

The Assembly met at 8 a.m.

Prayers

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

### ADJOURNED DEBATES

### SECOND READINGS

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

**Mr. Calvert:** — Good morning, Mr. Speaker, and good morning to all members.

We are this morning engaged in what can only be described as a very historic debate in the province of Saskatchewan, the debate over the sell-off of the Potash Corporation of Saskatchewan. And, Mr. Speaker, I think in another sense we are creating some history this morning in that I would . . . my guess is that this is the very first occasion when the people of Saskatchewan have been able to enjoy legislative debates as they enjoy their corn flakes.

This is an historic occasion, Mr. Speaker, and it is a good morning because debate is flourishing in this province, that this legislature is open to legislators to present their views, and in the course of this day it is my hope that a wide variety of views will be presented around this debate, that the people of Saskatchewan might be fully informed by the comments of their legislators.

Mr. Speaker, we are debating the reorganization . . . a Bill entitled the reorganization of the Potash Corporation of Saskatchewan, which might better be entitled a Bill . . . an Act to allow for the private participation in a public asset, an asset owned entirely by the people of Saskatchewan.

Now, Mr. Speaker, as I left Moose Jaw this morning to come into Regina, as I passed by many of my neighbours' homes, I thought to myself, now just, I wonder just how many of my neighbours and constituents got up this morning and said to themselves, well I hope my government in Regina gets busy and sells off the potash mines. I wonder if that was the first thought on the minds of many people this morning as they got up this morning.

Did they get up, Mr. Speaker, out of bed and say to themselves gee, I hope my government in Regina gets busy and gets those potash mines sold off? They find that that seems to be the number one agenda . . .

**The Speaker:** — Order, order. Perhaps at 8:05 in the morning we could start on a little quieter note and just allow the hon. member to proceed.

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

**Mr. Calvert:** — Thank you, Mr. Speaker. As I was saying, I

just wonder how many of my friends and neighbours in the city of Moose Jaw, how many people across the province got out of bed this morning and I said, well I hope my government gets busy today and privatizes the potash industry, sells off our potash assets.

Mr. Speaker, I bet . . . I would hunch that very, very few, if any Saskatchewan people this morning see as their number one priority for government the sell-off of the potash mines. Mr. Speaker, I hunch that there are very, very few people in this province who see privatization of PCS (Potash Corporation of Saskatchewan) as the major issue facing them, the major issue that their government should be involved with.

Now I would expect, Mr. Speaker, this morning that a goodly number of people in Saskatchewan are happy to hear that at long, long last there is some word of a drought payment coming, happy to see that the wrangling between the province and the federal government over this drought payment has somehow been resolved. Mr. Speaker, I expect they're happy about that news but not concerned, not concerned about Bill 20, an Act to sell off the potash corporation.

I'm sure of it, Mr. Speaker, that four or five thousand people in this province are very anxious this day to know what's going to happen in Alberta regarding their investments in Principal Trust. But, Mr. Speaker, I think you would be hard pressed, hard pressed to find anyone this morning who is sitting at their breakfast table saying to themselves and saying to one another around the table, well wouldn't it be wonderful if the Government of Saskatchewan today got busy and got rid of our potash mines.

Mr. Speaker, and yet we come into this House, we come into this House this morning on extended hours to do the business of the people of Saskatchewan, and the government opposite once again introduces Bill 20, Bill 20.

Now what does that tell you, Mr. Speaker? It tells you that for members opposite the most important agenda is privatization — not to worry about investors in Principal Trust; not to worry about the people that are out looking for a job today; not to worry about those people who are facing a small business bankruptcy or farm foreclosure; not to be concerned about the interest rate policy of the federal government.

No, the most important agenda of this government today, at 8 in the morning, is to sell off the potash mines of Saskatchewan. So we come to this House, we come into this House and the order of business today, again, is Bill 20.

Mr. Speaker, and let us be very clear, let us be very clear, Mr. Speaker, it is the government opposite who sets the agenda in this House. It is the government opposite who sets the agenda, who decides what is the priority issue on any given day of legislative sitting. And so we come today and we find again the priority of the government, the priority of this group of men and women, is privatization.

Now I tell you, Mr. Speaker, I think that signals a government that is entirely out of touch, entirely out of touch with reality, with the realities facing Saskatchewan people this morning; a government that's entirely out of touch, whose main agenda item is to sell off our potash mines. They say that's the most important thing in Saskatchewan today, this Friday morning. That signals to me, Mr. Speaker, a government that is completely, completely out of touch — completely out of touch.

I wish, Mr. Speaker, members opposite would speak to some of their constituents and hear what the reality in the province is today, because I tell you, Mr. Speaker, the people of Saskatchewan don't want to see their government tying up the time of their legislature privatizing, privatizing, privatizing. And, Mr. Speaker, you know full well that that has been the major agenda item in this session. We've seen very, very little else; very, very little else except privatization, privatization, privatization. It's a government that's out of touch, Mr. Speaker, and it's apparent again this morning.

Mr. Speaker, last night in my opening remarks I tried to establish that for Bill 20, the Bill before us this morning again, this government has no mandate, has no mandate to introduce this kind of legislation simply because, simply because it was not presented to the people of Saskatchewan in the last election. In fact just the opposite, we did have ministers of the Crown going around saying, no, no, Crown corporations aren't for sale.

Mr. Speaker, I tried to establish that this government has no mandate for this piece of legislation.

Mr. Speaker, we observed last night in the debate how this government seems to have had a change of heart regarding the Potash Corporation of Saskatchewan; how in fact consistently since they took responsibility for the management of the potash corporation, consistently the government opposite has upheld the potash corporation as an extremely valuable resource, a resource with great prospects for the future. And yet now we see the Premier of the province trying to justify the sell-off of this resource by describing it as an albatross.

And so somehow we've had a change of heart, even from as recently as the most recent annual report, a report that notes we've this year, from the Potash Corporation of Saskatchewan, earned well over \$100 million in profit. Now the government wants to make the people of Saskatchewan believe that that means it's an albatross, for some reason.

Mr. Speaker, again this morning as I travelled from Moose Jaw I passed by the Kalium potash mine. And I'm reminded again of the value of that resource. And I see men and women at work at Kalium. Mr. Speaker, I see how that resource contributes to the province of Saskatchewan. I'm reminded again how that resource can contribute and will contribute, and not just for tens of years, but for hundreds and thousands of years, contribute to the feeding of the world's people, this tremendously valuable resource. We are reminded by it each time we pass one of the mines in this province.

**The Speaker:** — Order, order. I'm going to have to

intervene. We're all aware that this debate no doubt will go on for some time, and I think hon. members will just have to contain themselves. We can't have interruptions all day, and you'll just have to do the best you can under the circumstances and allow hon. members who are on their feet to continue with their remarks.

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

**Mr. Calvert:** — Thank you again, Mr. Speaker. As I was saying, in driving to Regina this morning, I passed by the Kalium mine, and I'm reminded again of this valuable resource that exists in such abundance beneath the prairie soil of Saskatchewan, and how that resource will play a role for generations to come, for generations to come, in the feeding of the world's people. And, Mr. Speaker, that's what makes this Bill so significant. That's what makes this Bill so significant.

We are talking about the most significant mineral resource in the province of Saskatchewan. And the very core of this debate is who will control and who will benefit from that resource in the many, many, many years that it will continue to be developed and will continue to play a part in feeding the people of this world — that's the core question of the debate: who will control and who will benefit from this God-given resource to the people in the province of Saskatchewan.

Mr. Speaker, as you well know and as all members in this House will know that we as a province fought hard in this century. We fought hard to earn the right to control our mineral assets. Now you will know that in 1905 when this province became a part of the Confederation we were not granted that right. We were not granted the control of our own resources as had been other provinces in the initial Confederation in 1867. We were not granted that control in 1905 and our parents and grandparents in this province fought extremely hard to achieve that control for the people of Saskatchewan. They fought for the control of our resources between 1905, and it wasn't until 1930 or the 1930s that a change was made . . .

**An Hon. Member:** — '31.

(0815)

**Mr. Calvert:** — . . . awarding control of our resources — and the Deputy Premier just reminds me it was 1931 — that control of our mineral resources was put into the hands of Saskatchewan people. That was a hard-fought fight, Mr. Speaker. And that control is again issue of debate, because this government opposite wants to sacrifice, through this Bill, wants to sacrifice that control to foreign interests.

Mr. Speaker, that is inconceivable to many of us, that a right that we fought so hard to win — and we can go through the events of the 1970s when again that battle was waged — and yet now we have a government that's willing to simply give it away, to simply give away the control — and with the control of course goes the benefit — of that vast mineral resource that rests beneath the soil of Saskatchewan.

And again I was reminded of it this morning as I passed by

the Kalium mine. I saw the men and women going to work there to develop that resource for the benefit of the hungry in this world, Mr. Speaker. Because that's what this resource does; it helps to feed the hungry in this world.

Mr. Speaker, I spent some time last night asking the House and myself, where does this idea come from? Where does the idea come from to sell off this resource, to sacrifice this control? It is not . . .

**An Hon. Member:** — Margaret Thatcher and Madsen Pirie, of course.

**Mr. Calvert:** — Well now the Minister of Education just filled in the blank. He says it comes from Margaret Thatcher and Madsen Pirie, of course.

So we're happy to see now that the Minister of Education is finally convinced of the argument that I was making last night, that this is not a made-in-Saskatchewan policy, this is not a made-in-Saskatchewan priority; it's an imported policy and an imported priority, primarily, as the Minister of Education so rightly points out, from the government of Margaret Thatcher in Great Britain.

What has happened in this province, Mr. Speaker, we used to take some pride in developing policy and program and philosophy that was made in Saskatchewan, that was pioneered in Saskatchewan. Mr. Speaker, we used to not so many years ago be leaders in the world, leaders in the world. Now we're simply followers. And this government has chosen to be a follower of the government of Great Britain, the policies and the priorities of one Margaret Thatcher in Great Britain.

Well I'm not equipped to comment thoroughly on the results of privatization in Margaret Thatcher's Great Britain, but we are well equipped now to comment on the policies of the privatization initiatives of this government because we've seen lots of them. We've seen lots of them. In almost every case it's been an unmitigated disaster.

This imported policy from Margaret Thatcher's Great Britain simply does not work in Saskatchewan. It simply does not work. It has no connection either to our history, to the make-up of our people; it is simply not working. It does not work to take this policy of privatization, put it into Saskatchewan, and it results in Bills like this. It results in a Bill like Bill 20 that wants to sell off our potash corporation and sacrifice, and thereby sacrifice control, and thereby sacrifice the benefits to out-of-province individuals, out-of-province companies, and likely out-of-province nations, Mr. Speaker.

Again I ask why would any duly elected government of Saskatchewan, elected by the people of Saskatchewan, choose, rather than a made-in-Saskatchewan policy, choose to import a foreign doctrine and inflict it on the people who gave them the right to govern?

Mr. Speaker, I simply do not understand that, nor do most people in this province. Most people simply cannot understand why a government duly elected in Saskatchewan would look to Great Britain, to a Conservative government in Great Britain for its policy. It

indicates a vacuum, Mr. Speaker; it indicates a vacuum in thinking, in philosophy, in policy on the part of the government when they have to go to Margaret Thatcher for all of their ideas; when they have to go to her and hire her advisers to come into the province.

**An Hon. Member:** — Where did you get medicare from?

**Mr. Calvert:** — Well, the minister shouts from his seat, and he had some opportunity in this debate and said very, very little. So, Mr. Speaker, those were some of the issues that I tried to introduce last night in some introductory comments to this Bill.

Today, Mr. Speaker, I would like to look very closely at one of the arguments, one of the few arguments that has been introduced into this debate by the government. Their argument is, Mr. Speaker — and I've heard it not only in regard to the potash industry; I've heard it also used in regard to, for instance, the sodium sulphate industry in the province when the Sask Mineral privatization took place. This argument is a consistent argument of the government when they're dealing with a mineral resource.

They would argue, Mr. Speaker, that you don't need to own the resource, either to control it or to reap the benefits. They argue you don't need to own because what you can do or what you can use are other levers of government, primarily royalties and taxes and regulation. The argument is we can still reap the great benefit from the Potash Corporation of Saskatchewan — which they admit is a great benefit; their own annual reports admit that — and their argument is that you can reap equal benefit by simply using the tools of royalty and taxation and regulation. Mr. Speaker, in my view that argument is simply bunk, it's simply bunk — on two fronts, on two fronts, Mr. Speaker.

Let us understand, let us understand with a Crown corporation like the Potash Corporation of Saskatchewan or like Sask Minerals used to be, they exist in the province on an equal footing with the private corporations — on an equal footing, an equal player. No special privilege, Mr. Speaker, which means that the Potash Corporation of Saskatchewan, Sask Minerals, any like public resource company is obliged to pay to the Government of Saskatchewan exactly the same in royalties, in taxation. A public corporation like the potash corporation, like Sask Minerals, like every other corporation in the market, in the field, is required to follow all of the same regulations.

And so the Potash Corporation of Saskatchewan throughout its history, like IMC (International Minerals and Chemical Corporation), and like Kalium, Cominco, have duly paid their fair share of royalties and taxes; they've followed the same regulations.

Mr. Speaker, the difference is the dividends paid. The dividends paid from Kalium, of course, go to the shareholders of Kalium. The dividends paid from the operations at Esterhazy and IMC, understandably they go to the shareholders of IMC. The dividends of the Saskatchewan Potash Corporation have gone to the people of Saskatchewan, the shareholders, the owners, the people of Saskatchewan. That's the difference, Mr.

Speaker, that's the difference. There's no difference in the amount of royalty paid. Like every other corporation, the potash corporation has paid its fair share of royalties and taxation. The difference is, Mr. Speaker, we have also as a people received the dividends, and this government has been exceptionally good at pulling dividends out of the Potash Corporation of Saskatchewan, and dividends out of other Crown corporations, for instance SaskTel.

Mr. Speaker, we as a people have benefitted from those dividends. We have benefitted in terms of the construction of roads in this province, in the construction of hospitals, in the construction of schools, in the programs offered to the people of Saskatchewan. We have all benefitted from those dividends. Now what this government wants to do is to take those dividends and transfer them to some foreign country, perhaps the Government of South Korea — I understand the Premier was in South Korea looking for a buyer; perhaps to the Government of India — I understand he was in India.

So I don't understand, you see, this argument, Mr. Speaker, that says that somehow we can tax and collect royalties and somehow still come out even, because no matter what, we are going to lose those dividends. And how does it make any sense at all that dividends which are now coming to the people of Saskatchewan should go to the people of India. I simply can't understand that kind of thinking.

Why would we sacrifice dividends which now come in the hundreds and millions of dollars to the people of Saskatchewan, why would we turn those dividends over to the Government of Japan, or to some corporation headquartered in Chicago? Is there any sense to that, Mr. Speaker? So, yes, the government will collect royalties, and yes, the government will collect taxes, and yes, the government will regulate. In fact that's what we're doing. And the potash corporation, and later in my remarks I'll want to point out precisely how much the Potash Corporation of Saskatchewan has paid in terms of those royalties and dividends and taxation, Mr. Speaker. Mr. Speaker, so when the government argues that they . . .

**The Speaker:** — Order, order. Member for Weyburn and the member for Regina North West are carrying on their own separate debate. I'd like to once more draw their attention to the fact that the member from Moose Jaw South has the floor, and let's respect that position.

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

**Mr. Calvert:** — Thank you, Mr. Speaker. And so I would argue that the argument put forward by the government that somehow we can attain the same financial benefits from the corporation through royalty and taxation is simply a bogus argument, because for sure we are going to lose the dividends. The dividends understandably would go to whoever owns the corporation. And this Bill proposes to take the ownership of the corporation from the people of Saskatchewan into primarily out-of-province and out-of-Canada investors. So on that score the argument carries very little weight with me.

But on another score, Mr. Speaker, the fact of the matter is that we have been there. We have tried that route. There's

nothing new about a privatized potash corporation; nothing new about a privatized potash industry in Saskatchewan. We have been there, Mr. Speaker.

Now perhaps members opposite use Henry Ford's dictum which was to say that history is bunk. But, Mr. Speaker, I tell you, they ought to think more closely about the other dictum which says that if you haven't learned the lessons of history, if you haven't learned from the mistakes in history, then you're bound to repeat them — doomed to repeat them. That's what they're about to do; they're about to take us back. This is not forward-looking kind of legislation. This is regressive; this takes us back. It moves back faster than any one of us would want to go.

Mr. Speaker, there was a — yesterday on the CBC, on the CBC radio, the Morning Edition, the program on CBC radio — there was a segment on privatization focused very closely on the privatization of potash. I found it to be a very, very helpful documentary as the CBC interviewers travelled across the province and spoke to university students and spoke to a group of primarily farming people in a café in Biggar.

The only exception I took to the whole program was a little comment made by the commentator when he described privatization as the Premier's bold, new initiative. He described it as a bold, new initiative, and then of course, when he went about asking the people of the province what they thought of this bold, new initiative, he received an earful. I'm not sure if you heard the program, Mr. Speaker, but he certainly received an earful about this bold, new initiative.

What it is, it is nothing, it is nothing like a bold, new initiative. It's a retreat; it's a retreat to those days of — in our most recent experience in this province — of the 1960s and early 1970s. You see, the government opposite argues that we can achieve all the same benefits through royalty and taxation.

Well you see, Mr. Speaker, we've tried that route, and not just a government of one political stripe. The government of Ross Thatcher, the Liberal free enterprise government of Ross Thatcher — of which the current Minister of Finance was a member — you see, that government tried the route of taxation and royalties to achieve benefit from this resource for the people of Saskatchewan.

(0830)

When our government, the New Democratic Party government, was elected in 1971, we tried that route; we sincerely tried that route, and, Mr. Speaker, it just didn't work. And no more will it work today. It just won't work.

If I can, Mr. Speaker, I'd just like to spend a moment reviewing some of those events of the 1960s and '70s, because if we don't learn from history, then we're bound doomed to repeat the mistakes.

Now the history tells us that in the 1960s we were getting peanuts, peanuts from the private potash industry in return for our resource. In the 1960s . . .

**The Speaker:** — I'm going to have to bring to the attention

of the hon. member that the history of the development of the potash industry in Saskatchewan has been reviewed several times, and he's going to have to be careful on how he addresses that issue.

**Mr. Calvert:** — I will take care, Mr. Speaker, to address the issue carefully. It is important to my argument, and I think to make my argument credible to members opposite and to the people of Saskatchewan, it is important to make my argument credible that I would just simply make wild accusations that somehow this didn't work in the 1960s. So I want to use some specific illustrations from the 1960s and 1970s to illustrate my argument, and I'll appreciate your guidance if I cross the bound.

The fact of the matter is, Mr. Speaker, in the 1960s we were getting something like a two and a half per cent royalty, which can only be described as peanuts on this extremely valuable resource. And of course the private potash companies of the time were prospering, and understandably so. We were only getting two and a half per cent in terms of a royalty for our resource, and as I indicated earlier, we fought hard, fought hard in the early days of this century to ensure that that resource and the benefits of the resource did come to the people of Saskatchewan. When we were trying to regulate with royalties and taxation in 1960s, early 70s, we were getting something like two and a half per cent on a royalty.

And in addition to that, there was just . . . the industry just operated as it saw fit. And so we saw that situation where to try and grab into a growing market, the potash industry, the private potash industry in the province, it went almost berserk in terms of expanding production. That's back in the 1960s when the whole operation was privatized. And we were getting something like two and a half per cent in royalty, and we had an industry here in the province that tried to maximize their own profits, which I guess is fair enough, and went almost berserk in expanding production capability.

I mean, that was the view shared by the then premier, Ross Thatcher. Again, not a New Democrat by any means — a Liberal free-enterpriser. He took a look at what this industry was doing in the province and he said, and I quote this, Mr. Speaker, from the late premier. He said, quote, referring to the private potash industry in Saskatchewan, what they were doing, he said:

Seldom in the economic annals of Canada have we seen such responsible companies get into such an economic mess.

Mr. Speaker, the goal of the private potash industry in the 1960s and 1970s, and fair enough, was to maximize their own profit with little or no concern to the implications to the people of Saskatchewan and to the industry generally. When the potash industry is privatized, when there is no public player in the field, what did we see? We saw an industry that went berserk. And so, as members well know, the response of the then Liberal government was to introduce a prorationing situation to get this private industry under control in our province.

Mr. Speaker, then in 1971 the Thatcher government was

defeated. I point out primarily around a sell-off of a certain pulp mill in Prince Albert, was an extremely important part of that campaign. They were defeated on it.

In 1971, Mr. Speaker, the New Democratic Party came to government in this province and we sincerely . . . And I wasn't part of government at that time; I'm reading this from the historical records. But, Mr. Speaker, at that time we sincerely attempted to work with the potash, the privatized, the private potash industry in Saskatchewan, where the ownership was almost entirely, if not entirely, out of the province.

We as a government sincerely tried to work with that industry, sincerely tried to follow the route that the government now proposes, that we have a private industry in the province and that we just simply try and regulate and collect royalties and taxation. We did maintain the prorationing of the Thatcher years.

Mr. Speaker, in 1974 the world potash price went up, and in an attempt to secure a fair share of the revenues of the potash industry for the people of Saskatchewan, our philosophy being that these resources do belong, potash does belong, not to anyone else, but the people of Saskatchewan . . . Mr. Speaker, we wanted for the people of Saskatchewan in 1974 to reap some of this bonanza of the industry, and therefore we introduced what we call the potash reserve tax.

Now what happened, Mr. Speaker, with this privatized potash industry in the province? What happened? Well they simply refused to pay. They refused to pay. They refused to disclose financial information on which the tax could be collected. They refused to provide to government the regular production reports, profit statements. They just simply refused.

So here we were, Mr. Speaker, in a situation which the government now wants to duplicate in the future. They want to take this situation that we experienced throughout the 1960s when royalties were extremely low and potash companies in the province just did what they pleased in terms of production until they created what Ross Thatcher called was an economic mess. When the government of Allan Blakeney attempted to reap a fair share of the resource for the people of Saskatchewan with a new taxation in 1974, what happened? Well the private industry said, no, we're simply not going to pay.

Now I don't know who of us as an individual citizen in the province could say that today when the Minister of Finance adds a new tax on. We can't go to the lottery kiosk and say, no, I'm not going to pay my tax. But that's precisely what the potash industry in this province did.

So, Mr. Speaker, I argue in this debate this morning that this notion of achieving the benefits for the people of Saskatchewan through simply having regulation and taxation and no window into the industry and no presence in the industry in our province just doesn't work. It just doesn't work. It failed miserably in the 1970s under our government — a government that would. I submit, have more commitment to playing hardball with the potash industry than the government opposite would.

Even with our government committed, a government committed to getting a fair return for the people of Saskatchewan, even with a government of New Democrats in place, it just didn't work. The potash corporations of Saskatchewan, the private companies of Saskatchewan refused to pay, refused to pay.

So, Mr. Speaker, the reaction then of the Blakeney government, as is well known, was to move a portion of the potash industry into the public domain, into public ownership, Mr. Speaker. And we . . .

**The Speaker:** — Order, order. Would the hon. member please read to himself and not to the House.

**Mr. Calvert:** — Thank you, Mr. Speaker. Thank you, Mr. Speaker, I was trying to hear what the member opposite was reading. I thought it might be a contribution to the debate, but apparently it wasn't, and I'm glad that you've seen fit to ask him to stop reading out loud, although perhaps that's the only way he can get through his reading is to read out loud.

Mr. Speaker, the point that I'm trying to make in this stage of my remarks and in the debate is that the government opposite says we just don't need the public ownership, we don't need the people of Saskatchewan to be a part of this extremely important industry in our province because we can reap all the same benefits through royalties and taxation.

Well, Mr. Speaker, the argument in my view just doesn't hold water for the two points that I've tried to make. One, the public corporation pays an equal amount of revenue in terms of royalty and taxation to the province, but in addition it pays dividends. We're going to lose the dividends. Secondly, we've been there. We've tried this route. Successive governments in Saskatchewan have tried the route and it hasn't worked. It hasn't worked.

If members opposite can stand in this debate and explain how it can work with this new legislation, I invite them to do so . . . (inaudible interjection) . . . Well now the member from Yorkton asks me to sit down and he'll be glad to get up and explain it. In fact I will, at some point, be sitting down and perhaps someone can note down on a piece of paper that the member from Yorkton is anxious to stand up and to get into the debate.

There's a parallel here, Mr. Speaker, that we might want to draw between the sell-off of the potash mines, a mineral resource, and the sell-off of some coal-mines in this province. Maybe the minister can . . . or now the member can explain that to us, why it's advisable to sell resources to out-of-province owners so that they can reap the benefit. Maybe he'll want to explain that in terms of his coal-mine sell-off.

Mr. Speaker, so the argument that says that you can attain the same benefits for the people of Saskatchewan through royalty and taxation in my view just doesn't hold any water. We've been there, and this government now wants to take us back there, wants to take us back to when all of the potash industry in Saskatchewan was in private hands. That's where they want to take us, to take us back. It should not be described as a bold new initiative; it

should be described as a retreat to past times. When the people of Saskatchewan took control of a portion of that resource, when they took control of the destiny of the resource, now that, Mr. Speaker, was a bold new initiative — bold new initiative — pioneering across the world, as Saskatchewan has done in past and will do again, Mr. Speaker, and will do again when this group of men and women are no longer government.

But what they want to do in Bill No. 20, in this sell-off of our potash corporation, what they want to do is take us right back, right back to where we were, right back to where we were, Mr. Speaker, and that's unacceptable. That's unacceptable to me, and I'm sure to members of this caucus, and I am sure to the vast majority of the people of Saskatchewan, because on this we are agreed, on this we are agreed, myself and members of this caucus and the vast majority of the people of Saskatchewan, on this we are agreed.

That resource, that potash that is beneath the soil in Saskatchewan belongs to the people of this province. That is our constitutional right that we fought hard to get. That potash belongs to us and therefore the benefits from that potash should accrue to us. That's our position, Mr. Speaker, that a fair share of the resource from Saskatchewan soil ought to accrue to the people of Saskatchewan who own the resource, who own the resource. I mean, no one, no one, no one with some sanity would own a valuable resource and simply want to give it away. And again we're talking about a resource that's a valuable resource, not for one generation but for generations and generations. And yet we have here before us a Bill that wants to do just that — wants to take a valuable resource and somehow give the benefit away to others.

(0845)

Mr. Speaker, I do not understand that; I do not understand that. And the position of New Democrats and the position of the vast majority of Saskatchewan people is that that resource and the benefits of that resource ought to accrue, first of all, to the people of Saskatchewan. And it can accrue to the people of Saskatchewan through both royalty and taxation, through a mixed industry, and through dividends paid to the shareholders, to the people of Saskatchewan, from a publicly-owned potash industry.

Mr. Speaker, I think it is important that we review some of the financial statistics that come from the annual reports of the potash industry, the broad-based potash industry, the entire industry in Saskatchewan, as well as looking at some of the facts and the figures from the Potash Corporation of Saskatchewan.

We have had a potash industry in Saskatchewan from about the mid-1960s when the technology was finally accomplished that we could mine the potash. And so from the 1960s, the mid-1960s until today, the late '80s, we have had a potash industry in Saskatchewan.

The industry was first established under the Liberal regime of Ross Thatcher in the 1960s. It prospered during the 1970s. It has remained a strong and vibrant contributor to the Saskatchewan economy throughout

the 1980s. And it will, Mr. Speaker, it will continue to do that for years and years and years, generations to come.

And so, Mr. Speaker, I think it's fair that we should look at how much of the benefit of this resource and of this industry has accrued to people of Saskatchewan since its early days. And at this point I am looking at the industry totals — not simply the potash corporation, but at the industry totals.

And so if we go back to the period of the Liberal government in the province under Ross Thatcher, if we look at the years from 1965 to 1971 when the free enterprise Liberal government was in office in Saskatchewan, when the industry was privatized, entirely in private hands, and when the government of the day felt that the benefit could be achieved through royalty and taxation, well, Mr. Speaker, in those years, '65 to '71, five to six years, the royalties and taxes that accrued to the province of Saskatchewan from the potash industry totalled \$15.7 million — 15 million, \$16 million. That was the benefit that accrued to the people of Saskatchewan directly in terms of the financial contribution to the treasury of Saskatchewan from the industry — \$15 million in a period of six years, five to six years.

Now, Mr. Speaker, if we jump to the next decade and look at a period of five to six years, and we take the five to six years between 1976 and 1981 and now, Mr. Speaker, we have in Saskatchewan a New Democratic Party government and we have a publicly owned potash corporation as one of the players in the market-place. If we look at that five-year period we find that royalties and taxes paid to the provincial government in that five-year period, Mr. Speaker, amounted to \$985 million. Compare that, compare that, Mr. Speaker.

In the five years of the Liberal, the last five years of the Liberal government in this province, through its policy of royalty and taxation and an entirely private potash industry in the province, the people of Saskatchewan received to their treasury, through royalties and taxation, a totally of \$15.7 million — not even \$16 million. In a five-year period under a New Democratic Party government, with a publicly-owned potash corporation in the field, that total was \$985 million. The difference, Mr. Speaker, is something like \$970 million. That's the difference, in an equal period of time.

Now, Mr. Speaker, it's not hard to figure out that the people of Saskatchewan were benefitting to the tune of \$985 million. That money was coming into the provincial treasury. That money was keeping taxes low, individual taxes low in this province. That money, that \$985 million that we collected in royalties and taxation was paying for things like medicare and parks and education.

Now the Liberal free enterprise government with the private potash industry collected \$16 million. In a five-year period we were able to collect \$985 million.

Now, Mr. Speaker, we can move into the new regime of the Tory government in 1982 to 1986. Now what did we collect in royalties and taxation in those years? Well, whereas we were collecting 985 million — this is just

royalties and taxation — the Tory government in a similar period of time collected 274 million. And somehow it took a drastic drop. The contribution from the industry through royalty and taxation to the treasury of Saskatchewan somehow too a drastic drop about 1982. Now that . . . I guess that begs explanation. The only explanation I can give it is that somehow the management changed, the management of the province and the management of the potash corporation.

We recovered, on an equal number of years, the New Democratic Party government in this province recovered \$711 million more than has been recovered by this government from the same resource in the same period of time. Now, Mr. Speaker, you see this is the government that says that they can get the benefit from the resource through royalty and taxation. That's their argument. They say they can do that. Well their own track record says they can't. We were able to — and this is from the industry total — we were able to achieve a total of \$985 million in royalties and taxation in a five-year period. This government, it's best effort was to produce a revenue of \$274 million.

They want us to believe that in future somehow they can achieve the same benefits through royalty and taxation as was being returned to the province of Saskatchewan in the years of the 1970s. Well that just stretches credibility, Mr. Speaker. And I think it's important to note, too, that we're not here talking about . . . when we're talking the industry total, we're not talking about a difference . . . Now they may want to explain the difference in saying, well look, you were selling a lot more potash in the 1970s than we were in the 1980s, and that's why you were able to get more in terms of royalty and taxation.

Well that's simply not accurate, Mr. Speaker. It's important to note, I think, that between the years 1977 and 1981 there were 32,682 million tonnes sold. Now the figure for the period '82 to '86 was 31,000. So we're talking really, in essence, a difference of about a thousand or 1,300. The production sold, Mr. Speaker, was essentially the same — some small decline in the 1980s, some very small decline, but not enough to account for a decline in royalty and taxation of \$711 million. The only thing that changed, therefore, Mr. Speaker, was the government.

**The Speaker:** — The hon. member has gone over the details of that era. It's a repetition of another member's arguments, and I believe he should move on.

**Mr. Calvert:** — Mr. Speaker, thank you. Thank you for your guidance.

Then I think it is important, just in summary, to note that under a New Democratic Party government, royalties and taxation flowed to the treasury, and under a Progressive Conservative government that seemed to dry up extremely on production totals that were very close to the same and on price that was very close to the same, the price of the product. And there I'm talking about the industry total.

It's important, I think, in this debate — of course it's important — to look very closely at the performance of

the Potash Corporation of Saskatchewan itself, because that's the corporation we're essentially debating here, and that's the corporation that this government wants to give away, saying somehow that we can achieve the same benefits in some other form. So I think it is extremely important that we consider very closely the performance of the Potash Corporation of Saskatchewan in its years.

And maybe I can just summarize, Mr. Speaker, and then I'll want to refer to some more detailed figures. But if we take 1976, which was the first year of the operation of the potash corporation in Saskatchewan, the company paid a million dollars — a million dollars — in royalties and taxation. In the first year of operation, that company alone — and it's just in its embryonic stage — the first year paid a million dollars in royalties and taxation to the people of Saskatchewan.

And on top of that, the company generated for itself a profit of half a million dollars. In the initial embryonic year the company paid a million dollars to the treasury of Saskatchewan and earned for itself a profit of a half million.

We go to 1977. In that year the potash corporation paid to the treasury of Saskatchewan, and through that treasury therefore to the benefit of the people of Saskatchewan, that corporation, the potash corporation, paid in 1977 \$16 million — \$16 million — in royalties and taxation. Taxes and royalties paid \$16 million. And in 1977 the profit of the corporation was \$1.1 million. That's still in its early stage. It's now paying 16 million, its second year of operation, 16 million royalties and taxation, and the profits were 1.1.

In 1978 the corporation paid to the people of Saskatchewan, our company, our potash company paid to we, the people of Saskatchewan, \$35 million in royalties and taxation — \$35 million royalty and taxation, and that year made a profit of 25, 25 million.

Now that, Mr. Speaker, that is an extremely impressive record for a very young company competing head-on with some very experienced companies in the business. And that says a great deal, that says a great deal about Saskatchewan people, about what Saskatchewan people can do. They can move into a market-place like that and in three years be turning a profit of \$25 million head to head — head to head, Mr. Speaker, with the private potash companies that have been in the province and been in the market-place for years.

We go to 1979, the potash corporation paid \$58 million royalties and taxation to the people of Saskatchewan through the provincial treasury. And in that year, Mr. Speaker, the profits of the company, the profits of the company in 1979 — \$78 million.

Mr. Speaker, this is a phenomenal story of a company coming into the resource market — this is a phenomenal story: a half million dollars in its very first year, a million dollar profit the next year, \$25 million the next, a \$78 million profit in its fourth year of existence. And it's very appropriate to note in this debate that this is all money — all money — that is coming from outside the bounds, outside of the boundaries of the province of

Saskatchewan.

The potash we mine, we market outside the province of Saskatchewan, and every dollar of profit that we've earned has come into this province from out of province. Every dollar that has gone into the provincial treasury is a dollar that we've earned somewhere out there in the world market-place, be it in America, in China, or India. Mr. Speaker, this is a phenomenal story; in anybody's books, this is a phenomenal story.

But we come now to 1981, 1980 and 1981, and listen to this, listen to this, Mr. Speaker; in 1980, the Potash Corporation of Saskatchewan paid to the people of Saskatchewan, with royalties and taxation, \$90 million — \$90 million . . . (inaudible interjection) . . . The member from Wilkie doesn't seem to find these figures very interesting. He should find these figures very interesting because this \$90 million that the potash corporation paid in 1980 perhaps built a road in his constituency, or perhaps helped fund the hospital in his town. He should take some interest in this money because he's going to have to explain to his constituents where precisely he intends to get this money that was accruing to the people of Saskatchewan when he sold the whole industry off.

I'll await his remarks in this debate. I'll await his remarks in this debate to explain to this House and to explain to his constituents precisely where he intends to replace this money. How does he intend to replace this money that accrues to the people of Saskatchewan?

He's got two choices. He can continue to run up his debt which now stands something like \$13 billion. He's run that up in seven years. Or I guess he can follow the other traditional Tory route and that's to tax people, to tax individuals. I mean, that's what we've seen so far in this whole privatization debate. That's the theory of the government — you give away the resource revenue, you give away the resources, and you've got to make the money up somewhere.

(0900)

So what do they do? Well then we come up with wonderful schemes like used car taxes, used car taxes. We come up with wonderful schemes like lottery taxes to try and replace the money that they're going to lose. Flat taxes. I mean, it goes on and on and on.

And at the same time we just go on borrowing and borrowing and borrowing, getting ourselves into deeper and deeper debt with the bond dealers in New York and London and Zurich and Tokyo and who knows where else. And at the same time we're losing services and programs.

Now the member from Wilkie wants into the debate, and that's fair enough. That's entirely appropriate. And so on my list now is the member from Yorkton who wants into the debate. And I hope somebody in marking this down . . . (inaudible interjection) . . . I apologize. The member from Regina South is next. So if somebody would please note that down, the member from Regina South will be following me in the debate, and then I take it the member



from Wilkie and the member from Yorkton will want to get into it at a later point.

So in 1980, Mr. Speaker, we received as a province \$90 million in taxes and royalties from the potash corporation, and that year, Mr. Speaker, that year the profits of PCS totalled \$167 million. That company in 1980, our company, the company that we own, that we should take much pride in, the company that we own, in 1980 had a profit of \$167 million.

And that should make any shareholder rejoice, and it should make any person in the province of Saskatchewan so proud, so proud of their company, so proud of the people, the Saskatchewan people that were managing the company to achieve this kind of record.

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

**Mr. Calvert:** — Mr. Speaker, in 1981 . . . Mr. Speaker, I forgot a very important thing. In 1980 the potash corporation was in a position where it could pay, it could pay in addition to the royalties and taxation, in 1980 it was in a position where it now could pay a dividend, a dividend to the people of the province, the shareholders of the company, the owners of the company. They were in a position in 1980 to pay a dividend. And do you know how much that dividend was, Mr. Speaker? Do you know how much it was? Fifty million dollars — \$50 million.

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

**Mr. Calvert:** — Its first dividend paid in four years, Mr. Speaker. In four short years the company was in a position with its equity, it could pay a dividend to its shareholders of \$50 million in addition to the 90 million paid in royalties and taxation. So that year alone the people of Saskatchewan, from the potash corporation, earned \$140 million.

Now, Mr. Speaker, do you have any idea how much can be done for the public good with \$140 million? Mr. Speaker, do you understand how many hungry children in the province today we could feed?

**The Speaker:** — Order, order. Each member will have the opportunity to participate in the debate. If several members attempt to participate at the same time, of course we're not going to have orderly debate, as I've indicated earlier. And therefore, I once more ask for the co-operation of members to allow this debate to proceed in an orderly fashion.

**Mr. Calvert:** — Thank you again, Mr. Speaker. Let me move on to the year 1981. In 1981, the royalties and taxation paid by the Potash Corporation of Saskatchewan to the people of Saskatchewan, through their treasury, they paid \$71 million in 1981. The profits that year, the profits that year of this proud Saskatchewan company were 141 million. That year it made \$141 million, 1981.

And do you know what, Mr. Speaker? Again in 1981 the company was in a good position to pay a dividend to its shareholders, and again we received — we the shareholders, we the owners, we the people of Saskatchewan — received a dividend of another \$50

million. Now that, Mr. Speaker, in two short years from the Potash Corporation of Saskatchewan, with dividends paid over and above the royalties and taxation required by law. Over and above the royalties and taxation, the Potash Corporation of Saskatchewan paid to the people of Saskatchewan — to we, the people — 100 million.

Mr. Speaker, that represents, yes, that represents \$100 for every man, woman, and child in the province — every man, woman, and child in the province at the same time. And at the same time, we were steadily paying off the debt so that by the end of 1981 the debt in the corporation was down to something like \$88 million.

That's a phenomenal story, Mr. Speaker. In anybody's books, that has to be a phenomenal story. A corporation who enters the industry in 1976, in its embryonic stage, and by 1980 and '81 is able to pay to its shareholders \$100 million — \$100 million in profit, \$100 million in dividend. And of course we know, or we should all know in this room what \$100 million can do for people because that's what these dividends do — they do for people, they do for the people of Saskatchewan.

They provide surgical wards. They provide cancer clinics. These dividends provide parks. These dividends provide schools for our kids. These dividends provide roads that we can drive on. These kind of dividends provide support payments when farming people are in trouble. That's what these dividends can do.

They take revenues from our resource and put them in the hands of Saskatchewan people where they're needed, and not, Mr. Speaker, and not into the hands of the corporate friends of the Tory Party, or into the hands of some foreign government.

That's what this Bill wants to do, Mr. Speaker, this Bill No. 20. It wants to take these kind of dividends and pay them not to the people of Saskatchewan, not to the people's treasury. They want to take these dividends and pay them to foreign governments so that, I guess, foreign governments can do for their people. Or they want to take these dividends and give them to investors from Toronto or New York or Chicago or Minneapolis so that those shareholders and investors can do for their families.

Mr. Speaker, it makes no sense. We have a corporation here in the province that, I mean, in the first five years of its existence pays millions, hundreds of millions of dollars in terms of royalties and taxation to the people, and in addition can pay a hundred million dollars in dividends. Now, Mr. Speaker, I remind you that in those six years between 1976 and 1982 those were six straight years of profit — six straight years.

And it's not just, Mr. Speaker, we oughtn't to just think it's the provision of money to the treasury that is the only contribution of the potash corporation to life in Saskatchewan. Mr. Speaker, I think it's very important to note that during those same six years when the company was contributing so generously to the people of Saskatchewan financially, it's important to note that Saskatchewan people were being employed by that company as they are today, not in as great number today as they were then, that's for sure.

But I note, Mr. Speaker, at the initial outset of the corporation, there were 1,164 employees. By 1982 the corporation had grown to employ 2,267 employees — 2,267 Saskatchewan men and women had found meaningful employment through the Potash Corporation of Saskatchewan. Now that is no small contribution to the life of our province and to the life of a number of relatively small communities in our province who benefit very directly from 2,267 jobs in the Potash Corporation of Saskatchewan.

Mr. Speaker, the company was a phenomenal success. A company that could grow from employing 1,164 people at the outset, to employing 2,267 people by 1982. That's a phenomenal growth, and no one, no one should underestimate the role of that employment in Saskatchewan's life and in the life of those communities where the mines are located.

No one should underestimate that because, you see, when you've got 2,267 people working, bringing home a good wage, that money, that wage that's being brought home goes into those small communities. That money is spent on Main Street; it's spent in the grocery stores; it's spent in the hardware stores; it's spent in the hotels. That money immediately has a multiplier effect. We all know that. Just as we know when jobs are cut back, there is just the opposite effect. The effects are felt on Main Street, Saskatchewan right away.

By 1982, we had 2,267 people working for the Potash Corporation of Saskatchewan. That's a major, major contribution to the economy of Saskatchewan, not just to the treasury of the government, which obviously it was a major contributor, but also to the economy of Saskatchewan and Main Street Saskatchewan, downtown Saskatchewan, to the small-business community. And of course the effect goes on, the effect goes on into the larger centres in Saskatchewan.

And so we saw, I mean, Mr. Speaker, it's . . . we saw in those years very low unemployment rates in this province. We saw people working. We saw people being able to buy their homes. We saw people being able to stay in Saskatchewan and make a future. So contrary to what we see today because now after this privatization mania that we've encountered primarily in the last two or three years, what do we see? We don't see people finding work in Saskatchewan; we find people fleeing the province, fleeing the province to work elsewhere.

A neighbour of ours, this very week, is seriously considering moving with his family and his children, moving to British Columbia in search of work. Mr. Speaker, when the Potash Corporation of Saskatchewan was employing 2,267 people, there were jobs in this province, and people could find their future here and they could look forward to life here. We didn't see this kind of exodus from the province. We didn't see these 13,000 people leaving in the first six months of this year alone.

Mr. Speaker, the record of PCS in the late 1970s to 1982 can only be described as phenomenal. And as I pointed out earlier, by 1982 the debt in the corporation was down to \$88 million. And just by the way, Mr. Speaker, to be

clear about this, the debt wasn't held in New York — it was not held in New York as the Minister of Finance seems to want to indicate. Now fair enough, he's piled debt on the corporation, no doubt about that. And he went to New York and he's got a bunch of the money out of New York. But let's be absolutely clear that prior to 1982 the debt on the corporation was \$88 million, and I don't think a dollar of that debt was held in New York.

Now, Mr. Speaker, the government opposite now want to describe a corporation . . . (inaudible interjection) . . . Mr. Speaker, thank you. I take it now that the member from Melville wants to get into the debate and we'll look forward to his contributions. I'll welcome his contribution to the debate if he wants to show precisely where the debt was held prior to 1982. Let him do that in this House, from his feet, not from his seat.

**An Hon. Member:** — Well sit down.

**Mr. Calvert:** — Well now the member from Cut Knife-Lloyd who . . .

**The Speaker:** — Order, order.

**Mr. Calvert:** — Thank you, Mr. Speaker. The fact of the matter is that by 1982 the potash corporation — and no one can dispute this; it's straight from the annual reports, it's straight from the audited annual reports — the debt in the potash corporation was \$88 million, and had returned to the people of Saskatchewan, already, \$100 million dividend in addition to the hundreds of millions of dollars of royalty and taxation.

And in addition to that, we saw over 2,000, well over 2,000 people employed, and we saw, Mr. Speaker, of course, we saw a head office for the very first time, a head office of a major corporation located right here in Saskatchewan. Right in Saskatoon, Saskatchewan we saw, as my colleague from Regina pointed out last night at some length, we saw world class — world class, to use the Premier's phrase — research and development going on around the industry, and we saw it going on right here in the province.

(0915)

Now, Mr. Speaker, we didn't see that. We didn't see a head office here in Saskatchewan. We didn't see Saskatchewan people chairing the boards and presiding over a potash company. We didn't see head offices here. We didn't see research and development going on in Saskatchewan when the whole industry was in private hands; we didn't see that.

We saw it when the people of Saskatchewan took their share of the industry. When we, the people of this province, entered the field then we saw dividends coming to the treasury. We saw people employed. We saw a head office in Saskatchewan. We saw research and development taking place right here in the province — not in Chicago, not in Minneapolis, but right here in Saskatchewan. We saw Saskatchewan university graduates finding extremely meaningful employment and opportunities, jobs right here at home.

Now they want with this Bill No. 20 to take us back, to take us back to when the whole industry is owned by private sector. They want to walk us right back to that situation where there's no head offices in Saskatchewan, where there's no research and development going on in Saskatchewan, when there's no dividends from the industry being paid to the people of Saskatchewan.

They want to take us right back. And if their record in privatization is an example — and it must be an example; it's all we can judge the government on its record — if their record in privatization holds true, and there's no reason to suspect it won't, we're not going to see an increase in employment. We're going to see a decrease in employment because with their privatization issues . . . You look at Saskoil, you look at SaskMinerals. What have we seen? We've seen the loss of jobs.

Now we've already seen this government in its management of the industry severely cut back the jobs available through PCS, and I think it's important that we look at some of those figures as well, Mr. Speaker.

But just to move from this point. It cannot be argued that PCS was not a phenomenal success story in the years 1976 to 1982. I just don't think anyone could credibly argue that that was not a phenomenal success. And if members opposite want to try, I invite them to do so. I invite them to do so.

Now the minister is interested to hear some of the figures, the actual figures that come from the annual reports. This is a compilation, Mr. Speaker, of the annual reports of the potash corporation from 1976 to 1978. And I think I've dealt at sufficient length with figures regarding 1976 to 1982, although one area I did not identify which I think it's very important to identify is the market share, because the success of a corporation like PCS of course depends entirely or almost entirely on market shares. If you can't gain a share of the market, you're just not going to be a player in the field.

So if I can, Mr. Speaker, I'd just like to go back and review some of those years. The first year of operation, that embryonic year, the PCS, the Potash Corporation of Saskatchewan, was able to achieve 1 per cent of the market share. We were a very small player, a very small player in that first year.

By 1977 our market share had increased to 13 per cent; by 1978 the market share for PCS, the Canadian market, was 31 per cent; by 1979 it had climbed to 36 per cent; by 1980 to 38 per cent. Mr. Speaker, by 1981 we were at 37 per cent. And now again, evidence of a phenomenal success story for a new player on the field.

Going head to head against the private firms our company, our potash resource company was able in four short years, Mr. Speaker, to gain 38 per cent of the market share. Now that cannot be underestimated or understated. That's a very significant record for a new company to develop 38 per cent of the market share.

With that in mind, Mr. Speaker, then we look to the years following 1981 — '82, '83, '84, '85, '86, '87, and of course the latest figures we have are the 1988 figures from

the '88 annual report. Now it is important to note that something happened in 1982 because our market share immediately fell off. The market share in 1982 fell from 37 per cent of the market share to 32 per cent of the market share, Mr. Speaker.

**The Speaker:** — Member from Weyburn.

**Hon. Mr. Hepworth:** — Would the Hon. member permit a question about market share between the 1981 and '82 market years, Mr. Speaker?

**The Speaker:** — Would the hon. member entertain a question?

**Mr. Calvert:** — No, Mr. Speaker, I suggest that the minister direct his question to his own minister responsible for this corporation. If he has some questions about the management of his corporation, he ought not to direct them at us, he ought to direct them at the people who've been responsible for the management.

Now the fact of the matter is, Mr. Speaker, the market share declined from 37 to 32 per cent. Now that . . . Mr. Speaker, these figures come from the annual reports, from the annual reports, Mr. Speaker.

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

**Hon. Mr. Hepworth:** — Mr. Speaker, I think the hon. member misinterpreted what I wanted to ask him. I'll even accept his figures for purposes of the question, but I would like him to answer a question about those figures, Mr. Speaker.

**The Speaker:** — The hon. member from Weyburn has asked if the hon. member will entertain a question. That request was in the bounds of the rules. It's up to the member from Moose Jaw South to decide.

**Mr. Calvert:** — No, Mr. Speaker, I will not. In this . . . Mr. Speaker, the member from Weyburn is so anxious to almost, almost on the quarter hour to interrupt the debate — and it really doesn't matter who is involved in the debate — almost on the quarter hour he thinks it's important that he should interrupt the debate. We went through this last night, and nauseam, with the member . . . the Minister of Education, who, if he isn't talking from his seat, is interrupting the proceedings. Now there's ample opportunity for this minister to make his point in the debate. There will be ample opportunity. Will he stand and speak in this debate? Well it remains to be seen. Well he nods his head, so that's another one we can put on the list to expect — the minister.

**Hon. Mr. Schmidt:** — Thank you, Mr. Speaker. The point of order is with respect to relevancy. For days and days now I have listened to the members of the opposition speak with respect to the members of the government entering the debate. Of course the members of the government can only enter the debate when the members of the opposition sit down. I submit to you, Mr. Speaker, that such references in their speeches are not relevant, are out of order, and they should cease and desist from speaking about and at the members of the government when their topic is irrelevant. And, Mr. Speaker, I think

we've reached the limit on this particular point.

**Mr. Trew:** — Thank you, Mr. Speaker. The reference to government speakers . . . I've listened to the member from Melville. The reference to government speakers, I think, is relevant because this debate started April 20, and a total of three MLAs, government MLAs, have joined this debate, and that's just not acceptable. This is supposed to be a debating forum to some extent. We would welcome their input into this debate.

**The Speaker:** — The member from Melville has raised an issue; the member from Regina North has responded. The point of order is not a point of order that he has raised. However, perhaps if debate between members across the floor would cease, we wouldn't have this issue arising.

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

**Mr. Calvert:** — Thank you, Mr. Speaker. And I'm anxious to address these facts and figures and not to engage in dialogue with the ministers across the way.

Mr. Speaker, when we look at the figures that are taken from the annual reports, the audited figures from the annual reports beginning in the year 1982 — and I remind you in 1981 royalties and taxation from the Potash Corporation of Saskatchewan paid to the treasury of Saskatchewan was \$70 million. Now in 1982 . . .

**The Speaker:** — I've also been listening to the hon. member closely, and by and large he's been within the bounds of the rules. I believe he's now slowly beginning to repeat himself, and I wish to bring that to his attention.

**Mr. Calvert:** — Thank you, Mr. Speaker. In the figures now, Mr. Speaker, I will be conscious to describe figures that I have not previously talked about.

Mr. Speaker, the revenues to the province, to the people of Saskatchewan through royalties and taxation from the potash corporation throughout, from 1982 on, have ranged 15 million, 10 million in 1983, 17 million in 1984, 10 million in 1985, 13 million in 1986. And again I compare . . . you know, those figures are a fraction of the royalties and dividends that were being paid during the late '70s and early '80s.

The minister from Swift Current, now she's anxious to enter the debate. She talks about the price of potash. Well, Mr. Speaker, she can correct me if I'm wrong, but the information that I have indicates that the average price for potash '77 to '81 was 109.50 — \$109.50.

Now we're talking '82 to '86, the average price \$106 — a three dollar difference. Now that's a small difference — a three dollar difference — 109 to 106.

Now, Mr. Speaker, the minister will have ample opportunity, if she wants to, to challenge these figures and debate them. We look forward to that. The information that I have indicates that the price '77 to '81 was 109, and '82 to '86 was 106. Now, Mr. Speaker, what we've seen then is a decline since 1982 in the royalties and taxation paid to the people of Saskatchewan.

Mr. Speaker, what we also note from the annual report figures is that the net income of the corporation, which would be the profit, the profit, Mr. Speaker, the profit picture takes a significant turn after 1982, so that in 1982 the profit totalled \$1 million. Well over \$100 million the year before, in fact 142; now in 1982 it's a \$1 million. Then in 1983 for the very first time in the corporation's history, for the very first time it loses money — it loses \$18 million. That's 1983; that's the first time it lost money, in 1983.

But what is strange about 1982 and 1983? In 1982 when the corporation, when its profit was \$1 million, the new managers, the government opposite, came along and took from the corporation \$50 million in a dividend. Now they were making money that year, they made 1 million, but the government came along and took \$50 million dollar dividend.

Now in 1983 when the corporation lost money, lost \$18 million, what happened? Well the Government of Saskatchewan, the new managers, the Tory Government of Saskatchewan, came along and they took \$62 million from the company in dividends. Now does that make any business sense, Mr. Speaker?

**An Hon. Member:** — So what?

**Mr. Calvert:** — Well now the member from Wascana says, so what. I'll tell you so what — you're bankrupting the company. When a company is losing money, that's not the time to withdraw dividends in massive amounts. In two years you people took \$112 million in dividends out of a company in the same period of time that lost a total of 17 million . . . (inaudible interjection) . . . Now the member from Wascana thinks that makes good business sense.

Now in terms of the management provided by a New Democratic Party government . . . (inaudible interjection) . . . The government opposite seems to think it makes good business sense that when a company's losing money that you should rob it of dividends. Now, Mr. Speaker, I don't pretend to have any more business acumen than most people in this province, perhaps less than some, for sure, but it just . . . again, it does not make sense to me that when a company is in some financial difficulty — and we could discuss the reasons for that difficulty, but obviously there was some difficulty in 1983 — it lost \$18 million.

Well along came the Government of Saskatchewan and took from it \$62 million. Now why would anybody do that unless they were all of a sudden already this early in their administration desperate for cash? Already they were becoming cash starved, so they look around and saw they could take \$62 million in 1983 from the potash corporation; in 1982 they took \$50 million — 112 million in two years to accomplish the goals of their government because they were, frankly, blowing it on the other front, Mr. Speaker.

(0930)

As we carry on, in 1984 the company rebounded somewhat and earned again a profit of \$25 million. Again

the government came along and took a dividend, this time 12 million, and again \$25 million profit compared to 167 and \$142 million profit in the '70s. But then, Mr. Speaker, the tragedy begins that in 1985, 1986, and 1987, in those three consecutive years the company lost money — \$69 million, \$103 million, \$21 million. And it wasn't until last year, as we've pointed out earlier, that the company now, even under their management, has earned \$106 million profit.

Now, Mr. Speaker, I think what the people of Saskatchewan are asking themselves is this. We had a Crown corporation that in its first six years of operation never failed to make a profit; a Crown corporation that paid hundreds of millions of dollars in royalties and taxation to the people of Saskatchewan; a Crown corporation that paid \$100 million in dividends to the people of Saskatchewan. All of a sudden things go wrong. All of a sudden things go wrong and this company starts losing money and the debt starts piling up and piling up. And they say to themselves, Mr. Speaker, well what happened — what happened?

Well the truth of the matter is the administration changed. That what we have is a new administration, a new management of the Potash Corporation of Saskatchewan, a new administration that finds themselves in a very, very peculiar situation, because these are the men and women who fought tooth and nail, tooth and nail to prevent the formation of the Potash Corporation of Saskatchewan. This group of men and women, for some of whom their entire, I think, political existence revolved around opposing the public ownership of the potash industry. Now this group of men and women find them in charge of it. Now as someone else has pointed out, we've got Colonel Saunders in charge of the chicken coop. So what happens? What happens, we get new management and the company starts to decline and the debt starts going up. That's what happened.

Now the people of Saskatchewan say to themselves, if I owned a business and I hired a manager, appointed a manager to attend to that business, and that manager simply started to ruin my business by pulling out dividends when they shouldn't be pulled out, by heaping up the debt and so and so on, by shutting down some of my assets, destroying and essentially destroying my best efforts at marketing — if that kind of management came in, what would I do as a shareholder? Well I'll tell you what I'd do. I wouldn't sell the company, I'd get rid of the management. I would get rid of the managers.

That's, Mr. Speaker, what the people of Saskatchewan are saying when they view the potash corporation, because they know what a phenomenal success story it was prior to this government's management. They know what has happened since this government has been the managers, and they know that the only solution is to get rid of this government. That's the solution. The solution is not to sell off the industry; the solution is to get rid of the current management.

Now that's what any reasonable person would do. Good grief, if we owned a small business on a Main Street in Saskatchewan and turned it over to somebody who drove the thing into the ground, you'd quick enough want to get

rid of them. And that's precisely what the people of Saskatchewan are saying about this government — we just need to get rid of the managers. That applies not just to the management of the potash corporation but it applies, Mr. Speaker, to the management of the entire financial affairs of this province, Mr. Speaker.

Mr. Speaker, I want to turn in my remarks . . . and I listened with interest to the Deputy Premier when he made his intervention in this debate, and he, in his interventions, talked about Bill No. 20, the Act to reorganize the potash corporation. He addressed this Bill, primarily talking about Saskoil, and fair enough, Mr. Speaker. He wanted to draw a comparison of a privatization initiative to another privatization initiative. He did that in his remarks. He spoke at great length . . . not at great length, excuse me, that's a mistake, Mr. Speaker. But in terms of his remarks, the bulk of those remarks were focused on Saskoil as an illustration of privatization.

And, Mr. Deputy Speaker, I think that's fair enough. We certainly can't believe what this government says, that's for sure, and that's been well documented. And the only thing that we can judge the government on is its record. And when we're talking about the privatization of potash, then it's reasonable, I think, Mr. Deputy Speaker, to judge what will happen on the basis of what has happened in terms of privatization.

The Deputy Premier did that in his remarks, and I thought that was fair enough.

Now we're, Mr. Speaker, here talking about the sell-off of a mineral resource. And so I think a very appropriate kind of comparison should be made with . . . (inaudible interjection) . . . Well the member from Wascana now wants into the debate, and I hope someone notes his name down as one who wants to get into the debate; the list is building.

**An Hon. Member:** — Will you sit down so we can get caught up?

**Mr. Calvert:** — I will sit down in due course, Mr. Member, you can be sure, although you're convincing me I should perhaps go a little longer. I think it's fair, Mr. Speaker, to compare, as the Deputy Premier did, one privatization so that we can learn something about what's going to happen here with potash, if in fact members do not change their mind, if in fact they persist in selling off this valuable resource.

So, Mr. Speaker, I am most well acquainted with the situation in terms of the privatization of Sask Minerals, and there are, I think, some similarities, and there are some differences.

Now in terms of the potash corporation, a significant difference is that to sell off the potash corporation to out-of-province investors, it means that it must have legislation to do so. That's why we're debating this Bill.

It requires legislation for this government to accomplish this sell-off of our potash corporation. No such legislation was required in terms of Sask Minerals. And so in the case of Sask Minerals, what happened was a secret deal

negotiated behind closed doors and a quick sell-off of the resource and the industry to two out-of-province corporations.

**An Hon. Members:** We're talking the dead of night. That goes with behind closed doors, in the dead of night.

**Mr. Calvert:** — Mr. Speaker, the member from Wascana suggests that it happened in the dead of night. Perhaps he's right. What I do know is this, that the sale of Sask Minerals was accomplished in a deal negotiated by your government, a deal that was not publicly discussed for debate until it was finalized. The ink was on the agreement before any debate took place.

Now that can't happen here, Mr. Deputy Speaker. That similarity cannot exist because this privatization, this sell-off of our potash company can only be accomplished through legislation. Now I suspect that the government opposite wishes it were not so. I suspect that the government opposite wishes they could have just got rid of our potash industry in the same way they got rid of Sask Minerals, without any public debate, just announced that the thing is a *fait accompli*. So in that regard it's a significant difference.

But if this thing every passes, and if we ever see our potash industry privatized, I predict that many of the results of the privatization will be the same as the results we've seen with the privatization of Sask Minerals. Now in the case of Sask Minerals, ownership now is entirely out of the province. The ownership and control is entirely out of the province. There can be no debate about that. The assets of Sask Minerals have now been sold to Kam-Kotia and Premier Cdn, two out-of-province companies. So the control of Sask Minerals is gone.

Now the potash corporation — the minister wants me to talk about the potash corporation; fair enough. There is absolutely nothing, Mr. Deputy Speaker, nothing in this legislation that ensures a share, one share, must be held in Saskatchewan. Mr. Speaker, not one share must be held, according to this legislation, in Saskatchewan. Now I'm not saying, Mr. Deputy Speaker, I'm not saying that for sure every share will be sold outside of Saskatchewan. There will be some Saskatchewan people. But, Mr. Deputy Speaker, I would argue in this debate that control, that control will leave this province.

Now this government wants to permit by this legislation that 45 per cent of the shares, 45 per cent of the shares can be held by those who do not reside in Canada — not in Saskatchewan. Forty-five per cent of the shares can be held by people who do not reside in Canada. They can reside in South Korea, they can reside in Japan, they can reside in China, they can reside in India, they can reside in Chicago, Pittsburgh of the U.S.A., they can reside in Zurich — 45 per cent of the shares can be held there.

Now, Mr. Speaker, that says that very, very easily control of the resource company can fall outside of the province of Saskatchewan. If you've got 45 per cent of the shares outside of the province, it's not difficult to put together enough of those shares to control the industry. Again, you don't need to be a financial wizard to figure that out. It doesn't take wizardry to know that if 45 per cent of the

shares can exist beyond the borders of Canada, you can, without much difficulty, get control of the company. Now that leaves 55 per cent of the shares available within Canada, but not restricted to Saskatchewan, but within Canada.

So very likely, Mr. Deputy Speaker, we'll see what has happened in Saskoil — shares soon gravitate to the financial centres. That's understandable. Everybody knows that. That's not . . . shouldn't be a surprise that shares will very soon gravitate to the financial centre of Canada, which is downtown Ontario, on Bay Street, Toronto.

That would not surprise anybody to see that happen. If 55 per cent of the shares are to be sold in Canada, it shouldn't surprise anyone to know that very quickly, because that's . . . I mean, history just demonstrates it, that the shares will end up in downtown Toronto.

Now, Mr. Deputy Speaker, what we will see is what we have seen with the privatization of Sask Minerals — control and ownership of our resource, our company, lifted, lifted from the people of Saskatchewan and deposited somewhere else. And of course with the control, with the ownership, goes all the benefit — all the benefit.

So all those dividends, those hundreds of millions of dollars in dividends that were paid to the treasury of Saskatchewan, that the dividends that this government took as well, will no longer accrue here; they will accrue to shareholders beyond the borders. It could easily mean that 45 per cent of all those dividends will be leaving the country — 45 per cent of those dividends could be leaving the country.

If we took the years '80 and '81, when the company paid a hundred million dollars in dividends, if we're saying that 45 per cent is held outside the country, well that's \$45 million gone — gone — from the Saskatchewan economy into someone else's economy, be it the Government of India or shareholders in Japan or Chicago or wherever.

In that way, the privatization of the potash industry, I think, will parallel what we've seen happen out at . . . with the privatization of Sask Minerals — control and benefit leaves the province.

Now again, I point out that Sask Minerals, like the Potash Corporation of Saskatchewan, Sask Minerals paid royalties, taxes, and dividends, Mr. Deputy Speaker, and dividends. And we recognize that the Sask Minerals corporation is very small, is very small when compared to the Potash Corporation of Saskatchewan. Sask Minerals is a small company. But this little company, this little Sask Minerals — and it was developing a resource in Saskatchewan, a resource belonging to the people of Saskatchewan, constitutional right — this little company was able to pay \$40 million, \$40 million in revenues, in dividends, in profits to the people of Saskatchewan — \$40 million from this little Sask Minerals.

Well it's gone now. Now the dividends go to Toronto, now the dividends go to Montreal, and I suspect there are

very, very few shareholders who live in Saskatchewan, in Premier Cdn or Kam-Kotia. So you know the benefit of our resource is now being transferred right from the salt flats out there at Chaplin, right from there down to downtown Toronto.

Now in terms of potash, the proposal is to take the revenue from the resource — zip! — from our earth to the bankers in Japan, and shareholders, and the government.

(0945)

**An Hon. Member:** — How do you feel about your employees' profit-sharing?

**Mr. Calvert:** — Now the minister wants me to talk about profit-sharing. I don't know if the minister has visited with any of the employees — and I certainly have — but, Mr. Deputy Speaker, he likes to talk about . . .

**The Deputy Speaker:** — Order, order. I would ask the member from Regina Wascana to allow the member from Moose Jaw South to continue his debate.

**Mr. Calvert:** — You know, Mr. Deputy Speaker, that the member raises the issue of profit-sharing, and I think that's an appropriate issue to raise in terms of a privatization debate. And you bet I'm in favour of profit-sharing. I'm in favour of sharing the profits of potash with the people of Saskatchewan, I tell you.

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

**Mr. Calvert:** — And I am not, I am not, Mr. Deputy Speaker, in favour of sharing the profits of the resource of Saskatchewan with the Government of India or the Government of China or the Government of Japan or investors in Chicago or wherever. I'm in favour of those profits being shared with all the people of Saskatchewan, Mr. Deputy Speaker.

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

**Mr. Calvert:** — And, Mr. Speaker, I in fact do see wisdom in profit-sharing in an identified company.

The government also seems to like to involve itself in profit-sharing. It likes to involve itself in the profits of others through taxation. It's heavily involved in sharing the profits of individuals in this province with its taxation policies, grabbing as much as it can from the hip-pockets of Saskatchewan taxpayers. So I guess we believe in profit-sharing; we just put a different light on it, Mr. Deputy Speaker.

So what we had in Sask Minerals was a small resource company developing a resource that belonged to Saskatchewan people, employing people, and that was part of the reason that Sask Minerals was begun. It was an employment creation because young men and women were coming home from the war in the mid and late '40s and that was an effort to employ some of those people. Sask Minerals, like the Potash Corporation of Saskatchewan, an important employer.

Now what happened with privatization? That's a fair

question to ask. Employment is important. It's extremely important in our province. Well we've seen job loss; we have seen job loss out at Sask Minerals. There are fewer people working there today than there were when it was a publicly held company.

Mr. Deputy Speaker, I extrapolate that to the potash industry. A privatized potash industry very likely, Mr. Deputy Speaker, will employ fewer people than does the Potash Corporation of Saskatchewan. You see the bottom line, Mr. Deputy Speaker, the difference here, the bottom line for the private owner is profit. That's understood. We understand that; everyone understands it. The bottom line for the private company is to return a profit to their shareholders.

Their bottom line is not to consider social good, not to consider the good of the community in the province in which they operate. That's not their first priority. Their first priority is profit. That's fair enough.

Contrast that to a publicly owned company whose first priority is to serve the people who own the company, i.e., the people of the province. And you get quite a little different set of values, Mr. Deputy Speaker, quite a different set of values and therefore quite a different kind of management and organization, so that employee concerns and consistency in employment becomes a major issue for the corporation, and not just a minor issue that can be excused because of the need for greater profit. So with Sask Minerals, Mr. Deputy Speaker, we've seen job loss. We've seen job loss at Chaplin, and I predict that that's a fairly decent guide to suggest that we're going to see job loss if in fact this government gets away with privatizing our potash industry.

Mr. Deputy Speaker, we can look at other privatizations and we can see some of the same things happening — job loss, loss of revenue to the province, and I think it will be important, as the people of Saskatchewan consider this Bill, that they review the activities of this government in privatization, what has been accomplished, and what has gone so drastically wrong, to know what we can expect from this piece of legislation.

Mr. Deputy Speaker, I want to move on because I think it is important as well for us to be very seriously concerned, because obviously we're going to lose some revenues. If we privatize potash we're going to lose revenues. I mean, that's just patently obvious. A company that in two years, '80 and '81, paid a \$50 million dividend to the treasury won't be paying that dividend any more, and I think it's extremely obvious that we're going to lose some of that resource, some of that revenue, and we need to consider what that money is doing, and we need to be considering: well, how is it going to be made up?

Mr. Deputy Speaker, I would like to digress for a moment, and I don't want members opposite to jump up on their feet right away. I want to link this very closely with the debate under hand. But, Mr. Deputy Speaker, when I arrived home last night I had a note on my counter from a constituent of mine, a significant constituent of mine, actually — my wife. And it was good news, Mr. Deputy Speaker, because I'm just going to tell you what was on the note; nothing private here.

On the note it said, mark on your calendar — referring to me — mark on your calendar Greenwater, December 27 to 30. That's what the note said. Now, Mr. Deputy Speaker, I don't know if you have ever travelled to Greenwater Provincial Park. If you haven't, I recommend it; it's a marvellous park.

I knew it, I knew it . . . I knew he'd be on his feet, Mr. Deputy Speaker, the member from Weyburn . . .

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

**Hon. Mr. Hepworth:** — A point of order, Mr. Speaker, under rule 25(2). I would fail to see the relevance of (a) a note from the hon. member's wife about a vacation in Greenwater Park, December 27 to 30, when the item before the House, Mr. Deputy Speaker, is Bill No. 20 relative to the potash debate.

**The Deputy Speaker:** — Are you speaking to the point of order?

**Mr. Brockelbank:** — Yes, Mr. Speaker, I want to speak to the point of order. It's been common courtesy in this Assembly for a long, long time that when a member says he's going to relate it to the subject under discussion, he's given the courtesy of the time to relate it. The member has had about five or 10 seconds to attempt to relate it, and the member for Weyburn is on his feet. I suggest that a suitable amount of time should be given to the member to relate to the subject under discussion.

**The Deputy Speaker:** — Order, order. I've listened to the point of order. I've listened to the points made by the member from Saskatoon Westmount. I've been sitting here listening to the debate. I will have to say, though, that the member from Moose Jaw South did indeed indicate he wanted a minute to bring his point into play, and I find the point of order not well taken.

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

**Mr. Calvert:** — Thank you, Mr. Speaker. And I sincerely say that I'm going to relate this very directly to the Bill under debate as very quickly as I can.

Mr. Deputy Speaker, if you have ever visited Greenwater Park you will know that within the bounds of that park there are a number of log cabins, beautiful log cabins placed in that park for the enjoyment and the benefit of Saskatchewan families. And I can say as one who has more or less regularly had an opportunity to spend a few days each year in one of those log cabins, that it's a marvellous facility, marvellous facility, and it's reasonably priced. It's an opportunity where families can be together at a reasonable price.

Now, Mr. Deputy Speaker, in those log cabins, and if members opposite have visited them they will know this as well, on the mantelpiece of the fireplace, there's a little plaque. And the little plaque in those cabins indicate that those log cabins have been provided with revenues from Saskatchewan resource, that those cabins were provided with revenue from Saskatchewan resources.

And, Mr. Deputy Speaker, primarily, primarily they were

provided with revenues from uranium, potash, oil.

We're here debating a Bill that says we're going to lose those kind of revenues, Mr. Speaker. Do you see, with that kind of revenue we can provide park space, we can provide park space for people. With revenues from potash, from dividends being paid by the potash industry, we can provide park space for people. We can provide the kind of thing that you find in Greenwater park and elsewhere all over our province. opportunities for families, opportunities for families. We can provide for people and we can provide for children, with revenue from potash.

Now why would we want to give that revenue up? Why would we want to do that? I simply do not understand, Mr. Speaker . . . (inaudible interjection) . . . The member from Cut Knife-Lloyd, Mr. Deputy Speaker, can't seem to grasp the argument. It's a simple argument. We have had revenues from potash. I mean, you people, your government have taken millions and millions of dollars in dividends out of potash. Do you deny that? You've taken millions of dollars out of potash. Do you deny that? Do you deny that you have taken millions of dollars out of potash?

Well the fact of the matter is you have, as we did. We did it when the company was strong; you did it when the company was in trouble. We made profits and from those profits took dividends. The dividends that accrued to the people of Saskatchewan could be used for the people of Saskatchewan to be used to create park facilities, for one — park facilities that I've enjoyed, my family has enjoyed; park facilities that hundreds and hundreds of Saskatchewan people have enjoyed, reasonable park facilities.

Now why would we want to sacrifice that, Mr. Deputy Speaker? Why would we want to give that up?

Mr. Speaker, I have here the estimates of spending of this government for the current year. Now let's just say . . .

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

**Mr. Lingenfelter:** — Several times this morning the member from Cut Knife-Lloydminster has been reading something. I'm not sure whether he's repractising his speech or what. But I wonder whether or not you could bring him to order.

There seems to be a direct attempt by members of the government side to make a mockery of this important debate that is going on here. This is a historic debate, not unlike the pipeline debate back in the 1950s, or the debate that went on in 1975-76 on the issue of potash. And I think the intent, the political intent of this government is to make a mockery of the debate.

And the member from Cut Knife-Lloyd persists in reading some document from his desk. And I'd ask the Deputy Speaker, who I know has been watching as well and listening to the second debate going on from his seat, that he would rule on that.

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



**Hon. Mr. Andrew:** — Speaking to the point of order, Mr. Deputy Speaker, the members opposite raise questions about members of this side of the House speaking while the hon. member from Moose Jaw South drolls on. Over the past 100 days, anybody that's been in this House knows that any volume of noise coming out of this House clearly comes from that side.

The hon. member from Regina Elphinstone talks about this historic debate about the pipeline debate. In the pipeline debate the galleries of the media were full with media people. Today and in the last several days or several weeks the media has not even attended the debate and that's how much they put on this as how historic it is.

**The Deputy Speaker:** — Order. I've listened to the point of order and the rebuttal. I do find, however, and I bring it to the attention of all members of the House, that there has been over the last period of days a significant amount of interaction between members. And I ask all members to co-operate and allow the member from Moose Jaw South to continue his speech.

**Mr. Calvert:** — Thank you, Mr. Speaker. At this point in the debate the argument that I'm trying to bring to the debate is simply this. The potash corporation has shown by its history, its potential to contribute vast numbers of dollars to the provincial treasury, to contribute hundreds of millions of dollars in dividends to the people of Saskatchewan through their provincial treasury. When we were government, contributed \$100 million. This government itself has taken from the potash corporation well over \$100 million in dividends. And it's with that money earned by the resource, money that if it's privatized we just don't have any more. No one can say that we will have it because it'll be gone to the new owners, the new shareholders. I'm here just talking about dividends.

What we can do for the benefit of Saskatchewan people with that money is the point at hand. My first illustration was to say that we can build park space. We can build the kind of cabins that were built up at Greenwater with resource revenue.

(1000)

Now it's . . . yes, before perhaps I leave the Greenwater situation, it's my understanding, Mr. Deputy Speaker, that they too shall be privatized along the way. Now, Mr. Speaker, I'm trying to make the case that dividends from resources, dividends from the Potash Corporation of Saskatchewan can play a phenomenal role in the quality of life for Saskatchewan people.

Now I have the estimates here, Mr. Speaker, for instance, in this year. In the year 1989 and '90 the government has budgeted \$67 million, \$67.6 million for school construction, school construction, \$67 million. You see, with \$100 million in dividends from the potash corporation, we could double, we can double almost the number of schools that are built. We can take resource from potash, from the potash corporation dividends, and build schools. That makes good sense to me, Mr. Deputy

Speaker.

I look in the estimates and I note that the entire budget, the entire budget for the Department of the Environment, the whole budget for the whole department is \$11 million — \$11 million. In two years, '80-81, we received \$100 million in dividends from the potash corporation. That's 10 times what we spend on the Department of the Environment in the province. You know, we could almost have 10 times the work being done in the environment, through the Department of the Environment, with that kind of money.

On and on it can go, Mr. Speaker. The whole budget for the Department of Highways this year is \$123 million, all the work we're doing in Highways. If we look in the Department of Health — I turn up the Department of Health — special care services in the province now, that's \$200 million we're spending. That's a lot of money, but half of that, half of that money that we spend for special care needs in our province, appeared in the treasury from two years of dividends from the Potash Corporation of Saskatchewan.

The question is, Mr. Deputy Speaker, if this money is not available to the Government of Saskatchewan, where will it come from? The needs are as real today, if not more real, than they were last year or the year before that, and before that. The demands on government for health care and education are higher.

We have now in this province the new factor of having to pay interest on the public debt that will be a burden on governments for many, many years to come. How, Mr. Deputy Speaker, are we going to meet those challenges if we do not have the revenues of our resources, and particularly the revenues from potash? Because, as has been clearly identified in this debate, it is a resource unlike any other in this province. It's a resource that we can count on for hundreds of years.

Why, why, Mr. Deputy Speaker, when we know the future is going to demand of government greater financial commitments to health care and to education, when we know that a \$4 billion operating debt is going to have to be paid off some day? We simply can't carry this debt burden for ever. And each year now we're paying something in the neighbourhood of 400 million, \$390 million every year just to pay the interest payments in the debt that's been created by this government. Every year it costs us \$390 million just to pay interest payments. How are we going to do that, Mr. Speaker, if we don't have the kind of resources for the Government of Saskatchewan that can come from a publicly owned corporation like the Potash Corporation of Saskatchewan?

Well again I say there are very few, there are very few options for a government. If we sacrifice this source of revenue, if we sacrifice resource revenue, then precisely, Mr. Speaker, where do we get the money to provide the services for the people of Saskatchewan, to provide the health care and to provide the parks and to provide the kinds of services that government needs to provide for people?

Where does the money come from if you don't have the

resource revenues? And obviously this government's not willing to get it through royalties and taxation. And now they want to give up the dividends. So where do we get the money?

Well there's essentially two choices. You can go to the bankers in New York or the bankers in Zurich or the bankers in Tokyo and try and borrow some more. I think that's becoming harder and harder for this government, given the financial situation. You can borrow your way, I suppose, through it, which is what this government has done since 1982, or you can tax individuals.

Now, Mr. Speaker, this government has tended to use a combination of both borrowing and increasing taxes on individuals. But, Mr. Speaker, I submit that that well is soon to run dry. It is not going to be possible for this government or any future government to be taxing people at a greater level than they're now being taxed. People have reached the limit, Mr. Speaker. People have reached the limit on what they can contribute through taxation to the operations of this government.

Since they came to power, just think of the number of taxes they've heaped on. Flat tax — that novel, wonderful idea that we've got in Saskatchewan that doesn't exist anywhere else, this wonderful flat tax that's gone up and up and up. That's right. We've got a sales tax in the province that's gone up. I mean, the commitment was made that it was going to disappear, but in fact it's gone up to 7 per cent. We've had, you know, novel taxes in the province — novel taxes — the used car tax.

And you see all of these taxes trying to replace revenues that have been lost from the resource sector. When you lose the revenues from the Potash Corporation of Saskatchewan, they must be made up, and the options are limited. So this government has chosen: one, to debt finance; and two, to tax. And so we've seen this long list of taxes. We have a new one now trying to replace lost revenues from resource. We've got this new tax called the lottery tax, a tax on charities and lottery players.

Mr. Speaker, the question needs to be answered. If we are willing to sacrifice this kind of revenue, then, Mr. Speaker, where is it going to come from? Where is it going to come from? We either borrow it or we tax it, neither of which, neither of those two options, I think, are appropriate any more. We are way too far in debt already — way too far in debt already, and people are being taxed . . .

**The Speaker:** — Order, order. Now I want to ask the member from Cut Knife-Lloydminster to co-operate. And while there is a certain amount of interaction permitted, I think the hon. member is going perhaps beyond the bounds of what's normally acceptable, and I ask him to co-operate.

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

**Mr. Calvert:** — Thank you, Mr. Speaker. Just to conclude that point, the question is simply this. Where does the money come from to do the things that a government must do and the things that government wants to do? For the quality of life of the people of Saskatchewan, where

will the money come from if we sacrifice this kind of source of revenue for the future and for all time, Mr. Speaker.

Now that's a question, that's a question that people in Saskatchewan are asking, and they're not getting clear answers from their government. And I think it's appropriate in this debate that I should bring to the debate the kind of things that I believe the people of Saskatchewan are saying and the kind of things that I know people of Saskatchewan are saying, having said them to me.

This legislation must be judged in the public eye and it is being judged in the public eye, as is the government, as is their entire privatization initiative. They are being judged in the public eye. And the verdict, Mr. Speaker, is not good on behalf of this initiative or on behalf of the government.

And there are a number of questions that the people of Saskatchewan have about what their government is doing, privatizing the Potash Corporation of Saskatchewan, not the least of which is, why is this their main agenda item? Why is this the first thing they want to put on the agenda day after day after day after day, Mr. Speaker.

Well there are a variety of ways to judge public opinion, to test public opinion, to know what the people of our province are thinking. One of those ways of course is the polling technique. Now rarely, Mr. Speaker, has a national polling firm focused entirely on Saskatchewan to do a poll. That doesn't happen very often. But it happened, Mr. Speaker, in light of this government's privatization initiatives.

Now that's one thing this government has generated, is some national interest, and that's for sure. We get headlines and articles in the Toronto newspapers and we get national pollsters coming to Saskatchewan. They're generating headlines, that's for sure, Mr. Speaker, and giving us national attention.

Well all members are, I think, aware of a poll that was done in this province in early May, a poll that was testing privatization, a poll that was testing opinion about the Potash Corporation of Saskatchewan. It's one way, Mr. Speaker, to test what the people of the province think.

I don't want to at length go through this poll. I think most members are aware of its results; it was conducted by Angus Reid. It polled 806 Saskatchewan residents. It, according to Mr. Reid, reflected the geographic distribution of Saskatchewan's population. A very specific question was asked in the poll about the very Bill that we're now debating, about the Bill to privatize the Potash Corporation of Saskatchewan. The Angus Reid poll asks: what about the privatization of the Potash Corporation of Saskatchewan — do you support or oppose that policy decision.

Now, Mr. Speaker, that was the question put to 806 Saskatchewan residents by a national pollster. The response are as follows. Those who support the privatization of potash, the Potash Corporation of

Saskatchewan, those who support that policy decision are 28 per cent. Twenty-eight per cent of people of Saskatchewan support what the government's doing, according to the Angus Reid poll.

And, Mr. Speaker, that poll was taken way back in early May, essentially before the debate around the issue had started. And I suspect if the poll was taken today that figure of support would be lower because people are coming to understand what's at stake here. And I suspect if that poll were taken today, that 28 per cent would be lower.

But even when it was just sort of an idea, the people of Saskatchewan, less than one-third of the people of Saskatchewan support what the government wanted to do in selling off our potash industry. And as we well know, the opposition to their other privatization initiatives was even a higher opposition. But in terms of the specific question on potash, 28 per cent, that's all they've got for support for what they're doing.

Now, Mr. Speaker, that I find interestingly translates approximately to their support as a political party, understandably, understandably. That's the kind of support they have now as a political party in the province.

Mr. Speaker, we have a government that seems to be bent on pushing this privatization in spite of — in spite of — the opinion of the people of Saskatchewan. Now the Angus Reid poll is not the only polling that's done in the province, and that's for sure, and I think we're all well aware that this government, from its beginning, has existed by polling, by checking out public opinion.

And I am confident they have been polling these past number of weeks and months to find out what the people think about their legislation. And I'm just as confident that their polls are telling them the people are not happy; that the people are not happy with what they're doing; that the people of Saskatchewan think this is a mistake; that it's a poor choice of direction for a government to be following; that it's a tragedy that we'll be selling off this valuable resource. I'm sure, I'm sure their polling is telling them that.

So I am left only to conclude, Mr. Speaker, then, that what we have here is a government that no longer cares about the opinion of Saskatchewan people. It no longer cares about public opinion, that in spite of what the people think, well they're prepared to go ahead and do this.

Now, Mr. Speaker, that again makes little or no sense to me because, you know, it's not that many months or years to the next provincial election. Now why would a government be so arrogant as to go against the tide of public opinion on this issue? It can only indicate . . .

**Hon. Mr. Hepworth:** — Mr. Speaker, relative to polling, would the hon. member permit a question? And perhaps the question would be, Mr. Speaker, that would he share with us the polls . . .

(1015)

**The Speaker:** — Order, order. I don't believe the hon.

member can state the question first. He may ask if the hon. member will entertain a question, then we'll get the response from the member from Moose Jaw South.

Will you . . .

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

**Mr. Calvert:** — No, Mr. Speaker.

Mr. Speaker, there are . . . If the minister is interested in poll results, he only needs to read the *Leader-Post*. I mean, there's no . . . these are not . . . there's nothing secret about these poll results. If he wants poll results, let him read the *Leader-Post*, the May 3 edition.

Here it is, plain and simple, the Angus Reid poll, a nationally conducted poll in the province of Saskatchewan says that 28 per cent, only 28 per cent of the people of the province support what these people are doing. And I don't understand that, a government that's soon drawing near to a need to be re-elected. Why would they so blatantly, blatantly go against the feelings and the opinions of the people of the province they're supposed to represent? It can only be described as arrogance, as a government that is so completely out of touch, and a government that has simply gone way too far in this privatization agenda of theirs, way too far.

Now, Mr. Speaker, polling is one thing. I mean . . . that's one . . . My colleague asks what the number opposed again were. The opposed to the privatization of potash was 50 per cent. Fifty per cent of those polled, exactly half, were firm, firm, firm in their opposition to what the government was doing, and 21 per cent of the people polled were not sure at that point. Twenty-one per cent were not sure. Now I suspect, Mr. Speaker, that if this poll were taken today that those folks who were not sure in May would be sure now, because they've seen what this government intends to do. They've seen that this government . . .

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

**The Speaker:** — The member for Moose Jaw North.

**Mr. Hagel:** — Yes, Mr. Speaker, I would ask that you would bring to order the Minister of Education and the minister for privatization, who both seem to be very sensitive about the comments being made, and interruptive . . .

**The Speaker:** — Order, order. I appreciate the member from Moose Jaw North's concern about interruptions. However, I also do feel that if we raise points of order each time a member opens his mouth we're going to have a lot of points of order from both sides of the House. However, having said that it is in order to once more remind the hon. members not to interrupt the speaker each time you disagree with something he says. I must say that you, too, will have the opportunity to put your views on record.

**Mr. Calvert:** — Mr. Speaker, this poll that was conducted in May is clearly one illustration of the way people of Saskatchewan feel. And I was just, I think to fill out the

picture, and I should have done that initially, to fill out the picture — the polling indicated that 28 per cent of the people, just 28 per cent, less than a third of the people of Saskatchewan support what the government's doing. A full 50 per cent of the people, half of the population of Saskatchewan are firmly opposed to what the government is doing. And at that time, 21 per cent of the people of Saskatchewan were not sure, were not sure about this potash privatization.

But my prediction, my hunch, Mr. Speaker, is if the poll were taken today the 21 who were unsure in early May, I tell you, that figure would be a lot smaller now because now the people of Saskatchewan know, now they know that the government intends to let this resource, to let this corporation slip into foreign hands. And, Mr. Speaker, the people of Saskatchewan are not happy with the thought of their resource, their resource, which returns dividends and revenues to them, beginning to return dividends to other nations.

**The Speaker:** — Order, order. I've been listening to the hon. member, and as I said earlier, by and large he's done a good job of his speech. However, the last while, perhaps because he has spoken a considerable length of time, he's beginning to repeat himself, and I wish to bring that to his attention.

**Mr. Calvert:** — Thank you, Mr. Speaker, I appreciate your intervention, Mr. Speaker, polling is one way to judge public opinion. Now as an individual I'm not prone to trust polls. I just have a thing about that. I'd sooner trust my own conversations . . . (inaudible interjection) . . . I think the Minister of Education agrees with me. Mr. Speaker, I'd sooner trust talking to people; I'd sooner trust talking to people face to face. I'd sooner trust meeting people downtown, meeting people in a service club that I belong to, meeting people door-to-door, as we all do, go door-to-door and meet our constituents and speak to them.

**An Hon. Member:** — Or when you're shopping at the Co-op.

**Mr. Calvert:** — Sure, when you're shopping at the Co-op. That's the public opinion that I'm more comfortable with than polling results. So I want to report to the debate today and to the House what people are saying that I talk to, that I talk to.

One, they are saying, Mr. Speaker — and I think the government should listen if they're concerned about their future as a political party and as a government they ought to listen to this — people of Saskatchewan are saying, all across the province wherever I've been, that this government has gone too far. That's what they're saying. They're saying, yes, we wanted a change in '82, fair enough, and the people got a change.

Now they've seen the change and they say they've gone too far; they've gone too far in this privatization mania; they've gone too far in selling off the resources that we own. And with the potash Bill they've simply gone too far, and therefore it's time . . . Mr. Speaker, they're saying, therefore it's time for a change again; it's time for a change.

They're saying this, Mr. Speaker, and I think these are valid points and valid questions that should be dealt with by government members opposite. If privatization is so good, like, if the sell-off of the potash corporation is sort of the crown jewel of the privatization efforts thus far, if privatization is so good — people are asking this — then how come my taxes have gone up? They want to know that. Like, how come if privatization is so good that my taxes have gone up? And how come if we're selling off the assets of our province, if we're selling off the assets, how come, people ask, that the deficit continues to grow? Like, how can it be that we are selling off the assets and yet at the same time the debt continues to climb?

The people are asking, you know, if privatization is so good how come my taxes have gone up; how come I've seen all these additional taxes put on me? If privatization is working, why is the deficit still climbing? If privatization is working, why are the services that I enjoy and expect and appreciate from government, why are they declining? Now that's a question that people are asking.

Now if, Mr. Speaker — people are asking these questions — if the privatization of the potash company is such a good idea, if it can prove, as the government says it will, why are people leaving the province? Like, why are people leaving the province? People are asking that. If selling off the potash corporation is supposed to build for us a new and marvellous future, then why are people leaving the province? Why are people not accepting that vision?

In a year and a half we've seen 45,000 people who don't believe the argument that the privatization of potash or anything else . . .

**An Hon. Member:** — Four and a half years.

**Mr. Calvert:** — Four and a half years, Mr. Speaker, 45,000 in four and a half years have left the province, net loss. Mr. Speaker, those people are not accepting the argument that somehow privatization is going to build this new future for them in Saskatchewan. That's obvious. They're voting with their feet; they're leaving.

These are the questions, and they're decent questions. Like, if privatization is so good, why do we have unemployment at 10 and 11 per cent? I mean, why do we have one in 11 people out of work in the province? Why do we have a situation where our phone bills and power bills have gone up and up and up; bankruptcies up and up and up; housing starts down, down, down; welfare recipients up?

If this policy of privatization, if this policy of selling off the potash industry is so good, then why are all these other things occurring? Now that's a matter that the government opposite . . .

**The Speaker:** — Order, order. I have to ask the hon. member from Regina Wascana to contain himself. He too will have the opportunity to speak. We can't have an orderly debate if we're going to have constant interruptions. And I'm sure that when your turn comes to

speaking you wouldn't appreciate it if you were interrupted continuously.

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

**Mr. Calvert:** — Thank you, Mr. Speaker. I'm at this point in the discussion attempting to bring to the discussion, not simply my own concerns and questions, but questions and concerns that I, as an MLA, as a citizen of the province, have heard others raise. I've identified two of them, and there are others.

Another question that's very commonly asked, and I think deserves a response, but the people are not getting it. The question is simply this: now why should I be asked to buy shares in something I already own? You see, people understand that that's a rather strange proposition, that a government would come to them and say, now look, this is your company, you are the owners; no one can deny that, but we want you to buy shares. We want you to buy shares. People are asking that question, and it's a good question. Why should I be buying shares in a company that I already own? I cannot provide an answer to that, Mr. Speaker. Again it's nonsensical — it's nonsensical.

The Potash Corporation of Saskatchewan is publicly owned; it's owned by all of the people of Saskatchewan. It's not owned by the members opposite; it's not owned by the government of the day. The government of the day are simply the appointed managers — just the stewards, just the administrators, just stewards, and that changes.

What doesn't change is the ownership, fundamentally, unless we get a government like this. The ownership of that resource and that corporation is held by the people of Saskatchewan. So I think it's a reasonable question that people ask when they ask: why should I buy a share in something that I own? I hear that question quite often, Mr. Speaker, and members opposite perhaps in their remarks will want to address that question.

There's another question, Mr. Speaker, that's very commonly asked about privatization and about the proposed privatization of the potash corporation. People are asking, very sincerely asking: we are selling these assets off; where is the money going? Where is the money going?

They know that we have already sold a vast portion of forest land in this province to Weyerhaeuser, and a mill. They know that we've already sold off Saskoil, Sask Minerals, SaskCOMP. And they ask themselves, and rightly so, if we're selling these assets off at this record rate, just where is the money going? Because obviously, Mr. Speaker, it's not showing up in a reduction in the deficit, and I think obviously it's not showing up in improvements to services, and obviously it's not showing up in lower taxes or utility rates. So the question is, where's the money going?

I don't have that answer, and I think it's incumbent upon the government to explain that, because then the question becomes in regard to the potash corporation: where will the money go? Where will the money go if the potash corporation is sold? That's a very significant issue because we're not talking here about some 15 or \$16

million, we're talking about hundreds of millions of dollars. We should be talking about billions. And if we're selling that resource, it's a very significant question: where is the money to go to if the government is able to accomplish this sale and provide out of the sale hundreds of millions of dollars. I think it's a very appropriate question to ask: where will that money go?

Those kinds of questions, Mr. Speaker, the kinds of questions that the people are asking, the kind of feelings that they have, the opinions that they're expressing, that the government's gone too far and they're left with many questions about the potash privatization and about privatization in general, Mr. Speaker, that has the people of Saskatchewan very, very uneasy, and understandably so, about what the government is doing — very uneasy. And it reflects, Mr. Speaker, it reflects in the people's opinion of the government.

This Bill is not by any means enhancing the status of the government or the Progressive Conservative Party in the minds of Saskatchewan voters. They have dozens and dozens of questions and dozens and dozens of fears. And each of the questions and each of the fears, in my judgement, are appropriately held.

(1030)

Mr. Deputy Speaker, I have not in the course of my remarks touched at all, or at least very, very briefly, on the rationale that the government — or the reasons. Like, why is the government doing this? Because that's, I think, again the bottom question that the people of Saskatchewan are asking. Why is the government undertaking this sell-off of the potash corporation? And because the contributions to the debate thus far from members opposite have been very limited, very limited, we have not been able to, I think, ascertain from the debate thus far the rationale for the selling off of the Potash Corporation of Saskatchewan. And it is a very good question, and it's a question that needs to be responded to by the government opposite.

I can suggest in the debate perhaps four reasons that I can see that the government might want to do this, that might motivate the government opposite to undertake this sell-off of our potash corporation, this privatization, this mania.

One, Mr. Speaker, perhaps it is ideology. Perhaps it is just simple ideology that the Progressive Conservative Party government are so firmly committed, so firmly hidebound to an ideology that all of the economic arguments no longer need to apply, none of the social arguments, none of the public opinion arguments. But that if it's simple ideology that is moving the government on this, an ideology which says every resource, every asset and every activity is better in the private sector, then I guess I can understand that, Mr. Speaker, if that's the rationale.

If we are here working on ideology as the momentum that carries privatization, an ideology that's not made in Saskatchewan, but an ideology that's imported, it may be that the government now is blinded by the ideology and that no argument, no public opinion, no common sense is

going to change what they're doing. Mr. Speaker, I would hope it is not so. I would hope it is not so. I would hope that we're not simply hidebound by ideology across the way and that common sense could prevail, that common sense could prevail, and that we could see this legislation and some other privatization legislation just forgotten.

I would hope that common sense could prevail among members opposite because I believe some members opposite do have a fair share of common sense, but it's not being exercised because somehow the leadership seems to have bought the ideology. I would hope that common sense could prevail, could prevail again in our province, could prevail in this House, could prevail . . . and let's just get onto the important issues facing the people of Saskatchewan and off of this privatization mania, this privatization of our potash industry mania. So it may be, Mr. Speaker, ideology.

Secondly, and I hope again this is not true, but perhaps it is as *The Globe and Mail* suggested, perhaps it is revenge — perhaps it is revenge. And again, Mr. Speaker, just to refresh the memory of members of the House, *The Globe and Mail* editorial which talked about this potash privatization which began with the sentence, "Is this the Waterloo of socialism or the revenge of the nerds? Well, Mr. Speaker, perhaps it is revenge, or perhaps that's a part of the motivation of this government in wanting to sell off the Potash Corporation of Saskatchewan.

We know that the minister now responsible for the potash corporation fought, fought tooth and nail, that the people of Saskatchewan should not have a share, not have a share. And there may be a certain amount of revenge, revenge in what the government wants to do. They're just saying to themselves, well the NDP did it and therefore it's bad and therefore we're going to undo it. It may be just that, Mr. Speaker. It may be that they want to take revenge on a former government.

If that's the motivation, Mr. Speaker, then again it's a sad motivation. It does not take into account the needs of the people of Saskatchewan; it does not take into account the future of the people of Saskatchewan; it does not take into account the treasury of Saskatchewan. If revenge is a motivation, as suggested by *The Globe and Mail* in Toronto, that's a sad motivation.

And again, Mr. Speaker, I would hope, I would sincerely hope that common sense could prevail, and let's not operate a government on emotion. Let's not operate a government simply tearing down because another government built up. I agree with what the Minister of Justice said in Moose Jaw in 1985; it makes no sense for one government to tear down what another government has built. And I would sincerely hope, Mr. Speaker, that this privatization of the potash industry is not simply revenge or even partially revenge.

It may be ideology. Maybe that's the motivation. Maybe it's partially revenge, as *The Globe and Mail* suggests. Or, Mr. Speaker, and maybe this is more practical, maybe this is a way the government feels it can somehow begin to deal with its deficit problems. Now way back in 1985, the Conservative Party, in resolution, was talking about privatization and selling off Saskatchewan assets. And

part of the motivation in the argument of the party was that the government needed some cash, and that one way to raise that kind of cash would be to sell off some assets.

And, Mr. Speaker, that may well be one of the motivations of the government in selling off the assets of the people of Saskatchewan, what they are then trying to do, if that be the motivation. They understand the massive deficit they're faced with; they understand the cash shortage. Everybody in the province I think understands that. And the sell-off, from their point of view, of resources and assets may be one way to try and deal with that cash shortage. But it's not going to work. It simply can't work.

**An Hon. Member:** — Why can't it work?

**Mr. Calvert:** — Mr. Deputy Speaker, why can't it work, my colleague from Regina asks. Well, Mr. Speaker, I have here figures provided by the Minister of Finance. Now these figures come up to . . . the figures that I have were the preliminary figures for 1988. Now the province's . . . at the end of . . . or preliminary figures, the predictions for 1988, the unaudited predictions were that the province's equity at the end of the year would be not a plus, Mr. Speaker, not a plus; the province's equity would be a net debt of \$2.5 billion.

Now let's understand what that means. That's equity. This is not the total debt. This is the equity which, if I understand, Mr. Speaker, if my understanding is correct, equity is what you have left if you pay all of your debts. If you were to sell all of your assets and pay all of your debts, you would come up with what is your equity.

Now the Minister of Finance's own figures indicate that we could sell every asset, we could sell every asset owned by the people of Saskatchewan. I mean every STC (Saskatchewan Transportation Company) bus, I guess we could sell all the mines in our potash corporation, we could sell the whole works of SaskTel, we could sell all of SaskPower. I guess we could sell the Legislative Assembly building and rent it back. We could do that, Mr. Speaker, we could do that and we still would not have raised enough money to pay the debt. We would still be, if we sold every asset we own, be \$2.5 billion in the hole.

So a notion that says that somehow you can sell your way out of debt by selling off the assets of the province is foolishness. It just can't work. And I don't know of anybody in any event who would consider selling the home quarter to pay off debt. I don't think anyone would consider that, and yet that may well be one of the motivations of the government in this privatization of potash, that they think somehow they can raise capital, that they can raise capital to meet their debt and their cash flow payments by selling off assets. Well it won't work. It wouldn't work in a family business, it wouldn't work in a farm, and it won't work for the government.

Because I say again, they can sell every asset we own — every asset — and still not come up with enough money to pay the debt. Now that's indicative, Mr. Speaker, that is truly indicative of the size of debt that has been heaped on the people of this province in the seven short years of this administration — seven long, lean years they are better described — long, lean years. That's indicative . . .

**An Hon. Member:** — It's actually eight.

**Mr. Calvert:** — My colleague reminded me it's actually eight, Mr. Speaker, that is indicative of the debt that's been heaped on the people of Saskatchewan. And selling off assets if not going to cure that problem, Mr. Speaker.

**Mr. Lingenfelter:** — Mr. Speaker, on a point of order. I notice one of the members is using a telephone in the Assembly, and I'm not questioning whether or not that's proper or not. But just for clarification, do the rules of the Assembly allow for cellular phones or for telephone equipment or minicomputers to be used in the Assembly? And I ask this because some of the members on this side of the House have been asking about bringing lap-top computers in to do work in the Assembly.

And just so we're consistent, if it is the rule of the Assembly that we're allowing lap-top computers and cellular telephones into the Assembly and using them, I would just like that to be clear so that all members could have the same use.

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. That's a fair question from the hon. member as to a general rule on these matters. It's not electronic recording device and we should be aware of that.

**The Speaker:** — Order, order. Until we have some indication, either by way of a rules committee or some other mechanism, that these devices will be allowed in the House, then I believe that we should . . . Order, order. Then until that time, I believe we should assume that they're not permitted and follow that rule.

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

**Mr. Calvert:** — Mr. Speaker, I am now, at this point, attempting to review what might be possible motivations for the government to engage in this, what I would describe as a mania of privatization, including now the sell-off of the potash corporation. I'm attempting to, in my own mind and in the debate, discover what could be the motivation and reasons for doing this.

It may well be based on pure ideology, or it may be based on some old hang-up and emotion about revenge and getting back at the former government. I think there's more credibility to the argument that there's somehow a sense that you can sell assets to somehow buy your way out of debt.

But I think the more likely scenario, Mr. Speaker, is this scenario. The government now realizes that within 12 to 18 months it is going to need to go to the people of Saskatchewan in an election. I think they understand that. They might have wanted to go earlier, but I think now they'll want to go next year. In 12 to 18 months they know they're going to have to go to the people of Saskatchewan.

They also know that they are bankrupt, that there is nothing in the treasury, that they are bankrupt. And their style of course in going to the people has traditionally been, you go with some pretty rich election goodies. We've seen that in the past, Mr. Speaker.

Now, you see, that presents a problem because if you want to go into an election with election goodies, you need the opportunity to be able to fund those goodies. Now where can we get — the government asks itself — where can we get the kind of money that we need to fund the next election? Where are we going to find that kind of money? They sort of understand now they can't get . . .

**The Speaker:** — Order, order. I must once more intervene. And as I said earlier, perhaps the hon. member is finding it rather difficult now not to be repetitive, but he is being repetitive, and I'm sure he knows that. I'd just like to ask him to try a little harder not to be.

**Mr. Calvert:** — Well, Mr. Speaker, yes, thank you. Thank you. I will try to be very focused, very focused.

What I'm saying is that the fourth possible, in my mind, the fourth possible motivation for the sell-off of the Potash Corporation of Saskatchewan would be a motivation that says we need to sell the potash corporation off now so that we can garner these several hundreds of millions of dollars into government hands that can then be spent in an election — in an election, as election goodies.

(1045)

Now, Mr. Speaker, if that is in fact the motivation, I tell you, well it doesn't work. And I think that is so short-sighted. Mr. Speaker, that's so tragically short-sighted, that a government would sell this kind of a resource for a quick fix of cash that can be used for an election. Now, Mr. Speaker, that is so short-sighted. And if, members opposite, if that is any part of your motivation, I ask you to consider very carefully what you're doing.

**The Speaker:** — Order, order. It was on that topic, sir, that I interrupted you, and I ask you not to continue along that vein because that was the issue that I interrupted you on. Go to a different argument if you can.

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

**Mr. Calvert:** — Thank you. Thank you, Mr. Speaker. Thank you, Mr. Speaker. Mr. Speaker, I will move along. I will move along.

**Hon. Mr. Hepworth:** — Mr. Speaker, the hon. member has been called to order a number of times on relevance and tedious repetition, not only of his own remarks but of remarks of other members of his party, Mr. Speaker. You have acknowledged points well made by members about that very point. You yourself have called him, while I've been sitting here this morning, two or three times relative to repetition.

And so, Mr. Speaker, I guess I would ask if you would not order then that this member be directed to discontinue his speech under rule 25(2), Mr. Speaker, because I don't know how many times it would take that he has to be called to order if that . . . I think the evidence now is *prima facie*, Mr. Speaker.

**Mr. Lingenfelter:** — I think it's clear when the repetition

of the minister, who has been on his feet probably five times today . . . I just say to you that if there's anyone who's tedious and repetitious in the House, it's that minister who is continually on his feet interrupting our speakers on this side and making a mockery of a very important debate.

My point, Mr. Speaker, is that when the Speaker rises once or twice in a matter of a three-hour speech, I think the indication is that the member is not being repetitious and tedious, and the fact is that it's an excellent speech. And I challenge any of the members opposite who are arriving late in the Assembly to get *Hansard* tomorrow and read the speech given by the member for Moose Jaw South, and what they will find is that it's the most excellent speech that they will have heard in the debate so far.

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

**The Speaker:** — As I have indicated to the hon. members earlier on one or two occasions that by and large throughout most of the morning the hon. member has been confining himself within the rules. However, in the last while, and as I indicated, perhaps because he has spoken at length and it becomes more difficult to not repeat oneself, he has begun to repeat himself. I will not ask him to sit down at this time; I will allow him to continue his speech, but I will also bring to his attention that he must be very careful not to repeat himself.

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

**Mr. Calvert:** — Thank you, Mr. Speaker. Thank you for your guidance in this debate. I can almost set my watch on the Minister of Education though. It was quarter to the hour; it was time.

Mr. Speaker, then to move along to what is a relatively current development in this debate, and I think it is very appropriate to the debate, we have had delivered to the people of Saskatchewan a report, a report produced by the Institute of Saskatchewan Enterprise. Now this report would purport to give an assessment of the performance of the Potash Corporation of Saskatchewan. That's what the report would purport to do. It would purport also to give an independent, non-biased look at the potash corporation and how it has served the people of Saskatchewan, and what kind of a record it has, and so on.

Now the author of the report, I understand, Mr. Speaker — and again members opposite can correct me if I'm wrong — the author of the report, I understand, is a Mr. Arthur Andersen, who I understand serves as an auditor for the private potash industry in the United States. I think that's accurate, Mr. Speaker, that Mr. Andersen is a representative and an employee of, or under contract to, the private potash companies of the United States. I think, specifically, that's Kalium.

Mr. Speaker, I am not indicating that Mr. Andersen's firm is not a reputable firm. I am indicating in this debate that Mr. Andersen has some interest in the private potash industry. I don't think that's any secret, just as the Institute for Saskatchewan Enterprise has some obvious interest in

privatization. I don't think that's any secret to the people of Saskatchewan.

We look at the institute here in Saskatchewan which commissioned this so-called independent study, and what do we have? Well we have people involved with that institute — the boss at Saskoil, Mr. Ted Renner. Now he's part of this so-called, non-biased institute. We have a Mr. Phillips, Roger Phillips from Ipsco, again a member of the institute, purported to be, Mr. Speaker, non-biased. Now I don't know who in the province buys that. I really don't know who in the province could buy that.

So the institute itself, it brings forward a report that is very interesting, Mr. Speaker — a very interesting report — because as I look at the report and what the report finds, if I were the government opposite, I'd want to hide that report, I'd want to keep it from public understanding, because what the report shows, Mr. Speaker, is one thing. It shows that up until 1982, this was a world class, first-class corporation. Following 1982, it's in big trouble. That's what the report says. Those are the figures from the report. Those are the figures from Mr. Andersen's report.

Now of course, as has been pointed out by journalists and others, what the report does not take into account is the management of the corporation. It looks only at figures and, interestingly enough, bases all the figures in 1988 dollars and so on, but it misses a very significant issue, and that's the management of the corporation.

And, Mr. Speaker, I don't know how you can judge a corporation and the performance of that corporation without looking at the management. I simply don't know how that can be, particularly when, in reviewing the life of the corporation, you see something happen about 1982 where there's a major, a major, major shift in the performance of the corporation.

Now we have a report now public that doesn't deal with one of the most significant questions, and that's the question of management. And again, our submission to the people of Saskatchewan is that the problems that have existed in the potash corporation are not endemic to the corporation, not related to potash, but related to the management — to the management.

And now we have a report that would indicate through its figures the very same thing that would, in my view, prove the case that we're making. Because when you have figures pre-1982 that show a company that's stable and growing and paying out dividends, and a company that after '82 is beginning to lose because it's somehow given up on its market share, well that becomes a question of management.

And I think as our House Leader, the member from Elphinstone very appropriately pointed out to the press, if you've got a football team that's in trouble, you don't get rid of the team, you get rid of the management. You get rid of the coaches and the management.

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

**Mr. Calvert:** — If, Mr. Minister, if — Mr. Speaker, I'm sorry — if, Mr. Speaker, the Andersen report indicates



anything, if it indicates anything at all, it indicates we need a change of management in this province and we need it desperately.

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

**Mr. Calvert:** — Mr. Speaker, for me I guess this legislation and any piece of legislation comes down to a very final and fundamental test. There is a fundamental test that I would apply to this legislation, this Bill 20, to any piece of legislation that any government would bring forward. And my fundamental test is this, Mr. Speaker, it's this: does this legislation add more to the wealth of those who already have much, or does it, Mr. Speaker, does it provide for the needs of those who have little?

That's a fundamental question for me. I apply that to every bit of legislation. Does it add to those who already have much, whether the much be financial resources or power or privilege; does it add to those who already have much? Or does it provide for those who have so little, whether the little is financial or whether the little is in terms of rights or power? That's my fundamental test, Mr. Speaker, on this legislation, and in fact on any legislation.

So I apply that then, Mr. Speaker, to Bill 20, to the Bill which would propose to sell off our potash corporation. What happens when I apply this test to this Bill? The Bill fails miserably; Mr. Speaker, this Bill fails miserably.

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

**Mr. Calvert:** — Because this Bill, and indeed the entire privatization initiative of this government, this Bill does nothing but to put into the hands of a few, the wealth of the many. That's what it does. It takes the wealth now shared by the people of this province, all of the people of this province, it takes this resource . . . (inaudible interjection) . . . And the member from Wascana seems to think this is amusing, that his government should be taking resources owned, assets owned by the people of Saskatchewan, transferring those assets into the hands of a few, into the hands of the wealthy, into the hands of those people who don't even live in our country. I guess he thinks that's a good idea, and he will have his opportunity to defend it.

Mr. Speaker, this legislation does not add to those who have little in our society. It takes from them, Mr. Speaker. It takes a resource that is theirs now and transfers that resource into the hands of a few — the wealthy, the rich — people that don't live in our country even, Mr. Speaker.

Let's just conceive of the situation when this legislation is passed and the corporation is about to be privatized and the shares are for sale. Who do you expect, Mr. Speaker, is going to be buying those shares? Do you expect it's going to be the young farm family that are facing huge debt loads, maybe bankruptcy this year or next? Are they going to have cash to be out there buying shares in the potash corporation? Well I don't think so. Is it going to be the person that works for minimum wage in the restaurants and the cafes and the hotel industry and the service industry? Are they going to have money? What about the person that's working part time over at

Superstore and trying to make a car payment and a house payment? Is the worker at Ipsco, is the worker at Ipsco — is the laid-off worker — is that worker going to have money to buy shares?

Mr. Speaker, this is not only economic insanity, in my view it's social insanity. It's social insanity to take those resources which belong to all of the people — the assets belong to all of the people — and to transfer them holus-bolus into the hands of the few. I mean, it's bound to happen, Mr. Speaker. It's bound to happen.

I mean, in the province now . . . I think the member from Regina yesterday said something like about 14 per cent, if I'm right, 14 per cent of Saskatchewan people invest in shares — 14 per cent of adults — we're just talking about the adult population — invest in shares. Now that's 14 per cent of our population that have the resources to invest. And I don't begrudge them those resources. But understand, it's 14 per cent . . .

**An Hon. Member:** — And they only control 1.6 per cent of the shares of Saskoil.

**Mr. Calvert:** — And 1.6 per cent of the shares of Saskoil, as my colleague points out. That's what they control, 1.6 per cent of the shares of Saskoil.

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

**The Speaker:** — It being 11 o'clock, the House stands recessed until 1 p.m.

The Assembly recessed until 1 p.m.