

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. Hagel: — Well thank you very much, Mr. Speaker. It is my pleasure to continue my remarks in the debate on the historic debate that is unfolding in the Legislative Assembly of the province of Saskatchewan.

Mr. Speaker, I have a number of remarks that I will make today, and I will just very, very briefly reiterate the contents I've made to date, not in summative form because I'm not near wrapping up my remarks, Mr. Speaker, but just to bring it up into its proper context.

Mr. Speaker, it seems to me that in this historic debate, which was clearly referred to as historic in the Speech from the Throne, obviously written for Her Honour Lieutenant Governor by the government, that in this historic debate there is the jeopardy which is consistent with the track record of this government that democratic rights and principles shall be jeopardized.

Mr. Speaker, I refer specifically to two items: one, the implied risk of closure, which has been made very clear by the government in a number of ways, which I won't repeat; and also, Mr. Speaker, in the attempt by the government to modify this debate so as to try and make it as narrow a debate as possible.

The government, if it had its way, would limit the focus of this debate, it seems to me, to the efficient production of potash, and that would be the entire focus. However, as was exemplified by the member from Wascana who spoke before me, the debate is a far-reaching one and we must look at it, as we're debating here in second reading debate in principle on the Bill, in its broader context.

And I'd like to again, Mr. Speaker, just simply put that context into focus. It's my view, as we're debating this Bill, that what we're really talking about, the central issue, the debate in principle, or the principle upon which we're focusing is the role of government, the role of government in the management of the economy, as well as the stimulation of an employment environment; and secondly, the role of government in taxation, management of natural resources, and translating those into services for people. And that's what this debate is all about.

Clearly there is a difference of opinion between the government and the opposition. The government, Mr.

Speaker, is obviously of the bias that a potash industry in Saskatchewan that is entirely within the private sector is the model that fits their ideology, and the New Democrats in the opposition, Mr. Speaker, are of the view that the management of natural resources, including potash, are best done in the interests of the people, with a sense of vision for the future and concern for the most important factor, and that being the needs of Saskatchewan people, that the mixed economy model is the one that serves us best now and into the future, and stand in this Assembly in defence of the mixed economy model, keeping both a private and public sector activity in the production of potash in the province of Saskatchewan.

Mr. Speaker, I simply repeat as well that Potash Corporation of Saskatchewan — and I'll be moving to this fairly shortly, actually — but the Potash Corporation of Saskatchewan serves the people well in three direct ways: one, by payment of direct profits from the potash corporation in the same way that a private sector potash corporation realizes profits, so does the Potash Corporation of Saskatchewan, which are then transferred to the Consolidated Fund to lower taxes and provide services for our people; secondly, through the direct payment of taxes and royalties, as do private potash companies, to the Consolidated Fund again; and then thirdly, because of its existence, the impact that that has on requiring that the private potash corporations will pay their fair share of taxes and royalties.

So there's really a threefold benefit in my view; direct profits; direct taxes and royalties; and the impact it has on causing private corporations to pay their taxes and royalties to the Consolidated Fund. All of this is effective if it's properly managed, and I will be making a case this morning as well, that the commitment to proper management under the PC government is less than inspiring and certainly less than effective for Saskatchewan people.

We were looking as well, Mr. Speaker, and I won't repeat again in detail — it's been pointed out a number of times here before by other debaters as well — that the role of potash in Saskatchewan, an abundant natural resource with a predictable, approximately 4,000-year supply to meet needs at current levels of use in the production of fertilizer for the production of goods . . . or foods, I should say, in our world. We have the richest resources in potash here in Saskatchewan, richest in all of the world.

And, Mr. Speaker, it's been made abundantly clear by many speakers before me that the revenues realized by the province of Saskatchewan from our natural resource, potash, prior to the existence of the Potash Corporation of Saskatchewan, were miniscule indeed, in fact averaging in the neighbourhood of about \$2 million a year in taxes and royalties.

Since the creation of the Potash Corporation of Saskatchewan coming on stream in 1976 following another historic debate some 13 years ago — it will be 13 and a half years ago, Mr. Speaker — then we saw a dramatic increase that following the first five years of actual functioning of the Potash Corporation of Saskatchewan from 1977 to 1981, that the average rate of

payment of taxes and royalties in the potash industry jumped from \$2 million a year to nearly \$200 million a year — \$197 million a year to be exact. That's clearly a dramatic impact on the realization of return from our natural resource of people of Saskatchewan.

Mr. Speaker, we then took a look at some of the impacts, social impacts of natural resource management, including potash management. My view, as we enter into this debate on privatization of potash, is that we can't look at that without considering it in its broader context. It's also my view, based on the facts as provided by this government, that certainly have to be considered a measure of the level of hope and optimism that people of Saskatchewan have in the future in Saskatchewan.

We've reviewed the out-migration which is probably the most catastrophic statement of loss of hope and faith in the future by Saskatchewan people, and we see that since privatization has become a significant part of the agenda of the PC government going back to 1985. Since that time there have been a net loss of over 45,000 people in the last four and a half years. In other words, Mr. Speaker, more than 45,000 people more have left Saskatchewan than come in in that period of time. And that's really quite contradictory to the pattern of what's going on in population changes in the rest of the country.

We've also been through some very difficult times in employment. And, Mr. Speaker, at this point in time in Saskatchewan we have officially some one in 11 people who are looking for work, actively looking for work, registered as actively looking for work. And in fact, Mr. Speaker, if we were to look at the reality, the combination of out-migration and unemployment, that we would find that if those people who were employable, of employable age — because unfortunately those who have left over 50 per cent, nearly 60 per cent as a matter of fact, are 29 years old or younger — but if we were to look at those who were in the employment market who have been part of our net loss, in fact our unemployment rate in Saskatchewan would be some 14 per cent, equivalent to Newfoundland.

So, Mr. Speaker, without belabouring the point I simply do make the point that the management of natural resources has got to be considered part of the cost, undeniably. There is no other factor, and clearly no other factor in western Canada, that has been distinct, that separates Saskatchewan from the other three western provinces. So clearly, when we look at a phenomenon that's going on that's unique to Saskatchewan, unemployment and outmigration, and we cannot identify any factor that's different from the other prairie provinces other than the ideologically motivated agenda of our government, we have to say, well, maybe that really is part of the problem.

And I also make the case then, Mr. Speaker, that when the government is coming forward in Bill 20, the Bill to privatize the Potash Corporation of Saskatchewan, it is promising Saskatchewan people, not a solution but more of the problem.

And so for both of those reasons I stand opposed to this Bill because I will oppose, number one, an initiative that

promises more of the problem to Saskatchewan people; and secondly, because it is also at the same time a move to eliminate part of the solution as to what Saskatchewan needs to recover, to provide an environment of hope and optimism, with long-term security for our people.

So, Mr. Speaker, that is a very, very quick skirting over the arguments that I've made to date, and when we concluded on Friday evening, I was simply wanting to bring to the Assembly a small number of very specific examples as to just how it is that Saskatchewan people are impacted by these policy decisions, these overriding policy decisions that the government makes. So, Mr. Speaker, I would like to go to that point now and continue in my prepared remarks for this debate.

It seems to me, Mr. Speaker, that when we come to this Assembly and we enter into debate and we bring to the record our statements as to what it is for which we stand and why we stand there, that we all must ask ourselves what is the framework upon which we make policy decisions, we form our policy biases; that as politicians and leaders of our communities within constituencies and the larger community of the province, that we must ask ourselves what are the priorities? How do we determine what is the best route to go?

(0815)

It seems to me, Mr. Speaker, as I look at the impact of what the PC Government of Saskatchewan has done, that they've got the whole chart upside down. It seems to me, Mr. Speaker, that when as politicians we try to make decisions that are in the best interests of Saskatchewan, we have to ask ourselves, who's on top, and then who gets trickled down to?

What we have, Mr. Speaker, from the PC government, as I said, is we've got the chart upside down. It would seem to me, Mr. Speaker, that when we're developing public policy on the top of the chart should be the people of Saskatchewan. That's who's on the top of the chart. That's when we want to make the higher archetypical chart, so to speak, Mr. Speaker, then that's who's in charge. And it's related then to the needs of those people, the people of this province, with a particular bias to those who are least able to determine their own fates, fortunes, and futures, or those who are most vulnerable, that we must ask ourselves is, in the broad sense of government, government and opposition, then how do we respond to those. How do we intervene in the cataclysmic forces of events that would exist if we didn't have a government?

If government has a role to play, then what determines what's most important in that role? I mean, that's a very basic part of the whole question. And if we say that on the top of the chart is the people of Saskatchewan, and it's the needs of those people, particularly the most vulnerable, that we in government have a responsibility to meet and to respond to, then from there we develop policy alternatives, one of which is natural resources and one of which is potash.

Clearly, as we are undergoing the debate on Bill 20, the Bill to privatize the Potash Corporation of Saskatchewan, we must then say not what is the big business ideological

biases of the members opposite, of the Government of Saskatchewan, but we must say, what are the needs of the people of Saskatchewan, the people at the top of this chart? And from that we must then develop our policies in management of resources, and particularly potash.

Clearly, when you look at it that way, Mr. Speaker, given that the Canadian constitution provides to Saskatchewan people, as to the people of any other province in this country, the natural resources that fall within our borders, it is totally correct that we should look at those natural resources then as a resource to provide services for people in the way that's most cost-effective to people or, in other words, within the tax system.

And so we must say then that in order to respond to the needs of people, we will therefore develop a resource management policy that provides the maximum revenues to meet those needs, because that's what's most important.

What the PCs have done is reverse that chart, Mr. Speaker. They said, down at the bottom of this management chart are the people. The people are the ones that get trickled to; some would suggest trickled on, Mr. Speaker. And, Mr. Speaker, it seems to me that what we have going on here is a philosophy, a philosophically or ideologically motivated decision.

We have a government which has said, there is a Potash Corporation of Saskatchewan, and so let's look at that and put that at the top of the chart. They've also then said, we are right-wing Tories; we believe that the free market system shall be the be-all and the end-all in determining policy. And it doesn't matter what the consequences are on people, really doesn't matter what they are on even those who are most vulnerable in our society, because, you see, we're Tories, and we're right-wing Tories and we believe that the private sector is the only sector, contrary to the New Democrats who believe in a mixed economy — private sector, public sector and co-operative sector in harmony.

We have the PC government who said, there's one; to what degree we have to put up with those other two as we're trying to eliminate them — and that's clearly been part of this agenda — we will, but we'll work to eliminate them because there is one. It is the free, the unfettered free enterprise system where market-place demand is the be-all and the end-all, the only criteria that is used to make government decisions.

And because we believe that, therefore, we have this public sector potash corporation which is not at this point in time a private sector corporation, and so the solution is simple; you make the public sector corporation a private sector corporation — why? — because then it will be a private sector corporation, and we believe that that's the way it should all be. And it's no more complicated than that, Mr. Speaker, no more complicated than that.

And it's for that reason that I say, as I enter into this debate, that what we've got going on here is an initiative that is motivated by blind political ideology, blind political ideology without an understanding of the consequences of the impact of the policy decisions. Because you see,

Mr. Speaker, as I will refer to in the very specific terms based on historical development of potash revenues, Potash Corporation of Saskatchewan, we have a decision being proposed by the PC Government of Saskatchewan today that says we're going to make the ideological decision even though we know that the impact that that will have on Saskatchewan people in terms of revenues to our Consolidated Fund to provide services has to mean higher taxes and lower services.

But the most important thing of course is the ideology; the ideology, the political ideology is the motivating factor. And of course, Mr. Speaker, the impact, because of this approach, the management of natural resources and our economy, leadership, and employment creation has produced the predictable — a rash of increases in taxes: flat tax; sales tax increase; gas tax, highest ever; used car sales tax; since removed; bingo lottery tax. PC initiatives while they're making the potash decisions, and then cuts in health care services, reductions in highways, and social services as well.

And just to be specific, to make the case that people are impacted by these kinds of natural resource management policy decisions, I bring some examples so as not to be accused of making wild and rash statements. I don't want to be accused of making them radical statements there, Mr. Speaker. It's important when entering into debate that we be able to document our cases, and I don't want to do that *ad nauseam*, but do want to make the point clear, and I think it is clear. I get particularly concerned, as I said, when I look at the impact of a policy upon the most vulnerable of our society, which I said previously has got to be the A-1 criteria by which we make decisions.

Mr. Speaker, just by way of example then to support that, and referring to the social assistance rates, which is the way that our government chooses to deal with the poorest of its poor citizens, those who are dependent upon the social assistance plan in order to make ends meet, and it's catastrophic, Mr. Speaker.

While we're going through what our government advertises as tough times, all the while denying that they've got anything to do with the creation of those tough times, we find that the poorest of the poor, the recipients of social assistance are bearing the brunt, as a matter of fact, proportionately to a larger extent than most of the rest of our society. What an odd way, what an odd way of having a government respond to the needs of its citizens, particularly its most vulnerable.

Just by way of example, Mr. Speaker, a single person who was classified as fully employable in 1981 received \$580 per month on social assistance. In 1989 this same person received \$375 per month, an actual numerical loss of \$206 per month. But when you factor in the 43 per cent inflation that's gone on since that time, as a matter of fact in real terms, in 1989 dollar terms then, that single employable person has an income of \$367 less in 1989 tough times than in 1981 good times.

Mr. Speaker, then if we look at a single parent with two children, a common combination for people who are receiving social assistance in our province, in 1981 a single parent with two children receiving social

assistance had \$916 a month to live on, to make ends meet. In 1989 this family is actually receiving . . . actually receiving less, actually less in straight numerical terms — \$900 a month, for a loss of \$16 per month. But when the inflation factor is worked in, Mr. Speaker, in order to make these figures realistic, we find that the single parent with two children is meeting the needs of that family with \$403 a month less in real 1989 dollars — less than in 1981. That's the reality.

Mr. Speaker, just for the third and final example, if we take a look at what's happened with a couple with two children who have become dependent on social assistance in order to make ends meet . . . And that's far too frequent an occurrence in this province, Mr. Speaker, because there are people, there's a whole new generation of people who are receiving social assistance who, a short number of years ago, never considered it beyond . . . never considered it in their wildest dreams that they would ever become social assistance recipients, who have lost their employment, gone through the cycle of applications for unemployment insurance, had that run out, and have had to turn to social assistance as their only way to make ends meet.

Mr. Speaker, the couple with two children in 1981 received \$1,391 a month. In 1989, \$1,384, for a loss of \$7 per month, numerically. However, again the reality is much more severe than that because when we factor in inflation of some 43 per cent, we find that that family of four, Mr. Speaker, two adults and two children, in 1989 dollars, in reality is trying to make ends meet with \$602 a month less — \$602 a month less from the province of Saskatchewan.

So, Mr. Speaker, I bring those to the attention of the Assembly simply to make the point that when governments make policy decisions about natural resources, including potash, it has implications on people.

The most important line on the organizational chart of the province of Saskatchewan is the people at the top. And in terms of the role of government, our responsibility is particularly to those who are most vulnerable we see, at least in part, because of the natural resources policies of this government, are paying the price, and unfortunately some of those paying the biggest price are those who are most vulnerable and the poorest of the poor.

Now we can move along then, Mr. Speaker, to another category and to bring one example, and that being the family income plan. Mr. Speaker, because the New Democratic Party government of the 1970s believed in a full employment policy, and as a matter of fact had a track record, a very proud track record, particularly as compared to the PC government since, of having full employment in our province, and also because the New Democratic Party government believed that the working poor, those who are working but working for a low level of income, should not be a family combination in which the children pay a price because of their parent's inability in order to make ends meet even though they are working, the New Democratic Party government of the '70s introduced the family income plan, FIP.

(0830)

Mr. Speaker, the thing that's interesting to note is that even though that program was introduced in the '70s, it's had only one minor change since the PC government came into power in 1982, and in fact it has become more difficult in realistic terms for families to receive assistance.

Just in a nutshell, a family that is working, has low income, is eligible for a family subsidies to a maximum of \$100 per child per month for the first three children, and \$90 per month for each additional child. Mr. Speaker, the family would receive the maximum benefits if their income is something less than \$10,320, and if they have a family income of over \$17,054, the ability to receive that benefit disappears completely.

Now, Mr. Speaker, since coming to office, the benefits per child have not increased during the years of mandate of the PC government, not increased by a single penny. No, I'm mistaken, Mr. Speaker; they have increased by \$10 per child. What has not increased by a single penny is the income level — the income level at which a family qualifies for absolutely no assistance whatsoever.

And then, as a result of that, Mr. Speaker, what that means is that even though it was also the case back in the 1970s, today in 1989 under a PC government, a family that has an income of \$17,054 per year, that would be a working family with three children, will receive absolutely no benefit whatsoever — no benefit whatsoever — even though that was the same cut-off point that existed in the 1970s.

Interestingly enough, Mr. Speaker, the StatsCanada poverty line for a two parent family with three children is \$25,952 for a family living in Regina or Saskatoon; 22,549 in a Saskatchewan city with a population of less than 30,000. And so we see that under a PC government, a family of two adults and three children that has an income of 5,000, and depending on circumstances, as much as \$9,000 less than the poverty line, is receiving no help from their provincial government in order to make ends meet.

And again, for the working poor as well as then the poorest of the poor, what we see is the consequences of a government which has made some distinct natural resource policy decisions. And I note the member from Regina Wascana finds this humorous, and it's beyond me to understand just why someone would find this reality — because it is a reality — why somebody would find this humorous is very difficult for me to grasp.

Mr. Martin: — On a point of order, Mr. Speaker. I'd like to point out, Mr. Speaker, to the member for Moose Jaw North that I'm not laughing at him — I'm not even listening to him. I'm reading a cartoon in the *Toronto Globe and Mail* which I find a hell of a lot more stimulating than the kind of stuff that he's putting . . .

The Speaker: — Order, order. First of all I'd like the hon. member to withdraw and apologize for his remark. The hon. member indicated . . .

Mr. Martin: — I apologize, Mr. Speaker.

The Speaker: — Secondly, I've listened to the hon. member's point of order and I would just say this, that when hon. members refer to activities of other hon. members in the House in a public way, I do think they should be careful and accurate in what they say, and we'll leave it at that.

Mr. Hagel: — Thank you very much for that ruling, Mr. Speaker. I don't think it requires any comment from me. The member has made his explanation as to . . .

An Hon. Member: — He explained he's reading a cartoon this morning . . . (inaudible) . . .

Mr. Hagel: — . . . as to what he's doing.

Mr. Speaker, when conducting debate here, I was pleased to have listened very carefully to the words of the member from Regina Wascana when he spoke just previous to me.

And one of the things that I appreciated about his speech, as I've said several times through my comments while entering into debate, is that he took the broader perspective, looked at the privatization of the Potash Corporation of Saskatchewan in its broadest terms, in terms of the total impact in Saskatchewan's society, which I think is the proper approach. I listened very carefully to his words to try and understand them. I found I didn't agree with much of what he had to say either by way of presentation of facts or conclusions, but I did appreciate that he did take that approach and welcomed his intervention into this debate in that manner.

So I will proceed, Mr. Speaker, and I'm sure that all members in this Assembly will be attempting to listen to comments made by members on both sides in order to make an important decision on this very historic issue.

Mr. Speaker, we've also seen the impact in other significant ways that affect people's lives in the province of Saskatchewan. We've also seen cuts in educational services that have affected access to universities through imposition of higher tuition rates and limitations as to enrolment as a result of cut-backs and funding to universities. We've seen cuts in programs and in fact, in some cases, actual eliminations of programs from the technical studies, post-secondary technical studies. We've seen very, very significant reductions in access to student loans and particularly bursaries become virtually non-existent now under this government.

And also at the local level, we've seen cut-backs in school funding which have led to dramatically increased property tax rates having to be charged by school boards who are having their provincial fundings reduced.

And so again, Mr. Speaker, without going into detail, in many ways people's lives are being distinctly impacted upon because of policy decisions, natural resource management policy decisions by the PC government.

Just as a brief aside, when we're looking at the effects on education and the combination of increases in tuition fees, cut-backs in the student loans, elimination of

bursaries, limitations on the enrolment numbers, Mr. Speaker, what we also see ourselves doing is moving back in history as well. Part of the right-wing agenda that I believe is a major part of the motivation behind the privatization agenda that results in — for example here, the privatization of the Potash Corporation of Saskatchewan — what we see is that people in Saskatchewan, particularly young people then are having more and more difficulty getting into education, and we're moving in a dangerous direction. We're moving back towards an era where post-secondary education becomes a . . .

The Speaker: — Order, order. I've been listening to the hon. member's remarks and, quite frankly, the hon. member is getting quite far, quite far off the topic, and he's going to have to get back on the topic. As I indicated earlier, it's not an opportunity for members to engage in a wide-ranging discussion of overall government policy, and, sir, that's what you're doing, and you're going to have to get back on topic and it's your responsibility to do so.

Mr. Hagel: — I thank you for your ruling, Mr. Speaker. Let me then simply conclude that point — and I don't want to belabour it, as I said — by saying that the impact, I think, of these kinds of natural resource policy decisions has led us in a direction that conscientious people would not want to see, where education, post-secondary education is increasingly becoming . . .

The Speaker: — Order, order. Now I've asked the hon. member to get back on the topic and not so simply reiterate what he was already saying, and I'm going to do it once more, and I'm going to expect that he will do just that.

Mr. Hagel: — Thanks, Mr. Speaker. Well let me move along then, Mr. Speaker, to the history of the Potash Corporation of Saskatchewan. There are a large number of details that should ought to be brought to this debate related to the history of the Potash Corporation of Saskatchewan. And its impact that it's had on Saskatchewan government and Saskatchewan people I think becomes explicitly clear when we look at the facts as to what's happened with potash, and particularly in the era since the creation of the Potash Corporation of Saskatchewan in 1976.

Well what has been that history? Mr. Speaker, I'd like to take a look at that in the context of the Potash Corporation of Saskatchewan when being managed in New Democrat government years and when being managed in PC government years, and I think the comparison is really quite startling.

Mr. Speaker, when did this all begin? I think we have to go back to 1975-1976 then. I've talked previously about some of the history of potash prior to that time, but let me move specifically to the PCS (Potash Corporation of Saskatchewan) era then. I referred previously to an historic debate which took place some thirteen and a half years ago. And at that time, Mr. Speaker, second reading debate on the Bill, brought to this Assembly by Premier Allan Blakeney and the New Democrat government, took place over some 120 hours. It was considered an historic debate at that time, and is now, as I believe is the one in

which we're involved right now.

Who led the opposition? Who led the opposition to the formation to the Potash Corporation of Saskatchewan? Well, Mr. Speaker, when we go back and check the records of *Hansard* of that time, which interestingly enough involved the reading of long dissertations into the record by opposition members in that debate, we find that one of the strongest voices in opposition to the formation of Potash Corporation of Saskatchewan was the member from Qu'Appelle, a Liberal member, the same individual who is currently the member for Qu'Appelle-Lumsden, now a PC. It's not permitted for me to enter names into the record, and I shan't for that reason, but I find it kind of interesting when I look back at that debate of 1976 in which the opposition, made up of PCs and Liberals, strongly opposed then on ideological grounds, the bringing into existence of a publicly owned Potash Corporation of Saskatchewan — owned by the people of Saskatchewan, as a significant actor in the whole world of creation of taxes and royalties to be used in the service of the people of Saskatchewan.

The member for Qu'Appelle-Lumsden, the current Minister of Finance, the current minister responsible for Bill No. 20, an Act to privatize the Potash Corporation of Saskatchewan, was one of the strongest resisters to the bringing into the existence of the Potash Corporation of Saskatchewan, and so, Mr. Speaker, is there any mystery just as to why we are here today where we are?

(0845)

When you put the fox in charge of the chicken coop, Mr. Speaker, the fox has an inclination to eat the chickens. Mr. Speaker, when you put the individual, the former Liberal-cum-Conservative, cum-PC, who was one of the strongest opponents of bringing into its very existence the Potash Corporation of Saskatchewan, when you put that minister, when you put that member as minister in charge of the Potash Corporation of Saskatchewan, would you expect that that member would want to do anything other than get rid of the corporation that he fought so hard to see in the first place.

And so what we're seeing, Mr. Speaker, I think, is a combination of right-wing ideology along with the motivation of the member for Qu'Appelle-Lumsden to find a little vengeance to even the score, so to speak, for debate that he was on the losing side of back in 1975 and '76. Well that's the reality, Mr. Speaker, and when I look at the actors involved, it comes as no great surprise to me that the member for Qu'Appelle-Lumsden is bringing forth this legislation to transfer to the private sector through the privatization of the Potash Corporation of Saskatchewan.

Mr. Speaker, there was another Liberal in those days who strongly opposed the bringing into existence of the Potash Corporation of Saskatchewan as well. Now he too had a similar experience. He had, I don't know if it would be an awakening or if he had an enlightening — maybe what he had was a little case of political opportunism. Perhaps it was a case of political turncoatism. But there was another Liberal. Along with today's Minister of Finance, the

member from Qu'Appelle-Lumsden, there was another Liberal who strongly opposed the bringing into existence of the Potash Corporation of Saskatchewan. I refer of course to Colin Thatcher, the member for Thunder Creek.

He became, like the member from Qu'Appelle-Lumsden, he became a born-again PC. He saw the writing on the wall. He saw that the tides, they were a changing, that the Liberal Party was fading and the PC Party was becoming the right-wing option in the political agenda in the province of Saskatchewan. Being a man of his convictions, he decided to dump his Liberal Party, having been led by his father, and along with the member from Qu'Appelle-Lumsden, to make the switch, to join the PCs.

Now these were highly principled decisions. I would assume, Mr. Speaker. And along with this opportunity, both of these Liberal-members-cum-PC in 1982, both interestingly enough, Mr. Speaker, were appointed to the cabinet of the Government of Saskatchewan.

The Speaker: — Order. I'd like the hon. member to relate that as well to the topic and include it in his remarks and relate it to the topic.

Mr. Hagel: — Thank you, Mr. Speaker. Both of these members have taken . . . But the point I'm making, if you . . . Just hang on, Mr. Speaker. We'll get there. But in order to let you know where I'm going, both of these members . . .

The Speaker: — Order, order. I'd just like to point out to the hon. member that the relevancy of his debate must always be evident and not something he's going to get to, eventually. And therefore when he raises the remarks and points, they must always be relevant and clearly understandable that it is relevant.

Mr. Hagel: — Mr. Speaker, let me dash ahead to my conclusions and then come back and make the case again.

What we have going on in this initiative brought forth by the Government of Saskatchewan is two things: the consequence of an ideological approach to the management of natural resources; and secondly, I believe at least in part, a vindictive response to a position that was taken in the historic debate of 1976.

As I said, there were two key actors in that whole debate, one of whom is with us today, one of whom is the minister presenting this Bill to this Legislative Assembly. In fact the member for Qu'Appelle-Lumsden, as you go back and read the *Hansard* from that debate, Mr. Speaker, was very acidic in his criticism of the PCs of the day for not resisting the Bill to create the Potash Corporation of Saskatchewan strongly enough from his point of view. And that's the summary of what you see when you read through those debates.

But along with him was a partner of his in the Liberal Party who went through the same political experience. He became a Tory because he was a man of conviction, he would like us to believe — some would say opportunist — and who along with him, entered the PC cabinet in

1982. In fact Colin Thatcher became the first minister of Energy in 1982, and along with the current Minister of Finance were very, very influential in determining what the PC natural resources management policies would be in the province of Saskatchewan.

Now that member is no longer with us and has taken up residence in another province, Mr. Speaker, and so is not an active participant in this debate today, but his influence in government policy still continues and is a part of what we're seeing here today.

Colin Thatcher was through his actions a very, very strong supporter of a bias expressed by his father, Ross Thatcher, when Ross was the premier of Saskatchewan. Both Ross and Colin very clearly, Mr. Speaker — in fact Ross was quoted as saying, and quoted a number of times as saying that the only thing wrong with foreign investment is that we don't have enough of it in Saskatchewan. That's what Ross said. And Colin's, Colin Thatcher's actions as minister of Energy, and providing leadership to the natural resources policies of the PC government, just fell straight into line. Despite the fact that he had changed parties, the philosophy was still the same.

We saw that exemplified through the percentage of royalties being charged in oil, again another major source of revenue that I won't go into here today. But it was exactly parallel to what happened through revenues realized in the potash industry as well, dramatic increases . . . reductions I should say, in the royalties charged in oil, dropping, without going through year by year, but dropping from some 54 or 56 cents on the dollar royalties on oil under the Allan Blakeney government, to progressively down to today's level where I'm sure the member from Swift Current will correct me if I'm wrong, but some, I believe, 22 or 23 cents on the dollar. And that's been a gradual policy decline in the royalties charged on oil since Colin Thatcher became minister of Energy.

Well Mr. Thatcher expressed his point of view very clearly in this debate back in 1975 and '76. Certainly one thing that one can say for both Mr. Thatcher and the member for Qu'Appelle-Lumsden is that at least they're consistent. I mean, we can criticize based on position and conclusions, but I would give to both of these members credit for the fact that at least in terms of taking a position in opposition and translating that to their policy decisions when in government, that at least they were consistent — wrong, but consistently wrong.

And so, Mr. Speaker, I'd like to quote from *Hansard* of December 22, 1975, when the first historic debate was going on. The member for Thunder Creek, at that time Colin Thatcher, was speaking. And what did he say when entering into this debate then on the bringing into the existence of the Potash Corporation of Saskatchewan. He said, and I quote from *Hansard* of page 1424, December 22, 1975. Mr. Thatcher said this:

I think it would be a very tragic thing if the Government were to use this Energy Fund (which was being proposed as the vehicle to pay for PCS investments and subsequently was, Mr. Speaker).

I think it would be a very tragic thing if the Government were to use this Energy Fund or for that matter any other liquid cash to go into something that (would) . . . not produce one more additional job in potash, (he says) it will not get any increased production. In short, to go into something that is already being done, something that is already being taxed to the limit . . .

Please note, Mr. Speaker, at \$2 million a year revenue from taxes and royalties from potash at that time, Mr. Thatcher is saying in debate it is already being taxed to the limit. How wrong he was proven since that time, after, as I said, in the first five full years of operation of the Potash Corporation of Saskatchewan, the potash industry paid to the coffers of this province \$3 million short of \$200 million a year.

But Mr. Thatcher, in his great insight, shared by the member from Qu'Appelle-Lumsden, the Minister of Finance, the minister responsible for the Potash Corporation of Saskatchewan, asking the people of Saskatchewan to have their corporation piratized in this legislation, he said it's already being taxed to the limit.

In short (then to repeat), to go into something that is already being done, something that is already being taxed to the limit, in fact, I would suggest to you, taxed much too heavily, (he said) . . .

Much too heavily. I mean, in the context of history, Mr. Speaker, I mean, these are unbelievable comments. I don't for a second suggest that the member was being insincere. I think he honestly believed this when he said it, and he proved that he believed it because when he became a cabinet minister he carried out these kind of directives, contrary to the facts and their proven benefit for the people of Saskatchewan, but being extremely consistent with a blind ideologically motivated political agenda.

Now that was consistent. The blind ideological political agenda was consistent in opposition and in government, as it is for the member for Qu'Appelle-Lumsden, the minister responsible for the Potash Corporation of Saskatchewan. Wrong, but consistent, and therefore consistently wrong.

Mr. Speaker, then he says:

In short, to go into something that is already being done, something that is already being taxed to the limit, in fact, I would suggest to you, taxed much too heavily, which undoubtedly accounts for the fact that the expansion has not been to the satisfaction of this Government.

Well he was referring there, Mr. Speaker, then to the difficulties that his father, Ross Thatcher, as the Liberal premier of Saskatchewan had had in getting the potash companies to regulate themselves, to exercise a little self-control in the interest of the industry in the long term, and from the point of view of the people of Saskatchewan

then to manage the natural resources in a way that doesn't become self-defeating and, most importantly, maximizes the return to the public coffers.

So Mr. Thatcher said that he had some concerns about jobs in the potash industry. And as he said, as I quoted, he says that his concern is that this is going to in fact reduce jobs. Mr. Speaker, let me then just take a look for a moment at the employment created by the Potash Corporation of Saskatchewan, most directly its own employees, and what happened in the subsequent years following that historic debate of 1975-76.

Well, Mr. Speaker, in 1976, in its first year of operation the Potash Corporation of Saskatchewan, obviously, was just beginning and had some 418 employees in its first year. In its second year, 1977, the number of employees who worked for the Potash Corporation of Saskatchewan increased substantially as it moved into what would become much closer to full operation, and it had 1,164 employees in 1977.

In 1978, the number of employees at PCS increased to 1,643. To 1979, the number rose again to 1,707; and in 1980, the number increased yet again to 1,944 men and women working for the Potash Corporation of Saskatchewan. In 1981, the final year that the Potash Corporation of Saskatchewan operated under a New Democrat administration in the province of Saskatchewan, what happened to employment at PCS? It rose again, Mr. Speaker, to 2,267.

And so there we see, Mr. Speaker, six years of operation — five full years of full operation — every year the number of employees at the Potash Corporation of Saskatchewan increased.

(0900)

What happened when the PCs came to office then and the fox became in charge of the chicken coop, so to speak? Those who were motivated to oppose the legislation, to oppose the very existence of a people's corporation owned by the people of Saskatchewan — not a majority operator of production of potash, as a matter of fact. By 1981, about 40 per cent, about 40 per cent of the production of potash in Saskatchewan was being done by PCS. All of that production, some of it initiated by PCS, some of it purchasing into existing operations through legislation that entitled, although it never as a matter of fact came to be, but entitled, although it never as a matter of fact came to be, but entitled the Potash Corporation of Saskatchewan to legally require the private sector corporations that were not paying royalties and taxes to entitle the Potash Corporation of Saskatchewan to purchase up to 51 per cent.

Well, Mr. Speaker, after, as I said, seven straight years of New Democrat management, what happened in employment the Potash Corporation of Saskatchewan? It went up every year to a high in 1981 of 2,267 men and women working for the Potash Corporation of Saskatchewan.

Well the fox came in and took charge of the chicken coop, and predictably the trend started to go the other way.

An Hon. Member: — The chicken farm disappeared.

Mr. Hagel: — Yes. The chicken started dropping out of sight, so to speak, Mr. Speaker. A lot of other things were dropping out of sight, but the employees were beginning to decline.

Now see, Mr. Speaker, in 1982 then, the first year that the PCs were in charge of the potash corporation, it didn't change a whole lot, and to be fair, that's probably reflective of the fact that it was going through transition — 1982 provided us some three months of New Democrat government and some eight months of PC government and a month of election. And so it didn't change substantially, but interestingly enough, even in 1982 the number of employees at the Potash Corporation of Saskatchewan did drop slightly down to 2,191, a loss of some 76 employees in 1982.

Well 1983, the PC agenda was being established in the province of Saskatchewan and the number of employees dropped again. This time they dropped down, Mr. Speaker, to some 1,826 — a decline of approximately 350 employees in 1983 lost from the Potash Corporation of Saskatchewan.

There was a bit of a blip in 1984. The number of employees rose slightly to 1,917, but that blip was quickly taken care of in 1985 with a drop down to 1,756 employees. In 1986 it dropped again; it dropped by nearly a hundred more employees to 1,668. In 1987 the number of employees took another whacko, and they dropped another little over 200 employees down to 1,466. And in 1988 they dropped yet again, Mr. Speaker, again by another 200, down to 1,273.

Well if we extend this line, Mr. Speaker, and we go through with the passage of this Bill, I mean, this is what's happened to the number of employees in the Potash Corporation of Saskatchewan while the potash corporation exists as a wholly owned corporation by the people of Saskatchewan. Under the New Democrat government, employment decreased. And obviously if we extend this line, and if this Bill should be passed by this House, then eventually, Mr. Speaker, I think we could expect that eventually that number will drop to zero. There will be eventually no more employees of the Potash Corporation of Saskatchewan as a public corporation.

Well, Mr. Speaker, that seems to respond to the accusation by Colin Thatcher, the political partner of the current minister responsible for the Potash Corporation of Saskatchewan, the member for Qu'Appelle-Lumsden. Birds of a feather they were in 1975-76 in opposing the introduction of the legislation to bring into existence the Potash Corporation of Saskatchewan; birds of a feather they were when moving into the cabinet of the PC government following the election of the PC Party in 1982; and birds of a feather they remain today in ideology, although the former member for Thunder Creek, Colin Thatcher, no longer lives in the province of Saskatchewan.

Well, Mr. Speaker, I'd like to move then to the full potash

story, the performance of the Potash Corporation of Saskatchewan by other measures, under both the PC government as well as the NDP government — the NDP government up until 1982 and the PC government thereafter. It should be pointed out upon starting here as well, Mr. Speaker, that the total investment to purchase the Potash Corporation of Saskatchewan assets in the years of the New Democrat government was some \$418 million. That's what was invested into the Potash Corporation of Saskatchewan, in PCS.

I point out as well, because it is frequently misrepresented in this Assembly and outside by members of the PC caucus here with us today, it is frequently represented that somehow that was money that was taken out of the Consolidated Fund or it was taxpayer money that was put into that. Not a single penny, Mr. Speaker, as a matter of fact, not a single penny of taxpayer money was put into the purchase of the assets of the Potash Corporation of Saskatchewan — not a single penny.

It was a self-liquidating debt that was brought into being as the vehicle for payment, with not a single penny of the Potash Corporation of Saskatchewan investment or operation being drawn from the taxes collected from the people of Saskatchewan by its government — not a single penny.

So let's keep that in mind. When we look at the returns to the people, these are not returns that are based on the people having made an investment through their taxes. The returns certainly did help to either reduce taxes or increase services or, more accurately, a combination of both. But those taxes paid by the people of Saskatchewan, not a single penny of those taxes collected went into the purchase and the operation of the Potash Corporation of Saskatchewan.

So let me first of all make that point very, very clear, and also, Mr. Speaker, point out that by 1981 the profits earned by the Potash Corporation of Saskatchewan, as a matter of fact the profits earned, as a matter of fact, had been equivalent within six years of operation, five full years of operation — but you know, let's be fair, six years of operation — the original investment had been received, had been returned in profit by the corporation, had been recouped.

Well, Mr. Speaker, then let's take a look at year by year what happened with this Crown corporation that the member for Qu'Appelle, the Minister of Finance, the minister who has difficulty on election years coming within \$840 million of the deficit of the PC government, this one of the best business minds of this government made up of the best business minds of the PC Party; the same minister who was a violent opponent to the introduction of PCS in 1976, and who is now, this very same member, bringing forth the privatization of the Potash Corporation of Saskatchewan.

Let's take a look at something that may be difficult for the Minister of Finance to get a grasp on, because he does have difficulty with numbers; that's been a proven part of his history. But let's take a look at the numbers, the cold, hard numbers and the performance of the Potash Corporation of Saskatchewan and how it served, most

importantly, Mr. Speaker, because profits are not the be-all and the end-all.

Profit for the sake of profit for a government venture is irrelevant. It's what you do with it that counts. And as I said before, how you contribute directly to the Consolidated Fund to pay for the expenses of operation of a government through profits, through taxes and royalties, and also how you require then or how you influence the payment of those taxes and royalties by the private sector corporations to the Consolidated Fund, that's the significant factors.

Those are the numbers that count when we say, how in the world does the Potash Corporation of Saskatchewan serve its people. It's the degree to which it helps to keep down taxes and provide services.

So what happened? What are the numbers on a year-by-year basis under the New Democrats who were committed to making this thing work; the New Democrats who believed then and believe now in a mixed economy? And what are the numbers under the PCs who are committed to not making it work and who do not believe in a mixed economy, but who believe in the sole existence of a private sector economy and want to move the Potash Corporation of Saskatchewan into that sector? What are the numbers?

Well, Mr. Speaker, in 1976, that was the formative years of the Potash Corporation of Saskatchewan. You wouldn't expect a whole lot in the first year. Quite frankly, not a whole lot did happen. However, it was not nothing either. Keeping in mind, Mr. Speaker, keeping in mind, as I said, that prior to the existence of the Potash Corporation of Saskatchewan, taxes and royalties being paid from the potash industry were averaging only in the neighbourhood of \$2 million a year, in its very first year of existence, Mr. Speaker, the Potash Corporation of Saskatchewan paid a million dollars in taxes and royalties it earned a corporate profit of some \$540,000; that year paid no dividend to the general revenue of the province.

In its very first year of existence when it was just a miniscule little corporate entity with some 418 employees, in that first year even, Mr. Speaker, paid a million dollars in taxes and royalties to the province of Saskatchewan.

In its second year of operation, and we get a sense here too, because I will review at the same time the number of employees so we get a sense of the corporate activities of the Potash Corporation of Saskatchewan growing as well. And as these were changing, Mr. Speaker, then they were reflecting the growth potential and the growth activity of the corporation under the bias of a New Democrat government. They were also reflecting, Mr. Speaker, the objectives as seen by the Allan Blakeney and the New Democrat government of that era that the people shall benefit from this corporation.

Mr. Speaker, in its second year, 1977, the Potash Corporation of Saskatchewan had corporate earnings or profit, after taxes and royalties, of \$1,120 million. But look at this already, Mr. Speaker. In its second year, and

again I repeat, in the context of there being some \$2 million a year from the potash industry being paid in taxes and royalties to the province prior to the existence of PCS, in its second year of operation, its first full year of operation with 1,164 employees, Mr. Speaker, the Potash Corporation of Saskatchewan paid \$16 million in taxes and royalties — \$16 million in taxes and royalties — the Potash Corporation of Saskatchewan alone.

I think the fact alone makes my case. I'm not going to stop there, but that fact alone makes my case. When you look at the fact that prior to the existence of PCS the potash industry in its entirety was paying to the province of Saskatchewan to keep down taxes and provide services for our people, with a special emphasis on the most vulnerable of our society, some \$2 million a year for the entire industry, in its first full year of operation PCS contributed \$16 million — eight times that amount — PCS alone, in taxes and royalties.

Some Hon. Members: Hear, hear!

(0915)

Mr. Hagel: — Now, Mr. Speaker, to quote one of the car companies that advertise on our television: that's performance; that's performance, Mr. Speaker.

What caused that, what caused that to happen? I'll tell you what caused that to happen, Mr. Speaker — political will caused that to happen. Political will caused that to happen because there was a government of the day that believed in the people of Saskatchewan. There was a government of the day, the Allan Blakeney government of the day, that believed that the natural resources within our boundaries and below our soils belong to the people of Saskatchewan and should be used for the benefit of the people of Saskatchewan.

There was a government of the day, Mr. Speaker, that believed that the potash industry in this province was not paying its fair share and was not serving the people of Saskatchewan. It responded, Mr. Speaker, to that industry which refused to pay its taxes and royalties, which refused to open its books, which refused to be regulated in this extraction of potash from the province of Saskatchewan.

It responded by saying, that's not good enough; those deposits of potash do not belong to you, they belong to the people of Saskatchewan. You've gone too far and we're going to change that, and in its first full year of operation brought eight times taxes and royalties from the Potash Corporation of Saskatchewan, as compared to the totally private sector dominated situation that had been in existence before.

Mr. Speaker, that's performance motivated by political will of the New Democratic government led by premier Allan Blakeney back in the 1970s.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Well, Mr. Speaker, it got better — it got better. I mean, it's hard to believe that within a year one

little old publicly owned Potash Corporation of Saskatchewan, within a year, can pay eight times the taxes and royalties to the people of Saskatchewan as the entire potash industry did before — that's hard to believe.

But you know what, Mr. Speaker? It got better. And it got better because again, there was political will to make it work. You see, when you manage something and you're committed to making it work, oftentimes it does. When you're managing something that you would like to see fail, oftentimes that does too.

And in the 1970s we had a government here in Saskatchewan which operated from a principle that I've described, maximizing the return from our natural resources to the people of our province, that believed in that principle, that saw the Potash Corporation of Saskatchewan as a vehicle to make that happen, believed in it, and they made it work.

In 1978, in its third year of operation, the Potash Corporation of Saskatchewan, after taxes and royalties, was becoming more profitable by a corporate measure, as well, Mr. Speaker, and in 1978 turned a corporate profit after taxes and royalties of \$24,720,000 — not a bad profit on investment. That was after taxes and royalties, as I said, Mr. Speaker, and in 1978, in light of the fact, in light of the fact, Mr. Speaker, that in 1977 PCS had paid \$16 million in tax and royalties compared to \$2 million a year for the entire industry.

Unbelievable as it may seem, in 1978, Mr. Speaker, the Potash Corporation of Saskatchewan more than doubled, more than doubled its contribution through taxes and royalties to the consolidated fund of the people of Saskatchewan; 1978 — \$35 million in taxes and royalties paid to the province by the Potash Corporation of Saskatchewan.

And this is what our Premier refers to as an albatross. What an albatross? If we could only be inflicted with more albatrosses like this in these days of PC management, Mr. Speaker. We need some more of these albatrosses is what we need.

So let me review because this is . . . Mr. Speaker, it's almost hard to believe it's so dramatic; it's so dramatic what has happened by the Potash Corporation of Saskatchewan and its service for Saskatchewan people. Prior to its existence, \$2 million a year from the potash industry in taxes and royalties. In its first partial year of existence as a tiny little potash corporation with 418 employees, \$1 million in taxes and royalties alone.

In 1977, in its second year, in its first full year of operation, up to \$16 million, Mr. Speaker. And then in 1978, with about the same number of employees — we're talking the same size corporation here, 1,643 employees in 1978 — more than doubled it again. Up to \$35 million a year, \$35 million a year in taxes and royalties from the Potash Corporation of Saskatchewan, this tiny, little, publicly owned, people's potash corporation. That's dramatic. That is dramatic in its benefit for the people of Saskatchewan, Mr. Speaker. In my view, what should be happening all the time, at long last was starting to happen in 1977 and '78 and thereafter.

Well, Mr. Speaker, it may seem difficult to believe, but in 1979 it got even better. It got even better for the people of Saskatchewan. Hard to believe, but it's true. In 1979, as I said before, 1,707 employees, an increase of some 64 employees — a slight growth, not a large growth — still basically the same corporation, Mr. Speaker. In 1979, after taxes and royalties, this people's potash corporation, which, Mr. Speaker, should be assumed is no more or less efficient than the private corporations — one would think that the private corporations would know what they're doing; I'll leave that for others to decide, but no strong reason to believe that the Potash Corporation of Saskatchewan was significantly more or significantly less efficient — and so presumably, Mr. Speaker, this is a good indication of what was going on in the potash world for the private sector corporations as well. In 1979, Mr. Speaker, the corporate profits of the Potash Corporation of Saskatchewan jumped again to \$77,960,000 after taxes and royalties.

What were they paying in taxes and royalties in 1979, Mr. Speaker? What was this albatross paying to the people of Saskatchewan, this albatross that was the replacement for the \$2 million a year that were being paid, taxes and royalties, by the completely private sector corporations, nine out of 10 American companies, prior to the existence of PCS — what was this albatross doing in 1979 for the people of Saskatchewan?

Mr. Speaker, this corporation that in its first year paid \$1 million in taxes and royalties; in its second year paid \$16 million in taxes and royalties; in 1978, its third year, paid more than double of that, \$35 million in taxes and royalties with only a slight increase in its number of employees, some 60 more employees — in 1979, Mr. Speaker, in 1979 this albatross, that the Premier calls it, this albatross paid \$58 million in taxes and royalties to the province of Saskatchewan.

What an albatross! What a weight around our neck! This is what we were being saddled with if you listen to the philosophy of the members of the PC government, if you listen to the bias of our Minister of Finance who miscalculates budget deficits by \$840 million in election year, the minister responsible for the corporation — we are to believe that this is the price we're paying for this social democratic economic model of the mixed economy.

What a price we're paying. Because the price we're paying is that the people of Saskatchewan, instead of being forced to take \$2 million from the private corporations . . . \$2 million a year in taxes and royalties prior to the existence of PCS, the people of Saskatchewan are now being forced to accept \$58 million a year from Potash Corporation of Saskatchewan alone — from the Potash Corporation of Saskatchewan alone, in 1979.

And I will come later, Mr. Speaker, to the impact that this had on the private sector as well, because some equally dramatic things were happening there too. I'm not talking about the whole potash industry, I'm talking about just the performance of one little old publicly owned Potash Corporation of Saskatchewan. That's all I'm talking about.

Well, 1980 was another year in the life of the corporation, Mr. Speaker. In 1980, believe it or not, it got better again.

An Hon. Member: — Better?

Mr. Hagel: — Better. This albatross just kept growing. This albatross kept laying golden eggs it would seem, Mr. Speaker. And it was serving the people of Saskatchewan well. Yes, this is the albatross. Oh, how did this social democratic economic institution serve the people of Saskatchewan. Oh, this is terrible stuff, this social democratic creations, Mr. Speaker, these albatrosses, because they hang around our necks and they cause the private corporations to make less profit, and they force the people of Saskatchewan to receive more income, and they force the people of Saskatchewan to pay lower taxes, and they force the people of Saskatchewan to receive better services. Oh what an albatross this is! What an albatross. An albatross, yes.

Oh, Mr. Speaker, it's an albatross if you're motivated by blind political ideology, if you don't believe in effective government, Mr. Speaker, effective, where the people come first, where the people are at the top of the organizational chart. If you don't believe in that says the corporations, especially the big corporations, the friends of the PC Party, their needs shall come first, and whatever happens to the people is what trickles down around them, if that's where you're coming from, Mr. Speaker, oh, this is an albatross.

Well what was this albatross doing in 1980?

An Hon. Member: — It wasn't addressing the high interest rates . . .

Mr. Hagel: — Well, Mr. Speaker, the member from Wascana wants to enter back into debate. He wants to enter back into debate, and we'll welcome him back into debate. And I will listen carefully, if he enters back into debate, as I did the first time he entered into debate.

And he'll have a chance, Mr. Speaker, if he enters back into debate, to tell the people of Saskatchewan how this albatross that in 1980, that in 1980 turned a corporate profit . . . Now let's keep in mind here what's happening, Mr. Speaker — \$418 million investment by 1981, total. In 1980, after taxes and royalties, corporate profits for PCS of \$167,450,000 in 1980 alone on this \$418 million investment.

Oh this is surely an albatross, Mr. Speaker. This is surely an albatross. Now how did this albatross do? How did it serve the people of Saskatchewan in 1980? Mr. Speaker, in 1980 the Potash Corporation of Saskatchewan alone — not the entire potash industry, but the Potash Corporation of Saskatchewan alone paid in taxes and royalties to the people of Saskatchewan some \$90 million — \$90 million in taxes and royalties in 1980 alone.

You know, prior to bringing into existence of the Potash Corporation of Saskatchewan, using the policies of right-wing government led by Liberals and Conservatives — guess there weren't any Conservatives since we had

potash; can't be unfair there — but the right-wing agenda brought us \$2 million a year in taxes and royalties. It would have taken 45 years for the entire potash industry to pay what the little old Potash Corporation of Saskatchewan itself, all by itself, with 40 per cent of the production of potash in Saskatchewan, paid in one year. Forty-five years it would take in the private sector alone to pay what the people's Potash Corporation of Saskatchewan provided in one year — \$90 million.

It was decided that that year as well, that year as well . . .

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

Mr. Martin: — Mr. Speaker, I think if you check the Friday night's *Hansard* on page 3089, you will discover that what the member from Moose Jaw North is speaking about now he's said, not only several times this morning, but he also said several times on Friday night. So if you'll check the *Hansard*, page 3089 of Friday night, I think you'll find that there's a serious duplication going on here, a repetition.

(0930)

The Speaker: — Of course, without having an opportunity to look at it, and I will look at it at my time, if that in fact is the case, and I'm going to check it further, I'd just like to bring to the attention of the hon. member that of course that type of repetition is not permissible. If he is using the argument of the figure . . . using the figures to develop a new argument, well of course the same thing can be used to develop new arguments; otherwise it's out of order.

However I'm simply saying that the hon. member should not engage in tedious repetition without actually checking the actual *Hansard*. I'm not saying he is . . .

Mr. Hagel: — Thank you, Mr. Speaker. I appreciate that, and I'm sad to bring to the attention of the Assembly that the member from Regina Wascana is wrong. You will verify that as you check, Mr. Speaker, because I was not dealing on Friday evening when I spoke in this Assembly, entering into this historic debate, Mr. Speaker, was not dealing with the performance of the Potash Corporation of Saskatchewan at that time.

Now I understand the member may not be used to working quite this early and . . .

The Speaker: — Order, order. I believe that the hon. member should simply get on with his remarks. This reference to members during remarks simply causes more problems in the House. Let's just stick to your remarks. The matter has been dealt with, and drop it.

Mr. Hagel: — Well, Mr. Speaker, I thank you for that. I welcome the attention of members opposite to the remarks that are being made. It's a good sign, Mr. Speaker. It is a good sign. You see, Mr. Speaker, people of Saskatchewan are concerned about this debate. You see, the people of Saskatchewan, although they may not know the exact numbers, they certainly are aware of the pattern of what happened under the record of the Potash

Corporation of Saskatchewan, comparing New Democrat years to Conservative years. So they will be paying attention, although I don't for a second believe that the people of Saskatchewan are in massive numbers glued to their televisions for the entire course of this debate.

There will be times, of course, that many will, but they won't necessarily follow the entire debate listening to every minute of every member over the entire course of it, which is just beginning, Mr. Speaker.

And I welcome very much the attention of the members opposite. It will be reflective of the attention being given by the people of Saskatchewan and is encouraging to me, because I do have some optimism that there will be some members, particularly those who do not sit along the front benches, and included in that of course is the member who indicated that he was listening, that there will be some who I believe will understand the facts as they come to know them.

I don't for a second . . . I doubt, Mr. Speaker, that anyone in the PC caucus office or PC caucus, for that matter, I doubt that anyone has taken a single piece of paper, as I have here, and summarized the performance of the potash corporation and circulated it to their members prior to speaking. If that happened, Mr. Speaker, they would have a difficult time coming to the conclusions that they've been coming to so far, and so I very much do welcome the attention received.

I very much appreciate that some of the members opposite want to know and understand what the Potash Corporation of Saskatchewan did when it was being managed within a political framework that believed that it could work, and what it did when it was being managed within a political framework that did not want it to exist.

Now there may be, as a matter of fact, Mr. Speaker, some members on the government side who are concerned about people. I don't for a second believe that the only members who came to this Assembly motivated to serve people well sit on this side of the House. That will be true for a large number, and perhaps even all members on government side, Mr. Speaker.

It's with that that I have a bit of note of optimism that when they understand the facts, and as I said, I don't believe that their front benches and certainly the Minister of Finance, the minister responsible for the Potash Corporation of Saskatchewan, has not been circulating to the PC caucus the profit and tax in royalty and dividend figures for the existence of the PCS, as not a single one of them has worked it into his speech — not a single one, which is kind of difficult to understand, Mr. Speaker. It's difficult to understand how you can be a member in this Assembly coming to debate whether a Potash Corporation of Saskatchewan should be sold off or not; it is difficult to understand how you can enter into that debate and make no reference to its performance.

Well let me correct that. I do understand it. It's difficult to understand how you'd do that if you were engaging in fair and honest debate motivated by concerns for the people of Saskatchewan. I do understand why you'd do that if

you're motivated by blind political ideology where you start with your conclusion and then you just kind of wander from there.

An Hon. Member: — . . . disregard the facts.

Mr. Hagel: — There is a saying, Mr. Speaker, don't confuse me with facts; my mind is already made up. And I think, Mr. Speaker, that aptly describes the perspective taken by the government members opposite in this debate on the privatization, or more accurately, the privatization of the Potash Corporation of Saskatchewan.

So having said that, Mr. Speaker, and hoping that the member from Wascana and others will get a clearer understanding of the process that we're going through here, let me go back now to my review of the performance of the Potash Corporation of Saskatchewan, this little old albatross in the words of our Premier, little old albatross that's dragging down the people of Saskatchewan. Pumping money into the public coffers while it's dragging the people down, I guess, is the only way that one can interpret what he's saying.

Well, Mr. Speaker, my train of thought was somewhat interrupted, so let me just repeat those facts to put this into context because I haven't finished my review of 1980 performance of the Potash Corporation of Saskatchewan.

As I said, Mr. Speaker, this \$418 million corporation in 1980 made a corporate profit, after taxes and royalties, of some \$167,450,000. That would be just a little over a third of the cost, Mr. Speaker, was recovered in profit in that year alone, a little over a third. Well in fact, Mr. Speaker, my mathematics is mistaken; it's well over a third. It would be about 40 per cent actually. Well that's quite an albatross; it pays for 40 per cent of itself in one year. That's really dragging the folks down, the people of Saskatchewan. And in addition to that, of course, it dragged the people of Saskatchewan down even further by giving the province \$90 million to provide services and keep taxes down, and that was really hurting the people back home. Mr. Speaker, this albatross was really not serving us well.

But not only that, in the minds in the Premier and the minister responsible for the corporation, not only that, Mr. Speaker, not only that, in 1980 the Potash Corporation of Saskatchewan paid its first dividend, a direct dividend to the general revenue of the province of Saskatchewan of another 50 million — \$50 million.

And remember what I said before, Mr. Speaker. There were basically three ways that the Potash Corporation of Saskatchewan contributes to the benefit of the people. Number one is through payment of direct profit into the public coffers to the Consolidated Fund to provide services and keep down taxes. In 1980 then, Mr. Speaker, the Potash Corporation of Saskatchewan made its first payment, in that regard, of \$50 million.

As I said as well, Mr. Speaker, Potash Corporation of Saskatchewan contributes to the people of this province by paying taxes and royalties directly into the public coffers. In 1980 alone, \$90 million additional into the coffers through taxes and royalties, all the while making

profits in that year equivalent to approximately 40 per cent of the total expenditure of the Potash Corporation of Saskatchewan.

Well, Mr. Speaker, 1981 was another year in the life of the Potash Corporation of Saskatchewan. And again, not a bad year, Mr. Speaker. The corporation is continuing to grow. In 1980, the year I've just finished, it had expanded by a little over 200 employees, up to 1,944; and in the year I'm moving now, it had expanded slightly again by a little over 300 employees, up to 2,267 employees in 1981.

What happened in 1981 to this albatross, in the words of the Premier, this albatross that's dragging down the people of Saskatchewan? Well, Mr. Speaker, in 1981 this albatross, this little old potash corporation owned by the people of Saskatchewan had yet another profit under a New Democrat administration in the province.

If you're a Tory, there is a disturbing trend here, Mr. Speaker, and I have no doubt why the Minister of Finance, the minister responsible for the Potash Corporation of Saskatchewan, has not circulated the facts to the caucus members opposite. I'm pleased to see that they're listening.

There is a disturbing trend if you're a Tory and you believe in blind ideological commitment to the private sector at any cost, never mind the effect it has on people. There is a disturbing trend because it was yet another profit year in a year of NDP administration. After taxes, Mr. Speaker, in 1981 the corporation earned profits again of \$141,721,000.

Now that's got to be disturbing if you're a Tory because in 1981, after having had profits in 1980 equivalent to about 40 per cent of the costs of the operation, the total cost, in 1981 profits again were about a third of the total cost of the purchase of the assets of the Potash Corporation of Saskatchewan. Now that's got to be disturbing because in two years alone you have three-quarters paid for it. Boy, this is an albatross, Mr. Speaker.

You know, when the Premier calls this corporation an albatross and notes how it's run when it's run by a management that believes in it, it's a little difficult to understand how a corporation that has profits equivalent to 75 per cent of its investment, after paying substantially increased taxes and royalties, how this is an albatross. This is a little difficult to understand, Mr. Speaker.

However, the mind of a Tory, committed to blind ideological right-wing policies, is not to be deterred by fact — and it isn't so far — but I still harbour some hope, Mr. Speaker, that as the members opposite understand the facts, that there will be some members over there who will be motivated by concern for the public good and the people of Saskatchewan and who, in understanding the facts, may change their mind and change their position and maybe exercise a little bravery and courage, maybe even inspired by the member for Qu'Appelle-Lumsden and Colin Thatcher, who both were Liberals when this debate took place before, and both of whom became PC cabinet ministers, maybe inspired by their political leadership. There may even be some members over there,

Mr. Speaker, who will see the writing on the wall and who may see that there is some sense in, number one, opposing this legislation, particularly when it's being put forth by a government with no mandate, and a government whose time is fading fast.

That's my hope and optimism, Mr. Speaker, is that there will be some . . . that there are some on that side motivated by concern for the people of this province who will understand the facts and who will act with conscience as we come to a vote on this legislation some time down the road.

(0945)

Well, Mr. Speaker, as I said, 1981 was again not a bad year for this little old publicly owned Potash Corporation of Saskatchewan. Nearly \$142 million in profits, but a third of the original investment, the total investment — that's profit after taxes and royalties, Mr. Speaker — \$71 million in taxes and royalties was paid from the Potash Corporation of Saskatchewan alone, from the potash corporation . . .

The Deputy Speaker: — Order, order. I've been listening to the debate of the hon. member from Moose Jaw North, and I believe that some of the debate the member is entering into now has already been brought up this morning, the same debate, and I would ask the member to move on, in his debate on the issue of the Potash Corporation of Saskatchewan, to some new ideas and some new debate within the potash debate.

Mr. Hagel: — Mr. Speaker, I will continue with my presentation of the facts. I started out by saying I would present . . .

The Deputy Speaker: — Order. Is the member challenging the Chair? It's been brought to the attention of the member for Moose Jaw North that much of the debate, and going back to debate from the potash corporation from 1981, 1982, and the facts and the figures have been brought into the debate on numerous occasions before. And this morning I'd just ask the member to not be repetitive but to move on into the debate of the potash corporation, bringing in some new facts.

Mr. Hagel: — Mr. Speaker, each year is a new fact, and I will continue to present them in this debate.

Mr. Speaker, in 1981 the performance of the Potash Corporation of Saskatchewan reflected the political will of the government of the day, the government that was committed to seeing it succeed. And as I said, in addition to the nearly \$142 million in profit, there were taxes and royalties of some \$71 million paid to the province of Saskatchewan — \$71 million.

And let's put that into its context because you see, Mr. Deputy Speaker, the PC members like to blur this. You see, Mr. Deputy Speaker, the PC members don't like to hear these numbers. You see, Mr. Deputy Speaker, when the PC members hear these numbers, they think they're

repetitive. You see, Mr. Speaker, these numbers are different every year and they establish a pattern. You see, Mr. Deputy Speaker, these numbers are substantially different from what existed prior to the existence of the Potash Corporation of Saskatchewan. And I understand, Mr. Deputy Speaker, I understand why it is that the members on that side of the House don't want to hear these numbers, because these are the facts; they've not been told. Not a single member from the other side has made reference to these facts.

In addition then, Mr. Speaker, in addition to the taxes and royalties of \$71 million being paid by the Potash Corporation of Saskatchewan in 1981 alone, there was again, there was a second time — this is new information, Mr. Speaker, this is 1981 — there were \$50 million in dividends being paid to the general revenue of the province of Saskatchewan again — \$50 million to the province of Saskatchewan again.

And so you see, Mr. Speaker, when we look at these in total, we find that for those who were motivated by ideological, blind ideological political agenda the facts of the matter are pretty darn disturbing. And so what we find is that in the first six years of its existence, the Potash Corporation of Saskatchewan, under a New Democrat administration that was committed to making it work and work for the people, had realized profits of 540,000; 1,120,000; 24,720,000; 77,960,000; 167,450,000, and 141,721,000 for a grand total, Mr. Speaker, in its first six years alone, profits of \$413,510,000.

Now, Mr. Speaker, I ask you, I ask the members of this Assembly, I ask the people of Saskatchewan: is that an albatross? Is that an albatross or is that performance?

But, Mr. Speaker, we don't want to get ourselves hung up here on just the profit and loss figure — because under the Tories, unfortunately, it does move to loss — the most significant numbers that we who come to this Assembly must look at are the benefits to the people. It matters not whether a publicly owned corporation is in the black or in the red; what matters is what it's doing in terms of impact for the people of Saskatchewan.

And so you see, Mr. Speaker, there is a startling case to be made when we look only at the taxes and royalties being paid to the province by the Potash Corporation of Saskatchewan itself — only at those. And through its years, what are the numbers?

In its first year, a million dollars; in its second year, 16 million; in its third year, 35 million; in its fourth year, 58 million; fifth year, 90 million; and in its sixth year, \$71 million, for a grand total, Mr. Speaker, in the six years — in the first six years of its operation under a New Democrat administration — payment in taxes and royalties by the Potash Corporation of Saskatchewan alone of \$271 million. Can you believe that?

Mr. Speaker, that is performance.

An Hon. Member: — With a capital P. That spells performance, and that's for you and me.

Mr. Hagel: — Well the member from Regina Rosemont, I

see, is composing some words that I look forward to hearing as well, Mr. Speaker.

Two hundred and seventy-one million dollars in taxes and royalties by the Potash Corporation of Saskatchewan alone, as compared to \$2 million a year by the private potash industry in total, prior to the existence of the Potash Corporation of Saskatchewan.

So you see, Mr. Speaker, even including that first year when it was just a tiny little operation getting off the ground, even in that year, Mr. Speaker, we had an average of nearly \$50 million a year being paid by the Potash Corporation of Saskatchewan alone.

Well, Mr. Speaker, in addition to that, of course, there were two years in which dividends were paid to the general revenues because of profits. Now this is where profits become significant, Mr. Speaker. This is where profits become significant, because profits provide for you the ability to pay dividends to the province. And, Mr. Speaker, in two large profit years there were dividends paid then of \$50 million each or \$100 million in total. And that's, Mr. Speaker, the conclusions that we can draw from the Potash Corporation of Saskatchewan under New Democrat administration committed to making it work.

By the way, just as a brief aside but entirely relevant and exactly on topic, Mr. Speaker, the long-term debt, the long-term debt in 1981 when the New Democrats left office then, of the Potash Corporation of Saskatchewan, was some \$88 million. That's all — \$88 million. And largely, Mr. Speaker, that existed because there had been decisions not to pump all of the money back into payment of the corporation but to provide some benefit to the people of Saskatchewan as well.

So there we have it. Six years of performance under the New Democrat government — \$271 million in taxes and royalties, \$413 million-plus in profits, and \$100 million in dividends, \$88 million in long-term debt.

Well, Mr. Speaker, let us now turn to some yet new information. Let us turn to the PC years. Let's see how the PCs did when they operated what the Premier calls the albatross, this albatross that had caused the people of Saskatchewan to be forced to receive some \$271 million in taxes and royalties over a six-year period as compared to \$2 million a year prior to its existence. Oh, what an albatross that is.

Well how did this albatross, what the Premier calls an albatross, how did this albatross perform under the years of a PC administration?

Well, Mr. Speaker, predictably this corporation that the Premier calls an albatross, when being administered under the jurisdiction of a government that fought . . . made up from a party that fought its very existence in the beginning, it began to perform like an albatross. It began to perform the way its political leadership wanted to make it perform. When it had political leadership, Mr. Speaker, that said we're going to maximize the returns to the people of Saskatchewan from this natural resource which we own by the Canadian constitution, we're going

to use it as vehicle to pay directly into the Consolidated Fund through dividends, pay directly into the Consolidated Fund through taxes and royalties, and will also increase the degree to which the private sector corporations will pay their fair share of taxes and royalties.

That's its existence; it's a means to an end. When it operates as it was intended to operate, and has the political will to make it work for the people of Saskatchewan, it works for the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Hagel: — But when being managed by a government with an ideology that it shall fail, is it a surprise to anybody, Mr. Speaker, is it a surprise to anybody that the albatross starts . . .

An Hon. Member: — To fly a little lower.

Mr. Hagel: — To fly lower, to bounce along the ground.

Well, Mr. Speaker, let's take a look at performance PC-style. We've seen New Democrat performance over the Potash Corporation of Saskatchewan. Let's see how the Potash Corporation of Saskatchewan performed when being directed by the best business minds of the PC Party; when under the leadership of the minister who brought us the most intelligent budget, complete with flat tax; when under the leadership of the Minister of Finance, who in the election year underestimated the deficit by \$840 million and said, whoops, made a mistake; what do you expect? We're Tory politicians.

Well, Mr. Speaker, when being provided that kind of inspired leadership, what would you expect from the Potash Corporation of Saskatchewan? When being led by ideologues who do not understand business, and particularly do not understand business in the public good, who operate from ideology and not putting the people first, the needs of the people first to the top of the organizational chart, Mr. Speaker — this corporation, PCS, performed exactly as you would predict, exactly as you would predict.

Well, Mr. Speaker, and let's keep in mind now, these are the years when the member from Qu'Appelle, now the member for Qu'Appelle-Lumsden, had moved from the opposition benches to the government, having fought tooth and nail the very existence of the Potash Corporation of Saskatchewan; had sitting with him in the front benches of the PC government, Colin Thatcher, Colin Thatcher who had fought tooth and nail the very existence of the Potash Corporation of Saskatchewan; Colin Thatcher who also changed parties to be a born-again Liberal-cum-Conservative; Colin Thatcher who was one of the leading cabinet ministers under the Devine government in 1982 and who has since moved out of the province.

Well, Mr. Speaker, Colin Thatcher . . . the member from Qu'Appelle-Lumsden who has said the only thing wrong with foreign investment in Saskatchewan is that we don't have enough of it. With all but one of the private corporations, potash corporations in Saskatchewan being

American foreign investment in the province of Saskatchewan, we began to see the bias reflected in the way they do things. And is that hard to believe? No, not hard to believe. The foxes are doing what foxes do; they're eating the chickens. The chickens are doing what chickens do; They're getting eaten. You see, Mr. Speaker, it's that simple; it's that simple.

So, Mr. Speaker, let's take a look at PC-style performance, 1982, the year that there was so much more we can be, we were told by the Premier of Saskatchewan. He went on to prove it over and over every year since. The PC government has gone on to prove that there's so much more they can be, and they've proved it by their performance. It's not just empty words, Mr. Speaker, it's numbers, and we can prove them with the numbers.

And what are the numbers? In 1982, the first year that the PC government came in charge of the Potash Corporation of Saskatchewan, did it have \$141.721 million in profits like the year before? No, it was a little lower, Mr. Speaker. They had \$607,000 in profits. Ho ho, now that's performance. That's performance, PC-style.

(1000)

Well, Mr. Speaker, did they have \$71 million? Are these profits, are these profits so low because they're paying high taxes and royalties and pumping up the revenues for the people of Saskatchewan? Is that what it's about? Mr. Speaker, in the first year of the PC government, did they have \$71 million in taxes and royalties paid to the province of Saskatchewan like they did the year before? No, they had \$15.02 million in taxes and royalties paid to the people of Saskatchewan.

Well, Mr. Speaker, then well were they exercising some business sense then? Were they exercising some business sense? Okay, I can understand this. These people come in here; they say, well we're new to government. It took us a little while to find the keys to the washroom; we found them; the plumbing's working good in this place; I wonder what it would be like to govern, and they sit down and try and figure out what they're about.

So let's allow, Mr. Speaker, let's allow for PCs the inexperience that comes with being new, and let's be kind. Let's assume the best. Let's assume they didn't know what they were doing. Let's be kind to them. Let's assume that they weren't doing this on purpose. Let's assume that they were simply naïve, inexperienced, hadn't figured out what they're doing yet.

But these are the best business minds of the PC party, we must remember — the best. Because the Premier told us there's so much more we can be, and these were the people that were going to lead us into the great new future, Mr. Speaker.

So let's assume they didn't know what they were doing. Obviously they're not committed to making Potash Corporation of Saskatchewan work. They paid their \$15 million in taxes and royalties. Had a great big profit; it was \$607,000.

But what did these business minds do then, Mr. Speaker?

What did these great business minds do? Did they say, well it's not been a good year, not been a good year; we've only got \$607,000 profit; we sure haven't done anywhere near what the New Democrats did in taxes and royalties; we really dropped like a hammer there? So what did these great business minds do, Mr. Speaker? Did they say, well this is not such a good year to pay dividends because we don't have profits? Is that what they said? Well no, that's not what they said, Mr. Speaker. That would be too much to expect.

These best business minds of the PC Party, highly dedicated and committed to making this corporation work like a private corporation because them's the best, what did they say? They said, well, we made \$607,000, and out of that we're going to pay \$50 million in dividends.

Now, Mr. Speaker, does that strike you as a little difficult to get 50 million out of 607,000? You've got to squeeze pretty hard. Now this is not an impossible task for the Minister of Finance who made an \$840 million error. Now if you're used to making \$840 million errors in one year, then making an error of 49,400, that's small potatoes, Mr. Speaker . . .

An Hon. Member: — Forty-nine million.

Mr. Hagel: — Forty-nine million, five hundred thousand — my goodness, what is overcoming me? I have a moment of charitable thought about their incompetence. My members on this side remind me that they are a thousand times worse than I'd suggested, and let me correct that.

So, Mr. Speaker, in the first year the PC government, with the leadership of the member from Qu'Appelle-Lumsden, the Minister of Finance who fought against the very existence of PCS; his bench-mate, Colin Thatcher, minister of Energy who fought against the very existence of PCS, of the opinion — great supporters of the Mulroney-Reagan free trade deal — because of this bias that continues today that the only thing wrong with foreign investment is we ain't got enough of it, with this little old people's corporation, the Potash Corporation of Saskatchewan, turning the kinds of profits and paying the kinds of dividends to the people of Saskatchewan that New Democrats did — they said, well, we've got a \$607,000 profit, so let's pay \$50 million in dividends.

Mr. Speaker, there is not a single member on this side of the House who is of the opinion that when you've got \$607,000 in profits, that that's the time to pay a \$50 million dividend. You run this corporation like a corporation. Now that will be an odd notion to these great defenders of free enterprise on the other side.

New Democrats believe that when you run a corporation for profits, and that's what PCS was there for, apologies to nobody, you ran them for profits so that you could pay the benefits to the people of Saskatchewan. And you ran it for profits and you operated it in a long-term profitable kind of way so that it provided long-term security and income for the people of Saskatchewan. New Democrats would not suggest that when you've got \$607,000 in profits, that there's room to cough up 50 million in dividends, I mean,

Harry Houdini, Mr. Speaker, would marvel at the performance of the Minister of Finance who can somehow squeeze 50 million out of 607,000.

Well, Mr. Speaker, that's PC performance. But you know what, Mr. Speaker? That was one of their good years. In 1983, believe it or not, it got worse. Can you believe this, Mr. Speaker? Let me tell you why it got worse. Let me tell you how it got worse. More new facts from another year, Mr. Speaker.

In 1983, the first full year of PC administration of the Potash Corporation of Saskatchewan, what happened in 1983? Mr. Speaker, this one sets 1983 . . . if you think 1982 was weird, 1983 sets the mind aboggle, believe me.

In 1983, let's start with taxes and royalties. The PC-politically directed Potash Corporation of Saskatchewan said, well 1982 was not such a wonderful year; we didn't do anywhere near compared to the New Democrats when they were in office, but we weren't too sure what we were doing. We're in charge now.

Did they even match their miserly \$15 million in taxes and royalties from 1982? Oh, Mr. Speaker, they're in charge. This thing's running the way they want it to now. They've been to the washroom and back a number of times, Mr. Speaker, and they know what they're doing. What did they pay in taxes and royalties in 1983? Potash Corporation of Saskatchewan paid \$10.822 million in taxes and royalties. They said there is no PC performance so poor it can't be underdone, and they proved it in 1983.

Now, Mr. Deputy Speaker, they said, well in 1982, despite the fact that the Potash Corporation of Saskatchewan under the New Democrats had profits of \$413 million in six years, and despite the fact that we had profits . . . never mind the fact that, you know, those silly old New Democrats, those social democrats, never mind the fact that they had an average of \$69 million in profits a year. Never mind that. We are the best business minds of the PC Party. Never mind the fact that the New Democrats averaged, even including the founding year, \$69 million in profits a year and that we somehow managed to reduce that to \$607,000 in our first year, there is no performance so miserable by a PC that it can't be undercut — and they did.

In 1983, Mr. Deputy Speaker, the Potash Corporation of Saskatchewan realized its first-ever loss. The Premier was beginning to establish his argument for PCS being an albatross, and so he was running it to be an albatross. In 1983 the Potash Corporation of Saskatchewan lost \$18.7 million.

Now, Mr. Speaker, they have been in charge for a year. The first year they had very little profit, the taxes and royalties dropped like a rock, and they managed to squeeze a \$50 million dividend out of a \$600,000 profit. How would the best business minds of the PC Party approach this year? Now this is a loss year.

You know, to be fair, they paid nearly \$11 million in taxes and royalties, which by the way is still more than five times what the entire potash industry paid prior to the existence of PCS. So they still had their \$11 million in

taxes and royalties, but now they've got an \$18 million loss. Have they figured out yet, Mr. Speaker, have they figured out yet, when you're losing money, you don't have money to pay as a dividend to the people of Saskatchewan? Have they figured that out?

Well 1983, Mr. Speaker, I mean this is mind-boggling stuff. This will be as hard for you to believe as it is for me. In 1983 out of their \$18 million loss, the PCs squeezed a \$62 million dividend to the general revenues. Now, Mr. Speaker, this is mathematics that even the mind of our Minister of Finance would have a difficult time comprehending although he was part of the action.

You know, Mr. Speaker, you know what's starting to happen. What's starting to happen here is that PCS is not being used as a profitable corporation to bring returns, pay its taxes and royalties, and force the private corporations to pay their fair share of taxes and royalties. It's now become a political entity to be transferred into an albatross. Don't run it like a corporation any more, you run it by your political bias.

And so you see, Mr. Speaker, what's starting to happen here is that the debt of the corporation . . . you can't have an \$18 million loss and pay \$62 million out of your profits. You haven't got any profits, so how do you do this, Mr. Speaker? When you've got losses, how do you pay dividends? It's by going into debt. That's the only way you do it. And so, because of the mismanagement of the PC government led by the Premier, who in January of 1983 went to New York and said to the lenders, Saskatchewan's got so much going for it you can afford to mismanage it and still break even. That's what he said.

And here he was, in charge, mismanaging it, but not breaking even, and because of the general mismanagement of the government who were extracting funds from the Potash Corporation of Saskatchewan that it didn't even have, that it didn't even have. And so is it hard to believe that the corporate debt, the long-term debt of the corporation has now risen? When the New Democrats left office the long-term debt of \$88 million in 1982 rose to \$222 million under the PC administration and in 1983 rose again to \$373 million under the PC administration.

Now, Mr. Speaker, these are the best business minds of the PC Party — the best. Can you imagine, can you imagine if we would have had some of the worst? Well these are the best. These are the bright ones, the ones that were going to lead us into the brave new world because there's so much more we can be, we were told. What's been proven is there is so much more they could be, because, Mr. Speaker, that is performance PC style.

Well 1984, in 1984 things were looking up. In fact, under the PCs they actually had another profit. We're glad to see it. In 1984 the Potash Corporation of Saskatchewan paid \$17.692 million in taxes and royalties. The profit after taxes was \$25.349 million. And, Mr. Speaker, I'm happy to report that in 1984 there was a momentary flash of sanity in the administration of PCS under the PC Government of Saskatchewan. In 1984, Mr. Speaker, dividends to general revenues of the province were \$12 million. And so from a profit of \$25 million, 12 were paid

in general revenues to the province of Saskatchewan, another 17 million-plus in taxes and royalties.

So you see, Mr. Speaker, even in this year, even in this year, run by a PC administration, by bringing in . . . well closer to \$18 million in taxes and royalties and \$12 million in dividends from a profit year, Mr. Speaker — some \$30 million in grand total — while not anything remarkable compared to performance in the New Democrat administration of PCS, was even . . . still compared to the pre-existence of PCS, to the times prior to the existence of PCS, was really still quite remarkable.

(1015)

Because even in this miserable year of 1984, under a PC administration, the people of Saskatchewan benefitted by some \$30 million, just from PCS alone, as compared to the roughly \$2 million per year from the entire potash industry prior to the existence of PCS.

Well, Mr. Speaker, the tale goes on and unfortunately it doesn't look terribly bright for a while. In 1985 Potash Corporation of Saskatchewan paid some \$10.773 million in taxes and royalties to the province of Saskatchewan. However, that year, 1985, under the PC administration, the potash corporation suffered its second loss ever, both of them under a PC government, and in 1985 lost \$68.733 million, in 1985.

Now if there's any good news in this, Mr. Deputy Speaker, and I realize it's a little difficult to appreciate good news from this, at least in 1985 they had the good sense not to jack up the deficit even further by transferring to the Consolidated Fund, profits that they didn't have. This is the first time that the best business minds of the PC Party exercised judgement that came anywhere near close common sense business management of the corporation. Although I don't like to see no payment in dividends to the people of Saskatchewan, at least they weren't paying dividends out of losses, which is a Houdini act at the best of times, Mr. Speaker.

Well in 1986, Mr. Speaker, the trend continued, and we saw the benefits of continued PC management that was just as effective at the potash corporation as it was in government in general. And in 1986, Mr. Speaker, the Potash Corporation of Saskatchewan paid some \$13.309 million in taxes and royalties. Still not bad compared to the fact, as I said before, that prior to the existence of PCS, the total amount of taxes and royalties paid from the entire industry was averaging some \$2 million a year.

So even under the PCs, even when the PCs were trying to run this thing into the ground, Mr. Speaker, it was still doing several times as well as the entire potash industry prior to the existence of PCS. So in 1986, Mr. Speaker, some \$13.309 million in taxes and royalties being paid into the Consolidated Fund of the Government of Saskatchewan. However, it was another lost year for the potash corporation — \$103.4 million loss in the potash corporation, and no dividend paid to the general revenue of course, because there was a loss year again.

Well 1987 was a better year because the loss wasn't so great, wasn't as good a year in terms of receiving taxes

and royalties by the people of Saskatchewan, Mr. Speaker. In 1987 \$12.663 million was paid in taxes and royalties; \$21.712 million loss, and that was performance PC style for the potash corporation of 1987.

Interesting, Mr. Speaker, though that it was by this time now that we're about to see the transfer of the debt which had reached some \$800 million under the PCs. The long-term debt of the Potash Corporation of Saskatchewan was being transferred now holus-bolus — entirely — to the Crown investments corporation.

And, Mr. Speaker, this was intended, this was a move intended in this year to start to make the books look good in preparation for the privatization of the Potash Corporation of Saskatchewan as a debt-free corporation. Never mind the fact that when it was being properly managed by a New Democrat administration, it had at the end of six years, its first six years, interestingly enough, of operation a long-term debt of only 88 million.

By 1987 that had increased under PC administration to an \$800 million long-term debt. And we're now about to see then the transfer of this debt to be paid off. And now I think it can arguably be made, the argument can be made, that this is debt that is being assumed by the people of Saskatchewan. However, I won't . . . that there would be some who would be of that view.

However, the significant factor here, Mr. Speaker, is that the debt is being eliminated from the books, and we're really simply talking about a paper transaction. The debt has been eliminated from the books in order to make the Potash Corporation of Saskatchewan more attractive for its private sale-off which is what this Bill is all about.

Well in 1988 then, if you understand what's going on in the context of preparation for sell-off, then these numbers make sense. And what happens then in 1988, Mr. Speaker, I think there may very well have been some incentive to try and make the Potash Corporation of Saskatchewan look as though it's working as a corporation should work. Perhaps a little more incentive to operate it that way, although the \$800 million debt has been wiped out by the stroke of a pen by the PC government.

In 1988 then, the year before we're into now and the year prior to bringing this Bill to privatize the Potash Corporation of Saskatchewan, Mr. Speaker, the potash corporation recognized its third profit, its third profit out of seven years of a PC administration. Now that's performance PC style. Yes. Six years of straight profits under the New Democrats and three profits in seven years under the Tories. A profit last year than, Mr. Speaker, of \$106 million after royalties and taxes, and the royalties and taxes being \$19.875 million.

So there we are, Mr. Speaker. Let me summarize then the PC years. What's the grand total picture of the PC performance after seven years — seven long, lean years of PC administration? The fox is in charge of the chicken coop, being administered politically by the member from Qu'Appelle-Lumsden who opposed the very creation of the corporation at its inception. After seven years of PC administration of the Potash Corporation of

Saskatchewan, Mr. Speaker, the taxes and royalties of \$100.154 million; total corporate profits of minus \$77.931 million. Or in other words, after seven years, seven long, lean years of PC administration of the potash corporation, it only lost nearly \$78 million. There's more performance PC style.

Mr. Speaker, is this really any different from the way they were managing the general economy and the books of the Government of Saskatchewan as a whole? However, the part that is a little hard to figure out is that during these loss years, there was some \$124 million being paid to the general revenues of the province, therefore increasing the long-term debt of the Potash Corporation of Saskatchewan and assisting the Premier in making his albatross argument by saying it's got debt. The Premier doesn't point out the debt was virtually all accumulated — under PC years.

Well, Mr. Speaker, how does that compare then? We've got six years under NDP administration including the first year which was a formative year, but including that. So let's put the kindest light on this; let's give the PCs the benefit of the doubt; they can use every break they can get, so let's give it to them, Mr. Speaker.

Six years under the NDP, taxes and royalties to the province, \$271 million. Six years under the PCs, taxes and royalties to the province, \$100 million. Mr. Speaker, six years corporate operation under the New Democrats, profit, 413, nearly \$414 million. Corporate operations under the PC years, seven years, \$78 million in the hole, in the red.

Well, Mr. Speaker, that's performance. Is there a clearer statement . . . Can one make a clearer statement about how the Potash Corporation of Saskatchewan has operated under the New Democrat political will to make it work for the people of Saskatchewan, and under the PC political will to create an albatross for the people of Saskatchewan. And so you see, Mr. Speaker, political will very clearly is a very significant part of this whole debate that we're in now. This political will has a great deal to do with results and it's results that we're looking for in the interests of the people of Saskatchewan.

Well, Mr. Speaker, I've said a number of times and not made reference to direct number, and let me do it now. As I said earlier, there are three direct reasons why the Potash Corporation of Saskatchewan serves the people: by bringing revenues to the Consolidated Fund so they can provide services and keep the taxes down. Otherwise you're cutting services and raising taxes, like the Tories, exactly what they've done.

Now from 1965 to '71 under the Liberals, Mr. Speaker, in those seven years, in the entire potash industry in the province of Saskatchewan, the whole works, nine out of 10 American owned, we never had a public owned potash corporation in Saskatchewan. This is the whole banana, Mr. Speaker, from 1965 to '71 under the Liberals, taxes and royalties paid to the public coffers from the potash industry in total, \$15.7 million.

The Speaker: — Order, order. I have been following the hon. member's remarks. He's repeating the arguments

used by other members in this debate. Rule 25(2) clearly states that the hon. member must not only not repeat himself, but must not use arguments of other members. To quote the rule for you:

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

You, sir, have been repeating yourself and you're doing it now. That argument has been used by other members, and I'm bringing it to your attention that you may not continue on that line of debate.

Mr. Hagel: — Point of order, Mr. Speaker.

The Speaker: — What is your point of order?

Mr. Hagel: — Mr. Speaker, would you clarify for me, because this isn't clear to me that . . .

The Speaker: — Order, order. There are no points of order on Speaker's rulings. The rule is clear. The rule states:

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

Now, sir, that argument has been used and put forth by other members as well as yourself. You may not continue in that direction of debate, and I'm asking you either to move to a new topic that's relevant and not repetitious, or I will have to invoke rule 25(2).

Mr. Lyons: — Point of order, Mr. Speaker. I wonder, Mr. Speaker . . .

The Speaker: — Order, order. I am just . . . before the member even begins, the Speaker's rulings are not debatable, and I'm bringing that to your attention. If your point of order deals with my ruling, it is out of order and I will rule it as such.

Mr. Lyons: — I'm not challenging your ruling or debating your ruling. The point I wish to make, Mr. Speaker, is that I've been paying a fair deal of attention to this debate. I just heard the member, I heard the member make an argument regarding the . . .

The Speaker: — Order, order. The debate continues.

Mr. Hagel: — Well, Mr. Speaker, then let me move to the payment of royalties and taxes by the entire potash industry under different administrations, the entire potash industry. I do agree with your ruling, and I do accept that I have dealt with in a fair amount of detail the performance of the Potash Corporation of Saskatchewan under New

Democrat administration and PC.

(1030)

But let me now move then to the payment of royalties and taxes by the entire potash industry combined under different administrations. Because as I had said, Mr. Speaker, before, this is integral to the argument that PCS does provide direct payments to the coffers of the Consolidated Fund through dividends. Payment of taxes and royalties — I've covered that.

But it is also the third vehicle by which the PCS influences those financial resources that come into the Consolidated Fund, is the degree to which the existence of PCS causes the private corporations to pay their taxes and royalties. So when we look at the . . . I'm moving now from PCS to the entire payment of revenues to the general revenues of government coming from potash, and how they compare with and without a PCS and with the PCS that's administered by Conservatives that are not committed to making it work.

In the Liberal years of 1965 to '71, \$15.7 million in a seven-year period was received — \$15.7 million, that's all that came in to the general revenues from potash in its entirety. But in 1976 things began to change then, Mr. Speaker. And I don't need to repeat them. I've gone through the revenues that have been paid by the Potash Corporation of Saskatchewan under the two administrations, the New Democrats and PCs.

But taking the, Mr. Speaker, taking the five years of operation from 1977 to '81, those five years in which the Potash Corporation of Saskatchewan was up and running and functioning in full, \$985 million . . .

The Speaker: — Order. Once more the hon. member is repeating essentially the same arguments used by other members on more than one occasion, I might add, on more than one occasion. Therefore I must once more bring to the hon. member that I cannot permit him to continue his debate in that vein or we will simply have the repetition of arguments used by one member and another member and another member.

Unfortunately that, sir, is what you are engaging in now. You're discussing the revenues for '65 to '71, for '77 to '81, I believe you said, or '80, and from '82 to '86 you discussed that earlier on, and you went up to '88. Those are essentially the same arguments and the same totals, of course — because they must be the same, I assume — used by other members. And you, sir cannot continue in that vein, because if you do, then it's simply every member in this House can stand up and repeat somebody else's speech with a few different words. That's the message in tedious repetition. It's not only your argument, sir, but arguments of other members, and therefore you'll have to move on to another topic that is not repetitious.

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

The Speaker: — What is your point of order?

Mr. Lingenfelter: — On a point of order, I want to ask for

clarification on repeating numbers that have been used by other members.

The Speaker: — Order. There is no debate on the Speaker's rulings. I have tried to make it abundantly clear that essentially the same arguments cannot be used by speakers who follow in the debate. The hon. member's doing that, and I'm simply asking the hon. member to take that into consideration in his continuing remarks.

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

The Speaker: — What is your clarification?

Mr. Lingenfelter: — I would very much like you to clarify your statement made to the member from Moose Jaw North where you said that he was using the same figures as other members. I would like to be able to complete my point of clarification . . .

The Speaker: — Order, order. I have made a ruling. The hon. member is in fact debating the ruling. That is the way I am interpreting it.

Mr. Hagel: — Mr. Speaker, there is another member on his feet, Mr. Speaker. Did you wish to recognize the other member?

The Speaker: — The other member, of course — see what he says.

Mr. Tchorzewski: — Mr. Speaker, I would like to raise a point of clarification. Mr. Speaker, is it appropriate to use statistics and figures to support another argument, even if they are the same statistics and figures?

The Speaker: — Order, order. As I said earlier, I don't intend to debate the ruling, which is essentially what the hon. member's asking me to do. I have repeated my ruling two or three times. I've tried to explain it to the hon. member. It has been clarified that there will be no further clarification, and the hon. member has to take that into consideration. It's reasonable.

Mr. Tchorzewski: — Mr. Speaker, on a point of clarification again.

The Speaker: — What's your point of order? And I trust that it is not . . .

Mr. Tchorzewski: — Different question, Mr. Speaker. Mr. Speaker, I'm raising another point of clarification. I'm asking, is it your position, Mr. Speaker, that you are not required to clarify a ruling which you have made when asked to clarify?

The Speaker: — Well, sir, I have clarified it. I have explained clearly to the hon. member that he cannot repeat himself several times or use the arguments of other members — order, order — to use essentially the same argument, that amounts to tedious repetition. That is clarification, and I believe it's clear.

Ms. Simard: — Thank you, Mr. Speaker. A point of clarification. I have not yet, Mr. Speaker, I have not yet

made my speech . . .

The Speaker: — Order. The hon. members are in effect asking . . . Order. There isn't a point of clarification to begin with, sir. Point of orders on the Speaker's rulings are not in order. I have clearly stated to the hon. member, as clearly as I can, and it is his responsibility. It is his responsibility not to engage in tedious repetition, not to be relevant. It is the member's responsibility . . . Order. The member for Regina Elphinstone, I don't want any interruption, sir. I have made my ruling. That's as clear as can be made. It is the member's responsibility to remain relevant and not to engage in tedious repetition. That is the member's responsibility.

Ms. Simard: — Mr. Speaker, a point of order. What I would like to know is that I have not yet made my speech in the potash debate, and I am intending to . . .

The Speaker: — Order, order. That is not a point of order. Order, order. That is not a point of order. I have clearly indicated the explanation of this rule, and you, madam, will be making your speech, and we look forward to it, under the same rules.

Mr. Gerich: — Mr. Speaker, with leave of the Assembly, I'd like to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Gerich: — Mr. Speaker, through you and to you, and to the members of the Legislative Assembly, I would like to introduce some visitors from the United States. They range from the states of Minnesota, South Dakota, and Iowa. They're here with us in Regina today to visit the Legislative Assembly. They have already visited Alaska, British Columbia, Alberta, the Yukon, and the Northwest Territories, and they're on their way home. I would like to ask the members of the Assembly to please welcome our guests.

Hon. Members: — Hear, hear!

Mr. Tchorzewski: — I would like to, on behalf of the opposition, Mr. Speaker, I'd like to join the member from Redberry in extending our greetings to our visitors from the United States. They have had a long, by the sounds of it, a long trip, and we appreciate very much them coming to drop into our Legislative Assembly and watch the proceedings. We hope that they will have an enjoyable stay in the city of Regina and the province of Saskatchewan, and wish them a safe trip home.

Hon. Members: — Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 20 (continued)

Ms. Atkinson: — Mr. Speaker, on a point of order. Under rule 18(1), it says:

The Speaker shall preserve order and decorum and shall decide questions of order. In explaining a point of order or practice, he shall state the Rule or authority applicable to the case.

Now, Mr. Speaker, on a point of order, I'm having some difficulty understanding your ruling. I have not yet had the opportunity to enter into the debate on the potash Bill. In order for me to enter that debate, I have to have some form of clarification. Are you saying, Mr. Speaker, that we are not allowed to use . . .

The Speaker: — Order, order. You are entering in debate. Madam, what I am saying is what's in rule 25(2). That is what I'm saying. Rule 25(2) clearly indicates — and you have your rule book with you, I believe — it clearly indicates that remarks made by hon. members must be relevant. I'm sure that's clear.

It also indicates very clearly, it also indicates very clearly, I'm going to quote again:

. . . or tedious repetition, either of his (or her — her isn't in there — of his or her) own arguments or of the arguments used by other Members . . .

Well now that is fairly clear and repeated repetition is of course tedious repetition, and this is what we're doing.

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

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

Mr. Lyons: — Mr. Speaker, under 18(1) in the quotation from the applicable rule or practice as applied, I want to, sir, if I may refer you to . . .

The Speaker: — Excuse me, you may not refer me, sir. You are debating my rule. Your point is out of order. Order, order. You are out of order, sir.

Ms. Atkinson: — Mr. Speaker, in terms of your . . . I'm speaking on a point of order. On your ruling a few minutes ago when I asked the question, I'm still having some difficulty understanding, and I need some clarification in order for me to participate in this debate. It's very important, Mr. Speaker, and I'm saying this with sincerity, Mr. Speaker.

The Speaker: — I believe sincerely that the hon. member is saying it with sincerity. However, I must also refer you to rule 117(5) where it indicates:

Hypothetical queries (which is really what you're asking because you're intending to speak, therefore it's hypothetical) . . . Hypothetical queries on procedure cannot be addressed to the Speaker from the floor of the House.

Sorry.

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

The Speaker: — If it's a new point of order, I'll listen.

Ms. Atkinson: — I was not being hypothetical. What I'm trying to get at, Mr. Speaker, is I have not yet had the opportunity to enter the debate. What I need to know is this: can I use arguments, Mr. Speaker . . .

The Speaker: — Order. That, madam, is a hypothetical question. When you speak, we'll be able to deal with it. At this point, that's hypothetical.

Mr. Shillington: — I wonder if I might try . . . and, Mr. Speaker, we're very sincere; we're not challenging your ruling. I've spent over 13 years here, and I'm not sure I understand what you're saying, Mr. Speaker, I had always understood the rule to be that different members might make the same argument, but one cannot repeat the other's argument tediously. But members, in explaining why they're going to vote for or against the Bill, may give the same reasons. It is entirely likely that different members would . . .

An Hon. Member: — Except that they do it . . . (inaudible) . . . times.

Mr. Shillington: — The member from Souris-Cannington adds, if they do it . . .

The Speaker: — Let's leave the member from Souris-Cannington out of the debate.

Mr. Shillington: — That's always been my understanding, the different members may give the same reasons because probably the same reasons apply to two different members, but they simply can't repeat an argument that someone else made more or less in a verbatim fashion, in a tedious fashion, but they can give the same reasons. Is that understanding not accurate?

(1045)

The Speaker: — What I am saying to you, sir, is that members cannot make essentially the same argument. That is the ruling. They cannot make essentially the same argument. That is called tedious repetition either of his own arguments or of the arguments used.

Order, order. Member from Quill Lakes . . . I have explained to the hon. members, give them plenty of opportunity to raise points of order. I think we've covered the bases as well as we can on this issue, and now I recognize the member from Moose Jaw North.

Mr. Hagel: — Well, Mr. Speaker, let me move . . . To the best of my understanding, and I'm not challenging your ruling, sir, I must admit I'm not entirely clear.

The Speaker: — Order, order. I believe the hon. members . . . Order. Member from Regina North East . . . Order. I am listening to the hon. member's remarks and that's what I'm going to concentrate on.

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

The Speaker: — What is your point of order, sir?

Mr. Tchorzewski: — My point of order, very clearly

stated, is this, Mr. Speaker. On many occasions we have witnessed members from the government side of the House come to your podium and approach the Chair . . .

The Speaker: — Order, order.

Mr. Tchorzewski: — Let me finish my point of order.

The Speaker: — Let me just say, sir, that I have communications with members on both sides of the House, on both sides of the House. My door is always open to anybody to come and visit me. There are times in the House where I may have the opportunity to speak a few words to a member on either side of the House, which, sir, I have done. In this instance I am going to listen to the member from Moose Jaw North. If the hon. member wishes to come and see me, my door is definitely open.

Mr. Tchorzewski: — Another point of order, Mr. Speaker. My new point of order, Mr. Speaker, is why was the member from Nutana unable to approach the Chair to consult you when on many other occasions government members have?

The Speaker: — Well now I just finished explaining to the hon. member very clearly that there are times when members from both sides of the House approach my Chair, and I appreciate it, including the hon. member, sir, who just came to me has approached my Chair. And I appreciate that, including the hon. member.

At this point I am going to listen to the member from Moose Jaw North. It's an important debate. We have had many points of order raised on the issue, and certainly I intend to listen to him at this point. And that's exactly what I intend to do.

Mr. Hagel: — Thank you, Mr. Speaker. I've listened to your ruling, sir, and I'd like to proceed, and it's not my intention . . . I don't think I am violating the ruling that you've just made because I want to proceed to some information that to the best of my knowledge has not yet been presented ever before in this debate. It is factual information, Mr. Speaker, and very, very central to the whole argument that I've been using through the debate so far.

And I want to refer . . . would it be permissible . . . I want to admit my frustration, sir, because I'm not clear just what your ruling was in terms of my ability to proceed. I will trust on your ruling to guide me in that.

What I'd like to talk about is the amount of revenue that's been received in the years of Tory administration. And I recognize what you said before in terms of repeating, because I know I have before stated the facts about revenues in the Liberal years and the New Democrat years. And I have not personally before made reference to the numbers, so as to be able to make that comparison under the revenues from the total potash industry under the Tory years of administration, and would like to make that comparison. And not being clear, sir, I'd just simply like you to be aware that I am not certain . . . I am not in no way intending to slight your ruling, and believe that I am within the guide-lines that you have espoused.

Mr. Speaker, in the five years . . .

The Speaker: — Order, order.

Mr. Hagel: — Thank you, Mr. Speaker. Mr. Speaker, in the five years from 1982 to 1986, when we look at the revenues realized by the province of Saskatchewan from the entire potash industry itself, when we add them all up, including in that the \$100 million that came from the Potash Corporation of Saskatchewan in those years, the grand total is some \$274.2 million. Now that was all that was realized, Mr. Speaker, in that five-year period from the potash industry in its entirety.

And the argument that I'm making here, just by putting these numbers in juxtaposition to each other, Mr. Speaker — Liberal years, 15.7 million over a seven-year period; New Democrat years, full operation of PCS, five years, \$985.4 million industry; and PC years, total industry, same length of time, five years, \$274 million.

The argument that I put forth, sir, is that the total revenue realized by the province of Saskatchewan under a PC administration of PCS was only about 30 per cent, only about 30 per cent of what the total industry was bringing to the general revenues under New Democrat years of PCS. However, even that, Mr. Speaker, it would be about 1,800 per cent, or about 18 times what the total revenues were prior to the PCS years, to the existence of PCS.

And so I think there's a very, very clear argument to be made here, Mr. Speaker, about the existence and the role of PCS, not only as it directly contributes to the revenues of the province itself — that's very clear. We saw the differences, and I'm not going to repeat that, the differences between directly contributing to revenues when administered NDP and PC, substantially less, but in both cases still dramatically larger than the revenues being realized by the province prior to the existence of PCS. And, Mr. Speaker, I would predict, in light of the fact that as PCS revenues directly to the province went down under the Tories, so also did the general revenues realized from potash in its entirety drop. But there's a parallel. There.

I would predict, Mr. Speaker, that the consequence of this is very clear. The consequence is very clear. If you remove PCS we can predict that what will happen is you will go back to the revenues being realized by this province to the same level as they existed prior to the existence of PCS.

Even when Potash Corporation of Saskatchewan was being administered by people who didn't believe in it, by people who fought tooth and nail to see its very existence, the money coming into the coffers for the people of Saskatchewan was substantially larger than prior to the existence of PCS.

Even when Potash Corporation of Saskatchewan was being administered by people who didn't believe in it, by people who fought tooth and nail to see its very existence, the money coming into the coffers for the people of Saskatchewan was substantially larger than prior to the existence of PCS.

And so you see, Mr. Speaker, if we eliminate the Potash Corporation of Saskatchewan, which is what I believe this Bill will eventually do . . . I will come, at the conclusion of my remarks, in the context of all of the events, to comment specifically on the Bill.

But let me forecast, Mr. Speaker, that argument. I believe

that this Bill makes no restrictions, no restrictions whatsoever in terms of the amount of the Potash Corporation of Saskatchewan that would be transferred to the new corporation which would be distributed in shares. Therefore, Mr. Speaker, this Bill does not, does not prohibit the entire sell-off of PCS. This Bill, Bill 20, an Act to privatize the Potash Corporation of Saskatchewan makes it entirely possible according to this legislation, to divest entirely of the public holdings of the Potash Corporation of Saskatchewan.

I find that a frightening thought, Mr. Speaker, because given the ideological agenda of the government we have here, given the track record of governments to realize payments of taxes and royalties without the existence of a public company, key ingredient of which is that it has the legal authority to assume majority ownership of private potash corporations — didn't need to do that because having that legal authority was enough to get the private corporations to pay their fair share. And they did.

They paid their fair share according to the definition of the New Democrats, which was a higher fair share, and they paid their fair share according to the definition of the Tories, which was a lower fair share. But they paid their fair share.

So that we see that even though . . . Let me change that. We see that, given that the Potash Corporation of Saskatchewan is roughly 40 per cent of the production of potash in our province — let's not forget that; this is not a majority control, it's a small actor; it's a minority actor in the entire industry — that the royalties and taxes paid by Potash Corporation of Saskatchewan in the Tory years was approximately 40 per cent of the total.

So you see, Mr. Speaker, what happens is this. The very existence of this corporation ensures our ability as a people to realize decent returns from a natural resource. And the very existence of this corporation — its existence alone because it's a window on the industry and because there is in place legislation which permits the people, if forced to, to assume majority control of the private corporations, that alone, although the stick does not need to be used . . .

You'll understand this, Mr. Speaker, as a former professional instructor, a former educator, that when you've got the stick, or the ability to discipline, knowing that you've got the stick and that you'll use it if you have to is enough, is all that it takes to establish a class-room environment where students will say, what the heck, I'm going to co-operate. And then once that decision is made, co-operation takes place and class-room activities carry on.

Well, Mr. Speaker, the same is true in the world of taxation. When you've got private corporations who have gone to court, refused to pay their royalties and taxes, refused to open their books to even allow the government of the day to determine what level would be fair when they say it's not fair, we're not paying anything, and refused to let the government which owns those resources regulate the extraction of those resources from our province . . . and the government responds with a stick. And it says, the stick is this. If you won't play ball

with the people of Saskatchewan, then the people of Saskatchewan will take the ball and the bat and they'll play their own game. And they did.

Now did the people of Saskatchewan have to take the ball and bat? No, they didn't. It was good enough that they could have if they wanted to, if the private corporations were not going to play fair ball. And because those rules existed for the interest of the people of Saskatchewan, the private said we don't play ball, we lose our ball and bat, we lose our control. I guess we'd better play ball. And they did.

They played ball. They paid their taxes and royalties just as the Potash Corporation of Saskatchewan paid its taxes and royalties, dramatically increased from the pre-PCS days. Even when being managed by an administration that didn't believe it should be there in the first place, it was still better off.

Well my fear, Mr. Speaker, my fear is this. Because this Bill will eliminate, it will eliminate that very possibility for the people of Saskatchewan, you don't have to be a wild-eyed logician to recognize that where you go is back to where you were. That's where you go. That's where this Bill can take us, and the impact is devastating. Never mind the loss of revenues from potash corporation alone, the ability of that corporation and that legislation for the people of Saskatchewan to require the privates to pay their fair share is reduced as well.

(1100)

I appreciate, Mr. Speaker, being able to make that argument. To me it's an absolutely integral part of the whole consideration of this Bill. I mean, as we look at the context of history and then the impact in the future, in the years and the decades, and if not centuries, because we've got a 4,000-year supply of potash here, that has to be critical to how we look at the whole philosophy behind this Bill.

Mr. Speaker, at that point, rather than to begin another argument, and in light of the time, Mr. Speaker, I will call it 11 o'clock.

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

The Assembly recessed until 1 p.m.