

## EVENING SITTING

## SPECIAL ORDER

## ADJOURNED DEBATES

## SECOND READINGS

The Assembly resumed the adjourned debate on the proposed by 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 and the proposed amendment thereto moved by Ms. Simard.

**Mr. Rolfes:** — Mr. Speaker, before supper I made some preliminary remarks on the potash debate. I had followed the Premier of the province and I had fully expected, as the Premier of the province, as the Premier of the province, he would have given us a number of reasons as to why he wanted to sell off the Potash Corporation of Saskatchewan. I was very disappointed, Mr. Speaker, in that the Premier gave us very few reasons. In fact, Mr. Speaker, if my calculations are correct, out of an hour and 15 minutes, I think he spent 10 minutes directly on potash and more directly spoke on many other things that his government did over the last seven years, mostly on privatization. And he was trying to tell the people of Saskatchewan that we were all beneficiaries of his privatization policy. I just want to review for the people of Saskatchewan as to what has happened actually because of the privatization policy of this government.

When the Premier took over this province, Mr. Speaker, he inherited a province that was in good economic position, that had the fastest growing economy in all of Canada. That's not just by our standards; this was by standards of other people in Canada. We gave him, Mr. Speaker, \$139 million in the kitty, and we had a growing population; the economy was very positive and the future looked very bright.

I remember, Mr. Speaker, coming back from Vancouver in 1982, flying back from Vancouver from a ministers' conference, and somebody on the airplane recognized me and gave me the *Toronto Globe and Mail*. He says, you probably would be interested in it. And I didn't keep it, Mr. Speaker, I'm sorry to say I didn't. But in that *Toronto Globe and Mail* there was one whole page devoted to Saskatchewan, and it indicated in there that Blakeney had run a very efficient government and had established Saskatchewan with the best mixed economy probably in all of Saskatchewan.

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

**Mr. Rolfes:** — He had done this, Mr. Speaker, by involving the people directly in the development of our resources. Mr. Blakeney had decided that one of the best ways to develop a province like Saskatchewan . . . Because we are so isolated from the main markets of the world and because we have large distances and because of the extreme weather, the climate that we have here, many multinational corporations will only come here if they can make a quick profit and a quick buck.

And it was decided at that time that we needed to take charge of our own development, and the NDP government did that at that time. And as a result, Mr. Speaker, we had profits in each of those 11 years in which we were the government. We counted very heavily on the profits and the revenues from our resources in order to pay for our health and education and social services programs. And we had developed, Mr. Speaker, some of the best, the best social services and the best health and the best education programs in all of Canada. We had an excellent safety net, not only for the middle income and the rich, but also for the poor. People didn't have to leave this province to find jobs. Now, Mr. Speaker, we have thousands of people leaving this province; in fact, this year alone over 13,000, a net out-migration alone this year.

The Premier, this afternoon, tried to tell the people of the province of Saskatchewan that because of his privatization policies, because of his privatization programs and initiatives, he has diversified Saskatchewan. That could not be further from the truth. There is no iota of truth in that statement, because what he has done through this particular privatization, through his sell-off, he has gotten rid of all the revenue bearing corporations and Crown corporations and has kept those which have had losses. Consequently, Mr. Speaker, we no longer have surpluses in this province, but we have deficits every year in the Consolidated Fund.

We have now, Mr. Speaker, because of the privatization initiatives of the government opposite, we have an accumulated debt of \$3.9 billion — \$3.9 billion, and they've increased, they've increased the long-term debt in the Crown corporations by about \$10 billion. We now are the highest per capita . . . We have now the highest per capita debt in all of Canada because of the policies of privatization and the initiatives taken in that direction by this government.

That is why, Mr. Speaker, this Bill, Bill No. 20 which reorganizes the Potash Corporation of Saskatchewan and sells it off to the multinational corporations, is a Bill that must be opposed by the opposition with all the energy that we have. And that is what we've done. And had the government allowed us to debate it further so that we could make additional arguments to the people of Saskatchewan, we could have rallied the people behind us in opposition to the Bill that is before us. But no, Mr. Speaker, they chose yesterday to bring in closure for the first time in the history of Saskatchewan, on a very, very important Bill, a Bill that will determine for our children and our children's children how this province is going to be developed. Are we going to be directed by multinationals and by people of other countries as to how and when our resources are going to be developed, or are we going to continue, as we have in the past, in a co-operative manner, to develop those resources for the benefits of the ordinary person in this province? That is the question that we have to ask ourselves.

The members opposite on the government side have chosen to let outsiders do that decision making. We've had that in the past. We've had that in the past, and it

didn't work. In the '70s, when we took the initiative ourselves, it did work. We had a number of Crown corporations that were profitable every year that they were in existence.

This afternoon, Mr. Speaker, I referred to Saskoil. The Premier said, oh what a great success Saskoil has been. When he sold off Saskoil, Mr. Speaker, he got \$75 million. That's a lot of money, but do you know what the profit was of Saskoil in the previous three years? It was \$115 million; \$115 million in three years and all we got was 75 million

Now, Mr. Speaker, that's not so bad if Saskoil had developed in Saskatchewan. But just as soon as they sold off Saskoil, what did it do? It left Saskatchewan. It left Saskatchewan and developed in Alberta . . .

**An Hon. Member:** — Where did it go?

**Mr. Rolfes:** — . . . bought companies in Alberta and laid off . . . The Minister of Education, who should be concerned because his department has been suffering badly because of lack of funds, and that's why the universities can't operate and can't make education available to our students, that minister should be concerned. What happened to Saskoil? I'll tell the minister what happened to Saskoil. They laid off 25 per cent of the people in Saskatchewan and hired people in Alberta, hired people in Alberta, that's what they did. That's what they did.

And so they say to us, oh yes, but Saskoil is worth a billion dollars today. And I say, so what? So what if it's worth a billion dollars today if initiative is taking place outside the province? What benefit is that to us? It is no benefit to us. When you lay off 25 per cent of your people in Saskatchewan and you buy outside the province, and you hire people outside the province, that is no benefit to us — none. That's the point that I was trying to make to these people opposite, but it seems so difficult to try and get that through to those people.

Saskoil, two years ago, lost \$13 million. Because the shares were owned, 70 per cent of the shares were owned outside the province, we had to pay, we had to pay \$6 million of profit outside the province because these shares were profit bearing. Does that make sense? It doesn't make sense if you're a Saskatchewanian. Yes, it makes sense if you come from Toronto, and you own those shares. But that's what's happening. That's what's happening to the privatization scheme of this government. And they say that is has helped the people of Saskatchewan.

I ask those members opposite: how did it help? How did it help those students who were unable to attend our university because the university didn't have sufficient money to allow the students to enter university? How did that help? Didn't help those students. They had to go to Alberta; they had to go out to Ontario to seek education. They couldn't get their education here in Saskatchewan, because this government opposite is selling off the revenue bearing corporations and keeps those that have a loss. That doesn't make sense.

But, Mr. Speaker, I have talked about what we need to do and why we in the opposition are so opposed. We know what has happened to this province, if you go to the history of it. We know that the multinational corporations will move out just as quickly if they can make a quicker buck somewhere else.

Recently, I read *The Globe and Mail*. In it was a headline, "Oil companies moving out of Canada." I haven't got it with me here, but it's in my file. Oil companies moving out of Canada — why are they moving out of Canada? Because they can make a quicker buck somewhere else. And if Canada, and Saskatchewan included, are going to sell off the multinationals those profit-oriented corporations, which are very profitable now, in the future when those profits are not as great those corporations will move out and let us sit here again, and we can start all over.

That is why, Mr. Speaker, we are opposed to the initiative taken this by this government in the reorganization of the Potash Corporation of Saskatchewan. We need those revenues. We need those revenues not just for those educational departments, as I have said, and health and welfare, but we need them to create jobs.

Right now we don't have the jobs, so our young people are leaving. Our young people are leaving, and they're going to the other provinces because that's where the jobs are. People aren't leaving this province basically because they don't love the province. They're leaving it because there's no opportunities, no opportunities here at all. And we lose that talent, Mr. Speaker, that we need here for the future, for the development of this province.

Mr. Speaker, we also need the potash corporation for another reason. We have seen a build-up, an accumulated debt — that's never been experienced in this province before — in the Consolidated Fund of about \$4 billion. In the Crown corporations there are about 10 billion . . . not quite, about nine-point-some billion dollars.

We need the profits of the Potash Corporation of Saskatchewan, which will be huge again in the future. It's on the up right now. And it's not the time to sell. It's on the up, and those profits will be used, and we need those profits to pay off the debt that was created by the mismanagement and the incompetence of this government that we have here today. That's why we need it. It's another good reason why we need it.

The other reason why we should leave Sask potash the way it is, Mr. Speaker, is because it provided good jobs. It provided good jobs for our people here in Saskatchewan — not only in the mines, but also in management. In Saskatoon we had the top management of local people, Saskatchewan people, running the Potash Corporation of Saskatchewan.

And, Mr. Speaker, during their term in office, from 1976 to 1982, the return on our equity was approximately 26 per cent — approximately 26 per cent. That was the return on our equity.

And I say to the Minister of Energy and Mines, if she

doesn't believe it, just go and calculate it. You'll find out that's what it was.

(1915)

**An Hon. Member:** — You said 22 at 4:30.

**Mr. Rolfes:** — But it increased since. It's 26 per cent.

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

**Mr. Rolfes:** — Mr. Speaker, I just want to say to the minister opposite, that should give you an added incentive to agree with us and not sell off the Potash Corporation of Saskatchewan.

I rechecked my . . . If I said 22 per cent before supper, I've rechecked my figures during supper time, Mr. Speaker, and it was 26 per cent — even better than I had thought before supper.

Mr. Speaker, but what was the return? What was the return on our investment since the government opposite took over? There was no return. All they did was, they built up the debt in Potash Corporation of Saskatchewan. They built up a huge debt.

But, Mr. Speaker, when they formed the government in 1982 they made two major decisions on the Potash Corporation of Saskatchewan. And I'm not surprised at that, because the member from Regina South put it very succinctly the other day when he said that Potash Corporation of Saskatchewan was an embarrassment to him and to his government when they formed the government in 1982. Why was that an embarrassment to him when the Potash Corporation of Saskatchewan had a return on equity of 26 per cent? I would have thought he would have been proud of it. But no, he found it an embarrassment.

The member from Yorkton didn't find it an embarrassment. He spoke very glowingly in 1982 of the Potash Corporation of Saskatchewan. Maybe, Mr. Speaker, that is why he's no longer in cabinet. Maybe the Conservative government, headed by this Premier, couldn't accept his philosophy about the Potash Corporation of Saskatchewan. Maybe that's why he was dumped.

So, Mr. Speaker, in 1982 this government made a very serious decision about the Potash Corporation of Saskatchewan. They said, look, it's government owned; we can't accept that. That does not fit in with our ideology, our philosophy. We need to get rid of it. But we can't sell it now in 1982 because there was an equity of \$732 million. That would have made the NDP look pretty good. I mean, it would have been a pretty good investment by the NDP. It would have been a huge profit, a huge capital gain. And that would have made us look too good.

So they couldn't sell it. So what did they have to do? Well we've got to run this thing into the ground. We'll do two things. We won't take it out of Canpotex, because if they very aggressively market internationally, PCS will do all right. So we won't do that.

Secondly, we'll make sure that we expand PCS (Potash Corporation of Saskatchewan) at Lanigan to the tune of hundreds of millions of dollars, which expansion and extra productivity, Mr. Speaker, they didn't need because they wouldn't take PCS out of Canpotex.

Thirdly, they hired someone, the chairman of the board, who was totally opposed to the public ownership of PCS, a guy by the name of Paul Schoenhals, a former cabinet minister. And Paul Schoenhals has said time and time again that he will sell PCS and it should be sold. And he did everything he could to run the thing into the ground.

Fourthly, Mr. Speaker, what did they do? They hired an American, Chuck Childers, who was formerly with, I think, a vice-president of IMC, International Minerals Corporation. And Chuck is very interested in PCS, because if it is for sale, Chuck will be in there. Chuck Childers will be in there buying; he may not buy it directly, but he'll be in there, getting a piece of PCS because he knows it's a good buy.

Fifthly, what did the government do? It brought in, in 1987, The Potash Resources Act which they said was in response to the antidumping tariffs imposed by the Department of Commerce of the United States. Again that couldn't be further from the truth. That's not why they brought it in. They brought it in; they never, never proclaimed that Act. They brought it in, Mr. Speaker, because again they wanted to make sure that they could run PCS into the ground. They allowed the private corporations, they private potash corporations to run at 80 and 85 per cent, and PCS — by Chuck Childers' own words — was run at 55 per cent.

Even at 55 per cent capacity, the Potash Corporation of Saskatchewan last year made \$106 million, and as I indicated, as I indicated before supper, it could have made close to \$200 million if the Potash Corporation of Saskatchewan had been run as efficiently as it should have been run.

That's, Mr. Speaker, some of the reasons why we oppose, we oppose the reorganization of the Potash Corporation of Saskatchewan.

Now why do they want to sell it? Well there are a number of reasons. There are a number of reasons.

One is that they're driven by the blinded ideology. They happen to dislike, in fact, they just detest, some members on the opposite side just detest anything that is publicly owned and that benefits the people of Saskatchewan. They are in the hip pocket, they are in the hip pocket of some of those multinationals. That's where the Premier sits most of the time: right in the back pocket of some of those multinationals. Every once in a while he peeks out. He'll peek out and he'll say, well I wonder, is it safe now for me to come through with another privatization scheme? You know, every once in a while he'll peek out of there and then he'll take a nice little Oriental tour and he'll make those magnificent, just those magnificent mathematical calculations of selling 25 per cent to five countries of the Potash Corporation of Saskatchewan and, Mr. Deputy Speaker, keep control

here in Saskatchewan. I don't know how he'll do that, but that's what he says he'll do. He's almost as brilliant in his mathematics as the member from Wilkie — almost; not quite but almost.

Mr. Deputy Speaker, why do they want to sell it? Well they want to, at this particular time, embarrass the NDP. They made all the investments. They made the bad decisions. They've run this thing into the ground. Now they want to sell it at a loss and they can say to the people of Saskatchewan, well it was those bad socialists; it was those bad socialists who invested in this Potash Corporation of Saskatchewan, and it was a bad decision. But, Mr. Deputy Speaker, as I've indicated before, from 1976 to 1982 the return on our equity was about 26 per cent — 26 per cent.

So, Mr. Deputy Speaker, what's the other reason? Another reason, Mr. Deputy Speaker, is that the government opposite needs the money. The government opposite needs the money. They have wasted a lot of money. They have wasted \$5 million on GigaText. They have wasted hundreds of thousands of dollars on patronage. They have wasted hundreds of thousands and millions of dollars on waste. They need the money and they want to have a balanced budget. The Minister of Finance has said he wants a balanced budget next year. So what better way than to sell the Potash Corporation of Saskatchewan, have his hundreds of millions of dollars, one-shot deal, put it into the Consolidated Fund, and have a balanced budget?

Why is it so important to have a balanced budget next year? Well it's coming close to an election. And, Mr. Deputy Speaker, who is the person that has advised them that this is the way they ought to do it? Well I have a little pamphlet in which is quoted, and you will recognize the name, Mr. Deputy Speaker, a guy by the name of Madsen Pirie. You know who Madsen Pirie is, don't you, Mr. Deputy Speaker. Well just in case you don't and some of the people who are listening don't, Madsen Pirie is the special adviser in privatization to lady Thatcher in Britain. And every once in a while he comes to Regina and occupies his office in the power building, and he advises the Premier and the cabinet ministers on what they should do for privatization.

Now, Mr. Deputy Speaker, I see the member from Wascana is back in his seat and tripping from his . . .

**The Deputy Speaker:** — Order, order. I'd ask the member not to make reference to people's absence or presence. And I would ask the member from Regina Wascana not to interfere in the debate . . . I'd ask him if he would refrain from interfering in the debate.

**Mr. Rolfes:** — Mr. Deputy Speaker, as I was saying, Madsen Pirie, who is an adviser to Prime Minister Thatcher of Great Britain, occupies an office which has been made available to him by the government opposite in the power building, I believe. And every once in a while he comes in, at our expense, and he advises this government. Recently, to a question that was put to Madsen Pirie, this was his answer. And I want to read the question. The question was this:

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

What is your view on government's keeping part of the corporation? Well, this is what Madsen says about it:

Oh yes, the rule in Britain is that if more than 50 per cent is in the private sector, then it is private. Sometimes in order not to make too big a demand on the capital market, the government privatizes 51 per cent.

Well that's not bad, but it's his next statement that I'm very interested in. He says:

It leaves the government with a substantial minority holding, which it can then quietly sell whenever it needs the money. When you come to the vicinity of an election, it gives you substantial leeway with your budget.

Let me read that again:

It leaves the government with a substantial minority holding, which it can then quietly sell whenever it needs the money. When you come to the vicinity of an election, it gives you substantial leeway with your budget.

That, Mr. Deputy Speaker, is another very valid and good reason why the government opposite . . . it wants to sell the Potash Corporation of Saskatchewan now. That is why, Mr. Deputy Speaker, they brought in closure.

**The Deputy Speaker:** — Order. There seems to be quite a debate going on across the floor from members on both sides of the House, and I'd ask them to allow the member from Saskatoon South to continue with his comments.

**Mr. Rolfes:** — Mr. Speaker, I know it annoys the members opposite. It annoys the government members when we make valid points as to why they should not be selling off PCS.

And I understand that they are embarrassed about Madsen Pirie. And Madsen Pirie is very frank. He might not be politically astute, but he's frank and probably honest about where he stands on free enterprise, and he makes no bones about it that what this government ought to do is sell it now, because you're close to an election, and you need some money to balance your budget and for special programs that you want to give to people so you can get re-elected.

I want to say to the people of Saskatchewan that this is only a one-time deal, only a one-time deal. Once you sell the Potash Corporation of Saskatchewan, you may get 3, 4, 5, \$600 million or whatever portion they sell, and you may put that into programs, but the following year you don't have that money again. And the people of Saskatchewan, after the election, will face huge tax increases as we have seen in the last couple of years — increases totalling 150 to \$200 million a year.

So, Mr. Speaker, I've indicated that they are driven by their blinded ideology; that's why they want to sell. They want to embarrass the NDP at this particular time; sell when it's down in the dumps. And there were three: they need the money.

Mr. Speaker, there's also another reason. There's also another reason why they want to sell the Potash Corporation of Saskatchewan. And that is, Mr. Speaker, that there are suggestions about that the government has already consummated a deal, that the government has already consummated a deal and they must meet a deadline — that they must meet a deadline. It says here, according to *Greenmarkets*, Devine has offered the Indian state fertilizer company, Minerals and Metals Trading Corporation, up to 20 per cent equity in PCS, valued at some \$200 million. Let me say that again. The Premier has offered to the Indian state fertilizer company, Minerals and Metals Trading Corporation, up to 20 per cent.

(1930)

Mr. Deputy Speaker, is the reason for bringing in closure, and is the reason for the government insisting that we pass it this weekend, because the Premier, in his Oriental express tour, among a number of blunders that he made on that trip, is it also that he's committed the Potash Corporation of Saskatchewan to be sold at a certain date? Two hundred million dollars, Mr. Deputy Speaker, for one-fifth of a corporation that is worth about \$2 billion — selling it at fire sale prices in order that the Premier in his blinded ideology can embarrass the NDP. That's what he wants.

**An Hon. Member:** — You bet.

**Mr. Rolfes:** — Yes. And the Premier says, you bet; the Premier has just said, you bet. He agrees that that's what he's doing. Mr. Deputy Speaker, I'm disappointed that the Premier can't arise about that; that he can't, Mr. Deputy Speaker, take into consideration the interest of the people of Saskatchewan.

It is his responsibility, not to attempt to embarrass the NDP, but to make sure that he gets value for his money for the interests of the people of this province. That's his responsibility; that is his duty. It is not his primary responsibility to try and embarrass the opposition. And I am disappointed that the Premier tonight has admitted in the House that I am correct in what I'm saying.

Mr. Deputy Speaker, I have outlined a number of reasons why we are opposing this reorganization of the Potash Corporation of Saskatchewan. I have outlined some of the reasons as to why they are so eager and so anxious to sell off this Crown jewel, this corporation, Mr. Speaker, which allowed the people of Saskatchewan to actively participate. The Premier talks so much about participation, but the people had an active opportunity to participate in the Crown corporation, the Potash Corporation of Saskatchewan.

Mr. Speaker, because I believe that our future will depend on what we do with our natural resources and what opportunities we allow our people here in this province

to participate in the development of those resources . . . And if the Minister of Education believes that allowing the people to participate in the development of our resources is clinging to the past, then I'll gladly cling to the past. Because it allows our people, that allows our people not only to help develop these resources and make those decisions here in this province, but it also allows them to benefit from those profits that are made from those resources.

Mr. Speaker, I cannot, I cannot support the reorganization of the Potash Corporation of Saskatchewan, and at the same time say that I am supporting the best interests of the people of the province of Saskatchewan. And that is why, Mr. Speaker, I will be opposing Bill No. 20, the reorganization of the Potash Corporation of Saskatchewan. Thank you.

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

**Hon. Mrs. Smith:** — Thank you. Thank you, Mr. Deputy Speaker. It's an honour, first of all, to enter the debate on Bill 20. I have to admit, for a while tonight, especially prior to supper, I had wondered exactly what we were debating. For sure, it didn't sound like Bill No. 20 with my hon. colleague across the floor.

Mr. Deputy Speaker, I want to add a few comments or observations as to what I heard prior to supper with the member from Saskatoon South. I occasionally heard about the potash corporation, I think maybe three times if the member would like to go back in *Hansard* tomorrow and check it, but more importantly I heard about the Saskoil annual report, I heard about the dental plan, Mr. Deputy Speaker, I heard about Chuck Childers, welfare, farm financing, the dental plan, and on and on it went.

His silence, Mr. Deputy Speaker, said more than anything on a question that the previous speaker had left with the opposition. And the previous speaker had been the Premier of the province. And he referred to the SHAR (Saskatchewan holdings and reinvestment incorporated) proposal of January 1982. And he left a question with that member, and it was: if in 1982 it was good enough to take for a public share offering to allow people to have the choice of investing dollars in to a corporation, a resource company, including the Potash Corporation of Saskatchewan, in 1982, what has changed seven years later? What has changed?

Now the Premier spoke for a length of time on that particular topic, but not once, Mr. Deputy Speaker, did I hear the member from Saskatoon South even refer that the Premier had acknowledged that this in fact had taken place. And, Mr. Deputy Speaker, I want to take some time to talk about that SHAR proposal tonight as it relates to the Potash Corporation of Saskatchewan and, in fact, Bill No. 20 and the reorganization of that particular corporation.

Mr. Deputy Speaker, if you go back and you look at the actual NDP document, January 14, 1982, it is all laid out. Now I don't expect that the member perhaps from Regina Lakeview or Moose Jaw North or even from Prince Albert would have seen the document. But I know that the member from Saskatoon South would have unless, of course, the deputy premier at the time, the member from Riversdale, didn't share the documents. Or perhaps the

minister of Finance back then, Regina North East, did not share those types of decisions or documents with the rest of their colleagues. But I think the back-benchers within the opposition should be aware that in fact that proposal was there and is there today. Somewhere down the road perhaps they will have to deal with it.

Now what is this proposal, Mr. Deputy Speaker? It was called a SHAR project, S-H-A-R.

**An Hon. Member:** — SHAR.

**Hon. Mrs. Smith:** — SHAR. Thank you. It was there to generate a new pool of capital, Mr. Speaker, which would allow the province to take advantage of a large industrial project in an era when capital rationing for Crown investments had become a reality. Now I think that tells a story all by itself.

In layman's language, I would have said the reason they are doing that is because they didn't have any money. The debt had become great enough on the Crown corporation side that, in fact, it was a reality with the minister of Finance of the day that indeed they could no longer continue to borrow massive amounts through the Crown corporations, Mr. Deputy Speaker. That's what it says. Capital rationing for Crown investments has become a reality. That was in 1982.

Well, Mr. Deputy Speaker, what else does the document say? It recognized that perhaps this project should go ahead because there was a need to transfer some current investments with good prospects, for example, Ipsco or PAPCO (Prince Albert Pulp Company), although they admit that such a step in fact would reduce the control of CIC (Crown investments corporation of Saskatchewan), their management board in these companies. And I think the word "control," Mr. Deputy Speaker, is one that we have to deal with in this Assembly in terms of how this economy works and who controls what and for what reason.

The document also goes on to say that this is an opportunity to make equity investments — equity investments, Mr. Chairman, not debt, equity investments. Now I don't know why the NDP opposition today, seven years later, have such a difficult time with it, but obviously they do. The member from Saskatoon South, he can't even refer, he can't even acknowledge that in fact this was there. And he doesn't respond to it when challenged. What are his ideas on it? Why did they decide to look at this in 1982? Well, Mr. Chairman, perhaps we will never get a response from them in that matter.

The NDP in 1982 also, Mr. Deputy Speaker, went on to outline some guiding principles if this project in fact were to go through, this SHAR proposal. The guiding principles were, number one, to provide a mechanism for all residents of Saskatchewan to invest in the province. Well imagine that. What are we facing with Bill 20 and the potash corporation? It's a mechanism that would in fact allow the people of Saskatchewan to invest if they so choose.

Number two, Mr. Deputy Speaker, it was to provide an alternate source of capital for major new investments in

resource enterprises and in fact in the industrial projects.

When they looked at it they had concluded that in fact there may very well be, and I quote, Mr. Deputy Speaker, "a reduction in investment by the utility Crown corporation." Now considering what has taken place in this House over the last four months, how could the NDP — if you believe every word that they've brought to this Assembly this year, 1989 — that they would even look at outside government investment in to a utility Crown, let alone a commercial Crown like the potash corporation? And it's there for history, for the files for ever and a day. And somewhere along the line, surely to goodness it is not too much to expect that one member in the front bench of the NDP opposition will stand up and talk about the SHAR project as it relates to the Potash Corporation of Saskatchewan before this debate is finished on this Bill.

Mr. Deputy Speaker, within that project, besides the guiding principles . . . And I want you to be aware that this project in fact was probably close to being finalized. I believe the document refers to February; this was middle of January they were looking at finalization in February, and they had a mechanism laid out, plus it had identified the various resource Crowns and projects that could go for public investment.

And what was the mechanism, Mr. Deputy Speaker? Well they suggested that the initial offering could be through credit unions and banks to ensure widespread distribution. That's not a new idea. They didn't do it. However, we tried that, and it worked, Mr. Deputy Speaker, successfully.

They also suggested in the mechanism that the voting rights requiring massive share register could perhaps be integrated with drivers' licences. Now, Mr. Speaker, I looked at that and I read it and I reread it, and I thought, these guys don't miss a beat — to integrate that with your driver's licence. Think about it.

**An Hon. Member:** — Buy a licence; get a share.

**Hon. Mrs. Smith:** — Buy a licence; get a share, someone says. Identify yourself to someone with your driver's licence and it shows you what you've invested your money in. That's the idea, the mechanism, the NDP mechanism, Mr. Deputy Speaker.

It also says within the mechanism, Mr. Deputy Speaker, and I quote:

It should be noted that the transfer of any equity currently owned 90 per cent or more by the province would make that company subject to income tax.

Well, amen. Why not? Everybody else pays income tax. Why shouldn't those corporations pay taxes? Why is it that it's grants in lieu of? And then the fight between the R.M., or whoever should be getting the taxes, and the government takes place because they say, well the taxes would have been more, and the other side says, no, the grants in lieu of are more.

Why a system with two different paying-out mechanisms?

Why not . . . Why shouldn't PCS be paying income tax the very same way that the guy down the road is paying, such as Kalium or someone else? And I say the same thing about Kalium. Why shouldn't they pay what PCS has to pay? That seems to me that that's a fair and an equitable system.

(1945)

The SHAR proposal, Mr. Deputy Speaker, also identified some alternatives, and that's interesting. I don't believe that it was ever considered within the framework of this proposal that they would do nothing, but they did indeed identify some alternatives.

One was to split the existing investments into two categories. They had what they called high risk, and then a second pool of investments that was a medium risk. And it's interesting to note within the higher risk, lower dividend, and the capital gains type investment, that that was where PCS was slotted to be put up for a public share offering — higher risk, lower dividend. And yet we get the opposite from our colleagues across the floor in terms of what that potash market is.

Other alternatives they stated, Mr. Deputy Speaker, would exist, and it would range from duplicating the mechanisms of the Alberta Energy corporation . . . And I found that particularly interesting because there is an appendix that has been added to the NDP document of January 14, 1982, and it is all about the Alberta Energy corporation. They viewed it in a very positive light, interestingly enough. They went on to say that:

The Alberta Energy corporation is a very active investment company, actually operating a number of its interests, particularly in the oil and gas exploration, the collection, and the distribution areas. It also holds investments in the Syncrude project, forestry, joint ventures, petrochemical, and power utilities.

Interesting, Mr. Speaker, that they would choose the Alberta Energy corporation and seven years later say absolutely no to any possibility of this province being able to have an infusion of dollars for capital investment for the growth of a gas industry in our own home province. They said no.

Well they said no to diversification and in fact the expansion of the Potash Corporation of Saskatchewan, Mr. Speaker. Mr. Speaker, I've had some time to sit and listen for many hours to my colleagues across the floor and my colleagues on this side of the House. I've heard arguments relating to Bill 20 on economics, social policy; I've learned a little bit about San Antonio, Texas — I'm not sure how that relates to potash — England, and someone says *Romper Room*. And I have to admit I've heard a lot of left wing philosophy.

We've also spent a lot of this time in the House talking about the history of potash. And to say that the history was simply covered would be an understatement — and in fact to even suggest that the history and the facts and figures, as someone across the floor has said, have remained consistent throughout this debate, would be

something less than the truth.

During the course of the 12 or the 13 hours that the member from Regina Rosemont was speaking the other day, I had a book of statistics with me regarding potash markets and the future. And in listening to him give his, I believe he said it was an economic analysis, it just didn't quite match up with some of the figures that I had. And I guess I should either be questioning the member from Regina Rosemont a little more or perhaps my own department, the Department of Energy and Mines.

During the course of listening to the member, Mr. Deputy Speaker, I thought about the Saskatchewan public. For four months we've talked potash, and I thought about the number of communities in this province that are not directly touched by potash. In fact I thought about some of the school students that often come into this building and I have an opportunity to talk with after, and one of the questions they often ask me, when they find out I'm the Minister of Energy and Mines, is what does potash look like.

Well there's no doubt that potash in Saskatchewan for some people creates visions of philosophy, of a way of doing things in this province, and for others they react simply to it as a mineral, and what is the fight all about. However, we both know that it goes a little deeper than that.

Along with listening to the member from Regina Rosemont, Mr. Deputy Speaker, I thought about the complexities of change. And the potash industry has gone through some substantial change over the last several years. It was free enterprise, then it was nationalization. There was prorationing within that previous period of time; there was dumping charges brought about; the negotiations of a suspension agreement; a lot of changes and a lot of stress. And I don't refer just to PCS or in fact just to the other mines but the industry as a whole. There's no doubt that those changes have put a different face on the industry and in fact what that industry will look like in the future, if it is to survive.

Along with those changes, Mr. Speaker, I thought about the world economy and the complexities of world trade and world competition. And one gets a feel for those complexities when you have to visit some of the countries where your major customers are, places like China and India, and you see the massive numbers of people. And those countries have their own goal of being able to feed their own people, and you know that in fact that's going to require fertilizer, potash down the road. But they also have the compounding problem, Mr. Deputy Speaker, of having the resources, the financial resources, in order to buy that potash or the fertilizer.

In thinking about these complexities and listening to the members opposite, I have to admit that I had a whole lot of sympathy for the public of Saskatchewan — a public that I thought was being bombarded with contradicting facts and figures, an economic analysis put together by a politician at that point in time that was simply bent on a path of obstruction, and a lot of rhetoric.

Mr. Deputy Speaker, it is apparent when it comes to Bill

No. 20 that we in this House, the NDP and the Conservatives, are going to have to agree to disagree on some points. However, I would suggest that there's many points in fact we do agree on. The first one is that Saskatchewan is rich in potash. We agree — one of the richest beds of the mineral in the world. We also agree that the potash industry is an important component of the Saskatchewan economy. It's an important component; it is not the only component. We agree that the jobs are important; in fact, that's probably one of the most important aspects of the potash industry, are the number of good jobs that come with that industry. We agree that there's taxation and royalties collected and those are important. I think we agree on the numbers of people that work in the industry. In total it's about 3,200. I hear the members often refer to the employment at PCS. I want them to know that is less than half of the jobs in the potash industry, that there is a whole other side of potash and those workers deserve your attention as the loyal opposition, every bit as much as what PCS does.

I think we agree, Mr. Speaker, and after listening to some of the figures, for example, the production in 1988 in Saskatchewan on potash was 7.4 million tonnes; 1988 sales, it was about one-quarter of the world sales. And in fact we are the second largest producer outside of the Soviet Union, and I know I've heard that statistic referred to by the members opposite.

Our markets for potash, Mr. Deputy Speaker, 60 per cent go to the U.S. I believe I heard the figure of 80 the other day, and that's a little high. It would be nice if it was higher, but it isn't. It's about 60 per cent and it goes to the farming states of Illinois and Iowa, Indiana, Ohio, Minnesota. And of course in Canada I believe it's Ontario and Quebec that receive some of our potash, but only about 5 per cent. And the rest of it goes overseas — 35 per cent, Mr. Deputy Speaker, to places like Japan, China, India, Brazil, South Korea, Indonesia, and those are the major markets with just as many countries, if not more, to a lesser degree than those.

Well those are our customers. We in fact are seeing an increasing aggressiveness on the part of our competitors. And I think it's important for members to note, in fact, who our competitors are, why they might have an advantage over us, or why we in fact might have an advantage over them.

The Soviet Union is going to be one of our competitors in the future. It used to be that the Soviet Union never exported their potash. They in fact are the largest producing country in the world of potash, but it was used internally and not for export.

That's going to change, Mr. Deputy Speaker, and it's going to change because of government policy in that country. They are looking for dollars, they are opening their doors, they are finding different ways of doing things, as opposed to the state owning and running it all. With the Soviet Union taking that deliberate action, they in fact will be into the export market. That in turn is going to put some stress on Canadian potash producers in order to be able to compete with the Soviet Union. We also, in terms of competition, Mr. Deputy Speaker, have East Germany, West Germany, Israel, Jordan, and in Canada,

New Brunswick, and of course New Mexico.

The competitive advantages, I think both sides agree on: we have a very high quality, easy-to-mine ore — potash — in the province of Saskatchewan. We have the lowest production costs in the world. What we don't have is a waterway to put our potash on and ship it down the line. And that is distinctly a major disadvantage on the world markets. We are one of the few, if not the only, land-locked producer that must ship its product by rail. That disadvantage turns up in the dollars, Mr. Deputy Speaker.

I think the other thing that both sides agree on, and I believe I heard the figure from over there, was the expected capacity for 1989, and it will be close to 10 million tonnes — it's about 9.4.

I also think that we agree that the Potash Corporation of Saskatchewan, as the largest of the seven producers in Saskatchewan, has a leadership role within the industry. And we agree that head offices bring benefits. In fact, if there was anything positive out of a long-term debt regarding the nationalization of PCS, it was the fact that there was a head office with some new jobs. I don't know that you could say that for the rest of the activity within the mining industry. The jobs were already there, the mining jobs. But it's true that we did gain a head office. Now if that were a private company, we would also gain some corporate tax and some income tax, property tax. But because it's a Crown corporation they are exempt, so you don't gain that. But the jobs we did, and I agree to that.

I talked or pointed out a lot of areas of agreement, Mr. Deputy Speaker, but I think at the heart of Bill 20 is a disagreement on the ownership of the Potash Corporation of Saskatchewan. Who should own PCS, Mr. Deputy Speaker? How should it be financed? Would we have had the same benefits that the opposition talk about if it had been owned by non-government? Those are basic questions.

Royalties were being paid before that. Taxes? Yes. The royalties weren't high, that's true. We also didn't have that high debt on the government side. So you have to weigh those advantages, Mr. Deputy Speaker.

(2000)

I think the most important question to be asked, Mr. Deputy Speaker, is the future. What kind of structure will PCS require for the future if in fact it is to not only survive, but to expand and grow? If you really care about the benefits for the future, jobs for children growing up, what is PCS going to look like in the future? Does it have to change? Does it have to meet the changes that are taking place there now?

We know the world is changing, the world economy is changing. It's growing more open. We have definitely a freer flow of goods and services — not right across Canada, Mr. Deputy Speaker, but in fact around the world. And two things have done that. One is technology, the other is communications, and they go hand in hand.

And while the members scoff, often when members on



this side of the House talk about the world becoming a smaller place, it indeed is true. And if you ever wanted to see that in Technicolor, all you have to do is go to a university in Saskatchewan and you will see people from all around the world at the university. Short term — some may be there for three or four years, some may be there for only a year — but they are there. And indeed that world has become smaller.

We are seeing the markets, because of the changes, Mr. Deputy Speaker, also become more complex. There's no doubt that the conditions and the competition for investment is becoming more fierce and aggressive. We see social and economic priorities changing world-wide, as is the structure of the economy, and you have only to look around the world at various governments that have taken policy decisions not unlike the proposed Bill 20 before this House. And it doesn't matter if those governments are right wing, left wing, centre; they are pragmatic decisions that are being taken because it's the right thing to do and it will work.

And there's also a financial reason for it, and it has to do with the debts of government. That's not difficult to understand, Mr. Deputy Speaker, except for one group of 26 people across the way.

Well, Mr. Deputy Speaker, while changes and problems create more problems, I'm one of those that also believes it provides new opportunities — new opportunities for Saskatchewan, indeed for Canada, its people, and for the Potash Corporation of Saskatchewan. But those positive opportunities are only there if two things happen: firstly, that they recognize the need for change; and secondly, that action is taken to ensure that that opportunity is not lost.

Mr. Deputy Speaker, I believe that Bill No. 20 gives the opportunity to see the Potash Corporation of Saskatchewan move ahead to the future. And the member from Quill Lakes, I know, has a difficult time with that. This corporation will move as a strong and diversified company.

And today one of the members, I believe the member from Saskatoon Nutana, tells us she's sick of the word, "diversified." Well you know, the NDP weren't sick of the word diversified when they decided in 1982 that they were going to do the SHAR proposal. And it was for diversification, not only of the economy but in fact of the various investments and the Crown corporations that were in the province at that time.

The key word is diversified for that corporation, Mr. Deputy Speaker. And that corporation will in fact be strong enough to ensure many years of production. And it is that production that provides the benefits that will in turn come back to the people of Saskatchewan.

You know, for years we've been hewers of wood and drawers of water, and it's been stated in this debate that in fact putting out for public share offering the Potash Corporation of Saskatchewan will keep us doing that; in fact, it is just the opposite, Mr. Speaker.

We have been the producers of raw goods — raw goods.

We mine the potash, bring it up, and ship it down the line. Once it gets down to the end of the line, then they have what they call value added. It's turned into fertilizer or whatever else it may be used for. And the jobs that are required in order to meet that value added component happen down the line.

The same thing, Mr. Deputy Speaker . . . When we announced the Lloydminster upgrader, we said, we're going to upgrade our oil here. That was value added. And the Premier said, we're not shipping our lines down to central Canada, eastern Canada, any more; they're not going down the pipeline. This is no different. The concept is no different in terms of diversification for the Potash Corporation of Saskatchewan. There would be another company, probably called the potash fertilizer incorporated or corporation — value added.

Mr. Speaker, the potash corporation is one of seven corporations in this province. And when we talk about the need for this corporation to be diversified, one only has to compare it to its competitors, not only competitors outside of Saskatchewan, but, in fact, competitors within the province.

IMC, Mr. Deputy Speaker, the International Minerals and Chemical Corporation, they operate two mines in Saskatchewan and one in New Mexico. They also . . . And it's interesting to note, Mr. Deputy Speaker, they own a major fertilizer in Illinois. They've diversified. Kalium Chemicals, just west of here, they operate solution mining at Belle Plaine. They also have widely diversified fertilizer holdings.

Central Canada Potash, one of the companies, I know, that the member from Quill Lakes often refers to as being a big negative back in 1975 or 1976, well they don't indicate that they are into fertilizer, Mr. Speaker. They are into other resources in the mining field, and they are diversified.

Cominco potash, other mining, plus fertilizer. The Potash Company of America, PCA, they too have become diversified. Even little Saskterra, which is one of the smallest producers in the province, are into fertilizers and other ventures. And they too have diversified: And why?

Surely to goodness they must ask the question: why have these other corporations diversified? Because the need was there and the need was there in order for them to have a cushion during the up and down cycles that the potash industry goes through.

**An Hon. Member:** — Do they talk about it?

**Hon. Mrs. Smith:** — No, they don't talk about it. Mr. Deputy Speaker, those companies in fact have diversified, and over the long haul they will survive.

Not only that, I would suggest that being diversified and being able to ride through those cycles gives a higher degree of security for those that work within the industry itself. And you think about it. Well, you can sit there and talk — I believe you've had your chance — and not listen. It just goes in one ear and out the other.

Mr. Deputy Speaker, earlier I referred to the issue of control. During the course of the debate over the last four months, there has been three areas that I have observed — and there was maybe more, but that have stuck in my mind — in terms of what the NDP seems to hang on to the most, and what they oppose the most. One is the word, “control.” The word control has been very important from that aspect, and I believe they’ve tied the issue of ownership of assets along with the word control. The other is marketing, the marketing arm, and more specifically Canpotex. And last but not least has been the issue of foreign investment.

Well, Mr. Speaker, control. You know, if you look the word control up in the dictionary, it says, “the power of directing, to command” or a “means of restraint.” And I wonder if they have really seriously thought about how much they can control, even through ownership, such things as markets. You tell me how they’re going to control the weather in Illinois? They can’t. They had drought . . . Well the member from P.A.-Duck Lake laughs. He thinks that’s funny. Does he think that every year, year after year, that all farmers buy the potash to put on the land, that is has nothing to do with the grain markets or the weather conditions? Of course it does, of course it does, Mr. Deputy Speaker.

So who controls this thing? Well I heard the reason for nationalization, and I’m sure one of them will correct me if I’m wrong. They all said that they had to nationalize, they had to nationalize back in the early ’70s because they didn’t have the power to control their resources and the companies wouldn’t pay their taxes; therefore they nationalized . . . (inaudible interjection) . . . Right. The member from Quill Lakes says, right.

**An Hon. Member:** — I didn’t say a word.

**Hon. Mrs. Smith:** — I’m sorry — the member from P.A.

Mr. Speaker, let me take that argument that the nationalization . . . And just for one moment, let’s assume I will give the benefit of the doubt that in fact they’re telling the truth. They nationalized because they did not have the power to set the royalty rates and to manage through their policy. They didn’t have the power. That’s the argument given. They also say it’s to give a window on the industry.

Well if I go back to that period in time just before the nationalization took place, we went through in this province, from 1970 or 1969 to 1975, a prorationing period, and that took place under the Ross Thatcher government back then. And basically what had happened was the markets fell apart, weather conditions, farmers weren’t buying, price went way, way down, and of course, in order to keep selling potash and what they had produced, it just kept pushing the price further and further down. In fact, Mr. Speaker, it got to such a point that the industry indeed was threatened — mine closures and job lay-offs.

Now the government of the day in 1969 took a look at what they thought they could do and what they couldn’t, and they put in a prorationing. Along with it was also the issue of price. There was a floor price in it. It was in fact

the floor price that eventually was ruled not to be legal. That started it, Mr. Speaker, ’69 and ’70.

Nineteen seventy-one, the Allan Blakeney government was elected in this province. I don’t recall if they ran on the issue of nationalization of the potash. I suspect that they didn’t.

In June of 1972, Mr. Deputy Speaker, one year after the election of the Blakeney government, the province began the collection of what was called a prorationing fee. It was at \$1.08 per tonne, and it wasn’t too long after that the government basically doubled that fee to 2.17.

And then in 1972, in July, shortly after the fee was doubled, there was an allocation formula under prorationing and that was changed to take into account the capacity of individual markets. And that’s where the trouble started and it’s been referred to about the potash industry taking the government to court. Well in fact it was Central Canada Potash that decided to question the legality of all that at the time, and did in fact take the government to court. But what’s interesting, Mr. Deputy Speaker, is that the members across the way have said the industry on this issue took the government to court, and that’s simply not true.

(2015)

In fact, it’s interesting to note, in that particular instance the rest of the potash industry backed your government up, the Allan Blakeney government. So it was the Allan Blakeney government and one potash company, Central Canada, that was fighting, and the rest of the industry backed the government of the day up . .

**An Hon. Member:** — Who ever said otherwise?

**Hon. Mrs. Smith:** — Just about all your members. The member from Quill Lakes says, who says otherwise. Well they have. They either don’t know or they’ve been given the wrong information. Perhaps the member from Quill Lake will take the time to correct them.

Well, Mr. Deputy Speaker, if there’s one thing that’s apparent, it was that there was a war going on in this province between 1972 and 1975, or perhaps a little later, and it was between government and the potash industry, eventually. In fact, the industry, while they backed the government on that particular point, when the reserve tax was put in retroactively, then the battle was on. And that was when they ended up in court with the industry as a whole. And I believe, from what I’ve heard, that it was the retroactivity that in fact started the war, not the issue at all of the province having the right in fact to set that tax. Retroactivity, that was what did it.

And that says to me, where was the communications in all of this? How did we get to that point at that time? And I suppose we’ll never know. It’s history now. Mind you, a few of them may have hindsight on it.

And one of the things I did note was from the time the discussions started, and the court actions, until there was an agreement between the government and the industry, the government in fact had reduced its request by 28 per

cent. Now I'm not sure what they started at, but to come down 28 per cent would tell you that they probably started too high to begin with.

In 1975, one would have thought that perhaps things were starting to settle down. The reserve tax was on. We had the creation of PCS. And it was then that the government of the day, the Allan Blakeney government, made the announcement that effective control — and there was that word again, control — over the potash industry would be achieved through public ownership.

It's also interesting to note, in an 18-month period following that, Mr. Deputy Speaker, PCS spent more than \$500 million to acquire — acquire . . . How many members have stood in this House across the way and said, Saskatchewan people build, we build, we build. You didn't build; you bought. You bought. And what is more interesting is, there's never been a document tabled to show the analysis, what the price was based on, and the agreements with it — never in the history of this province, Mr. Deputy Speaker. Well they acquired 40 per cent of Saskatchewan capacity. That was 1975.

It's also interesting to note, until the time we get to 1980, that in fact the Central Canada Corporation did win its court case. It didn't mean anything by that time because agreement . . . They finally sat down and talked and came to an agreement. But they did not win on that challenge.

There was another thing taking place in history at that time, Mr. Deputy Speaker, that in effect plays a major role in what this government and how it can manage its resources today. And I have not heard one member give credit to where credit is due and that is to Allan Blakeney, Peter Lougheed in the late '70s, when the war on resources was fought with Ottawa. Not once have I heard them talk about how Allan Blakeney for the NDP government in Saskatchewan and Peter Lougheed for the Progressive Conservatives in Alberta put their heads together — Lougheed for oil and gas and Blakeney on potash — and got an agreement on the constitution that in fact gave the powers to develop, conserve, and manage those resources — the very thing you said you didn't have, that you didn't have in 1975 when you nationalized it; the very same thing. You didn't have it, you said, in '75. Blakeney went to the wall for this province and he got it in 1981, the ability to be able to manage that resource through regulation and legislation, not through ownership. And not one of you people have given that credit where it's due; you haven't even acknowledged it nor recognized it. And I believe that that's unfortunate, because that, to western Canada, was a key factor for the development of western Canada, which is resource rich. But there's no acknowledgement of it.

Mr. Deputy Speaker, the word, control — and I have been selective in using the word “manage” as opposed to “control” because there are simply some things that you cannot control in this life. However, it has been said that the potash has been nationalized in order to control. And I'm reminded of a quote, Mr. Speaker, and it's this, and I quote:

I think, while there is a place for public ownership, that widespread public ownership can be a very

blunt instrument that can lead to greater bureaucracy without necessarily solving the economic problem that you're trying to solve.

That's a quote by Tommy Douglas, Mr. Deputy Speaker — Tommy Douglas. And he knew what a blunt instrument did. It didn't solve the problem; in fact sometimes it worsened it. And if you need an example, I'll give you an example: 1974, Bill 42 on the nationalization of oil. You want to know what a blunt instrument does? It cuts investment right now — it's gone, the jobs are gone. One community alone lost 200 families, school children, teachers, property taxes through real estate affected. That's only one community.

And you know, the early 1970s was the window of opportunity for the resource of oil in Canada. Peter Lougheed knew that. That's why he fought so hard on the constitution to get the power to manage the resource — because the window of opportunity is not open for ever and a day and he knew that.

But we missed it. And why did we miss it? Why did we miss it? You should ask yourself that question. It was the word control, I have to control. And you think that everything is controlled through state ownership. Does it ever occur to you that, when it comes to resources, the people of the province own the resource, the actual resource, we own that? It doesn't matter if it's nationalized or otherwise; they own the resource.

What we don't own and what the company does own are the production means, the equipment, the rigs, the conveyor belts, the trucks. That's what they own. But even in order to put them to work, they have to have a lease agreement by the province of Saskatchewan before they begin to mine that mineral. And once they mine it and they bring it up, there is an agreement that it will be shared, and that is the royalty structure.

So the people own the resource. So don't talk to us over here about how we're selling off our resources. It's not credible and you do an injustice to the whole system and what some of the previous leaders fought for in this province.

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

**Hon. Mrs. Smith:** — Mr. Deputy Speaker, I want to touch on markets and Canpotex. Markets are a key factor as it relates to the potash corporation or any potash company in this province. Canpotex, interestingly enough, began some time . . . I believe it was about 1970 that it was put together and headquartered at that time in Toronto.

Now today, Mr. Deputy Speaker, Canpotex has a head office in Saskatoon.

**An Hon. Member:** — Two people.

**Hon. Mrs. Smith:** — Two people, he says. They employ about 29 people. Previous to that they had three in Saskatchewan, previous to 1985. The people prior to that, Mr. Deputy Speaker, mainly worked on the transportation problems for Canpotex. The annual budget for the Saskatoon office is about \$4 million.

And when Canpotex came to Saskatoon, I believe that in fact there was a recognition because Canpotex is the world's largest marketing arm in offshore sales. They are the world's leader; they have about 38 per cent of the possible sales out there. Now I don't know how these guys figure that, if you just set up your own marketing arm in PCS, you can do better than that.

**An Hon. Member:** — You bet.

**Hon. Mrs. Smith:** — Yes well, he says, you bet. And I know I've sat and I've listened to his leader, the member from Riversdale, talk about what PCS should be doing, and you know what he says? PCS should be just pumping potash as fast as it can and running everybody else out of business. Well I'm going to tell you something: they tried that in 1969 and they tried it again in 1986, and do you know what happened? It's called dumping charges.

There's a market, and their disrespect and lack of knowledge for the market-place says it all. In fact, that market-place will eventually determine. Now this doesn't mean you don't need some rules, some laws somewhere. But there is a market there, and no matter how fast, how fast the Leader of the NDP thinks he can bring up potash and flow it into the market and control everything that way, it is simply not realistic at all, Mr. Deputy Speaker.

Along with Canpotex coming to Saskatoon, Mr. Deputy Speaker, there was Potash & Phosphate Institute of Canada, which finally located in Saskatchewan. Now both of these units are owned by the producers; governments don't fund them, the producers fund them. And they should. They pay for development in there; they pay for education, development of markets, including some environmental work. It's all through, Mr. Deputy Speaker.

Last October, I had the opportunity to travel with a member from Canpotex and from the potash institute — in fact, it was Dr. Ken Pretty, who has retired since that time — and spent two weeks in China with Dr. Ken, and who off and on had spent 20 years working with the farmers in the field in China. And if there was ever anyone that knew the markets and the people and the relationships that are required to be developed, it was Dr. Ken.

And while he initially is not born and raised in Saskatchewan, he is a Canadian, and he spent the last part of his working years with the potash institute in Saskatoon and really has done a lot for, not only the industry, but in fact the potash corporation. Now why on earth . . . (inaudible interjection) . . . Well, the member from Quill Lake doesn't like it. He thinks they're unnecessary. I'm sure there's a whole litany of unnecessary arguments that he could do.

Why should we leave Canpotex? The question is why should we stay in it? We believe it is clearly advantageous that the Potash Corporation of Saskatchewan remain in Canpotex. Last year, Mr. Deputy Speaker, Canpotex sales volumes were 2.9 million tonnes, higher — higher — than the previous record tonnage set in 1987. We had

record sales last year, Mr. Deputy Speaker, to countries like China, Korea, Chile, Italy; we doubled our sales to Italy.

(2030)

Some of the reasons for staying in Canpotex? Freight costs can be reduced and kept to a minimum because the shipments are combined. You pull PCS out of there, as these guys would have us do, and they're on their own. Those shipments won't be combined with the other producers in Canada, and the freight will go up.

Why is that important? Well I've already talked about Saskatchewan being land-locked, and we don't have the waterways to make the transportation costs lower. Our transportation is more than half of the cost to the customer, more than half of the cost to the customer. And if you think what they can do in Israel or Jordan along the waterways, that can be pretty frightening when thinking about the competition.

The market development expenditures are shared in Canpotex, and that's important. It costs a lot of money to start developing. Do you think PCS can go out on its own and do it? These guys are the great lecturers on co-operation. Boy, tell me about co-operation. The benefit of getting into the market development and sharing the expenditures, Mr. Deputy Speaker, is that there is no free rider problem. And the people that know the industry have recognized that. Canpotex is and will remain a very important component of either the success or the failure of the potash corporation, whether it be for public share offering of if there is an alternate way, but indefinitely it will be.

Foreign investment, Mr. Deputy Speaker, I have visited some of the countries that are our main markets. I know the competition we're facing. We've seen it, especially from India.

But you know I've got to tell you, the position taken is hypocritical, totally hypocritical. And I say that for this reason. You know, they have a party president, Jack Messer, who not too long ago thought nothing of taking a fat salary from the taxpayers in Manitoba to only advise the Manitoba government that they should go 50-50 with the country of India in the development of a potash mine. Do you want to talk hypocritical? There it is, right there, every bit of it, Mr. Deputy Speaker.

Foreign investment — your customer having a small share in that product — is going to be key in the future to maintaining an open door to your market. They don't recognize that, but it's true, Mr. Speaker.

The country of China has potash producers knocking on its doors all the time. From Israel to Jordan to the Soviet Union, they are there. And they're ready to cut deals and so are those countries, the customers, and you know why? They want guarantee of supply, security of supply — buy in. They don't want to put all their eggs in one basket. They're not going to buy all the potash that they require from Canada nor some other country. They're going to ensure that it is spread out, but they are also looking for stability and security of supply. That's why, for

the future, the issue of foreign investment through your customers is going to be key in order to maintain those markets. The NDP, Mr. Speaker, they don't recognize that and that's unfortunate.

Mr. Speaker, besides facts and figures and other numbers, this boils down to some pretty fundamental questions. One is, was it a good investment in the past? Will that be, if left as is, a good investment for the future? If you leave it as is, will it in fact meet the needs of the future? Was it a good investment from the perspective of other benefits? You know, we talk about investment in terms of dollars, and I would like to believe that benefits are more than that. Benefits are people; benefits are job; they are communities, the social activities, just day-to-day daily things that take place. And I think, no.

You know, they talk about what happened when this came, when they nationalized. Well the mines were already there. The mines were already there and so were the jobs. Yes, we did see some additional jobs in the head office. And that's a positive. We didn't get the income tax from it because it's a Crown, but the jobs were there, the taxation, the royalties. Even if PCS were not PCS, but three other companies, we would still be setting the royalty rate. The R.M.s would be collecting the property tax, so that would still be there. So from that aspect it's maybe a break-even, no big plus, so we're still at a deficit or a debt.

The other question I ask myself, Mr. Speaker, has not to do with the past and whether we should have bought PCS, but has to do with the future. What will the Potash Corporation of Saskatchewan require on the long term — not the short term, but the long term — in order to compete in a changing environment and in fact to ensure that the benefits accrue to the future citizens of this province?

Well, Mr. Speaker, it's going to require dollars. And where are the dollars going to come from? Well it's going to require dollars because they do need to diversify their activities in order to be able to compete and to run the cycles of the potash industry.

They need to expand, and that expansion may very well take place in another province or in fact another country. And the day that that happens, that should not be seen as a negative in this House. It will be from a political aspect, because they tell us on Saskoil . . . They even ignore what good old Jack Messer said when he was minister of Energy and Mines and Saskoil about investing out of the province — don't put your eggs all in one basket.

But what a shame when that argument does come to this House. Here we will sit, PCS will be a world-wide known company, diversified, perhaps in to the fertilizer area, perhaps some other areas, and they may very well have to invest outside of this province some dollars. But it won't be taxpayers' dollars and on the back of taxpayers through government guaranteeing the debt. It will be equity by people who choose to put that equity into those markets. And that will be a plus, Mr. Speaker.

The impact . . . You know, we can talk about the dollars and the figures that are thrown around, and we're going to disagree. I mean, that's obvious after four months. So it

comes down to a matter of doing what works. As the member from Saskatoon Nutana says, let's do what works. In 1982, they had at least one of their today members that decided he knew what was probably going to be working. Government could no longer afford to take on additional debt for their Crown corporations.

What's changed since 1989? Only one thing. They're no longer the government; they're the opposition, and just for purely opposing reasons have said no to the opportunity of the Potash Corporation of Saskatchewan having that chance for equity, out of debt, no debt on the taxpayers of Saskatchewan, and becoming a stronger, diversified company.

For those reasons, Mr. Chairman, I'm going to support the motion of Bill No. 20, a Bill to reorganize the Potash Corporation of Saskatchewan.

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

**Ms. Smart:** — Thank you, Mr. Speaker. It's a privilege to rise today to speak on this very important piece of legislation, although I am very saddened that I have to rise after the motion has been put forward to muzzle our debate. And I'm sad that the government, which has not spoken in this debate for the last four months, has now decided, since the time is limited, that they will speak, and they will be engaged in this debate. But they've already decided they don't want to listen to us. They've already decided that they want to crush us out.

Now, Mr. Speaker, I'm pleased to speak today in this historic debate on behalf of the constituents of Saskatoon Centre. I know some of them have told me that they would love the opportunity to be able to speak to the government. They would love to be able to tell the government how bad it's been in the policies that it put forward to the people of Saskatchewan.

And I have some constituents, Mr. Speaker, who have told me that they are so angry that they couldn't speak if they were here. They would be just so choked up with their anger at what the government is doing that they couldn't be polite, and they wonder how I can manage to stand here and speak to the government after what it's done to the people of Saskatchewan.

Mr. Speaker, we know that people are angry in this province. And the latest group of people to be stirred to anger against the government are the farmers who are furious over their drought payments in parts of this province where they were expecting 40 to \$45, as the Premier promised them, and instead they're paying taxes on that money, and they're not getting the money that they were expecting.

And, Mr. Speaker, with Bill 20 we lose control of our natural resource, potash. Control is an important word when you are talking about access to the profits that can be used. We lose control of revenue that could be used to help small town Saskatchewan and the farm families that are experiencing such stress. We do lose that control, Mr. Speaker.

And the Premier, when he spoke this afternoon, when he

finally screwed up the courage to speak to this issue, when he finally came forward and talked for over an hour, with 10 minutes on potash . . . He talked about privatization in general and he talked about how we would get revenue from taxation. And that was the way, taxing the corporations would be the way to get revenue to pay the farmers who need money from the problems of the drought.

And let me look at this, Mr. Speaker, in terms of the royalties and the . . .

**The Speaker:** — Order, order.

**Ms. Smart:** — Thank you, Mr. Speaker. I was talking about the royalty and mineral taxes which the Premier boasted about having that would help the farmers and would be the result of this privatization. Between 1976 and 1981, when the New Democrats were the government in Saskatchewan, we collected \$986 million in taxes and royalties; between 1982 and 1987, when the Conservatives were the government, they collected \$274 million. The difference between 986 million and 274 million.

They have not been collecting revenues from taxing the corporations and the royalties on the corporations. They've been collecting their revenues by taxing the people of Saskatchewan. They've increased the taxes when they said they would decrease them. They've increased the taxes to the people of Saskatchewan, and they have failed to get the money from the resources.

The Premier has cited Saskoil as a positive example of privatization, but he failed to mention that ever since Saskoil was privatized, it has not paid one dime in dividends to the Saskatchewan treasury. Mr. Speaker . . .

**The Speaker:** — Order, order. Perhaps the hon. member will have the opportunity to mention some of the things he feels she hasn't. In the meantime, let us allow her to speak.

**Ms. Smart:** — Thank you, Mr. Speaker. And I'm sure it will not be lost on the people of Saskatchewan that this government, which has brought in muzzling legislation to gag us in being able to speak to this Bill, is also being so inconsiderate that they are interrupting our discussion when we do have the time to talk.

Mr. Speaker, I've talked about what's been happening to the farmers of Saskatchewan. And I learned this last weekend that over 40 quarters of land have been taken from farmers in the R.M. of Grant, just as one example, Mr. Speaker. In the R.M. of Grant alone, over 40 quarters of land have been taken from farmers, taken from farmers by the banks and the Farm Credit Corporation. And those 40 quarters of land sitting there in the R.M. of Grant are growing weeds, Mr. Speaker. They've been left to weeds — non-productive land sitting as a silent witness to the mismanagement and the corruption of this government opposite.

(2045)

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

**Ms. Smart:** — Nothing but weeds, Mr. Speaker, on land which should be productive. And what we have here in this legislature is the presentation of noxious policies and noxious legislation which is growing in Saskatchewan like the weeds, Mr. Speaker.

Closure on the potash Bill stifles debate on an economic issue which is every bit as vital to Saskatchewan as keeping farm land in the hands of the farmers. The government wants farm land in the hands of the banks, it want farm land growing nothing but weeds, and it wants our natural resources in the hands of the big international cartels.

And I challenge the minister from Indian Head-Wolseley to go out to all those farmers who have been foreclosed on and tell them about the wonders of being allowed to participate in economic development by purchasing shares in the Potash Corporation of Saskatchewan. I say the minister wouldn't have the courage to take that risk because he knows what the people of Saskatchewan would say to him; he knows what the farmers would say.

Mr. Speaker, the minister of privatization, like the other government members opposite, prefers to hunker down here in this legislature, waiting out the hours until this debate is finished, and then he and his colleagues opposite can run out and give away our potash company to the carpet-bagging Yankees who are lined up to sign up on the dotted line.

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

**Ms. Smart:** — And that's the reason, Mr. Speaker, for ramming through this closure motion. The reason for ramming through the closure motion is because you've got a secret deal ready to go. The members opposite, the ones that have the courage to speak up to now, have referred to the Potash Corporation of Saskatchewan as diversifying into nitrogen fertilizer. They argue expansion and diversification, and I ask, Mr. Speaker, into what? Into what? Into nitrogen fertilizer.

You've got Cargill coming into Saskatchewan to build a nitrogen fertilizer plant. So what's the deal, Mr. Speaker? I say the deal must be something with Cargill. Or are they proposing the potash corporation set up a competition with Cargill? They've already said that Cargill is going to be building a nitrogen fertilizer plant that's going to be producing far more fertilizer than we can use in western Canada. It's going to be fertilizer for the market in the United States. They couldn't have a fertilizer plant in Rosetown and another one in Yorkton because that would be too much competition, but they are saying that the potash corporation could diversify into nitrogen fertilizer.

Mr. Speaker, I say that the fertilizer company, the potash corporation is going to be integrated with Cargill and is going to be integrated with International Minerals, and that they've got a deal in the works that they're going to release as soon as this Bill is up.

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

**Ms. Smart:** — Now, Mr. Speaker, I don't believe in making statements like that unless I can back them up with some other authorities, Mr. Speaker. And I want to quote to you from a chapter from the book called *Privatization, Public Policy and Public Corporations in Canada*. This is an article on the Potash Corporation of Saskatchewan, and, Mr. Speaker, this chapter in this book says this. It says this:

The new Saskatchewan minister responsible for implementing the privatization program holds the title of "Minister of Public Participation." This populist approach to neo-conservatism enables the government to show dedication to the principle of privatization and bring in supplementary funds to the public sector while also retaining government as the major shareholder.

Note, Mr. Speaker, that this particular writer describes this populist approach as neo-conservatism. That means back in time, Mr. Speaker, a recycling of old ideas. That's what it is.

And the chapter in the book says this, Mr. Speaker:

A number of the changes in the PCS management and financial structures undertaken by the Conservatives can be interpreted as prerequisites to a purchase of the state enterprise by the International Minerals and Chemical Corporation, IMC, the giant U.S. transnational corporation which already operates potash mines in the province.

What is the evidence behind this speculation (the authors say)? Specifically, the government's decision to absorb PCS's outstanding debt (which they did) in order to give it a debt/equity ratio akin to private companies makes the corporation highly saleable. The appointment of a president and chief executive officer from the International Minerals and Chemical Corporation, Chuck Childers (whom we've mentioned before in this House), and his subsequent appointment of the former vice-president international of IMC as president of the Potash Corporation of Saskatchewan subsidiary, PCS Sales, and his hiring of IMC's public relations officer for Canada, the relocation of the sales office to Chicago (which has already taken place), the site of the International Minerals and Chemical Corporation's head office, (they) all create a convenient administrative network.

The two companies, IMC and PCS, although direct competitors, have a long-standing co-operative relationship. When PCS originally purchased the potash reserves owned by AMAX corporation, it negotiated a 42-year service contract with IMC to mine and deliver a set volume of ore to the Potash Corporation of Saskatchewan annually.

Although there is over-capacity in the industry generally, IMC has been obliged to operate at half capacity much of the time since 1985 due to

severe flooding in one of its two Saskatchewan mines.

So if it's had severe flooding one of its two mines, it could very well and very easily be looking at the Potash Corporation of Saskatchewan's mines to replace those mines. And the writers go on:

As an integrated fertilizer company without reserves elsewhere, IMC might have an interest in acquiring other mines if the price was right. In a time of market downturn, the price a government could propose for selling the Potash Corporation of Saskatchewan might indeed be right for the buyer, if not for the taxpayer. The commercial . . . (And this is important, Mr. Speaker) The commercial and the personnel links are thus in place should the ideological agenda of the Conservative government and the business agenda of the U.S. corporation coincide.

Now I am going to be absolutely certain that there's going to be some secret deal coming forward very quickly. It's the only reason for ramming this through with closure

Mr. Speaker, the Minister of Energy and Mines mentioned the International Minerals and Chemical Corporation, which I think is very much in place to buy the Potash Corporation of Saskatchewan. And I want to just read a little bit more description about it because I want people to understand what it is.

The International Minerals and Chemical Corporation (Canada) Ltd. is totally owned by the International Minerals and Chemical Corporation which is incorporated in New York and with its head office in Illinois. And the parent company is the world's largest producer of chemical fertilizer and fertilizer materials. The parent corporation is a multinational operation with a diversified line of mineral, chemical, and food products for industry, agriculture, and the home, with operations in some 300 locations in 30 countries.

That's the International Minerals Company, Mr. Speaker. And, Mr. Speaker, with mergers and with take-overs and with the integrated structure of monopoly capitalism, there is very likely a deal in place which includes Cargill, the International Minerals and Chemical Corporation, and the Potash Corporation of Saskatchewan, and the government opposite.

And while the members opposite talk about diversification, I say, how is selling off to foreigners in any way an example of diversification? That's nonsense, Mr. Speaker.

Mr. Speaker, I want to point out something that the member from Moose Jaw North also pointed out, that the Potash Corporation of Saskatchewan is only 40 percent of our potash production. This was a very important point, Mr. Speaker, and I'm emphasizing it. Another 60 per cent of the ownership of the Saskatchewan potash resource are private companies. We already have private companies in Saskatchewan. And we ask the question: where is the diversity from those companies? Well

obviously the diversity that they want, the diversification, is to buy into our resource and to control more of our potash, and to not let us have control of any of it. It was only 40 per cent; it wasn't the whole thing. You'd think we'd taken over every single mine in the province.

The member from Moose Jaw North also pointed out that, if people want to participate, they can buy shares in the International Minerals and Chemical Corporation, or Cominco, or any of the other private companies. They already offer shares and if anyone in Saskatchewan wants to make a bet on potash they can buy their shares there.

Now, Mr. Speaker, when we're talking about the issue of selling off our resource, we also have to look at what the government members have said in speaking to this Bill 20. The member from Regina Wascana said that we:

. . . took Saskatchewan's heritage money to buy a potash patch from Americans and Europeans . . .

A potash patch, Mr. Speaker, a potash patch.

**An Hon. Member:** — I never said that.

**Ms. Smart:** — You can check *Hansard*, Mr. Speaker. The member from Regina Wascana denies he says it but he can check page 3074 in *Hansard*. I'm quoting him directly.

He calls it a potash patch, as if it was just a little something out there, a little potash patch like a cabbage patch — a little plot of potash. And they also call the potash mines . . . And many members opposite, government members, have referred to the potash mines as holes in the ground — holes in the ground, little patches or holes in the ground, as if they're dismissing them. They are devaluing our mines by calling them potash patches or holes in the ground.

Mr. Speaker, I'll tell you where the holes in the ground are in this province. The holes in the ground are on the highways of Saskatchewan, that's where the holes in the ground are. And this government has . . .

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

**Ms. Smart:** — And by calling them potash patches and holes in the ground, the Conservative government of Saskatchewan is echoing the kind of language that the federal government is using — also Progressive Conservatives, Mr. Speaker. And I refer to an article in the *Star-Phoenix* from Friday, August 4, headlines: "Takeovers of mining firms no cause for worry: Andre". Harvie Andre says this; Industry minister Harvie Andre says:

It doesn't matter if foreigners take over Canadian mining companies because mines can't be taken out of the country . . . (He says) "No matter who owns it, one thing I'm sure of is Falconbridge mine is not moving", he said. "It's going to be there and subject to all the rules and regulations respecting safety, the environment, marketing, labelling, you name it."

Oh, the mine is going to be there. But what are they referring to when they talked about holes in the ground and mines that aren't going to go anywhere. The ore comes out of the mines and it's the ore that goes somewhere. It's the ore that's in the hole in the ground that makes the mine valuable, not a potash patch.

These mines are valuable. These mines belong to the people of Saskatchewan, and this mining sector is the sector that has generated tremendous profits for foreign investment in Canada. If it hadn't, they wouldn't be wanting to control it all the time for us. That's why the multinationals want control of it. And I say, Mr. Speaker, that if buying a potash mine squanders money, it squanders money; if the potash mine is nothing more than a hole in the ground, if it's nothing more than a potash patch, if it's going to stay there, the mine is going to be there and can't move; and if a private foreign company has so much better sense than the people of Saskatchewan, the foreign companies that you support because you're in the pockets of big business, if the private foreign companies have so much better sense than the people of Saskatchewan; why would the private investors want the mines? Why would they want them? Who wants the if they're holes in the ground, or patches, Mr. Speaker?

(2100)

The devaluation of the mines by the government opposite, where they devalued it in terms of money, they devalued it in terms of the support they gave to the potash corporation, they devalue it in the way they speak about it, the devaluation of mines by the government opposite engaging in doublespeak and sophistry, is not debate. It's intended to make the people of Saskatchewan feel that the potash mines are of no value. They say that we bought mines . . . Instead of building, we bought them. We bought them and we worked them and we organized them and we ran them fairly and finely. And we worked them for the people of Saskatchewan.

Mr. Speaker, the Minister of Justice has admitted in his remarks to this debate, that he doesn't even want to debate, he just wants 30-second TV clips. He said he doesn't value debate and he doesn't value truth and honesty. Mr. Speaker, he doesn't value that. As Minister of Justice, he's shown just how corrupt this government is prepared to be, Mr. Speaker, just how corrupt they're prepared to be.

Now, Mr. Speaker, one of the points that we've made in this House, and I'm going to make it again because it's important to me and it's important to the constituents of Saskatoon Centre, is that the government opposite, with Bill 20, the Bill to ruin the Potash Corporation of Saskatchewan, has no mandate from the people. They had no mandate to do what they are doing. In fact, this Minister of Justice, who has shown how corrupt he can be and how little he values honesty and truth, actually said before the election that the corporations were safe and that no one would sell a Crown corporation. He said that, Mr. Speaker, and now look what he's done. Completely reversed himself on that issue.

Mr. Speaker, the government has no mandate to do what



they're doing, and they have no support from the people. The polls have shown this. We have at least 50 per cent of the people of Saskatchewan totally committed to saving the Potash Corporation of Saskatchewan.

And I say, Mr. Speaker, that if we have to look for 30-second TV clips, and if we can't get commitments from the government opposite as to what they're going to do after they're elected because they're privatizing when they have no mandate to do so, then we have to look at their election promises. We have to also look at their Tory resolutions. The people of Saskatchewan have to look at what the Tories talk about in their own little private meetings, in their conventions, to find out what it is they're going to be up to.

And we should monitor those meetings very carefully, because we can't believe anything else that they say. Perhaps they tell the people that support them what they're going to do, and I invite the media to report their meetings in full so that the people will know. And if the media reported in full what the Tories say in their own meetings, they would know that one of the Tory policies and one of the things the Tories are promising is cheap labour and cheap land — cheap labour and cheap land for investment in Saskatchewan.

The people in the paid labour force and the farmers are to be exploited by those with the wealth and the power to do so. That's why we have quarter sections that are in weeds, and that's why we have people that are out of work, because this government's policy is cheap labour and cheap land. And I say shame on the government, shame for that.

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

**Ms. Smart:** — Mr. Speaker, it's very important to realize that the government did not let anyone know, when they ran for election, what they were going to be doing with all their privatization schemes, and they have no mandate to be doing this, as I've said. And I'm proud that in 1971 when the New Democrats were running for election, that they produced a very substantial document with policies that we were prepared to implement.

And this is what we said about potash, Mr. Speaker.

Saskatchewan's natural resources are the rightful heritage of the people of our province, not the preserve of private interests. The New Democratic Party believes that Liberal policy (and now it's Tory policy) of selling out our birthright is both unwise and unnecessary.

We have faith in Saskatchewan people. We believe them capable of developing their own resources for their own benefit. Outside help is something necessary, but a sellout is not. Development must be aimed at maximizing benefit for people — not maximizing profits for big business and its promoters.

New Democrats recognize the need for research and planning, and the folly of "growth for the sake of growth." We must take into account all aspects

of the well-being of citizens, including their right to a healthy environment.

Towards these ends, a New Democratic government will:

... oppose any further sellout of our resources. With respect to new development, the NDP will give first priority to public ownership through crown corporations. Co-operative ownership will be encouraged ... Limits will be established with respect to foreign equity capital, and every effort will be made to limit foreign investment in resource development to non-equity capital.

Mr. Speaker, I'm proud that the New Democrats ran for election in 1971 on that record. We told the people what we were going to be doing; we spelled it out and we did it. And in 1975, when we ran again for election, the same issue, the challenge of ownership, was before the people. And we said in our election campaign that:

... two broad issues above all face the people of Saskatchewan.

First, how do we develop our province and build upon our solid agricultural base, realize our industrial potential, and at the same time preserve the unique values of the Saskatchewan style of life?

Second, who is to call the shots and reap the rewards from our rich store of resources: the multi-national corporations, the federal government, or the owners of those resources — the people of Saskatchewan?

These issues are bound together. There is no second change with non-renewable resources. Resources like oil and potash. Once gone, each barrel or ton is irreplaceable. And if the people of Saskatchewan are to have their chance to shape their own future, then it is vital that the owners' share of these scarce resources provide the capital and the springboard for the people to develop their Province their own way.

When re-elected New Democrats will continue to act to see that Saskatchewan people get the greatest benefit from our resources in the decades ahead. Specifically, we will:

... Speed up direct government participation and exploration for and the development of potash ...

Now, Mr. Speaker, we did that for a very good reason. We have here with these two documents proof in writing of what we propose to do. It was a covenant with the people, Mr. Speaker, a covenant with the people — the people that we value and that we work with, the people that this government ignores. This government can't even have the courage to go to the people and to say, is this what you want done with your Potash Corporation of Saskatchewan? You didn't do it before the election. You bring in this legislation with no mandate to sell off the people's heritage and you haven't got the courage to go

out and find out what the people think about it.

Now, Mr. Speaker, I read those documents from the New Democratic Party for two reasons. One was to prove that we had a mandate when we were elected in 1975 to go forward with the public ownership of the potash industry. And we had promised the people that we would do that, and we were elected, and we would do that — extending ourselves into the community through the election in a fair and honest way, not a devious way. We didn't try to manipulate the people. We told them what we would do.

And I read those documents for another reason, Mr. Speaker: because those phrases from the New Democratic Party election platforms linked the political, the economic, and the social policy. They put the ownership of the resources in the broader context of the social policy that we want to implement in this province.

And Bill 20, while it is labelled an Act to reorganize the Potash Corporation of Saskatchewan, has to be addressed in broad terms. It has to be seen as part of the overall economic and social policy of this government. There are basic issues raised by this Bill, Mr. Speaker: control of natural resources for the maximum economic benefit of all Saskatchewan people; not the left-overs after profits, but all the profits going to the people of Saskatchewan. And this creation of wealth through the ownership of our natural resources is essential for the development of social benefits.

So with the closure on this Bill, Mr. Speaker, we face a very serious change in the history of Saskatchewan — a very destructive move.

Mr. Speaker, I want to point out that women particularly are concerned about social benefits, our social benefits. You can't separate economic policies from social policies. You have to have the hard side, the economic side, linked with the soft side, with the social policy. And women particularly understand this, Mr. Speaker. Women have been shown by research to support the public services and public ownership.

There are, I think, three reasons for this. One is that women appreciate public services as consumers. We know what it means to have good education systems for our children. We are concerned about health care and we are concerned about social services. We are the majority of the consumers of the health care service, Mr. Speaker, and we are very interested in what happens to our children's education and to the social services provided, particularly to the poor.

Mr. Speaker, as workers, we work in jobs in public service. There are far more workers in the health field, in education, and in social services who are women than there are men. And so also as volunteers, Mr. Speaker: women are trying to do all the work in the community, which is unpaid labour, and often represents services that could be paid for if the funds were available, if the funds were available.

And one of the reasons why I'm fighting so hard to see the potash corporation stay in Saskatchewan is because I know that those funds must be available. The

Conservative policy is to carry social services and health and education on the backs of volunteers and on the backs of private companies like Bridge City and like those other private vocational schools which are ripping off the people of Saskatchewan and not providing good educational services. And again I emphasize that it's important to recognize the need to link economic and social policy.

Tory ideology believes that individuals won't do anything positive or creative unless they are forced into it by having all the support systems pulled out from under them. And women know better than that, Mr. Speaker. We have always worked hard for little recognition or financial success. We have worked together as mothers, daughters, wives, and community volunteers to hold communities together.

This work is a contribution which proves that half the human race is capable of functioning, of doing dedicated work in a system that does not depend on the accumulation of personal wealth as the only motivation to work — a very valuable lesson, Mr. Speaker. And that's why so many women support public services, strongly support publicly funded services, and women support public ownership.

But I don't want to exclude men, Mr. Speaker, because I know that there are many men in this province that know that all Saskatchewan people can value from public service, and there are many men who have worked in public service and worked with great dedication. They haven't needed to be constantly prodded by a carrot of extra revenue from profits in order to do a good job. And the polls, as I've said already, show that the majority of Saskatchewan people support us in opposing this sell-off.

Now, Mr. Speaker, there are things that people have said to me about this. My neighbours and my constituents have said to me, why are they selling off something that's making money? It's making money for us, \$106 million last year. Why sell something that's making money? We need that money; we need that revenue in this province. People are saying to me, wherever I meet them, the Conservative government has gone too far — it's gone too far. And the other thing that people say to me, Mr. Speaker, is, the Potash Corporation of Saskatchewan is ours already; we already own it. Why should we be invited by the Conservative government to buy shares in what we already own?

So the potash corporation, as people know, is ours already, and we are being hoodwinked with this idea that we need to buy shares in it in order to profit from it. It's only the multinationals that want the control of the corporation, Mr. Speaker, the wealthy few that can afford the shares. And in Saskatchewan, only 14 per cent of the people have been buying shares, only 14 per cent. That leaves an awful lot of other people out and that makes mockery of this so-called public participation program. Only 14 per cent of the people can afford it. And again, Mr. Speaker, I repeat that this potash Bill must be seen against the backdrop of society as a whole because it is part of this whole.

(2115)

In 1987, Mr. Speaker, the leader of the opposition at that time, Allan Blakeney, had a news conference, and in his statement he again reiterated in 1987 the ideas that the New Democrats hold dear. He said this:

New Democrats are of the view that non-renewable resources, like potash, belong to all the people of this province, not just to the large corporations who happen to develop them. Therefore we need sound and responsible resource policies to ensure that Saskatchewan people get a fair return from all of Saskatchewan's rich natural resources, including potash.

In 1976, all of Saskatchewan's potash industry was owned outside the province and most of it, 85 per cent, was owned outside Canada. Our government tried to work with the industry to develop sound resource policy, ensure orderly expansion of the industry in Saskatchewan, and provide for fairer taxation levels.

But most of the private potash companies refused to co-operate, and in 1976, the New Democratic Party government took action to deal with the private potash companies' arrogant disregard for the public interest.

They created the Potash Corporation of Saskatchewan, Mr. Speaker, and by the end of 1981, a total of \$418 million had been invested in the Potash Corporation of Saskatchewan. That was the total amount of the provincial equity investment which was used to purchase and make immediate improvements to the mining assets.

And what did the people of Saskatchewan get for that \$418 million investment? From 1976 to 1981, the Potash Corporation of Saskatchewan made total profits of \$414 million and about 100 million went directly into the provincial budget in the form of dividends which kept taxes down and helped the province provide better public services like schools and hospitals. And, Mr. Speaker, a friend of mine who is on the town council in one of the small communities in Saskatchewan tells me she remembers when they used to get dividends sent to the town council to help with their expenses, and those dividends were provided from the government because of the Potash Corporation of Saskatchewan profits.

And the leader at that time, Allan Blakeney, went on to say:

The rest of the profits were reinvested in the potash company and after five years of operation, Saskatchewan taxpayers had not only taken out dividends of 100 million, they also owned a corporation in which their equity was \$732 million.

In 1982, the PC provincial government took over the Potash Corporation of Saskatchewan and began to mismanage in a way that was next to criminal, Mr. Speaker — next to criminal. That's a pretty strong charge, Mr. Speaker, and I want to develop it further, because when we're talking about the kind of actions, the kind of neo-conservatism policies of the Conservative

government opposite, we are talking about acts that are next to criminal — we are. It's really a crime against the people of Saskatchewan to let control of their non-renewable natural resource go out of the province.

Mr. Speaker, in preparing for this speech, I had the opportunity to go through some of the very excellent resources in our Legislative Library, and I've been doing some reading in political economy. I have appreciated the opportunity to do this, and to be motivated to do it in terms of trying to understand what's going on with the sell-off of the potash corporation, trying to look at it in a very holistic sense, in terms of social, political, and economic policy.

And one of the books that came to my attention, Mr. Speaker, is a book called *Ethics and Economics*, and it's *Canada's Catholic Bishops on the Economic Crisis*. And it was interesting because I'm not a member of the Catholic faith, but I remember when this document was released to the people in 1983. It was called "Ethical Reflections On The Economic Crisis", and I'm reading some of the statements to the members opposite because it has been my realization that where we want to look at economic policy, social policy, and political policy in a holistic sense, the government opposite wants to atomize everything into little tiny bits.

And over and over again when my colleagues were speaking to Bill 20, government members jumped up and said, oh that's got nothing to do with Bill 20, you've got to get back on Bill 20. And then of course when they stood up, they rambled all over the place and said all sorts of things that were not related to Bill 20. But they continued to interrupt and at times it became almost harassment to be called on points of order because they wanted us to go back to Bill 20.

Of course when we did go back to Bill 20 and wanted to look at very specific wording, there's also documentation that people jumped up and said we were doing what we had to do in Committee of the Whole and that we should get back to more general statements because second reading was general statements. But anyway, round and round we go on that.

I think it is very important to see this Bill in a much broader context, the context of social policy, and the context of what's happening in this country, Mr. Speaker.

And so I will read into the record the bishops' comments, "Ethical Reflections On The Economic Crisis." I'm not going to read the whole thing, but I want to read some paragraphs that I thought were particularly important in this debate. The "Economic Crisis."

The present recession appears to be symptomatic of a much larger structural crisis in the international system of capitalism.

Mr. Speaker, may I comment on this, because the government members opposite, every time we've mentioned multinational corporations, they get all excited and call out names to us and say, there you go again mentioning the multinational corporations. They want to work in the global village, Mr. Speaker, but they

don't want to recognize that one of the biggest forces in the global village is international capitalism, the transnational corporations. And the bishops, the Catholic bishops recognize that:

The present recession appears to be symptomatic of a much larger structural crisis in the international system of capitalism. Observers point out that profound changes are taking place in the structure of both capital and technology which are bound to have serious social impacts on labour. We are now in an age, for example, where transnational corporations and banks can move capital from one country to another in order to take advantage of cheaper labour conditions . . .

And I've already pointed out that the Premier of the province wants to provide cheap labour in Saskatchewan. That's how he's going to get the foreign investors to come . . .

. . . lower taxes, and reduced environmental restrictions.

Now lower taxes will be lower taxes on the corporations, not on the people, Mr. Speaker, lower taxes on the corporations. And I've already pointed out how much less royalty and taxes we've got during a Conservative government from our potash industry than we got when the New Democrats were in power.

We are also in an age of automation and computers . . .

The member from Weyburn, the Minister of Education likes to hoot and holler about the information age and the knowledge based economy, but he doesn't want to recognize that human work — the bishops recognize it:

. . . human work is rapidly being replaced by machines on the assembly line and in administrative centres. In effect, capital has become transnational and technology has become increasingly capital-intensive.

Capital-intensive, Mr. Speaker, more money going into machines than going into working conditions for people, and going into jobs, and going into labour.

The consequences are likely to be permanent or structural unemployment and increasing marginalization for a large segment of the population in Canada and other countries.

And, Mr. Speaker, when I read that, I think of the 200 Cory potash miners who lost their jobs. Out of 315 workers at the Cory mine, 200 of them gone. And I have had those workers in my constituency, Mr. Speaker. I've had them in my constituency and I've seen what's happened, and I'm going to talk about that in more detail in a moment.

The Catholic bishops reflecting on the economy see an economic crisis and they also see, Mr. Speaker, and this is very important, a moral crisis — a moral crisis. Refer back to Allan Blakeney's statement, that what the Conservatives have done to the potash corporation was

next to criminal.

The bishops say this:

The current structural changes and the global economy, in turn, reveal a deepening moral crisis. Through these structural changes, "capital" is reasserted as the dominant organizing principle of economic life. This orientation directly contradicts the ethical principle that labour, not capital, must be given priority in the development of an economy based on justice. There is, in other words, an ethical order in which human labour, the subject of production, takes precedence over capital and technology.

Takes precedence, Mr. Speaker, and I will be referring in detail to the attitudes of the government opposite and the actions of the government opposite to labour.

Mr. Speaker, the bishops say:

This is the priority of labour principle. By placing greater importance on the accumulation of profits and machines than on the people who work in a given economy, the value, meaning, and dignity of human labour is violated. By creating conditions for permanent unemployment, an increasingly large segment of the population is threatened with the loss of human dignity. In effect, there is a tendency for people to be treated as an impersonal force having little or no significance beyond their economic purpose in the system. As long as technology and capital are not harnessed by society to serve basic human needs, they are likely to become an enemy rather than an ally in the development of peoples.

Mr. Speaker, the bishops go on, but I want to take a moment to comment on something the Premier said this afternoon in his intervention — now that he's gagged the rest of us — in his intervention and discussion on the potash Bill.

Mr. Speaker, the Premier said, when he was talking about the paper mill in Prince Albert, that it has 30 feet of concrete structure in the foundation and therefore it can never be taken out of Saskatchewan, and therefore it's always going to be there; whether we own it or not, there will always be a paper mill. And, Mr. Speaker, I thought immediately when he said that of the people in my constituency who work at the Carling O'Keefe Brewery factory. Tell them that, that the brewery's going to be always there. That's a joke. That's a joke. What'll be there, it'll be razed to the ground and there'll be a parking lot.

Multinational corporations have constantly in Canada taken all the equipment and taken everything out of a factory when they've left it, and they leave a shell. They leave nothing that people can work with.

And yes, I know that the government opposite has put forward a token bit of money for the workers to look at the possibility of worker ownership of that particular brewery, Mr. Speaker, but they have done nothing

structurally to support the brewery industry. They have done everything possible to destroy it. That's why the brewery is leaving the province. And if they think that people, the workers are going to be able to take up that amount . . .

**Hon. Mr. Schmidt:** — Would the member entertain a question, and I'll be so kind as to give her the question so that she knows what she's answering . . .

**The Speaker:** — I'm sorry, I can't allow that, but I'll certainly ask her if she wishes to entertain a question.

**Ms. Smart:** — I do not, Mr. Speaker, my time has been limited by the gag motion from the government opposite, and I want to use every single moment . . .

(2130)

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

**Ms. Smart:** — . . . To talk, I want to . . .

**The Speaker:** — Why is the member from Saskatoon Westmount on his feet?

**Mr. Brockelbank:** — Point of order.

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

**Mr. Brockelbank:** — Mr. Speaker, the government has severely restricted our time to debate this issue. This is the third time today a member has risen, asked to present a question. This is amounting to harassment and using up the time of this House and the member's time to debate this issue. I think you should do something about it, Mr. Speaker.

**The Speaker:** — Order, order. Well I should like to point out to the hon. member that the hon. member is completely within his rights to request if the hon. member wishes to entertain a question, is following the rules of the House, and is completely within his rights; and the point of order is not well taken.

**Ms. Smart:** — Thank you, Mr. Speaker. I wanted to point out that contradiction, the fact that a large industry in Saskatoon will no longer be viable as a result of the Conservative policies opposite.

Mr. Speaker, I want to go on now with the Catholic bishops' statement on the economy because they say some other interesting things. They say, in addition to the points that I've already shared with you:

. . . the renewed emphasis on the "survival of the fittest" as a supreme law of economics is likely to increase the domination of the weak by the strong, both at home and abroad. The "survival of the fittest" theory has often been used to rationalize the increasing concentration of wealth and power in the hands of a few. The strong survive, the weak are eliminated.

And, Mr. Speaker, when you have money in your hands,

when you're wealthy, you do have power. When you're a worker dependent on an industry organized by a multinational, you don't have as much power.

And the government opposite talks about the big unions and the power of the big unions, but when they closed down the Carling O'Keefe Brewery in Saskatchewan, the unions couldn't help the workers — not much, not much at all.

Under conditions of "tough competition" in international markets for capital and trade, the poor majority of the world is especially vulnerable. With three-quarters of the world's population, for example, the poor nations of the South are already expected to survive on less than one-fifth of the world's income. Within Canada itself, the top 20 per cent of the population, we see 42.5 per cent of total personal income, while the bottom 20 we see 4.1 per cent.

And, Mr. Speaker, it is the New Democrats' dedication to the redistribution of wealth, to try and to close that gap between the wealth and the poor that makes our policies so much more just and humane.

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

**Ms. Smart:** — And, Mr. Speaker, in speaking on behalf of the constituents of Saskatoon Centre, I take this opportunity to reflect what so many of them have said to me, that they're deeply worried about the division now in Saskatchewan between the wealthy and the poor, that the rich are getting richer, the gap is growing, more and more people are hurting, Mr. Speaker.

And the bishops say:

These patterns of domination and inequality are likely to further intensify as the "survival of the fittest" doctrine is applied more rigorously to the economic order. While these Darwinian theories partly explain the rules that govern the animal world, they are in our view, morally unacceptable as a "rule of life" for the human community.

And I couldn't agree more, Mr. Speaker. I couldn't agree more. They say this in "Alternative Approaches."

An alternative approach calls for a re-ordering of values and priorities in our economic life.

The New Democratic Party — the bishops don't say this, Mr. Speaker. That first sentence was the bishops; this next sentence is mine. The New Democratic Party has been dedicated to the idea of reordering values and priorities in our economic life.

The bishops say:

What is required first is a basic shift in values: the goal of serving the human needs of all people in our society must take precedence over the maximization of profits and growth, and priority must be given to the dignity of human labour, not machines.

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

**Ms. Smart:** — A fine and valuable statement, Mr. Speaker. I recommend this book, which is available in the Legislative Library, to all the government members opposite. I urge them to read it and to take very close note of what the bishops have said.

Mr. Speaker, I read that policy, the bishops' statements for a very good reason. Because when I look back over the potash issue in this legislature, over the years that we've been here since 1986, I found myself focused on what happened to the Cory miners. And I do link this to Bill 20, Mr. Speaker, because for us as new Democrats, having control of the Potash Corporation of Saskatchewan gave us an opportunity to implement worker policies and social policies that were helpful to the people, to the people who worked in the mines as well as to the people who benefitted from the profits, the people of Saskatchewan.

And, Mr. Speaker, I found that in question period, in response to the Leader of the Opposition who was questioning the government about the lay-off of the potash workers at the Cory mine, the numbers of jobs lost, approximately 1,000 jobs since 1981 have been lost. Our leader, the Leader of the Opposition, was pointing out that there was a work-force of approximately 2,267 in 1981 — jobs, Mr. Speaker, the kind of jobs, human labour, good work, good pay. And today, he was saying, in May of 1988, prior to the Cory announcement, the work-force was 1,466 — a loss of a thousand people if you add the 200 from the Cory mines.

The policies of the government opposite put people out of work, completely in opposition to the economic statement that the bishops made, completely different. They don't value human labour and the dignity of human work. In fact, in response to the Leader of the Opposition, the Minister of Finance, the . . .

**The Speaker:** — Order. Order. I'm sure the hon. member must be having some problem delivering her remarks when two members in the House are interrupting, and I ask them to allow her to continue without interruption.

**Ms. Smart:** — Thank you, Mr. Speaker.

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

**Ms. Smart:** — I will point out to the government members opposite that I am making some points that perhaps have not been made in quite the same way as my colleagues, and I want to have every opportunity to put my position forward here in this legislature

Mr. Speaker, the minister responsible for the potash corporation, in response to this question about the loss of jobs said this:

We have made it abundantly clear to the people of this province that the potash corporation will not be run as a social welfare agency.

And he said that:

. . . when we undertook the down-sizing of the potash corporation last year, (down-sizing is a term for laying people off) we did it management first, Mr. Speaker, and we had a significant reduction in management at the potash corporation.

Now there's two points in that, Mr. Speaker. One was a denigration of the term social welfare. Obviously the minister was sneering at the idea of trying to help people and of using a work place as a good place, as a good place to enforce the dignity of human work and to provide jobs for people, which the potash corporation did. And they had numbers of people employed there.

And the second thing, Mr. Speaker, he said is if laying off management first was something that we would accept. And we don't, and we don't. There were a lot of good people lost from the potash corporation with this government's failure to recognize the value of human labour, good trained Saskatchewan people from the top of management down. All the way through the potash corporation people were laid off. And it hurt them, it hurt them very badly, Mr. Speaker.

And then what happened, Mr. Speaker, was interesting. We found out that the Minister of Energy and Mines had put out a statement when she brought in The Potash Resources Act, she had sent a statement out to all the potash workers. And in her statement she says this:

The situation which is currently facing our province's potash industry has the potential to jeopardize the livelihood of our potash workers, their families, and the many Saskatchewan communities dependent on the industry without action.

And she calls The Potash Resources Act action, even though she never proclaimed it and never put it into effect. But she says:

Without action we could expect to see mine closures, substantial additional job losses, many of them permanently lost, and further erosion of local economies and the provincial benefits which flow from a healthy and successful potash industry.

And she said:

We fully intend to exercise our leadership role as the world's largest exporter and the largest producer of potash in the free world. In doing so we will protect the livelihood of the employees, preserve the value of the investment in our industry and infrastructure, and ensure a fair return to the people of Saskatchewan from their resources.

Mr. Speaker, I got this document from a potash family that I visited when I was going door to door, one of the Cory miners who was laid off. And I sat at their kitchen table with him and his family — his wife and his children — and I heard the story of what had happened to him since

he was laid off from Cory.

And what had happened was that they . . . he went back to school taking job retraining in something he's not even sure he's going to get a job in. There's no guarantee that jobs are going to exist in the training he's been taking. And she's gone to work at Eaton's for eight hours a day. She's got three small children to take care of, and she's standing on her feet all day selling things so that she can get some income. That's what's happened to that particular potash worker's family that gave me this document.

And he said to me, she promised that our livelihood and our jobs would be preserved with The Potash Resources Act. She promised. And what did they do? A year later they laid them off — 200 people. Broken promises, because they don't value human work and they don't value human dignity and they don't value the potash workers.

The member from Weyburn in his debate on the potash Bill said:

. . . I would suggest to you, putting the union hierarchy, not the real workers, the rank and file who I count as my friends, and everyone in this building counts as their friends, who work hard and are dedicated and great community people — all of those people that work (hard) as part of the union structure in this province.

He says he values them, and he supports a government that laid them all off. That's not valuing people, Mr. Speaker. That's not valuing them at all.

Mr. Speaker, I was really touched when the Cory workers were laid off. And I think, to emphasize the Bishops' statement, I want to reflect back on some of the newspaper articles that were published at the time, because one of the things we're fighting for — and I want to underline it again with this Bill — we're fighting for control of a non-renewable natural resource which in the hands of the people of Saskatchewan through their government provided profits to pay for services and for jobs in the industry.

But what happened to the workers, the people valued by the bishops in their statement on the economy? Chuck Childers, our American president of PCS, advised workers "not to wait for their jobs to return."

And the *Star-Phoenix* recorded, in May of 1988, the story of one of those workers, Dean Petersen, a 30-year-old machine operator who found out that "his nine-year-long career at the mine will come to an abrupt end in July." Nine years he'd worked in the potash mine, but they don't value him; they don't value him.

He finished building a new house just last year and everything looked rosy . . . (but) Now, along, with his wife and two children, he faces an uncertain future.

"The news has caused a lot of tears in our house(hold)" (he said).

Another axed worker was one person named Ivan Ficko, and he:

. . . is pointing his '74 LeMans towards B.C. (the paper says) . . . in hopes of finding work in that province. He's distraught at having to leave Saskatchewan, pull his children out of school, and leave his family, but he says, "What else can I do? After 15 years working at the mine I'm left with nothing."

(2145)

I'm left with nothing, Mr. Speaker. And it's that that we're fighting, Mr. Speaker. We don't want the people of Saskatchewan to be left with nothing. We don't accept that.

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

**Ms. Smart:** — And we've been gagged here in this legislature in terms of what we can do about this piece of legislation, Mr. Speaker. But I can assure the people of Saskatchewan that we are with them and that we are broken-hearted to hear that they are being left with nothing. We don't want that, and we will do everything we can to build up this province again when we win the election.

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

**Ms. Smart:** — There's all sorts of spin-offs too from the mines, Mr. Speaker, and the paper reported that businesses in Saskatoon and in the small communities surrounding the two mines which relied on potash workers as customers have concerns about their own survival. So there's a ripple effect, there's a ripple effect in this.

And there will be a ripple effect when the potash corporation is sold off or given away to foreign multinationals. There'll be all sorts of ripple effects, and they will be ominous ones, Mr. Speaker; they will be neo-conservative ones; they will old ones that we've seen already all around the world and what happens when we lose control of our natural resources.

Mr. Speaker, another thing that happened when those Cory miners were laid off which touched me deeply was the fact that the women and the children tried to picket the potash office. They were asking for some answers from the minister responsible for the potash corporation as to why they were losing their jobs. They held up signs that said: productive employees want to remain employed, not unemployed; how do you think we feel when our dads are laid off? said the children with their signs.

And the women and the children struggled very hard to get some accountability from the minister opposite as to why he was doing this to the people of Saskatchewan. They tried very hard, and it showed when they went out picketing the head office of the potash corporation.

But it's not just the miners that lose their work; it's not just

the miners; it's not an atomized miner here and one here and one here, it's the miners and their families and the communities that they're part of. It's a whole, total network and economic policies are part of this network. The potash corporation is part of the network.

And you with Bill 20 are destroying not just the Potash Corporation of Saskatchewan, but you are destroying some of the social network. You've already been doing it, you've been working on it already. You've been doing a pretty good job of destroying the lives of the people of Saskatchewan, and you're continuing to do it. And it's not acceptable, it's not acceptable, Mr. Speaker.

Mr. Speaker, the struggle of the women went on past the picketing where they didn't get good response from the people, from the government. The ministers would not deal with them honestly and fairly and well. They ignored them, they made statements that put them down. They made statements that suggested that they had no respect for the workers and their wives and children. It was really quite shocking to hear the statements made in the House, Mr. Speaker, and there are many examples.

But in January of 1987, Gina Digness sent a letter to the Premier of the province. Gina Digness was one of the women who organized the potash workers in their demonstration, and she had editorials in the *Star-Phoenix* explaining her position.

But, Mr. Speaker, the pain and the agony of laying off workers doesn't end just when they're gone; it goes on and on, it goes on and on. January 1989, Gina Digness wrote to the Premier:

January 15, 1989 marked the six-month anniversary since approximately 200 PCS Cory potash workers lost their livelihood. Although the smoke has cleared, many of these workers continue to suffer from after-shock and terror. Some of these men have been fortunate enough to find alternate employment, while others are involved in educational courses that do not offer any job guarantees. The sad truth is that the majority of these men are desperately attempting to survive on unemployment. In another six months, no other means of financial compensation is available, as these benefits will have run their term. So what is the alternative — welfare? I think not.

And that's sad, Mr. Speaker, because of course the workers don't want to go on social assistance. The social welfare is there to help them, but they're dedicated working people. They're dedicated working people and they're being unemployed, thrown out of work, because this government opposite doesn't respect the dignity of human labour. It only respects the wealthy few and the foreign multinationals that they're in bed with, Mr. Speaker:

Daily media reports (she writes) do little to justify the bitterness these families are forced to live with.

As I mentioned previously, headlines include reports of record sales in the potash industry, while Cominco

employees receive \$1,000 bonuses for a job well done. And that's the other irony, Mr. Speaker. You throw the people out of work and then you can say you get record sales in the potash industry because you're pumping it up to sell it off to multinationals, and you let those people go down the drain.

Mrs. Digness writes:

Many answers have been explored in hopes of attaining a satisfactory explanation to these inquiries. My questions have been met with some sarcasm, at time evasiveness, total avoidance, and now contradiction.

And, Mr. Speaker, I say to you that the women in Saskatchewan, the wives of potash workers, did not deserve to be met with sarcasm, evasiveness, total avoidance and contradiction. That's what the government members opposite have offered to these working people. That's what they've done.

I mention the latter because the explanations originally given no longer support the supply and demand theory offered by various ministers and representatives, particularly in view of the record-setting demands the potash industry experienced in 1988, the year also being coincident with the mass lay-offs experienced by 200 of the Cory men.

Perhaps, Premier Devine, you could have a serious look at this situation and offer these people an honest explanation. Your early response would be greatly appreciated.

Your early response — well, early response: a month later, ministerial assistant to the Premier said:

The Premier is currently out of the country and I have forwarded a copy of your correspondence to his colleague, the Hon. Gary Lane, minister responsible for the potash corporation, for his consideration. The minister will contact you directly.

Well the Premier, as we know, at that time, February of 1989, was off on his Asian trip, which has been mentioned many times here in this debate. He was off to Asia to sell 25 per cent of our potash mines to the Chinese, 25 per cent to the people of India, 25 per cent to the people of Japan, 25 per cent to the people in Korea, and 25 per cent some place else, for the grand total of 125 per cent of our industry to go out of the country, to foreign ownership in Asia. That's what he was doing there.

But nothing came back to Mrs. Digness from this government. Nothing came back. She wrote to us in March of 1988, saying, in March:

Why am I surprised that a month later I have heard absolutely nothing? Does the Premier have no control over his ministers and government-appointed representatives, or is Mr. Devine merely a figure-head in his party?



I must honestly say that I am appalled with this government. How is it that they can pick and choose the issues that they wish to pursue and to ignore, at the expense of the people of Saskatchewan, the same people that put them where they are today? Isn't it odd that they are holding public hearings regarding the privatization of PCS, yet they refuse to respond when direct inquiries are made.

I have been asking for a response for approximately 10 months. (This is the wife of one of the potash workers.) Perhaps it will become an issue when welfare costs are on the rise as a direct result of limited job opportunities and the government failure to take action during crucial periods. They ignore lay-offs in the mining industry, the school-based dental workers, highway workers, the list goes on.

When will it end? How can so many people be affected while this government remains unconcerned and disinterested? Where are the leaders in this government? What happened to democracy?

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

**Ms. Smart:** — I read this letter from Mrs. Gina Digness in respect and admiration for her ability to phrase the questions just as much as we have done here in the legislature.

I read this letter so that one of the people of Saskatchewan can be heard here in this legislature. She's expressed herself very well. She's laid out very clearly the issues that we've been discussing, and I give her full tribute for the work that she did to raise the consciousness of the people of Saskatchewan about what was happening to the working people.

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

**Ms. Smart:** — And her words reflect, Mr. Speaker, better than I can do, the fact that we do have a moral crisis in this province as much as we have an economic one.

We have a government that doesn't care about the people of Saskatchewan. You don't care about the people who represent them here in this legislature. You put a gag on us. You muzzle us. You ram through your legislation to allow foreign ownership of our natural resources. You benefit big business and your wealthy outside investors, not the people of Saskatchewan.

You never had a mandate to do this; you never had a mandate to sell off the potash corporation. You won't go to the electorate to see if they'll give you a mandate because you haven't the courage. You're selling off a profitable major resource, selling it for a song to private enterprise. And you are betraying Saskatchewan's future.

Mr. Speaker, I want to point out that the potash corporation is the last revenue-generating Crown corporation to be privatized and to be sold off for a song. And the result, Mr. Speaker, will be a loss of jobs for the

people of Saskatchewan, as it has been already. All through this government's regime since 1982, people have lost jobs and people have left the province.

And higher taxation will also be the result, Mr. Speaker. Not higher taxation of the industry, no. It'll be higher taxation for the people. It'll be a higher burden on the people. And you're getting this province in such a jam, we have people leaving the province, we have people unemployed, and you have taxes rising, squeezing every bit of money that you can out of the people in Saskatchewan and giving away their natural resources to foreign ownership.

Mr. Speaker, I go back to Mrs. Digness because on April 13 she did receive a letter from the Hon. Gary Lane, minister responsible for the potash corporation, in response to a letter she'd written in January. In April she finally gets a response from this minister who doesn't want to have the potash corporation have anything to do with social welfare and who doesn't care a hoot about the workers of the province. He finally writes her a response and he says this:

Premier Devine has referred your letter regarding the potash industry in the province to me for a reply. (Well, he referred it months before.) Only this government's Potash Resources Act (the minister writes) has produced some order in world potash markets and stabilized prices at a level that producers can live with.

He tells her that. He tells her that about a piece of legislation that was never proclaimed; it never became law. He misrepresented the truth to one of these workers. And I've said earlier, the ministers opposite don't value honesty and truth. They can just go and say anything they like to the people of Saskatchewan.

And he says, while the Premier was away on the Asian trip trying to get some commitment from the Chinese, the minister responsible for the potash corporation writes:

While the Chinese are becoming a more important market each year, they are limited by the amount of foreign exchange they have available to purchase fertilizer.

And I ask if they're limited to the amount of foreign exchange they have to purchase the fertilizer, how are they going to have the foreign exchange to buy the mines? I don't think it'll be the Asian investors; it's going to be the American multinationals.

(2200)

And he writes to this woman whose husband has lost her job:

Regarding the lay-offs at the Cory mine, the management and the union, with the co-operation of Employment and Immigration Canada, established an industrial adjustment program for the employees affected. The personnel department at the PCS identified more than 200 available jobs. To date, more than 60 of those

employees have found other jobs. Other employees, including your husband, are taking retraining classes to assist them in finding new jobs, according to the information I have received.

But Mrs. Digness said that they only heard about 30 jobs, but here's the minister saying 200. And Mrs. Digness should know: she's one of the people involved in this very issue right at the grass roots, married to one of the potash workers. But the minister goes on to say:

I understand that unemployment insurance benefits are paid, and tuition and book costs are covered during the training program.

I believe this information puts last summer's lay-offs at the Cory mine in proper perspective, (says the minister responsible for the potash corporation).

Oh, proper perspective. Tell that to the Cory workers. Clearly the control on production provided by this government's potash resources Act are a necessary remedy to the industries long-term problems of over-capacity. And he says:

I realize that it's upsetting to you personally that your husband was among those laid off. I expect that his retraining classes will give him a good start on a new career.

Mr. Speaker . . . (inaudible interjection) . . . Yes, my colleague says, keep a stiff upper lip, and by gosh the potash workers can do that. Now, Mr. Speaker, we've had that demonstration of the way in which this government opposite has treated the potash workers in the Potash Corporation of Saskatchewan — a very shameful display of lack of concern about the potash workers.

And then, Mr. Speaker, the Premier went on to say some things about families, and I want to read this into the record and discuss this, because this is also connected. With their policy regarding the Potash Corporation of Saskatchewan they demonstrated how much they cared about families. The Premier said:

(That) society can't be so tolerant that it doesn't do anything. You have to separate the wheat from the chaff.

And in the same speech in which he said that, he contrasted city dwellers who he said often have life-styles of crime, drug abuse and welfare abuse with rural people who are "pro-life, pro-Tory, and pro-family." And that was quoted in the *Globe and Mail*. Pro-family.

In April of 1989, the Minister of Human Resources, Labour and Employment welcomed a \$1.3 billion cut in the federal cuts to the unemployment insurance program because they will kick people off the "UI ski team" and take people out of their hammocks.

That was quoted in the *Financial Post*. And who does he think is on the UI ski team, and who is sitting in a hammock? The potash workers of Saskatchewan, that's

who, the people who were laid off. That's how he speaks about them, being on the UK ski team, being people in their hammocks — how dreadful.

Mr. Speaker, between 1981 and 1986, under the government opposite, the PC Tory government, the number of people on unemployment insurance increased by 41 per cent — 41 per cent on unemployment insurance. And this minister says, they're on a UI ski team; he says they're in hammocks. Well you can't feed your family and you can't pay your mortgage in a hammock, Mr. Speaker, and those potash workers were not in any hammocks. They were being strung up by the people opposite, that's what.

And what has happened? As a result of this government that prides itself on being pro-family and does such destructive things to the working families of this province, we have seen an out-migration of families from this province that is truly shocking. Between January and June of 1988, 2,500 families; between January and June of 1989, 3,500 families — another 1,000 families from the year before. Shocking out-migration statistics, Mr. Speaker, of people leaving the province. And I know among them were many potash workers and others.

And my colleagues have pointed out 13,000 people up till June of this year from January, the same amount as between the whole of 1988. That's what this government is doing to families and to people; it's driving them out of the province, Mr. Speaker.

And in our *Saskatchewan Family Facts*, a booklet that we put out, the New Democrats are saying that "Saskatchewan families deserve better". We are saying about jobs and wages that:

Far too many Saskatchewan families are suffering severe financial hardship and stress because of the lack of jobs and the lack of adequate employment income levels. (We are concerned that) More than any other factor, employment determines the quality of life for many Saskatchewan families. All other problems pale in comparison when one has the desire and the ability to work and cannot do so because of a lack of jobs and opportunities.

In the last seven years, unemployment has almost doubled (in Saskatchewan). From 1981 to 1988 the average annual number of unemployed in Saskatchewan jumped from 21,000 to 37,000, and the annual average unemployment rate increased for 4.7 per cent to 7.5 per cent (an increase of unemployment and an increase in the annual unemployed).

Mr. Speaker, we are not proud of an unemployment record of 4.7 per cent, but 7.5 per cent is a whole lot worse. And what has happened and what we must do for the future is work to make working people and jobs and the basis of human life in this province available to the people of this province. And without the ability to create wealth through control of our natural resources, it's going to be a lot harder to do that. And that's what's worry us about the lack of control here, Mr. Speaker.

Now, Mr. Speaker, I've spoken about the lack of jobs; I've spoken about the out-migration; I've spoken about the concern for labour. And so when I heard the Minister of Urban Affairs, the member from Regina South, say, during the potash debate when he rose on a point of order, that:

... the people moving around in our provinces have no relationship at all to the potash industry.

He said that; he said that. And I say to him, what has happened to the Cory miners? What has happened? Have they evaporated? Have they become invisible? Have they become ghosts? No. When they leave the Potash Corporation of Saskatchewan, when they're laid off from the potash corporation, to the Minister of Urban Affairs they don't exist — they don't exist. And they have no relationship at all to the potash industry, the people moving around in our provinces. They lay off all those people and say they have no connection to the industry. And what we're talking about is looking at that industry, connected with jobs, connected with the profits in this province, connected with the money that we would have for social programs and for good working conditions.

Well, Mr. Speaker, the Minister for Urban Affairs says that the people wandering around the province have no connection to the potash industry, and the member from Regina Wascana wants to promote the idea of the guy or the woman working in the potash plant having an opportunity to be part of the potash plant, to be part of ownership of the potash plant. They think they have some ideas about how potash workers who are there can buy into the plant, and he can't think of one reason why somebody, a mine worker or somebody who works in the office for the Potash Corporation of Saskatchewan mines, should have an opportunity to participate in the mines. He can't think of one reason.

He couldn't think of one reason why somebody on minimum wage couldn't buy in and buy shares. He told me that they could buy shares, that they could have it taken out of their pay cheque. And I'd like to see how somebody working on minimum wage for a 40-hour week and making \$9,000 a year is going to be able to buy any shares in their work place.

And he says, I think we have an obligation as a government to find a way to make it easy for them to get involved in this when the time comes — when the time comes, whatever that means. And he doesn't know the details of it yet. This is a man speaking from the government side to defend the potash corporation Bill and to explain it to the people of Saskatchewan and he says, I don't know the details of it yet, or how it's going to be done, but I certainly like to think that it would be part of it, to have shares for the workers — certainly like to think; doesn't know anything about it; guessing; guessing what's going to happen; doesn't know much about it; doesn't know much about it.

And finally, Mr. Speaker, and finally . . .

**The Speaker:** — Order, order. I would once more ask the hon. member to allow the member for Saskatoon Centre to continue. Order, order. Perhaps some of the members

who are now speaking could include themselves in my request that they allow the member for Saskatoon Centre to continue.

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

**Ms. Smart:** — Thank you, Mr. Speaker, I am concerned about the families in this province that have been hurting under the PC policies, and I'm very concerned about the families that will continue to be hurt, because we need to keep the revenue in this province and the control of our resources. And I'm concerned about the families whose future is being betrayed by the selling off of the potash corporation.

And I have in front of me a letter that the Premier has sent out to the members of the Progressive Conservative Party in Saskatchewan, and he says here:

Our families, we have all so much more to be thankful of, our families, and more people working.

More people working, he says, he has to be thankful for. When the unemployment rate is going up and up, he thinks he's got more people working. That's a joke, Mr. Speaker. It's very said, a very sad joke. He has no respect for working people and no respect for labour.

And we went through this family symposium in July in which a number of people got together and talked about what families need today, Mr. Speaker. And there was a program co-ordinator from the Vanier Institute of the Family in Montreal. He was quoted in the paper as saying this:

Some essential elements are necessary to build a coherent government response to the needs of families today. Most important is the assurance of adequate family income and material security through a combination of employment policies, tax provision, and cash transfers. A broad and well-integrated system of educational, physical, and mental health programs and remedial services, as well as appropriate mechanisms to monitor the effects of all public policies, are also vital (he said).

And I say, Mr. Speaker, those are very important, but what we also need is the economic means to create the wealth, to be able to provide those programs. We have that means with the Potash Corporation of Saskatchewan, and it is next to criminal to destroy the Potash Corporation of Saskatchewan and sell it off.

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

**Ms. Smart:** — Mr. Speaker, the Premier said not too long ago that if Mikhail Gorbachev were premier of this province, he would be further along the road of privatization than the Premier currently is.

(2215)

Now here, Mr. Speaker, we have more examples of doublespeak and misrepresentation of some of the

realities of what is going on around this globe. According to the *Manchester Guardian*, which is a very well-respected newspaper, Mr. Speaker . . .

**The Speaker:** — Order, order. Now the member for Weyburn, I must draw his attention to the fact that he is once more interfering, and I have reminded him many times, and I ask him once more and I ask that he co-operate in this matter and allow the member for Saskatoon Centre to continue.

**Ms. Smart:** — Mr. Speaker, I'm sorry, I wasn't noticing my light, so I don't know when I was cut off. I'm going to go back to what I started to say because I was talking about the Premier saying not too long that if Mikhail Gorbachev were premier of this province, he would be further along the road of privatization than the Premier currently is.

And I must say, Mr. Speaker, I'm amused by this because the Premier of Saskatchewan tries to hitch his horse to just about everybody else. He tries to be Tommy Douglas, he tries to be Mikhail Gorbachev, he tries to be Ronald Reagan, he's . . .

**An Hon. Member:** — He's going to run as Allan Blakeney next.

**Ms. Smart:** — He'll run as Allan Blakeney next, yes. Anyway, Mr. Speaker, with this comment I say the Premier is giving us another example of his doublespeak and his misrepresentations of some of the realities of what's going on around this globe.

And I was reading in the in the *Manchester Guardian*, Mr. Speaker, which I described as a very well-respected newspaper, that Mr. Gorbachev is not trying to sell off the coal-mines of the Ukraine or Siberia to transnational corporations. Instead, legislation has been enacted in the Soviet Union to allow the workers in these mines to take over the managing of these mines, as well as the disbursement of the industry's profits.

Since the Premier wishes to emulate Mr. Gorbachev, then instead of enacting this Bill 20 and other legislation to sell off for a song our resources to the wealthy few and the multinationals, he would be presenting us with legislation that would turn the mines over to the workers and the people of Saskatchewan, the people who make the mines run and whose labour generates the wealth of this province, just as the farmers' labour generates the wealth on their farms. That, Mr. Speaker, is what glasnost is about, turning power over to the workers and the farmers.

So I challenge the Premier: if he wants to be like Mikhail Gorbachev, turn the potash corporation over to the workers of the province fair and square. Don't worry about the transnationals; don't get in bed with Cargill; don't get in bed with the international minerals and the chemicals company. Give it the workers of Saskatchewan. If he wants to emulate Mikhail Gorbachev, go ahead. At least that would keep it in the province of Saskatchewan. At least it would keep it in the control of people like Gina Digness and her husband and all the other workers who have worked so hard in this

mine here in Saskatchewan and for the potash corporation, and who deserve better treatment than the kick in the butt that they got from the government opposite.

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

**Ms. Smart:** — Mr. Speaker, it's really interesting to look at the things that have been written about the potash corporation. Someone named Nancy Olewiler has written a discussion paper, "An assessment of the creation and performance of a Crown corporation." She did this for the Economic Council of Canada in April of 1986. And she had this to say:

An evaluation of the return on the investment in potash mines also shows that PCS has been a profitable company. PCS thus compares well with a number of its private sector counterparts. PCS also is pursuing some broader social objectives that differentiate it from a private producer. These include employment stabilization, devotion of a larger share of sales revenue to research and development than observed for the private producers, and concern for environmental protection, and the health and safety of workers. This study finds that PCS has generated positive net benefits to the residents of Saskatchewan.

Mr. Speaker, those kinds of positive net benefits will not be part of the assessed value of the potash corporation. You can't put a price tag on those net benefits of the potash corporation. You can't put a price tag on the value of being able to do those things. Those are the sorts of things that the bishops were talking about implementing in their economic statement. To look at safety for the environment, health and safety of workers, research and development, social policies, positive net benefits that have no economic price on them, they are so precious, that kind of control, and being able to do those sorts of things is so precious, we can't put a value on it.

We're going to let this corporation go; we're going to give it away for a song to foreign investors so the profits can go out of the province. They can't stay here. What we will get will be the crumbs that we can siphon off from taxation. We will have the kind of lean, mean down-sizing of corporations that's the policy of the transnationals, and we will not have the net benefits that have been available to us under public ownership.

Mr. Speaker, in looking at the potash corporation, reading their annual report, I was interested to find out just what it is we do own in terms of the mines, what we've already bought with our investment. Five mines — the government opposite calls them, as I pointed out already, holes in the ground. They don't value them; potash patch they call them. But we have five mines: the Allan division in Allan, Saskatchewan; the Cory division near Saskatoon; Esterhazy division; the Lanigan division; and the Rocanville division. Five mines, Mr. Speaker.

And we have other things as well, which I didn't realize and I found it interesting to look it up. Potash Corporation of Saskatchewan Sales owns and staffs two warehouses in the U.S. at Fort Dodge, Iowa, and Burns Harbor, Indiana.

The corporation also owns storage facilities in Quebec, Ontario, Michigan, and Missouri. These and other leased facilities have a storage capacity in excess of 500,000 tonnes. Together with a fleet of over 900 rail cars, they provide a system which integrates rail, water, and road transportation to deliver potash to customers in North America — all those things as well as the five mines.

I'm not sure that people in Saskatchewan realize that, that the corporation also maintains ownership of a warehouse at Vancouver wharfs, a bulk terminal in Vancouver which handles potash for Canpotex. PCS Sales, along with other Canpotex members, holds an equity position in Canpotex Bulk Terminals Ltd. Canpotex Bulk Terminals in turn owns a share of Neptune Bulk Terminals (Canada) Ltd. in Vancouver, a shipper-owner terminal handling potash and other bulk materials.

Mr. Speaker, when we value the Potash Corporation of Saskatchewan, are we including all those things in it? Are we including the value of all those resources? Are we including honestly the value of the five mines? I don't trust a government whose members speak of the potash patch, who speak of the mines as holes in the ground, as having any ability to fairly value the Potash Corporation of Saskatchewan. I don't trust them to have a good understanding of the net benefits that that corporation has brought to the province.

All they want to do is give it away to the foreign investors under some silly ideology that says that you have to unload it; you can't keep it. You have to lose control of the resource, you have to lose the jobs, you have to lose the revenue.

The selling of potash corporation is a very unpopular measure, Mr. Speaker. It's being rammed through by closure in this debate, and I am very concerned, as I know my constituents are, about what is happening.

I have spoken quite often about selling it off for a song to foreign investors. The Bill speaks about limiting foreign ownership to 45 per cent. But, Mr. Deputy Speaker, there's going to be no way to limit that to 45 per cent once you've got stock selling on the public exchange. We only have to look at what's happened to Saskoil, where the control have gone out of province — 75 per cent of the shares are owned out of the province — to know that when you sell shares on the exchange, the control leaves the province. There's no guarantee of any meaningful Saskatchewan ownership — none, absolutely none.

And the way in which corporations are integrated and the way in which stocks are sold and shares are sold and bought makes it very clear that although the government can put in legislation of 45 per cent limit to foreign interest, it's going to be very difficult not maintain that. And it's going to be impossible under the free trade agreement to change that. And I think that's why the people of Saskatchewan are so concerned about the sell-off of the potash corporation. A few years ago they might not have been, but now they are. We've had the free trade debate, and they understand what it means for resources to go into foreign control. We will not be able to get it back, Mr. Deputy Speaker.

And while the government opposite talks about us becoming part of the global village, I have mentioned already in speaking to the motion that gagged us, the motion that we discussed yesterday, I mentioned already the concern about what goes on in the global village, what they want to integrate us to.

Mr. Speaker, let's look at the example of Chile, a country in the global village. Copper mines in Chile were owned by foreign investors and the Government of Chile tried to take back control. They tried to get back control of their copper mines because the profits were going straight out of the country and to the United States. And what happened, Mr. Speaker, was that the Americans supported the military in Chile to gun down the president who was trying to get back foreign control — to gun them down and put the copper mines back in the hands of the transnationals.

Mr. Speaker, I suggest that we have to learn from these examples in the global village and take it very seriously what's happening now in this point in time when we lose control of our natural resources.

Copper in Chile was a natural resource, and the Chilean people tried to get it back. And all around the world in the global village there are examples of people trying to get back control of their economies, trying to get back control of their resources, so that they can have some money for the social programs which we take for granted. And we take them for granted at our peril, Mr. Speaker, because we must be always vigilant to keep in our own hands the opportunities to provide these programs.

Mr. Speaker, I think about the small island of Bermuda where I grew up, and I know that just on that tiny island, they brought in legislation to control foreign ownership. The island is engaged in exempt companies and in tax-exempt companies and funnelling money in a way that's very distressing to many people who live there. But one of the things they did do was take control of their tourist industry. On that tiny island, they got control of their tourist industry for the people of the island. And they have almost full employment on that island, Mr. Speaker. It's a very small island, only 21 miles long, and 55,000 people live on that island. It's an example of one of the most over-populated places in the world, Mr. Speaker. And yet by having control of their tourist industry, they are able to guarantee employment to their people.

They are doing it in other countries, Mr. Speaker, in the global village. And we're going backwards, we're going the opposite direction. Why? Why do you want to go backwards instead of forwards? I don't understand it, Mr. Speaker. I can only think that the wealthy companies that they're in touch with are lining their pockets, and that somehow they've been able to guarantee their own futures and not care about the futures of others.

Mr. Speaker, there have been a number of points made in this debate. The government has talked about . . . the Premier has talked about the budgets from 1982 to 1989; he's talked about the debt; and he's talked about relief for taxpayers as if he really cared about taxpayers. Mr. Speaker, the workers of this province are the taxpayers.

The brewery workers who are losing their jobs are the taxpayers. The Cory workers were taxpayers. The government opposite doesn't particularly want to give relief to those workers. In fact, the government doesn't even see them, doesn't even think they exist.

Ever since the PC privatization started, Mr. Deputy Speaker, the government has raised taxes every single year — every single year. The flat tax was imposed because of privatization, the gas tax was imposed because of privatization, the sales tax was imposed because of privatization.

(2230)

In March of 1982, the total debt of the province was \$3.5 billion. In March of 1990, the total debt of the province is \$12 billion — 12 billion from 3.5 billion. I'm not proud of a debt of 3.5 billion, but I certainly am terribly alarmed and terribly unhappy and terribly opposed to a debt of \$12 billion, total debt. That's from privatization.

Mr. Speaker, the Premier talks about the fact that we were paying interest on our loans and that that debt was the wrong thing to do. But when the potash corporation is privatized and people buy shares in the Potash Corporation of Saskatchewan, that corporation will still have to pay off its debt. Now mind you, the province will be giving the potash corporation away; it will not be getting a fair price for it, so the debt will be lower, of course. But nevertheless, the people who buy the shares will be paying on the debt. The debt still has to be paid and that means less profits and that means less money to the people of Saskatchewan.

The Premier boasts about the employees' view of privatization and how they think it's quite wonderful. But there were many employees fired when Saskoil was privatized, and I've mentioned the Cory workers who were fired in order to make the Potash Corporation of Saskatchewan look good. And there were fired dental plan workers and many other people who have lost their jobs because of privatization.

The Premier talked about the performance of the utilities and their debt, but he failed to mention that from 1905 until 1982, Saskatchewan Power Corporation had built up a total debt of 1.1 billion, but from 1982 through to 1988, the total power corporation debt, under the PCs, rose to 2.2 billion. So they're increasing debt, they're increasing debt. Whether they're fiddling around with selling off the resource Crowns, or fiddling around with the other privatization, or fiddling around with creating the division of SaskEnergy and the division of SaskPower out of the power corporation, there create debt. Their plans and their programs are not able to work. They're going backwards, Mr. Speaker, backwards into the future. We had some programs in place that were going to go forward and to make some changes which were endorsed, I say, by the bishops' statement on the economy. And I realize that the bishops have not endorsed the New Democratic Party, but I really appreciate being able to find documentation that other groups of people are concerned about the issues that we're concerned about. That's why I shared that statement with the people today.

I think it's a very important book, and along with many others it shows that going towards control, concern for workers and concern for people and putting in policies that don't have the bottom line of profit for the few as their way of justification for their existence, but have a social conscience and a social policy and a political policy that's integrated and makes sense and supports the dignity of work and the dignity of labour — those are the policies that are important, Mr. Speaker, and that should be the base for an economic policy for Saskatchewan.

Now, Mr. Speaker, we've talked about also . . . Another point I want to share from . . . what I'm reading from now, Mr. Speaker, I wanted to refer to is a critique of a bishops' statement. And it's done by a man named Duncan Cameron who is an economist and a professor at the University of Ottawa. And he has this to say, Mr. Speaker:

The historical experience of Canadian economic development teaches us that in bad times foreign investors still expect and are often at position to demand a good return on their money.

And the government opposite has said that . . . wants the foreign investors to take the risk, the cyclical risk of times when potash will sell high and potash will sell low. But they're pointing out that the historical experience — and again the government opposite has demonstrated to us that they have no respect for history, so perhaps they're not willing to look at historical experience — but historical experience does teach us something, Mr. Deputy Speaker, and I've emphasized it in my speeches:

Historical experience teaches us that in bad times foreign investors still expect and are often in a position to demand a good return on their money. So in order to get that, they have to squeeze it out of the people of the country.

While the bishops criticized Canada's reliance on foreign ownership, the business community, generally supported by Canadian governments, wants more foreign investment. Yet export revenues may be insufficient to pay for both the cost of servicing foreign loans and the operating expenses of the domestic infrastructure needed to promote exports.

At this point it becomes clear that domestic costs have to be subsidized unless one is prepared to alienate foreign investors. The subsidization may be collective; for instance, the deficit of the Canadian National Railways is ultimately covered through tax revenue. It may be the case that workers are asked to directly absorb the cost of the subsidy through wage restraint. But what should be clear is that the decisions made to orient Canadian production towards export markets concerns all Canadians. But do Canadians have a voice in these policy decisions? Are they consulted about investment expenditures?

The answer for this one is no, Mr. Speaker, the people of Saskatchewan have not been consulted. The government

opposite has been hiding from the people of Saskatchewan — certainly never put it forward in their election platform and is afraid to go out and get a mandate from the people to go forward with their plans.

And I say shame on the government opposite for being afraid of the people of Saskatchewan. If they're so confident in their plans in their plans to privatize the potash corporation, they should be prepared to go out and get the endorsement that they want. They should be prepared to do that, Mr. Speaker. They should get it.

Mr. Speaker, I've mentioned already the value of the potash corporation. I've mentioned the social policies that can be put in place. I've mentioned the resources that the potash corporation owns. I want to just go quickly through a couple of other points.

In 1982 the New Democratic Party caucus made a presentation to the Crown investments review commission. And what we were talking about in terms of ownership of resources was that there was a good reason for owning these resources: it was securing for the owner of a scarce natural resource owned by the public a greater control over our resource development, and a greater economic return from the resource. In Saskatchewan, for example, it is clear that potash is a resource owned by the public. It is a finite resource, and when it is gone it is gone for ever. We have 400 years of potash in our province, but it is a finite resource nevertheless, and if we lose control of it, that control will be gone for ever unless we're prepared to engage in some pretty strong struggles to get the control back again.

The owners of the resource, the people of the province, can have far more influence over development and can secure greater economic returns if they directly own and operate a public potash corporation instead of merely regulating and taxing private companies. And they go on to list the spin-off effects that have been able to put in place — the head offices.

When the head office is in the country, it means more jobs, better jobs, and more stable jobs locally. The potash corporation Bill pretends that the head office can stay in Saskatchewan. But under foreign ownership and under the control that goes out of the province, a head office can be no more than a postal box, as many of my colleagues have pointed out, no more than a postal box, and we will not have the kind of active head office that we have now.

Another spin-off effect, Mr. Speaker, is goods procurement. Having the head offices here in Saskatchewan means that all procurement decisions are made here and the Saskatchewan suppliers will get a significantly larger share of the business than would otherwise be the case.

Also, we're able to support engineering service. Having the head offices here means that substantially more of these service contracts will go to local Saskatchewan firms.

Mr. Speaker, what has been demonstrated over and over again in the free trade debate is that professional services are often offered by a head office company outside of

Canada, in a free trade agreement. The engineering services will be one thing that can well be offered by engineers trained in the United States, and that having the head office just a postal box here and the real head office in Chicago, or wherever, down in the United States, will mean that we will not be able to do that.

And it's such a shame, when we have such well-trained people from the University of Saskatchewan, that we are throwing away this opportunity to offer our trained people good jobs here in Saskatchewan.

The other reason for supporting the Crowns and the spin-off result is research and development. With head offices here in Saskatchewan, our Crown corporations rely on local resources for major research and development work. And this stimulates the employment and the innovative capacity of our universities, the Saskatchewan Research Council, and smaller private innovators. In this way our Crown corporations strengthen the province's capacity for technological innovation in all sectors of the economy. But when the government tries to find out and put a price on our potash corporation, it doesn't take any of these spin-off benefits into effect any more than it takes in the net cost of being able to provide benefits to the people of Saskatchewan. Instead they turn to their organization, the Institute for Saskatchewan Enterprise, which has purported to do a study on the value of the potash corporation.

And yet they say in their study that it's important to distinguish that our calculation determines only the potential profit or loss on the province of Saskatchewan's investment in PCS and does not evaluate the performance or the results of operations of the company — doesn't evaluate them and doesn't value them.

And there are many other significant factors that weigh heavily on the results of operations such as potash prices, foreign exchange rates, capital markets, interest rates, etc. The results of operations of the company are separate and distinct, and represent only one of a number of significant factors that would influence the possible net proceeds from the sale of PCS, they said.

The institute of Saskatchewan studies wants to atomize everything, divide it all up into little tiny bits, look at the narrowest, narrowest part of the operation in order to decide whether it's worth it or not. Not the broad, holistic approach that we value; not the assessment of all the benefits that ownership of the potash corporation could give, but just a very narrow look at profits and losses.

Mr. Speaker, I have been waiting for a long time to have an opportunity in this House to say what I think of the Institute for Saskatchewan Enterprise. I want to point out that at least four of the people on that board get their money directly from the taxpayers of Saskatchewan. Roger Phillips is the Interprovincial Steel Company's, Ipsco, president of Ipsco. He's on the board of this Institute for Saskatchewan Enterprise which is doing this dirty work for the Government of Saskatchewan in trying to persuade the people of Saskatchewan that privatization is good. And he works for a company that

was formed with 60 per cent state ownership by the Saskatchewan and Alberta governments — 60 per cent.

And in 1984 the Saskatchewan government contributed 10 million of our money to a \$63 million expansion, and this spring Ipsco received a \$60 million loan guarantee from the provincial government. And as of April, 1988, the Crown investments corporation held 16 per cent of Ipsco's stock. Ipsco received so much public support that in 1986 the U.S. International Trade Commission imposed duties against Ipsco, accusing it of receiving non-permissible government subsidies.

On April 30 of 1986, Roger Phillips called for increased government subsidies to the oil industry, including repeal of the petroleum and gas revenue tax, and he called for a stabilization fund to top up oil company prices. But both Mr. Phillips and Ipsco make regular donations to the Progressive Conservative Party of Canada — what a contradiction. What a contradiction! A person who depends on his livelihood on the taxpayers' dollars, the dollars of the workers from the Cory mines and the brewery workers and the dental assistants and the people of this province, the farmers and the working people, and turn around and put in programs that condemn public enterprise.

Phil Gatenby is another person on the board of this Institute of Saskatchewan Enterprise. He's chairman of the board of Cameco (Canadian Mining Energy Corporation), the mining and exploration company formed by the merger of the Saskatchewan Mining Development Corporation, which is a Saskatchewan Crown corporation, and Eldorado Nuclear Ltd., a federal Crown corporation. And Cameco therefore would not exist today without massive public funding, taxpayers' money, money from the working people of Saskatchewan, and he donates money to the PC Party.

Mr. Speaker, there are also two other people who are on the board of the Institute of Saskatchewan Enterprise. One of them responsible for this document which the government members opposite say proves that selling off the potash corporation is of value, and that is the dean of the College of Commerce, John Brennan. For the past seven years he has been dean of the College of Commerce and a professor in the college for many more years. And his salary has long been paid from the public purse. And he has been paid by the Saskatchewan public to serve on the provincial audit committee. The dean of the College of Commerce, paid for by the taxpayers' money, promoting privatization.

(2245)

And Eva Lee, the dean of the College of Home Economics at the University of Saskatchewan, in her former job received her salary from taxpayers for several years, and since January of this year she has been president and chief executive officer of the Saskatchewan Institute of Applied Science and Technology, the privatized version of the community college system, and her pay cheque still comes from the public sector. And Lloyd Barber, since 1976 Lloyd Barber has been president of the University of Regina, a publicly funded institution. He taught in the University of Saskatchewan commerce department from

1955 to 1974, and he served as dean in 1965. And the salaries for all these jobs came from the public purse.

How ironic, Mr. Speaker, that people would be, who are funded by the taxpayers of Saskatchewan, would be on the board of an Institute for Saskatchewan Enterprise promoting privatization; promoting the sell-off to foreign companies of our natural resources; money that we need to fund our education system; money that we need to provide for the very salaries that they earn, Mr. Speaker. It's very ironic and it's very unacceptable to me.

Finally, Mr. Speaker, I want to make a few comments. I want to comment, as I have already, about the . . . Mr. Speaker, other people in this debate on my side of the House have certainly pointed out the value of the potash corporation, and I want to just end by quoting from March, an article in Market Place section of the *Leader-Post* on March of 1989, that:

The potash corporation is likely worth twice what the provincial government is estimating for its proposed share offering, a leading U.S. fertilizer analyst says, according to Dr. John Douglas, who was contacted at his consulting business in Florence, Alabama. Douglas described the government's estimated value of PCS as "way undervalued". One billion is not half its value, said Douglas, who managed the U.S. fertilizer development centre for 33 years before establishing his consulting firm in 1985, and he said, it's way to hell and gone too low.

Too low. What the Institute for Saskatchewan Enterprise has said is the value is too low. What the Government of Saskatchewan will say is the value will be too low, much too low. They will not evaluate it properly, even according to the assets that it has, and they certainly won't take into account the need, the social benefits the control of a resource has here in Saskatchewan for us.

Mr. Speaker, this Act is called An Act respecting the Reorganization of the Potash Corporation of Saskatchewan. The word reorganization is a gentle word; it suggests that they're just going to tidy it up, that they're streamlining the potash corporation and improving it. And, Mr. Speaker, this is just another example of the typical Tory doublespeak, like using public participation for what is really private acquisition.

My colleague, the member from Moose Jaw South, has said that this Act should be called the private participation in a public asset Act. To call this the reorganization of the potash corporation is part of the smoke and mirrors tactic used so often to try to disguise what they are really doing.

This Act does not reorganize the potash corporation; it wrecks and it ruins it, Mr. Speaker. It proposes that our Potash Corporation of Saskatchewan become the Potash Corporation of Saskatchewan incorporated — incorporated, Mr. Speaker. I think that must be one of the Tories' favourite words. It's the only form of reality that they recognize. Everything that exists has to be incorporated, otherwise because of their ideological blinders, the PCs say it doesn't or it shouldn't exist, it has



no value, and it's worthless and it must be destroyed.

They want to incorporate child care centres. They want to incorporate health care facilities. They want to incorporate private vocational schools. The word "incorporated" sends shivers and thrills up and down the spines of the members opposite.

The Minister of Finance is reported to go into great fits of rage at the use of terms like "co-operative." The term co-operative seems to translate in his head into a Commie-controlled, subversive, and dangerous conspiracy. And I was interested to learn that he objected to the Co-op upgrader being called the Co-op upgrader, and co-op could not be in the title, and that at the press conference to announce the upgrader, they weren't even allowed to have Co-op trucks on the table, little models of the Co-op trucks. Everything in Saskatchewan has to be inked to please the Minister of Finance and his cabinet cronies.

The back-benchers on the government's side opposite should know better. They should know that what works for Saskatchewan is a mixed economy, and they should stand up and defend that and explain and answer our questions why they're supporting this Bill respecting the ruining of the Potash Corporation of Saskatchewan.

Mr. Speaker, our New Democrats are strongly opposed to the wrecking of this corporation, and we know that 50 per cent of the people of Saskatchewan are with us. The people support us. They don't support this Bill respecting the sell-off of the potash corporation. They don't support selling off a major Crown corporation that is making money for the people of Saskatchewan. They do not support foreign control over our natural resources.

And finally, Mr. Speaker, I want to reflect on something that the government opposite, the Premier has said. I'm not used to using war images, Mr. Speaker. I'm not used to using war images . . .

**The Speaker:** — Order, order. I realize it's getting near 11 and the people are perhaps a little tired, but let's allow the member to finish her remarks and then we'll adjourn the House.

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

**Ms. Smart:** — Mr. Speaker, I was saying that I'm not to use to using war images, but there have been times when I have thought in this House that what's going on in this Assembly is something like trench warfare, which takes us back in time, I suppose, but it's felt sometimes like trench warfare.

But I want to conclude by commenting on something the Premier has said, where he has said that this Bill is going to be the Waterloo of socialism. Now he was taking us back to the Battle for Waterloo, the battle that defeated Napoleon, Mr. Speaker, the battle that defeated Napoleon. He seems to think this legislation is going to be the Waterloo of socialism, but the Battle of Waterloo defeated Napoleon. And who was Napoleon, Mr. Speaker? Napoleon was a dictator who led the people of France into ruinous foreign wars. According to my

sources, Mr. Speaker, Napoleon did not believe in the sovereignty of the people, and we have seen in this legislature that the government opposite and the Premier do not believe in the sovereignty of the people.

Napoleon did not believe in the popular will, Mr. Speaker, and in ignoring the polls that show that the people of Saskatchewan are opposed to the selling of the potash corporation, the government opposite and the Premier is demonstrating that they don't believe in the popular will. And Napoleon, who was defeated at the Battle of Waterloo, did not believe in parliamentary debate, Mr. Speaker, and in the gag motion that we had that has forced closure on this debate, the government opposite is showing that they don't believe in parliamentary debate.

Mr. Speaker, this description fits the Premier and the PC government opposite, not the New Democrats, Mr. Speaker. And in the long term, Mr. Speaker, this Bill is their Waterloo, not ours.

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

**Ms. Smart:** — Mr. Speaker, if the Premier wants to use war images from the Battle of Waterloo, then I want to tell him that we are the Duke of Wellington's troops on this side of the House.

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

**Ms. Smart:** — And, Mr. Speaker, we, the New Democrats, will be the victors in the long run because we've got the people with us, Mr. Speaker.

Now the Duke of Wellington said that:

The Battle of Waterloo was won on the playing fields of Eton.

That's what he said about the Battle of Waterloo, Mr. Speaker. And I'm going to tell you and the government members opposite that the battle for democratic socialism in Saskatchewan, the battle against privatizing the province, the battle for people over profits and for good social policy — that battle, Mr. Speaker, will be won on the wheat fields of Saskatchewan.

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

**Ms. Smart:** — We may be forced into closure on this Bill so that the government can have its way regardless of what the people of Saskatchewan want. They want that kind of control and that kind of dictatorship, but we will be with the people of Saskatchewan, and we will win with the people of Saskatchewan.

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

**Ms. Smart:** — Mr. Speaker, I was not born and brought up in Saskatchewan. I came here in 1972, and I find this to be a dear and a beautiful province. I'm impressed by the way in which my colleagues, whose families have been here for generations, have spoken in support of the traditions in Saskatchewan. And I join them as a newcomer to this province, as our families have all been newcomers to this

province at some point in time, to say that this is a dear and a beautiful province to me. It's my adopted home. It's my adopted home because it's a caring and compassionate community of people, and it's a place worth saving, Mr. Speaker, it's a place worth saving.

I want to urge the government members opposite, even in these last dying hours of this debate, to reconsider their support for this Bill and to vote with us to oppose it, Mr. Speaker, to vote with us to oppose it.

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

**The Speaker:** — It being near 11 o'clock the House stands adjourned until tomorrow at 8 a.m.

The Assembly adjourned at 11 p.m.