring this Bill in today and we guarantee that we will pass it this very day. We agreed yesterday to extend hours . .

Some Hon. Members: Hear, hear!

Mr. Trew: — You, sir, control the agenda. We extended the hours of sitting yesterday to deal with needed legislation; bring it today and we will see it gets passed for the benefit of the people. Will you do that?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I'll say to the hon. members: if you stand in your place and you debate and you vote on all the Bills that are here and all the legislation and all the estimates that are here, as put forward by the government of this province duly elected, then you will see this province operating as it should.

Mr. Speaker, nobody . . . (inaudible interjection) . . . now listen to that, Mr. Speaker, nobody in democracy, nobody in democracy stands up and is blackmailed by the opposition — nobody, Mr. Speaker. You stand there and say, if you just do as we say, then you will have complete co-operation and democracy will work.

Mr. Speaker, democracy isn't ruled by the minority.

Democracy is ruled by majority. All you have to do, and you have every right to speak, every right to freedom of speech, every right to vote, every right to debate, but they will not, Mr. Speaker. They will not participate because they are afraid of democracy.

We won the election. We said we will put together a Speech from the Throne and legislation. And if you have the courage, you will vote on it; if they don't, that means they have shied away from democracy. They have no respect for legislation; they have no respect for this House, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. New question, Mr. Premier, if it's blackmail to agree to sit from 8 in the morning till 11 at night so we can pass the Bills that the government brings forward, I guess we're guilty of blackmail. If it's blackmail to speak out for the people of this province who need their pension increases to help them handle inflation, to help them handle your government's increased taxes, your government's increased gas taxes and personal taxes, and so on — if that's blackmail, I guess we're guilty of it.

We're offering, Mr. Premier, to do the business of the people for the people of Saskatchewan, for the people who elected you to represent them. Now will you or will you not bring forward that Bill today?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the hon. member goes on about taxes and he goes on about interest rates. To respond to that, Mr. Speaker, no respond — we make sure that people do not pay 21 per cent interest rates, and that was the rate when the NDP were government. Okay. We were elected to do that. And that's why you're sitting over there. Now anybody that would allow the people of Saskatchewan to endure 21 per cent interest rates doesn't deserve the right to run this House, he deserves to sit on that side of the House, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — We provided protection for home owners in this province, and for protection for farmers. We delivered natural gas because they wouldn't, Mr. Speaker. And we've taken the tax off utilities under 300 . . . for the major utilities under 300 . . . for the major utilities. And we, Mr. Speaker, have taken the tax off gasoline for all farmers, and if you live in town and save your receipts, there's no tax for you either. Mr. Speaker, that's why we're sitting here; that's why we're running the legislature, not the members opposite.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. The member from Saskatoon Nutana, question period is over, and the Minister of Justice. The hon. members come to order. The Minister of Justice, I am once more calling you to order.

POINT OF ORDER

Hon. Mr. Berntson: — On a point of order before orders of the day, Mr. Speaker, during question period today the member for Quill Lakes was making queries about two unnamed customers of SaskPower that he alleges were being mistreated by SaskPower, and I offered to personally look into those difficulties if he would provide me with those names. Now, Mr. Speaker, I have yet to be provided with those names, and if the member is sincere in that, I would hope that he provides those names forthwith, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — I have listened to the hon. member. The member's point of order is not well taken. Order, order, hon. members.

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the propose 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.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — Mr. Speaker, the House encourages me to continue with my remarks.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — And I'm happy to do that, although I don't expect to be very long completing my remarks this afternoon.

In a very short speech yesterday, about 10 minutes prior to adjournment, I was talking about royalties and taxes that had come into government coffers. And my concern at the time, Mr. Speaker, was when we have . . . if this House should decide to proceed with this legislation to privatize the Potash Corporation of Saskatchewan, it would mean that the government would have, just based on last year alone, would have \$108 million that came to it in 1988, by way of a profit, that wouldn't be coming to it any more.

That money would be going to the new shareholders of PCS, the people who are wealthy enough to be able to afford shares. And the profits then, if Saskoil is any indication, would be leaving Saskatchewan to go to places where the new shareholders live, be it China or South Korea or India or New York or Toronto or Vancouver, or where. Very little of that \$108 million would remain in Saskatchewan.

Then I went to cite the experience of the province in collecting royalties and taxes in respect of potash production. And I made an error, Mr. Speaker, because I gave a number of figures that I was under the impression

represented the take for the government, revenue for the government for royalties and taxes from the industry, and those numbers that I gave yesterday actually are numbers that were paid to the treasury by the Potash Corporation of Saskatchewan. And in indicating that that was royalties collected from the industry as a whole, I was in error, and I apologize to the House for that.

But the numbers do stand for the potash corporation itself, and the difference over the years is quite remarkable. Now I understand part of the explanation is that — or indeed maybe all of the explanation has to do with the formula under which royalties are paid in respect to the potash industry. But it is most remarkable that during that period — and I'll just review some of these numbers to put my argument in context as I fear some of the members opposite didn't hear it yesterday.

In 1981 the revenue from royalties and taxes from PCS (Potash Corporation of Saskatchewan) was nearly 71 million, and in 1980 it was nearly \$90 million, and in 1982 it was 15 million, and in 1983 it was 11 million, and so on, Mr. Speaker. Quite a dramatic difference in the royalties paid by PCS in the years following 1982, compared to the period before 1982. And again, I say I understand the formula is price sensitive, but that seems to be a very remarkable difference.

And it still leaves the government with the rather interesting problem of how you're going to compensate for the fact that the profits from PCS — and those profits over the years have been considerable — those profits will just not be available to us in Saskatchewan under a privatized PCS. Now we've seen really enormous profits over the years, Mr. Speaker. In the period up to the end of 1981, the potash corporation had earned profits of about \$414 million, Mr. Speaker — \$414 million was almost enough to pay for the cost of the mines themselves.

And that's a rather remarkable achievement, that any investment would pay for itself in total over a period of barely five years is a remarkable record indeed. And we just have to look at last year to see how profitable the corporation can be, having earned \$108 million. And the question that I want to ask, Mr. Speaker, is: where's that money going to come from under a privatized PCS?

As I was saying in the few minutes I had yesterday, their apologist for privatization will say, well you don't have to own the resource; you can get money from the resource by taxing the resource and by levying a royalty on the resource. To which I say, no, it's not going to work that way. There simply is not going to be any new royalty regime introduced by this government which will compensate for \$108 million foregone revenue.

An Hon. Member: — Then why didn't you nationalize the whole industry?

Mr. Mitchell: — The minister asks, how come we didn't nationalize the whole industry, and I'd be glad to take the time of the House to explain why that wasn't done if the minister would like.

The idea of the Blakeney government for entering the industry was not to monopolize the entire potash

industry. That wasn't the purpose. The purpose was a far different purpose and a more limited purpose. Now I'm prepared to get into this if the minister wants to. I mean, I'm perfectly happy to do it. But that digresses from the point that I am trying to make, which I think to be a perfectly valid point, and I think the minister will accept it as such.

The potash corporation is most years a profitable corporation. You have only to look at the record up to and including 1981 to see that. You have only to look at last year to see how profitable it can be.

And under a privatized PCS, where is that money going to come from? Where is it going to come from? And I'm simply saying, it is not going to come from royalties and it is not going to come from taxes. It is simply foregone.

So what we're doing is selling off by this Bill, selling off one of our most precious resources, selling off our Crown corporation established to mine this resource, to mine the potash, to refine the potash, and to export the potash. We're selling it off at a one-time sale to give us one chunk of money, following which the revenue dries up. Now how does that make any sense? The answer is, simply, it doesn't make sense.

But I do want to say as clearly as I can to the apologists for privatization, that if you think you're going to be able to recover those profits through royalties and taxes, you're simply wrong. It's not going to work that way, never has worked that way, no reason to believe that it can work that way in the future. The only way in which it could be if this government were to decide as a matter of policy to dramatically increase its royalties.

But I think that we on this side of the House know perfectly well that this government is not going to increase any royalties on the resource companies that are mining or pumping the resources of this province and selling them outside the province. We've seen in the oil industry the very opposite, where this government has relaxed the royalty structure and foregone a great deal of revenue that the people of Saskatchewan are entitled to expect to see flowing into the coffers of this province by way of royalties and by way of taxes.

Judging by their performance in the oil industry, I think we're entitled to believe that there will be no increase in the royalty regime at all, and certainly nothing sufficient to compensate for the revenue that will be lost to the province when PCS is privatized, if indeed this House is so short-sighted as to pass this piece of legislation.

Now we had last Friday a rather remarkable report released by the Institute of Saskatchewan Enterprise, and that report was tabled as I was speaking to the House last Friday. And at that point I had not had an opportunity to read it other than to remark that from the information that was handed to me as I was talking, our research staff made the point that the report makes the case more for a change in the management of the potash corporation than it makes a case for selling the corporation or privatizing the corporation or doing anything with the corporation itself. It makes a case rather compellingly for a change in the management of the corporation, and

when I say that, I look at my friends opposite who have been responsible for the affairs of that corporation since their election in 1982.

Now we have long held since the announcement of the Institute for Saskatchewan Enterprise that it is a political sympathizer, a political sympathizer of this government since its inception, since the inception of the institute so far as questions of privatization are concerned. The institute was formed at a time when the question of privatization had been placed upon the public agenda by the government, and at a time when those privatization initiatives had been met with opposition from this side of the House, and indeed, when the whole question of privatization had been thoroughly politicized by both the government and the opposition.

The Institute for Saskatchewan Enterprise, so-called, then is formed at a time when that debate is at its height, and it enters that debate and is formed clearly and fully on the side of privatization — clearly and without any question.

And the institute is made up of people who favour the privatization, not just of Crown corporations but of a vast array of government services, and not just provincial government services but municipal services as well. And they make it perfectly clear in their literature, Mr. Speaker, that their whole bias is in favour of selling off Crown assets, contracting out government services, reducing the role of government in that respect to as small a role as can be arranged.

And so we have this institute being formed and then coming into existence at the time that it did and declaring its bias right up in front in favour of privatization. It then has the audacity to declare that it will produce objective information, that it will be the source of objective information, that the debate is too political and the purpose of the institute's work will be to provide objective information.

Now I say all that with sarcasm; I say all that with sarcasm because the institute has shown that it is not objective. The institute has shown that the projects that it undertakes and the work that it produces is intended to buttress the case for privatization, which is just simply to say that the work of the institute is intended to underpin and legitimize some of the privatization efforts of this government. And that's what they've done. That's what they've attempted to do with this study on the potash investment.

They have selected, with respect to that question, not a broad question of economic benefits, not a broad question of profitability, not a broad question of the performance of the company, but rather the narrowest question that they could get out of the existing situation. They narrowed it right up to the point where they were trying to calculate the investment itself: how much did we put into it, and how much was paid back by way of dividends?

(1345)

And when you narrow the question up like that, and particularly if you talk in 1988 dollars, rather than actual

dollars, but in 1988 dollars, you can come out with some bottom line figures like you get in this report. And if you put those together in the right way, including undervaluing, or underestimating the value of PCS, underestimating the selling price, you can actually produce figures to show that Saskatchewan people got a bad deal out of PCS. And that's what this report attempts to show.

But, Mr. Speaker, it ignores entirely the history of what happened in the Potash Corporation of Saskatchewan. It ignored entirely those profit figures that I have cited to the House, that the profit that began to be earned from the very inception of the Potash Corporation of Saskatchewan, profits earned in 1976 of more than half a million, profits earned in 1977 of over a million, profits in 1978 of nearly 25 million, profits in 1979 of nearly 78 million, and then in 1988 a profit of over \$167 million — \$167 million profit — and then in 1981 a profit of \$141 million for a total in those years, which is just in excess of five years, five full years, \$413.510 million. Now that's something.

And as I said earlier, Mr. Speaker, it was enough profit to practically pay for the mines. It practically paid for the mines that it had purchased from the incorporation of PCS in 1976. Now that's quite an investment. And nowhere in this report of the Institute for Saskatchewan Enterprise are you going to find any reference to that. Nowhere in this report are you going to find the words that this kind of performance by a company, where net profits are sufficient to pay out the investment in a term of five years, is a remarkable achievement and is therefore a very, very good investment.

Rather, the study narrows the scope of its inquiry to ask itself simply, what dividends were paid? What dividends were paid? And the answer, Mr. Speaker, is that dividends of \$50 million were paid in 1980; \$50 million in 1981. And those dividends continued after the election of the government opposite to pay dividends even when the profits of the corporation did not justify the payment of such dividends. In other words, the Blakeney government had many years in which it could justify paying a dividend, paying a very large dividend, but it didn't do that, Mr. Speaker, it used those profits to plough back into the company to pay off the loans that had been made in order to buy the mines in the first place.

You recall in my remarks last Friday, I think it was, I was describing how these mines had been purchased, and I described how they had all been negotiated purchases with the then owners. None had been expropriated, but all had been bought and paid for as the result of lengthy negotiations and voluntary arrangements with the then owners. Well I'm saying now, Mr. Speaker, that the potash corporation made enough profit to almost pay for all of those mines, practically pay for them all before . . . by the end of 1981. And you won't find that information contained in this report at all. This report just simply ignores that information.

I suggest, Mr. Speaker, that an objective analysis of this report, in conjunction with the financial performance of the potash corporation as I have described it in this House, provides substance to our argument that it would

be foolish to sell the Potash Corporation of Saskatchewan. This report, in spite of the narrow focus of its inquiry, and in spite of its rather strange use of 1988 dollars rather than actual nominal dollars, even with all that in there, Mr. Speaker, it is still a substantial argument in favour of finding that it is foolish to sell PCS at this time or at any time.

What PCS needs just leaps from this report. What PCS needs is not a change in owners from the people of Saskatchewan to a few investors who are wealthy enough to buy shares. What this report shows is that PCS needs a change in management. PCS needs a different government guiding its day-to-day decisions as well as its long-term policies. It needs a new government guiding its destiny.

And there is simply no case made in this report at all for selling the Potash Corporation of Saskatchewan. And similarly there is no case made in this report for finding that PCS ever was a bad investment, ever was a bad investment. The focus of the report is far too narrow to be useful for any rational assessment of whether PCS has or has not been a good investment.

Now what emerges from this report, as I have described to you in the profit figures that I have given to the House, is that from 1975 until the change in government in 1982, the PCS experiment was a wonderful success. The corporation was a wonderful success by any yardstick.

And then suddenly in 1982 — my friends opposite would suggest it was just by coincidence — but suddenly in 1982 it stopped being so profitable. Suddenly it just doesn't return the profit to the people of Saskatchewan that it did before 1982. And I say to my friends opposite that that's just too much of a coincidence; that's just too neat. That's too neat to be credible. And objective observers of the potash corporation just find it impossible to believe that coincidence is the explanation for the profits of PCS plunging, plunging from over \$141 million in 1981 to \$607,000 in 1982. Just a crash — little more than 1 per cent of the profits of 1981 made in 1982. Now that's just too much of a coincidence to be credible.

As I mentioned, the dividends taken since 1982, though, actually exceeded the dividends that were taken by the Blakeney government. The Blakeney government took a hundred million dollars in dividends, and the present government in three years, 1982, 1983, and 1984, took dividends of \$124 million — \$124 million.

During that three-year period, Mr. Speaker, the potash corporation made profits of less than \$8 million. So from profits of \$8 million the government scavenged, bled \$124 million in dividends. Now that is hardly responsible government. That is hardly the responsible management of a Crown corporation. That is rather the efforts of a new government who find themselves really unable to handle the financial affairs of the province, reaching out wherever they could in order to grab little pockets of money whether or not they existed.

And so they put the potash corporation behind the enormous eight ball of paying out dividends, about 116, \$117 million in excess of what its profits have been. Well

where did PCS get that money? Where did it get the money to pay those dividends? Answer: it borrowed the money. It borrowed the money. And so it went into debt.

Now to be fair, I have to admit that there was a debt existing at the time of the change in government. It was \$88 million. But that was on a debt of well over \$400 million that had been incurred in buying these mines in the first place, and most of the money borrowed to buy the mines had been paid back. Only \$88 million remained outstanding. And yet the new government, which is the present government, took out dividends from a corporation that had no profit set by, had an existing debt of \$88 million, and they bled it for another 116, \$117 million at a time when PCS just simply couldn't, was in no financial position at all to make that payment.

The other thing that my friends opposite did that just was so devastating to the potash corporation was the Lanigan expansion. Now it is certainly true beyond any question at all that it was a decision of PCS during the Blakeney government to expand the Lanigan capacity. That was a decision made after very, very careful consideration. The prime consideration — there were two of them — but the prime one was that PCS had, after surveying the international situation, decided that it would make more sense for that corporation to be outside Canpotex, selling to the offshore market, on its own, through its own sales agency.

And to that end, the potash corporation had set up PCS International, which was a division of PCS, and the purpose of which was to organize an international sales function after the withdrawal from Canpotex had been effected.

Now in order to withdraw from Canpotex, it was necessary for PCS to give notice, and they did so. But before that notice expired, and before PCS was actually outside the Canpotex organization, the April 1982 election was held and the Blakeney government was defeated. And one of the first acts of the new government was to withdraw this notice. That meant that PCS was back in Canpotex and would remain there.

Now why is that important, Mr. Speaker? Well the reason why that's important is that the whole idea of expanding capacity at Lanigan was in anticipation of what PCS International would be able to sell offshore. And they didn't just pick that number out of the air. That number was picked . . . those estimates were made after very, very careful research of the international market, including advice from the best consultants available in respect of the potash market.

And the PCS management at the time made their decision based upon that kind of solid advice — made their decision based upon marketing expectations, marketing predictions that more than justified an expansion of the facility at Lanigan. And so they set about expanding it.

Now the 1982 election came along and caught that expansion at a relatively early point. I will accept, and there's no question about it, that money had been spent at Lanigan. And as I stand here, I don't recall the precise

figure, but it was less than \$200 million but it was more than 100 million. So it was in that band somewhere that had already been expended at Lanigan.

But the new government, as I've related, Mr. Speaker, decided not to leave Canpotex. Now that destroyed the case for any expansion of that facility. If you're going to stay in Canpotex, selling under the Canpotex mechanism and you know what your share of those sales are going to be and you can roughly predict how much product you're going to be — and, Mr. Speaker, we had enough product. We have enough capacity at the time. PCS had enough capacity, if it was going to stay in Canpotex — but having decided to stay in Canpotex, the government then decided to continue with the Lanigan expansion. And in so doing, the potash corporation, under the direction of the new government, went on to build up the expenses of that Lanigan expansion, which eventually resulted in the total indebtedness of PCS rising to the neighbourhood of \$600 million — 600 million — not as a result of anything that was wrong with the potash corporation and its functioning as a mining and refining company, but as a direct result of a bad decision on Lanigan.

Now I say to my friends opposite that that's what it was; it was a bad decision. It was a good decision if you were going to get out of Canpotex, but if you decide to stay in Canpotex, there's then no need for the expansion and you've got to moth-ball it. Now it may cost you a buck or two to moth-ball it, I understand about that. But I do take sharp contest with the notion that the expansion in 1982 had proceeded to the point where the government had no choice. We know the government had choices. We know the government had at least one window, if not two windows of opportunity when that expansion could have been stopped, when the expansion could have been moth-balled for more favourable times.

(1400)

Now that's the situation, Mr. Speaker. That's the background and that's coming back to this report of the Institute for Saskatchewan Enterprise. That fact is not reflected in this report at all.

The large investment in PCS that is a consequent upon the Lanigan expansion does not reflect it in the . . . the numbers are reflected here, Mr. Speaker, the numbers are reflected here but the reason behind the numbers, the story behind the numbers, the policy decision behind the numbers are not recorded in the report.

And so some observer who had never heard of Saskatchewan and never heard of the Potash Corporation of Saskatchewan reading this report would take quite a wrong view, quite a wrong impression from the information that's given here, lacking, as it is, the essential background for the expenditure of a lot of this money.

So to sum up, Mr. Speaker, with respect to this report, it does not contribute anything to the debate that is before this House now. It doesn't contribute anything to the question of whether or not it is a good idea to privatize the potash corporation. Taking it on its face, it shows you a couple of things. First of all, as I said, it shows that PCS

needs new management; that you people just aren't able to run it.

But secondly, taking everything on its face here, it shows, Mr. Speaker, that now is not the right time to sell. Even if you're a dyed in the wool privatizer determined to get rid of that Crown corporation, it shows that now is not the right time to do it, and we already know that, don't we? I mean, we know about the state of the market, and we know about the management problems that have been created over the last few years, and we know that PCS is in a relatively vulnerable position as a result of some of the mistakes that have been made, and now is simply not the right time to sell it.

Now, Mr. Speaker, I don't agree with what I've just said. I don't think that there's any case at all for selling it. It's not just a question of the time.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — I don't think there's any case at all for selling it. But just buying for a moment the right-wing nonsense, the right-wing philosophy that lies behind this Bill, and buying for a moment that this report of the Institute for Saskatchewan Enterprise has any merit at all — has some merit — it makes the case not to be selling now, not to be selling now. And I leave that for the consideration of my friends opposite.

You know, we have heard rather pathetic expressions of view from the Premier during today's question period about why don't we just vote on some of these Bills; why don't we just have a vote on it; that he was elected, they were elected in 1986 and therefore, apparently, entitled to do whatever they like. It doesn't matter what the people think. It doesn't matter what's said in this House. It doesn't matter what their own polls tell them. They were elected, those 38 people, and therefore they are entitled to do whatever they please.

That was implicit in the remarks yesterday by the Minister of Highways when he spoke on the motion that extended the hours of sitting of this House. He was complaining then about the fact that there had been all this debate on the potash corporation and it was dragging on and so we had to extend the hours so that maybe it wouldn't drag on so long in the future or some such theory like that.

But lying behind both of those interventions — by the Premier today, by the Minister of Highways yesterday — is this almost innocent misunderstanding of what's going on, Mr. Speaker, this innocent misunderstanding of what's actually happening in this province. And I'll spell it out to my friends opposite, as I see it.

As I see it, the public of this province, the people of this province, have assessed the privatization thrust of this government and have come to a decision with respect to that thrust. Now they've known about that thrust because this government has been practising privatization for a long time, going all the way back to the sale of the highway equipment and all the contracting out they've done and those sorts of things: Saskoil before the last election, and then a number of steps since the last election. It's become clear that this is a government who

is hidebound to privatize as much of government as they possibly can get away with.

And that was made perfectly clear in the Speech from the Throne that began this session in March. That was made perfectly clear. And the public had the opportunity to assess that, Mr. Speaker, to assess that privatization thrust. And they did it in the context of the proposal to privatize the energy part of the Sask Power Corporation. That's what crystallized the issue as far as the public are concerned.

And the public have decided that they don't want anything to do with the privatization thrust of this government, whether it is SaskEnergy, whether it is SGI (Saskatchewan Government Insurance), whether it is the potash corporation, whether it is the dental plan. Whatever it is, they just don't want any more of it. That's what's at the root of this debate.

Members on this side of the House aren't just getting up making speeches to hear themselves talk. As I said last week, Mr. Speaker, and as everybody knows, we're not being paid for this. We're not doing this for the money. We're not doing it for the fun of it. There are a lot of things I'd rather do with my day than stand here and have to make this particular speech.

But one way or another, we've got to get through to members opposite that it's not us and our view, it is the view of the public of this province that the government's privatization thrust just is unacceptable.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — And they, the people of this province, are just not going to accept it. They reject it in every public opinion poll that we've taken. They've rejected it in all of the public opinion polls that you've taken, particularly those since the SaskEnergy thing hit the fan. And they will continue to do that.

And there is nothing that you can do that's going to change it, because what you're doing just runs right head-on against what I have referred to as the Saskatchewan way. You run head-on, cross purposes to the way in which we've been doing things in this province for generations. And the people of this province are simply not going to accept it. Because right at the root of it, Mr. Speaker, is the problem that the people just don't understand why it makes sense — they don't understand why it makes sense — that somehow they're going to be better off if they don't own the asset but some wealthy person over there with enough money to invest in it owns it. How does that make a person better off?

And, Mr. Speaker, that case has not been made. That case has not been made because it can't be made. There are just no words in the English language that can be put together in such a way to convey the notion that the people are better off with their assets being owned by private people than the people owning their own assets.

Now I'm not saying that all assets in the province should be owned by the Crown or by Crown corporations. I

support very strongly an active, vigorous private sector in this province, and my friends opposite all know that I do. But at the same time I argue, as I have before in this House, that there is a powerful case to be made for the ownership by the Crown of certain assets, of certain kinds of businesses, of certain kinds of enterprises. And almost everybody in this province, including some of the people opposite, believe that that extends to the utilities in this province — that extends to the utilities of this province.

It also extends beyond the utilities in certain cases, and the potash corporation happens to be one of those cases. And if my friend really wants me to, I'll go into why I think it makes sense for the Crown corporation to own the potash corporation and develop and exploit the potash resource in this province. But I did that last week, and if I were to do it again he would probably be so unkind as to suggest that I am filibustering, that I'm just taking up the time of this House. And surely it's clear that I am not. I mean, surely it's clear after our agreement to the extension of hours of debate that that's the last thing we're trying to do.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — All we're trying to do, Mr. Speaker, is to get their attention on this issue. All we're trying to do is to get them to think about it and think about it with a fresh mind, and think about it again. Think about it, not in terms of your own biases and your own prejudices and your own gut feeling about how you feel about Crown corporations, but think about it in terms of how the people of this province think about it. It's their asset; it's not your asset.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — You don't own the Potash Corporation of Saskatchewan; the people of this province own it. They elected you to be the steward of all public assets. Among the many functions of government is the perfectly legitimate function of being the steward of public assets. And they didn't elect you to sell off those assets; they elected you to manage those assets, and they expected you to pay attention to how they felt about it. They expected you to pay attention to what their view is on these questions. And their view is that this corporation should not be privatized — should not be privatized.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — And it is your responsibility to pay attention to that view and to give effect to that view. And if you proceed to pass this Bill it will be passed in the teeth of that public opposition — in the teeth of it. And you have no right to do it; you have no right to do it. We poll the same people that you poll. We have access to the same information that you have, and you know perfectly well that the idea of Bill 20 is not supported by the people of this province.

I want to say something else while my attention has been refocused on this aspect of the question. You know, Mr. Speaker, we are . .

An Hon. Member: — Needless repetition.

Mr. Mitchell: — It is not, Mr. Speaker, the member says it's needless repetition, and if it is, it is only because my attention was drawn back to it by virtue of the comments that came to me across the floor. But I want to say to the . .

The Speaker: — Order. We're obviously going to have some hours of debate on this topic, and I think it would be in the best interest of the House if the members were to restrain themselves and not be interrupting with heckling. It's simply going to raise the temperature and lead to other problems. So I just ask for the co-operation of the members on this issue. We're going to be on this topic for some time.

Mr. Mitchell: — Thank you, Mr. Speaker. Mr. Speaker, I'm at pains to try not to repeat myself in this debate, and as I said to you on Friday, I'm sure that when I do you'll be the first one to object to it. The comments opposite brought one point to my mind that I hadn't thought of making, but I think it's an important point and I want to make it now.

We have tried to make it clear from the very beginning that when you're talking about privatization, you're talking about privatization. And it doesn't matter whether that privatization takes the form of an outright sale of assets or whether it takes the form of a sale of shares.

And I want to make that point because it is my view that the members opposite are taking advantage of some public confusion on that point. They believe — and there's some evidence to support the idea — that the public, while the public may not support the outright sale of the asset, they are not as opposed to a simple sale of a few shares.

Now that idea of a sale of shares being somehow different than the sale of assets has, to say the least, been encouraged by members opposite. And we know from our experience in this province, Mr. Speaker, that there is no difference, that if what you're doing is to set up a share ownership structure for PCS and then sell the shares, you are as effectively selling off that asset as if you sold the asset outright.

It takes a little longer, Mr. Speaker. It's a much more complex and tricky operation. It is an operation that typically has several steps in it. But at the end of the day when the steps have all been taken, the result is exactly the same — ownership of the public asset has passed out of the hands of the public and has been put in the hands of those people who can afford to buy it.

Now if it was a sale of the mines themselves or of one mine, the sale would be to some person, some corporation with enough money to buy the whole asset. It it's a sale of shares, it is a sale of shares to those people who have enough money to buy the shares.

(1415)

But at the end of the day, after several steps have been taken, several stages gone through, at the end of the day it is the political objective of this government that

ownership will have passed to shareholders, and that the Government of Saskatchewan will no longer on behalf of the public own — own the public assets of the potash corporation . . . (inaudible interjection) . .

That's an important point to make, Mr. Speaker, because I say again, the government takes advantage of the confusion that the public has, some of the public have, about the sale of assets as compared to the sale of shares. And my point is simply that the sale of shares is just as effective a disposition of a public asset as if you had sold off the asset in the first place.

So what we're talking about when we're debating Bill 20 is not simply a proposition to issue . . . or to authorize the issue of a few shares or the sale of a few shares in a Crown corporation. We are talking effectively about the outright disposition of the potash corporation. The only difference is that instead of it being disposed of by sale day after tomorrow, it will be dragged out over the course of a few years, before, in the final analysis, the government has divested itself of all of its shares and the shares are all held in the public.

Now I don't just make that up, Mr. Speaker, because we see ourselves with respect to Saskoil in precisely that scenario, in precisely that scenario where the first share offering the government withholds a relatively large, comfortable interest in the company and they can still make the case that we still are the majority owners of this company; we just brought in some of these private investors to kind of get a little extra capital so we can do some things with it, and it involves all these people with their energies and whatever.

And then we see a next stage: the government sells off a few of those shares, of its own shares, sells off a little more of it. And then we see an announcement that they're selling off still some more of it until now, I think that the portion of Saskoil that is still owned or to be owned by the Government of Saskatchewan is something like 30 per cent. I think that's the correct number, Mr. Speaker, 30 per cent.

Now next year, what's going to happen? Are you going to sell off another 5 or 20 per cent of it? And how long will it be, Mr. Speaker, before the objective of the government is accomplished and all of Saskoil has been passed to the hands of people who can afford to buy the shares? And that company, that company is just a prime example; there couldn't be a better example of what happens in these share offerings.

Before very long, Mr. Speaker, we find that the shares being held by the people who reside in this province of Saskatchewan are indeed a small minority, and the vast majority of those shares are being held by people outside this province — Toronto, Montreal, Vancouver, and the other centres of capital in this country. Now do we want that to happen to our potash corporation? Indeed not.

And here it gets even more serious, Mr. Speaker, because right in the Bill is the notion that we're planning to sell a lot of it offshore — 45 per cent of it, up to 45 per cent of it. And that's . .

An Hon. Member: — Initially.

Mr. Mitchell: — And that's . . . someone reminds me that that's the initial proposal. And that ties into my earlier remarks. Mr. Speaker, about this thing being . . . happening in stages rather than all at once.

But we have this 45 per cent provision. And as I said to you earlier. Mr. Speaker, that follows from the Premier's trip to Asia where he was frankly peddling the potash corporation to our customers, suggesting that our customers, our purchasers of potash, should buy into the potash corporation. And if everybody that he made that offer to had accepted that offer to its maximum extent of each offer, they would own it all. The customers would actually own PCS.

Well that created such a political storm in Saskatchewan that we find this provision which — a laughable provision which purports to limit that foreign ownership to 45 per cent. Well 45 per cent is a lot, Mr. Speaker — 45 per cent is an awful lot. And as I . . . I won't repeat the argument, but I just remind you of the argument that it doesn't take much, it doesn't take many percentages of issued shares to control the affairs of a broadly held, broadly traded public company. I think estimates are that you could control some of the large corporations of this country with as little as 8 per cent of the issued shares would give you control. That's hard to believe; I'm not sure I do believe it, but I'm told that as little as 8 per cent can be control.

Well look what happens to the potash corporation if the shares that can be purchased by foreign entities are purchased by foreign entities who are prepared to work in co-operation which each other to gain control of the potash corporation. Think where we'd be then. We would then have a resource company, a giant resource company, set up to exploit a resource which will be with us for, as I said, Mr. Speaker, thousands of years — thousands of years. And we find it perfectly capable of being controlled by the customers of potash corporation. So you could have the customers who are buying the potash actually being able to set the policy of the corporation. And that is a joke, Mr. Speaker, that is a cruel, terrible joke.

The member opposite suggests that it has something to do with the socialist philosophy. And I challenge him to get up, when I've completed my remarks, and just tell us how that makes any sense at all. What we're talking about here is just plain, simple common sense and good management — what makes sense in the context of this corporation, in the context of this resource, this amazing resource in Saskatchewan, where we have reserves that are going to last not just for decades, not just for hundreds of years, but for thousands of years into the future.

We're not talking here, as I told you last week, we're not talking here about some oil pool that's going to run out in 10 or 20 years. We're not talking about some uranium deposit that's going to be . . .

An Hon. Member: — You said that.

Mr. Mitchell: — Yes, but you keep asking . . . you asked me the question and I'm going to give you the answer. We're not talking here about a uranium deposit that's

going to be mined out in 25 years; we're talking here about a resource that's going to go for thousands of years, and I'm not embarrassed about repeating that, Mr. Speaker, because it is the central fact when you're talking about potash issues in this country.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — We can't be taking a view of this Bill as to what is the immediate political impact of it on the government's chances for re-election or on the people's chances of getting rid of this government. We can't be considering it from that point of view. We have to be considering it from the point of view of the development of the resource, not over 10 years or 20 years or 50 years, but over hundreds and thousands of years. And so if there's ever a time for this House to give sober consideration and reconsideration to what we're trying to do in this Bill, now is the time to do it. Now is the time.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — Now is the time to do it. And I repeat that we are not filibustering this Bill, nor will we ever. We have agreed to extended hours. We practically . . . we've more than doubled the sitting hours of this House. We've more than doubled the sitting hours of this House for the express purpose of debating this Bill.

And we're going to debate it, and we're going to debate it until finally we can get some of the government people up on their feet telling us why this is a good idea. Not any six or seven-minute special, but real, honest interventions laying the foundation for this Bill, telling us why you're doing it, telling us why it makes any sense.

Not the second reading introduction speech by the Minister of Finance which touched on some of the high points, that had obviously been written by someone who knew a lot less about the resource than he does. Surely, he didn't write the speech himself. Surely a Minister of Finance would not write that speech.

We don't want speeches like that. We want members like the member from Kindersley and the member from Weyburn to get up in their places and to describe in detail why this makes sense not only for now but 10, 20, 50, 100 years, 1,000 years from now — why does that make sense?

Rather, I suggest, all we're seeing is the unfolding of a political agenda, the unfolding of a political agenda, another step on the privatization road that you've tried to embark this province upon. You've tried to launch a thrust towards privatization in the hopes that that would be a politically popular thing to do.

And I understand what you did. I mean, I know you looked at the examples in the U.K. and you looked at the examples with the Thatcher government and you looked at the U.S.A. with the Reagan government and you said, that's for me; we can do that; that'll satisfy some of our really raunchy right-wingers, and at the same time it may be politically popular as it apparently was for a short time in the United Kingdom, and that would be a good thing.

My point is simply this. You're embarked on a political agenda, and the agenda has failed, and you know it's failed. And it fails because the people of this province reject that thrust. They reject it in all of its manifestations. They said no to SaskEnergy in the most ringing terms possible, and they've made it known in every way possible that they feel the same way about potash, and they feel the same way about SGI and the same way about the dental plan and the same way about the whole mess of privatization initiatives that are hinted at by the minister every once in a while.

And, Mr. Speaker, I have had some comment from the Deputy Premier across the floor, and I want to just remind him of an exchange that he and I had in Crown corporations one day that I'm not able to get out of my mind. Chances are he's already forgotten.

An Hon. Member: — We're going to fix it so you can never take it over again.

Mr. Mitchell: — That's the one. The comment, Mr. Speaker . . . my question to the Deputy Premier in a series of questions was, just how far do you intend to go? And his answer was that the government intended to go as far as it could go, and they hoped to do it such a way, he said, in such a way that you guys will never be able to take them back again.

And he indicates in this House that he recalls that exchange. And I've never been able to get that out of my mind because I don't think that that's a legitimate policy position for the Deputy Premier to be taking or for his government to be taking. And I don't think that that is a legitimate policy position for any government to take. You simply can't lock a thing in such a way that you're going to exclude that portion of public policy from subsequent change. And that's what he indicated in his statement that he's trying to do.

Now I don't intend to go into this, Mr. Speaker, but you'll recall my analysis in this House of the free trade agreement and how that locks in certain public policy areas from further legislation. The investment provisions, for example, in the free trade agreement lock in a regime — lock in a regime, Mr. Speaker, that can't be touched by future parliaments.

And if that's what the philosophy is of this government, if that's what their approach is trying to be, to sell off these Crown corporations but in such a way that the people can never, ever regain control of them, then I think that is not appropriate.

That is, in my view, that's contemptible. That is just not an appropriate policy for a government to take at all, and I don't think any democratically elected government could responsibly take that position. And if they have been taking that position, then they should reconsider that one too, because it is not legitimate and it just ought not to be followed by any government.

We have here — and I am concluding now, Mr. Speaker — we have a corporation which is a world-class corporation, it has world-class potential. That's a phrase

which the government is familiar with because it's one that some of their speakers tend to use.

But with respect to the Potash Corporation of Saskatchewan it is a fitting description of the company — a world-class corporation. All it takes to run it is a little bit of good judgement and a little bit of nerve. It takes a lot of hard work; it's not easy. It presents enormous challenges. It operates in a market which tends to fluctuate, which tends to swing up and down; other years you're going to make a whole bunch of money.

(1430)

But you're making it, you see. When I say you, you as the stewards of the asset that belongs to the people of Saskatchewan are running that company and you're managing it. I criticize the way you've managed it because you haven't done that very well. But last year you made \$108 million and I congratulate them for that. I want them to make that money every year. Every person that lives in this province wants them to repeat the 1988 experience year after year after year.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — But you can't do that if you sell it off. If you sell it off, it's gone. And all of Saskatchewan understand that. I mean, they can all relate that to their own agricultural background, or their family's agricultural background. If you sell the land, if you sell the land you're going to get a chunk of money in your hands, but you're going to lose your source of income; you're going to lose your source of income. And why in the world would you just sell off your land unless you're going to get out of the business all together.

Now maybe that's what's behind it. Maybe you foresee the day when you're going to be defeated in office a year or so from now, and it doesn't matter to you whether you own the potash corporation or not, so why not take this advantage of selling it off and seeing what you can get out of it.

But my plea to you is not to do that, because you don't own it, the people of this province own it. You are merely the stewards of the Potash Corporation of Saskatchewan, and you have an obligation not only to run it on behalf of the people of this province but to manage it and to take care of it with the full knowledge that it is the asset of the people and not your own asset. And before you sell it, before you sell it you should be very sure that you have their support for it, you have their support. And, Mr. Member, you do not have their support — you do not.

There are ways in which you can test that support, and I won't repeat them here, but you could do it any time you like. And you can call it on any ground you want to, but if you want to call it on this ground, that's perfectly all right with us. And you can go to the people and have the people say, here's how we feel about this question. It's our asset and here's how we feel about it. And members opposite know perfectly well on the basis of the polls that have been taken today, many of which have been made

public, the people of Saskatchewan utterly reject the privatization of their potash corporation.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — As I've said, we've got a world class corporation with a great deal of potential, and all it takes is the nerve and the judgement and the skill to run it and to make a profit from it, and to run it for the benefit of not only ourselves but our children and grandchildren and ancestors for thousands .

The Speaker: — Order, order. I'm going to ask the hon. members not to be constantly heckling the member from Saskatoon Fairview. I think that that's a reasonable request, and I know they will want to adhere to it.

Mr. Mitchell: — Now I was just about to conclude my remarks, but I must say that I have been at pains—I have been at pains not to repeat myself. I have been at pains to marshal fresh arguments with respect to Bill 20 from the beginning of my remarks which have taken place over a number of days now, but for relatively short periods of time each day. And I have been at pains not to repeat myself and have only done so when I am trying to respond to remarks that come across the floor to me from members opposite.

In closing I do want to say that this is a challenge; it is a hard one. I know, Mr. Speaker, that members opposite have had a tough time with the potash corporation right from day one. After all, the debate in 1975 was, in 1982, still fresh in their mind. Their active and virulent opposition to the setting up of the Potash Corporation of Saskatchewan and the passage of that legislation was still fresh in their mind, and suddenly there they were, the government. And they had to run it; they had to run it.

And as I recall the member from Yorkton was, if not the first chair then the chair shortly after 1982, and he became proud to be the chair, but in the initial stages it was a tough situation for them to be in because there they were having to run a corporation that they didn't believe in. They were left running a corporation that they never were in favour of setting up in the first place. It was a little tough for them, but the challenge was there and at least for a period of some years they seemed to have tried.

During the time that the member from Yorkton was the president, they really seemed to make an effort to run it in the public interest, although not profitably; they were sort of getting the hang of it. I know it's a tough job. It's a tough job to run a corporation of that size and that magnitude. And it's an enormous responsibility to run a corporation which is such a dominant actor, such a dominant figure in the potash field, and we're talking here about the . . . I drew the analogy the other day to Saudi Arabia, and as Saudi Arabia is to the oil market, so PCS is, in a very real sense, to the potash market. And that carries a lot of responsibility.

How I do hope that it is no part of your motivation for Bill 20 that you just can't hack it, that you're not up to facing that responsibility. The people of Saskatchewan thought that it was a good idea, they re-elected the Blakeney government in 1978 after its passage, and the people of

Saskatchewan have come to realize that the exploitation of potash is a very profitable thing and they want their government to continue to operate that corporation and operate it in their interest . . . (inaudible interjection) . . . All polls say that, yours included, yours included, yours included. Ours says that, and the public polls say that, and Angus Reid say that, and everybody says that.

And, Mr. Speaker, the challenge is there. All it takes is the nerve. All it takes is the determination. All it takes is the judgement necessary to keep that corporation going, to keep it operating in the interests of all of the people in this province, not only for ourselves but for our children and our ancestors for hundreds and even thousands of years. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Mr. Speaker, I am pleased to participate in this debate, this historic debate on the Bill 20, the Act respecting the Reorganization of the Potash Corporation of Saskatchewan. I'm not very pleased, Mr. Speaker, with the lack of interest on the government side to join in this debate. We have extended hours in this House, the number of hours that we sit, so that we can have all members participate in all areas of debate, including the historic Bill 20.

Nobody on the opposite side, no government member wishes to participate in this debate. The Minister of Finance attempted to close the debate just a few moments earlier, not allowing any of his back-benchers to participate.

An Hon. Member: — Muzzle, muzzle the back-benchers.

Mr. Solomon: — He's muzzling the back-benchers. He has not allowed any of his cabinet colleagues to participate in this debate, and my view, Mr. Speaker, it's historic in that sense as well because there has been no major piece of legislation that's been introduced in this House that has government members been muzzled in terms of speaking on the issue.

The debate today is truly a debate about the kind of future, Mr. Speaker, that we want for ourselves and our children and the future generations. I say that because this legislation will determine how our province will manage, develop and sell an extremely important non-renewable resource, namely potash, well into the 21st Century and beyond.

My colleagues have talked about the formation of the potash many thousands of years ago. It was a resource that was given to this part of the country by God and nature, and we as a people are the custodians of that resource. It is our responsibility to ensure that that resource is looked after, that it is mined, that it is sold to the benefit of everybody living in this province today, and in the province of Saskatchewan for many decades and centuries ahead.

Unfortunately, what this legislation offers Saskatchewan people is a future of economic servitude to outside investors—that's the bottom line. Rather than being the

custodians of the future generations, the custodians of a resource that should benefit all generations of this province, the government has determined — is determined and has decided — to sell off this resource to outside investors and to have them control the economy of this province and, in particular, the resource of potash.

Down the road, we will be looking at trying to form economic plans — our government and governments that go beyond the next government. And one of the strong bases from which we must set our economic program and set our economic plan together is from the resource that we are blessed with in terms of large volumes, such as potash.

We're going to be hampered, Mr. Speaker, because the potash corporation will be owned, if this Bill is passed, by investors that reside outside of this province. That alone, in the view of everybody you speak to in this province, will hamper and handcuff us, and it will make us servants in our own province. Whenever we want to make a decision with regard to our future and our economy, we'll have to go cap in hand, like they're doing in many other third-world countries, to larger nations and wealthy, powerful, big-business interests and investors in order to just try and make things go in the province in which we live.

This does not offer Saskatchewan people control of their future, this Bill No. 20, but a future controlled by others, and in particular, a future controlled by others outside of this province.

We have seen, Mr. Speaker, a number of issues in this session which has made the entire session historic. Bill No. 20, the Act to privatize the potash corporation has one historic element in it. But leading up to this Bill there have been many historic situations occurring in this Assembly since March of 1989.

We've seen the government introduce a budget which was a disaster. It increased taxes on almost every front, including the gasoline tax, and increased taxes for the lotteries in this province, taxing those who purchase lottery tickets. We've seen a budget that has been basically a disaster for this government. And for the working people, it has been a budget which reflects a decrease in taxes for the wealthy and the big business interests that support the Conservatives, but a burden of increased taxes to other working people in this province.

We've seen the historic SaskEnergy attempts, in terms of selling off SaskEnergy — the historic *faux pas* by the government wanting to ram through a piece of legislation that they have promised in many cases in the past not to attempt to do. And I'd like to go over some of those.

We've seen it in this session with regard to potash, we've seen the SaskEnergy, we've seen the budget, we've seen the Provincial Auditor table a scathing report telling the people of this province that the government opposite broke the law on 46 occasions in 1988 with respect to expending finances and making financial decisions on behalf of the people of this province.

We've seen in response to that scathing Provincial

Auditor's report, rather than a response in detail as to why it was done or why they will try to correct things, a government response from a Minister of Justice which was a personal attack on the auditor, and basically destroyed the Minister of Justice's career, what was left of it.

We've seen as well with regard to this potash Bill, Mr. Speaker, historic events leading up to it, other historic events like the *prima facie* case of breach of privilege of the Minister of Justice — not on one occasion but on two occasions.

(1445)

We have yet to hear from the member from Weyburn — on his feet — in this debate. We have waited and waited and waited for the member of Weyburn to join this debate on potash, rather than stand on his feet and explain in great detail, or even in minor detail, the position that he is taking on this Bill and why they are selling off the potash corporation. We've heard from him from his seat, the whining and complaining of somebody who is impotent in terms of being able to speak on behalf of their constituents and standing up for what they believe in.

Members opposite would rather sit in their seats, Mr. Speaker, and heckle and whine and complain and provide drivel to the debate, as opposed to standing up in this House and talk about the potash corporation . .

The Speaker: — Order, order. I'd just like to bring to the attention of the hon. member that the words, directed against other members such as whining, are perhaps not technically unparliamentary, but certainly — order — doesn't add to the level of debate.

Mr. Solomon: — Thank you, Mr. Speaker. What we've seen, Mr. Speaker, in this historic session is the attempt by the government to muzzle not only their own members, but the opposition as well. We've seen them . .

Some Hon. Members: Hear, hear!

Mr. Solomon: — We've witnessed the government attempting to muzzle the opposition by changing rules arbitrarily, and that fell by the wayside. We've seen them in this historic legislature, leading up to the debate on Bill 20, the incredible patronage, the incredible incompetence and mishandling of issues like the GigaText affair where over \$5 million of taxpayers' money has been spent in an unaccountable fashion, which I'm sure the auditor will once again review in this fiscal year and prove the government has been in violation of some law there.

We have seen as well in this session, Mr. Speaker, the government make commitments to the Cargill grain company, which is the largest single U.S. corporation in the United States, privately owned, with sales of over \$38 billion U.S. last year. We've seen the government giving them guarantees and moneys to the tune of \$290 million.

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

Hon. Mr. Hepworth: — Mr. Speaker, on a point of order, I fail to see the relevance of things like GigaText, Cargill, and previous proceedings as being relevant or germane to debate on this potash Bill, Mr. Speaker.

Mr. Kowalsky: — On the point of order, Mr. Speaker, we know that this is a second reading of a Bill on potash. A second reading Bill allows for wide-ranging debate. All members previous have had rather wide-ranging debate. The member opposite knows full well that wide-ranging debate is allowed in a debate of this type, Mr. Speaker.

The Deputy Speaker: — Order. I believe the member's point of order is well taken. Members are quite aware of the fact that debate centring around any Bill is to centre it around the points of the Bill, and the Bill before us is Bill No. 20, the potash Bill. I would ask the member to, as he addresses the House, to put his points across according to the potash Bill.

Mr. Solomon: — Thank you, Mr. Speaker. I'll try and keep a little more focus on my remarks.

What I'm attempting to do is set the stage for those in my constituency and those around the province that may be listening, the stage which has been created by the government for the sell-off of the Potash Corporation of Saskatchewan.

And what we've seen here, Mr. Speaker, is just some historic events take place. But as well we've seen the government opposite — and I want to establish a line of credibility here if I can — but we've seen the government opposite on occasion after occasion, whether it was not allowing motions of extreme importance like emergency debate on the 10,000 farm foreclosure notices, or the extreme urgency of debate with regard to the interest rate problem that's affecting everybody in this province. We've seen them disregard and turn down those requests for debate.

And we've seen all of the issues I've talked about happen in this province since March, which in my view has affected the credibility of not only the government generally but in effect many of the ministers in a single fashion.

I've talked about the Minister of Justice who has been . . . his career has been destroyed by the fact that he's been involved with those direct attacks on the auditor. We've seen the minister responsible for SEDCO, the member from Maple Creek, who has had her career destroyed by the mishandling of the GigaText affair. We've seen the member from Souris-Cannington who was actually well respected by many people in this province up until the two disasters that he was involved with this spring: the Rafferty-Alameda boondoggle, and of course the totally mishandling of the issue as it relates to . .

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

Hon. Mr. Hepworth: — Mr. Speaker, a point of order. The hon. member persists in being irrelevant. He's engaging in debate around the Rafferty-Alameda dam project; he's talked about GigaText, Mr. Speaker. The

issue before this House is the debate on the potash Bill, and I'd like you to rule that that member should come to order, Mr. Speaker, and make his points relevant to that Bill.

The Deputy Speaker: — I again find the member's point of order well taken, and I will just ask the member from Regina North East to bring his points.

Mr. Solomon: — Thank you, Mr. Speaker. What I was trying to establish here was a credibility gap that this government has created for itself. And I want to, with regard to the potash corporation and with regard to privatization, just go over what some of the policies of this government have been, policies that they've published and widely circulated.

One called Pocket Politics, which refers to the privatization issue, which refers to a number of issues, which has confirmed the lack of credibility and the breakdown of credibility throughout their duration in government. And I can talk about — but I'm not going to, Mr. Speaker — I can talk about all the promises that they made and all the promises they broke. And I won't do that today. I just want to outline very clearly that in this Pocket Politics, which is the Conservative manual of policies and issues, they talked about removing the gas tax, they talked about cutting personal income tax 10 per cent, and all the other things that we've raised before. And of course rather than eliminating and reducing and cutting all those taxes, we've seen massive increases.

But in this report . . . I want to have all members pay attention to this because it's the Conservative policy manual entitled Pocket Politics, and there's a little quote here on page 14 that I want to raise with respect to privatization and Bill No. 20. And the question is . . . this is a document by the Leader of the Conservative Party. It's a question and answer kind of document. The question is put to the Leader of the Conservative Party, who is the Premier of this province, and he puts the question . . . or the answer to the question.

And here is the question that was put to him regarding Crown corporations and dismantling thereof. The question, and I quote:

Is it true the Conservatives plan to dismantle the Crown corporations?

Quote beginning for the answer:

Absolutely not.

That's the answer that was given by the Leader of the Conservative Party. And the quote goes on to say:

That's a scare tactic the NDP is using.

A PC government will revitalize and improve the Crown corporations of the province of Saskatchewan . .

It goes on to say, Mr. Speaker, with regard to Crown corporations:

A few points are worthy of clarification in this regard. The first is that the Saskatchewan Progressive Conservative Party has not suggested dismantling (Crown corporations like Saskatchewan Power Corporation) SPC; nor for that matter, have the PCs suggested the same for any other . . . monopoly where the obvious advantages of scale, and the confusion of added costs of competition, dictate against duplication or government divesture.

So this is another example, Mr. Speaker, as it pertains to Bill 20, as it pertains to the sale-off of the Potash Corporation of Saskatchewan, of the government opposite saying, in writing again, sending out to all of their members and supporters and others who they wanted to support them, what they were going to do with respect to Crown corporations.

And what have we seen? We've seen a further betrayal . . . I mean, another betrayal. If it was one or two, that would be bad news enough. But in almost everything that they've said in writing, everything that they've promised to do in the past, they have failed to deliver on in the present or in the future. They have always done the opposite.

They are saying to us today and throughout this potash debate — what little they did say — they were saying that the sale-off of the Potash Corporation of Saskatchewan would benefit the people of this province; it would diversify the economy; it would revitalize our poor, sagging economy that these people have driven into the ground.

Well I don't believe that for one second, and I don't think that anybody else in this province believes it. I was out in the riding of Kinistino, and the member from Kinistino knows that part of the riding well. I was out there last week and went to six towns and villages in his constituency. And do you know what they were telling me on Main Street, the business community, the farmers that I met with and the elevator agents and the R.M. reeves and councillors and the town councillors and mayors?

They were telling me almost unanimously, out of about the hundred or so people I spoke to during that visit, individually, that none of them supported the sale-off of the potash corporation. They were wild about the sale-off or the proposed sale-off of SPC, but none of them wanted the sale-off of the potash corporation either.

And this is what the government opposite is trying to put forward in terms of a case for the people of this province. They are telling us that if we sell the potash corporation, that it will result in diversification, it will result in great benefits for the people of this province, it will result in jobs, it will result in all kinds of things.

Well as we know, Mr. Speaker, everything that this government has said in terms of making commitments to the people of this province, they have failed to deliver on every single one of them.

But I have some more really condemning information in

this report, page 16; with regard to industry and commerce and the mineral resources of potash. Industry and commerce is the title on page 16, and it says:

A Progressive Conservative government will (a number of things):

— develop mineral resources through Saskatchewan and Canadian companies under government regulations and taxation policies which maximize returns to the province.

Yet it proposes and it intends to sell off the Potash Corporation of Saskatchewan through Bill No. 20 so that the returns to the people of this province will be minimized. We can go over the details later on in my remarks about how many millions of dollars have been paid to the treasury of the province of Saskatchewan, to subsidize the taxpayers of this province, from the potash corporation to date. We'll get to that in great detail.

But here we have another commitment, another commitment with regard to the Conservative Party of Saskatchewan, the Government of Saskatchewan, which they have failed to deliver on.

It goes on to say, and I raise this as a final point in this document. It says on page 23 . . . This is another commitment. And it says . . . and it actually says:

The NDP — 10 REASONS NOT TO VOTE FOR THEM!

This is a Conservative document.

An Hon. Member: — They couldn't find 10.

Mr. Solomon: — They couldn't find 10, but they created one. One of the major reasons was, and here it is, that the:

NDP Provincial Government debt — in ten years the NDP government has created a debt of over \$2.3 BILLION . .

\$2.3 billion over 10 years of Crown corporation capital debt, which is self-liquidating, which was being paid off through the revenues of all the Crown corporations of this province, yet, on top of that, paying additional dividends to the treasury to subsidize tax rates in this province.

And they're saying, don't vote for the NDP because in 10 years they created \$2.3 billion of debt that was self-liquidating — a surplus budget operating, but a self-liquidating Crown corporation capital debt.

Who do we have now, Mr. Speaker? We have a government that in seven years does not have a Crown corporation capital debt of \$2.3 billion but a Crown corporation capital debt of over triple that — over four times that, almost — \$9 billion. On top of that, they've got an operating debt of 4 billion — \$13 billion of total debt in seven years. Take away the 2.3, they've run up a debt of \$11 billion in seven years.

Now that's one of the reasons they said people shouldn't vote for the NDP, because of a \$2.3 billion

self-liquidating Crown corporation capital debt. And what are they going to say now? They're going to say, well vote Conservative; let us sell off the Potash Corporation of Saskatchewan, and vote for us because we've run up a debt for \$11 billion? Well I think that this kind of document and this kind of nonsense is typical of what we hear in all of the remarks from the members opposite.

(1500)

So we've seen, Mr. Speaker, a number of commitments, including the tax decreases that they promised, have now turned into tax increases. And all of the other comments that they made with regard to mineral resources and Crown corporations is really, in my view, misleading information, and in the view of everybody else in this province, a total betrayal of the Government of Saskatchewan as we know it today.

Mr. Speaker, I'd like to now turn to a couple of reasons why Crown corporations were created in Saskatchewan. Crown corporations have existed in this province for over 50 years in Saskatchewan alone. We've seen the CCF (Co-operative Commonwealth Federation governments, the Liberal governments and Conservative governments and the NDP governments all create Crown corporations. And that's been part of the economic instruments of running a province or running a country.

The government opposite believes that only big business should run the country, that only big business should control the resources, like potash, of the people of Saskatchewan.

They don't believe that we should have other elements of an economic plan. They don't believe — at least that's not what they're telling people — that we should have three engines of the economy, as the Leader of the Opposition has referred to in the past: the engines of private enterprise, the engines of co-operatives and credit unions, and the engine of public enterprise.

Each have their own place in the economy, and to have an economy in Canada that works, you've got to have a mix of those three engines and those three initiatives as they pertain to economic development.

But in the decade when Allan Blakeney and the NDP governed, Crown corporations were generally divided into three categories — into utilities, and financial and service corporations, and resource corporations. And each of them had different objectives and achieved different results.

Utilities were to provide services to customers at reasonable rates while ensuring that the utilities were operated on a financially sound basis. The service corporations were designed largely to provide service, and again were not expected to generate significant profits.

Resource corporations, on the other hand, Mr. Speaker, such as potash, were expected and did generate profits, with those profits being used by the province, being returned to the province, to the treasury, for subsidizing taxes.

And I guess we've got two ways to raise the taxes in this province. We can either increase the taxes across the board, as they've done, or we can look at the mineral resources and try and raise revenues through there. That's what they're saying; there's only two methods. They don't believe in having an economy where you've got a high level of employment or a lot of people are working and contributing to the economy. They don't believe that. They believe that an economy should be only controlled by big business, yet they don't want to raise money from those big-business friends.

You look at the mineral resource taxation rates — and I'll get to those later on as well, Mr. Speaker — but under this government they have decreased resource revenue, decreased the royalties that large businesses have to pay in this province to consume our resources and to mine our resources. Yet what they're doing, Mr. Speaker, is they're saying that big business will run this country. And they're saying that, and what that really means is that everybody else in this province will be paying the taxes and paying the fare for operating their mismanaged economy.

The member from Weyburn again chatters and babbles from his seat, doesn't want to stand in this House and raise his issues and raise his points from his feet. And what we've seen, Mr. Speaker, is really all of the members opposite unwilling to participate in this debate. They refuse to do that. Yet they insist on . . . yet they insist, Mr. Speaker, on trying to say things from their seat, heckle from their seat and disrupt the proceedings of those who are recognized by the Speaker.

The reasons for creating Crown corporations have been as varied as their activities, and I want to just go over a few of them: in the case of the utility and service corporations, Mr. Speaker, the ability to deliver programs or to provide services at reasonable costs, or, as in the case of the Saskatchewan Power Corporation, providing gas and electricity to rural areas where such services might not otherwise have been provided.

And I can recall, Mr. Speaker, when I was a corporate planner at SaskTel, one of the functions of a corporate planner is to monitor the plans that many departments were undertaking in terms of minimizing external forces, minimizing weaknesses, and maximizing strengths. And part of the responsibility that I had during the course of my experience with SaskTel, Mr. Speaker, was to look at these extra-curricular activities of telephony and other technologies that relate to the province and to the Crown corporation, SaskTel.

One of the things that we did, Mr. Speaker, back in 1978 and 1979, in relation to Crown corporations, in relation to this particular function of what a Crown corporation does, is that we looked at a rural gasification program. We looked at a . . . I'm sorry, a rural, single line telephone service program, and that was one of the procedures that were undertaken, one of the investigations that were undertaken at that time, was to pursue the pros and cons of single line service to multi-party line users.

And what was happening in those days, Mr. Speaker, was

this: the Crown corporation provided a service, as does some of the other Crown corporations, at a basic rate to everybody; there was a high revenue, high profit side of the corporation — the long distance line in the urban centres provided high profitability, high profit centres. That profit was used in terms of these studies and in terms of these initiatives, for example with SaskTel, which is my experience, to spend money to subsidize the telephone service to those in the rural areas, to those people who had farmsteads and who lived in villages and small towns that would not be able to afford, under normal circumstances, that service unless there was that cross-subsidization.

And we saw in SaskTel, as we've seen now in SaskPower and we've seen in other utility corporations, a very beneficial initiative of the Crowns, and that is to subsidize, to cross-subsidize areas that required it because they provided a service to the people that live in this province, that families and the farmers and the business people and the single parents and others who have lived in this province and required it.

And that was something that was not fully understood by many people. It wasn't fully understood by most people not working for a Crown corporation, as a matter of fact.

I think what's happened is we've seen an ideological group of people get elected in this House without understanding what accomplishments these Crown corporations had over the years, without understanding fully even the services they were provided when they were living in these rural areas where they live now, that would have cost them far more in terms of service, far more in terms of cost to get the service that others in the cities and large towns expected and really took for granted.

And what that amounted to was a cross-subsidization of a profitable centre, to an area that cost money to do, but was subsidized — a losing area — so that the overall picture of the corporation made money.

With regard to the potash corporation we see a corporation, if it is run properly, can make extremely handsome profits. I mean, we're not talking about a basic utility here which will jack up prices to the users in this province. We're talking about a unique resource Crown corporation which sells its product outside of the province of Saskatchewan for the most part.

So that all of the money that's going into this corporation is not taxpayers' dollars paying for a utility or a service or a program, but in fact it's new money, it's money coming from other parts of Canada, from the United States, and other countries in this world.

And this is money that's coming into our province, Mr. Speaker, that is used if it's managed properly, to create a profit in the corporation and to . . .

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

Mr. Shillington: — Point of order. If the member from Weyburn is bored, I wonder if we could get him a game of checkers or something to keep him quiet for a period of

time.

The Deputy Speaker: — Order. I do not believe that is a point of order, but I will bring to all members of the House, to their attention, the fact that it is just proper etiquette to allow the member who is on his feet to continue his debate without interruption. I'd just remind members of that, all sides of the House.

Mr. Solomon: — It's quite unusual, Mr. Speaker, to witness the members opposite. They're always anxious to speak and always anxious to be involved in the debate when they're sitting in their seats, yet when there's opportunities for them to speak in the debate, they hide behind their desks and their newspapers, and they hide behind the doors of the lounge.

So I see, Mr. Speaker, to get back to my point, and I see these members in a very humorous light. I mean, they're a joke to the people of this province. They're a big joke, except it's not so funny when you're costing the people of this province \$11 billion in seven years. And on top of that, Mr. Speaker, you're not increasing services to the people of this province; you're not increasing the number of jobs available. But you're increasing the debt; you're decreasing the services and programs; you're decreasing the amount of jobs that are available in this province. And all we have is a mismanaged, incompetent government.

And it's witnessed time after time whenever members of the opposition rise in this House to speak in the debates that are very important to the people of this province, from the members opposite, and it's reconfirmed, reaffirmed because of their . . . I guess it could be referred to as cowardice. They don't want to get up and speak.

But having said that, Mr. Speaker, I think we've got to get back on to the Bill No. 20.

The other reason we have Crown corporations is that they've been able to maintain employment at constant levels and have not been subjected to the same degree of lay-offs as their private sector counterparts. That's the second reason they were created. And we've seen that in terms of managing the economy.

Part of the obligation of government in this province, Mr. Speaker, and any government in any province or state of country, is to take hold of their environment around them, to have a look at what the environment is like economically and otherwise, and top put a plan together on how best to manage that as custodians and as leaders in the province of Saskatchewan for the people that they represent.

And with a Crown corporation, part of the positive thing about these Crown corporations is that they can, through government policy and government directive, if they're doing their job in terms of providing a basic service or a basic program or providing a product out there to international markets like potash, they can be used very effectively in terms of planning out of the production. We can have the number of jobs in the potash corporation pretty well constant because of our economic plan.

But we can use these Crown corporations, as a

government, to decide where the economy is weak and where the government should be stepping in to assist the economy as best they can, either through a joint venture or through a Crown corporation. Crown corporations have also been, Mr. Speaker . .

The Deputy Speaker: — Order. I would ask the member from Weyburn to allow some respect to the member from Regina North West; allow him to speak without interruption.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Thank you, Mr. Speaker. I just want to say that the member from Weyburn represents the constituency of Weyburn . .

The Deputy Speaker: — Order. I believe the Chair has brought the member to order, and I don't believe the speaker is allowed to make comment on a rule by the Speaker, and I ask the member from Regina North West just to continue his debate on the potash Bill.

(1515)

Mr. Solomon: — Thank you, Mr. Speaker. I was down in Weyburn a couple of days ago. There's no potash mine there, but I can tell you that we visited with a number of people. The Leader of the Opposition and myself were down there.

And the community of Weyburn is quite a very interesting community. They have, Mr. Speaker, talked to us about the Potash Corporation of Saskatchewan. We were at a picnic which had about 175 people attending, and many of them raised with us the potash Bill No. 20. And they were saying to us . . . and these are people that reside — and some of them had supported the Conservative government in the past — reside in Weyburn constituency. They're telling us on an individual basis, on a one-to-one basis and in a question and answer period, that they have some very serious concerns about their member. And I can see why, having listened to him today for a while.

But with regard to the Crown corporations, Mr. Speaker, the other reason that we feel Crown corporations were created — at least I do — is that they've been useful in maintaining quality head office and generally higher paying jobs in the province of Saskatchewan. We've seen SGI being created in this province for a very specific reason; we've got head office jobs there.

We've seen for example with the sale of PAPCO's (Prince Albert Pulp Company) assets, head office functions, the sales and other high paying positions were transferred out of the province and out of this country. They're down in Seattle. We've seen the sale-off of a Crown corporation losing some of that high paying talent and losing the head office, which are not very often located in this province with other companies.

And fourthly, Mr. Speaker, with regard to the Crown corporations, they have been used as instruments of economic development by the NDP and by the Conservative governments in Ottawa and Liberal

governments in Ottawa as well. Under the New Democrats, when investment of public funds was made in a project or where the risk was borne by the province, we normally assumed equity. Under the Conservatives, the public funds in the form of loan guarantees or grants have been made, but the practice of sharing in the successful results of those projects through obtaining equity has not been continued, and PAPCO is another example, Mr. Speaker.

And finally, with regard to why Crown corporations were created, and our view is that under the Blakeney government they were used as a method of control over the province's resources. The potash corporation over the province's resources. The potash corporation was created partly in response to litigation commenced by private potash companies and the refusal of those companies to provide information to the government or to adhere to government regulations or to pay taxes.

And I remember that very well, Mr. Speaker. In that instance in 1975, prior to '75, the potash corporations in this province, the private ones — they were all private at that time — were asked to increase taxes, or to pay an increased share of taxes on the product that they produced. And they said to the government of the day, no, we're not going to do that because we don't make enough money to pay those taxes; they're unfair taxes. That's what they told the province and the provincial government at that time.

We said, well if they're unfair taxes, why don't you show us your books, show us your bottom line, and if you're not making any money, then we'll reconsider and we'll negotiate something else. And they said, well no, we're not going to show you our books because we're an American company or we're a French company or we're a country that does not have a head office in this province. Not one head office of those potash corporations were in this province. They weren't going to show us the books. We had no right to them.

We said, yes, you're probably correct, we have no absolute right to look at your books, but what we do have, Mr. Speaker, is that we have an obligation to manage our resources. We feel that you're making an adequate profit. We feel that the resource taxation policies have not been changed for a number of years and that more tax revenue should be acquired for the people of this province. So they said, no, we're not going to do it. They took us to court. They said, no way.

Then 1975 rolls around, a provincial election is called. The Liberal Party of Saskatchewan, which is the forerunner of the Conservative dinosaur government, they received, oh, probably a million dollars in contributions by the private potash corporations at that time. And they received these contributions for one purpose and for one purpose only, and that was to defeat the New Democratic Party government in 1975 in the general election campaign so that we would not be increasing the taxes and getting a fairer share for the people of this province from the production and export and sale of the potash resource. Well it was a gamble the companies took.

We said in 1975, during the election campaign, it was in

writing in the New Deal Mk. II, as we call it, and I remember it well because I was on the program development committee that set up that new deal, and I believe the former member from Regina North East was the chairman, was Walter Smishek. But in this deal we said very clearly, Mr. Speaker, that if we're re-elected that an NDP government will move to nationalize a major part of the potash industry in Saskatchewan.

So they spent a million dollars of their money on the Liberal Party, and that was spending good money after bad. They would have just as soon been better off to pay the tax increases. We went back to them after the '75 election campaign and said, we want to increase the taxes; we want your tax money now. Give us your money; give us the fair share we've asked for the people of this province. And they said, go jump in the lake, or words of that like.

So we had no option. The option was to nationalize them, and in effect it turned out to be a very handsome option, a very good option for the people of this province. And we'll get into the details as to why it was later on, because with very little tax dollars up front it was money that was used . . . or money that was acquired from the money market rates to purchase some of the mines in this province.

We purchased those mines, Mr. Speaker, and we purchased the mines with basically debt as opposed to equity. We operated the mines from 1976 to 1982, and with the debt that we started out with, about \$418 million, that was self-liquidating debt. It was paid off with the revenues and the profits on an annual basis from the potash corporation's . . . of the corporation of Saskatchewan.

And we've seen, Mr. Speaker, that the reasons we set up the Crown corporations were sound; the reasons have benefitted the people of this province. During the course of those economic thrusts we achieved the dream, I guess, of Tommy Douglas and the CCF of the '50s and early '60s.

And in Saskatchewan in those day, in the '50s and '60s, we were a social laboratory. The CCF under Tommy Douglas experimented with social programs like medicare and hospitalization, and were leaders in the world for bringing these programs and services which benefitted the people of this province and benefitted the people they represented.

But during the course of that time I'm sure that Tommy Douglas and his ministers had some degree of anxiety because they believed in the programs, they introduced them, but they didn't want to have to tax people a lot of money to maintain them and to improve social programs as they became necessary to implement. And they had this dream and this vision of finding a way to pay for them so that it didn't cost the taxpayers and the families of this province more tax money.

And what I'm saying is that during the '70s, under the Allan Blakeney government as premier and under the New Democratic Party government, we became an economic laboratory by getting into the mineral

resources: the potash corporation; the Saskatchewan Mining Development Corporation was set up in other areas; and going into joint ventures, whereby these revenues that were dreamed about by Tommy Douglas and his ministers and the people of this province to pay for these very necessary and very important programs were being realized with great revenues from the nationalization of potash corporation, great revenues from Saskoil and the Saskatchewan Mining Development Corporation of Saskatchewan.

So we were achieving, I guess, the vision or the dream that Tommy had, and I think that . . . I mean, he mentioned this on many occasions, how he thought it was a very innovative move, that it was very important for the future and development of the province of Saskatchewan, and that it would in the long haul, if properly managed and properly husbanded, that the people of the province and the future generations would continue to benefit from those policies and from those actions.

What we've seen, Mr. Speaker, on the other hand, rather than a continuation of these policies, is an attempt by this government, through the introduction of Bill No. 20, an attempt to sell off the Potash Corporation of Saskatchewan and to do away with really one of the major elements, one of the major parts of the economic machinery of the people of this province, and of the policies of a government of this province which used to believe the policies of a government that was elected by the people for the people; which used to believe that resources put into the ground in this province should benefit everybody and not a select few.

Yet we're having under this Bill, Mr. Speaker, a government which is making a very, very naïve effort to sell off those resources, to sell off the control of those resources, so that the people of this province will not benefit from the programs, or the establishment of the Crown corporations in the past which they have benefitted from to this date.

It's my view that privatization is a very unacceptable economic program in isolation.

Some Hon. Members: Hear, hear!

Mr. Solomon: — It's my view, Mr. Speaker, that the economic program of this government is a disaster from day one. They base it on privatization, the selling off of the assets of the people of this province at discount prices to their rich friends in powerful and big business interests.

Their other element of the economic policy, as you've heard before in this House from myself and others, is rising debt, which is not a good economic policy — out-of-control debt.

The third element of their economic policy has been massive unemployment which is not a good economic program. And the other element of their economic program is out-migration: let's get rid of some of the people in this province.

An Hon. Member: — How many, John?

Mr. Solomon: — And we've had, Mr. Speaker, in the last six months over 13,000 people leave the province of Saskatchewan in a net way. What that means is that this province has reduced its overall population by over 13,000 people in six months alone. That's as many as we had in 1988 in the total 12-month period. The people of this province have decided to vote with their feet by leaving the province of Saskatchewan as a result of the economic failure of this government opposite.

We've seen a city the size of Swift Current disappear from the face of the map in the last six months. The member from Swift Current sits there contemplating that because if all of her city left, she wouldn't have a seat left. And I can tell you that when you start looking at the numbers of people that are leaving, it's a very serious matter.

In my meetings with the reeves and the municipal councils and the R.M. councils last week in Kinistino riding, in my meetings with others in Weyburn in these last few days, one of their concerns is the depopulation of their communities, and I'll tell you why. I mean, when you've got a smaller base of people living in a community, you have fewer people going to the businesses in the community and spending their money there; therefore, you're going to have fewer businesses. If you have fewer people contributing to the taxes in the local community, for example an area like Meadow Lake or Wakaw, you got people leaving from those communities, and what you have is more pressure and more tax burdens on those that are left for paying school taxes or paying municipal levies. And what you also have, Mr. Speaker, is a decline in services and programs that those school boards and municipal governments then provide.

So we've got an out-migration policy, a depopulation policy. It's almost reminiscent of some of the Vietnam shenanigans during the Vietnam War that the Americans undertook. And it's not as deadly, obviously, but it is in terms of numbers of people and families leaving this province.

So with the decline of the population in these small communities, what options do they have? The Potash Corporation of Saskatchewan is one of the options because some of those people actually work at the potash mines, and they work at the government potash mines in those districts. They drive down from Bruno and Fulda and Pilger and Middle Lake and St. Benedict, and they work in those mines, and they're able to bring some income from off the farm and help them operate the farm, or indeed to keep their small businesses alive in the communities in which they operate.

So we've seen this economic madness, this economic insanity of the government opposite resulting in a depopulation of the province of Saskatchewan, resulting in the record bankruptcies. Under the seven years of a Conservative government, Mr. Speaker, the number of bankruptcies in this province averaged over 340 each year. Compared to the last seven years of an NDP government, it was not 340, it was not even 240, it wasn't even 140, it was somewhere around 93 per cent. Under the Conservatives, they've increased the number of

bankruptcies on a yearly average over seven years of 360 per cent. That's what they've done, Mr. Speaker.

(1530)

And why is this happening? Because of privatization. They sell off all of these corporations — and I'll get to those; I haven't got to them yet. And I want to draw an analogy for those that want to listen for my remarks throughout this afternoon. The analogy I'll be drawing is that after every sale of a Crown corporation, after every sale-off, their argument is once again turned around with regard to reducing debt. They say: we are selling off the Crown corporations to reduce our debt. Well I will track for you this afternoon, every time there was a Crown corporation sold, the debt increased. And we'll get to Saskoil in great detail as well.

But why are the Tories . . . why are they privatizing? What is privatization? You talk to the people in the business community, Mr. Speaker, and I'll tell you what they say about privatization. They're not in support, in the most part, of the privatization policy of this government.

What they tell me is that when a company or a business is having a problem, that what they look to is their assets in the company, and they've got some decisions to make. They can bring in a partner and dilute their equity, bring in some money, or they can sale off or sell off part of their assets, privatize them, and reduce their asset base and risk the business in its entirety down the road because of a reduced or a smaller asset base which has been there and created through the growth of the business over the years.

So what the business people see as a business that has assets, and privatizing those assets is just getting rid of the assets that you own and selling them to somebody else for short-term gain for a short cash injection. That's what's happening, Mr. Speaker.

So with privatization, the sell-off of the Potash Corporation of Saskatchewan is not going to be entirely like that little analogy that the business community talked to me about. What it's going to be like though is when they sell off the assets, they're going to sell off at discount prices because they don't want the full price of the asset.

They want to give their friends, the big-business interests, a break, give them an immediate break. Because if they discount the price of the shares, they'll make money automatically. And these are the people that they owe . . . they owe these people, the people that own the large number of shares.

And it's not going to be the people of the province owning the Potash Corporation of Saskatchewan. What we're going to have, Mr. Speaker, on the other hand, is we're going to have an example like we have in Saskoil, and I'll talk to you about that later on. And the Saskoil experience we've seen almost, if you exclude the number of shares the government holds, 98.6 per cent of all the shares outstanding in Saskoil are owned by people who reside outside of this province.

The number of shareholders, excluding the government in Saskatchewan, in this province that own Saskoil

shares, is 1.4 per cent of all the shares; 1.4 per cent of all the outstanding shares in Saskoil, excluding the government shares, are owned by the people in this province, and 98.6 are owned . . . or 98.4 are owned by people from outside the province.

And that's what's going to happen with the Potash Corporation of Saskatchewan as well, and we'll get to that later on.

Why are the Tories privatizing the Potash Corporation of Saskatchewan? This is a question that's been asked many times. It's a successful, profitable corporation under the NDP. It was earning money over the last period of time, up until they got elected in 1982.

In 1982 this government basically laid off the sales staff, and they feel that they wanted to run it to the ground and they didn't want to have it around any more. That was their intent.

And I think it really comes down to their privatization ideology. They want in their real philosophical innards to sell off all Crown corporations and do away with services and programs that were created by the CCF or by the NDP and previous governments. Because I'll tell you why. They were created, they were successful, and they're constant reminders to the people of this province of what a positive economic government initiative can do and will result in for the people of this province.

And they don't want that reminder around the people of this province any more. They want to do away with it. They've done away with the dental care program. They've privatized the dental care program. We lost 411 jobs.

They did away with the drug program. They privatized that. They've done away with bursaries, Mr. Speaker.

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

Hon. Mr. Hepworth: — Order, Mr. Speaker. Rule 25(2) clearly states that a member's remarks must be relevant. I see little relevance, Mr. Speaker, for this debate and the hon. member's comments about the dental program, Mr. Speaker.

The Deputy Speaker: — Why is member from Regina Centre on his feet?

Mr. Shillington: — Thank you very much, Mr. Speaker. The member from Weyburn stated that the comments with respect to the dental program were not relevant to the issue of potash. It's always, Mr. Speaker, a matter of degree in these matters. I thought the member had not gone beyond that. He was making the point that revenue from potash funds programs such as this, and I thought he had not gone beyond the point in detail where it was out of order.

The Deputy Speaker: — Order. I find the member from Weyburn's point of order well taken. However, I will bring to the attention of the members that we have allowed for some broad-ranging debate. I would also bring to the attention of the member from Regina North

West that there will be ample time for a debate on public participation on Bill No. 1, and ask the member to continue to draw his debate around Bill No. 20, the potash Bill.

Mr. Solomon: — With the sale-off of the potash corporation, there will be implications on the people of this province, on the economy of this province, which have been made as a result of previous privatizations.

And I want to draw to your attention the overarching issue. The sale-off of the Potash Corporation of Saskatchewan is the issue, but the overarching issue is the fact that when the potash corporation is sold off, there will be some very serious implications. We've seen with previous privatizations, we've seen as a result of those privatizations, Mr. Speaker, the loss of jobs. The privatization of the dental program, for example, lost 411 jobs — 411 jobs in Saskatchewan.

We've seen the privatization in every case — of Saskoil, for example. Within six months of the privatization of Saskoil, 25 per cent of the employees of that corporation were laid off. We've also seen in terms of privatization and the implication on the potash corporation, a very negative focus on the province of Saskatchewan, a non-focus.

When you've got a Crown corporation in the province of Saskatchewan, you're delivering an economic thrust for the people of this province, and usually in the province of Saskatchewan. What we're seeing with other Crown corporations being sold off and other privatization initiatives of this government, is that they are focusing no longer in Saskatchewan. They're now focusing in other parts of the country.

And the Saskoil example is another one. They sold off 10 million shares of Saskoil, new issue treasury stock. Ninety-seven million dollars was earned as a result of that bought sale on the Toronto Stock Exchange. And rather than take that \$97 million, Mr. Speaker, and invest it in Saskatchewan or expand in Saskatchewan, they took the \$97 million, purchased ICG (Intercity Gas Corporation) resources in Alberta and created economic development in Alberta. And I guess that's a good thing to do if you're a large multinational corporation, or a large national corporation, or if you happen to have some kind of interest in the province in which gave your birth.

But what's happening is in every case in the privatization issue, we are sinking initiatives, money, resources into other areas of the province . . . or of the country, and not in our province. We are losing jobs, and I maintain that with the sale-off of the Potash Corporation of Saskatchewan, we will have a significant number of jobs lost, because they just don't operate that way.

And I guess the other reason that this government is really strong and firm in their privatization initiative with the potash corporation is because they simply want to pay off the rich and powerful friends that helped get them elected. That's the bottom line for them.

I mean, yes their ideology is probably important, and we've heard from the old Liberal, the member from

Qu'Appelle-Lumsden who was a Liberal member for many years — he couldn't hack it in that party — and we've heard from him speak on this issue, he was up and speaking 20 minutes or thereabouts. And his speech was probably a speech that many of the members opposite listened very intently to. I don't think any of them understood one word of it.

But the member from Qu'Appelle-Lumsden is another member, another supporter of this privatization scheme. He wants to help pay off the friends, the rich friends of the Conservative Party and the Conservative government. And one way to deliver on that is to sell the Potash Corporation of Saskatchewan.

But the other interesting anecdote with regard to the minister responsible for this Bill, who is the Minister of Finance, is that he misled the people of this province when it came to a budget forecast. He said that they were going to . . . the Conservative government was going to spend \$800 million less than it did in one year, the election year of 1986. And now he's trying to cover up for that. He's now trying . . . not cover up, but recover the incompetence of that budget.

And I don't think it was an accidental incompetence, it was a planned incompetence because they wanted to buy the election of 1986. And now he's saying, well I helped buy the election of 1986 with a little bit of a fancy dance footwork with regard to the finances and the financial statements. This time they're trying to buy the election campaign with the sale-off of a major corporation — we'll use that money and try and buy the votes again come the next election.

And I think that's the motive of the Minister of Finance. It's been often said that the Minister of Finance has had problems counting. They call him the \$1 billion man. People have referred to him as not being able to count to 20 unless he's got his shoes off. I don't know if that's true or not but it seems to me that with regard to this Bill I'd be very leery of the comments he's made and very leery with regard to his reasons for trying to sell off the Potash Corporation of Saskatchewan.

I want to now turn, Mr. Speaker, to some of the longer term negative effects of the sell-off of the potash corporation. It's my view that the case for the privatization of the potash corporation is riddled with contradictions. We are told that public enterprises cannot engender excitement among investors and that they are not as efficient or productive and they can't make the tough financial employment decisions which are necessary in today's very difficult global economy.

But is this true of the British experience? And I want to talk to you a little bit about this. A number of British companies were privatized and a number of these companies had in effect been rendered attractive to privatizers through a process popularly referred to as, and I quote, "hospitalization."

What that means, Mr. Speaker, is that they took ailing private companies such as Jaguar and Rolls Royce, other companies in trucking and buses in the ports along the coast of England, they're taken over as public enterprises

and rehabilitated with tax dollars and government initiatives and tax support so that they were profitable at the time of their privatization.

And British Steel and British Coal, two large public sector companies which have contributed more than their share to the sick kind of image of Crown corporations, in Europe, they made startling strides in terms of productivity and efficiency in the last decade. And they're, in my view, promising candidates for privatization.

But what I'm trying to say here is that this fits somewhat poorly, in my view, with the theory that private enterprise is rescuing these industries from disaster in the hands of the government, or of government managers. This government opposite, with regard to the potash corporation, are saying that look, since '82 they've lost money and they're not doing very well financially; we're going to have to sell it off.

But they've done some Houdini-like work with the Crown investments corporation and the Crown Management Board with respect to outstanding debt turning into equity. And now they're saying that they want to sell it off, and the public argument is that it's a government-run corporation and that it should be privately run; it will be more efficient.

(1545)

What's happening in England and in the British experience is that that's just not the case. We've proven that case in Saskatchewan where Saskatchewan Crown corporations, managed by a team of managers professionally recruited and professionally managed, have shown to be very profitable operations. Yet they want to sell off these operations and make sure that . . . at least under the guise of them not being well managed.

What you have to look at, Mr. Speaker, with regard to this management, is who is making the decisions. When you've got a Crown corporation, the day-to-day managers make the decisions. They make the decisions, not in some kind of cocoon or in isolation, they make decisions based on whatever information or direction, policy initiatives — call it what you like — is provided from the cabinet.

It's now set up so the Crown investment corporation is the umbrella corporation for all of the Crowns. But in essence what we are seeing here is the cabinet making decisions on a day-to-day basis about the direction of certain Crown corporations. We've heard of letters going to the managers and the presidents of these Crown corporations, including the Potash Corporation of Saskatchewan, and what they have to do is they have to leverage up some of their debt.

Some of the Crown corporations were actually very low in debt come 1982-83. But a letter went out — I'm not sure who it was from, but this is the word that we have — to these Crown corporations, saying that we want you to leverage up your debt. Increase your debt, get as much debt as you can run up on those Crown corporations so that we can undertake to complete our privatization

initiatives.

Now it doesn't seem to make any sense from a management point of view, if you're running a Crown corporation like the Potash Corporation of Saskatchewan, which had a self-liquidating debt and a very profitable bottom line, to margin up or to leverage up that debt. Because what happens, as all business people will tell you, that if you've got a large debt, you have to pay the banker the interest, the principal interest payments on that debt, or whoever has the debt.

What's happening is that these corporations have been leveraged up in debt to look like they're on the ropes, that they have to be sold to reduce the fiscal and financial analysis results in terms of the profitability.

The government opposite have been criticized for being incompetent and have been criticized for mismanaging and have been criticized for all the patronage and corruption that has been raised in this House in the past. But I'll tell you — and I think they know better than I can tell them directly — that they have used very high-paid and expensive and fairly competent chartered accountants and other financial wizards to look at these Crown corporations, to make the financial statement and the financial transactions of the Crowns as complex as they can make them so that average people will not understand the workings of these Crown corporations.

And we've seen examples, Mr. Speaker, time after time, of auditors going into Crowns and being privately . . . or appointed as private auditors. We've seen the example of the Provincial Auditor not being able to review the expenditures, to the point where half of the expenditures of this government are not reviewed by the Provincial Auditor but are, in effect, handled by in-house accountants appointed by the cabinet for the scrutiny of only the cabinet members.

So we're seeing here a very complex situation that has materialized. And the government is looking at these Crowns. They're making their financial situations more complex. They're asking them and they've succeeded in achieving the leveraging up of the debt. And when you've got a large debt you're at the mercy of the banks and bond dealers around the country.

What they're saying now is that the potash corporation has this great big debt, and this great big debt is going to cost us money. It's also reducing the net worth of the corporation.

What they haven't told us is that that's part of the plan of privatizing the potash corporation and other corporations. They took a dividend from SaskTel, a \$210 million dividend, I believe it was, from SaskTel just this year. SaskTel only made a \$70 million profit in the last fiscal year, but they declared a dividend of \$210 million.

What does that do, Mr. Speaker? Like the Potash Corporation of Saskatchewan, it has leveraged the debt of SaskTel. They now have to go to the money markets and borrow the money, so that when the next financial report comes out, or two or three down the road annual report of

SaskTel comes out, you're going to see SaskTel with a major debt like you see the Potash Corporation of Saskatchewan having been leveraged up in massive debt. So now we're seeing a very complex financial situation.

I try and read these annual reports, and I've undertaken studies in a master's in business program, and I've been in business and I know how these financial statements should read. But it's very complex for people who dedicate a great deal of time and training, such as myself, to read these things and figure them out. Yet they hire accountants and the average person would . . . 98 per cent of them would not figure it out, have a very difficult time.

What we've seen is a government deliberately and very intelligently — it's about the only intelligent thing that they've done, although it's clandestine as well — made the financial transactions of the Crown corporations and made the financial statements and the leveraging up of them in terms of debt so complex that it set the government up for selling them off at discount prices because they're giving you artificial overviews of what the real value of those assets are.

So we've seen the potash corporation, we've seen SaskTel being leveraged up. We've seen all of the other corporations that have an ongoing revenue base being leveraged up. We heard yesterday in the news media reports of Mr. George Hill, the Sask Power Corporation president, former president of the Conservative Party, talk about the massive debt of the Saskatchewan Power Corporation. Well I'd sure like to have a look at those documents and see exactly when the debt started being leveraged up.

And I would bet, Mr. Speaker — I haven't had a look at them because it was just tabled yesterday — but I would bet you anything you wanted to bet, or any member of the government wanted to bet, that the Saskatchewan Power Corporation has been leveraged up in debt to the point where now they're saying the only way out of this is to sell it off in terms of equity.

Let's get an equity injection of shareholders from around this province and around the country and outside this country to give us some new dough, some new money, and it will be a good reason for us to use to sell off the potash corporation or the Saskatchewan Power Corporation or SaskTel or any corporation you want to pick — a very clandestine, very sly way of dealing with selling off the Crown corporations of this province.

Yes they're incompetent. Yes they've mismanaged. What they've done is they've hired the best financial advisers they could to help them sell the privatization issue, to help them sell the Crown corporations. And they've hired the best. They've hired Madsen Pirie from England. They've hired all of the advisers of the Thatcher government.

Keep in mind that the Thatcher government is a national government who pays these people very high prices to give them advice. And this government in Saskatchewan, the province of Saskatchewan which has one twenty-sixth of the population of the country — 4 per cent

of the population of the country or less, and going down every month — hiring advisers for the national government of Great Britain. So we're paying very high money, very high prices for foreign advisers to advise this government on how to sell off the Crown corporations to foreign buyers.

The Potash Corporation of Saskatchewan will not be purchased by the people in this province. Fourteen per cent of all of the stock owners in this . . . or 14 per cent of all the adults in Saskatchewan own a stock or a share in a company. So what we're looking at is 14 per cent of the adult population, which is not a very large amount, will be looking at buying some shares in the potash corporation which 100 per cent of all the adults and 100 per cent of all the children in this province born and yet to be born own a share right now.

And they benefit as a result of the good management and the profitability of the corporation. They will not benefit as a result of the sale-off of the corporation, and they will not benefit from the sale-off of the corporation to 45 per cent foreign interests and the balance to be held by people outside of this province.

The British experience, Mr. Speaker, would suggest that even if our friends and neighbours do initially purchase the shares in the newly created private enterprises, the shares will eventually be concentrated in the hands of fewer and larger investors.

That's what an article says by Beth Bilson, an article on privatization. And she says that:

Within a year of their share offerings, the number of shareholders in associated British ports fell by 66 per cent, in British Airways by 62 per cent, and in Jaguar by 57 per cent.

What she is saying is that initially the 14 per cent of the adults in this province who own shares may buy 1 per cent or 2 per cent of the shares. But even after that initial share offering is completed, when you make a dollar on a share you only make a dollar when you sell on the market. So who's going to buy it? It's going to be people outside of the province.

So we're looking in effect, Mr. Speaker, of a Potash Corporation of Saskatchewan, which will turn out to be the Saskoil of the province, where Saskoil shares initially were sold to Saskatchewan people through the credit union system and through the banking system and through brokers in this province.

And we had a fairly large number of people buy up the shares. I think it was about 60 per cent of the shares issued were purchased by Saskatchewan people initially. That fell to 25 per cent in three years, or two years, from 1985 to 1988, where 25 per cent of the shareholders were from Saskatchewan but they didn't hold very many shares.

We're now at the point at the year end 1988, Mr. Speaker, with Saskoil, we have 75 per cent of the shareholders are outside of this province, but they control 98.4 per cent of all the shares. Oh, isn't that wonderful? I'm not sure whether the government opposite understands how

business works.

Business works by the majority. If you got 50 per cent of the control of a company, you make the decisions. Nobody else makes the decisions. You vote your shares at the annual meeting and you make the decisions.

When you've got a Crown corporation like the Potash Corporation of Saskatchewan, the member from Yorkton knows this very well, that if it's a Crown corporation and you don't manage it properly, the taxpayers and the voters of this province will throw you out on your ear and they'll get a government who can manage it.

But the member from Yorkton also knows that if the government doesn't control the Crown corporation, Potash Corporation of Saskatchewan, and it's mismanaged, or dividends are declared to shareholders outside this province, you can throw the government out and get rid of them, but you won't have control of the corporation because if 50 per cent of the ownership is outside of the province, it's gone. They make the decisions to maximize their profits and to ensure that the returns on their investments are high so they can keep the shares. It's very, very simple economics, very simple business matters.

So we're seeing this privatization really as an economic tool of the Government of Saskatchewan, at the moment, as one that is going to be, in my view, a very dismal failure.

But the promise . . . and I go on with this article, Mr. Speaker:

The promise that privatization proponents make of lower rates and more efficient service to the consumer may be illusory (which is another word for an illusion). A survey among business customers of British Telecom, following privatization, suggested that these customers were paying higher rates for what they regard as worse service than they had been under the much-complained about public enterprise.

Now Potash Corporation of Saskatchewan is not a public service, but I can tell you that Saskatchewan Power Corporation is a public utility. The government opposite, in their documents which I quoted earlier, their Conservative documents which I quoted earlier, their Conservative documents, said they would never sell a public utility off, are not betraying the people of this province and trying to do that.

The Premier of this province said in this document that: we would not, and any . . . no Conservative government would ever sell off a public utility. And I don't know if that's the truth broken or if it's a misleading statement, but what we've seen from the Premier in this province, Mr. Speaker, is the opposite of what he promised. Now I don't know what an opposite is in this case. It can be called — all the words we can use that would be ruled out of order. But in essence, Mr. Speaker, it is not the truth and it's been misleading. He's betrayed the people of this province.

(1600)

He's also betrayed them with respect to the mineral resources in the Crown corporations. As I referred to earlier, he promised that the Government of Saskatchewan, the people of this province would look after the resources and maximize returns to the people of this province, and yet they're selling out the potash corporation, a corporation which has reserves of 4 or 5,000 years. There's so many years none of us, or our immediate relatives in the next number of years, will ever see the resource expire.

But, Mr. Speaker, I want to now turn very briefly to some other examples of privatization — some failures. And this is an overarching issue, I maintain, overarching in the sense that the record of failures of privatization by the PC government, in particular towards their push toward privatizing the potash, far outweighs any perceived benefits to the province of Saskatchewan.

And I want to just run through a couple of examples, and I believe they're pertinent — if they're not, rule me out of order — but I believe they're pertinent to the overriding issue. What I'm trying to maintain and establish here, Mr. Speaker, in the context of the implication in the sale-off of the potash corporation . .

An Hon. Member: — Sell-off.

Mr. Solomon: — . . . the sell-off, is what has happened with previous Crown corporations. What implications has the privatization or the sell-off of other corporations had? And I'd like to draw the analogy between those and what I believe will be the result of the Potash Corporation of Saskatchewan. So if I might, I'll proceed.

For example, SaskCOMP, Saskatchewan computer utility, was sold off and it deprived the provincial treasury of revenues which totalled \$16 million in its last five years as a Crown agency. That was \$16 million of revenues that was used to subsidize services and programs which were provided for the people of this province, and that was \$16 million that did not have to be raised by increased taxes of this government.

We have seen as well the privatization of Saskoil. Now Saskoil brought revenues to this province of about \$117 million in the last four years prior to its privatization. And I might add, Mr. Speaker, Saskoil has not paid a dividend to the treasury of this province since the sell-off in 1985. But we did see, however, we've lost that \$117 million revenues, and instead we've got nothing in return in the last three to four years. We also say, as I indicated earlier, a lay-off of 25 per cent of the entire staff of Saskoil. So Saskoil was privatized, no more revenues, fewer jobs, and we'll also make a point later on in my remarks about how Saskoil is focusing in economic development in other parts of the country and really abandoning the province of Saskatchewan.

We've seen the sell-off of the Poplar River coal mine to Manalta Coal for \$102 million, although the asset was worth \$129 million, plus the fact that the government lent Manalta \$89 million to complete the purchase. So here we got \$13 million for an asset that was worth \$129 million.

And we were wondering why, Mr. Speaker, the member from Yorkton sold that. Why did the member from Yorkton, when he was minister responsible for this Manalta . . . Poplar River coal, why did he sell it off? That's a question, I think, that people of Yorkton have asked him time and time again, and I think that's probably why he was kicked out of cabinet. He made a decision . . . I mean, even that kind of deal was beyond the realm of Conservative deals which normally give assets at discount prices to their big-business friends.

SaskPower sold natural gas, \$930 million worth of reserves, they said, a 15-year supply, to Saskoil for \$325 million. They sold those reserves off for a third of the value. And you know, Mr. Speaker, I've met with oil companies who operate in this province and who have natural gas reserves since that sell . . . that sale-off, that sale-off of the reserves at a third of their value, and you know what they're saying — you know what they're saying, Mr. Speaker? They're saying, they're laughing at this government because the government could have made not \$325 million on it, but they could have made far more because they wanted to bid on those reserves. And the government here who believes in competition and who promotes competition and promotes free enterprise, you know — do free enterprise, participate in free enterprise, be competitive, let's promote competition — they don't believe in doing what they're telling people to do in this province.

Rather than having this asset, which they sold off, which they privatized, bid at a competitive level by other oil companies and natural gas producers in this province, they gave a sweetheart deal to Saskoil to beef up their operation there so they could invest that money in Alberta and create jobs in Alberta and lay off people in Saskatchewan. It doesn't make any sense. It's a nonsensical example, another nonsensical example of this privatization initiative.

We've seen the privatization of highway workers — over 400 jobs gone. And if you've been down the highways lately you will know the implication of that. The loss of 70 jobs at SED Systems within a year of its sale or privatization to Fleet Aerospace. We lost 411 dental technicians' jobs, plus we've had decreased dental care for Saskatchewan children through the privatization of the dental plan. And I still pick this up.

When I was in Kinistino last week, when I was in Pilger and Fulda and Meadow Lake and St. Benedict and Wakaw and those communities, meeting with the reeves and the R.M. councils and the farmers and the business people in that community, they were telling me that the dental program and the privatization of the dental program is the goofiest thing that the Tories have ever done. And it's goofy for a number of reasons.

And this is an implication on the privatization, the overarching issue of potash, or of privatization for potash, is that I talked earlier about the depopulation. They don't have any jobs. What kind of economic development can we have in a community that's losing people and losing businesses and losing the infrastructure and the ability to pay for the improvements and maintenance of that infrastructure?

What they're telling us is that these dental technicians, the over 400 dental technicians in this province at least lived in the rural areas. They lived there; they contributed; they participated in the community; they patronized the businesses in the community, and the children didn't have to take a whole day off school along with the parent to take a whole day off farming or off business or off work to drive to a dentist. They think it's the goofiest thing they've ever done.

So here we have another government economic initiative — privatization — resulting in an accelerated depopulation of the small communities in the province. They don't understand. People don't understand why they have to go cap in hand to this government now, and by the time they sell off the Potash Corporation and others to a foreign government or a foreign corporation, begging for some kind of economic consideration.

And you know why they can't understand it? — because it doesn't make any sense. Nobody can understand it, except if you're an ideologue, a Conservative ideologue, or except if you want to pay off your big-business friends and set up yourselves when the election's over. I mean, I can't understand it.

We've seen, as well, the give-away of PAPCO to Weyerhaeuser, Mr. Speaker, which provides for the Tacoma-based company not having to make any payments in Saskatchewan or to Saskatchewan in years where its profit is less than 12 per cent. I don't think many Conservative members opposite have been involved in business, because if they did, if they were involved in business, they'd look at this ludicrous aspect of privatization and they would say, you know, it's a wonderful, wonderful golden handshake for Weyerhaeuser, but it hasn't done very much for the province of Saskatchewan.

And we've seen, Mr. Speaker, this government say to the business. Weyerhaeuser, if you make less than 12 per cent profit, you don't have to pay us a penny in interest or principal on the debt that we've given you, the money we've given you in terms of a loan.

And if you're in business, you can tell that the bottom line can be manipulated in many ways. In business you determine your profit margin by the cost of goods, by the input costs, by your labour costs, and by your fixed and operating costs. And I'll tell you that those can be manipulated in any fashion that the business owner wants to manipulate them in. If you happen to have a great big profit of 15 per cent or 19 per cent, you can increase salaries, you can purchase capital equipment, you can transfer funds, you can do anything you want to bring it down to 12 per cent. It's not hard to do when you're dealing with an operation like Weyerhaeuser who hires many of those highly paid accountants and first-class financial wizards that this government has hired. They can get away with an awful lot.

An average business person can do a pretty good job to maintain his bottom line if he's too profitable. But you pay these highly paid accountants, and boy, I'll tell you, it's going to be a real different story. They can bury that

money for ever if they need to.

And that's what's happening as an implication of this privatization. That's what's going to happen with the sale-off of the Potash Corporation of Saskatchewan. They're going to be hiring more financial wizards to make financial transactions more complex, to make the financial statements more complex so that the Government of Saskatchewan will not be able to collect on the revenues that they should be collecting.

We've seen as well, Mr. Speaker, increased entry fees and service costs with the privatization of provincial parks and park facilities. I was at Kenosee Lake this summer for a weekend, and I talked to an individual from the Fillmore-Weyburn district, had a little experience with this privatization of the water slide and the golf course. And you know what they told me? They said, the golf course is kind of operating now. We've got some water on the greens this year, and we got some working on the water slides improved, some workings and some facilities and it's now operating again.

But this is the second time it's been privatized. It was privatized initially. One of the owners owned 50 per cent, which was controlling interest, took all the venture capital money, ran it into the ground. The golf course died, the greens died, the water slides were run out of commission. And these venture capital people had to contribute more money, an additional \$13,000 for the water slide and additional 20,000 for the golf course.

What I'm getting at, Mr. Speaker, with regard to . .

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

Mr. Kowalsky: — Mr. Speaker, I would ask for leave of the Assembly to make an introduction.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Kowalsky: — Mr. Speaker, I want to introduce five people that are sitting in your gallery, visitors to the Assembly here. We have William and Wanda Ealey of rural Regina who have brought with them their grandchildren, one of whom is visiting from McAuley, Manitoba. That's Nathan Gohm, and two other grandchildren, Yvonne Gardiner and Catherine Gardiner. And in a conversation with them, they've indicated they're very interested in the dynamics of the Legislative Assembly here this afternoon.

And I would ask all members to extend a welcome to our visitors.

Hon. Members: — Hear, hear!

Mr. Solomon: — Thank you, Mr. Speaker. I'd like to welcome the visitors as well.

What we're doing today is we're debating the Bill No. 20, an Act to privatize the . .

The Speaker: — Order, order. We had agreed some time

ago that hon. members will not address our guests in the galleries, and it's a reasonable rule we will adhere to.

ADJOURNED DEBATES

SECOND READINGS

Bill No. 20 (continued)

Mr. Solomon: — Thank you, Mr. Speaker. And what we're addressing today in my remarks at this very moment is the overriding implications of the privatization of the potash corporation and other corporations. And I'm trying to establish . . . and I'm just about at the end of my remarks. I appreciate your patience and co-operation. I've got two more examples to give of my remarks with respect to the implications of the sale-off, or the privatization of some of these corporations.

And what we're seeing here, getting back to the parks and the water slide and the golf course, the privatization of those at Kenosee Lake, we've seen them privatized. The facilities were run down. They went into financial difficulty immediately. And we've seen additional venture capital money put in . .

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

Hon. Mr. Hepworth: — Mr. Speaker, rule 25(2) in the *Rules and Procedures of the Legislative Assembly of Saskatchewan* handbook clearly states that a member must not persist in irrelevance. I would argue that a discussion of water slides is irrelevant to debate on potash, and I would ask you to so rule, Mr. Speaker.

(1615)

Mr. Lingenfelter: — Mr. Speaker, on the point of order, I think that it's important to remember that when the minister was introducing the debate on the Bill, on Bill 20, he referred to other privatization issues that the government has been involved in. I don't have them before me, but I think he referred to Weyerhaeuser and some of the other privatization issues that occurred.

What the member from Regina North West is doing at this time is referring to other privatizations of the government, namely the golf courses and the parks in Saskatchewan, and using those by way of an example to prove his point; as the minister used Weyerhaeuser — I didn't think successfully, but used at any rate — other privatizations to prove his point.

I also ask you when making the ruling to refer to chapter 7 of *Beauchesne's*, page 98, rule 299, under "Relevance and Repetition," that:

Relevancy is not easy to define. In borderline cases the Member should be given the benefit of the doubt.

Also:

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.

Now if the member from Weyburn would read the *Beauchesne's* he would see that repetition is encouraged, is encouraged, also:

In practice, wide discretion is used by the Speaker and the rule is not rigidly enforced.

Now the member from Weyburn should be aware of this, that repetition is actually encouraged under rule 299 of *Beauchesne's*, and I would ask you, Mr. Speaker, in making your ruling, that you would take that rule into consideration. Also if you would take into consideration the fact that the minister, in his introduction remarks, referred to a number of other privatizations to make his point.

The Speaker: — This is the hon. member's point of order, and the hon. member from Regina Elphinstone. The hon. member from Regina Elphinstone is correct when he says that the minister did refer to privatization issues besides Sask potash in his initial address.

However, I'd like to point out to the hon. member that while these issues may have been mentioned, it is not acceptable for hon. members to go into detailed discussions of other issues. I'm sure that the hon. member from Regina North West is aware of that. And I bring that to his attention that while we have allowed issues to be brought up as examples, I don't believe that we can allow lengthy discussions on each of these examples. And I bring that to the attention of the hon. member.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Thank you, Mr. Speaker. The point with regard to the parks issue is this. It was privatized by this government. It was privatized through a venture capital corporation. One person had the majority control. The person ran it into the ground. Those that had the investment had to reinvest double the money they initially invested to bail it out.

And what has happened here, Mr. Speaker, is we've seen an example, one of the implications of this privatization scheme of the government opposite gong afoul. If it hadn't been for the investors coming up with twice the amount of money they originally did to buy this person out so they could run these two services in a decent way and a competent way, the thing would have been closed. It would have been turned back to the government for them to rebuild the golf course and bring it back to life. And the water slides, they would have to make that decision at that time.

What we've seen here, Mr. Speaker, is another example of the privatization system that has not benefitted anybody except initially one of their good friends. And I think as well it's created job loss problems, as I've mentioned earlier. But in this situation with regard to the parks, we've seen the quality of the park, the golf course in question, decline. There's no water on the fairways and . .

The next point, Mr. Speaker, is I want to talk about the . .

The Speaker: — Order.

Hon. Mr. Hepworth: — Point of order, Mr. Speaker. Not only is the hon. member persisting in the same irrelevant line of debate that you referred to earlier in your ruling, but now I think in so doing is challenging the authority of the Chair, Mr. Speaker.

Mr. Lingenfelter: — I was listening closely and I think what the member from Regina North West is obviously doing is referring to another privatization, a couple of minutes, very shortly, the same as the minister did in his short 20-minute speech. I think if you take a look at it, what you'll find is that probably a good percentage of his speech involved other privatizations.

And I think in all fairness, the member from Regina North West should be given an opportunity to look at other privatizations, their implications on the economy, and I think that's what he was doing — short comment.

I think if the minister were a little more patient, he would not get so excited and raise these points of order so often.

The Speaker: — I've listened to the point of order and the response, and I appreciate the minister's concern about the issue. I did give the member from Regina North West just a couple of moments to wrap up his remarks on that issue, and I believe he was there. And I ask him now to continue on with the debate making his remarks relevant to the issue.

Mr. Solomon: — Thank you, Mr. Speaker. I appreciate that. One of the other implications of their privatization schemes relate to the Saskatchewan Minerals corporation, and my colleague the member from Moose Jaw South will likely go into great detail. But I want to say that one of the implications of the sell-off of Sask Minerals has been again a loss of jobs, ownership by a company outside this province, wholly owned by a company outside this province. We've lost control of that mineral and we've seen a negative implication as a result of selling off Sask Minerals.

After the government promised . . . they stood in this House, Mr. Speaker, and they promised that the privatization of Sask Minerals will maintain and create new jobs and will provide increased revenues to the province of Saskatchewan and will do a number of other things.

What we've seen is a betrayal on that statement. People were laid off after the corporation was sold. It's now controlled by a company outside of Saskatchewan. And what we've seen in all these examples I've given, Mr. Speaker, from 1982-1983 on, we've seen the government in this province build one of the more significant things they've ever built, and that's the debt of this province.

But they have carved out of a profitable, fully employed province, a province that had an economy that was booming, they carved out of that base an economy that is on the ropes and a debt that is around \$11 billion, including 4 billion in operating and 8 billion or 9 billion in Crown corporation capital debts. And every year, when

I talked about these corporations being sold off, they said, we've got to sell them off because they're incompetent and they're costing us money and we've got to reduce the debt.

Well in 1983 they increased the debt. They sold off a corporation in '84; the debt increased again. In '86 they said it was going to be \$2.8 billion in total debt. Of course they missed that when they sold off Saskoil. It went from 1.6 to 2.8 billion — 1.2 billion increase after they sold off Saskoil. And it went on from there. Every year it increased from \$150 million surplus, every time they sold a Crown corporation to one of their friends at discount prices, the debt shot up. The total operating and the total Crown corporation debt increased substantially.

That is a result and an implication of privatization in Saskatchewan under this government. That is the legacy they've left. They're trying to promote privatization of Potash Corporation of Saskatchewan as the be-all and end-all and the wonderful program that will get this economy kick-started. Well I think the only thing they've done is they've kicked the economy in the head as the result of their economic policy.

And what we've got to do, Mr. Speaker, is we've got to turn our thoughts and focus on trying to resolve the problems that they've created. They refuse to do that. They think the major focus of solving the problem is to sell off the Potash Corporation of Saskatchewan, Mr. Speaker.

We've seen as well, Mr. Speaker, a number of other little developments. We've seen . . . and I guess I want to summarize my overarching privatization implications there and get on to something else. But in summary what we've seen is corporations sold off; the debt increasing; corporations sold off and privatized; jobs decreasing. We've seen Crown corporations privatized; we've seen higher costs to the taxpayers for services and programs; higher costs to the taxpayers for services and programs; we've seen the Crown corporations privatized; we've seen taxes increased. This is the result of privatization, Mr. Speaker. We've seen the sell-off of Crown corporations, and on top of that, we've seen a massive out-migration and record number of bankruptcies in this province. That's the result of privatization.

We're getting all of these negative economic indicators. They've been tracked by their own department of statistics. They've been made public by their department . . . Bureau of (Saskatchewan) Statistics, and they show very clearly that the more they sell off, the worse they get, the worse the province gets in terms of an economy.

And the member from Kelvington-Wadena sits there and agrees. He says the longer we're in power — the longer the Tories are in power — the worse it gets. It must be some major world-wide economic problem; it couldn't be ours.

An Hon. Member: — Major coincidence.

Mr. Solomon: — Major coincidence, the member from Moose Jaw North says. I don't think it's a major coincidence at all. I don't think it's a major coincidence at all. I think it's a design. The member from Moose Jaw North agrees with me, and the member from Kelvington-Wadena is sitting there thinking very, very

deeply about whether or not he should continue to support this government.

We've seen, Mr. Speaker, as well a number of interesting privatizations as they relate to venture . . . or I should say labour capital. We've seen the interesting, to say the least, sell-off of the Saskatchewan Government Printing Company. Not a major player in the economy of the province, it was a very small corporation which provided a basic service to some government agencies and departments.

But we've seen this thing . . . They couldn't even sell it off at a reasonable discount price to the employees without having to provide a little gift of \$2,000 to each of the 22 shareholders so they could buy \$2,000 worth of shares. That's what they had to do with the government printing company. And it's interesting to note that until they did that not even half of the employees put up their own money to buy shares in the company. They had to say to those — over half that didn't want to buy shares — well we'll give you the money for shares and you can have them. We'll do a little fancy transaction — the complex transactions I was referring to earlier, Mr. Speaker.

So we've seen, Mr. Speaker, with regard to the privatization, major implications. I maintain, Mr. Speaker, that if the Potash Corporation of Saskatchewan is privatized that we will see a further erosion of our economy; we will see increased out-migration. We will see further increases in bankruptcies; we will see further increases in taxes to the working people of this province.

We will see an increase in the debt going up, the operating debt, and the Crown corporation capital debt — in particular, the Crown corporation capital debt. And we will see, Mr. Speaker, a loss of control of a major resource, the major resource in all of Saskatchewan, to outside interests.

And the member from Weyburn sits there and his lips are chattering away, and he says that well maybe outside interests are a good thing. Well I'll tell you, with this government opposite anybody, whether it's in the province or outside, could do a better job than they could. Because they've botched the economy; they've botched the management of the Crown corporations; they've botched everything except expending millions of dollars in hiring first-class, top-notch financial wizards and chartered accountants to make the financial records so complex that average people have difficulty understanding them.

As a matter of fact even some of the business people in this legislature would have a difficulty unless they spent a lot of time doing it. But who favours the sale-off . .

The Speaker: — Order.

Mr. Shillington: — Mr. Speaker, I've asked for leave to introduce . .

Leave granted.

INTRODUCTION OF GUESTS

Mr. Shillington: — Thank you very much, Mr. Speaker. I wish to introduce through you, and to you to the Assembly the distinguished visitor, Roland Crowe. He is president of the Indian association, Federation of Saskatchewan Indians; has took over the presidency from Sol Sanderson, if my memory serves me correctly; has laboured long and hard, Mr. Speaker, to attempt to settle native land claims, an issue which has been outstanding in Saskatchewan and which, I may say for my part, is well overdue for some settlement.

I know, Mr. Speaker, that all members here will want to join with me in welcoming to this Assembly, Mr. Roland Crowe and his guest.

Hon. Members: — Hear, hear!

Hon. Mr. Andrew: — I'd like to join with the hon. member from Regina Centre in welcoming Roland to the Assembly as well. I've just finished a meeting for an hour and a half with Mr. Crowe, with some interesting discussions as it relates to what we're talking about in the House today, and many other issues, Mr. Speaker.

Hon. Members: — Hear, hear!

(1630)

ADJOURNED DEBATES

SECOND READINGS

Bill No. 20 (continued)

Mr. Solomon: — Thank you, Mr. Speaker. I'd like to welcome Roland Crowe as well. I've known him for a number of years, and I hope he enjoys the legislature this afternoon.

Mr. Speaker, getting back to the potash issue, people are asking me around the country, people are asking me around the country, Mr. Speaker . .

The Speaker: — Order. I think that a simple and honourable introduction on both sides is deteriorating into something less than that, so let's just drop the issue and allow the member for Regina North West to continue.

Mr. Solomon: — Mr. Speaker, in my travels around the province and throughout my constituency, I am asked by many people, who favours the privatization of the Potash Corporation of Saskatchewan? Who favours it? The member from Cut Knife-Lloydminster favours the sell-off of the Potash Corporation of Saskatchewan.

But when I talk to these people, Mr. Speaker, what we find is that they don't favour the sell-off of the Potash Corporation of Saskatchewan. Most of the people, the farmers don't believe it's a good idea in general. The majority of business people in this province believe it's a bad idea. Home-makers and trade unionists believe it's a bad idea. University students don't think it's a very good idea.

Mr. Speaker, we've got tradespeople everywhere around this province. We get skilled tradespeople, we get

business people, we get farmers, we get teachers, and other professions, they don't think it's a good idea. Even some doctors I've talked to think it's a bit of a goofy idea.

But I have here, Mr. Speaker, other than the government opposite who want to sell off the Potash Corporation of Saskatchewan, they are anxious to do that to their big-business friends. Who else is supporting it? Well they've got a lot of support, and I quote here from an article in the *Leader-Post*, dated April 15, '89. And it says:

Plans to turn the Potash Corporation of Saskatchewan into a private corporation are a welcome sign of a shrinking government presence in the world market, potash industry officials say.

So potash industry officials say this. These are the same officials, by the way, Mr. Speaker, that prior to 1976, never had a head office of a potash corporation in this province, that prior to 1976, wouldn't pay the reasonable taxes that they were asked to pay. This is the same potash officials, Mr. Speaker, who had and enjoyed a monopoly on the market in Saskatchewan prior to 1976.

These are the same officials, Mr. Speaker, in my view, who don't like to have the government involved because the government ran the corporation in a very profitable way and managed the resource in a very effective way for others than just the shareholders that determined who were these potash officials in the first place.

So we've seen here . . . I have some quotes from this article, if I might. Who favours selling off of the Potash Corporation of Saskatchewan? Well, John Gordon, vice-president with Noranda Minerals Inc. He called the proposed reduction of the province's interest in PCS a good idea. He thought selling it off was a good idea.

Noranda has pushed for a smaller government role in the potash market for several years, and we'd just as soon they get on with it, he said from his Toronto office.

That was his Toronto office. His office is in Toronto. It wasn't in Regina or Saskatoon or Yorkton or Lloydminster or . .

And of course A Potash Company of America Inc. spokesman also welcomed the signal that the province reducing its interest in PCS, and I quote:

In principle, this is a good thing, to see them withdraw from the active business and concentrate on other things, company president Robert Connachie said from his office in Darien, Connecticut, U.S.A.

So he's in favour of us . . . of the people of this province selling off the asset of discount prices to his company and others that want control of it. And it goes on with other examples.

What we see here, Mr. Speaker, very simply is that those who support the sell-off of the Crown corporation are potash industry officials that will make handsome returns with the largest potash producer in the world out of the

business.

We see the members opposite, the member from Cut Knife-Lloydminster and the member from Yorkton, the member from Saltcoats, who seems to be spending more time yelling from his seat than doing anything else . .

The Speaker: — Order, order. Those types of remarks really don't add to the debate, and I'm sure the hon. member knows it. And if he just sticks to the debate, that will be better.

Mr. Lingenfelter: — Mr. Speaker, on a point of order.

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

Mr. Lingenfelter: — I want to say this, Mr. Speaker, that during question period the Premier often refers to the decorum of members on this side of the House. I don't recall you ever calling him to order on that.

The Speaker: — Order, order. Now the hon. member knows that's not a point of order. It's a poor issue to raise.

An Hon. Member: — No, it is not a poor issue. It's one of consistency of the Speaker.

The Speaker: — Order. Is the hon. member questioning the rulings of the Chair?

An Hon. Member: — No, I'm not. I'm asking for fair . . . (inaudible) . .

The Speaker: — The issue is closed.

Mr. Solomon: — Thank you. So we're seeing very clearly, Mr. Speaker, who favours the sell-off of the Potash Corporation of Saskatchewan. It's the Conservative members opposite, each and every one of them. The member from Saltcoats, who has a number of employees in his constituency, has not spoken on this issue. As a matter of fact, in the two and a half years I've been here, he's never spoken on his feet on any issue.

But that aside, I'm anxious to hear him get up and give his maiden speech and talk about the potash corporation Bill and talk about the privatization. I'm anxious. I'm waiting for that to happen. He's indicated he's not going to be seeking nomination for the next election, so I'd like to at least encourage him and welcome him to the debate and have him at least put something on the record, make his speech on the potash Bill. I think it's important enough that he should do that, so I invite him to do so.

We see, Mr. Speaker, a number of people supporting the Potash Corporation of Saskatchewan well-off, and they are, of course, the Conservative members, the Conservative cabinet members, the presidents and vice-presidents and the marketers and the business. We also see a fellow by the name of John Douglas, a leading U.S. fertilizer consultant based in Florence, Alabama. He talks about it as well, and so on and so forth.

Tom Unzicker, U-n-z-i-c-k-e-r, a spokesman for IMC, International Minerals and Chemical fertilizer group, he

figures that that's a good thing as well. So we have here a well, Mr. Speaker, a third element.

These are the two elements: the potash industry, the Conservative government's support of the sell-off. There's a third element, Mr. Speaker, and that is the big business friends of the government opposite, the big business friends who will buy the shares in the corporations; and even those people living outside of this country, a foreign government, a foreign country will have access to purchasing part of the equity in the Potash Corporation of Saskatchewan.

And what that means is that we are going to be going cap in hand. It's one thing to go cap in hand to the shareholders that live in Saskatchewan or cap in hand to those that live in Canada, but it's going to be a lot more difficult to go to India or to deal with China or other countries that have indicated interest to talk about what sort of royalties they should pay and whether or not they should pay them.

It's going to be an international situation which I feel takes the control of this resource, not only outside of the province, outside of the control of the government or the people of this province, but outside of the country altogether. And I think that what we're seeing, Mr. Speaker, is that a government that is bent on ideology and selling this corporation at the expense of the people of this province.

I want to quote now from a book that has been used before here by the member from Kindersley and others, and this is from the immortal writings by America's architect of freedom. *Thomas Jefferson on Democracy* is the title of the book and it's edited by Saul Padover, P-a-d-o-v-e-r. And I want to take a quote out of this book because I think it's relevant to the Potash Corporation of Saskatchewan Bill and the attitude that the government has with regard to their reasons for giving away the corporation to their wealthy and powerful, big-business friends.

And this is an example which we've seen time after time in this House. The potash Bill is another example, but we've seen their interest in gathering power, centralizing power in the cabinet, taking it away from the legislature as best they can, and not being accountable to the people of this province or to the auditor or the opposition at all. This quote goes on to say, and I quote:

Men, by their constitution, are naturally divided into two parties: one, those who fear and distrust the people and wish to draw all powers from them into the hands of the higher classes (which is the Conservatives); and secondly, those who identify themselves with the people, have confidence in them, cherish and consider them as the most honest and safe, although not always the most wise, depository of the public interests.

We've seen Thomas Jefferson was quite a philosopher in his day and he says in this book, in this quote, that men in political parties are divided into two compete camps, one who "fear and distrust the people and wish to draw all the powers from them into the hands of the higher

classes." And that's what they're doing with the Potash Corporation of Saskatchewan.

They're taking the Potash Corporation of Saskatchewan, which is controlled by the Government of Saskatchewan, which is elected and defeated by the people of this province — so the government has some obligation to the people who elect them; the government has to be accountable to those people. And that's the way it's worked with respect to Crown corporations, in particular the Potash Corporation of Saskatchewan.

But what they want to do is they want to take this Crown corporation out of the control of the average person in the province of Saskatchewan, and they want to give it to those people who are the wealthy and the powerful and who will make the decisions, because they have the same attitudes as the Conservative government opposite, the same attitudes that most people are just getting in the way of governing; that we don't need people to govern; we want to just get elected and do what we have to do to feather our own nests.

They don't want to share these Crown corporations or be accountable to them with all the people. They want . . . they believe in an economy that's run by big business. They believe that big business can do the better job. I don't know why they still believe that because when the Premier got elected and the government got elected in 1982, their hue and cry was, we're open for business — we're open for business.

They said to the business community in Alberta and Manitoba and other provinces across Canada, they said to the business interests in the United States of America, we're open for business; come and develop our province; we're going to do away with red tape; we're going to make things so workable for you that we're going to have a terrific economy, and you guys in the big-business corporate board rooms can flourish and make a dollar in Saskatchewan.

Well we waited from '82 to '83; we waited from '83 to '84; we waited and we waited and we waited. And, Mr. Speaker, I've gone over the economic indicators that reflect the result of that waiting and trying to leave it up to big business. Bankruptcies are 340 per cent higher on an annual basis under this government as compared to the last seven years of an NDP government. Out-migration is at record levels. We've lost population. Jobs are down . .

The Speaker: — Order. I've been listening to the hon. member's arguments, and in fact I have been reviewing the previous remarks that he has made, and the hon. member is starting to repeat himself on various fronts, and I bring that to his attention.

Mr. Solomon: — I appreciate the reminder, Mr. Speaker. I was just wondering if you were listening to me, and it seems that you are, so thank you very much.

Mr. Speaker, the Conservatives say that we can earn — this is one of their arguments on the Potash Corporation of Saskatchewan — the PC government says that we can earn lost dividends and profit sharing by changing the royalty structure, by increasing royalties. And there's a

Bill before the House, Bill 85, which we'll talk about, which addresses their royalty question. But they say basically that we will receive as much revenue from the Potash Corporation of Saskatchewan as we lose in terms of dividends paid to the province as it now exists. We'll regain that lost dividends through increased royalties.

Well in my view, Mr. Speaker, it's a bogus argument, and I have some proof for you on this. Because they were saying in the 1982 . . . '81-82 years that if you elect us we are going to ensure that we get oil royalty revenues in this province and that they will be revenues which will be at as high levels, if not higher than what they were charged by the previous government, and they will subsidize the taxpayers in this province for all the programs and services that we have.

(1645)

An Hon. Member: — But what happened?

Mr. Solomon: — But what happened? The member from Saskatoon Eastview asks me what happened. Well with regard to oil revenues and royalties, I have here . .

The Speaker: — Order, order. The hon. member is going to have to get on to the Bill in a more direct manner, like not some time in the future, but now. He's been talking about a wide range of issues but, quite frankly, not that much directly to Bill No. 20. And I ask him to relay his topics more directly to Bill No. 20.

Mr. Solomon: — Thank you, Mr. Speaker. I don't mean to debate the issue. What I'm attempting to do, Mr. Speaker, is draw an analogy as a result of a quote from the minister in charge who said that we will recoup lost dividends and profit sharing that we're not getting when we sell it by charging higher royalties. And I wasn't very clear, I'm sorry.

But what I was trying to say was that the government opposite believe that they can make up for the lost dividends that we will receive from the sell-off of the Potash Corporation of Saskatchewan by increasing royalties. And that has not been the case with the oil business where they've tried to free up that industry and make them as liberal and as free-enterprising as they possibly can be.

And I want to refer to just three or four numbers if I can, Mr. Speaker, which will show that the oil revenues have dropped substantially. And I maintain that they cannot recoup the royalties . . . or the lost dividends and the profit sharing by increasing royalties to the potash industry that they would lose if they kept it in maintaining a declaration of dividends to the treasury.

And what we've seen in the oil business is we've seen the royalties over the last number of years drop significantly, and, I might add, in spite of the fact that production has more than doubled, the royalties just dropped significantly. And in 1981-82, or actually '80-81, revenues received in oil revenues to the province of Saskatchewan totalled \$483 million, Mr. Speaker. In 1981-82 the following fiscal year, it increased to \$533 million. In '82-83 the royalties were up at \$700 million;

'83-84 they went down to \$685 million, and that's when the price of oil went from — in those three or four years — from about \$15 a barrel to about \$36 a barrel U.S. So the increase in price didn't really increase to the royalties to us.

In '83-84 the royalties were at \$685 million; '84-85 they were at \$740 million; '85-86 — they changed the structure a year or two before that — prices were still buoyant, \$674 million, and then they took the beating. Then these royalties that they promised they would sustain and keep up for the benefit of the taxpayers went to \$213 million, a third of the previous year; '87-88 they were at 347 million; '88-89 they were estimated to be about \$180 million.

So we've seen a significant drop in oil royalty revenues after the government made a commitment that they would sustain in a positive way, in an increasing way, revenues to the treasury that were not from taxpayers directly but from the oil industry.

And I maintain, Mr. Speaker, with the privatization of the Potash Corporation of Saskatchewan that we are going to see very clearly a total reduction in terms of dividends paid to the treasury, and a total reduction in terms of oil royalties. Now that's under the current system. The Bill before the House, which is Bill 85, which I won't talk about today, will show very clearly that they've made that mistake and they're trying to increase the royalties.

I want to refer now, Mr. Speaker, to the mind-set of the government opposite with regard to this Bill and privatization. One of the big concerns I have which was mentioned by the member from . . . the previous speaker from Saskatoon Fairview, was what the Deputy Premier had said to the committee, the Crown Corporations Committee, on February 3, 1988. The reason I want to raise this issue again is because I feel it's important to the balance of my remarks.

The Deputy Premier was questioned by the member from Fairview with regard to his intent on the sell-off of the resources and the Crown corporations of this province. And he said that what we're going to do is:

We're going to do what we can to make it very difficult for you people to take over again when you get back into power (retrieve these Crown corporations), if that ever happens, because our desire is to have these things as broadly distributed as possible so that it's very difficult for you folks, if you should ever get back into power.

He said that, and I quote that. Now that was his intention. That was the minister's response to a question which says, what is the government's intention? The Deputy Premier's intention was clearly recorded in Hansard on page 349, February 3, of Crown Corporations Committee. And his intention was very clear, that he wants to sell off and the government wants to sell off all the assets that belong to the people of this province, so that the people of this province will never have those assets back again.

Now what kind of a mind, what kind of a person, would

put forward that kind of vindictive economic policy when it's meant so much harm to our economy, as I've listed earlier a couple of times? And you've listened to all of them, the economic indicators. Why would they want to do that? Why would the Premier and the Deputy Premier want to sell off all of the assets of the people of this province at discount prices, allow the debt to increase, allow any movement of a government when they're obligated to do so in the future to become involved in the economy, to help stabilize or improve the economy when necessary at the will and with the support of the people of this province? We don't know the answer to that, precisely.

We can guess what the answer is, Mr. Speaker, why they want to sell off all of these assets at discount prices, and I'm not sure what the reason is. I'm not sure whether it's ideology, as I referred to before. They're not standing up in this House. The members opposite are not participating in this debate from their feet. They're not talking about the reasons for selling off all these assets. The reasons they've put forward have been proven to be false reasons. They've been bogus arguments. The economic track record of this government has been a disaster.

And I'm wondering why the minister was so vindictive. And he's reiterated here today, he was nodding his head when the member from Fairview was addressing the comments to him earlier, and he's nodding his head now and he's saying, that's what they're going to do.

And what I'm getting at, Mr. Speaker, is I wish the minister, the Deputy Premier and the Premier would stand in this House and give the reasons why they want to sell off all of the assets, the revenue, profitable . . . revenue-generating, profitable assets of this legislature. Why would they want to do that? Why do they want to sell the Potash Corporation of Saskatchewan? There has to be some hidden clandestine reason because it doesn't make any economic sense. And people keep asking me that question and I can't answer the question.

And I don't know, I'd be happy to stand aside, and if the minister would entertain a question, I'd like to ask him that question and ask him to explain, if it's allowed and I could keep my place in the debate — but I'm not sure it is, but I just don't understand why he wants to do that. Is it because they're vindictive? They hate the forerunning governments of the day, Liberal and New Democrat governments, with such a passion that they want to hurt people in this province for ever having voted NDP and possibly for ever voting for the NDP in the future, or even the Liberal Party for that matter. Is it the vindictiveness, the meanness of this government? Is that why they're saying these things? Is that why they're selling off the Potash Corporation of Saskatchewan? Or is there some other reason? Is there some deal cooked behind closed doors for those who will control this potash corporation at discount prices?

Which is it? Is it a deal; is it vindictiveness; is it . . . why do they hate the people of the province so much? Why do they want to take away one of the few external revenue-producing economic instruments from the people of this province and give it away? Like it doesn't

make any sense. I'm mystified by their statement and their lack of response. I can't understand it and I don't think anybody else can.

What I want to do now is I want to get more precisely on the Bill, Mr. Speaker. I'm hoping that the members opposite will come into this House and will speak and will proceed to explain why they're doing it. The member from Regina South, he's basically a decent guy . . .

Some Hon. Members: Hear, hear!

Mr. Solomon: — But I can't understand . . . outside of politics and outside this legislature and outside of the job he's done in cabinet, he's basically a decent guy. I wish he'd get up in this House and explain why they're doing this.

An Hon. Member: — I'm going to.

Mr. Solomon: — And the member from Regina South says he's going to, and we're looking for it. And I'll be finished my remarks later tonight, Mr. Speaker, and we will look forward to his eloquent statement and position in response to those questions.

I want to get into some details now, Mr. Speaker. The question I have is: why can potash be such a vital part of Saskatchewan's future economic development? As we've talked about earlier, potash is a very special resource in the province of Saskatchewan. Unlike our other renewable or non-renewable resources such as coal or oil, we know we won't run out of potash for all of the thousands of years that have been referred to. And in fact at current rates of world demand, Saskatchewan's known potash reserves could satisfy that demand for 3,000 or 4,000 or 5,000 years. We don't know the exact number, but they're in the over 3,000 years. And that's how rich our province is in this resource, Mr. Speaker.

Because potash is a product vital to world agriculture, we can count on a long-term demand for it. Agriculture's important because we need food and we need potash to sustain our agricultural system throughout the world. 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 the 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. And our potash mines are the most productive and efficient in the world.

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

The Speaker: — Yes, what is the hon. member's point of order?

Hon. Mr. Andrew: — The hon. member's point of order is the following, Mr. Speaker. I would invite you to review the *Hansard* of the Leader of the Opposition when he spoke on this particular debate in the first speech by the members opposite, and what the member has been saying for the last five minutes is verbatim as to what the Leader of the Opposition said. And I don't think that's the way to debate.

Mr. Shillington: — Mr. Speaker, I have not checked the verbatim. I would argue, Mr. Speaker, that it is every member's right to make their comments with respect to potash, and each member may say the same thing. It does not need to be . . . we do not need to each be original. We may each make our comments and may each make the same comments.

Hon. Mr. Andrew: — Mr. Speaker, in response, not only is it repetitive, but it's simply a pure piece of plagiarism of someone else's speech.

The Speaker: — I've listened to the hon. member's point of order, and I'm sure he can appreciate that while I do have certain recall, I don't have a photographic mind and I'm not able to remember every single word. However, if the hon. member can cite to me that exact repetition that he is referring to, then I will be able to make a judgement on it.

Hon. Mr. Andrew: — Mr. Speaker, on that point of order, I would also refer, Mr. Speaker, to the rules, rule 25(2), that:

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 of the arguments used by other Members in debate, may direct him to discontinue his speech, and if the Member continues to speak, the Speaker shall name him . .

(1700)

The Speaker: — As I indicated earlier, the rule definitely does indicate what the hon. member has read.

However, in raising a point of order, where the hon. member alleges that another member is quoting word for word, I would appreciate that he would give me those quotations. Then I can make a judgement on them.

I see the clock has run out, and it being 5 o'clock, the House stands recessed until 7 p.m.

The Assembly recessed until 7 p.m.