

The Assembly met at 8 a.m.

Prayers

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 amendment thereto proposed by Ms. Simard.

Mr. Brockelbank: — Mr. Speaker, you will understand this will be a very unique experience for me. In 1975-76 I sat through well over 100 hours of debate on the creation of the potash corporation and other ancillary legislation.

In this particular debate, Mr. Speaker, I've sat through well over 75 hours of debate on the destruction of the potash corporation.

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

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

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

Mr. Lingenfelter: — Members opposite seem to want to have more time to speak, and I think by leave we could extend the debate for . . .

Some Hon. Members: Hear, hear!

The Speaker: — Order. The member does not have a point of order.

Mr. Brockelbank: — Mr. Speaker, as I said, this is a unique experience. I think the House is well aware of the fact that the Deputy Premier has had his six minutes in this debate. It's interesting to note as the debate flows along, Mr. Speaker, prior to closure being invoked by this government, it took charges of dynamite to get the members on the other side out of their seats. But now that closure has been invoked by this government, been rammed down the throat of this legislature, they're up every time there's a chance to speak; they're on their feet. Cabinet ministers all over the place want to speak on potash and the destruction of the Potash Corporation of Saskatchewan. It's an interesting development, Mr. Speaker.

We're in the dying days of the discussion of this particular Bill, No. 20, and it's dying, Mr. Speaker, because of the kind of conditions that this government has put on the debate and the kind of intentions they have about the Potash Corporation of Saskatchewan. This is actually the great potash debate number two. The great potash debate number one took place about 13 years ago, Mr. Speaker.

I have no doubt, Mr. Speaker, that many members on both sides of this House can agree with me that this debate is even more momentous than the first potash debate in 1975. My reason for saying this is that this legislation, Bill No. 20, The Potash Corporation of Saskatchewan Reorganization Act, which is in fact organizing the Potash Corporation of Saskatchewan out of existence — that's really what it's doing — is irrevocable in so far as the extent of relinquishing Saskatchewan control over potash for ever. By that I mean the amount of control that Saskatchewan may exercise over this important resource can never be increased, can never be increased.

Article 1602, subsection 5 and 6 of the free trade agreement will not permit the 45 per cent which is available for foreign control to ever be lessened. So this is an important step we're taking, Mr. Speaker, and something obviously that should not be treated lightly.

Given this government's failure to keep its promises, I fear later this government may attempt to give away even more of our potash resources to foreign investors. The question is, will they break their promises, Mr. Speaker, will they deviate from the legislation they're bringing in now. The evidence to support the fact that they will break their promise is growing and diversifying with every speech this government makes, with every passing year, with every passing budget.

Remember they said they would cancel the sales tax. Well they broke that promise; it went from 5 per cent to 7 per cent. They said they would lower income tax; they added on the flat tax of 2 per cent. They broke their promise again. They said they would give us sound, business-like administration, yet the debt of this province in the administration alone is reaching \$4 billion. Sound, business-like administration — they've had eight successive deficits in their budgeting. Mr. Speaker, that's poor, that's inefficient, wasteful, and yes, even corrupt management of Saskatchewan's economy.

Mr. Speaker, a fair-minded person need only read the Provincial Auditor's report, the most critical report I've ever seen, to confirm that this government has the province in severe economic disarray. Growing and diversifying with each budget, Mr. Speaker. The familiar phrase of the Premier is growing and diversifying. Well his debt and the disarray in the economics of this province is growing and diversifying with every passing budget that this government brings in.

The devastating consequences of a continuum of broken promises by this government can now be seen. Population dropped 13,132 in the first six months of this year, on top of 13,346 for all of 1988. That, Mr. Speaker, is a total of 26,478 net population loss in one and a half years. Growing and diversifying under this government, under this Premier whose favourite slogan is growing and diversifying, once again under a PC government.

You see, Mr. Speaker, I believe that Bill No. 20 is really only phase 1 of the potash corporation give-away procedures. This is only phase 1. There is a hidden

government agenda on potash; there always has been — there always has been. And we find it disclosed as we go along from week to week, month to month, more of that hidden agenda on potash.

No previous mention was made of the PC government's hidden intention contained in Bill 20. In fact, prior to 1986 election this government went out of its way to hint that they saw no reason to disturb the operations of PCS (Potash Corporation of Saskatchewan).

Mr. Speaker, suppose that a disinterested outside observer read the 1982 report of the chairman of the board of PCS. That person would assume, while there were some problems within the potash corporation, by and large, the chairman was most optimistic and in fact authorized a massive expansion for future growth of the corporation. This was in 1982, the new Conservative minister.

Mr. Speaker, what else could any fair-minded person conclude when confronted with these words, and I want to quote them right out of the 1982 report:

It was, and is, our firm belief that from these changes, and as a result of these difficult times, a new and stronger PCS can emerge.

With this belief in mind, the Board of Directors supported management's recommendations to continue with one of our major projects in Saskatchewan. I refer to the PCS Mining Lanigan Phase II expansion . . .

Approved and authorized by the Conservative government in 1982, Mr. Speaker. That statement signed by the chairman of the board gave the green light to the corporation. The member for Yorkton was that chairman of the board.

Mr. Speaker, the most recent report of PCS, that's this one here, showed a profit of \$106 million in 1988 and reported as follows:

As we review the 1988 results with some satisfaction, we are looking ahead to 1989 with optimism. We have proven we have the management, the people and the product to be a highly successful industrial leader. With positive marketplace forecasts in front of us, we believe PCS can continue to improve its position in 1989.

Very optimistic report. That's the end of the quotation.

Again I believe, Mr. Speaker, a fair-minded independent outside observer would conclude that things were very good in PCS. It too was signed by the chairman of the board, the government's appointee, full-time chairman of the board, being paid in excess of \$100,000 a year for his expertise — Mr. Schoenhals' consistent and unwavering chairman's report on PCS.

If you go back, Mr. Speaker, to the 1987 report, and that's this one here which I have, the previous year, you could find, even though PCS lost of \$100 million, Mr. Schoenhals was optimistic when he wrote:

To the employees of PCS, PCS Mining and PCS Sales . . . (He goes on) Your efforts have carried us through and placed us in a position where we can look to the future with confidence. Together we will continue to build a stronger, more productive and profitable Corporation.

And that's the end of the quotation from the chairman of the board in 1987. I suspect things were looking up, as they say, Mr. Speaker.

In 1988 the corporation mailed this report to every employee of the Potash Corporation of Saskatchewan, even the couple of hundred they laid off. They'd mailed this report to them. Cost in excess of \$2,000 to mail that report.

(0815)

And in December of 1980, a party was held for PCS Sales in Saskatoon at the Ramada Renaissance. Each employee attended the free banquet. There was a free bar. There was a framed photo of Saskatoon for each of the employees. There was a gift basket of preserves for each employee. There was an expensive pair of mukluks for each employee, and there was also an expensive pair of mukluks for each employee's spouse.

So PCS Sales must have been doing pretty good to be able to throw a big bash for the PCS Sales staff at the Ramada Renaissance in Saskatoon, similar to the situation where SaskTel was throwing big bashes for some of its employees and flying in bands from Toronto at \$4,000 a night to spend the taxpayers' dollars. PCS seemed to be having the money and they were certainly spending it.

Mr. Speaker, I think it's important when we're examining what is happening here in PCS to find out where this corporation, where the government and its head people in the corporation are getting their information. It's important to know what the source of the philosophy is that guides these people across the way in the way they handle the Potash Corporation of Saskatchewan.

Well I want to delve into that a bit, Mr. Speaker, before moving on. I have here in my hands, Mr. Speaker, a report of the Fraser Institute's privatization conference held in the Bayshore Inn hotel in Vancouver, 1987. And this report says something about the Fraser Institute in British Columbia. For those that are unfamiliar with it, the Fraser Institute is a right-wing think tank in British Columbia which provides its ideas to people that have the feeling that they should be right-wingers but don't have the brain power to carry it through. And they provide this service so that the privatization movement in Canada can be accelerated.

This conference was held in Vancouver at the Bayshore Inn, had 128 people attend the conference. And it says here, interestingly enough:

The Saskatchewan government and Crown corporations' presence was greater than that of any other government in Canada.

So obviously the Government of Saskatchewan and their heads of Crown corporations were seeking advice from the fountain of theory on privatization in Canada, the Fraser Institute. And who are some of the people that attended the Fraser Institute on behalf of Saskatchewan, paid for by the Saskatchewan taxpayers, to get up to speed on privatization? Even though they didn't have the complete brain power to handle the subject in Saskatchewan, they thought they could go to the Fraser Institute, be brought up to speed, and come back to Saskatchewan and put their plans into effect.

Well the minister in charge of SGI (Saskatchewan Government Insurance) was at the privatization conference in Vancouver. And you will recall, Mr. Speaker, that the government was ready to plunge ahead on their plans to privatize SGI, but due to the fire-storm of opposition they ran into, they've now temporarily — and I emphasize that word “temporarily” — shelved their plans to privatize SGI. But the minister was there being brought up to speed on privatization by the theoreticians at the Fraser Institute. She was accompanied by a ministerial assistant and the vice-president of finance at SGI. So SGI had a complement of at least three there.

Saskatchewan Housing Corporation had a person there. Some of the other ones that were there were Tim Embury, Interface Consulting. Well we know Tim Embury; he's a defeated Tory minister from this government who started up a consulting outfit called Interface, and I'm sure that Interface does a lot of work for the Government of Saskatchewan.

An Hon. Member: — The only work they've got.

Mr. Brockelbank: — Well could be. I saw interestingly a while ago, a picture of Mr. Embury with his first dollar framed, in his company, Interface. I imagine he's added a lot of dollars to that first one since then, at the taxpayers' expense, of course, at the taxpayers' expense.

An Hon. Member: — Isn't that free enterprise?

Mr. Brockelbank: — Well, this is taxpayer-supported free enterprise, my hon. member. This is not free enterprise in the full sense of “free” enterprise; it is taxpayer-supported free enterprise which this government is heavy on. Although the rhetoric is free enterprise, the actual practice is taxpayer-supported free enterprise.

Some of the other people that were there at this conference in Vancouver to bring people up to speed on privatization so they could put it into effect in Saskatchewan, just like they're doing on Bill 20, some of the other people from the Crown Management Board — the president, chief executive officer, and the chairman of the Crown Management Board — well everybody should know that the Crown Management Board is a overarching board over the Crown corporations, some of which, or many of which this government intends to privatize. So the Crown Management Board was there.

Some of the other people that were there, from the Potash Corporation of Saskatchewan, one Paul Schoenhals. They spelled it wrong, Mr. Speaker, but we recognize who he is. It's Paul Schoenhals, who is the full-time

chairman of the Potash Corporation of Saskatchewan. Even when they didn't need a full-time chairman, he was getting paid by this government to be a full-time chairman. And the reason they didn't need a full-time chairman was demonstrated by the government themselves, because they had a part-time chairman in there, a half-time chairman, and now they've gone back to a part-time chairman. So that period of time Mr. Schoenhals put in there as a full-time chairman of the board, being paid by the taxpayers, was maybe unnecessary, maybe an unnecessary expense in the potash corporation. But it was necessary for Mr. Schoenhals because he's one of the family — he's one of the family of Tory cabinet ministers which have found their place in the firmament of privatization in Saskatchewan.

Well, from other sections of the government, from the civil service, there was the secretary to the Premier was there. And here's a name, oh yes, Peter . . . that was Craig Dutton, secretary to the Premier was there; and Peter Holle, a policy analyst with the Executive Council. Well that's fairly high up in the government. He's a policy analyst with the Executive Council, right in the Premier's cabinet.

And here's the interesting name, Morley Leonard Evans — Morley Leonard Evans, policy secretariat in the government. This is one of the top people in the Premier's office in the policy secretariat. And I thought to myself, I've heard that name Morley Leonard Evans before. And got looking around, Mr. Speaker, and I did find out something about Mr. Morley Leonard Evans. I found out a while ago that Mr. Morley Leonard Evans was recently employed by the Institute for Saskatchewan Enterprise.

An Hon. Member: — Interesting.

Mr. Brockelbank: — Yes. This is an ad in the newspaper on January 14, '89. Now in the announcement by Roger Phillips of the Institute for Saskatchewan Enterprise, it doesn't mention anywhere, or even hint at it, that this person, Morley Leonard Evans, was in the Premier's policy secretariat. It's just cold turkey. Here's Mr. Morley Leonard Evans who is now in charge of . . . director of research for the Institute for Saskatchewan Enterprise. No mention that he was previously in the Premier's secretariat on policy.

One of the first announcements . . . or one of the first stories about Mr. Evans was done by none other than Paul Jackson, and it's a glowing one-page tribute in the *Star-Phoenix* about Morley Evans, research director for the Institute for Saskatchewan Enterprise. And it's headed up by Paul Jackson: “Evans learned individual's values from Zen monks.”

Well it's good to know that Mr. Morley Evans has a broad education to bring first to the Premier's secretariat on policy, but also to the Institute for Saskatchewan Enterprise. And Mr. Jackson, who is a former speech writer for the Premier of this province, was lavish in his praise for Mr. Evans. I wonder why? He says, in part, in this article he's written up about Mr. Evans, he says that:

The youthful Evans did meditate and didn't leave,

and now he's putting his superbly trained mind to grapple with whether (Saskatchewan) taxpayers in 12 Saskatchewan communities, including Saskatoon and Regina, would be better off with privatized service.

And it goes on to talk about a study that Mr. Evans did for a city in California about garbage collections, street sweeping, road maintenance, building security, convention centre, janitorial services, hospital food operations, and tree trimming. So he's got some specialities in garbage collection and tree trimming, Mr. Evans has.

And no sooner had Mr. Evans announced his study and what he thought was best for people in privatization, there was an objection raised in Saskatoon. And who raised the objection? Well, it's *Star-Phoenix*, September 1, '88, and it says, "Wright questions objectivity of privatization lobby group." This is none other than Mayor Cliff Wright of Saskatoon questioning the objectivity of the theories put forward by Mr. Morley Evans.

A city cannot be run on ideological lines, Saskatoon mayor Cliff Wright said Wednesday. He was responding to the announced formation of the Institute for Saskatchewan Enterprise, an organization which will investigate the privatization of services provided by municipalities, among others.

"If their mind is made up that things should be privatized, why do a study?" Wright said in an interview.

Well this could apply to a lot of things that are going on in Saskatchewan today. If your mind's already made up on SaskPower privatization, why are you doing the study? And this government is spending probably hundreds of thousands of dollars doing that study on privatization. And the mayor of Saskatoon says, why do the study? You've made up your mind.

The mayor goes on:

From my personal standpoint, it is a mistake to try and run a city on an ideology, not matter what that ideology is.

The Speaker: — Order, order. Would the hon. member make his remarks relevant to the topic under discussion.

Mr. Brockelbank: — Mr. Speaker, I certainly want to keep my remarks relevant to the topic under discussion, which is the ramming through of Bill 20, which is the destruction of the Potash Corporation of Saskatchewan.

And I'm searching out the sources of information that this government drew from to come to their conclusions about Bills like Bill 20. And clearly the government, I don't think, and we've had it demonstrated here, that it doesn't have the capacity on the front benches to think this all out by themselves. They've had some help, and I think the Fraser Institute has helped them. And I think the Institute for Saskatchewan Enterprise is attempting in their stumbling way to help them as well.

In order to understand the privatization, I believe that we have to investigate the sources of the information and the type of people that are putting forward these ideas. This is the director of research from the Premier's policy secretariat I'm talking about, Mr. Speaker. This is not somebody we pulled in off the street to examine. This is the key policy person in the Premier's office, who attended the Fraser Institute meeting on privatization and is now the director of research for the Institute for Saskatchewan Enterprise.

(0830)

This is not somebody that casually we're referring to. This is a person that's been in three different areas that are all interrelated, and it all relates to privatization, and that relates to Bill No. 20, the destruction of the Potash Corporation of Saskatchewan.

I did just a little bit more research and I want to report it to you, Mr. Speaker, on Mr. Morley Evans, the director of research for the Institute for Enterprise in Regina.

It mentioned quite a bit about Mr. Morley Evans' vast and varied education, and I thought I'd better check that out to see what was his background because this is a person that's got to be advising the government, he's got to be advising the institute on the privatization of SaskPower. He must have been advising the government on privatization relating to Bill 20, and he certainly was at the think tank, the Fraser think tank in Vancouver, because he's listed as one of the participants in the think tank. And this was a think tank that had more Saskatchewan government and Crown corporations' presence than any government in Canada; the greatest representation at this privatization think tank at the Fraser Institute in B.C. than anyone else.

Now it goes on to state here in some information about Mr. Evans:

Morley Evans likes to talk about his links to a California-based think tank called Reason Foundation. He says that the Institute for Saskatchewan Enterprise has collegial ties to it as well as to the Fraser Institute and Madsen Pirie's Adam Smith Institute.

Well now this ties it all together in a nice little bundle, all the privatization guys. It mentions the institute, the Reason Foundation in California. It mentions the Institute for Saskatchewan Enterprise which has collegial ties, as well as the Fraser Institute and Madsen Pirie's Adam Smith Institute. And Reason Foundation literature is displayed in the ISE offices — this is the Institute for Saskatchewan Enterprise offices. A very close, neat tie-in among all these organizations, Mr. Speaker.

The Reason Foundation does economic, social and political research and publishes regular magazines and pamphlets. In many ways it seems to be what the ISE would like to be, and that's something to be worried about.

The Reason Foundation is listed in the radical right — oh,

oh, radicals. Where have I heard that before? The Reason Foundation is listed in the radical right, a world directory as part of the Libertarian new right — well there the member for Weyburn has found his niche; he's a Libertarian, that's what he is. I wondered why he was always shouting out in this House — which advocates the rapid reduction of state involvement in the economy and favouring of individual over collective rights. Ah, yes, it was established in '78 and has now a yearly budget approaching \$2 million. This is the Reason Foundation.

The foundation promotes and conducts research on economic, social, and political issues of interest to Libertarians. In 1984 it took part in producing television programs on the new right philosophy for broadcast in Britain. So it's world-wide, spread all over. And this is where the people draw their sustenance from as far as not having quite enough brain power capability on the front bench, they draw from institutes like this, and from people like Mr. Evans, who has this varied background.

Well I was a big more curious about Mr. Evans and what his background was, so I started looking up the Union Graduate School of Ohio — it's where Mr. Evans attended — seeking some information about the depth of his formal education, Mr. Speaker. It's important that we know this, because these are the people, the very people that are advising this government on Bill 20. These are the key people.

Apparently the Union Graduate School of Ohio is part of a group called The Union for Experimenting Colleges and Universities. They in turn are accredited by an organization called the Commission on Institutions of Higher Education of North Central Association of Colleges and Schools. I was curious about whether these would be recognized in the formal array of educational institutions in the United States. So I obtained the *National Directory of Addresses and Phone Numbers* — this is of educational institutes in the United States — and nowhere, nowhere in this list is it acknowledged that they exist; nowhere is it acknowledged they exist. And this is a rather comprehensive list, as you will see, Mr. Speaker. There is nothing suggesting that this organization, the Union Graduate School of Ohio, which trains little radicals, trains little radicals for the far right, is acknowledged anywhere in the hierarchy of formal educational institutions in the United States.

I don't want to say anything more about Mr. Evans. I think his associations and his records speak for themselves, he now being the director of research for the Institute for Saskatchewan Enterprise, Mr. Speaker.

The conference that took place in Vancouver, Mr. Speaker, was broken down into three thematic segments. They were: how to sell off Crown corporations and other government assets. Well it's important that the people from Saskatchewan, the largest delegation there, learn that, because their attempts — and they didn't learn the lesson well, Mr. Speaker — because their attempts up to this point have been bumbling, to say the least. And they also had a section on how to contract out government services. Well actually the government of Saskatchewan is ahead of the field in that area . . . or one of the first ones into that field, contracting out the highway maintenance

and laying off hundreds of highway workers in Saskatchewan.

It goes on to a number of other areas about selling assets. It says you have to have an aggressive advertising campaign. Well "aggressive advertising campaign" would be an understatement when you talk about the budget that this government has spent on aggressive advertising for privatization. Their broad government advertising budget in just four years was over \$46 million, and I'll bet they're spending a pocketful more of money as soon as this Bill is out of the way on advertising privatization in general, and PCS in particular, because the demise of PCS will not go down with the people of Saskatchewan and may even not go down with a lot of advertising dollars. But the institute told them that they had to have an aggressive advertising campaign, this Fraser Institute in British Columbia.

Some of the other people in the Fraser Institute are of course on the board of directors, and it's listed on the Fraser Institute's material, is Peter Pocklington. Peter Pocklington giving the people of Saskatchewan advice on how to privatize! Peter Pocklington, the apostle of free enterprise, always there with his hand out, always there with his hand out — 20 million in Saskatchewan, 50 million in Alberta, more in Saskatchewan, now more in Alberta — not quite following through on his promises. He's a director of the Fraser Institute where the Saskatchewan people that went to get their sustenance, their mental sustenance, so they could carry through on this privatization.

Peter Pocklington's motto is: do it but do it with other people's money; do it with other people's assets. And he's true to his motto, Mr. Speaker, he's true to his motto. I just want to quote briefly one news article with relation to Mr. Pocklington, and this is from the *Leader-Post* in July 1989. It's talking about Gainers in Alberta, and Gainers is having some problem — well that's Peter Pocklington, everybody knows that — having some trouble with the Government of Alberta about their performance on their huge amount of money they're getting with their hand-out in Alberta. And the article says this:

We're reminded of a remark Pocklington made in New Brunswick in 1983 when he was running for the federal Tory leadership. "You use other people's money and other people's labour to build your dreams."

That's the practice and the theory of Peter Pocklington. That is a director of the Fraser Institute. The Fraser Institute is where these people send their key people for training on privatization.

Who were some of the other directors of the Fraser Institute? Well there's one Alfred Powis.

The Speaker: — Order. I think the hon. member is becoming irrelevant in his remarks. I'm sure he could go through every director of the Fraser Institute and many other institutes to attempt to make his point. But I believe that's he stepping outside the boundaries of relevancy and I'd like to him to get into the topic.

Some Hon. Members: Hear, hear!

Mr. Brockelbank: — Well, Mr. Speaker, I want to be relevant, Mr. Speaker, because I think this material is perfectly relevant to this Bill, Bill . . .

The Speaker: — Order, order. I've already ruled that going through detail, the histories of each board member of the Fraser Institute, and as I said, I'm sure you could find many other institutes to use, is not directly relevant to the Bill. You have used a couple of examples, and I think to belabour the point and keep going through board members of that or any other institute is not relevant to the topic, and I ask you to get onto the topic.

Mr. Brockelbank: — Mr. Speaker, the Government of Saskatchewan believes in what the Fraser Institute says. It's demonstrated by this conference that took place in 1987 where this government sent more Crown corporation employees, such as PCS. They sent the chairman, the full-time chairman of the board to that meeting on privatization where they describe in the meeting some of the things that this government is doing right here and now in this Bill, including advertising, massive advertising campaigns. They sent not only the chairman of PCS but they sent high officials from the Premier's office, secretary to the Premier, head of the policy secretariat, policy analyst with the Executive Council.

Mr. Speaker, I think it's relevant that the people in the Fraser Institute are guiding this government in its privatization theories and the establishment of its legislation. I think the connection is so strong, so interrelated, that I cannot be ignored by the public. The public has to be aware of the fact that this government does not have the capacity on its front beaches to carry this out by itself. There is hidden agenda and there are hidden supporters, at least they're partially hidden, and they're in the Fraser Institute.

There's conflicts of interest there. Some of the directors of the Fraser Institute actually own other potash companies. They own other potash companies.

An Hon. Member: — Potash city.

Mr. Brockelbank: — Yes, if you take Alf Powis, who's head of Noranda, Noranda's in potash mining. And Alf Powis . . .

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

The Speaker: — Yes, what is the point of order?

Hon. Mr. Hepworth: — The point of order, Mr. Speaker, is rule 25(2) where a member's remarks must be relevant. You've already called this member twice. The last occasion on which you called him was when he was going into a diatribe on Alf Powis, chairman of Noranda, and he's right back at that same point, Mr. Speaker. Not only is that not in order, Mr. Speaker, as you have pointed out, but it's also disrespectful and in direct challenge to your ruling, Mr. Speaker.

(0845)

The Speaker: — I've listened to the point of order and I have . . .

Mr. Lingenfelter: — Mr. Speaker, If I could just speak to the point of order, Mr. Speaker, I would like to say that the Fraser Institute is very much involved in the privatization issue. And I would like to just say on the point of order, Mr. Speaker, that this debate is going to wrap up tonight at 10:45. The arguments of many people in this Assembly has been that in a time-limited debate that will end at a certain time, that repetition is much less important, and I think the leniency should . . .

The Speaker: — Order, order. I've listened to the hon. member's point of order, and unfortunately the hon. member from Regina Elphinstone is not on the point of order. That was not the issue at all. The issue is . . . Order. The issue is I have asked the hon. member, whom I have given quite wide latitude to make his arguments this morning, that the continuing life history of each board member of the Fraser Institute, and perhaps other institutes, which he may or may not have a source to draw on, while it is proper to use one or two examples, to go through the whole board of directors and give their life history, is not relevant. And in that sense the member's point of order is well taken.

And the member from Quill Lake who has a habit of interrupting the Chair, and I'm going to once more draw it to his attention that he comes into the House and just sits quietly and not sit and immediately interrupt the Chair . . .

An Hon. Member: — Why do I have to sit quiet?

The Speaker: — The member from Quill Lake, I am once more warning you that when the Chair is on his feet you do not sit down and interrupt the Chair under any circumstances.

Now the point of order is well taken, and I'd like the hon. member to be on topic. And also the member from Regina Elphinstone, the member from Regina Elphinstone.

An Hon. Member: — On a point of order.

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

Mr. Koskie: — Mr. Speaker, in the interpretation of the rules of this House, yesterday the Premier of this province spoke for over an hour and used every example of privatization possible and never was called to order . . .

The Speaker: — Order, order. The member's point of order is not well taken. It is not in fact a point of order. It is unfair. Many members in this House have wide latitude, many members in this House, and for the member from Quill Lake to stand up and use that as an example is unfair and unjust. The member for . . . There is no point or order. I have made a ruling and there is no point of order. The member for Saskatoon Westmount.

Mr. Brockelbank: — Well, Mr. Speaker, I think there can be no denying that the relationship between the Institute of Saskatchewan Enterprise, the Fraser Institute and Government of Saskatchewan are very close indeed.

I'm not going to accept your guidance, Mr. Speaker. You said I should not refer to more than one or two directors of the institute . . . or of the Fraser Institute. It was my full intention to refer to only two: Mr. Pocklington and Mr. Powis. Mr. Powis is the last director of the Fraser Institute, I wished to address.

And the second example was Mr. Powis, head of Noranda, involved in potash, giving advice to the Government of Saskatchewan on potash, on the destruction of the Potash Corporation of Saskatchewan. What did Noranda give to the PC Party in 1988 and 1984? They gave to the PC Party \$81,377. This is the president, the chairman, and the chief executive officer of Noranda, who's a director of the Fraser Institute in '84, '88 — gave about \$40,000 each year, a total of \$81,377 to the PC Party.

And what did Noranda, this director, give to the PC Party of Saskatchewan in '82-83? They gave to the PC Party of Saskatchewan \$29,585.90. This is one of the directors of the Fraser Institute who works in potash in Saskatchewan in opposition to the Potash Corporation of Saskatchewan, is advising the Government of Saskatchewan on the destruction of the Potash Corporation of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Brockelbank: — Mr. Alf Powis. Back in the beginning of potash when the New Democrats were the government, Noranda was one of the companies that was taking this government to court, was one of the companies that was taking this government to court over the potash corporation of Saskatchewan and the attempt to set it up. It was one of the corporations, Noranda, that refused to pay its taxes to the Government of Saskatchewan, a private potash company which was a law unto itself in the '70s in the potash in Saskatchewan. And it was not the only one, Mr. Speaker.

Now I said I was only going to deal with two directors, Mr. Speaker, and that's all I intended to deal with. But I want to deal . . . and this is a document from the Fraser Institute. This is where the government sent its people for schooling, for schooling on privatization. And who are the officers of the Fraser Institute, not the directors but the officers? And I just want to deal with one officer of the Fraser Institute to illustrate the point.

This is a book put out by the Fraser Institute in October 1987, and it's followed by other documents from the Fraser Institute right up to the present, 1989. And in all these documents the person who's listed as the director of The Centre for the Study of Economics and Religion is Dr. Walter Block. This is part of the Fraser Institute.

And I would think out of The Centre for the Study of Economics and Religion this government would have got some of its religious fervour for privatizing in Saskatchewan, right from Dr. Walter Block in the Fraser Institute, because they were there. They sent their representatives. They sent Paul Schoenhals there; they sent people there who are now in the Institute for Saskatchewan Enterprise — paid their way with taxpayers' money.

And who is Dr. Walter Block? Well I have an article here about Dr. Walter Block, and I want to only read part of it, Mr. Speaker, because I believe that the revulsion at the reading of this article will be overwhelming after I've read just part of it about Dr. Walter Block . . . (inaudible interjection) . . . Yes, it seems like that.

I know that some of the people on the other side won't want to hear about Dr. Walter . . .

The Speaker: — Order, order. The hon. members who are interrupting the member from Saskatoon Westmount are disrupting the debate — are disrupting the debate. It is my responsibility to bring that to the attention of hon. members and I am doing so now.

Mr. Brockelbank: — This article, and I have it here, Mr. Speaker, on Dr. Walter Block states as follows. This is an article written in 1983. I agree that's a bit stale, but Dr. Walter Block is still there; he's still the director of research and religion or whatever it is, in the Fraser Institute, the Fraser Institute which provides information to the Government of Saskatchewan on the destruction of the potash corporation.

What is the innermost thinking of Dr. Walter Block? Well the article says:

If you've ever wondered where the free market theories of the Fraser Institute would lead, if followed to their logical (or illogical) conclusion, Block's rather amazing book *Defending the Undefendable* may provide some answers.

It's Dr. Walter Block's book, *Defending the Undefendable*.

The hard-cover, black book was published in New York in 1976 when Block was an economics professor at Rutgers University in Newark, N.J. Block's central theme is that many of the people considered to be the villains in society, like pimps, drug dealers, blackmailers, dishonest policemen, and exploiters of child labour, are guilty of no wrong-doing and actually benefit the rest of us.

These "undefendable" characters are only engaging in free market trade, Block argues. They don't initiate violence against anyone, they don't force anyone to engage in their trade and they should be left alone to carry on their business. The real villain of the marketplace is (surprise!) government, which forces us, through the threat of violence, to pay taxes for goods and services we may not want.

Block has taken a simple principle — the free trade of goods and services among people — and extended it to every area of human endeavour, regardless of any moral or social implications. Moral judgements are irrelevant to free market forces, Block believes.

For example, Block says there's nothing wrong with prostitution. It's simply the voluntary trade of

sexual services for a fee. Some would consider the prostitute to be a victim of social and economic circumstances, exploited and degraded by her trade. But Block dismisses those arguments: "... the prostitute obviously prefers her work (he goes on), otherwise she would not continue it." The life of a prostitute is as good or bad as she wishes it to be." Social workers who have documented the lives of teenage prostitutes in Vancouver or Toronto may disagree, but of course, what do they know about free market forces?

The Speaker: — Order, order. I have been listening to the hon. member and I have brought to his attention two or three times the issue of relevancy. And now he's on a new topic and I'm certainly that I, as well as perhaps other members, might be interested in seeing how that is relevant to Bill 20, the Potash Corporation of Saskatchewan. How are the remarks you are now making relevant? Order, order. The member from Saskatoon South, I just ask you to allow the debate to proceed. I think that would be in the best interests of yourself and the House.

Mr. Brockelbank: — Well, Mr. Speaker, it cannot be denied that the Fraser Institute has played a central position in the privatization in Canada and in fact a major central position in the privatization in Saskatchewan, witnessed by the fact that the Saskatchewan government sent more heads of departments, Crown corporation employees, to the Fraser Institute on privatization than any other government in Canada; they sent more people there. And when they were there they were listening to Dr. Walter Block, they were listening and getting their advice from Dr. Walter Block, who is the head of the Centre for Study of Economics and Religion in the Fraser Institute. This is where they seek their advice. This is the source of their information about privatization.

I'm merely referring to Dr. Block's credentials, and I only want to refer to them very briefly. These are the economic thoughts of Dr. Block who was a university professor at Rutgers, who put down his thoughts in a book, who is now the head of research and religion at the Fraser Institute advising this government. And I only want to report very briefly on what Dr. Block's ideas are. This is a person that guides the Government of Saskatchewan somewhat. Just one small paragraph more, Mr. Speaker, to round out the description of Dr. Block, the director of research and religion at the institute.

(0900)

Discrimination against women (this article goes on to say) by paying them lower wages should be tolerated, because "the right to discriminate" is a fundamental right of all individuals. Besides, if women accept lower pay for the same work, the demand for female workers would increase, opening up new opportunities for them.

These are the theories of Dr. Walter Block at the Fraser Institute, theories that cannot be ignored, because the Government of Saskatchewan seeks advice from that fountain of knowledge about privatization in British Columbia, the Fraser Institute.

It's a coincidence, I believe, Mr. Speaker, that yesterday in the debate, the member for Swift Current, in speaking on this Bill to destroy the Potash Corporation of Saskatchewan, referred to a privatization program of the Blakeney government, or some thoughts on the privatization of the Blakeney Government, back in 1982.

And I recall the minister speaking about that. And strange as it may seem, here is the same item that the minister spoke about in an article from the Fraser Institute, April 1989, the *Fraser Forum*. And Michael Walker, who is the head of the Fraser Institute, is discussing privatization on the prairies and he says in one part of his — and anybody can get it, it's the April 1989, and I imagine the minister must have already read it because ... (inaudible interjection) ... Oh, she says she has not read it. The minister says from her seat she has not read it. But I suspect there's such a close connection there that the people are going to be judging for themselves whether in fact the minister is conversant with this idea coming from the Fraser Institute, because the Fraser Institute says:

As if to underline the point, there has been a recent leak of a cabinet document from the twilight moments of the Blakeney government showing that the cabinet was enthusiastically in favour of a privatization program which had been devised. Had they not been defeated, the NDP government would have been the author of the prairie privatization program.

And they suggest, the minister from Swift Current suggests that because we were thinking about that in 1982, that we're inconsistent because we're now opposed to the privatization they suggest for the Potash Corporation of Saskatchewan.

Well it's quite clear, Mr. Speaker, that what we proposed in 1982 is no relationship to what this government is doing in the destruction of the Potash Corporation of Saskatchewan in Bill 20 today, and the minister should know that.

If she gave a fair reading to it and analyzed it, she would know the following: that that idea in 1982 did not sell off any Crown corporations; that idea in 1982 did not entail the sell-off of any public utility, which this government plans to do with the sale of SaskEnergy; did not entail the privatization of any public service such as the children's dental plan, which the PCs have already privatized; that plan in 1982 did not entail the sell-off of any Crown corporations to foreign investors, to out-of-province big business.

So the subtle difference between what we discussed in 1982 and what the minister purports to say that we discussed in 1982 only exist in the minister's imagination, her wildest imagination, because she does not report the facts to this Chamber. And I suggest to you that she and the Fraser Institute are very closely co-ordinated because the Fraser Institute carries articles about this particular issue in its April 1989 issue.

It suggests in the June 1989 issue of the *Fraser Forum* that the Premier has made a fatal mistake. He's made a fatal

mistake in his privatization, and in this particular instance, although they talk about potash and privatization generally, his reference is to

It suggests in the June 1989 issue of the *Fraser Forum* that the Premier has made a fatal mistake. He's made a fatal mistake in his privatization, and in this particular instance. Although they talk about potash and privatization generally, his reference is to the privatization of Sask Power Corporation. He says:

No foreign residents will be permitted to buy shares in the natural gas corporations, at least not upon the initial issue.

And that's why I say, privatization in SaskPower, privatization in the potash corporation, what we see here and now is phase 1; phase 2 is to get rid of it all. Phase 2 is to get rid of it all if they get a chance. And that's what the people of Saskatchewan have to keep their eye on — not giving this government a chance to get rid of it all — because the people of Saskatchewan don't agree that these things should be disposed of; that's quite clear.

Mr. Speaker, it's absolutely necessary that members and the public have a clear understanding of the all of the major forces bearing upon our Saskatchewan society in order to appreciate how Crown corporations fit into the economic picture. This includes the potash corporation, a very big player, if I may say so. The existence of Crown corporations reflects the facts of the economic environment in a general way in Canada, and in a more specific way in Saskatchewan.

I suggest that the conditions affecting Canada led to the use of Crown corporations as instruments of national economic policy by all Canadian governments. Our Canadian economic environment in all its aspects dictated, from a practical viewpoint, the use of Crown corporations for a variety of reasons. Some of those reasons were related to cultural identity or economic pragmatism, with varying degrees of political intensity and application.

In Saskatchewan the forces of the economic environment were, and are, intensified by a severity of climate, sparsity of population, distance from markets, etc. Therefore, the use of Crown corporations as well as co-operatives were essential components of our economic picture. It is not a surprise to find Saskatchewan people choose to have a strong, direct influence in a variety of provincial activity through Crown corporations. That is not a surprise, Mr. Speaker. Crown corporations controlling power, communications, transportation, service industries, and resource development have been supported in varying degrees by successive provincial governments since the province was formed 1905.

As I say, Saskatchewan's sparse population over a large area dictates that people, through their chosen government instruments, must maintain a sufficient economic presence in Saskatchewan's economic picture to be able to balance off external large corporations which daily exert a constant force on Saskatchewan.

Those outside forces answer to their owners. Their

bottom line is the profit they can make. That's the bottom line of the outside forces. Successive Saskatchewan governments in varying degrees have used the Crown corporations as the appropriate response to outside forces or to accomplish what outside forces were not interested in doing, at least until there was a profit to be made.

Those governments realized a Crown corporation could provide a service where no service or inadequate service was being provided in a power distribution system, in an insurance system, a transportation system, a marketing system, a communications systems, to mention but a few.

We must understand the context, Mr. Speaker, we must understand the context of our provincial economy — what private forces were at work, their successes, if Bill 20, The Potash Corporation of Saskatchewan Reorganization Bill, sends us backwards in history. And I believe it will.

Although potash was discovered many years ago, it was only being produced commercially prior to 1962 at IMC (International Minerals and Chemical Corporation (Canada) Ltd.) Esterhazy and at Potash Company of America at Patience Lake near Saskatoon. Unfortunately, the Potash Company of America had flooded shaft caused by a pressure break from the very high-pressure Blairmore sands area. International Minerals at Esterhazy had similar problems. The pioneer potash development companies did much experimentation and had significant added expenditures in developing sounds, shaft tubing, and associated procedures to deal with those production problems.

New Democratic government of that day, Mr. Speaker, felt that added costs warranted special consideration, so an extended low royalty period was initiated as a form of relief to those pioneers in the potash development in Saskatchewan.

Interestingly enough, the Liberal Party upon taking government in 1964 on the instructions of Premier Thatcher said that all potash companies would be able to benefit from the low royalty period.

What the premier did in 1964 was extend the low royalty period to all the potash companies, not just the pioneers that had the extra expenses and frustration of getting to the potash beds and extracting potash. The premier of that day proudly stated that the people of Saskatchewan would now see real private enterprise development take place.

I recall in this Chamber listening to the premier of Saskatchewan, Mr. Thatcher, saying that now you're going to see some real private enterprise develop in Saskatchewan. Thatcher's brash intervention in the potash economy was unfair to the pioneer companies, unfair to Saskatchewan people generally — he should have received the full royalty from the new potash companies who were extracting potash — and finally, Mr. Speaker, caused the inevitable to happen. Excess production was brought into being, the price was driven down drastically, our sales into the U.S. Market, our mainstay market, caused an adverse market reaction in the United States.

Premier Thatcher was forced to bring in Draconian potash prorationing. Thatcher's first nonsensical free enterprise intervention in the potash economy caused social and economic dislocation of a very serious nature in Saskatchewan.

People were laid off as potash mines cut back to less than 50 per cent of their plate capacity. Revenues were in an artificial decline for several years. Within seven years, the people of Saskatchewan having seen the drastic economic consequences of premier Thatcher's intervention in the potash economy, for other reasons as well, voted him out of office. And I suspect, Mr. Speaker, in due course the people of Saskatchewan, having seen the drastic results of this government's intervention in the potash economy and elsewhere in the economy of Saskatchewan, will vote them out of office as well.

Over the next while, under the competent direction of Allan Blakeney as the premier, the potash economy regained a sense of balance in which the revenues and work-force stabilized and then began growing rapidly in a manner never seen before in any Saskatchewan resource extraction industry. These were the golden days of potash development in Saskatchewan, Mr. Speaker.

This period was not without some bothersome disruption which, in my view, seemed to reflect an unusual degree of corporate greed displayed by some of the international potash companies.

Let me review how private enterprise potash companies acted in their role as corporate citizens of Saskatchewan. And I say to you, I hasten to say to you, Mr. Speaker, I wouldn't bother reviewing this, but this government is going to buy the destruction of the potash corporation, is going to put us back into this period, back into this period where most of the potash production in Saskatchewan will be governed by international potash companies. We want to know how they performed as corporate citizens when they were alone in the field of potash extraction in Saskatchewan previously.

So there is a potential in Bill No. 20 for a similar set of conditions to arise when the Potash Corporation of Saskatchewan has been destroyed by this government.

(0915)

To begin with, a schedule of relatively low royalties was approved by the provincial government in late 1962. The rates were similar to those in effect in New Mexico, which deliberately allow potash companies to recover a major portion of their investment shortly after going into production.

So this shows in 1962 the New Democratic government was sensitive to the need of the potash companies to ease the burden of getting into production where new technology was required. And the royalties reflected that. The province also guaranteed the level of royalties until 1974, and as I said, for the pioneering companies of Saskatchewan — Potash Company of America and the International Minerals — until 1981. In 1964, and I'm coming with some detail now, Mr. Speaker:

The Liberal government extended the guarantee of existing low royalties to 1981 for all potash producers . . . (also) urged potash firms to make a commitment to start operations in Saskatchewan before October 1, '67 or face higher royalty rates than those enjoyed by companies already committed to potash development.

By 1967 it became apparent that the potash industry had expanded too rapidly. The problem of over-supply threatened but it was too late to halt most development. Unable to control themselves, late in 1969 the potash companies requested the government to introduce prorationing.

What we have here, Mr. Speaker, is:

. . . Saskatchewan government intervention for the good of the resource and for the very survival of the industry itself.

The Saskatchewan government intervention for the good of the resource and the very industry itself.

This had the effect of stabilizing the Saskatchewan potash industry but at levels considerably below production capacity.

In 1971 a New Democratic government party was elected in Saskatchewan. In the New Deal for People which has been its campaign platform the New Democrats had promised the following:

Review (all) existing royalty and other arrangements with a view to renegotiating, where necessary, (of) those not in the interests of . . . (conditions) of those not in the interests of Saskatchewan people. Where feasible, we will reclaim ownership and control of foreign-owned resources.

We see in Bill 20 a reversal of what was happening then.

Meanwhile in October 1971, the government requested the potash industry to comment on the prorationing scheme. The industry was asked for their unqualified support of the program and whether they thought it should be continued. The industry responded with their support in 1971.

In December 1971, the government's potash policy stated the following: prorationing would be continued because of its obvious benefits to the industry and, as a result, to the province. Good, logical, sound reasoning, Mr. Speaker, not the flighty kind of nonsense we get out of the Fraser Institute in British Columbia which is advising this government on potash destruction in Saskatchewan.

The second point: there was a need for significant increase in overseas sales and strong marketing organization. Well that's reasonable too.

Government revenues from the potash industry were too low. That's the final point. Note that, Mr. Speaker, this was referring to the Thatcher period. Under the Thatcher

free enterprise government revenues were too low for Saskatchewan people. So that's one of the elements of the Thatcher term of office in Saskatchewan, that potash royalties were too low for the people of Saskatchewan. And I suspect, Mr. Speaker, when the destruction of the Potash Corporation of Saskatchewan is completed, in due course, if this government has its way, potash royalties will be too low for the people of Saskatchewan.

In March of 1972 the industry was advised of proposed changes to the prorationing formula. There was a general support for the changes, in June 1972, a potash prorationing fee of 60 cents a ton of muriate and changes to the potash prorationing program so that production was shared only on the basis of plant capacity, instead of plant capacity and market availability, or marketing ability, as was the case previously.

Canpotex was originally set up in 1970 as a marketing agency for some Saskatchewan producers. It represented these companies in bidding for Canadian foreign aid contracts and other foreign government tenders. The purpose of this was to compete with large selling organizations representing foreign potash industries. It is ironic, Mr. Speaker, at this time of government sell off of potash, that Canpotex deals in large part with foreign governments, not foreign private corporations. They deal with foreign governments in the field of potash.

All Saskatchewan potash producers had joined Canpotex by July '72, and Canpotex became responsible for all offshore sales of Saskatchewan potash. In July of 1972, Central Canada Potash challenged the province's prorationing regulations in the courts and asked it be allowed a licence for unlimited production. Nearly all the other potash companies appeared on behalf of the provincial government, which indicates their continued support for prorationing — continued support for prorationing — and that is government regulation.

In November 1972, premier Blakeney spoke of a new strategy for resource development in which the public interest, not private gain, must be the basis. He noted that the government was studying the possibilities of public ownership. This is in November '72. It's clear, Mr. Speaker, a clear warning to the potash companies, that coupled with the 1971 party platform shows that the international potash companies were warned if they continued to care very little about Saskatchewan people, action would be taken to protect Saskatchewan people.

In December 1972, the . . . (inaudible) . . . I'm getting a report from one of the outlining ports there, Mr. Speaker — the member for Regina Wascana, member for Regina Wascana. I have a suggestion for the member for Regina Wascana. I've taken the opportunity over the years to visit many potash mines, go through the mills, go down the shaft, visit the . . . (inaudible interjection) . . . If the member for Regina Wascana will just listen, just listen, I have a suggestion which may improve his understanding of potash in Saskatchewan. And anything that leads to the improvement of the member for Wascana's understanding of potash in Saskatchewan would be a benefit to everyone in Saskatchewan.

I said that I visited many potash mines in Saskatchewan

and have gone down the shaft. It, Mr. Speaker, is an awesome experience — it's an awesome experience. You drop down a thousand metres into the ground at a speed that makes you swallow several times on the way down to equalize the pressure change. You get underneath, you realize the enormity of the potash operation. You drive in a motorized vehicle for a few miles underground, horizontally out to the face of the potash, and you get a better understanding of what potash is all about. And I wish the member for Regina Wascana had that understanding.

Now I suspect he's been down a potash shaft to see what it's like and has experienced some of the things I've experienced in visiting potash mines, but I have a further suggestion for the member for Regina Wascana which will improve his understanding of potash mines in Saskatchewan. I would suggest that he go underground once more, and I want to suggest the mine for him. I suggest it be Kalium. And if the member comes back from that visit underground to the Kalium mine, we will be able to confirm that he has water on the brain, because . . .

The Speaker: — Order, order. I don't think we should bring personality and make personal remarks about other members. They don't enhance the debate in the House.

Mr. Brockelbank: — I think it would be understood Mr. Speaker, if a person visited Kalium mine, you would get water on your brain — there's no doubt about that — because it's a solution mine. But it would be a benefit to the member from Regina Wascana to visit at the Kalium mine and go underground. Take your time; take your time. We have no need for your services here.

I want to get on with the thrust of my remarks, Mr. Speaker. In December 1972 Central Canada Potash launched another suit against the province's prorationing program. In an unprecedented move, the federal Liberal government joined the suit against Saskatchewan.

I'm sure we were all interested the other day when the Leader of the Liberal Party of Saskatchewan managed to get on the front page of the newspaper stating her position, her interesting position on Crown corporations in Saskatchewan. And she's of the old school; she's of the old Liberal school that you should get the government out of the potash corporation.

She's of the view that the federal Liberal government had in adjoining with Central Canada Potash in court cases against the province of Saskatchewan. She's in league with the old Liberals that sat in this House a number of years ago. They're almost extinct; they're almost extinct, but she's bringing forward their old ideas that we should get out of the potash corporations. That's her view.

The federal Liberal government joined in the suit against the Government of Saskatchewan back in 1972. At this point it is becoming clear to Saskatchewan people that we are being faced with a combination of free enterprise, Liberal governments at Ottawa teaming up with the big players in the potash industry to deny them the rightful expectation. From here on, hardball was being played in the potash scene. From here on hardball was being played.

In October '73 it was announced that the potash prorationing fee would be doubled to \$1.20 per ton of muriate; that potash companies would be required to file financial statements with the government, and that no new mining or milling capacity would be permitted until a sound plan for general public participation had been implemented. So those were the new conditions which were announced by the government, Mr. Speaker.

In April 1974 the minister outlined proposals for a new potash policy which included proposals for new taxes and for government participation in future development of the industry. Also the companies were asked to file financial statements as part of the policy which had been announced in October '73.

Thereafter in July 1974, the potash producers provided a detailed response to their proposed new potash policy in which they disagreed with the new tax proposal and plans for greater public participation. By August of 1974, production quotas were lifted from the potash industry because of the accelerated demand for Saskatchewan potash allowed the industry to compete at full capacity.

So here we have a government in Saskatchewan which, through its careful regulation of the industry, had, by 1974, got the industry back up to full capacity with no casualties. And I think we can thank Mr. Blakeney for being one of the main actors in that particular action in the province of Saskatchewan.

In October 1974 the government's new potash policy included a new tax called the reserve tax that was expected to increase provincial revenues from potash fivefold. The proposed overall level of this tax had been reduced to about 28 per cent from the April proposal because of discussion with the industry.

(0930)

The tax was designed with the objective of encouraging expansion in the industry. Government participation in all new mine developments, either as a major partner in joint ventures or as a full owner of the mine, and the third point in the government's new potash policy, was as follows: equity capital was offered for expansion of existing facilities beyond the rated capacity. So these three points, a new tax called the reserve tax, government participation and equity capital being offered, were the salient points of the governments' potash policy in October, 1974.

By November of 1974, the potash reserve tax regulations were initiated. In November '74, the federal Liberal government also reintroduced a budget cancelling the deductibility of provincial royalty payments, taxes and fees in calculating corporate income tax. The effect was to greatly increase federal taxes on industry, particularly the oil and gas industry, but also potash. Soon the province responded by making provincial royalties and fees deductible for the purpose of provincial income tax.

In January 1975 *The Globe and Mail* reported that Saskatchewan potash companies had announced deferment of expansion plans worth \$200 million. That

would have increased the province's

productive capacity by nearly a third. So in January '74 Saskatchewan potash private companies announced deferment of expansion plans worth \$200 million, which would have increased capacity by nearly a third.

Then on February 4, 1975, potash company of Saskatchewan had been formerly established as a Crown corporation with powers to undertake mining developments, joint ventures with others, and to acquire interest in the potash operations. On February 10, '75, the Canadian Potash Producers Association, more easily known as CPPA, presented the government with a brief outlining its position regarding the reserve tax. They wanted levels of taxation to all governments to be no greater than 50 per cent of pre-tax profits.

Further, on February 19 the CPPA met with the premier to discuss the tax situation and it was agreed that a joint industry-government committee be set up to review the matter of measuring industry profitability after all the recent tax changes at both levels of government. So it was agreed that a committee would be set up.

It would appear at this point that negotiations in good faith were under way. In May 1975 the Saskatchewan Court of Queen's Bench ruled the province's prorationing scheme was unconstitutional in that it infringed on the powers of the federal government. Premier Blakeney announced the province would appeal. Once more, again, a New Democratic government going to bat for Saskatchewan people.

Members should keep mind that potash prices rose to \$75 a ton in 1975, compared to \$36 a ton in 1972. So we see the potash prices more than doubling in a three-year period. In May 1975 the joint industry-government committee met for the first time. Significant progress was made on a number of issues. It was agreed that the industry would work out its proposal regarding the tax framework.

The industry, however, later declined to meet again in spite of an earlier agreement by both sides to do so. Some changes were made to the reserve tax formula because of difficulties that resulted from the incompatibility of provincial and federal tax rules which had been brought to the attention of the government prior to the February 19 meeting.

On June 11, 1975, the Blakeney government was re-elected in a provincial general election. This is significant, Mr. Speaker, because the people of Saskatchewan were in fact endorsing increased participation of the Government of Saskatchewan in the potash industry of Saskatchewan. This was quite clear from the discussions that went on prior to the election, the literature which was circulated by the New Democratic Party stating quite clearly what their position was. So the people of Saskatchewan went into that election knowing that their government was going to become more actively involved in the potash industry and directly involved.

It appears that the electoral decision of the Saskatchewan people necessitated the potash companies going the court option, since their political option had faded when

the Liberals or Conservatives failed to be elected to government in 1975. Consequently, on June 20, '75, all producers except Central Canada Potash launched a suit against the provincial government attacking the legality of the reserve tax.

The companies also refused to pay the quarterly instalment taxes due on that date. This again reflects the attitude of the multinational foreign potash companies to the proper and correct expectations of Saskatchewan people to benefit from their resource development.

In the event that someone had missed that statement — maybe the member from Meadow Lake may have missed it — I want to read that again:

The companies refusing to pay their quarterly instalments on taxes due on that date again reflects the attitude of the multinational foreign companies to the proper and correct expectation of Saskatchewan people to benefit from their resource development.

Taxation and regulation — this government said it can be done with taxation and regulation. The potash companies have proven them wrong. The private potash companies have proven them wrong, that it can't be done with taxation and regulation, and they've proven also, the private potash companies, that they're unable to control themselves in a situation where excessive production was put into effect.

In August 1975 Saskatchewan potash companies had taxes in arrears totalling about \$30 million. This was not an insignificant amount of money we're talking about here, Mr. Speaker, that the companies failed to pay and refused to pay. In August '75, potash companies had arrears totalling \$30 million that they owed.

Note again, Mr. Speaker, the complex legal action by the potash multinational companies was likely to have taken several months to prepare. Consequently, a person could be forgiven for losing some respect for the good faith negotiations by the potash companies. It's questionable whether those negotiations were in fact in good faith, because the legal actions were so complex that it would have taken months to prepare them. But they were tabled shortly after the 1975 election, taken to the court.

In October 1975, all potash companies, with the exception of Central Canada, which already had a lawsuit pending, and Alwinal, began a court action challenging the potash prorationing fee regulations. Now it's as convenient, Mr. Deputy Speaker, for the potash companies to attack prorationing. It's convenient for them to attack prorationing in the courts, when they had supported potash prorationing on numerous occasions prior to that time, and in fact had requested it themselves at the beginning, at the initial steps.

On November 1975, the government announced in its Speech from the Throne, that effective control of the potash industry would be acquired through public ownership. This is after the 1975 election. For this government to now undo, by Bill 20, that which was put

together with popular support, as the Potash Corporation of Saskatchewan, is an offence against the people of Saskatchewan whose resources will be sold off to foreign interests.

In summation, Mr. Speaker, the Saskatchewan potash policy is primarily the result of past struggles with the potash industry over taxation and regulation development of the resource. Quite clearly, that's the genesis of the legislation. It's the struggle over taxing and . . . regulation and taxation of the industry.

Regulation and taxation have been the usual methods by which the province has controlled development of our natural resources. In most resource sectors, these methods have succeeded in bringing about an accommodation with the resource companies to the satisfaction of both the industry and the province. But in the case of potash, it has not. And on this, I have already elaborated.

So it's been shown that regulation and taxation, the manner in which these people across the way intend to regulate the industry, has not been readily accepted by the industry. In fact, it has been resisted in the courts. Provincial resource policies used to be based on the fact that our natural resources belonged to the people of Saskatchewan. Although resource companies have been invited to invest and participate in developing our resources, the people of the province of Saskatchewan have never given up ownership of their resources, nor have we agreed to relinquish control over them.

This position was made clear to the potash companies when they first came to the province, when premier Tommy Douglas was in power. He had this to say:

Development of our natural resources must guarantee that the best interests of the people of the province are served. The province must, for example, ensure our resources are conserved so that they serve both the present and future generations and that the resource development take place in the context of social and economic aspirations of the people of the province. Control of our natural resources is also essential if we are to guarantee a fair share of the profit for the people of the province from our resource.

That's the end of the quotation from premier Tommy Douglas. And it is frightening to see these people stand in the shadow of Tommy Douglas and say that if Tommy Douglas was here, he would be supporting them. What utter nonsense. What utter nonsense. And I think the people of Saskatchewan know that, Mr. Deputy Speaker.

Unfortunately, instead of co-operating with the province and achieving these goals, the potash industry refused to join in discussion for potash policies and attacked the province's right to regulate and tax the industry. Quite clearly they attacked us in the courts, they attacked us elsewhere, and it ran into the hundreds of thousands of dollars for the people of Saskatchewan to defend themselves and assert their rights in the field of resource control.

In addition, the potash companies under the federal corporate income tax regulations, were allowed a generous tax environment during start-up, on top of which a three-year mine holiday or tax-free period was added, during which time the depreciation was held back. This was followed by a period in which accelerated depreciation was allowed.

The result is that many potash companies were able to go 10 to 15 years without paying any federal income tax whatsoever — any federal income tax whatsoever. Provincial royalty and taxation rates have also been low but the potash companies in their day have refused to pay them and taken us to court.

In 1972, for example, the potash companies paid less than 6 per cent of their total gross income in provincial royalties and taxes and municipal income taxes. Statistics Canada data indicates no payment of federal income tax by potash companies that year that's 1972.

In 1973 the potash companies paid less than 6 per cent of their gross sales in tax to the province. Again, Statistics Canada data shows no federal income tax payments in 1973.

(0945)

Rising prices meant windfall profits for the companies. Potash production costs at that time were around \$25 a ton. The province introduced new taxes, as it had in the case of oil, to ensure that a fair share of these profits came to the people of the province. In all cases, the industry was consulted about the new taxes before they were introduced. They were consulted when a prorationing fee was introduced in 1972 and again when the reserve tax was introduced in 1974. In fact, the overall level of the proposed reserve tax was reduced by 28 per cent after discussion with the industry, which I've mentioned previously, Mr. Speaker.

Efforts to ensure that taxation levels were fair ran into problems when the potash industry refused to provide financial information requested by the province. A requirement that financial statements be filed with the province was made law but the industry failed to comply and enforcement of the law was hampered by the fact that most potash companies had their head offices and their financial records outside of the country.

Taxation rates paid by the potash industry were comparable with those paid by other provinces for the 1973 fiscal year.

An example, Mr. Speaker, the potash companies paid 6 per cent or less of their gross income and taxes. In that year the average Saskatchewan taxpayer paid 24 per cent of their gross income in taxes; Saskatchewan farmers paid about 21 per cent of their gross income; Saskatchewan doctors paid 36 per cent; and Saskatchewan lawyers paid 30 per cent.

So what we have here, Mr. Speaker, is the Bill to destroy the potash corporation. The intention is clear that this potash corporation, upon its destruction, will fall into the hands of foreign owners and foreign governments

possibly. That's quite clear from reading the legislation. And the definition section defines non-residents, it defines corporation, it defines foreign governments, foreign states, or agents of foreign governments or foreign states. So quite clearly, if it's in the legislation, it's likely to happen, Mr. Deputy Speaker.

This government is quite fond of saying that it's a world class, performs as a world class government. Well in my remarks, Mr. Deputy Speaker, it's become quite clear that they're world class in some areas, and I don't know whether it's desirable from the point of view of Saskatchewan people.

They are certainly first class in the use of closure, which they've used on this Bill. They are certainly first class in the use of time restrictions on debates — first time use of closure ever. They're first class in the largest provincial budget deficit ever, and they're first class in the largest provincial debt ever. And I think, Mr. Speaker, it will be recognized in due course that they're world class in the most waste ever by a provincial government. They have a give-away mentality of Saskatchewan assets to outsiders.

It's stated by the member from Arm River when he spoke in this debate that this is a . . . he put it forward as a classic study, this debate, as between state ownership and free enterprise. And, you know who's on the side of free enterprise? Well we have the Pocklingtons, the Weyerhaeusers, the Cargills, all in there with state-supported free enterprise, not free enterprise in the true sense of free enterprise, but state-supported and assisted free enterprise.

It's not a simple debate or struggle between state ownership or free enterprise. That's nonsense. Anybody that portrays it to this Chamber indulges in nonsense.

What we have in Saskatchewan and had in Saskatchewan is a balanced economy — balanced among private co-ops and public enterprise, and never at any time under our government has one dominated to the detriment of another. What we have simply with this Bill and with this government is an assault on Saskatchewan power by the PC Party. That's their attitude. They're carrying it over into the potash. It's an assault on the Potash Corporation of Saskatchewan by the PC Party. And their actions, in order to bring this debate to a close, is an assault on democracy by the PC Party. Closure was never used in the 84-year history of this province. Never.

When September comes this year, Mr. Deputy Speaker, this province will be entering our 85th year as a province. As we head into our 85th year, this government will have to account for their actions. I'm sure that during the 85th year, they will have to account for their actions — their Draconian closure, their attempt to hide the deficit, the massive debt in the Crown corporations, the massive debt in the government, comprehensive across-the-board increases in all Crown corporations and government fees, broken promises littering the political landscape. These people are going to have to account for that, along with this Bill on the potash corporation.

As a result of PC privatization and diversification, the people of Saskatchewan are voting with their feet. I

reported earlier, Mr. Speaker, in the last 18 months, 26,478 net population outflow from Saskatchewan. They're certainly diversifying Saskatchewan population. They're going everywhere else.

By this motion this government seeks to hide from the public, to sweep under the rug through this closure motion to narrow the debate. And I stand opposed to that, Mr. Speaker.

There are plenty of other things that require the attention of this government — estimates in many of the departments — rather than this particular Bill. But it's this government's intention to go ahead with this particular Bill for the destruction of the Potash Corporation of Saskatchewan. They're selling off, this government is selling off a major profitable Saskatchewan asset and they will be selling it off at a depressed price to foreign investors, a depressed price.

The privatization of PCS is going to benefit big businesses and outside wealthy investors rather than the people of Saskatchewan. Oh there'll be some attempted give-aways, and there'll be all kinds of advertising to help it go down, because the Fraser Institute says that you must accomplish these programs by massive advertising programs. Yes, we've seen it before and we'll see it again, and the taxpayers will pay for it.

By selling this asset, by the destruction of the potash corporation, the PCs are betraying Saskatchewan's future. How is the economy of Saskatchewan to recover if the profitable assets of the province have been sold off?

The Deputy Premier was correct when he said in Crown corporations, we're going to spread it around so far that you can never put it back together. Well I think even with the incredible examples of waste, mismanagement, and debt that this government has brought in, I think we can put it back together, Mr. Deputy Speaker. I think we can make Saskatchewan economically free again. That will be our goal.

But for the time being, this government, through its closure and time restrictions, will force through Bill No. 20, and Act to destroy the Potash Corporation of Saskatchewan. This will not be in the benefit of Saskatchewan people. This will not assist the recovery of the program such as the dental program. We need the viable assets of the province of Saskatchewan if we are to install once more those programs that made Saskatchewan a bright light in the Canadian federation.

For that reason, Mr. Deputy Speaker, I certainly find myself in a position where I cannot support Bill 20, which leads to the destruction of the Potash Corporation of Saskatchewan, and I will vote that way consequently.

Some Hon. Members: Hear, hear!

Mr. Gleim: — Mr. Speaker, I'm pleased to rise in this House today to enter in the debate on Bill No. 20, the Bill that will allow public participation in the Potash Corporation of Saskatchewan. I welcome this debate, Mr. Speaker, and I'm pleased to have the opportunity to elaborate on the Bill and what it means for the people of

Saskatchewan.

In my opening remarks I want to address of couple of main points. First, the reason that public participation in the potash corporation must be encouraged, and second, what this initiative will mean for the people of Saskatchewan.

Like most people, Mr. Speaker, I remember the potash debate of 1976 in this very House when the NDP government of the day nationalized the potash corporation. While the government's actions were understandable, I believe this debate will illustrate just how misdirected the NDP motives were and demonstrate that the nationalization did not work the way it was intended for that government. I will also discuss what is needed to make the potash corporation a stronger, more dynamic company for the future.

Mr. Speaker, by the time our government was elected in 1982 the potash corporation had chalked up profits of over \$14 million, and the Leader of the Opposition, the member from Riversdale, constantly reminds us of that very fact.

In fact, Mr. Speaker, the report of the Crown investments review commission covering the period from 1975 to 1982 indicates that at that time, the time the NDP formed the government, Saskatchewan Crown corporations reported an overall profit of \$650 million. That's a lot of money, Mr. Speaker. That money should have been used to improve the quality of life for Saskatchewan people through health, education, social services, Mr. Speaker, better roads, better highways, lower taxes, lower fuel prices, and lower auto insurance rates.

In fact, Mr. Speaker, of the \$650 million profit reported by the Crown, only 145 million was returned to the people of Saskatchewan. And out of that \$145 million, only \$95 million made its way to the Consolidated Fund where it could benefit the people of Saskatchewan. Mr. Speaker, that was only \$95 million out of the \$650 million, not even 15 per cent of \$650 million.

Where did the money go, Mr. Speaker? Well instead of using the funds to strengthen our social foundation, the NDP government of the day invested in the resource sector. They bought uranium mines, Mr. Speaker. They bought oil. They bought sodium sulphate, coal. They bought potash mines, Mr. Speaker. Yes, they bought the potash mines. They never built them; they bought them. They never created one new job, Mr. Speaker; they just bought the mines.

The Leader of the Opposition is quick to point out that at times of strong markets the potash corporation made money, but the NDP leader often has very . . . his memory lapses, I guess. He conveniently forgets that while PCS made money, there was never any attempt to pay back the money used to finance the purchase of the mine — money that belonged to the people of Saskatchewan, for better roads, better hospitals, and education.

(1000)

There never was any attempt, Mr. Speaker, to pay off the

loans. They borrowed the money from foreign banks to finance the unnecessary expansion of the Lanigan mine. That mine cost over \$500 million, Mr. Speaker. That money was borrowed from the multinationals, as the member from across from Saskatoon South mentioned yesterday. That money was borrowed from the very same people that he was criticizing yesterday.

So like any irresponsible manager, during the booming 1970s, the NDP in good times made no effort to pay off the debt or equity and protect us people of Saskatchewan against the bad times. Not surprisingly, when the world potash markets declined, as they inevitably do, the debt of the potash corporation began to climb. Yes, Mr. Speaker, the debt went this way. So in the 1980s when there were no big profits, the profits declined, but the debt remained and the debt kept on growing.

Mr. Speaker, when the Conservative government was elected in 1982, there was a primary responsibility that had to be met. That responsibility was to address the mismanagement of the NDP and pay mounting debt commitments. Through Bill 20, Mr. Speaker, we have an opportunity to create a dynamic, world-class corporation based right here in Saskatchewan.

Think of the possibilities, Mr. Speaker. By freeing the corporation from the constraints of government ownership, I believe we can give this company freedom to grow and diversify beyond our wildest expectations. There's no end to the possibilities, Mr. Speaker. We must encourage public participation in the potash corporation and attract the capital that will eventually provide an opportunity for the company to diversify its operations.

Bill 20 features a number of safeguards that will protect our province and the people of Saskatchewan.

Mr. Speaker, a majority of the directors of this new public owned company must be Canadian citizens and at least three directors must reside in Saskatchewan, and at least 55 per cent of the company will be owned by Canadian residents. And through preferred widespread share offering to the corporation's employees and Saskatchewan residents, plus the number of shares that this government will hold, the major portion could be held right here in Saskatchewan.

Foreign investors must not collectively hold more than 45 per cent of the company or cast more than 25 per cent of the votes at the shareholders' meetings. Excepting the Saskatchewan government, no person or group, or persons may hold more than 5 per cent of the shares. This safeguard prevents an individual, or a corporation, or too narrow a group of shareholders from controlling the potash corporation, Mr. Speaker.

What about the entire matter of control and ownership, Mr. Speaker. There are a number of valid concerns that must be addressed. I would like to turn my attention to these points. There are, however, a few myths being intentionally propagated by the critics of Bill 20, critics who are handcuffed to an outdated philosophy that believes only governments can and should own businesses.

Let's deal with the real concern and the real facts. Just to mention a few of them, just to mention for right now, Saskoil, which I heard the member from Saskatoon South talk about yesterday. Saskoil corporation since it went public . . . he talked about the lay-offs of the employees; that they laid off so many employees when it was taken over publicly. Down in my part of the country we have a fair amount of Saskoil people that were involved. When that company took over, there was one employee. He looked after six wells. And when it went public, that same employee looked after 12 wells.

Those holes, Mr. Speaker, were producing holes. So the member . . . his argument wasn't even valid when he talked about lay-offs. That's what I call . . . that's what I'd call, I would say, good management.

One might claim that the government ownership of potash company, or any other company for that matter, means that we as Saskatchewan citizens, who elect our government representatives, actually own the company. What is true ownership, Mr. Speaker? Let's define true ownership. When we own a house or a car or a business, we are free to lend, sell, rent, or give away that property. That's what we call true ownership. True ownership allows us to bequeath property to our children, Mr. Speaker, and we can borrow against that.

Saskatchewan citizens are not direct owners of the potash corporation or any other corporation. As Saskatchewan people, we are required through taxation to pay government debt to finance the company while politicians and bureaucrats run the business. Unlike any other true public owned company, we cannot participate in shareholders' meetings and have our concerns heard. In fact there are no shareholders' meetings for the potash corporation. This is not true ownership, Mr. Speaker.

Before the former government nationalized the potash mines, Mr. Speaker, Saskatchewan people benefitted through royalties, taxes and government laws that control and regulate the use of potash resource. Herein lies an important part of the debate. The government does not have to own potash mines on behalf of the people in order to benefit of mining to be passed along to the taxpayers. That's very simple.

I read with considerable interest a recent letter to the editor of *The Globe and Mail*, Mr. Speaker. The letter was from W.F. Avery of Vancouver, a former senior financial officer of the potash corporation. Mr. Avery set the record straight on this issue of how taxpayers benefit. He wrote, and I quote, Mr. Speaker:

The main source of the province's revenue from potash mines has been a provincial mining tax; in profitable times, corporate income taxes from the private sector. This revenue flow will continue whether or not the potash corporation is privatized. It should increase as, unlike a private company, a Crown corporation does not pay federal or provincial corporate income taxes.

It is clear that with appropriate government laws, we can tax and regulate potash mines to the benefit of the taxpayers of the province.

I refer, Mr. Speaker, to just three of the laws that are available to govern potash, Mr. Speaker: The Potash Resources Act, which provides for regulations of potash production; the subsurface mineral regulations in 1960, which prescribes potash royalties and lease rates; and, Mr. Speaker, the potash refining and air emissions regulations, which control air quality in the vicinity of potash mines. These laws and other special agreements allow government to exercise control over environment, the production and the taxing of potash for the benefit of all.

We must recognize, Mr. Speaker, that these laws and their benefits are directed by and for the taxpayer without putting our hard-earned tax money at the risk in a government-owned potash company — taxpayers' money — and should be used to finance quality health care, education, and social programs.

That's what that money should have been used for, Mr. Speaker. They never used it for that purpose, Mr. Speaker. They just put moratoriums on nursing homes, hospitals. They never built anything. They bought the uranium and potash mines with the money that was supposed to be dedicated to the social programs, Mr. Speaker.

Mr. Speaker, money put at risk in a government-run business is like putting money that cannot be used for essential government-provided service for the sick and the needy and the young.

The member from Lakeview, one of the members from the opposite, last week talked about the dental program, 400 nurses being laid off. She talked about the negative side, but she never did talk about the positive side of that. She never did talk about the dentists that we have in Saskatchewan. She didn't talk about where the parents used to have to go to get their teeth fixed. All she talked about was the children's dental program, the negative side of it.

Right now the dental program in my constituency has two new dentists, satellite offices. Those people right now go to the dentists with their parents. The way it was before, the children went to the schools, had their teeth fixed; the parents weren't there. Now they make an appointment and these same people take their children and they go to the dentist together.

In my part of the country the closest dentist was 100 miles. Now it's 20 miles away. And I think that is something that the people opposite, they don't like to talk about this. They don't like to talk about that. That is a benefit to our community. We have two new families in there. They visit these people in other towns at their satellite offices. The parents bring their children in and they're there together with them. Now what is so wrong with that? What is so wrong with that?

Let's look at the underlying principle of the public participation of the potash corporation, Mr. Speaker. In order for the potash corporation to expand and further develop its potential as a company, widespread public participation is needed. By inviting PCS employees, Saskatchewan people, and private sector to participate

through investing in shares, PCS will have an opportunity to operate as a private company, free from the constraints of government, to grow and expand and bring new jobs and new markets to Saskatchewan.

We have chosen the direct approach, Mr. Speaker, by public participation, Mr. Speaker. If the potash corporation can build, expand, and to diversify, then all of us will benefit from the increased taxation — new jobs and new opportunities. This money will come from the people of the province. Some will come from outside the province, but it don't all come from the multinationals in New York.

Under Bill 20, Mr. Speaker, the potash corporation will always be a Saskatchewan-based company. The benefits? These benefits — new jobs, new products, new technologies of the future and will become part of the province.

Let's look at who owns and who wins and who loses by selling shares in PCS. All of us win, as the company grows and expands and benefit the economy. The employees win because they will have a direct stake in their share. Their labour will pay off directly. All of us as taxpayers win, because no longer will our money be the sole base of investment and support for PCS.

Just for one example, Sask Minerals. For the first time in the history, they paid a dividend directly to the employees — directly to the employees. You go back to Sask Minerals employees now and ask them what they think of where they're working, and they will tell you that they enjoyed that \$1,100 dividend, on the average, that they received. They have never in the history of the 40-some years of history of the sodium sulphate, Sask Minerals has never paid a dividend directly to the employees.

Individual shareholders will win. Their shares will help to build a stronger, more profitable potash corporation — one that will not be for ever completely dependent on potash markets.

Generally our province will be better off as the result of public participation in the potash corporation. The company will have an opportunity to expand, free of government constraint, free to compete in the private sector.

(1015)

Mr. Speaker, the only loser in this transaction will be those who cling to the 1970s notion that ownership by the state is the only answer. Ownership by the state is the only answer — that is the philosophy from across the way.

Mr. Speaker, we are not saying that government does not have a place in providing essential and good quality services to citizens. But state ownership for state ownership's sake thinking is being retired. In over 107 countries around the world, from Australia to England, from Japan to Spain, Mr. Speaker, countries of every political conviction, in growing numbers, leaders throughout the world are seeing the value of broad, basic public ownership through public participation in the economy of the world.

A philosophic debate like that being waged by the opponents of Bill 20 is not necessary, Mr. Speaker. I believe that Saskatchewan people see the need and the opportunity for expansion, growth, development of PCS, truly a public company.

In many respects, this initiative starts a new cycle of elevation for the large Crown resource corporations. From government stand-alone ownerships to the broad mixture of involved, concerned, and interested public investors, employees, and citizens, with less direct state ownership, and investment and public participation of individuals helping to build and develop PCS, the future looks encouraging, Mr. Speaker.

I'm sorry that the member from Saskatoon South didn't enjoy my speech, but what I am saying in my speech, I didn't ramble off from one end of the world to the other end of the world, talking about everything except potash.

Some Hon. Members: Hear, hear!

Mr. Gleim: — I listened to the member very carefully yesterday. He talked for one whole half hour before he even got on the subject of potash. He didn't talk about waiting lists and the nursing homes that they never built, that they put a moratorium on.

Some Hon. Members: Hear, hear!

Mr. Gleim: — He didn't talk about the old hospitals that should have been repaired years ago, that are . . .

An Hon. Member: — Who was the minister of Health?

Mr. Gleim: — Who was the minister of Health at that time?

An Hon. Member: — The member from Saskatoon South.

Mr. Gleim: — I think everybody knows over here on this side who the minister of Health was, who the minister was that put the moratoriums on for the sick, for the needy, for the seniors, for the old.

Some Hon. Members: Hear, hear!

Mr. Gleim: — That is one reason why I support Bill 20 and I urge its passage. Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Thank you, Mr. Speaker. The debate that we have over Bill 20 is fundamentally a debate over the future of Saskatchewan — not just a debate over the future of the Potash Corporation of Saskatchewan, but debate over the fundamental future of Saskatchewan, what kind of future we want for ourselves and for our children, where the benefits of resource development are to go, and who is to control that resource development to ensure that the benefits go to the people of Saskatchewan and not to out-of-province investors.

The Speaker: — Order, order. The member from Cut Knife-Lloydminster.

Mr. Hopfner: — Mr. Speaker, I'd like to call a point of order, and just before the member gets in to his speech, so I don't have to call it. In rule 5(1) of the members' rule book:

The presence of at least fifteen members of the Assembly, including the Speaker, shall be necessary to constitute a meeting of the Assembly for the exercise of its powers.

If at the time of the meeting there be not a quorum, the Speaker may take the Chair and adjourn the Assembly until the next sitting day.

My point, Mr. Speaker, is being that there's only four members of the opposition in the House, is it not their duty to participate . . .

The Speaker: — Order, order. The member from Regina Victoria . . . Order. According to rule 5, quorum includes any 15 members; therefore your point of order is not well taken.

Mr. Van Mulligen: — Point of order, Mr. Speaker. That member can count as well as anyone else in this legislature. He knew that there was a quorum. He just, without reason . . .

The Speaker: — Order, order. I've made a ruling. The hon. member does not have a point of order. The debate will continue.

Mr. Koenker: — Mr. Speaker, I resent that kind of nonsensical intrusion, and I think an apology is in order for the interruption of my speech for a point of nonsense made on . . .

The Speaker: — Order, order. The matter has been dealt with, the matter has been dealt with. For the best interests of everyone in the House, let us continue the debate, and the member from Saskatoon Sutherland now has the floor and will have the opportunity to make his remarks.

Hon. Mr. Lane: — On a point of order, another point of order, Mr. Speaker. I wonder if the opposition, given their absence today would like to vote now . . .

The Speaker: — Order, order. Would the member be seated. Member be seated. There will be no more points of order. These are frivolous points of order which should not enter into debate. And once more, I say the matter's been dealt with. I will accept no points of order. The member for Saskatoon Sutherland continues with his remarks.

Mr. Koenker: — After the introduction of closure on potash, this government only knows how to obstruct the opposition with nonsensical points of order.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Who will control the future of this province? This government wants to control the future of the province by the invocation of closure on potash. It wants to try to control the future of debate by raising

nonsensical points of order, but I say this debate over potash is a debate over who will control the benefits of resource development for the people of the province, and not for their political friends like the PC Party does.

I want to say, Mr. Speaker, that this Devine government is selling off a major profitable Saskatchewan asset, selling it off for a song to foreign . . .

The Speaker: — Order, order. Will the hon. member settle down and let the debate proceed. Now we've had a little turmoil, and perhaps because of that, often further turmoil results. The member for Saskatoon Sutherland has the floor. I'd ask him to continue the debate and no longer refer to the ruling that has already been addressed, and let us continue the debate in an orderly fashion.

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

The Speaker: — Order, order. You're not being recognized, sir, until I recognize you. What is your point of order?

Hon. Mr. Lane: — My point of order quite simply is, the hon. member has made reference to the Premier by his name, and contrary to the rules of this House. Now I know he's all alone over there, Mr. Speaker, but he still can't . . .

The Speaker: — Order, order. Now the hon. member, of course we all agree . . . Order. I'm replying to the point of order. You may reply to that point of order, but not raise a new one.

An Hon. Member: — I want to comment before you reply to his point of order.

The Speaker: — Fine.

Mr. Brockelbank: — Mr. Speaker, I know that you want to be fair in accepting points of order. I start from that beginning. And if you accept a point of order from the members over there, I'm sure you want to accept one from this side of the House as well on this issue.

Now the constant interruptions from that side of the House are interrupting the member. I think he has a right to proceed according to the rules of the House, and I think you should enforce the rules on the government side . . .

The Speaker: — Order, order. I've listened to the member's point of order and I've listened to the response. Order, the Minister of Finance and the member for Saskatoon South. I've listened to the point of order and, quite frankly, it's getting silly.

Now if the hon. member used the Premier's name, of course that's out of order. To continually refer to the absence of members is out of order. For the hon. member from Saskatoon Westmount to suggest that only members from the government side are interrupting is also out of order, and is not correct. So there is no point in that type of an argument.

We all know that members from both sides of the House from time to time interrupt. So let us drop the issue; let us

allow the debate to continue in an orderly and democratic fashion with some decorum.

Mr. Koenker: — Mr. Speaker, this debate is a debate over what kind of future we are going to have for our province of Saskatchewan, and what kind of future our children and their children will have in the province of Saskatchewan by virtue of resource management.

This PC government is selling off in the Potash Corporation of Saskatchewan a major profitable asset, selling it off for a song to foreign investors. And it talks about 45 per cent control over foreign investment, but there is absolutely no guarantee on any Saskatchewan ownership in the legislation presented in this Bill 20. This is the selling off for a song of the potash corporation to investors.

This is an action of the Premier to ally himself with the big corporations with the Cargills and the IMCs of the world, with vested interests that aren't the interests of Saskatchewan people. And we maintain that the public interest needs to be given voice and needs to be defended, so that the benefits of resource development accrue to the people of Saskatchewan and not to vested interests.

This government's privatization of the potash corporation, make no mistake about it, is going to benefit big business and wealthy investors outside of Saskatchewan. And it will not benefit Saskatchewan people. And I'm going to be explaining this in some detail, and I'm going to be taking the Premier's own words to task to argue the case that this privatization of the potash corporation will not benefit the people of Saskatchewan but will benefit big business.

By selling off, Mr. Speaker, this major profitable Saskatchewan asset, the PC government is betraying Saskatchewan's future, and all of the profitable Crown corporations are now sold off with the passage of this Bill 20 privatizing the potash corporation. The public purse is left with the money-losers. The profitable corporations remain in public hands. That's the kind of business logic that this government uses.

But we know that this government uses this kind of business logic because it has allied itself with the big-business community — not the Saskatchewan business community, but the big-business community, and the interests of the big-business community.

And is it any wonder then, that we see closure invoked on this Bill, closure invoked in all likelihood, because some secret deal has been made with their big-business interest friends outside the province. That's why closure was used to ram this very debate through to the point where's it's taking place today on the terms that it's taking place today.

(1030)

PC privatization has not helped Saskatchewan people to date. It has not helped Saskatchewan people to date, and it's been rejected by Saskatchewan people because it hasn't done that. And we only have to look at the debate

and the furore that covered this province in the month of May when the privatization of SaskPower was discussed to know that public opinion is overwhelmingly against these privatization measures. Whether it's the privatization of the children's dental plan, or the privatization of SaskPower, or the privatization of PCS, the people of Saskatchewan are opposed to their utilities and their services and their Crown corporations and their resource sector being privatized so that the profits can go out of province and only to a handful of people.

And the proof of this is found in this very Bill 20 legislation where the hands of successive Saskatchewan governments are tied behind their back by virtue of the free trade agreement that has been made by Brian Mulroney and the federal Conservatives.

The future of any Saskatchewan government to revert American control in PCS once it's privatized, back into Saskatchewan control, is pre-empted by the free trade agreement. So it doesn't need to be here in Bill 20. That's taken care of nicely by the Conservative government's friends in Ottawa.

The tie to SaskPower and the privatization of SaskPower is clear not only in that the people of Saskatchewan are opposed to privatization, Mr. Speaker, but that this government has no mandate to privatize either SaskPower or the Potash Corporation of Saskatchewan. And as I've said a number of times in the last weeks, the next item on the block beyond the potash corporation and the power corporation and the SGI is the privatization of the medicare system. And we've already seen that implicit in the cut-backs to the dental program and the prescription drug program that this government inflicted in the spring of 1987.

So the issue is who will control the future of resource development here in Saskatchewan, and the related question of who will benefit. And that's why this is a political debate in this Assembly and why it should be full ranging and free on behalf of the public.

Now I want to refer, Mr. Speaker, to the news release put out on April 14, 1989 by the Government of Saskatchewan information services on the Potash Corporation of Saskatchewan entitled, "Public participation in the Potash Corporation of Saskatchewan." And I want to quote from this news release and from the Minister of Finance who said:

Public participation in PCS is a natural next step in the corporation's evolution. In fact, it is needed for PCS to vigorously pursue all of the opportunities available to it as a world leader and major contributor to our economy.

This from the Minister of Finance, and I'll note that there's even a split infinitive in that sentence. He can't even get it right — the English language — and he certainly doesn't have it right when he argues that "it is needed for PCS (splint infinitive) to vigorously pursue all of the opportunities available as a world leader . . ."

Notice that he doesn't say it is needed for PCS to vigorously pursue all of the opportunities available to it

because it's a world leader . . . or to become, rather, a world leader, but "as a world leader" — as a world leader. And that's precisely the point we make as well, Mr. Speaker, that the Potash Corporation of Saskatchewan is already a major leader, a world leader and major contributor to our economy. And we don't need to privatize it in order for it to become a major contributor to the Saskatchewan economy.

There's no economic logic to privatization in that regard . . .

Mr. Shillington: — I wonder if I might introduce a group, Mr. Speaker?

The Speaker: — Is leave granted?

Leave granted.

INTRODUCTION OF GUESTS

Mr. Shillington: — Thank you very much. Mr. Speaker, I want to introduce to you, and through you to member of the Assembly this morning, 12 students who are here with the Big Sisters of Regina, a seven to 13 years . . . They are here for a moment and then they're gong to be touring the building.

I regret that pressure of other events does not make it possible for me to personally meet with them, so I hope your visit is useful. They're here with Sally Sebastian and Amanda Kelly who, I assume, are sitting immediately behind them.

So I hope all members will join with me in welcoming these young people here. I hope their day is enjoyable.

Hon. Members: Hear, hear!

SPECIAL ORDER

ADJOURNED DEBATES

SECOND READINGS

Bill No. 20 (continued)

Mr. Koenker: — Mr. Speaker, we don't need to have the potash corporation privatized in order to ensure major contributions to the Saskatchewan economy. What we're talking about in Bill 20 is a Potash Corporation of Saskatchewan that presently has the potential to provide major contributions to the economy of Saskatchewan as it's presently construed.

And I say that — has the potential — because that potential has not been harnessed and released by this government. I say that the Potash Corporation of Saskatchewan has been put on a leash by this government and held back so that the private companies, these last eight years, are allowed to pre-empt its role in economic development and profit and in overseas markets.

And I'd like to turn now to the Premier's simplistic defence of his initiative in his comments yesterday. I note first of all that when the Premier was talking about this Bill

to privatize the potash corporation, he talked about virtually every other privatization initiative under the sun, except for the privatization of potash. And it wasn't until the very back end of his speech that he introduced the subject of potash privatization.

And I think that that is very telling. The Premier seems to have sort of credo, take it as an article of faith, to bow at the altar of free enterprise, that privatization will be good thing. When he asks the question, why privatize? he provides the rousing defence, the rousing answer, why not — why not?

Well can you believe that, Mr. Speaker, that from the Premier of this province, in defence of his own primary initiative of this legislative session, when he asks, why privatize? the answer is simply, why not?

From the Premier of this province, from the spokesperson for vested interests of big business, very, very telling that that is his first and principal and major argument for privatization. Does he give economic justification for it? Does he give fact and figure?

Rarely does he get into that. He talks about simplistic generalities. He talks about the question of who benefits. And again he asked the question, who benefits? Who benefits? he says. And the answer, simplistically, is everyone. Everyone benefits. Seniors benefit, native people benefit, foreigners benefit, everyone benefits.

The Speaker: — Order, order. The member from Regina Wascana, why are you on your feet?

Mr. Martin: — Mr. Speaker, I beg leave to introduce some students in your gallery.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Martin: — Thank you. It's my pleasure to introduce to you, and through you to all members of the House, some 27 students from Quebec who are — la province — who are attending the English As A Second Language school over here at the University of Regina. And they are not allowed to speak French while they are here, Mr. Speaker, just as our students are not allowed to speak English when they go to Quebec. So many of them have gone from this province to Quebec to learn a second language, including our four daughters who have been down there at one time or other, Laval and Jonquière, etc., and so it's quite an experience for them.

I hope the weather is to your liking and that you're enjoying Regina and learning to speak English well so you can go back and put it to use in Quebec. Mr. Speaker, I'd like also to introduce the two teachers, Carol Holowachuk and Marie Mendenhall. Where are the two teachers? Would you please stand? Good. Anyway, Mr. Speaker, on behalf of you and all the members of the House, our friends from Quebec, please welcome them here today.

Hon. Members: Hear, hear!

Hon. Mr. Maxwell: — Merci, Monsieur le Président. Au nom du Premier Ministre du gouvernement c'est un plaisir pour moi de vous accueillir ici aujourd'hui. Nous espérons que vous aurez enjouir de votre visite. Je comprends que vous ne pouvez pas me répondre en français, non? Peut-être plus tard en anglais, oui? Bienvenue.

(Translation: Thank you, Mr. Speaker. On behalf of the Premier of the province, it is a pleasure for me to welcome you here today. We hope that you will have enjoyed your visit. I understand that you cannot reply to me in French, is that correct? Perhaps later, in English, yes? Welcome.)

Hon. Members: Hear, hear!

SPECIAL ORDER

ADJOURNED DEBATES

SECOND READINGS

Bill 20 (continued)

Mr. Koenker: — Thank you, Mr. Speaker. Mr. Speaker, when the Premier asks who benefit from privatization, and says, everyone, I want to give one very simple example of how privatization here in the province of Saskatchewan has not benefitted everyone.

And I'm talking about the park that's about 20 or 30 miles outside of Saskatchewan on the Yellowhead Highway heading west at the Borden bridge. That particular park was privatized about 2 years ago, turned over to the private sector from the hands of the Government of Saskatchewan. And in Borden, two weeks ago, I was told by people involved in the tourist industry that for tourists who stop there at that park at a picnic table for more than half an hour, they are charged. Can you believe it, that they are charged to hold a picnic at what was once a provincial roadside park because it has been privatized.

In other words, Mr. Speaker, if you were to drive from Saskatoon to Edmonton on the Yellowhead Highway and wanted to stop for a bite to eat, if you had your sandwiches made and your coffee was already hot in your thermos and you pulled up to that Borden bridge park and you jumped out of your car and you gobbled down your sandwiches and you drank your coffee, you wouldn't have to pay if it was less than half an hour. But if you had to boil water for your coffee, and if you had to slap your sandwiches together and then to eat them, you'd probably have to pay unless you could beat the person who was coming around to collect from you individually.

And this is a service that used to be provided to citizens of Saskatchewan and non-citizens alike by the Government of Saskatchewan. And the Premier says, who benefits from privatization — everyone. I say the people of Saskatchewan don't benefit from that kind of privatization, and they won't benefit from the privatization of the potash corporation as well.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Now, Mr. Speaker, I was going to save these remarks for later in my speech, but since there are individuals in the gallery from the province of Quebec, I want to spend a few minutes talking about the Quebec dental program and how the dental program here in Saskatchewan has been different from the dental program in Quebec because of this province's ability to fund health services by virtue of its resource policy.

(1045)

The Speaker: — Order, order. My goodness! First of all, I don't think we should involve the members in the gallery in any way, in any way at all, and secondly, allow the member to continue. And I'm sure we're not putting on a very, very good display for our guests. If we think we are, we should think again.

Mr. Koenker: — Mr. Speaker, the Quebec children's dental program was first implemented and designed on a number of key principles. First, from the outset, the program envisioned incremental expansions on a year-to-year basis. Second, dental services were to be universally available. Third, and very important here for this debate on privatization, the program was to be — was to be — publicly funded, publicly funded. Fourthly, also very important for this debate on resource revenues benefitting the people of Saskatchewan, this dental program was to have no deductible or co-payment fees. And this children's dental program of Quebec was introduced, initiated in 1974.

The Speaker: — Order, order. The Quebec dental program in detail, I fail to realize how it applies to the Bill No. 20, An Act respecting the Reorganization of the Potash Corporation of Saskatchewan. I think the hon. member is a little off the topic, and I do allow fair latitude. I do allow fair latitude, as you all know, and I believe that he should keep his remarks more closer to Saskatchewan, especially on the reorganization of the potash corporation . . . Order, order.

Now the member from Regina Victoria, I'd just like to call him to order and allow the debate to continue. Members seem to be a little edgy this morning for whatever reason. If we co-operate, if we all co-operate in this House, the debate will go forward.

Mr. Koenker: — Mr. Speaker, the point to be made about the dental program in Quebec is that Quebec became the second province in Canada after the province of Prince Edward island to withdraw major categories of dental services from groups of children . . .

The Speaker: — Order. Now I've already ruled that a discussion of the Quebec dental program, I don't feel, is relevant. Now would the hon. member take that . . . Order, order. Now the member from Regina Victoria keeps interrupting the Chair, and I have overlooked it once or twice but I can't overlook it now, and I ask the member for Regina Victoria to rise and apologize.

Mr. Van Mulligen: — I apologize.

The Speaker: — Now the member from Saskatoon Sutherland, he's making his remarks. And as I said earlier,

a detailed discussion of the Quebec dental program certainly can't be construed as being relevant to debate, and I am asking him to stay on the topic.

Mr. Koenker: — When the Potash Corporation of Saskatchewan, Mr. Speaker, in this most recent annual report from 1988, returns a profit of \$106 million to the people of Saskatchewan, then that profit of \$106 million can be used from the potash corporation to fund programs like dental care here in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Koenker: — And when provinces such as Quebec introduce a children's dental-based dental program following, incidentally, the introduction of a dental program here in Saskatchewan in 1974 as well, and today the people of Saskatchewan still have a universally accessible dental plan even though it's been cut back by this government, and the people of Quebec don't have that, I say that's due to the resource policy of the Government of Saskatchewan that was inherited from Allan Blakeney and the New Democrats that used resource revenue from the God-given resources of the province of Saskatchewan for the benefit of the people of Saskatchewan and not for outside foreign investors.

And that is precisely the issue that is being debated here today, and that is why I refer to the province of Quebec and its dental program, because it hasn't had a resource policy that will allow the Government of Quebec to fund social programs. And I think that's terribly germane to the kind of debate that we're having about the future of the province of Saskatchewan, based on the Potash Corporation of Saskatchewan.

The Speaker: — Now I just want to once more bring to the attention . . . it sounds to me like the hon. member, in a convoluted way, is attempting to challenge the Chair's ruling. I said earlier, and I repeat again, the detailed discussion of — which you haven't done now, I'll grant — but the detailed discussion which you were doing before, was not relevant. And I believe that you should just carry on with your remarks, stay on the topic, and the debate will proceed in an ordinary fashion.

Mr. Koenker: — Mr. Speaker, many people might question how the profits of the potash corporation in this most recent year, 1988, are relevant to the debate. I say that \$106 million worth of profits returned from the potash corporation to the people of Saskatchewan is vitally important to the debate before us today, dental program or no dental program.

I want to go on, Mr. Speaker, to, in terms of talking who benefits, who benefits from privatization. This was question that the Premier asked in his remarks yesterday: who benefits? I want to ask the people of Saskatchewan: have you benefitted from previous privatization initiatives from this government? I want to ask the people of Saskatchewan, when they consider the privatization of potash corporation, have you benefitted from the privatization of Saskoil? Do you see lower taxes because of privatization?

What we see is an increase in the sales tax, the flat tax,

hospital lottery tax.

I want to ask the people of Saskatchewan: have you seen reduced waiting lists to Saskatchewan hospitals because of privatization initiatives? We certainly haven't seen reduced waiting lists in Saskatchewan hospitals. People wanting entrance to the cancer clinic beds are denied access because the money isn't there. And that's what we have as a result of privatization.

The Speaker: — Order, order. The member from Regina Wascana, and any other hon. member, whether you object to his remarks is another matter. He has the right to make them, as you have the right to make them.

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

The Speaker: — What is your point of order?

Mr. Lingenfelter: — Before you rose I think all members of the House clearly heard someone on the other side, government members, using the word "lie." That's unparliamentary, and I'd ask you to make a ruling to get them to apologize. You certainly would have heard that before you rose on your point of order.

The Speaker: — If an hon. member, anywhere, made that remark, it is out of order. I'm not sure who made it; however, if they did, it's out of order. And all hon. members should finally realize that those types of remarks should not be made so that the member from Regina Elphinstone, for example, doesn't have to rise on a point of order. We have talked about this over and over, and people in this House insist, insist on unparliamentary language, which is very, very poor usage of the language here in this Assembly. You just insist on it. Now if you don't like what the other person is saying, that's your privilege. You also have the right to make your remarks when you rise, and let's keep unparliamentary language out of this House.

Mr. Koenker: — Mr. Speaker, the Premier in his remarks yesterday indicated as part of his credo, his article of faith, that privatization is part of a strategy to diversify this province and extend the provincial safety net. He talks about the extension of the safety net and how health care has been increased in this province as a result of privatization and the diversification that flows from it. And I simply have to look at the many cases that come into my constituency office of people waiting to get into hospitals for various kinds of treatment to know that the safety net has not been extended, but it's been constricted.

I must say, however, I feel compelled to point out that the so-called safety net provided by the Government of Saskatchewan has been extended to a select few. The safety net was extended very comfortably by the Potash Corporation of Saskatchewan and this government to one Paul Schoenhals after he was defeated in the last provincial election — public money used to extend the safety net for Paul Schoenhals.

And I point out that that's very characteristic of this government to extend the safety net of public protection to Peter Pocklington to build his bacon plant in North

Battleford, and to extend the safety net, in fact, to Cargill corporation, the largest private grain company in the world, when it comes to \$290 million worth of loans and loan guarantees to build a fertilizer plant in Belle Plaine outside of Regina.

So it is true, in a sense, to say that the safety net has been extended by this government, but the point must be made: for whose benefit has the safety net been extended? And that safety net certainly hasn't been extended to the people of Saskatchewan when it comes to health care and the constrictions on and the restrictions on the prescription drug plan, which requires individuals to front the costs of their drugs, as was the case when the cuts were made in 1987.

The wonderful profiteering from sale of shares that Saskatchewan people will partake in — the wonderful profiteering that the Premier points to when he talks about Bill 20 and the share issues for Saskoil and WESTBRIDGE, Mr. Speaker, are wonderful only for a few, and benefit only a few.

And I want to refer to the privatization of SaskCOMP, and note, as the Premier did, and note that over the last five years of its existence as Crown-controlled company, SaskCOMP made a profit in each and every year, with a total profit over those last five years of \$16 million for the people of Saskatchewan. In 1987 alone, its last year in government hands as a Crown corporation, SaskCOMP made a profit of \$3.4 million for the people of Saskatchewan, representing a return on investment of 37 per cent for the people of Saskatchewan.

And do you know, Mr. Speaker, that now that SaskCOMP has become WESTBRIDGE, that the Minister of Finance's former law partner, Peter Whitmore, was legal counsel to SaskCOMP? And that the member from Yorkton has a friend, Ray Malinowski, of Yorkton, who has been a political associate of the member from Yorkton, who has been appointed to the board of WESTBRIDGE? And there's a Sonya Prescesky of Remail Investments who's also on the board of WESTBRIDGE.

So the wonderful profitability of shares from WESTBRIDGE, for example, is there again for a few — for the hot shots and the big rollers and the friends of the PC Party. But it ignores . . . the Premier ignores the fact that only 14 per cent of Saskatchewan people own shares in various . . .

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

The Assembly recessed until 1 p.m.