

The Assembly met at 1 p.m.

Prayers

ROUTINE PROCEEDINGS

ORAL QUESTIONS

Goods and Services Tax

Mr. Romanow: — Thank you very much, Mr. Speaker, and a special thank you to the minister of economic trade and development for his welcome.

My question today, Mr. Speaker, is to the Premier, and it has to do with the goods and services tax, the GST, namely the national value added sales tax that Mr. Wilson has been talking about, the details of which have been introduced this morning, and which indicate that taxable items included under this proposal will be such things as postage stamps — they're high enough already — haircuts, tickets to the movies, music lessons for children, and the like.

Of course, banks and financial institutions will not be taxed, but our ordinary will be under this scheme.

My question to you, Mr. Premier, is this. You were quoted on May 12, 1989 in the Saskatoon *Star-Phoenix* as being in support of this 9 per cent tax. You said as follows, quote:

The 9 per cent tax on most goods and services has positive implications for the provinces because it can generate a rare amount of revenue.

Now, Mr. Premier, my question to you, sir, is this. In the light of this detailed tabling of the national sales tax, with this wide range of new 9 per cent taxes on top of everything else that we've been taxed on in the province of Saskatchewan, is it your position still today that you support Mr. Mulroney and Mr. Wilson in this horrendous new tax; or if you've changed your position, will you tell when you have indicated to the government in Ottawa that you're opposed to this new sales tax?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I think we should remember two things, Mr. Speaker. Firstly, it was the New Democratic Party that is on record as saying that if there is to be a national sales tax that the province should join. It's not a position of this government, Mr. Speaker.

Secondly, Mr. Speaker, the argument that the hon. member uses that things like music lessons are taxable, that does not seem to be the indication that we have, Mr. Speaker, and it would depend on the amount of the commercial activity. If a music instructor, for example, doesn't have \$30,000 worth of lessons in a year, there is this small-business threshold.

So all I'm saying, Mr. Speaker, we will get over the course of the next several months some inaccuracies, Mr. Speaker, from the New Democratic Party — I know in the case of the Leader of the Opposition they'll be not

deliberate. But, Mr. Speaker, we've had them already in this House with regard to farmers, and the position of the government has not changed, Mr. Speaker. We are doing an analysis of the position papers put out, and before, Mr. Speaker, any decision is made by the Government of Saskatchewan, there will be extensive consultation with the people of this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Thank you, Mr. Speaker. I have a new question to the Minister of Finance, but preferably to the Premier because I really do believe that this is his overall responsibility, and with his special relationship with Mr. Mulroney he might be able to carry a little more weight on this issue than the Minister of Finance.

My question to the Premier is, or to the Minister of Finance, but hopefully to the Premier of the province of Saskatchewan is this: how much longer can we wait until you people study this white paper, study the so-called uncertainties, study the so-called inconsistencies — if we're in error, tell us where we're in error? How long should we, as Saskatchewan people, be expected to wait when virtually most of the other provinces, in fact if not all of the other provinces, have taken a position already in opposition to this 9 per cent sales tax? How about some leadership and standing up and fighting for the Saskatchewan people who are already taxed to death, thanks to your administration.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I want the public to realize and see the obvious inconsistency in the New Democratic Party's position because here's what they have said: if there is to be a national sales tax, then the province of Saskatchewan should join the national sales tax so that there should only be one tax. We're not even convinced of that position, Mr. Speaker, but that's the formal position put on by the hand-picked financial critic of the Leader of the Opposition. That's their position.

Now they can't have it both ways, Mr. Speaker. If the tax is coming, and I think we get a further indication from the very documents that the hon. member's referring to, then the New Democratic Party position is that the province of Saskatchewan should join the goods and services tax.

I have stated on numerous occasions what the position of the province of Saskatchewan is, and I'd be happy to repeat it as many times. You ask me how long you can wait. You could wait a very long time if the province decides not to participate.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question for the Minister of Finance because clearly the Premier is not going to answer my questions, or is unable to answer the questions.

I ask the Minister of Finance, how in the world is it that when so many of the specific details of this new sales tax are now out in the public domain — here is this thick

document which sets out much of the details — how is it that we know already that for example this tax is going to increase the inflation rate by about 8 per cent? It's estimated by some people it's going to cost 72,000 jobs in the country. It's estimated that it's going to cost Canadians \$5.5 billion in disposable income — that's lost income because of the increased taxes. We know all of that.

We know that the range of taxes proposed is going to be very wide and very extensive and, by the way, apparently not the way you describe it in some sort of a general exemption to the agricultural people, as you did in earlier questions and answers. All of that information is out and open to the public.

What in the world is preventing you people from taking the position that we're taking, namely this sales tax should not go ahead because we've already got a crushing tax burden. Why don't you get up and say that?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — The New Democratic Party leader is not going to be in the position, Mr. Speaker, the New Democratic Party leader in Saskatchewan is not going to be in the position and be able to politically try and give two positions on this. He cannot have two positions. One is don't have a tax, but if it's coming, join the tax. And those are . . . (inaudible interjection) . . . Oh yes, they do believe it. Let me tell the member from Humboldt, they know full well the position of the New Democratic Party, and many in this province were shocked, Mr. Speaker, to hear the appointed Finance critic of the New Democratic Party say that if there is to be a tax that the province of Saskatchewan would join.

Secondly, Mr. Speaker, I made it abundantly clear in questions before as to farm input being exempt. It was not me, Mr. Speaker, that stood up in this House and said farmers are going to have to pay all that tax. It was the member from Regina Elphinstone who said it. He was the one. Now if he's the one advising the Leader of the Opposition, I can see where the Leader of the Opposition doesn't understand what's going on about the goods and services tax.

So having said all of that, Mr. Speaker, I have set out the position of the government. We're analysing the position paper and the detail paper put out as to the effect of the goods and services tax. Mr. Speaker, before the province of Saskatchewan, the Government of Saskatchewan, takes a position, there will be extensive consultation, because as the Finance critic for the opposition himself has said, there are people in the province that want the tax, Mr. Speaker. There are one. Retail Council of Canada, Saskatchewan has come out and said join the tax, Mr. Speaker. For example, Consumers' Association of Canada wanted a tax — now certain conditions, but they wanted a tax, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question for the Minister of Finance. The Minister of Finance talks about the official opposition having two positions. I don't know where he concludes that except in his fantasy

lands. But you have two positions for sure. Your Premier said, as I quoted in the question he would not answer, to the *Star-Phoenix* in May, that he's all for this tax. Your answer in *Hansard*, page 650 this session says, well we're maybe for it, we're maybe agin it; we're trying to examine it. In fact, you're repeating that position today.

So don't tell this House about two positions. You people are the government. What's your position? Are you for it or agin it? Tell us.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well it looks like the opposition needs a little buoying up today; I can understand why, Mr. Speaker. But let me tell the Leader of the Opposition that there are some benefits, as I've said in this House, to some sectors of the Saskatchewan economy — the manufacturing sector, the resource sector — who will pay less.

An Hon. Member: — What about the people?

Hon. Mr. Lane: — Well you say that they're not people. That's a New Democratic Party position that they're not important to this province, Mr. Speaker — that's the New Democratic Party. And as he has basically said, forget about the resource sector and forget about the manufacturing. We happen to think they are important and they should be listened to, Mr. Speaker.

I have set out the position now three times today, Mr. Speaker. I've set it out three times today One, that we are analysing the paper put out, Mr. Speaker. And secondly, before the province of Saskatchewan takes a position there will be extensive consultations with the people of this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

Rebate of Tax for Farmers

Mr. Romanow: — Mr. Speaker, I have a new question to the Minister of Finance. Apparently they've got lots and lots and lots of time to analyse 9 per cent more sales tax by the federal government. Too bad they didn't spend at least a quarter of that time or a fraction of the time in analysing the GigaText deal and we wouldn't have been in so much debt.

Some Hon. Members: Hear, hear!

Mr. Romanow: — My question to the Minister of Finance, however, deals with a statement — talking about contradictory positions — a statement that the Minister made on July 4. I have had it here in front of me in *Hansard*, talking about the question of the impact of the 9 per cent tax on farmers. And the minister says in part:

The hon. member (this refers to my colleague, the member from Elphinstone) knows there is a general exemption for farmers under the federal proposals. It is our view, of course, that it should not apply to repairs.

But note the words, a general exemption.

I have here in front of me the white paper on the new sales tax, tabled just a few minutes ago by Ottawa, and it says, under the section part no. 5, farmers and fishermen:

As such, farmers and fishermen will be able to claim input tax credits and will be refunded.

Now that's a refund, not an exemption.

The Speaker: — Order, order. I'm going to have to ask the hon. member . . . Order, order. I think it should be noted that there is more than once when the Speaker rises to draw government members to attention for going on too long. I think we all realize that I don't often do it, for obvious reasons, obvious reasons, and that is not a criticism. However there are times when I must, and I now rose to draw to the Leader of the Opposition that his preamble is getting too long.

Order. Now the member for Moose Jaw North, if he wishes to challenge the Chair, he can do it in a normal way. But I have made a ruling and I don't intend hon. members to holler at the Chair when a ruling is made.

Mr. Romanow: — Thank you very much, Mr. Speaker, and I say this very sincerely. It's a very tough job that you have, and I think on balance, if I may say so, you do a very good job in question period.

My question will be very simple; I'll try to summarize it. My question will be this to the Minister of Finance. On July 4, 1989, he described what he felt was to be the law as a general exemption. Today it is clear it is not a general exemption, it is a rebate system, much like the provincial government has instituted with gas tax and a number of other circumstances.

My question to the Minister of Finance therefore is: how does he explain the fact that he misled the House as he did, as I quote him on July 4, in the light of what's come to light today? And more importantly, apart from the misleading of the House, how in the world do the farmers . . . are they expected to pay back or make application and await for the pay-back of large sums of money which they might be having paid on 9 per cent sales tax, for example on \$100,000 worth of farm machinery? How in the world are the farmers going to be able to support that kind of a financial regime, pay now and then wait and wait and wait before they get a rebate.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — That may be the first valid question that the Leader of the Opposition has asked today, Mr. Speaker. And one of the major areas that will have to be assessed by the government — and I suggest quite properly — is how quickly a response will be on the rebates and how quickly it will be paid back. For example, Mr. Speaker, you can take a look at the housing sector — and the rebate is at the time of the purchase — so it can be instantaneous, Mr. Speaker. So to suggest that it is not in this case, I simply cannot answer that. It may well be that the rebate will apply at the time of the purchase of the farm equipment as it does on housing.

Now I can't answer that, as I've said clearly. But as we stated at the time of the debate, when we discussed it earlier, in keeping with the decision to make basic groceries tax free, all sales of agricultural products, farm livestock, fresh-caught fish will be tax free. We talked about it at that time — sales of agricultural products. And you're right about the exemption on input tax credits, and they will be refunded. The process of refunding, it is quite possible for it to be instantaneous on the purchases of equipment like housing.

Mr. Romanow: — Mr. Speaker, a new question to the Minister of Finance, and I thank the Minister of Finance, if I may say so, for a candid admission — and I don't say this in political terms — a candid admission that there is a major inconsistency here. My question to you, sir, is this: you are the Minister of Finance, you know what is written in the white paper, and it says that there is going to be an application for tax credits and refund. Do you believe that in principle that's exactly what the farming people of this province should be doing? Do you think they should be forking up to 9 or \$10,000 extra on a large piece of farm machinery or anything else related to farm input costs, and then wait for the beneficence of the government in order to get their refunds back? Do you think that's good in principle? And if you don't think it's good in principle, the pitch that I'm making to you and the Premier is, for goodness sake why don't you do something and stand up now and communicate to Mr. Wilson and Mr. Mulroney you don't like this system; it doesn't work; they should stop it right now and here.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I suggest to the hon. member that it is possible under the goods and services tax process to make this an instantaneous pay-back at the time of purchase of the farm equipment. It's possible to do that. There are proposals, there are proposals in the white paper with regard to housing which has that effect.

So having said that, I suspect when we do the analysis there's going to be many more areas of concern and of interest that we are going to have to raise and take up with the Government of Canada. Don't rule that out. We got this today; so did you.

So the position is as I have stated. I have stated we're analysing this, and before the Government of Saskatchewan takes a position on the goods and services tax, quite properly there's going to be extensive consultation with the people of this province.

So I suggest to the hon. member, we have until 1991 and we will make sure that the people of this province are well heard and listened to in this province.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Premier with respect to this very important issue of the proposed federal sales tax of 9 per cent and the additional cost of some several billions of dollars from the consumers.

Mr. Premier, I understand and I take with a great deal of

respect the Minister of Finance's comments about analysis. But I say to you, sir, that there is enough documentation now here. You have been a party, together with your Minister of Finance, to many federal-provincial conferences. You, sir, are in contact with the Prime Minister on a regular basis on this and other issues. You know what is being proposed.

My question to you, sir is: what further analysis could be possible or be warranted in the light of the fact that the farmers are going to be paying up front at a time of extreme difficulty for them now. Surely to goodness that is an issue which does not beg any further consideration or study, that requires leadership. How about getting up in the legislature and telling us now that you're going to write and oppose this proposal and oppose the 9 per cent sales tax.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I have referred a couple of examples to the Leader of the Opposition where the tax could be instantaneous at the time of purchase, the rebate could be instantaneous depending how it is administered. So for you to make the statement that farmers may have to wait may not be accurate.

So having said that, we do have until 1991. And let me indicate to the Leader of the Opposition, as I have on numerous occasions, there are organizations and representatives of people of this province who want the tax to be imposed, or who want the tax to be carried through, with the province participating, and removing the provincial sales tax. There are retailers who favour one tax, if it's coming. There are people that, in my view, deserve to be heard. And I think that the province of Saskatchewan, the Government of Saskatchewan's position is a very fair one — the tax does not come in until 1991 — and I believe that all people have a right to be heard, deserve to be heard, and in fairness, will be heard, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have one last final question, for my part, to the Minister of Finance in this issue. The Minister of Finance says he doesn't know the details of this tax. It could be an instantaneous refund. If it's an instantaneous refund, why in the world do we have the tax to begin with? Why isn't there an exemption to being with? And if it's an instantaneous . . . (inaudible interjection) . . . yes, and if it's an instantaneous refund here, is there a case to be made for instantaneous refunds with respect to haircuts, with respect to music lessons, and all the other wide-range things which are going to be taxed? Isn't the answer, what should be available to you, sir, namely, if it is not instantaneous rebate, the answer has got to be a total exemption. Surely that does not take a bureaucracy of the Department of Finance or the Premier's indecision, it requires action. If it's instantaneous, why not simply exempt?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — It is quite possible, Mr. Speaker, that a large equipment engine that is used in farm equipment

can be used in non-farm equipment. It may well be manufactured for different purposes. Transmissions may be manufactured for different purposes. Different components may be manufactured for non-agricultural purposes.

That's the reason, Mr. Speaker, why the process would be as it is laid out in the white paper. I think the question is: can it be done so that the rebate takes place at time of sale? I think that there are ways, but that is certainly one of the areas that has to be looked at and one of the concerns that we would have.

So I suggest to the hon. member, when you look at the operation of manufacturing components, one could understand why they would be taxed differently, depending on the use to which they're put.

Some Hon. Members: Hear, hear!

Exemptions from Goods and Services Tax

Mr. Tchorzewski: — Mr. Speaker, I would direct my question to the Premier, but he keeps ducking questions both inside and outside this House, so I will ask the question of the Minister of Finance.

Mr. Minister, your comments about the analysis that you're going to make are cold comfort for farm families out there and people who are going to have to pay 9 per cent increase in their heating fuel because of the proposed 9 per cent increase in the heating fuel tax. Coming from a minister who misled the public in 1986 about his deficit by almost \$1 billion, it is hard to believe that you would be in any position to be able to comfort them that you will do something, Mr. Minister.

How in Heaven's name, I ask you, Mr. Minister, can you justify that the banks of this country can have an exemption made at the source, they don't have to pay the tax, but the farmers of this country are going to have to pay this tax or go through some horrendous paper trail in order to get it exempted? How can you justify, Mr. Minister, and why can't you stand up in this House today that that tax is wrong and that you oppose, so that they know where this legislature and this government stands?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well, Mr. Speaker, I tend to take the criticism from a lot of people, but when that hon. member stands up and is critical of my budget forecast when he was out some \$12 billion, Mr. Speaker, he's the man who predicted \$50 oil, Mr. Speaker, prior to the 1982 election. He's the same man, Mr. Speaker, that covered up a PCB (polychlorinated biphenyl) spill in the city of Regina for two years, Mr. Speaker, put PCBs under 10 feet of concrete so that the people of Regina are supposedly protected; kept it secret from everybody, Mr. Speaker; had the biggest cover-up. It's a little difficult to take the criticism seriously, Mr. Speaker, from the hon. member.

I will say, and I caution, Mr. Speaker, that we had the NDP strategy in free trade and medicare and the five hospitals in Assiniboia-Gravelbourg. You will get misleading, false statements. I urge the people to wait for

the truth, Mr. Speaker, not from the NDP.

Some Hon. Members: Hear, hear!

MOTION UNDER RULE 39

Goods and Services Tax

Mr. Romanow: — Before orders of the day, Mr. Speaker, I move, seconded by my colleague, the deputy leader, by leave:

That this legislature oppose the federal government's move to impose a goods and service tax which will cause hardship for Saskatchewan workers, farmers, and small businesses.

I so move by leave.

Some Hon. Members: Hear, hear!

Leave not granted.

ORDERS OF THE DAY

SPECIAL ORDER

ADJOURNED DEBATES

SECOND READINGS

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

Ms. Atkinson: — It is indeed a pleasure to once again be able to enter into this debate, this historic debate over whether or not the people of this province want the Potash Corporation of Saskatchewan to be privatized. This debate, Mr. Speaker, is about the future of Saskatchewan, and I will note with interest whether or not the Premier of our province decided to enter this debate.

From the middle of April we have been debating the privatization of PCS (Potash Corporation of Saskatchewan). My colleagues on this side of the House have stood up one after the other to debate this important Bill, and the Premier of our province has not chosen to enter that debate. He has sat out for that debate.

But now that he has closure, now that they have been able to effectively muzzle the opposition, there's no doubt in my mind, Mr. Speaker, that the Premier of our province will now be prepared to get into the debate. They have muzzled the people of Saskatchewan; they have muzzled the members of the opposition. The Premier of the province had nothing to say on this question yesterday when we were debating this issue, and we will see whether or not . . .

Some Hon. Members: Hear, hear!

The Speaker: — I believe the member should get to the

topic under discussion.

Ms. Atkinson: — Well, Mr. Speaker, in my view I am on topic because we are talking . . .

The Speaker: — Order, order. You may be in your view, but I have made a ruling and I ask you to get on topic.

Ms. Atkinson: — Thank you very much, Mr. Speaker. We are debating the future of Saskatchewan, we are debating whether or not the people of this province will control their own economic destinies or whether some out-of-province, big multinational corporation will come in here and they will do it for us and we won't do it for ourselves. That's what we are debating.

And the Premier of our province has chosen not to get into this historic debate. He will now get into this historic debate after he's had . . .

The Speaker: — Order. I've already asked you — it's the third time — to get back on topic, and I expect you to do that . . . Order, order . . . and not repeat, repeat exactly what I have asked you not to continue. I think you have made your point and I ask you to get onto the topic.

Ms. Atkinson: — We are discussing in this legislature how best to manage, develop, and sell a resource which could and should and has brought millions of dollars in profits, has created thousands of jobs in this province, and has had a tremendous economic spin-off in terms of secondary industries. We are debating, Mr. Speaker, how best to increase our province's share of the world's potash market. That's what we are debating, and I've simply said in this legislature this afternoon that we are debating the future economic direction of our province and our Premier has not yet entered the debate.

The legislation presents us with a fundamental choice. Shall we do it for ourselves as Saskatchewan people have historically done, or shall we let others do it for us? Shall we benefit ourselves in order that we can pay for important public programs like health and education and social services, or will we allow others, others outside of our province and in fact outside of our country to benefit. It's as simple as that. The Government of Saskatchewan is selling off a major profitable Saskatchewan asset, and they're selling it off for a song to foreign governments and foreign investors. The Government of Saskatchewan intends to privatize PCS because they want the benefits from PCS not to go to the individuals of Saskatchewan, not to the people of this province, but they want the benefits, the profits, to flow to wealthy out-of-province investors, not the people of Saskatchewan.

By selling off this important Saskatchewan resource asset the Government of Saskatchewan, the PC Party of Saskatchewan, the Tories of Saskatchewan, are betraying Saskatchewan's future. And that's what this debate is all about.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — That's what this debate is all about. Shall we in our province do it for ourselves; shall we develop this resource for the benefit of Saskatchewan people, for

the benefit of people who require health services or post-secondary education services, or social services like day care, or social assistance, or the family income plan, or the drug plan, for instance, or the school-based children's dental plan if we should ever want to reinstate that program; shall the benefits from this important resource, this resource that has four to 5,000 years of production capacity through PCS, shall the millions of dollars — because undoubtedly, Mr. Speaker, there are millions of dollars in profits to be made — shall those profits stay in our province for us?

Shall we develop and manage and control those resources and those profits for the benefit of the Saskatchewan people, or shall those profits, those benefits, go to people residing outside of our province? And that is the issue. That is the fundamental question that we are debating in this legislature. That's what it's all about.

I want to talk briefly about why we, as a government, a New Democrat government in the mid-1970s made the decision to get involved in the potash industry in Saskatchewan through public ownership. This, Mr. Speaker, was a pragmatic response to industrial blackmail over the tax regime that would be brought in by Ottawa. And it was a response to the blackmail of the private potash industry in this province. That was the short-term reason why a government under the leadership of Allan Blakeney and our present leader made the decision to enter into the potash industry.

However, there were also broader and more long-term objectives of the then Allan Blakeney government. Despite the fact that we were the world's largest free-world producer and the largest exporter of potash, there was evidence that the province of Saskatchewan was missing many of the spin-off benefits that should have existed.

And you will recall, Mr. Speaker, at the time, that the owners of the potash industry in this province were not Canadian business people, they were not Saskatchewan business people, but they were owned, the potash industry in this province was owned by national, international companies outside of the boundaries of Canada. And when those companies made a decision to hire a photographer to come in and photograph pictures of the Prairies for their annual report, they didn't hire Saskatchewan photographers. When they made a decision to present an annual report to their shareholders, they did not have the accountants located here in Saskatchewan. The lawyers weren't located here in Saskatchewan.

The secondary industry that could have been developed in this province because of the spin-offs from potash hadn't occurred up until the mid-1970s because those companies chose to bring in goods and services from outside of the province of Saskatchewan and in fact outside of the boundaries of Canada. The goods and services were imported from the United States of America.

It's also important to note, Mr. Speaker, that we didn't have a head office located in Saskatchewan. None of

these multinational companies that were in here exploiting our natural resource, the natural resource, the natural resource of potash, had their head office located in our province. And in fact Canpotex, which was involved in the industry in those days as it is today, had its head office located in Toronto, even though the vast majority of potash production in this country was occurring in our province. And as a result, Mr. Speaker, the goods and services that should have been produced locally, and could have been produced locally, were obtained elsewhere and they were obtained from outside of our boundaries.

The other point that I want to make, that expansion should have been occurring at that time in Saskatchewan, but those companies were making decisions to expand elsewhere. They were making decisions not to expand in our province in order that jobs could be created in our province, in order that more secondary business could be created in our province, but those large multinational companies were making the decision to expand outside of our boundaries, even though we had the largest capacity, and still do — are the largest producers of potash in this world, Mr. Speaker.

Research and development that could have occurred in the province of Saskatchewan that would have kept our industry competitive, which would have helped diversify into value added activities which this government likes to talk about, in order to create more jobs, was simply not occurring in Saskatchewan.

Now what did we do? The corporation, the Potash Corporation of Saskatchewan, was started in 1975 and had its full year of incorporation during the year 1976. Financially, Mr. Speaker, the corporation was an outstanding success. For example, in 1980 it achieved a 40 per cent return on the Heritage Fund equity, and in 1981 this dropped to 34 per cent. Not bad, not a bad return on that equity. A far cry from what this government says, something in the neighbourhood or overall of 3.7 per cent.

In 1980 the Potash Corporation of Saskatchewan was number 17 for gross profitability among all Canadian companies. Can you imagine? We were number 17 for gross profitability for all of Canadian companies. That's a pretty tremendous record, in view of the fact that the Potash Corporation of Saskatchewan did not receive its full year of operation under 1976. With four years PCS became the 17th company, number 17 in all of Canada in terms of gross profitability.

And that was under an Allan Blakeney government, under a New Democrat government, which we will soon see in the corridors of power, come a year or two from now when this government screws up its courage to call an election.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — By the end of 1981, the Potash Corporation of Saskatchewan, or PCS, had divided out of profits, not losses, \$100 million — \$100 million. That was money that previous to PCS creation in 1975 had left Saskatchewan for some foreign country, namely the United States of America.

(1345)

That's \$100 million that stayed right here in Saskatchewan, that was put to work right here in Saskatchewan creating jobs, creating new services for people, like the dental care program or like the prescription drug program or like home care. Because prior to PCS being introduced in 1976, this province did not have a home care program. And the reason why this government, under the NDP, was able to provide services that can't be found in other parts of Canada or other parts of North America is because we had resource revenues from our Crown corporations that could go into providing services for the people of our province.

It was not by accident that we had the money available. It's not by accident that we were able to present 11 straight balanced budgets on behalf of the people of Saskatchewan and provide all kinds of enhanced services for our citizens. We simply didn't do that through individual taxation, Mr. Speaker. We were able to do that because of the kind of resource royalty structure and taxation structure we had in this province, and we were able to do that, Mr. Speaker, because we had public involvement in our Crown corporations.

And I just want to read into the record for the information of some of our colleagues, some of the resource rents that we were able to garner. I'll have to do that in a moment, Mr. Speaker, because I can't find it. But it clearly shows my colleague from Cumberland was able to put together a number of statistics showing the kinds of resource rents, taxation and profits that we were able to garner under a New Democrat government, and compared that to the Liberals and the Tories and the New Democrats in our province, but I will have that in a moment, Mr. Speaker. Pardon me, Mr. Speaker, I do have it now.

Now, royalties and taxes of the potash industry under the Liberal government, under Ross Thatcher Liberals from 1965 to 1971, the Liberals collected \$15.7 million in royalties and taxes from the potash industry. Under an NDP government, from 1976 to 1981, an NDP government collected \$985.4 million.

Nine hundred and eighty-five point four million dollars was collected by a New Democrat government. Now this wasn't money that went to advertising companies or lawyers or accountants in order for them to stuff their pockets with taxpayers' money. This is money that went into public services. At no time, Mr. Speaker, did we have line-ups — huge, horrendous line-ups to get into our hospitals. Under this government we've had deficit budgets and we've had line-ups to get into our health care facilities, and we've had this government cut and slash and hack health care programs in our province.

During this time, from 1976 to 1981, we developed a home care program in this province in order that the frail elderly and the disabled could have access to those kinds of services in their own homes. This, Mr. Speaker, at the time, was an expensive program; we thought it was far less expensive having people maintain their independence in their own home than moving into a nursing home. We were able to do this, Mr. Speaker,

because we were collecting \$985.4 million in a five-year period from royalties and taxation in the potash industry.

Now let's review the Tory record. Under the Tories — I only have the figures from 1982 to 1986 — \$274.2 million. That's all — \$274.2 million under a Tory government. The NDP recovered \$711 million more than the PCs did on an equal number of years.

During the Liberal years under Ross Thatcher, they had an average of \$2 million — \$2 million was taken out, while the PCs averaged \$46 million, and the NDP averaged in a one-year period, \$164 million. And these people wonder why we have a \$4 billion deficit. They wonder why we have it. It's because of waste and mismanagement and because they've simply given up their ability to manage this province by simply turning it over to their big friends in big business, those people connected with the multinational corporations.

And I want to talk about the production because I think this is important for the members opposite to note. From 1977 to 1981, the production was 32,682 tonnes sold. Under the Tories, 1982 to 1986, 31,369 tonnes sold. The difference was about 1,313 tonnes. From 1977 to 1981, the average price under an NDP government was \$109.50. The average price under the Tories from 1982 to 1986 was \$106.69, to answer some of the questions about price over there.

Now let's look at the long-term debt of this company under the Tories and under the New Democrats. In 1981 the long-term debt of this company under an NDP government — remember we had purchased these mines at some \$486 million, I believe . . . 418 million, my colleague corrects me. The long-term debt was \$88 million under an NDP government.

Now these members opposite would have the public believe that the NDP aren't good financial managers, that somehow the socialist hordes on this side of the legislature aren't able to manage business. And the members over there say, true.

Well, Mr. Minister, the facts and the records show otherwise. Under an NDP government the long-term debt was \$88 million. We purchased the companies for 418 million. We were able to get rid of much of that debt because the company was profitable. We were able to, Mr. Speaker, have dividends paid into the Consolidated Fund, plus we were able to pay off much of the debt.

Now what happened under a Tory government? The long-term debt up until 1986 — and it's much higher than that now — rose from \$88 million under the NDP to \$558 million under the great business people over there. That's how much it raised.

Now let's look at the Saskatchewan investment to date. Under . . .

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

Hon. Mr. Hepworth: — Would the hon. member permit a question, Mr. Speaker?

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

Ms. Atkinson: — No.

The Speaker: — The hon. member has indicated she would not.

Ms. Atkinson: — I have on many occasions in my first time of the remarks, I have taken questions, Mr. Speaker, but this government introduced closure which has limited our right to debate this Bill in this legislature, and I will into be taking up any of my time by taking any kind of questions from those members opposite.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Had they allowed democracy in this province to take place, I would be happy to entertain a question, but with closure I will not.

Now the Saskatchewan investment in this company up until 1981 was \$418 million. Under the Tories, come 1987, the investment was \$724 million — \$724 million. And in 1987, \$662 million of that debt that was incurred under a PC government was written off, basically, Mr. Speaker. The taxpayers of Saskatchewan are now holding that debt and the Potash Corporation of Saskatchewan is not.

Now, royalties and taxes for a five-year period. From 1977 to 1981, under an NDP government, the royalties and taxes were \$270 million. In 1982 to '86, under a Tory government, the royalties and taxes on the potash industry in this province was \$68 million, for a difference of \$202 million.

And this government wonders why it can't balance the books, why we have a \$4 billion deficit in this province, a deficit created by the members opposite. It's because this government has not only neglected its responsibilities in the area of potash, but they have neglected their responsibilities when it comes to the collection of royalties and taxation in other resource sectors as well, Mr. Speaker, namely oil and gas, Mr. Speaker. So I just wanted to put those points on the record for the benefit of the members opposite.

Now, Mr. Speaker, I want to relay why we made the decision to get into the potash industry, and I have given some of the reasons why we made that decision.

Another reason we made the decision, Mr. Speaker, was not only in order to collect resource dividends; we made the decision because we felt that there was a need to improve the number of employees in the potash industry. And in 1982, when this government came to office, there were 2,267 employees employed with the Potash Corporation of Saskatchewan. And, Mr. Speaker, since that time, since that time the Government of Saskatchewan has not increased the number of employees involved with PCS, not at all. And in fact, Mr. Speaker, it has gone down.

In 1988, according to the *Canadian Minerals Yearbook*:

Review and Outlook of the potash industry in the province of Saskatchewan, there is an indication that the number of employees after the year 1988 was 1,276 employees. So we have had a dramatic decrease in the number of workers that are working in the potash industry through public ownership, through PCS.

We've seen the number of employees drop from 2,267 to 1,276. And this Government of Saskatchewan wonders why people are leaving this province in droves; why, day in and day out, people are making the decision that this government offers them no hope, the province of Saskatchewan offers them no hope, and it's because there simply aren't good-paying jobs in this province.

So under a Tory regime, not only have we lost taxes and royalties, Mr. Speaker, but we've lost over 1,000 employees because of this government's decision to cut back in the potash industry.

Now the other reason why we made the decision to get into the potash industry was because the opponents of PCS at the time — that would certainly be the Minister of Finance, who was then a Liberal. The opponents of the Potash Corporation of Saskatchewan would have us believe that these people, these workers, were non-productive citizens — the people that we had employed in the potash industry. They would have us believe that the Potash Corporation of Saskatchewan would be a non-productive corporation.

But we didn't believe that, Mr. Speaker. We had faith in the employees at the Potash Corporation of Saskatchewan; we had faith in the management; we had faith in the people of our province; we had faith in the ability of the people of our province, through the Potash Corporation of Saskatchewan, because most of the people that worked there were Saskatchewan born and raised individuals. We had faith that they could undertake an ambitious plan to diversify the potash industry in our province, to expand the potash industry in our province, to do research and development in the potash industry in our province.

In fact, one of my relatives, who is a biologist, prior to this government giving a number of employees the boot, was working on how to deal with the tailings at various potash mines because it was creating, and still is creating, a number of problems for farmers living in the area.

An Hon. Member: — Is that research being done now?

Ms. Atkinson: — That research and development isn't being done now, Mr. Speaker. We have no one, as far as I know, in this province through the Potash Corporation of Saskatchewan working at how do we put the tailings or the waste back into the mines, if that's a possibility, or how we deal with those tailings. And that was one of the reasons why we wanted a Potash Corporation of Saskatchewan in order that we could start developing our own research and development in this province. Because that technology could be used in other places of the world, because obviously there are other places in the world that are involved in the potash industry, and they have some of the very same problems that we do when it comes to dealing with waste, Mr. Speaker.

Now, Mr. Speaker, so what were we able to accomplish? We were able to do research and development. We were able to expand the potash industry in our productive capacity in this province. We were able to introduce some diversification plans, and we also were able to get into an agronomic program.

(1400)

These are things that weren't being done prior to the decision by Allan Blakeney and his government to involve the Saskatchewan taxpayers in the potash industry. And we were able to do all of this — all of this, Mr. Speaker, and at the same time make money for the people of the province.

Now the Conservative government on the other hand has cut all of these programs. We don't have research and development going on. We don't have diversification plans going on. We don't have any kind of expansion going on in this province, and the agronomic program is gone. So they've gotten involved in desperate cost-cutting measures instead of looking wisely at how we can enhance revenues and how we can create viable jobs for the long term.

I think that's one of the things . . . the differences between the government and the opposition, between the New Democrats and the Tories. Tories tend to look at things through narrow blinkers, short term. We obviously had a reason in the short term for creating the Potash Corporation of Saskatchewan, and that was to deal with the tax dispute we were having with the federal government and to deal with the disputes that we were having with the private potash industry in this province, because they didn't want us to collect royalties and taxes.

But we also had some long-term objectives. We thought that Saskatchewan having over 4,000 years of potash in the ground we could expand the industry. We thought that we could create jobs for Saskatchewan people, and good paying jobs, Mr. Speaker. We thought we could have a headquarters located here in Saskatchewan. We thought that the CEO (chief executive officer) or the president of the Potash Corporation of Saskatchewan could be a Saskatchewan person, that we could develop Saskatchewan people to take on jobs that had traditionally and historically not been theirs. Those jobs have been located in the United States.

We thought that we could have diversification plans and we could create spin-off industry for the Potash Corporation of Saskatchewan. We didn't think that goods and services needed to be imported from the United States, that we could do things for ourselves here in Saskatchewan. That's what we thought. We thought that we could expand the industry, and we thought that we could have research and development done here in Saskatchewan.

Now the members opposite would somehow have us believe there weren't good reasons for creating the Potash Corporation of Saskatchewan in the first place; that it had to do with our fundamental philosophical direction. But I think if you look at the record, Mr. Speaker, if you look

at the record, there were some fundamental reasons why a New Democrat government created the Potash Corporation of Saskatchewan.

Now in addition, Mr. Speaker, the Potash Corporation of Saskatchewan created a close working relationship with the university in many areas, and with their graduates and postgraduates.

As well, as I said earlier the Potash Corporation of Saskatchewan embarked upon a Buy Saskatchewan program. Now I know that this government has spent a great deal of time advertising your Buy Saskatchewan program, but it's nothing new. It's nothing new. It was one of the reasons why a New Democrat government got involved with the potash industry in the first place, because we wanted to ensure that Saskatchewan people could provide the goods and services for the industry.

It should also not be overlooked that the corporation did not wish to sell through an industry cartel, Mr. Speaker, that rather we wanted to develop relationships directly with major users like India and China. We thought that the market share in those countries had been erratic, with producers price-gouging at every opportunity, Mr. Speaker, with the obvious effect on demand and market share.

PCS wanted to develop long-term relations with customers, Mr. Speaker. We wanted to ensure consistent supply and stable prices so that in turn we could maintain a growing work-force based upon consistent productivity. We thought that was important. We thought if we had long-term contracts with some of our customers, we could ensure our workers, our work-force, that they could have long-term jobs, that they wouldn't be subjected to the ups and downs of the market-place, Mr. Speaker. We thought it was important to enter in long-term contracts, to contract some of our potash, in order that our work-force could have some security in their ability to work in this province.

So PCS recognized that the province and its employees would suffer in a boom and bust world, Mr. Speaker, particularly if we were to function as a residual supplier as is now the case, with locked-in production and high lay-offs. PCS, Mr. Speaker, recognized that once you lose market share to a producer such as Israel or Jordan, you rarely get it back. And we were determined to drastically alter this negative and passive approach.

Now those . . . I've tried to outline, Mr. Speaker, why we made the decision to get involved in the potash industry here in Saskatchewan. For those reasons, Mr. Speaker, we thought that we could benefit Saskatchewan people because the royalties and taxes and dividends or profits could stay in our province to be put to work for Saskatchewan people. We thought we could do it for ourselves, as Saskatchewan people have always thought. We thought that we didn't have to rely on outside friends or certain politicians, the multinationals. We thought we could do it for ourselves, and that is fundamental in the history of our development. If any Saskatchewan person wants to look at how this province has developed socially and politically and economically, we have always been practical, pragmatic citizens; we have gone with what

works.

When the grain companies were gouging the farmers, the farmers created the wheat pool. When the banks were gouging the farmers, the farmers and the teachers and the workers created the credit union. When other outside forces came into our province and tried to take advantage of our people, we've always responded, we've always responded in a co-operative way.

And, Mr. Speaker, it doesn't matter what the members opposite try to do, they can't change history. Those are the historical facts of our province.

Now I would now want to talk, Mr. Speaker, briefly, about how the Potash Corporation of Saskatchewan performed because I think that's important. I think it's important that some time in this debate we talk about the real facts on how the Potash Corporation of Saskatchewan performed.

In a few short year, Mr. Speaker, after 1976, after PCS's creation, PCS became the largest and the most profitable potash company in the world. Can you imagine, we had the largest and most profitable potash company in the world located in Saskatchewan. Saskatchewan people did that.

Saskatchewan politicians and the people that worked at PCS, and managements, the workers, the people at the university, all of us together in a few short years managed to create the largest potash company in the world and the most profitable potash company in the world. We did that, and we did it for the people. We didn't do it for a few wealthy investors, we didn't do it for IMC (International Minerals and Chemical Corporation (Canada) Ltd.) or Cargill, these companies located in the United States. We didn't do it for some place in New Mexico, for those shareholders down there. We did it for ourselves.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — So the Saskatchewan ... the senior management at PCS, to the miners, to the business people that provided the goods and services for PCS — Saskatchewan people — they were responsible for the success of the potash corporation.

Now I just want to take a moment, Mr. Speaker, and talk about the success. I want to look at the facts. In 1976, under the first year of operation, the company paid more than \$1 million in provincial taxes and royalties and made a profit of half a million dollars. That's not bad, Mr. Speaker, in the first year of operation.

In 1977 the taxes and royalties paid to the provincial treasury increased to more than \$16 million, and profits topped \$1.1 million. That's the second year of operation under a New Democrat government.

In 1978 PCS paid provincial taxes and royalties of \$35 million and made a profit of nearly \$25 million. That's over 12 years ago, and PCS made a profit made a profit of \$25 million in its third year of operation.

In 1979 — 10 years ago — more than \$58 million was

paid in taxes and royalties by PCS, and the company's profits jumped to \$78 million, Mr. Speaker — \$78 million, 10 years ago, its fourth year of operation. It started in '76, '77, '78, '79, the company's profits were \$78 million — tremendous, Mr. Speaker.

In 1980 this public company paid nearly \$90 million in taxes and royalties. Now remember, Mr. Speaker, the private owners of these mines prior to PCS, they weren't prepared to pay royalties and taxes. They weren't prepared to open their books to the Government of Saskatchewan in order for us to assess a structure of royalty and taxation.

But here's what happens in 1980. A public company, a publicly owned company pays nearly \$90 million in taxes and royalties, its profits hit \$167 million, and PCS pays the taxpayers of Saskatchewan a \$50 million dividend — a \$50 million dividend. That's money that goes to pay for health and education, Mr. Speaker. There's \$90 million in taxes and royalties, money to pay for health and education and other important public programs, and \$50 million paid in dividends. That's \$140 million. I know the members opposite would love to have access to that kind of revenue. That's why it makes no sense to sell off the Potash Corporation of Saskatchewan.

In 1981 the taxes and royalties paid by PCS were \$71 million. The profits were \$141 million and the company paid a second \$50 million dividend to the treasury. So let's put that in perspective again — \$71 million in taxes and royalties and \$50 million in dividends. That's \$121 million going into the treasury, Mr. Speaker, to pay for health, prescription drug plan, school-based children's dental plan, the senior citizen home repair program, home care, nursing home beds. All of the things that are important to the people of Saskatchewan.

Now that was the record under a New Democrat government, Mr. Speaker. That was the record under a New Democrat government which these members opposite somehow try to negate. These are the facts. They can be found in the annual reports and in the reports that show the income and revenue generated in this province.

That's six years of operation, Mr. Speaker, six years of operation. It's six straight years of profits; not to wealthy out-of-province investors, Mr. Speaker, profits that stayed in Saskatchewan, that was put to work for Saskatchewan people, profits for the people of Saskatchewan. In six years under an NDP government this public company had made more than \$413 million in profits. It had paid the provincial treasury more than \$270 million in taxes and royalties. And, Mr. Speaker, it had paid Saskatchewan taxpayers \$100 million in dividends.

During those same six years the number of Saskatchewan people working at the Potash Corporation of Saskatchewan had increased from 1,164 people to 2,267 people. Under an NDP government we had increased the number of people by 1,000 people — 1,000 people. The work-force had expanded. They were jobs for people. They allowed people to have good paying jobs that put the food on the table, that put the roof over their heads, that supported their communities, that clothed their

children, and supported local small business, Mr. Speaker. And if you go down Main Street anywhere in this province now, you will see many a Main Street with empty buildings because business people have folded up.

And what I'm saying, Mr. Speaker, is that we can't simply rely on the market forces and the large multinational companies to do things for us. We have to do things for ourselves; we have to do things for ourselves. And through PCS we kept money in the province. We made \$413 million in profit under a New Democrat government from 1976 to 1981. It paid the provincial treasury royalties and taxes of \$270 million; royalties and taxes, Mr. Speaker, that the private industry was refusing to pay prior to PC nationalization. And, Mr. Speaker, it paid Saskatchewan people, through the treasury, \$100 million in dividends, and PCS created over 1,000 jobs here in the province of Saskatchewan.

Now that's the record of PCS, and that's performance under a government that was committed to ensuring that PCS would be a Crown corporation in this province.

Some Hon. Members: Hear, hear!

(1415)

Ms. Atkinson: — When we left office, Mr. Speaker, the potash corporation had a long-term debt of only \$88 million, and it had already returned to the people of our province the original public investment in profits to the people of Saskatchewan. Remember, Mr. Speaker, \$413 million in profits, that's what PCS created. And we were able to reduce the debt of that company — because obviously we had to borrow some money to buy those mines — and we had already reduced the debt down to \$88 million.

PCS gave the Saskatchewan people ownership of a profitable corporation. It gave the people of Saskatchewan a company that had over 2,200 employees. It gave the people of Saskatchewan the world's largest potash corporation headquartered in Saskatoon, with a world class research and development operation that was tied to the University of Saskatchewan. That was our record at PCS, Mr. Speaker. That was the New Democratic Party record when it came to the company of PCS. And we're proud, Mr. Speaker, of that record. We were proud of the fact that we were able to work with Saskatchewan people to build this strong and proud and successful company.

Now I want to talk about what the Government of Saskatchewan did when it came to office in 1982. How does their record stand up to a New Democratic Party government? How do they stack up when you review their record? And again, Mr. Speaker, I want to look at the facts and figures, and I want to get away from some of the political rhetoric that we've heard in this debate. I want to get down to brass tacks and look at the numbers, because the numbers tell the story.

In 1982, the first year of operation under the Government of Saskatchewan, the PC government, profits at the Potash Corporation of Saskatchewan fell from \$141 million to less than \$1 million. Even though the company

made less than a million dollars in profits, the Government of Saskatchewan under the PCs took a \$50 million dividend from the company into general revenues. I guess this was to help pay for the budget deficit. Now this was just one of many, Mr. Speaker, questionable practices, business practices, that came to be under the Tory administration.

In 1983 under the Tories, PCS suffered its first loss ever — first loss ever. It was created in 1976, had \$413 million worth of profits by 1981. In 1982 under the Tories it has a million dollar profit, and in 1983 under the Tories it has an \$18 million loss.

And yet, Mr. Speaker, in spite of that loss, what did the company do? It took \$62 million in dividends from the company into general revenue that year, and I guess that was to deal with the budget deficit of the government.

Now in 1984 there was a profit of \$25 million, and a further \$12 million dividend was taken to help pay for the government's budget deficits. In 1985 the PCs lost more than \$68 million at PCS. In 1986 PCS under the Tories experienced the biggest loss in its history. It lost \$103 million. And in 1987 the losses continued; they lost another 21 million. And this year, Mr. Speaker, in preparation for privatization they lay off 200 workers at Cory, which wasn't one of the original goals of PCS. One of the original goals was to create work for people, not lay people off, but they lay off 200 people at PCS. And in 1988, Mr. Speaker, they garner \$106 million of profit.

Now under our government, the Potash Corporation of Saskatchewan had made profits in six out of six years. Under the Tories, PCS had lost money in four out of six years. At the same time the Tories had allowed the corporation's long-standing debt to balloon from \$88 million, which was what the debt was when the NDP left office in 1982, to more than \$600 million. And in part, Mr. Speaker, this long-term debt was the result of the government robbing PCS of more than \$120 million in dividends to help pay for this government's mismanagement — to help pay for the \$4 billion deficit that this government has created.

Now what has the government's response been to this sorry mess that they've created over at PCS? They've blamed the NDP every step of the way. Every time we've raised a question in this House about PCS, every time we tried to raise the facts according to the numbers that we find in the PCS annual report, what has this government said? They've said it's the NDP's fault.

Well you know this government's been in office some seven years. They were elected in April of 1982, and you would think that after seven years a government would quit blaming the NDP for all of their problems — the next thing you know they'll be blaming us for the GigaText affair — if they'd stop blaming the NDP for all of their problems and they start taking responsibility for themselves.

And you know, Mr. Speaker, it kind of reminds me, the government's actions kind of remind me of what I used to do prior to coming into this legislature. And one of the things that I did was I worked with young people with

behaviour problems who antiauthoritarian. They weren't interested in attending a regular school; they had what I call attitudinal problems, for a variety of reasons. And one of the program objectives of our program was to ensure that kids started to take responsibility for their own behaviour and their own actions; that they couldn't blame their mom and dad; they couldn't blame society; they couldn't blame the neighbour or the teacher or the principal; that you had to take responsibility for your own behaviour and your own actions.

And I would suggest to the members opposite and to the government and the Premier that it's time that this government, after seven years, started taking responsibility for its own behaviour and its own actions.

-Some Hon. Members: Hear, hear!

Ms. Atkinson: — Rather than admit . . . You know, Saskatchewan people don't mind it when you admit you're wrong. In fact, Saskatchewan people appreciate it when you say, I'm sorry; I made a mistake. They're very forgiving people, Mr. Speaker. I'm sure you know that, that you can say, I'm sorry; I made a mistake; I was wrong.

But what this government has to do is admit that their lack of commitment to public ownership, to the Potash Corporation of Saskatchewan of Saskatchewan, that was the reason for the sorry record at PCS. They can't blame the people that created it, Mr. Speaker. They can't blame us. Our record will stand in history, there's no doubt about that. There's no doubt about that. They have to take responsibility and they have to acknowledge to the people of Saskatchewan that their lack of commitment, their lack of commitment to the public ownership in the potash industry has led to the sorry mess over at PCS.

Now one of the favourite myths that this government likes to peddle around is that somehow the NDP was too optimistic about the world potash market in the 1970s and that we began our expansion of PCS mines, including the phase 2 expansion at Lanigan, without proper planning. That's a myth that they like to peddle around the country and the world.

Now the facts are quite different. Fact number one, Mr. Speaker, is that the final decision to go ahead with the Lanigan expansion didn't come from the NDP; it didn't come from the NDP, the Leader of the Opposition, or the former people involved with PCS; it didn't come from David Dombowsky. It came from the members opposite in 1982.

And in fact, Mr. Speaker, the 1982 annual report, the chairperson of PCS, board of director, the Tory member from Yorkton, speaks glowingly, Mr. Speaker. He speaks glowingly, and I just want to get some of those quotes. He speaks glowingly about the future of PCS, and about the government's decision to give the final go-ahead to the Lanigan expansion. And here's what he says:

It . . . our firm belief that . . . a new and stronger PCS can emerge.

With this belief in mind, the Board of Directors supported management's recommendation to

continue with all of the major projects in Saskatchewan. I refer to the PCS Mining Lanigan Phase II expansion which is now underway. This clearly illustrates our commitment to, and our belief in, the future of PCS as a viable, commercial entity.

And that's what the member from Yorkton said. Now I also want to read some other statements. Here's some other statements that the Tories had to say about PCS. These are their words, not the Leader of the Opposition's words, not any of my colleagues' words, not any of the former employees of PCS — not their words. But here we are in 1982 annual report, the president, Steve Harapiak says:

In the longer (run) . . . we are optimistic about the future of PCS in that PCS Mining owns the largest (listen to this) the largest and most economic potash reserves in the world.

And that's contained on page 6 of the PCS annual report in 1982, and it's dated March 1983.

Now in Crown Corporations Committee, what did the minister responsible, Bob Andrew have to say? He says this:

I think we're doing better in our management. Certainly the board of PCS has confidence in the management of the potash corporation. We are satisfied with the management of the potash corporation.

This is what Bob Andrew had to say in November 30, 1983. And then we have the 1983 annual report, Mr. Speaker, where the chairperson, Cliff Wright says:

The optimism with which the Board of Directors and the Provincial Government view PCS is reflected in the decision announced shortly after year end that the Corporation would move into new headquarters in 1985. While (their) decision was based primarily on economic reasons, the fact that it involves a twenty year commitment indicates the confident way in which the future of the Corporation is seen.

And this little quote is contained on page 2 of the 1983 annual report, submitted in March of 1984.

Now in the 1985 annual report, the chairperson, Cliff Wright, says the following:

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

That's contained on page 2 and that is reported in March, 1986 for the 1985 annual report. Now this is the same statement that is made by Lorne McLaren, and it's the same statement, or similar statement, made by the minister from Kindersley.

Now in the 1986 annual report, the chairperson, Paul Schoenhals, says, and I quote:

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

This is contained on page 2 of the 1986 annual report delivered, I gather, in March of 1987.

So that's what Tories had to say about the Potash Corporation of Saskatchewan. So somehow they blame PCS's misfortune on the NDP; somehow they accuse us for being the incompetent managers for the last seven years. But if you review their own quotes, you will note that in those last seven years they have been prepared to commit to paper their observations, their positive observations on the Potash Corporation of Saskatchewan.

Now, Mr. Speaker, I want to just talk about the privatization of PCS in particular, and I want to make a few comments about the case that is being put forward by the members opposite for privatizing PCS. I would have thought, Mr. Speaker, that given the history and the overwhelming support for it as a public enterprise . . . And I have a poll. I don't have recent polling, but from May 3, 1989, the polling — it was an Angus Reid poll done for the *Leader-Post* and the *Star-Phoenix* — the polling shows that 57 per cent of the people in our province oppose the sell-off of the Potash Corporation of Saskatchewan.

I would have thought that this government would have come forward with some sort of detailed analysis justifying their decision to sell off the potash corporation, but unfortunately, Mr. Speaker, this is not to be the case. They have not been able to justify to the people of our province why they believe it's important that PCS be sold off.

(1430)

They haven't had any polls supporting their argument that PCS should be sold off, not at all. We have an Angus Reid poll here dated May 3, 1989, showing that 57 per cent of the people are opposed to the privatization of the potash corporation, and we have not had any documents or arguments presented in this legislature explaining to the people of —Saskatchewan why it is, Mr. Speaker, that we need to sell off the potash corporation.

Mr. Speaker, they didn't have a mandate to sell off the potash corporation. They certainly didn't talk about it during the last provincial election. In fact, Mr. Speaker, they talked about how they would not privatize the public utilities in this province, and they broke their word.

And as I mentioned to the members opposite, in 1971 and in 1975 we had the courage of our convictions, and we talked to the people of Saskatchewan about how important we thought it was for the public to be involved in the potash industry, and that we were going to take steps, active steps to involve the public in the potash industry in our province.

But this government didn't have the courage of its convictions in the 1986 election. They did not have the

courage of their convictions to put to the people of Saskatchewan that privatization would be the agenda. They did not tell the people of Saskatchewan that they would privatize the school-based children's dental program. They did not tell the people of Saskatchewan that they would destroy the prescription drug plan in this province and make drugs in our province unavailable to many people.

They didn't tell us that, and they didn't tell us that they were going to privatize the Potash Corporation of Saskatchewan. And they certainly didn't tell the people that they were going to invoke closure, invoke closure to limit the amount of time the duly elected opposition, the opposition that is here representing our constituents, has to debate this Bill.

They have no mandate, Mr. Speaker, they have no mandate to introduce this privatize Bill, this Bill to privatize PCS, and in fact some of my colleagues would argue that they in fact received fewer votes than the NDP did in the 1986 election and that they do not have the public support for this endeavour.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Now as I was saying, Mr. Speaker, they don't have a mandate to privatize — not at all, no mandate.

Now they haven't been able to justify, they haven't been able to put forward reasons why they it's important to privatize the Potash Corporation of Saskatchewan, and it may be that they need a little money. That may be the reason, because they've got a \$4 billion debt in the Consolidated Fund. They've got an \$8 billion . . . 8 or 9, I think it's close to \$10 billion debt over in Crown corporations, Crown Management Board. So they may say they need a little money.

And the Minister of Education says, well isn't that a good enough reason, isn't that a good enough reason to privatize PCS? Well, Mr. Minister, it kind of reminds me of this, kind of reminds me of this. Here we have a young lad who takes over his father's farm.

An Hon. Member: — Is this Lingenfelter's story?

Ms. Atkinson: — No it's not Lingenfelter . . . it's not my colleague's story.

Kind of reminds me of a young man who takes over his father's farm and he has six quarters; he has six quarters. And as time goes on this young man keeps selling off a quarter here and a quarter there and a quarter here to pay his debt. And then he gets to the point, Mr. Speaker, where he's got two quarters left. He's got two quarters left and he owes a bunch of money; he's owes quite a bit of money. Now he doesn't have enough money . . . he won't get enough money from these two quarters to pay all of his bills, but he can, if he keeps these two quarters, may be able to earn some money, some profit that can go to pay those bills in the long run.

And what we have here, Mr. Speaker, is a government that has decided to sell off the last two quarters and have a

party. That's what this government's decided to do. Instead of keeping the Potash Corporation of Saskatchewan, which means millions of dollars — millions of dollars that can go to bring down that \$4 billion debt in the long run — they want to sell off PCS so they can have a party. Maybe a birthday party, maybe it's an election party, maybe they want to try and buy the people of Saskatchewan, come 1990.

Is that what it's all about? Is that what you need, some money to go out and buy the voters again?

Well I can tell you, Mr. Premier, it's not going to work this time, not at all. It's not going to work because the people of Saskatchewan are on to you. They know, Mr. Premier, that you are going to try and buy them, buy their votes like you did last time. But they're not going to be taken in this time, Mr. Premier, because this government is known for what it really is. You can't repair the damage. Your polling shows you at 21 per cent. It shows that all of your lines aren't working on privatization. It's not working whatsoever. You are in a disastrous situation, and having a little money to throw at the people won't work, not this time—not this time.

Because the people say, is it the principle or is it the money? And I would say, Mr. Speaker, this government's not going to sell PCS over a principle. No way. They're going to sell PCS to get some money. That's what it's about. They want the money to buy the next election.

Now this government will argue that they need to privatize all Crown corporations in order for the Crown corporations to have the freedom to grow and expand and diversify. This seems to be the right-wing rhetoric that's coming out of the government members opposite.

I've heard this word, diversify. We saw it in the throne speech. I think they used the word something like 20 times in the throne speech — diversify, diversify, diversify. And have we seen diversification in this province? And the Minister of Education claps. We haven't seen diversification in this province. We've seen corporate concentration in this province.

So here we have some communities that want to develop the fertilizer industry in their communities in order that they can keep their young people in those communities, in order to support businesses on main street, in order to support the schools in those communities. And what does this government do? It'll put up \$300 million worth of public money for Cargill grain, which had \$38 billion worth of profits last year. And they call that diversification — they call that diversification.

Diversification does not mean giving Cargill grain \$300 million to go out to Belle Plaine. That's not diversification. Diversification is having industry in small towns, like Prairie Malt in Biggar. That's diversification, where there are some jobs in Biggar. Diversification means having little industries in towns throughout Saskatchewan and in the cities in this province in order that the people of our province can stay here with a future and have some hope.

And we've seen diversification. We saw Supercart

diversification, and that went belly-up. We're still waiting for the pharmaceutical diversification down at Swift Current, and that hasn't occurred. We see the diversification over at GigaText and people of Saskatchewan waste \$5 million. That's diversification. Diversification had not occurred in this province, Mr. Speaker.

And they say that they want to privatize PCS in order that they can have freedom to grow and diversify. Well that is funny; that is funny. We don't need any more Joytects and Supercarts and GigaTexts. They don't work. We don't need Cargill grain because there's no guarantee that Cargill's going to stay here. We put up the money; Cargill can leave.

You have Saskatchewan business people, you have public involvement in certain sectors of our economy, and there are guarantees, Mr. Speaker, that those businesses and that public enterprise is going to stay in our province. There is absolutely no constraint, Mr. Speaker, to Crown corporations expanding and developing, and it doesn't have to come at the expense of health care and education or other government . . . general government purposes. PCS, Mr. Speaker, can borrow in its own right, and it can and should be a long-term support for health and education in our province through payment of dividends or profits to the Saskatchewan treasury.

Now as I said earlier, Mr. Speaker, PCS under an NDP government, under an NDP government, was able to garner \$413 million in profit and pay over, Mr. Speaker, \$100 million in dividends. In total, Mr. Speaker, PCS has given to the people of this province in excess of \$220 million in dividends. If PCS is sold now, Mr. Speaker, those dividends, the hundreds of millions of dollars or several millions of dollars, several hundreds of millions of dollars, depending upon how the corporation is run in the next several years, could go to pay for important services over the next 4,000 years, Mr. Speaker, because we have 4,000 years' worth of potash in the ground.

What we have here is we have an option. We can have a one-time payment, Mr. Speaker, of some \$400 million once PCS is sold, and they pay back the provincial treasury the \$600 million that the provincial treasury has taken over in terms of PCS long-term debt. Or, Mr. Speaker, we could have the one-time payment, or we can make a decision right here and now that PCS will stay in public hands and it will generate revenue, Mr. Speaker, for the next 4,000 years to pay for important programs.

Because quite frankly, Mr. Speaker, the taxpayers are sick and tired of paying taxes. People of this province feel as though they are paying enough, Mr. Speaker. They feel, Mr. Speaker, that every time they turn around there's another tax. And now we have the goods and services tax the federal government is going to put on. They've got the 2 per cent flat tax, plus they have many, many other taxes, Mr. Speaker.

And I think, Mr. Speaker, we can keep Saskatchewan people here in Saskatchewan. We could put them to work; we can still have the finest public programs in the country, Mr. Speaker, if we keep Crown corporations in

public hands, Mr. Speaker. We shouldn't sell them off. And we can take those revenues, Mr. Speaker, and we can supplement the income tax system in our province, individual income tax system, and we can have nursing home development in our province.

Everywhere we go we see people wanting, Mr. Speaker, some form of enhanced nursing home facilities; or they want day care facilities for children; or they want day care facilities for the elderly who are living at home; or they want more home care services. We hear people at hospitals saying, we don't have enough staff, we don't have enough beds. We hear this all the time.

We hear our universities and our technical schools saying, we simply can't provide the services we once did because we've been underfunded. We see young people not being able to get into those institutions and going to private institutions.

We could have the money from PCS, we could have the money from PCS — \$100 million a year if it was run properly, or 200 million, or \$300 million a year going to pay for those services that have been cut back, Mr. Speaker. We can make that decision today.

An Hon. Member: — This is the socialist line, isn't it?

Ms. Atkinson: — Now the minister over there says this is the socialist line. It's not the socialist line, Mr. Minister. It's very, very practical. It's practical, Mr. Minister. We have a choice. We can either, Mr. Minister, we can make the decision to allow those resource profits to go to people outside of Saskatchewan and the province . . .

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

Hon. Mr. Hepworth: — Would the member permit a question, Mr. Speaker, and explain to us why there are more kids going . . .

The Deputy Speaker: — Order. Would the member permit a question?

Ms. Atkinson: — No.

The Deputy Speaker: — The member will not permit a question.

Ms. Atkinson: — The member will not permit a question.

Ms. Atkinson: — I've already told the members opposite that prior to their decision to introduce closure I took questions during this debate and so did my colleague from Regina Lakeview. Once you made the decision to stifle and limit and muzzle the opposition, once you made that decision, we will not take questions because you're eating up our time.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — What I was trying to say, Mr. Minister . . . Mr. Speaker, what I was trying to say is it is not a socialist line to say that the revenues that are generated from those Crown corporations, and in particular PCS, should remain in this province. It is not a socialist line to say the \$100 million that we received last year in terms of profits from

PCS should stay here for health and education, hospitals, dental care, prescription drug programs. The \$100 million should stay here and not go to foreign investors outside of our country, which is the Tory proposition. That is the Tory line, Mr. Minister, Mr. Speaker.

And I'm simply saying, let's be pragmatic, let's get with it, let's do what works, which we have always done in this province. We have said consistently in this province that we can do things for ourselves. We have said that. We have said that we want the resource rents and benefits to stay here and put those resource benefits to work on behalf of Saskatchewan people.

(1445)

Now the other thing that this government says that the PCS privatization will somehow, through privatization, it'll gain a new freedom to do business in an environment without political constraints. And again, Mr. Speaker, this is entirely dependent upon your perspective. If you assume the political will of the people as expressed through its government is a constraint, then this argument is correct. It's correct.

On the other hand, Saskatchewan people have utilized their government to express their will, with the exception of the present government members in power. At the very least, Mr. Speaker, representatives of the people can be voted out of office, which is not the case for the senior executives of PCS who are organizing and have organized this particular privatization.

Another issue, Mr. Speaker, that should be discussed is the objectives of the new shareholders. Are we to assume that the objectives of this new group, whoever they may be, a majority of whom will be from outside of our province, are more praiseworthy and more noble than the objectives of the Government of Saskatchewan?

Okay, I want to look at a different scenario. Some shareholders could represent producers of potash who might attempt to continue to shut in production, and in fact block diversification and expansion, all to avoid competition. Financial investors might be after short-term quarterly gains, making short-term decisions to improve share prices. That's a real possibility.

Even worse, Mr. Speaker, they might fail to properly capitalize the corporation and make other key decisions which will help the corporation remain viable in the long term. And we should be concerned, Mr. Speaker, about the long term.

While we can hope that this won't happen, Mr. Speaker, one only has to read about greenmail operators in the U.S. like Boone Pickens, Mr. Speaker, who drive up share prices for quick paper profits reaping billions of dollars, and don't build a single office tower, let alone a new mine in the process.

Now the other possibility is that we may have more opportunities and greater security for the corporation, which means greater opportunities and greater security for the employees. This is an argument that I've heard some members over there use. One would have thought,

Mr. Speaker, based on our recent experience in Saskatchewan, that this argument has been totally discredited by now. We've seen the job loss at Cameco (Canadian Mining Energy Corporation.). We've seen the job loss at SED Systems and Air Canada. We've seen the job loss in the Department of Highways, and the school-based children's dental program, and we've seen 200 jobs lost at PCS already.

Investors from outside of this province take our best people, our technology, and run minimal operations here, if they don't shut them down entirely. And we've seen that happen with the kinds of privatizations in Saskoil, SED Systems, Air Canada, and Cameco.

Now another argument is that employee participation in the company is a key element to the company's growth. One will not be able to blame workers for buying shares in these privatized companies if they are underpriced, Mr. Speaker, so that they can also reap short-term gain in the same way that speculators will, in the same way that the big business friends of the members opposite will.

If the government was really serious about the workers' role, they would offer real worker participation with assurances of ownership and control by Saskatchewan people, and of course they are offering none of this, none of this whatsoever.

The other issue, Mr. Speaker, an argument that I've heard, is that rather than being a Crown corporation with one owner, the government, PCS will become a corporation owned by many shareholders from Saskatchewan and other parts of Canada and from around the world. I've heard them argue this. Now it's difficult in the Saskatchewan context to understand a comment such as this.

In Saskatchewan, the governments of different ideologies . . . strategic economic activities have been undertaken on behalf of its citizens. To suggest that industry which is owned by the few is being concentrated in fewer hands is the only option for a strategic Saskatchewan industry such as potash is certainly debatable.

The other point that I want to make in terms of arguments that have been put forward is that privatization will take place because only foreigners benefit from our interest payments. And I've heard these guys say this, that when we bought the Potash Corporation of Saskatchewan in 1976 we went to New York and Wall Street or wherever we went, and we borrowed a bunch of money. Now I don't have any objection to encouraging Saskatchewan people to invest in bonds issued by Crown corporations. None of the members over here do.

We do find it rather ironic that we are prepared to have foreigners take our profit through dividends, but we object to foreign debt even though we retain ownership and control of the assets that are pledged. We find it ironic that this government objects to foreign debt in order for us to borrow money that allows us to own and control or assets, but they are quite prepared to give up an asset that we now own, to foreigners. I find that ironic. I find that ironic.

Well, Mr. Speaker, I have had the opportunity to put my remarks on this Bill onto the record. I think I've put it in the context of the historic events that have occurred in this province since the '60s under Ross Thatcher and under Allan Blakeney, and now under the leadership of the Premier of Saskatchewan.

This debate is about the future of Saskatchewan — this debate is about the future of Saskatchewan. Will we or will we not control our own economic future, or will we rely on people from outside of our country to do that? Because this Bill allows 45 per cent foreign ownership and in the case of the United States under the free trade agreement we can never change that. We can never change that, Mr. Speaker.

An Hon. Member: — We can't restrict the ownership.

Ms. Atkinson: — In fact, Mr. Speaker, my colleague says we can't restrict the ownership. So the fundamental question is this. This legislation presents us with a fundamental choice. Shall we do it for ourselves, or will we let others do it for us? And the member over there says, cling to the past. Well I would rather cling to the future doing it for ourselves, than clinging to the future having other people do it for us.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — I am not interested in becoming a dinosaur for the 1930s. I am not interested in being a dinosaur for the 1930s when private enterprise was the only we could get things accomplished in this province. Our foremothers and forefathers clearly showed the people of the country and of the world that clinging to private enterprise only wasn't going to solve their economic, social, and political problems. And that's why we have had in this province a history of the mixed economy with co-operatives, public ownership, and private enterprise.

We have a fundamental choice; shall we do it for ourselves or shall we let others do it for us? Shall we allow those benefits that will accrue from doing it for ourselves remain in this province, or shall we allow those benefits to go elsewhere? It's as simple as that, Mr. Speaker.

I for one will stand up for the future of this province on the inherent belief that we can do things for ourselves; we don't have to allow other people to do it for us. I believe, I believe, Mr. Speaker, that the future of Saskatchewan is important to the people of our province.

I have this fundamental belief that people of our province know what this government is all about. This government is about selling off our resources and our assets to their big, wealthy business friends. They are of the belief that people in this province can't do things for themselves, that only big outsiders can do it for us.

I'm of the view that we can do things for ourselves. My colleagues share that view, and I believe, Mr. Speaker, that the people of our province believe that as well. Thank you very much.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Thank you, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — I appreciate the opportunity, Mr. Deputy Speaker, to say a few words with respect to the Potash Corporation of Saskatchewan and to address several questions related to the public share offerings in potash.

What I want to do in the next few minutes is go through what I believe are the relevant facts and points with respect to the potash corporation or why we are offering opportunities for people to participate in potash, invest in it here in the province of Saskatchewan, who will benefit from the potash corporation if we do that.

Do we have . . . and I want to examine several sets of examples where people have had the opportunity to invest here in this province, and if in fact there are any benefits. What do others think of it, Mr. Deputy Speaker; that is, employees, co-operatives, other governments, other people?

I want to look at the returns that we've had from public share offerings in the province. I want to find out if it is a partisan issue, and I want to address that because it's been raised several times here in the legislature.

I want to also talk about the fact that, can you benefit through public participation even if you don't participate yourself? In other words, can it offer any positive advantages to the public generally if in fact they decide not to do it? Should we offer to people who are customers of ours? What does the media think of public participation? What should they think? What opportunities does it provide for the next generation and children? How do we get our dollars in return? What does it mean to things like health care, like education?

And finally I'm going to wrap it up answering those questions and addressing them, Mr. Speaker, on saying, why not? Why not have people participate in government in the province of Saskatchewan?

Now I'm not sure how long that might take, Mr. Speaker, but all the questions are related to why we have public participation in the potash corporation and what are some of the benefits that we could derive from it. Let me say at the outset that we are in this debate on the potash corporation because it is part and parcel of a strategy for diversification that we have had in the province of Saskatchewan for years, certainly since 1982, and then after our re-election in 1986. We want to diversify our economy, and people have asked us to diversify.

If there were two things the people of the province said to me prior to '82, and certainly again in '86, was provide a safety net for the people of Saskatchewan. Protect them against things that they don't have much control over — the weather, international interest rates, health care, those kinds of things. And diversify the economy so we don't have all our eggs in one basket. We can't just depend on wheat.

And they'll tell you no matter where you go — they can go

into your riding or mine, or cities, towns, villages, up North, down South — and they'll say, broaden and deepen the economy so that in fact we're better protected against just agriculture and just the cycles that go with weather and with international prices, grasshoppers, and some of these things.

So we are debating today as a result of a strategy that we have been working on long before we were elected, certainly one that I studied as an individual and talked about, taught about, and was talked to with respect to diversification and a strategy to deepen and broaden our economy to provide more opportunities.

Public participation, share offerings in the potash industry, is part of our long-run strategy here in the province of Saskatchewan from our government to make this province stronger. You've seen it in the Speech from the Throne. You've seen it in budgets since we were elected — 1982, '3, '4, '5, '6, '7, '8 and 1989. It's not new.

People have asked, well, is this part of an ongoing strategy? Absolutely, unequivocally. And I'll lay the evidence before you where we can broaden the economy and deepen it and allow for more opportunities so that in fact we can weather the storms of international economic activity.

And if you look at the agenda that we've put forward in just this last Speech from the Throne which introduced the concept this time that we were going to offer shares in potash and we were in energy and we were insurance. And for those that have questioned whether we had a long-run strategy about it or not, I mean, I can look at the media and it says, the Tory agenda is ambitious, given our Speech from the Throne. What does that say?

(1500)

It says in fact that we had a plan where we were going to strengthen the economy and diversify it, and part of that plan was to allow people to invest in the province. And that's what this is all about — allow people to participate themselves in the province of Saskatchewan. And if you go back and look at our budget, the budget that we've put together, we've had significant increases on the safety net side, Mr. Speaker, and significant increases on the diversification side.

If I just take a couple of moments with respect to the budget itself, you will find that in the province of Saskatchewan, as a result of the strategies we've developed in 1982 right through to '86, dealing with public participation in all kinds of resources and now in potash, we have the lowest tax rate in Canada. If your total income is \$20,000 a year, and you'll add it up, and we've certainly put it together in the budget, part of that is due to the fact that we are allowing the people to strengthen the province here by investing in it. Not just governments borrowing and investing, not just internationals investing, but allowing the people.

Under \$20,000, total tax here in this province is \$2,849; and the next best is Alberta at 2,881. We have the lowest tax take for low income people. We've made that a conscious effort in our safety net as a result of

diversification and public participation.

At \$40,000 income we are the second lowest as a result of the things that we can do to protect people. Now I will briefly touch on the direct benefits as a result of the things that we're doing.

But I'll just make one more point. At \$60,000 income we're still the second lowest taxed any place in Canada. Now what does that say, Mr. Speaker? It says in our overall strategy we were elected as a result of some of the difficulties the previous government got into by borrowing money and buying what was already here and running up taxes. And it was very unpopular.

And the second thing that they ran up very high was utility rates — rate increases and rate increases, and I'll get into that in a minute. Our strategy has been to protect people by providing that safety net, lower the tax take, and on the other hand diversify the economy so that in fact we could provide more opportunities and shore ourselves up against the difficulties that you might face when you look at weather, international prices, interest rates, and so on.

Now let me just share with you a couple of the advantages of broadening and "deefing" the economy and passing that on in terms of a safety net by offering shares in something like the potash corporation. In our safety net here, you know, Mr. Speaker, we don't charge for health care. In Saskatchewan we spend about \$1,400 per man, woman, and child. In our neighbouring province of Alberta, they charge; other jurisdictions, they charge; but not in Saskatchewan. That's a pretty good safety net to start with.

We don't charge tax on food. We don't charge tax on utilities, the major utilities any more — and I can give you the figures that saves a fair amount of money. We don't charge on tax on clothes — not just for children; for anybody — under \$300. We don't charge tax on gasoline for farmers, and we don't charge tax on gasoline for urban people if you save your receipts.

On top of that, Mr. Speaker, every mortgage of \$50,000 is locked in at nine and three quarters in the province of Saskatchewan — no place else that I know. And we have a new Saskatchewan Pension Plan for low income people, to protect them, as a result of the things that we're allowed to do; and a heritage program for senior citizens.

Now you start to add that up, that safety net, so that you don't pay tax on food, don't pay tax on clothes, don't pay tax on utilities, on your gasoline, and your health care is paid for, and you've got a senior citizens' package that is brand-new, for \$500 and up to \$750. And a pension program that is absolutely unique in North America and perhaps in the world, very popular; 80 per cent of the participants are women. You put up \$25 a month, we'll match it, and when you retire you get \$1,000 a month for life no matter where you live in the nation. Now that's since 1982. That wasn't here before.

We had 21 per cent interest rates. I'll show you the figures on utilities; there were 25 per cent increases a year, over 100 per cent in 4 or 5 years.

People elected me. They said, you get in the way of those rate increases and those tax increases, and you help the low income people and farmers and others in the work-force so that in fact you can protect them against two things: one, things beyond their control; and two, being in a situation where they suffer the slings and arrows of international markets which are beyond their control.

Now on top of that we have designed, with the help of the federal government and all the provinces, one of the finest safety nets for farmers and ranchers you'll find any place in North America certainly. Our crop insurance is better. I've made major modifications to that.

Now you say: how do you do that? You do that, Mr. Speaker, by saying, I am going to employ government, use government; I'm going to employ co-operatives; I'm going to employ small business; I'm going to employ bigger business; I'm going to encourage other governments to participate, federal governments, and I'm going to encourage investment from people outside of Saskatchewan; and most importantly, what this debate is all about, encourage Saskatchewan people to invest in Saskatchewan so that we can do it on the basis of cash and not going to the international bankers.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — And if you travel around Saskatchewan, that is not a partisan statement. You can go to Elphinstone or Riversdale or you can go to Swift Current, you can go to Last Mountain-Touchwood. They'll say, that sounds like a good idea; we could be more independent if we got the people of Saskatchewan to invest in our province and provided them opportunities; they would feel better about that.

So I come back to the question, the first question: why would we want to allow Saskatchewan people and others to invest in the Potash Corporation of Saskatchewan? And the answer is, why not — why not? People can invest in Alberta, they can invest in Ontario, they can invest in Quebec; why not Saskatchewan? It is part of a strategy to diversify, and I'll show you the figures with respect to diversification. And you can take that and help build a safety net, education, health care, all the things that we plan to do. And our expenditures there have been tremendously increased, very large increase.

So the question of why is because it makes eminent sense; it's common sense. People have said, protect us, give us a safety net. And I'll compare the safety net, if you will, in a very sincere way, to any safety net that you want to find anywhere — here, right here — not only in this country but, I think, in any other country. And when you look at the ambitious objectives of diversifying the province of Saskatchewan, I will compare it as well.

Now we're behind states, provinces, and other jurisdictions. We should be, but we're behind. We're behind in terms of even opening up ourselves to the rest of the world in offices internationally. And if you look at Quebec and Ontario and Alberta and British Columbia, we are behind. But we can fix that. But the objective here was to open up and allow people to invest so that we can

be part of the global village and its changes in the 1990s and the 21st Century. That's what you see. So if people say, why this and why now, it's to replace obviously borrowed money with people's investment so that in fact we can diversify and grow.

Now the next question I have on this that people have already asked, who benefits from public participation in something like potash? Who could benefit? Is it for town people, rural people, shareholders, taxpayers, natives, employees — who? Well if we go back through the record of what we've done so far, Mr. Speaker, they all do. They all do.

If you look at what the taxpayers association will tell you, they don't want to see higher taxes, they want to see reduced taxes. They don't want to see governments who represent the taxpayers borrow money to buy things. They said, enough tax. Enough is enough. Even the tax reform that we hear today at the federal level, they say, replace the tax, make it simpler, more efficient — enough is enough.

The taxpayers are saying, if I don't have to borrow money, my money, and put it into resources and commodities I would feel better, because I don't like to risk my money. I don't mind building a school or road or hospital or things like that. I can see that. But why should I buy a paper mill? Why should I buy a potash mine? To better understand the mine? No, I don't think that it's a valid argument. And I just say that with the greatest respect for some who have said it, that you necessarily have to buy the school to get the education. Well you don't; you go to the school.

Taxpayers are saying to us, and they've documented in a great deal of evidence, that if we're out billions of dollars because we've borrowed money and used taxpayers' money to buy things that were already here, they said I'd like it the other way. Why don't you put that on the market and allow people to invest in it and the taxpayer has less of a burden because you pay less interest. It makes eminent sense. Who wants to pay 40 per cent interest if you don't have to? Who wants to take 40 per cent of your power bill or 40 per cent of your tax rate, just on interest on the debt? Well they don't want to do that, Mr. Speaker.

So the taxpayers are saying to us, nationalization has always been costly. And I heard the member from Saskatoon Nutana say, but look at all the money and the benefits that return because of the potash corporation. Well the best analyses, and I will quote two or three, but the analyses that the taxpayers use, and I don't always agree with them, but an editorial and a story out of the *Leader-Post* by Bruce Johnstone said, look, you add it up any way you like, the taxpayer is at a big risk here. You're looking at about a billion dollars that there's only one way to get back up, and that is put it into the management structure that will allow you to grow and expand so that you can get some return.

The hon. member from Saskatoon Nutana says, but look at the money that came in. They never paid any debt. They never paid any interest on the debt, and they never paid the principal on the debt. They never paid any. Now it's pretty easy to go buy a farm and not pay any interest

and not pay any principal and say, I've got a profit. She never said, nor did the others say, and they've never paid it off. And all the independent analysis, whether you like it or not, says it never paid.

Now I don't mind — I don't mind people trying to build things. Nobody minds that. It's a good idea to try to build things. What bothers a lot of people across the country and indeed across the world, as I will point out, about just taking something over that's already there, is that you inherit this huge debt and you have to pay the principal and the interest, and it was already there — already there. And then if you don't pay it back, you have interest on the interest. And the interest fluctuates for the same reason that the rural people will tell you, don't put all your eggs in wheat, diversify. City people will say, don't put all your eggs in a basket that will allow you to be subjected to international interest rate fluctuations.

And that's what we have with the potash corporation. Let the private guys risk it; we tax them. And you say, who benefits? The taxpayer benefits by the government letting the private sector invest, and we tax them rather than risking taxpayers' money. Why should the waitress working downtown, the agent working at the local wheat pool, a teacher over here, have their money risked in the potash business?

You walk up and ask them: do you think you'd like your salary and your taxes that you paid risked on the commodity market, on a futures market? Do you know what they'd say? No. Why should they? And that's what you've got. You've got somebody who decided, I'm going to go into the futures market business and invest in potash, which is very cyclical, on behalf of the taxpayer, and never pay back the interest, never pay back the debt, and run it up to where people like Bruce Johnstone and others — and they've looked at it; I just picked up his — so that any way you look at, you're out about a billion dollars. Now the taxpayer can obviously benefit if we don't do that.

What about natives? I haven't heard natives mentioned much in this debate with respect to the potash corporation. But you heard the other day that Chief Roland Crowe says we've been having some very interesting discussions. What if the native people in the province of Saskatchewan are allowed to participate in something like potash — part of their right, their heritage — so that they can have resource development at their fingertips? Do you think that would benefit them? Do you think that they would feel as good as the urban people or the rural people? Not a grant, not just hand-outs, but a stake in Saskatchewan, a stake in economic activity and development, in management. Because they're here, their roots are here, their ancestry's here, and they're part and parcel of what we are today, economic independence linked to resource development.

The Meadow Lake Sawmill, owned by 10 Indian bands and all the employees. Tell me, Mr. Speaker, what's wrong with that? That is not something that the opposition might do, but it's something that people like.

I'll tell you the native bands like it, the employees like it, people of Meadow Lake seeing a brand-new 3, 4, 500

jobs created there in the 1990s to the 21st century, think it's fine. There's no down side to that. Public participation, why not have everybody involved? In theory you'd say, isn't it just like a co-operative? Let the people participate in government; let them own something.

(1515)

Well who else benefits? What about employees? Well we can go through it, and I can list the numbers. But you talk to the employees that have had an opportunity to invest in operations in Saskatchewan, employees at Saskoil, employees at SaskCOMP, employees at WESTBRIDGE, the employees in the telephone directory, employees that used to work for the government who now work for themselves and have a share in the company. They like it. They see more return; they see confidence into the future; they seen every opportunity to improve themselves. They feel better about their productivity; they're talking about their investment; they're watching it.

And the company itself, are they doing well? Well it's amazing when we look at some of the returns that are coming back in on investments, not only in bonds and shares but the corporations themselves. So when I ask the question, when we come to the Potash Corporation of Saskatchewan, would the taxpayer benefit? There's ample evidence the taxpayer will benefit. And it doesn't take, you know, much economic analysis or study or research to prove that, but the latest research certainly does.

The shareholders certainly can, and the people of the province are the shareholders. Native people certainly can, more so than they do now. Employees, absolutely, and they'll attest for it. And people in the potash corporation that work there want the same sorts of ability to buy into the company on a regular payroll deduction mechanism and the same guarantees and the same offers as other people have had, and they're lining up for that.

So when I look at who benefits, if it's the taxpayer and it's the people and the employees, and it's people like natives and it's the general population of Saskatchewan, then why not allow people to invest in the potash corporation. Why not? What's the problem?

If we look at the public participation returns to date, a couple of examples, because shareholders like to know how they might do — and these will rank with I believe anything in Canada. Let me just give you an example.

The first is Saskoil. Secondary issue of Saskoil done in July of '87 had a price of \$7.63. This is in Saskatchewan. Didn't used to be able to do that, Mr. Speaker, but now you can. You can invest in the oil company. The tax credit was \$2.29. The effective price was \$5.34. The stock is now trading at \$11. The investment has doubled in two years — not 25 per cent, not 50 per cent, not 75 per cent, but doubled in two years.

Saskoil. That company has gone from \$285 million to over a billion dollars. We used to own 100 per cent of \$290 million and now we own 30-some per cent of a billion dollar company. And that's the way not only the taxpayer, but the investor is better off. You are seeing a

company grow and expand and build.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Let me give you another example. Power bonds, and Power bonds that are convertible to shares in the province of Saskatchewan. SaskPower bonds were issued at \$100 a bond. The bonds traded as high as \$118 plus interest. The \$18 gain is a capital gain, which is tax free. You'd have to receive 36 per cent on an interest-bearing instrument to realize an 18 per cent gain after tax, assuming the top tax rate. Also the accrued interest amounts to 10 per cent, giving the effective return of 46 per cent in one year, compared to an interest-bearing vehicle — 46 per cent in one year. Over two years, almost double.

What does that do to the stakeholder and the shareholder and the taxpayer in the province of Saskatchewan? Everybody in Canada is talking about it, based on sound financial examination and analysis.

WESTBRIDGE, Mr. Speaker, the price in December '88 was \$9. The tax credit was \$2.70. The effective price is \$6.30. The stock now trades at 11.25. You're looking at 156 per cent return in six months. SaskCOMP, part of the utility, part of SaskTel, put together with the private sector employees.

Now those are three examples, Mr. Speaker, where we've allowed the people of Saskatchewan to invest in their province. We allowed other Canadians to invest. Saskatchewan stock is traded at the national level. Talking about WESTBRIDGE, talking about SaskPower bonds — convertible to energy — talking about Saskoil. What's wrong with that? What's the down side to that?

The people of Saskatchewan putting their best foot forward, putting their resource diversification in the windows of the world, and Toronto is the window of the world. You got to watch it; it's trading stocks from all around the world there. So when I look at the people and the shareholders and the employees and the taxpayers and the natives, why not open it up? Why not let people participate.

So the examples that we have looked at in terms of shares and bonds so far have been very good, and I can go through more. I won't dwell on them, but Weyerhaeuser — excellent. 'For the first time in our history we're making paper here in Saskatchewan. What's wrong with that? In the private sector, they were losing \$91,000 a day trying to run it out of Regina here and the bureaucracy. And say, why not?

Why the taxpayer risking the paper market or the pulp market — they didn't make paper — but the pulp market; why get in the futures market with the taxpayers' money when you can tax it? Well we're making a paper mill and somebody says about, you now, the paper mill, they said, well what if they leave. Or if somebody like Cargill was to bail the huge fertilizer plant that costs 4 or \$500 million, what if they leave?

Well the cement in that paper mill goes down 30 or 40 feet, it's here in Saskatchewan, and they're not moving.

The drum and the barker is here . . . (inaudible) . . . into the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, wouldn't it be better to let other people's money build those or allow Saskatchewan investors to build those or allow Saskatchewan investors to build them rather than borrow the money and try to run a pulp mill or borrow the money and try to run a potash mine. What is wrong with Weyerhaeuser building that paper mill and expanding in Prince Albert? Nothing. It's good for the taxpayer. It's good for the shareholders. It's good for the natives. It's good for the people. It's good for the employees. It created more jobs. We were going from losing \$91,000 a day, and they paid us \$60 million so far, and it's just starting. What's wrong with that? There's nothing wrong with that. It's people. There are people that want to build, that have some expertise. And we get the revenue, we get the tax base, we get the jobs, and the cement is a long ways in the ground.

Cargill comes in here and they put \$50 million in and they build a great big plant and they say goodbye, and what do I have? I have \$50 million and their plant. What's wrong with that? There's nothing wrong. That's what you want them to do. You want them here.

I want the lowest fertilizer prices in North America for farmers in Saskatchewan, and they deserve that. And you can get that if you encourage people to build and manufacture here with these economies of scale like you'll find at an upgrader, or you'll find at a paper mill up North, or you'll find in a fertilizer plant that can deal with it internationally, with economies of scale.

So we say: do we have examples of where it's worked? They've all worked; they've worked. And they've worked internationally, all over the place. I've got notes here from people that . . . from every country that you can imagine, and particularly labour governments, socialist governments, and others that are all moving towards public participation.

And the best example is in the Soviet Union itself, and they are. Because running it from the top with no freedom of prices to operate, or only doing it through bureaucracy and planning didn't work, doesn't work, and never has worked. And there's no evidence to show that it has.

The Soviet Union is on its back economically; China is on its back economically — socially planned countries. Now they've gone through the experiment and they've said, we must fix it. We've got to open up. Why be afraid of people? Only those that are fearful would not open up — open to the people of your country or your province or your community to invest with you.

So when we look at the examples that are going around world-wide, other countries, I like some of the examples, Mr. Speaker, because — and this is a little bit more partisan. Union members, not normally happy to invest in the company, are now endorsing public participation and privatization. The employees are doing it. The union heads don't do it. Well some, there's some do, but they don't speak too loudly about it. But more and more

people, they're saying, let the people invest. What are we afraid of?

SaskCOMP privatization may save jobs, the union people said. They liked the idea.

Privatization will probably save jobs for employees in the computer utility corporation, a union spokesman said. Working together, the public sector, the private sector, and employees, they can create economic activity, more jobs. So if the union says this, what is the union leader going to say? They're going to say, well, I don't think you should do this because we've got, you know, some philosophical history here that says that we shouldn't.

One that I particularly appreciate, and it was brought up here today, we are going to have public participation, privatization of Prairie Malt. Now that's owned by the government. But our negotiations that have been in the media say that we are going to privatize that and we're going to have employees involved — Prairie Malt. We're going to have the Saskatchewan Wheat Pool involved, if all goes well. It's a large co-operative in the grain business, knows grain, malting barley. And we're going to have an American firm that knows the malting business and the beer business and we're going to put them all together. And we've got contracts as a result of free trade, we've got malt, we've got employees, and the government isn't running it.

Now the down side: for employees, for shareholders, for farmers selling barley, for taxpayers, for the co-op, for others, is there any? We can't find any. Well the only I could possibly think might be the union. And the Energy and Chemical Worker's Union local president, Ross Westman, says:

My personal feelings are that it looks like an excellent deal.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Now if it looks like an excellent deal to union leaders and to natives and employees and to farmers and to urban people and rural people and other Canadians and other leaders around the world, what's the problem?

Mr. Speaker, what is the problem? What are they afraid of? If you look at the safety net that we've put together since 1982, if you look at the safety net, it is as good a safety net as probably most socialist countries have in the world.

If I was a CCF premier or an NDP premier and I talked about this safety net protecting people on the money we spend on health care and education and the new plastic health card and all of that, they'd say, now that's on the money — big changes, very progressive since 1982. And if I was allowing people to invest and carry on like this, they'd say, very progressive. I believe that. And in fact, the people know that. They know that. In their heart of hearts they know that this is compassionate, this is intelligent in terms of economic diversification, and it's something

whose time has come.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — In the 1990s and the 21st century we'll see it.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, one of the questions that I'm asked often is, do you have to participate to benefit? What if you don't want to participate in Potash Corporation of Saskatchewan as a share offering, or what if you don't want to participate in SaskPower bonds or TeleBonds or energy shares of whatever? Do you get any benefits?

Well one of the key things that I want to raise is that if you finance much of the government operation out of Crown corporations that do it through borrowing, it hurts. And you might be able to forecast the fact that you could have a balanced budget and you're hiding the debt in the Crowns, but eventually it will show up. Do you how it'll show up? It'll show up on your taxes and it'll show up, number two, in your utility rate increases.

Let me give you a couple of examples. Because I fundamentally believe if you have a debt in a utility or a Crown, but a utility particularly, if you think about it, how can you reduce the debt so you can reduce the cost to the taxpayer? Do you borrow more money? No, you can't do that because it's already borrowed too much.

Power, for example, is 40 per cent debt. So on your every bill you pay, 40 per cent goes on interest on the debt, so it's more than 40 per cent. Can you charge really high rates, 25 per cent increases every year to pay it off? Well try it and you'll find out that the public won't put up with it. That's why in 1982 the NDP were defeated.

What's the alternative? As a taxpayer, on a rate increase you say, let's replace that debt with cash. Let me give you some examples. From 1975 to 1982 gas rates in the province of Saskatchewan increased 188.5 per cent. Now that's financing debt through the Crown corporations. In 1982 to 1989, our administration, 8.8 per cent.

Some Hon. Members: Hear, hear!

(1530)

Hon. Mr. Devine: — Now you ask me about public participation in a corporation, what does it do? It reduces the debt, it passes dividends on to people, it passes tax savings on to the taxpayer — 188.5 per cent increases in gas rates from '75 to '82 and from '82 to '89, only eight. Now why do you think people questioned what they were doing?

Electricity rate increases, 1975 to '82 under the previous way of doing things, borrowing money, putting it into Crown corporations, 99.9 per cent increase in electrical rates, their term; '82 to '89, 46.8 — half, Mr. Speaker.

Telephone rates, '75 to '82, 56.2 per cent increase in

utility rates in telephones; under ours, 24 per cent — half again.

The number of rural gas customers, Mr. Speaker. Well it is about 8,400 in 1982 and we are now at 20,000.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Natural gas wells drilled, Mr. Speaker. They were around, well, less than 25, and we're up to 750.

Now my point is, Mr. Speaker, do you have to participate in the share offerings to benefit in the province of Saskatchewan? The answer is no, you don't. You will benefit regardless. If you want to just work through it, sleep through it, stay home, don't invest, your rates will go down, your taxes will do down as a result of people replacing the debt with cash and equity. And you will benefit in a third, very important way — you will have new opportunities for you, your family, your children, and your children's children because of diversification and jobs.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — So you can't buy the argument that, well the share offering or the bond is too expensive; therefore, we shouldn't be doing it. What about the poor people?

Well my argument simply is the poor people or the lower income people, one, have one of the best safety nets in the history of Canada and one of the best any place, to start with, because of what we're doing. But the second thing is they will also benefit in terms of lower taxes, lower utilities, and more diversification and jobs. And that's what they want.

As a result of that, we have a fourth benefit. We get more revenue to spend on health and education and highways and roads and the kinds of things that people want to see so that we can have one of the finest — or at least the best . . . or competitive social economic systems and mechanisms any place.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — So if you benefit here even if you don't participate . . . and you certainly benefit if you participate, and we've seen that, from 150 per cent return to lower utility rates, lower telephone rates if you buy TeleBonds. Certainly it does.

What about allowing other people outside of Saskatchewan or Canada to invest? What about that? And I'll go very specifically on the one where we've heard about the most in the potash corporation, of allowing our customers to have maybe 5 per cent of the shares. And people would run around and they'd try to frighten some folks and say, well, you shouldn't let offshore people like Indians or East Indians, the Chinese or the Japanese or somebody invest in your company. You shouldn't let them do that.

Now let's look at the logic of that. One simple illustration,

Mr. Speaker, because people in this province understand patronage very well. Let's assume that you're on a holiday with your kids and your wife and you've driven all day and you're pulling into Swift Current on four-lane highway and you've got to fill up your car with gas.

If you happen to have a co-op membership, guess where you'll fill up your car with gas? Guess where you'll do that? You'll go to the co-op. Because you have a share in the co-op, you will buy your gasoline there. And if you happen to have shares in Imperial 400, guess where you'll take your kids to sleep and to stay? And if you happen to have shares in Wendy's, guess where you'll buy your hamburgers?

People have known that for all their life here in Saskatchewan, because if you have a share in the wheat pool or if you share in UGG (United Grain Growers) or if you have a share in a co-op, you patronize it. You go there because it's good for you and it's good for them. And you do. That's why you invested in that company.

If we're in a cyclical market that's going up and down all the time, and potash is and is very competitive, and the Chinese or the Japanese or the East Indians particularly know that they can get their potash from the Soviet Union, from Jordan, from the Israelis, but they happen to have 5 per cent of Saskatchewan's potash, guess where they might come to shop when we need them? In the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — What's wrong with that logic, having those major customers? Because this is a cyclical business and everybody will tell you that — this is a cyclical business — to have investors that are customers looking after their own investment and knowing you have continuity of supply, continuity of demand. You know the players; you know the people. Now the people of Saskatchewan would feel good about that.

There's almost 1 billion people in India, and over 1 billion people in China, and 100-and-some million people in Japan with a lot of money. I would kind of think that it would be nice to know, and some comfort to us, when we're building hospitals and roads and schools and other things, that they are very interested in buying a major resource here. Now how else would you lock them in? How else?

Well one other question. What do other Canadians do? Are we unique; what about other Canadians? Other Canadians feel just as compassionate as we do, maybe just as socialist as we do, just as progressive as we do, just as conservative as we do, just as liberal — we're Canadians. What do they do?

Well if you look at it, Mr. Speaker, they allow their public to invest — they allow their public to invest. They invest in their gas utilities and they're regulated by government. They invest in their oil companies; they invest in their timber companies. If you look at the exchanges in British Columbia and Alberta and Ontario and Quebec, they're investing, and they're doing that and they're quite prosperous. If you go into Ontario the place is booming.

And do you know what? You can invest in all of those things. You can even invest in utilities — regulated, but you can invest in them.

Why can you do that in Ontario and why couldn't we do that here? What's wrong with Saskatchewan? Why couldn't we allow our people the same opportunities they have in Ontario? Can they do it in Alberta? Absolutely. They can invest in gas, natural gas, and it is a regulated utility, regulated by government. They've got lower rates than we do, but you can buy a share in the company. Now you can do the same in British Columbia.

My argument is, if other Canadians can do it and they're more prosperous than we are and they have lower utility rates and they have more economic investment and more diversification, and when our children happen to leave here as a result of drought, guess where they go? Where you can invest like that, were there are jobs and diversification!

If other Canadians are doing that, Mr. Speaker, why can't Saskatchewan people have the same chance? Why can't we invest like that? Why can't our children plan on investing and having the family have a share in the potash corporation or SaskPower or WESTBRIDGE or the pulp mill? Well, Mr. Speaker, we should, we should have the opportunity.

Mr. Speaker, the member opposite said this speech was relevant eight years ago. I'll say, Mr. Speaker, this speech is relevant in the 1990s.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — The member opposite doesn't want uranium development in this province unless it's public sector. Now that's another good reason, I suppose, Mr. Speaker, another reason why you would want public participation, because you want to separate the referee from the player. And he knows that as well as I do, because there's a conflict of interest if you are the regulator and you're the player in something like the environment.

The opposition would shut down uranium mines; they would cancel a big part of our diversification. And he mentions that this is only for the 1970s and 1980s; they're rushing into the 1940s. They've gone into the 1940s as hard as they can go, but it's going nowhere, Mr. Speaker. The 1990s are here, and this is the 21st century.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I want to go back to the point and the question, is this a partisan issue? I just want to raise this, Mr. Speaker: is this a partisan issue and should it be a partisan issue? I don't believe that it is. And if it is partisan, it's only because somebody wants to make it that way, because it doesn't have the fundamental principles of a partisan argument. This is fundamentally sound to allow people to invest. And we say it's popular, our own investment opportunities that are here in terms of bonds and shares that we've had hundreds and hundreds of millions of dollars, and they're profitable and they're working.

When I look at the history of this province and I look at the members opposite and what they had planned to do, I want the public to know that some of them on the other side — and I give them full marks and credit — decided it would be a good idea to have public participation, privatization in the resources of the province of Saskatchewan, and they did this and as a plan in 1981. And the people that did it were Elwood Cowley, and Allan Blakeney, Walter Smishek, Ted Bowerman, Don Cody, the now member of Regina North East who was the Minister of Finance of that, Eiling Kramer, Mr. Beattie. And they had a plan — to allow people to invest in shares traded on the Toronto Stock Exchange in resources in Saskatchewan.

Now I know that some of their radicals wouldn't let them do it. I understand that, because philosophically they just couldn't bring themselves. But it made so much eminent sense to them that they planned it anyway. Unfortunately for them, and fortunately for us, we won in 1982 and we just carried it on.

But the plan, the plan, which is really interesting, allowed people in Saskatchewan and outside Saskatchewan to invest shares in all kinds of things. And they called it in fact, they called it the Saskatchewan SHAR project — S-H-A-R. And the background was to have broadly-based, widely public participated share offerings in the province of Saskatchewan by an NDP government, an NDP government.

Now their proposal was to accomplish two major things. To encourage Saskatchewan residents to invest in provincial industrial development — that's very honourable; I agree with it. Encourage Saskatchewan people and general a new pool of capital to make strategic investments, thereby allow Saskatchewan to take advantage of new diversification opportunities. The guiding principle, the guiding principle.

The reason I bring this up, Mr. Speaker, because we're here because we tend to be partisan in this legislature. On the potash corporation, they said they wanted to provide a mechanism for all residents of Saskatchewan to invest; to provide an alternative source of capital for new major investments; to reinforce the identification of a partnership between the government and the people of Saskatchewan; to develop our economy.

And the political consequences were listed. If we don't, other Saskatchewan political parties will undoubtedly make similar proposals . . . (inaudible) . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the Potash Corporation of Saskatchewan is part and parcel of something that's so fundamentally sound to allow people to invest in it, not in my administration, not just my administration — Conservative — but the NDP planned it through Crown Management Board to allow people to invest in it. And here's where the shares could be initiated. It's the same principle — the newsprint, aspen newsprint, pulp, in a heavy oil upgrader, in an ammonia plant, fertilizer plant, in iron ore, in tertiary recovery projects in oil, in potash

mines, in uranium mines, and in natural gas.

Mr. Speaker, this is not partisan. Why are they so fearful? They ring the bells. They walk out. They say fear, fear, fear, the sky is falling in, and they plan to sell shares in newsprint, pulp, oil, iron, potash, uranium, and natural gas. If they did it; if they did it, Mr. Speaker.

(1545)

And let me just go on and point out to the hon. members. We had just — and I mentioned — we had Prairie Malt that we are now privatizing. Prairie Malt is on the list. And they just point out the cost overruns on construction and operating losses would be disclosed to the future, but we should do it anyway.

Ipsco, Agra, Intercon, SED, Cablecom, Cornwall Centre, PAPCO, and Nabu, and it says, "A good possibility, but will not yield early dividends," Mr. Speaker.

I put forward the argument, because in my list of questions that you've heard people raise here and they're raising across the province, they say isn't this just a partisan . . . that you want to do it because you're Conservative and they don't want to do it because they're socialist. That's not the case, Mr. Speaker. They didn't do it because of some of their radicals in the CCF-NDP Party, but not because those who were really thinking.

And I give full marks to the member from Regina North East, the then minister of Finance, for endorsing this, as Allan Blakeney, the former premier of this province, NDP, he saw the share offerings. He thought it was all right. And the mechanism couldn't be laid out any better if it was done by Rothschilds from London, England. It said we should have as wide a distribution of fee shares as possible. Initial offerings should be through the credit unions and banks for widespread distribution. To avoid the political difficulties we should have every shareholder have the right to vote. The shares would be listed on the Canadian stock exchanges to provide required liquidity.

Now Canadians can invest, and offshore people can invest in the very plans that the NDP had put together just prior to calling the election.

Now, Mr. Speaker, the Potash Corporation of Saskatchewan is in the resource business. We want to open it up to the people of Saskatchewan. We've had questions that . . . Well what would Allan Blakeney think of it today? What would the former premier of Saskatchewan, T.C. Douglas, think about it? What does the current leader think about it? What would other people think about it, like former cabinet ministers like Mr. Messer?

Let me just touch on a couple of those so that people get the true picture of why there's opposition to this — not fundamentally for reasons of equity or fairness or whatever — but why we're in this House debating it today after four months and after hours and hours and after days.

Lookit. You remember him . . . I've said this before in this

legislature, and I'll just bring it up again, Mr. Speaker. Not many people know it, but the former premier of Saskatchewan and CCF leader, Tommy Douglas, came to one of my fund-raisers in Calgary. He was there. Now you ask, why would he come to a young Tory Premier in Saskatchewan, in the province that T.C. Douglas was the premier of for almost 20 years, why would he come to my fund-raiser?

And it describes a bit of the philosophy on the other side. Tommy Douglas ran in Weyburn. And about every four years, as you know and I know, and anybody growing up in Saskatchewan knows, he would get all wound up as a good preacher can, and he would say, don't have any truck with those multinationals, particularly oil companies, because they're no good for you. And he'd frighten people and he'd get elected. He got elected in Weyburn and he got elected all over the place.

Now when he was defeated, Mr. Speaker, guess who went and served on the board of directors of Husky Oil with an expense account and travel allowance — T.C. Douglas, Tommy Douglas. Now if it's good enough for Tommy Douglas, out of politics, to be associated with a publicly held oil company that has its shares traded — and Husky shares are traded, and Nova shares are traded, and people that are low income in Weyburn or high income in Weyburn, or low income in Elphinstone, or high income in Riversdale — if it's good enough for Tommy Douglas after he's out of politics, it's good enough for ordinary people today in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the next observation — the next leader, Allan Blakeney. Allan Blakeney argued, and he was an eloquent debater, against selling shares in Saskoil. That was for the people, he said, the government, and you should not offer shares. The people will not understand, he said. People in his riding, the people in the province of Saskatchewan, would not understand how shares work, and you should not offer them.

And he did not offer them, and he wouldn't and he didn't, even going into the '82 election. And he preached all over and he campaigned certainly against me in 1982 and '86, don't do it.

Well today, Mr. Speaker, we've done it. We've passed it in here and shares are traded in the Toronto stock market, and guess who bought shares in Saskoil? The man that fought against it tooth and nail, day after day, election after election — Allan Blakeney — the former NDP premier in the province of Saskatchewan bought shares. But let me say this, Mr. Speaker: if it's good enough for Allan Blakeney when he loses, it's good enough for the people of Saskatchewan regardless . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Now the current leaders, the current leaders — another interesting example. They always run around and preach fear. Don't you deal with the multinationals; don't deal with the banks; don't deal with these big oil companies because they won't treat you

fairly; particularly be careful with the bank. And he would make them frightened. And I remember in 1986 in our campaign he was all over the place saying, you watch those banks.

Well today, today we know the record, after he's defeated, lost his riding in 1982 and go to work for a living. Who does he work for? He's working for a bank, and he's involved with his law firm foreclosing on farmers for a profit.

If it's okay for the new NDP leader in the province of Saskatchewan to work for a multinational company to put profit in his own pocket, foreclosing on farmers, it's certainly okay for low income and high income people in the province of Saskatchewan to have shares in anything in this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Now I make the point, Mr. Speaker, just to say, this shouldn't be a partisan issue, it shouldn't be a partisan issue. But today it was raised again with respect to the question of potash, whether in fact anybody from the NDP side would ever allow offshore people to invest in the potash corporation. And they say, no don't ever do it, after we won, after we won, Mr. Speaker. And we defeated the government in 1982.

The NDP government in Manitoba decided that they were going to get into the potash business, and they consulted with a former cabinet minister from here, Mr. Jack Messer. And they paid Mr. Jack Messer, and it's well documented, a small fortune, from a half a million to a million dollars to do what? To go to India and encourage the East Indians to invest in — lock, stock, and barrel — a potash mine under an NDP administration in the middle of the Prairies to compete again Saskatchewan potash.

Now, Mr. Speaker, I mention to you, you can go back, you can go back. They say one thing when they're in power, and they do the opposite when they're out. They say, don't deal with oil companies when they're the premier, and when they're out they go on the board of directors. They say, don't invest and don't have anything to do with public participation when they're premier, and when they're out they buy shares in Saskoil. They don't deal with international banks because they're all crooked and they'll take your money, and when they're defeated they go work for them. And they say, don't you participate with the offshore people in potash, and when you defeat them they go right over to the neighbours and set one up or try to set one up with the East Indians to compete with the very own people of Saskatchewan and our very own families.

Now there is a name for that. Mr. Speaker, you want to know why I'm not one of those? I and people like me, we have heart, we have compassion, we care about our children, we care about rights, we care about responsibilities, we care about our reputation, we care about integrity. Mr. Speaker, when we're talking about the Potash Corporation of Saskatchewan, it's much deeper than buying and selling shares. We're going at the very principle of the kinds of things they say to people, on one hand, and the things they do to people on the other.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I'm going to wrap it up. When you look at this province, and you look at what we can be, and how we can compete with Alberta and Ontario and British Columbia and anybody in the United States, any place else, there is nothing to hold us back except ourselves. We have a tremendous opportunity. If we are open enough and confident enough and free enough to go get what is rightfully ours, we will be one of the most prosperous, sophisticated, compassionate, effective jurisdictions any place on the face of the earth.

We should not ever hesitate to do something because of shallow fears, or hollow fears. I don't like people running around and saying, if you invest in potash the sky will fall in. Or if you trade with your American neighbours, they'll close all your hospitals. Or if you're going to do any of these things, that it will cause you to shrivel up and die, or that you will lose your family, or you will lose your soul.

Fear is very powerful, and I've learned that. I didn't understand how powerful fear was prior to going into politics. But that's what I don't like about the alternative in this legislature, and I say that very sincerely — it's fear. They go into their ridings in downtown Regina and downtown Saskatoon and they preach fear, and that's not right.

We can lower rates. We can provide better education. We can reduce the line-ups. We can build new hospitals. We can build new rehab centres. We can be the leaders of all kinds of things — not based on fear — based on hope, based on vision, based on co-operation, based on productivity. But I've heard that over and over and over again — the fear, the threats — that if we open up, then they're going to come and take us over. Or they're going to do this or they're going to do that. And the difficult part for me is that when they get out of power, they do exactly the opposite.

And I think I've given some examples today that will show that not only did they plan to do the opposite but in fact in reality, right to the leaders, and the current leader today is as guilty of that, or more so, than any leader we've had in the history of Saskatchewan.

Now this potash corporation, Mr. Speaker, is a good company. We're going to offer shares in this company, Mr. Speaker, and it will reduce rates, it will help build hospitals, it will increase jobs, it will be good for natives, it will be good for the poor, it'll be good for farmers, it'll provide opportunities, it will help senior citizens.

The truth is, by participating in this province the people benefit, they gain, and we become more independent and we become stronger. And we can do it in public participation in potash, we can do it in energy, we can do it in all kinds of things, Mr. Speaker.

And the only reason, Mr. Speaker, the only reason that they are against it is not because it isn't good for the people. And the only reason the Leader of the Opposition is against this, Mr. Speaker, is not because it isn't good for the people; he knows it's good for the people. It's not

good for his political hide. They are so hidebound by their philosophy . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Why do you think on public participation — that's the issue that they rang the bells the longest in the history of this country — why do you think they walked out? Because they didn't think it would be good for the people? They knew the people would like it, and they didn't have the courage to stand in their place in here and debate and vote, Mr. Speaker. They didn't. Because they knew politically it was selling and it was going to work, because for all the reasons that they designed — that's why I went through it today, again — all the reason that they designed, they knew it would work because it's good for people, it's good for the province, it's good for communities and everything else.

So I say, Mr. Speaker, in summarizing my remarks, I am not . . .

An Hon. Member: — You're awake.

The Speaker: — Order. Unfortunately the hon. member from Quill Lakes is too much awake, and I ask him to refrain from interrupting or he perhaps might have to pay the price.

Hon. Mr. Devine: — Mr. Speaker, the member from Quill Lakes has already paid the price, and he has paid it so long ago that it's . . . (inaudible) . . .

I'll just say in summary, they know the truth, Mr. Speaker, and the people know the truth. But public participation is popular and it is world-wide and it is good for people. It's good for rates, it's good for the taxpayer, and it's good for the next generation.

Mr. Speaker, I wholeheartedly support the concept of allowing the people of Saskatchewan to invest in the Potash Corporation of Saskatchewan, and I'll be standing in my place and voting for it.

Some Hon. Members: Hear, hear!

(1600)

Mr. Rolfes: — Mr. Speaker, it is my privilege to enter this debate on Bill No. 20. Mr. Speaker, someone should have told the Premier that while he was gone from this legislature we had two Acts in the House. One is Act No. 1 on the privatization Bill. The other, Mr. Speaker, I want to draw to your attention also, is Bill No. 20, the reorganization of the Potash Corporation of Saskatchewan.

I was wondering why the Premier didn't get into this debate earlier. And he clearly indicated that today, because he doesn't want to be constrained and restrained by the rules of this legislature. He spoke, Mr. Minister, he spoke on everything but potash. I kept time. He started at 10 minutes to 3, and the first time I think he mentioned potash was 25 minutes after three.

The Speaker: — Order, order. I also listened to the

Premier's remarks, and I also listened to many, many other members' remarks during the past time. And I just want to say that I have given wide latitude to many members in this House, wide latitude.

And the Premier has also had the opportunity to speak and I believe that in justice and fairness, members should realize that members on both sides of the House have had the opportunity to move and develop their arguments and not be exactly on the topic at all times.

Mr. Rolfes: — Mr. Speaker, I find it humorous in this House how the Premier, who is to speak on Bill No. 20, mentions potash in the latter part of his debate, the latter part of his debate. Almost every part of his debate today was on participation, public participation. And he referred to Saskoil, he referred to PAPCO (Prince Albert Pulp Company), he referred to WESTBRIDGE, he referred to SaskCOMP. He talked about how the welfare people could participate in SaskCOMP, how the poor people could participate in Saskoil. But very seldom did he talk on potash.

Well I don't blame the Premier for not talking on potash, because not one of their members who has spoken so far has given a reasonable fact or excuse or analysis as to why they want to sell off the Potash Corporation of Saskatchewan. I'm not surprised.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — What we witnessed here today, Mr. Speaker, is a subdued and beaten individual. What we had today was a Premier who very cowardly introduced, very cowardly introduced a Bill yesterday, on a public holiday, a Bill on closure. Yesterday he introduced a Bill on closure which would limit our debate on the reorganization of the Potash Corporation of Saskatchewan. He, Mr. Speaker, didn't have the courage and I'll tell you why.

He didn't have the courage because he's in the pockets of the multinational corporations. They are telling him; they are dictating.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — And, Mr. Speaker, there is some evidence for this that this Premier, this Premier does not stand up for the people of Saskatchewan. The evidence, Mr. Speaker, came in 1987, very clearly. And I want to draw to your attention, Mr. Speaker, the incident in this legislature, the incident in this legislature which very clearly pointed out that this Premier does not stand up for the people of Saskatchewan, but will kowtow to the policies and whims of the multinational corporations which are basically centred in the United States.

The incident that I refer to, Mr. Speaker, is the Premier's speech on the resources Act, The Potash Resources Act of Saskatchewan. When they introduced that particular Bill in this House, and I remember well the member from Swift Current coming into this House saying how urgent it was that we pass The Potash Resources Act. It is absolutely essential, she said, to protect the jobs of Saskatchewan people that we introduce this Bill, and we

will fight the anti-dumping tariffs put in effect by the multinationals and by the United States government.

What did the Premier do at that time? Did he stand up for the Potash Corporation of Saskatchewan? Did he stand up for the workers who work at the potash corporation? No. What did he do? He blamed the NDP government. That's what he did. He said, because you people participated in and bought into the potash industry in 1976, 12 years previous to that, that is why the United States has taken on this . . . well, anti-dumping tariff action that we see here today. He didn't refer, Mr. Speaker, that the United States Department of Commerce had already put in tariffs on shakes and shingles, had already put on tariffs on hogs, had already put in tariffs on many, many other items.

Instead of standing up for Saskatchewan and Saskatchewan people, this Premier again was in the back pockets of the multinational corporations saying to them, I will defend you every time; I will defend you every time.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — This Premier, and here again today, this Premier is very adept at half-truths — very adept at half-truths. Mr. Speaker, he has made so many promises that if he makes any more, the people will simply dismiss him as an individual who has no basis at all on the truth.

Let me, Mr. Speaker, draw to your attention today . . . the Premier said today that he has built a safety net. He has built a safety net for the people of Saskatchewan, particularly the poor people. Well what a joke. What a ludicrous statement to be made by the Premier. What has he done? What have we seen?

Since he has come to power in 1982, has he increased the welfare for our poor people? Ho. He's cut it; he's cut it. And what does the minister of welfare say when the poor people haven't got anything to eat? Go to the food bank; grow your own garden. That's what they said — go without. That's a safety net? That's what this Premier is proud of, is boastful of? He says, Mr. Speaker, that he's built a safety net. What has he done to the family income plan? He's cut it; he's cut it. What has he done to our minimum wage? One increase since 1982 — one 25 per cent an hour increase. And he is supporting the poor?

What has he done to the dental plan? He was a courageous man. This man stands up to people. Oh yes, he'll stand up to people all right. He'll stand up to the farmers and say, well if you can't pay your debt, I'll foreclose you. That's what I'll do. When he didn't want the dental people, the dental nurses, what did he say? He walked in and dismissed 400 of them. This is a man of courage, this is a Premier who stands up for the ordinary folk in our province? This is the man that says he has compassion in his heart? He compares himself to T.C. Douglas. Well, Mr. Speaker, this man, this Premier isn't fit to walk in the path of T.C. Douglas.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, if I sound angry, I am, because the hypocritical stance taken by this Premier and what he has done, and comparing himself to one of the

greats of Saskatchewan like T.C. Douglas. Yes, I get angry — I get angry. When we see a man, a Premier who treats the poor in a fashion that this government has treated the poor then yes, I get angry. Mr. Speaker, there is no safety net, there is no safety net for the poor.

He says that his privatization has worked. He says it's working great. Well if it's working so great, why do we have the second highest per capita debt in this country? Why, Mr. Speaker, are people leaving this province by the thousands every month if it's working? Why, Mr. Speaker, do we have less investment today on an annual basis than we had when the socialists were in if privatization is working? Why, Mr. Speaker, do we have on an annual basis 340 bankruptcies compared to 94 bankruptcies under the NDP if privatization is working? It isn't working.

But, oh yes, he calls it, we want to diversify. And he says, who has benefitted? Well I've just shown you, Mr. Speaker, the dental nurses didn't benefit, the welfare people didn't benefit, the people on minimum wage didn't benefit, farmers haven't benefitted because we have thousands of farmers leaving the land every year, small businesses and bankruptcies.

But who has benefitted, who has benefitted? Some people have benefitted. All the John Remais have benefitted, they have benefitted. I always thought we signed a nice long-term lease with John Remai in Ramada, my understanding is — about \$10 million on a 12-year basis. Not bad! Oh, that works. Oh, the Wolff organization has done very well, made millions since this government has come to office. The Koys have done very well. Ex-cabinet ministers have done extremely well, and ex-MPs, members of parliament, have done very well, just to name a few.

Paul Schoenhals did very well. But what was the job of Paul Schoenhals? Here, Mr. Speaker, they appointed an individual who was opposed to the Potash Corporation of Saskatchewan. He was opposed to it. And yet it was Paul Schoenhals who was given the job to determine the policy of PCS. Is it any wonder that PCS turned out as badly as it did after 1982, when you put someone in charge who's fundamentally opposed to the principle of ownership by the people of the province.

Then what do we do? We fire the president of the Potash Corporation of Saskatchewan and we hire an American — we hire Chuck Childers. Where do we hire Chuck Childers from? International Minerals Corporation. Well now why would Chuck Childers be interested in making the Potash Corporation of Saskatchewan work? Well he wouldn't, because his company is interested in buying the Potash Corporation of Saskatchewan.

So, Mr. Speaker, what you do is, if I were Chuck Childers I'd drive the company into the ground. I would make absolutely certain that it wasn't worth \$2 billion, I would make certain it wasn't worth a billion dollars. I would make certain, Mr. Speaker, that it was worth the least possible amount so that when it comes up for privatization, I could buy it. And that's exactly, Mr. Speaker, what has happened — exactly what has happened.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, the Premier says, what's wrong, what's wrong in letting our customers own the Potash Corporation of Saskatchewan? Well I don't know where the Premier got his economics degree from. I know it's from the States, but I don't where in the States.

But I'll tell you, if the Premier can't understand, if the Premier doesn't understand why there's a contradiction, why there's a contradiction in letting your customers also own the Potash Corporation of Saskatchewan, then, Mr. Speaker, that man has even less intelligence than what I thought he had.

Mr. Speaker, if I were the Chinese people, of course if I owned the Potash Corporation of Saskatchewan or part of it, I would love to drive the price down as much as I can. It's within my interest to do so. Why wouldn't I? I'm the one that's purchasing it, why wouldn't I do it? And that's exactly what they would do, and the Premier should understand that.

(1615)

Mr. Speaker, let me give you an analogy. And this is not so far-fetched because we have a Bill before us on agriculture — now I'm not sure if it's been passed or not — where he's going to allow a private company set-up to put equity into farm land. Has that been passed yet? Oh, it's been passed. I want to refer to that, Mr. Speaker.

Why did the Premier say today that he supports the idea of customers owning or having shares in the very product that they buy? Who buys the wheat of Saskatchewan? The Russians do, and the Chinese. Is the Premier flying or blue-skying today? Is he telling us today that he is of the very firm belief that the Russians and the Chinese should own the land in Saskatchewan because they are the customers? Is that what he's telling us, that he will take investment from Russia, from the Chinese, so that they can control the agriculture land here in Saskatchewan? Is that the next step? I don't think it's that far-fetched, Mr. Speaker.

Mr. Speaker, the Premier started out, as I said, very subdued, a very subdued individual. And he didn't talk, as I said, about potash. I think he spent an hour and five minutes; he directly spoke on potash for about 10 minutes — that's it. He was all over the field but he didn't speak about potash.

Mr. Speaker, he said that he was . . . since 1982 he has diversified the economy of Saskatchewan. He has diversified. If, Mr. Deputy Speaker, he has diversified, why is it that our economy is in such a state of sorry mess? Why is it in such a sorry mess today? Is it because his diversification hasn't worked? Is it because privatization hasn't worked? Or is it because this government is so incompetent that despite all of this stuff that works, as he says, that they somehow mess it up.

Well you can't have it both ways. You can't have it both ways. If thousands of people are leaving this province, if there is less investment, outside investment, in this

province today, and yet the Premier says he's diversifying and privatization works, then why is our economy in such a sorry mess? They can't have it both ways.

I mean, look, when you guys formed the government in 1982 what was the net debt of this province? I think it was about \$2.7 billion. That was in the Crowns, all in the Crowns. In the Consolidated Fund, Mr. Deputy Speaker, we had a surplus of \$139 million in 1982 . . .

Some Hon. Members: Hear, hear!

Mr. Rolfes: — . . . \$139 million — that's what we left for these people. What is the surplus today? Well if privatization works, if our economy is so, so vibrant, if we produced all these jobs that the Premier was talking about — he says we've created hundreds of jobs, thousands of jobs, he said — well if he's created all those jobs, you would expect we would have a surplus. But, Mr. Deputy Speaker, we don't. Instead we have a \$3.9 billion deficit in the Consolidated Fund — 3.9 billion.

An Hon. Member: — How much in the Crowns?

Mr. Rolfes: — Now somebody asks me, how much in the Crowns? In the Crowns, we have an additional \$10 billion deficit.

The Premier said, well the NDP, the NDP they borrowed, they borrowed from foreign bankers; well we're not going to do that. Well for the love of Mike, where did he get the other \$10 billion from? Where did he get it from?

An Hon. Member: — I'll bet they borrowed in New York.

Mr. Rolfes: — Well I bet he — as one of my colleagues said, I bet he borrowed from New York. We know the Minister of Finance just recently had made a trip to the Far East and the Middle East. Well I hope he wasn't there just on a vacation. I know he was there to borrow additional money.

So, Mr. Deputy Speaker, if privatization works why isn't our economy vibrant? Why are our people leaving this province by the thousands? Why, Mr. Deputy Speaker, do we have food banks? Why, Mr. Deputy Speaker, do we have this huge debt? If it works, why, Mr. Deputy Speaker, have our taxes gone up and up and up? And why, Mr. Deputy Speaker, while our taxes have gone up and up and up, why hasn't our deficit gone down?

If privatization works why don't these things then come out in the wash? I say to the Premier, your privatization scheme hasn't worked, it hasn't worked. Yes, I agree there have been some waste; yes, I agree there's lots of incompetence across the way. But in addition to that, in addition to that, Mr. Deputy Speaker, the Premier's economic policy is headed in the wrong direction.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Deputy Speaker, I shouldn't be surprised at this Premier because I remember full well before he became Premier and some of his statements that he made when he was a professor at the university. Well, by the way, talking to some of the university people

they were very glad he became the Premier because they were rid of him at the university. But I'll say for the province of Saskatchewan it has been a disaster, an absolute disaster because we're saddled with a huge debt. There is no future for our young people. If they want a future they've got to leave this province.

And this Premier's saying that he has a commitment, a commitment to our farmers and to the family farm. That is simply again a half truth. It is simply not true. What did he say, what did he say before he became the Premier?

In a study that he did on agriculture in Saskatchewan his statement was, and I'll paraphrase, something to the effect that 80 per cent — 80 per cent of our farmers are inefficient and they should find an occupation and a career somewhere else. And, Mr. Speaker, his prediction has come true in so far as farmers finding careers somewhere else, because in his term of office there have been more farmers leaving the land than ever in the history of Saskatchewan, except maybe for the 1930s.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Premier . . . or Mr. Premier, Mr. Speaker, let me . . .

An Hon. Member: — You should be the Premier, Donnie, you'd do a better job.

Mr. Rolfes: — Well I'm not too sorry in saying that because anyone could do probably a better job than the Premier we have here today.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Deputy Speaker, the Premier asked a question — what's wrong, what's wrong in selling shares in our resource industries in Saskatchewan? And he used Saskoil as an example. He was saying how Saskoil had made tremendous strides and progress. It was worth now a billion dollars. If the Premier had taken the time to read the annual report of Saskoil, the chairman of the board made it very clear, made it very clear in his statement that the huge increase in profits for Saskoil this past year was due to the fact that they had bought from SaskPower the proven gas reserves for \$300 million that were worth about a billion. SaskPower sold proven gas oils for 300 million which were worth about a billion dollars. That's how Saskoil was a success this past year.

But, Mr. Speaker, you would expect that if Saskoil was such a success, then our debt should have gone down, our deficit should go down. But it didn't. Did our jobs increase? No, Saskoil in fact decreased its workers by about 25 per cent, but they increased the number of employees in Alberta. Ah, that's of great benefit to the people of Saskatchewan, isn't it?

Now that's his argument. He says, but Saskoil is worth a billion dollars. Yes, it may well be, but not in Saskatchewan. Where are the benefits going? Two years ago when Saskoil lost \$13 million, we had to pay out \$6 million in dividends to people outside this province. Even though Saskoil lost \$13 million that year, we paid out \$6 million in dividends because the shares were owned

outside the province.

Now that's a great benefit to Saskatchewan people? Where is the logic, I ask the Premier? Where is the benefit to the people of Saskatchewan? There isn't any. And if that's privatization Tory style, then I don't want anything of it, I don't want any of it.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Deputy Speaker, the Premier spoke in glowing terms of WESTBRIDGE. Now WESTBRIDGE has made strides, I agree. But I ask members opposite again, I ask members opposite, how could you miss? How could you possibly lose if you take over SaskCOMP which had a profit of \$3.4 million in its last year, and you simply give it to WESTBRIDGE. How could you lose . . . (inaudible interjection) . . . Now that's a very novel idea; well we should have thought of that. You know, I wish I would have thought of that. I could have talked to the Premier; maybe he could have given me SaskCOMP. I could have made a profit too.

But, Mr. Deputy Speaker, I ask you, look at the annual accounts. Look at the annual accounts from last year. Let's look at WESTBRIDGE. Every department that you look at has money given to WESTBRIDGE — some \$60,000, others \$2 million, others \$270,000, and that doesn't include the Crowns.

I am told that SaskPower has given a contract to WESTBRIDGE for \$150 million for the next five years — not tendered, not tendered at all. And when I asked the deputy minister of Finance in public accounts, are these tendered, he says no they're not; they are given to WESTBRIDGE.

Now they want to make WESTBRIDGE look good so they can go to the people and say see, privatization works — privatization works. Well, Mr. Deputy Speaker, if privatization doesn't work under those conditions, well there must be something wrong with the whole policy and decision making of the government opposite. Even with all the incompetence and mismanagement of the members opposite, that kind of privatization has to work — it has to work.

Mr. Deputy Speaker, I could go on with a number of others where the Tories have simply taken Crown corporations and they've taken . . . Sask Minerals is good example. The Premier says, well we sold Sask Minerals. We still don't know how much they sold it for. The Minister of Public Participation, or privatization, says he sold it for \$12.5 million. The Finance minister comes into the House a few days later and he says, no we've sold it for \$12.1 million. Oh what the heck, it's only \$400,000; we don't worry about that. That's small peanuts I suppose in a big scheme like that.

Mr. Speaker, the Premier avoided talking about GigaText and the mess that GigaText is in. Here we have, Mr. Speaker — I don't know, I guess it's a scam, it's a mess anyway — \$5 million of Saskatchewan money that was given to an individual for an ill-conceived way of translating French into English. It wasn't even proven at all. And, Mr. Speaker, that whole scheme had the consent

of the Premier of this province. We know that, Mr. Speaker, because he had a joy-ride in the big car by Guy Montpetit.

An Hon. Member: — A Gigaride.

Mr. Rolfes: — Someone said he went for a Gigaride. Well that Gigaride cost us \$5 million.

Mr. Speaker, I want to speak a little bit about the Premier stating that the NDP is opposed to selling of bonds to Saskatchewan people. That is just as far from the truth as anything can possibly be, because that is simply not true. We sold bonds way before the Premier, well, way before the Premier was even grown up. Governments have sold bonds in this province for a long, long time.

No one, Mr. Speaker, is opposed to governments raising money for whatever purposes it deems necessary by selling bonds to the people of Saskatchewan. That has been supported by successive governments for a number of years and we on this side support it. Give the people an opportunity to invest their money in Saskatchewan so that the government can use this money for education, for hospitalization, for diversification. We're not opposed to that.

(1630)

What we are opposed to is the selling off of our assets through shares, which shares then are traded on the Toronto Stock Exchange and we lose control. We lose control of our industries and our resources and decisions. Decisions as to how our resources are developed are not made here in Saskatchewan, here in Saskatoon or in Regina, but are made in Toronto or elsewhere. That's what we are opposed to.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, that is what has happened, is exactly what has happened to Saskoil. There is nothing in this Bill, there is nothing in Bill 20 which will prevent the same thing from happening. Exactly the same thing will happen in a few years time if they go ahead with the privatization of PCS where the control of PCS will be had outside the province, will be had in Toronto or will be in New York or will be in China or wherever they sell it.

Mr. Speaker, I want to speak a little bit about the Premier's trip to the Orient, that famous trip to the Orient where the Premier went to various countries. I believe he went to India and Korea and China, Japan. I'm not sure if he went to the Philippines, but if he did, he also promised them 20 per cent.

We found — and news reports were coming out of India — that the Premier had promised 25 per cent to five different countries and yet he was going to have the control of the potash corporation remain with the people of Saskatchewan.

Well, Mr. Speaker, 5 times 25 is 125 per cent. Has someone not told the Premier that? How can he have the controlling interest here in Saskatchewan if he's going to sell 25 per cent to five different countries? Well when he

came back, he knew that he had made a mistake; he had slipped up somewhere. And the Minister of Finance was very quick, trying to repair the damage that was done.

But, Mr. Speaker, what happened to the Premier in the Far East? Well when he goes to the . . . when he speaks to the people in the province, he says that PCS is an albatross. It is just a noose around our neck and it's going to suffocate the people of Saskatchewan. We need to get rid of it; we need to unload it. And he says, well it's only worth maybe 500 million, maybe 700 million, could be worth a billion, but no more.

But, Mr. Speaker, what the Premier is doing is doing a disservice to not only PCS but to the people of Saskatchewan. Independent studies have been done and we are told that the Potash Corporation of Saskatchewan is worth at least \$2 billion. It's worth at least \$2 billion — at least \$2 billion.

So what is the Premier . . . what are his intentions? Why does he want to degrade PCS outside the province? Why does he want to say it's an albatross and lose possibly \$500 million or a billion dollars? And I'll tell you, Mr. Speaker, it's because this man can't forget his partisan politics. He wants to show that it was a bad investment by the NDP, and he doesn't care what it costs the people of Saskatchewan. As long as he can embarrass Allan Blakeney and Roy Romanow, it'll be worth it for the Tory party.

Some Hon. Members: Hear, hear!

The Speaker: — I remind the hon. member that the use of other members' names is not acceptable.

Mr. Rolfes: — Mr. Speaker, I apologize for using . . . I should have used the name, the member from Riversdale, or my leader, or the next premier of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, I want to . . . (inaudible interjection) . . . See. The Premier of this province says that this shouldn't be a partisan speech. And what does he do? He makes personal attacks on Allan Blakeney, personal attacks on T.C. Douglas, personal attacks on the next premier of the province, all in one breath. And he says this shouldn't be partisan, this shouldn't be a partisan debate.

Mr. Speaker, this Premier has never accepted PCS. He's never defended it. He's taken every step possible to make sure that it can't function. And I will prove again that when the member from Swift Current introduced The Potash Resources Act, that Potash Resources Act was put in place to make absolutely certain that PCS was run into the ground. That's what they wanted to do. We said it at the time and it's absolutely true.

And I want to say to the member from Swift Current, we predicted at that time that's exactly what you would do. You would take action to make absolutely certain that the Potash Corporation of Saskatchewan could not work at full potential, and that was the action you took. That's exactly the action you took.

The minister from Swift Current, the Minister of Energy and Mines, said at that time that it was urgent that this Act be put through immediately because they needed to take action. This, Mr. Speaker, was two years ago; two years ago that Act was so important that if we didn't pass it within a few days, the whole potash industry would fall apart. That's two years ago, and the member still hasn't proclaimed the Act — still hasn't proclaimed it.

But what did she want? Why did she enact that Bill? Why did she bring it forth? Because, Mr. Speaker, the members opposite needed something to destroy PCS, and since that time PCS has not worked at capacity at all. Chuck Childers himself said, Chuck Childers himself was quoted when he was in the Far East, that PCS was working at 55 per cent capacity, while the private firms were working at 80 to 85 per cent capacity. Why? Exactly, Mr. Speaker, the question has been asked time and time again. Why would they do that? Why would they limit PCS to 55 per cent and allow the private corporations working to at 80 or 85 per cent? If they had the best interest of PCS at mind, they would have reversed it — they would have reversed it.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — But oh no. What did the Minister of Finance do? What did the Minister of Finance do? He went to the Cory mine and said, well you people haven't co-operated with us too well. The unions have been making a few statements and we need to cut back; we have an over-supply. That's why the Minister of Energy and Mines in 1987 said she was introducing the Bill — we have an over-supply. Which, by the way, was not true; which, by the way, was not true because the biggest over-supply was in 1986. The biggest over-supply was in 1986 and she didn't act then. The over-supply had gone down considerably.

But what does the Minister of Finance do, the minister in charge of PCS? He lays off, he lays off the people at Cory mine and virtually shuts down the mine. He virtually shuts down the mine.

Did the private industries close down any mines? Did they reduce their capacity for producing potash? Oh no. They keep on working at 80 to 85 per cent capacity.

And even, Mr. Speaker, even with all the mismanagement, even with all the attempts that the government opposite has done on PCS to destroy it, it still made a profit of \$106 million last year — \$106 million.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, if the Potash Corporation of Saskatchewan had worked at 85 per cent capacity, the profits wouldn't haven't been 106 million, they would have been closer to \$200 million. And if it had been run properly by the right management, it could have made a lot more than 200 million, a lot more than 200 million.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — What we need to do is not change the

ownership, not sell it, what we need to do is change the management and that means change the government opposite. That's what we need to do.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, we heard a very novel idea the other day from the member from Wilkie. We had a very novel idea from the member from Wilkie, and I want to repeat it. When the member from Wilkie spoke in this debate the other day, he said, the NDP borrowed the \$418 million from foreign bankers. And that was right. But his next statement was, he said, what the NDP should have done, they should have taken that \$418 million and put it in the credit union or the bank. That was his statement; you can look it up in *Hansard*. That's what he said we should have done.

An Hon. Member: — Borrow the money and then put it back in the bank.

Mr. Rolfes: — And get a lower rate of interest, that's the big-business guy from Wilkie. You borrow it, Mr. Speaker, at 14 per cent, let's say, and you get 10 per cent at the bank, and that's the great business acumen for the member for Wilkie.

Mr. Speaker, the point that I want to make . . . I know it sounds strange that the members opposite would make those arguments, but that's the argument he made. But I am told that he got his advice from the Minister of Finance.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, that is not so far-fetched, when you have the Minister of Finance bringing in a budget with a deficit of 389 million and it goes to 1.2 billion. Well yes, he should have taken that money and put it in the credit union; we'd be better off.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, getting back to the member from Wilkie, getting back to that great business man from Wilkie. Mr. Speaker, what we did with the \$418 million was we bought into the potash industry, and that was in 1976-1977. And by 1982 we had equity of \$732 million, and the long-term debt of the potash corporation was 88 million — \$88 million — but the equity was 732 million.

Now I ask the member from Wilkie: does it make sense to accept his argument where you would lose money by putting it into a credit union, or did it make more sense to buy into the potash corporation where you borrow 418 million and end up with an equity of 732 million in six years? That, Mr. Speaker, seems to make sense.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, in case, just in case the members opposite don't believe me . . . I hate doing this, but I will return to the ISE (Institute for Saskatchewan Enterprise Inc.) report. I know this scares members here.

An Hon. Member: — It's a scary document.

Mr. Rolfes: — Yes, it is. But even they say . . . I have here Dale Eisler's comments, and I want to start with the paragraph where he says:

Based on the ISE numbers, \$418 million had been invested in the company by 1982 and the company had paid modest dividends to the provincial treasury of \$100 million. What the report doesn't note is that over the same six-year period, PCS had recorded \$414 million in profits that had produced an exceptional debt-equity ratio for the company.

That's 1982. That's 1982.

Some Hon. Members: Hear, hear!

(1645)

Mr. Rolfes: — Well, Eisler isn't quite finished yet. I want to also read the last part of his paragraph where he says:

When the Tories came to power in 1982, PCS was operating four mines, held an interest in the fifth, had long-term debt of only \$88 million, and the province held equity of \$732 million in a company (hey, in a company) with a book value of \$963 million.

Nine hundred and sixty-three million dollars in 1982.

An Hon. Member: — How much was the debt?

Mr. Rolfes: — Well the debt was only 88 million — 88 million.

Now I ask the member from Wilkie, do you think that you could have made \$963 million by putting it into a credit union? But that's what the member would have done.

An Hon. Member: — Put it into a savings account.

Mr. Rolfes: — Yes, he probably would have put it into a savings account. That's the kind of expertise, Mr. Speaker, we have on that side of the House. Sure, that's the kind of advice that the Premier gets when he listens to the member from Wilkie.

An Hon. Member: — No, it's the kind of advice he gives the member for Wilkie.

Mr. Rolfes: — Well maybe that's the kind of advice the Premier gives to the member from Wilkie. And where else? I'm sure that the Premier instructed the Minister of Finance: now I want you to talk to the member from Wilkie before he gets up in his seat and speaks on potash. I want him to have the facts. I want him to give the real business skills that he says that he has in this House. And that's, Mr. Speaker, how the Tories would have dealt with PCS.

Mr. Speaker, what has happened? So from 1976 to 1982, we had a return on our investment of about 22 per cent — 22 per cent annually, return on our investment.

What has happened since that time? Since that time . . . As I have said, these people opposite weren't committed to PCS. They were ashamed. As the member from Regina South said in his speech the other day, it was an embarrassment when we formed the government in 1982 to know that PCS was there. He said it was an embarrassment.

An Hon. Member: — And making money.

Mr. Rolfes: — And, yes, making money. It was publicly owned and the embarrassment was because it was so successful it was making money.

The member from Yorkton, as the member from Saskatoon Nutana indicated earlier today, the member from Yorkton spoke very glowingly, and why shouldn't he? He saw that we had equity of 732 million; the book value was 963 million in 1982. Why shouldn't he speak glowingly about PCS?

I wonder what that member would say today. What would he say today about PCS after his government . . . (inaudible interjection) . . . Yes, I think he would say, oh I wish the NDP were back here and run this potash corporation, the people.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — The Minister of Education just woke up and he said, speaking of dinosaurs, and I just saw him walk in.

Mr. Speaker, the Premier, as I indicated today, spoke about a lot of things today. One of the things that he spoke about, he said he had a strategy — and I wrote it down — a strategy to protect people. A strategy to protect people. I wonder, Mr. Premier . . . or Mr. Speaker, how creating a debt of \$13 billion, with a deficit of \$3.9 billion, how, Mr. Speaker, when we pay interest . . .

The Speaker: — Order, order. Perhaps the subdebates should discontinue and the member for Saskatoon South could continue.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, as the Premier indicated this afternoon he has a vision for Saskatchewan.

An Hon. Member: — Or a delusion, I'm not quite sure which.

Mr. Rolfes: — Well it could be a delusion. So far it's been nothing but a delusion. But he does say he has a vision. Well, Mr. Speaker, I hope that that vision comes in focus soon because we can't afford his kind of a vision in Saskatchewan any longer, when in 1982 he took over this province, this province was the best run province in all of Canada.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — It was the most efficient run government. It had very small waiting lists in our hospitals. Mr. Speaker, we had very few people leave this province. In fact, the influx of people was amazing, what was happening, and

that was under a socialist government.

Mr. Speaker, the welfare people, although we had our problems, the welfare people could always expect that the welfare that they would receive would be sufficient at least to keep them in dignity. And, Mr. Speaker, it is not true when members opposite say that their jobs weren't there, because the number of people on welfare was a lot fewer than what we have today, a lot fewer than what we have today.

There weren't any food banks. There weren't any food banks, and I don't think any government can be proud to say that, well, the assistance that we give to our people isn't sufficient so get yourself over to a food bank. Mr. Speaker, that is not dignity, that is not a vision. That, Mr. Speaker, speaks of elitism, where the Premier says, well I really don't care about the poor; I really don't worry about the poor, but I have my people, I have my section of this province, my sector who will benefit from privatization. And they're doing well — the Cargills, the Weyerhaeuser, Pocklington . . .

An Hon. Member: — Supercarts.

Mr. Rolfes: — Well Supercart, I don't know whether Supercart did that well. GigaText did well. But, Mr. Speaker, when you look at that, when you look at the people that have benefitted from the policies of privatization and the policies of this government, that, Mr. Speaker, takes us back to the 1930s when people had to beg.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, the Premier said this afternoon that he had implemented one of the best pension plans for the low income people and I . . . yes, he said low income people in all of Canada, if not in all the world. This, Mr. Speaker, is simply again not true, is simply not true, because what is happening with the pension plan, it's not that there are a lot of people don't participate.

My wife is participating. Why wouldn't I, why wouldn't we let her participate? But, Mr. Speaker, why shouldn't she participate? But she's not in a low income group, she's not from a low income group. Many low income people, most low income people cannot participate in this pension plan. And it doesn't help them at all. But, Mr. Speaker, they are subsidizing through taxes, they are subsidizing the higher income groups who will benefit from this pension plan.

And I say to the Minister of Finance, it would have been a much better plan if you had improved the family income plan, if you had increased welfare for those people so they don't have to go begging, and so make absolutely certain that they have sufficient money to make ends meet from month to month. That would have been a much better plan.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, the Premier spoke about, as I said, many things, and didn't give us any reasons . . . or

gave us very few reasons as to why we should sell off PCS — gave us very few reasons, other than he said, well, we need to raise money. I say to the Premier of this province, if that is your sole reason, if that is your sole reason that you need to raise money, then why don't you simply sell bonds? Why don't you issue government bonds? And I'm sure that the Premier could raise 6, 7, 800 million if he wanted to by simply selling bonds.

And we wouldn't have to take the risk of selling off PCS to foreign interests and let those foreign interests, those multinationals, Mr. Speaker, determine our policy, our resource development policies. We wouldn't be at their mercy. We, again, could determine how our resources would be developed. We, again, would reap those profits; those profits, Mr. Speaker, which I have shown, over a 21 per cent return annually on our investment on PCS from 1976 to 1982. That money, Mr. Speaker, which we took and used in the Consolidated Fund . . . part of that was used in the Consolidated Fund, part of that was used for further expansion. That same thing could be done again. That same thing could be done again today, but you need a government, you need members on that side of the House who are committed to the interests of the people of Saskatchewan as opposed to the foreign national corporations. That's what we need.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — We have, Mr. Speaker, people on the other side of the House who — and I don't blame them because that's their ideology, that's their ideology — their ideology is that if you can let someone else run it, whether it's inside the province or outside the province, then let them do it. They don't have confidence in the people of Saskatchewan like we do.

We believe and we've done it, we've shown it over the years, and it didn't start with 1971 with the Blakeney government — although there was a tremendous drive at that time — it started way before that. It started with Tommy Douglas.

When we set up, as has been so often said, the small co-operatives in rural Saskatchewan, when the businesses from outside the country, from outside the province refused to move in here, we had to do it ourselves. We worked together co-operatively, and we did it. We did it. We built in this province a co-operative society, a caring society, a society which had the best health care system, the best medicare system in all the world, right here in this province.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — But, Mr. Speaker, we can't do that if we sell off our best revenue producing assets. We can't do it. When you sell off Sask Minerals, which had made a profit, I think, in every year except one; over 40 years Sask Mineral had made profits — those profits were returned to the Consolidated Fund. Sask Potash, as I indicated, had made hundreds of millions of dollars, which money much of it was taken and put into the Consolidated Fund, and moneys were used for education and health and welfare. But you can't do that. You can't do that if you sell off those revenue bearing assets.

It's no surprise to me, when this government finds itself short of funds, when it has to run a deficit every year that it is in if that is their policy. Where else are they going to get the money from? You either get it from the resources or you get it through taxes.

And we know what they've done with taxes. Every year that they've been in they've raised our taxes over and over and over, not just by 40, 50 million, but by 150 and 200 million in some years, so that now we are the second-highest taxed province in all of Canada.

Mr. Speaker, this Bill, the reorganization of PCS, has no vision. There is no vision there whatsoever. And I'll tell you, if this Premier continues on the road that he is on, he will — he will; no doubt in my mind whatsoever — he will destroy this province. He will destroy not only this province but he will destroy all those good programs that took us years and years to build co-operatively in this province.

An Hon. Member: — The scorched earth policy.

Mr. Rolfes: — As one of my colleagues says, the scorched earth policy. And it's true and that's what happened. That's exactly what is happening. And, Mr. Speaker, we have to . . .

The Speaker: — Being 5 o'clock, the House stands recessed until 7 p.m.

The Assembly recessed until 7 p.m.