

August 9, 1989

AFTERNOON SITTING

ROUTINE PROCEEDINGS

ORAL QUESTIONS

Goods and Services Tax

Mr. Romanow: — Thank you, Mr. Speaker. My question today is to the Premier, and it concerns the national sales tax of 9 per cent which is being proposed by Mr. Mulroney and Mr. Wilson, the so-called goods and services tax. Now, Mr. Premier, the Minister of Finance federally, Michael Wilson, has repeatedly stated that this new GST (goods and services tax), or the national sales tax of 9 per cent is going to be revenue-neutral. I have a copy of the technical paper issued yesterday, and it however does not suggest that. It says, quote, at page 3, “that the tax will contribute to deficit reduction effort,” are the words used. It’s one of the three most important goals which the revenue tax, 9 per cent tax has.

Mr. Premier, my question to you is: how in the world can it be revenue-neutral if one of the three key objectives of this tax is to reduce the deficit, thereby reducing it through increased revenue; it surely can’t be revenue-neutral. That being the case, how can your government support this tax when it promises to take out yet millions of more dollars from the taxpayers’ pocket here in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, the NDP, and I find it disappointing since the leadership change, has put their interpretation on facts as being accurate. And we have a long history in this House, led by the member from Regina Lakeview, as to total misrepresentation and inaccuracy. To say that we support the tax is simply false, Mr. Speaker, and that’s what he said. And I would rank that up there as about as accurate, Mr. Speaker, as the letter that Leader of the Opposition sent to the people of Assiniboia-Gravelbourg as wrong, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Minister of Finance. I simply must repeat, this is not my original comment; it comes from my colleagues, but it’s true. It’s rather funny to hear the Minister of Finance on the question of accuracy, given the fact that he’s billion dollars off the mark on the budget. But let’s forget about that for the moment.

The government says — and I take the Minister of Finance’s position — he says that the government’s position is they’re studying this tax. That’s their position — they’re neither for it nor agin it. I’m saying to you, Mr. Minister of Finance, you and your officials and the Premier have been involved throughout the piece as the federal government has developed this tax. You’re aware of what the Minister of Finance in Canada has said about the tax being revenue-neutral. Here the paper itself says that it isn’t going to be revenue-neutral.

In the light of all the evidence which is before you, including this statement among others that I have given to you, if I’ve misrepresented the position as to what you say on the tax, in the light of all this evidence why don’t you get up and clarify your position today for a change, clearly, and tell us that you’re going to oppose the federal sales tax because it’s an additional grab of taxpayers’ money from the people of the province of Saskatchewan. Why don’t you get up and say you’re against it?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I think I repeated yesterday for the Leader of the Opposition, I believe four different times, four different times the position of the provincial government. I did that with a great deal of reluctance, Mr. Speaker, because I have sat for four months and heard intensely repetitive speeches. But it looks like the only way — and I’m responding, Mr. Speaker — is to restate the position.

The province, as I said yesterday, is reviewing the papers on the goods and service tax, and that before, Mr. Speaker, the province of Saskatchewan takes a position there will be extensive consultations with the people of this province.

I happen to believe, Mr. Speaker, when I see the differences of opinion in the people of this province as to the merits or difficulties with the tax, that we should be consulting with the people of this province. I think that’s the fair position, Mr. Speaker. That’s now the fifth time I’ve repeated that.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question, and I once again direct it to the Premier and would really ask his intercession in the answers. It’s not that I don’t have the confidence in the Minister of Finance’s answers, but I do believe, I do believe that as Premier of the province of Saskatchewan, this requires a direct answer from you, because clearly the Minister of Finance is not doing so.

Will the Premier please advise me and the legislature and the people of the province of Saskatchewan, why it is that the provinces of Alberta, Ontario, Newfoundland, British Columbia, and Quebec — that’s a partial list; there may be more — but at least these key provinces who have the same information that you have, who have the same technical advisers that you have, who know the implications of this 9 per cent new federal sales tax on their people as you do — why is it that they’re able to say that they’re opposed to this tax, but you, sir, in your almost lonely isolation steadfastly remain in the position of neutrality, which I can only conclude means support for the 9 per cent tax? Why?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I think the hon. member can look at certain realities in terms of the province of Alberta. It does not have a sales tax in any shape, so I would not expect them to take any position other than they have. I find it

interesting that British Columbia is also virtually the same position as Saskatchewan. I believe Manitoba perhaps may be — and I don't want to put words into their mouth — may be somewhat more supportive. It's interesting that four western provinces, recognizing that they have a resource-based economy and are trying to establish a manufacturing sector, should give much more consideration.

I think we can also take a look, Mr. Speaker, at varying positions in the eastern province as to this tax. So to take the position that all are opposed, all are in favour, is not accurate. It's like the people themselves — there are mixed responses to the goods and services tax, not surprising to anyone.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Premier, but I think he's not going to enter into this, so I must reluctantly again direct this to the Minister of Finance. Mr. Speaker, my new question to the Minister of Finance is this. A representative of the Alberta government told some journalists today, in fact the report government told some journalists today, in fact the report that I have is on *Canada A.M.*, that in the opinion of the Alberta government, this national sales tax of 9 per cent was "setting the stage for a taxpayers' revolt," are the words that I have here. As I've indicated to you, other provinces have indicated as well their opposition to this tax.

Could it be, Mr. Minister — and my question is this to you — that in fact you people are neutral officially with respect to the tax, but secretly in support of its 9 per cent imposition because what it will mean is in fact a back-door method of getting additional revenue for the province of Saskatchewan, perhaps to the tune of about 125, \$130 million?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — That is about as accurate as the statements that some of the back-benchers opposite, Mr. Speaker, that there's been some secret deal. We have now sold the potash corporation five times in the speeches in the last two days by the opposition over there already, so that's about as accurate a statement as the argument made by the NDP, we've already sold the potash company.

Having said that, if anyone is surprised that the province of Alberta would be opposed to a national sales tax in any form, not using their head, quite frankly, Mr. Speaker, it's not surprising. So having said that, I have restated our position now five times.

An Hon. Member: — Six times.

Hon. Mr. Lane: — Six times I gather, Mr. Speaker, and we will consult. And if, after consultations, the people of this province make it abundantly clear that they do want the tax — no marks for us participating it in light of those circumstances, Mr. Speaker, but there are a lot of people that benefit and we should give them a hearing.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Minister of Finance. Again I find it frankly very baffling and very confusing that given all of the expertise the Minister of Finance has and the Department of Finance — this massive documentation which I have in front of me, tabled by the federal government — that this government's position today is after all these months and all this debate and all the public reaction in the *Toronto Globe and Mail* and in all the newspapers, his position today still is that of, I don't know.

Look, Mr. Minister of Finance, my question to you is very simple and I want you to answer this one if you can. The Government of Ontario says that this method will raise for them approximately \$200 million extra to its treasury because it's going to be charged, with respect to the final price of goods and services including, the 9 per cent.

How do you intend that this tax is to be collected with respect to the province of Saskatchewan? Will it be after we pay for the good purchased plus the 7 per cent that we now pay to you? — by the way, the increase from 5 to 7 per cent thanks to your mismanagement. Will it be after that or will it be somehow incorporated before? How will your methodology of collection of this tax work in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I think that that very question is one that the people should be listened to. We have had representations and we had the comments of the New Democratic Party that if — and I very carefully say if — there is to be a national sales tax, that there should be one tax. That is an argument presented by some, not by all. I acknowledge that. But I think it quite proper that those are some of the fundamental questions that the people of this province should be consulted about. And I think that's only fair and that's only proper.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much, Mr. Speaker. My question, Mr. Speaker, is not to the ministry of truth and accuracy, but to the Premier. Mr. Premier, my question concerns not the technical complexity of this Bill, but your government's ability to provide leadership and to show courage on issues which are important to Saskatchewan people.

The question, Mr. Speaker, is whether or not you are going to have the courage to join the vast majority of Saskatchewan people and take a stand against this tax. I remind you that your counterparts in Alberta and British Columbia and Quebec and Ontario and Newfoundland have all done so. Are you going to continue to hide in the reeds, or will you give leadership to Saskatchewan people?

Hon. Mr. Lane: — I'm surprised that the hon. member joined the debate because I'd just like to quote from *Hansard*, Mr. Speaker. I would like to quote from *Hansard*, the official New Democratic position as articulated by the hand-picked Finance critic opposite. And he states on *Hansard*, page 1907 of this session, with respect to the

federal sales tax:

. . . if we must have a federal sales tax, then we should have one sales tax in this country and not two.

That's the position. That's the position. Then he goes further:

But if we must have two taxes . . . then we should have one sales tax, not two.

So that's the position of the New Democratic Party, Mr. Speaker, that's the position that they've taken.

Now the federal government has said point-blank that they are going to proceed with the tax. If they're going to proceed with the tax as they say, then the New Democratic position, as stated by their Finance critic, is that Saskatchewan should join. I am not personally committed to that view, Mr. Speaker. Mr. Speaker, it may well be that the people of this province are better off with the two separate tax system. That is one of the things we're going to be consulting with the people about.

Some Hon. Members: Hear, hear!

Mr. Shillington: — A supplementary to the minister. That comment was preceded and was followed by an unequivocal statement that this caucus is opposed to the federal sales tax.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Will the ministry of truth be equally candid with this Assembly and tell us whether you're for or against it?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well, Mr. Speaker, the hon. member, the hon. Finance critic is certainly one of those members that *Hansard* should not have been invented for, Mr. Speaker, because it causes him a great deal of difficulty. Perhaps he wants to be critical of the *Hansard* transcribers for not putting his thoughts down as opposed to his words. Mr. Speaker, it would certainly reduce . . . if that was consistent it would certainly reduce the amount of coverage in *Hansard*. But let me quote the hon. member:

Surely it would have been a more rational system to combine them into one.

And I'm referring to page 1906:

Surely it would have been a more rational system to combine them into one. That is what your federal counterpart . . . wanted to do. I understand you people wouldn't.

Mr. Speaker, that's what he said in *Hansard* on June 14, 1989. And that's unequivocal, Mr. Speaker. He wants one tax, and he cannot try and welsh around and try and avoid that. That's precisely what he said and that's the New Democratic Party position.

Some Hon. Members: Hear, hear!

Mr. Shillington:— Mr. Premier, my question is to you in part because you are the Premier and are responsible for providing leadership, in part because I think this Assembly is as tired as the public of Saskatchewan in the Minister of Finance's equivocation and outright misrepresentations on this issue.

Some Hon. Members: Hear, hear!

Mr. Shillington: — My question, Mr. Premier, concerns the administrative complexity of this tax. After five years of study your federal counterparts have produced a tax which is even more complex and even more unfair than the one it was designed to replace. In all, there are over 200 pages needed to explain what is said to be a simple, equitable, fair tax.

The question, Mr. Premier, is: if you won't speak for the public of Saskatchewan, will you then at least speak for the small-business community in this province who cry out against this administrative nightmare?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I'm going to quote, Mr. Speaker, again some New Democratic Party arguments made by their hand-picked Finance critic, Mr. Speaker. Mr. Speaker, I'm referring to page 1906 of *Hansard* where the New Democratic Finance critic said he:

. . . saw a cartoon on the front page of *The Financial Post* which . . . summed it up: a retailer in a store with four cash registers, one for each of the situations.

Mr. Minister (and I quote), I want to voice some complaint, first of all, about the fact that we now have two levels . . . two different sales taxes both being imposed with very little co-ordination. Surely it would have been a more rational system to combine them into one. That is what your federal counterpart, Mr. Wilson, wanted to do. I understand you people wouldn't.

But I want to take it a step further, Mr. Speaker, because one left hand doesn't know what the other hand doesn't do, and the monkey . . . the organ-grinder hasn't been listening to the monkey. Because, Mr. Speaker, here's what he said at that time, Mr. Speaker, here's what he said at that time:

I would like . . . to comment on the fact that we now have a . . . more complex situation . . .

He attributes to my motives, Mr. Speaker, he says that the reason you didn't go along is:

. . . the fact that there might have been less money . . . if you had have gone into a single system (rather than more).

So, Mr. Speaker, he has a different interpretation than his leader has, Mr. Speaker. Neither one of them understand it.

Some Hon. Members: Hear, hear!

Revenue Lost Through Lottery Tax

Mr. Kowalsky: — Mr. Speaker, my question is to the same minister. The federal government has created you a problem, Mr. Minister, and you don't which way to turn. You're waiting to see where the wind blows strongest from.

But in the meantime while that's been happening, you have been creating a mini tax revolt of your own right here in the province of Saskatchewan. The latest *Lottery Life*, which is a report to MLAs on lottery activities, states, and I quote:

Since the announcement of the gaming tax, Saskatchewan lottery sales forecast for 1988-89 are off by approximately 11 per cent. It's significant to notice that this drop in sales is only related to the announcement of the gaming tax and not related to the impact of the tax itself.

In other words, Mr. Speaker, the announcement itself caused an 11 per cent decrease, and since then we've had indications from reports that are filtering in, that the revenue is down by as much as 35 per cent — 35 per cent, Mr. Minister. How can you justify the continuation of this tax if the net result is going to be as predictions indicate, that those organizations in sport and culture and recreation will receive greatly reduced grants? How can you justify that, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane — Mr. Speaker, we talked about the lottery tax as early as, I believe, January. It came into effect in July. Anyone that says that there's a reduction in lottery sales because of the discussion of the tax prior to July, Mr. Speaker, they're drawing — and I'm being very polite — a very long bow. It's just not realistic, Mr. Speaker, just not realistic.

Secondly, Mr. Speaker, I notice the dramatic drop in the New Democratic party estimates in slightly more than one month of the tax from a 75 per cent reduction down to 35 per cent. If that projection continues, Mr. Speaker, we'll probably be ahead by September.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — New question, Mr. Speaker. It's time for you to admit, Mr. Minister, that the people across Saskatchewan are fed up with being taxed by you and your Tory friends in Ottawa, taxing on the one hand and wasting money on the other. There has not been a controversy like this one in Saskatchewan since the used car tax which you implemented.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — This is not a temporary measure, Mr. Minister, and given the people's objections, will you today stand up in this House and tell us that you're going to pull this tax?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, let me restate again, because the hon. member of the opposition didn't listen. This government believes that more and more of the gambling revenue should go to health care. That's the position of this government, Mr. Speaker, and that is the position, that is the position, Mr. Speaker, that I believe has the support of the vast majority of the people of this province.

The NDP say that's not the case — the NDP say that's not the case. I simply want to indicate whether he's got his self-interest or the lottery sales for the New Democratic Party down, Mr. Speaker. If that's the case, it's probably much more attributable, Mr. Speaker, to their going on strike, to the way they've handled this session, and to their . . .

The Speaker: — Order, order.

Mr. Kowalsky: — The reason that people are revolting is because they're afraid that this money is going to end up going to GigaText.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — You know, you and I and every member in this House knows full well that that money's going into general revenue, into the Consolidated Fund, just like the fuel tax and the flat tax and the income tax which you've increased. Why don't you admit, Mr. Minister, that all of the money that goes into there ends up going out of the Consolidated Fund to health and education as a group. Why don't you admit that you just use this as a political move to try to justify this tax?

Hon. Mr. Lane: — Mr. Speaker, it's obvious to the people of this province whenever they relate something to GigaText they're simply grandstanding. And that's all that they're doing over there today, Mr. Speaker. They are grandstanding, Mr. Speaker, not concerned about the fundamental issue of where these discretionary expenditures and revenues should go — they should go to health care.

They don't like that, Mr. Speaker. The NDP are opposed to that. I'm surprised, Mr. Speaker, when I hear that the United Church, for example, very much concerned about the New Democratic Party's position on the hospital tax.

Mr. Speaker, the moneys will go to health care, not to general revenues, Mr. Speaker. But again I think it's obvious now after some four and a half months, whatever it may be, whenever they relate to GigaText, Mr. Speaker, it's grandstanding, nothing else but.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — With the implementation of this tax, Mr. Minister . . . new question, Mr. Speaker. With the implementation of this tax you have caused many independent small-business people in Saskatchewan a lot of headaches with its collection — a lot of headaches. In some cases they've had to purchase new tills which has

cost them up to 3 or \$4,000. In other cases they've had to reprogram their tills.

In what way, Mr. Minister, are you going to help these independent, small-business people right across the province of Saskatchewan? Are you going to provide them with any assistance? Or better still, save that and drop the tax. But tell me, what are you going to do for these people?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, the government stated its position on numerous occasions, and I've already indicted to an earlier question from the hon. member that commission would be paid to the small business, and that's the case, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Minister of Finance and the other members, would you all come to order . . . Moose Jaw North. Order, order. Member for Regina Elphinstone, question period is over and I think if all hon. members would just be quiet they wouldn't have to worry about whose attention is being called.

TABLING OF REPORTS

The Speaker: — Before special order I would like to take the opportunity to lay on the Table the annual report of the Saskatchewan Legislative Library.

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. Koenker: — Thank you, Mr. Speaker. As I was saying before the recess for lunch, this debate and this Bill to privatize the potash corporation is a debate over the very future of Saskatchewan, for us and for our children who will benefit and who will control, because those who control resource revenue will determine who benefits, and that's what's at stake here with potash.

This government is selling off a major profitable Saskatchewan asset for a song to foreign investors. It's doing it for the benefit of big business, and as I was saying before the lunch break, the Premier himself, the head of this government, has no logical, rational defence for his action of privatization. It's simply done on the basis of his own credo that the free market forces are what will make this province fly. And this side of the House rejects that belief 100 per cent.

Not that the free market forces aren't important — there's always been a place for those forces here in the province

of Saskatchewan — but that they alone will make this province fly, and that they alone will be entrusted with providing benefits from resources to Saskatchewan people. That we know not to be the case, and I will be getting into specific figures with respect to potash to prove that very point.

Now the Premier talked yesterday about public participation and asked: why not have everyone involved? A good half of his speech was asking of questions rather than providing answers. But he asked, why not have everyone involved? adding in the very next breath that public participation was just like a co-operative.

But I say, Mr. Speaker, what we have now with Crown ownership of the potash corporation is very much just like a co-operative. What we have now through Crown ownership is a partnership of all of the people in Saskatchewan having a stake or a share in resource revenue from potash, having a return on the provincial investment in potash in terms of services in the area of health, education, social services and highways.

That's what I was attempting to illustrate by way of the dental plan and the gutting of a universal dental plan in the province of Quebec because they don't have a resource policy to sustain social services and medical service to the tune that we're accustomed to them here in Saskatchewan. And indeed we don't have a government here in Saskatchewan that has a resource policy, even when the Crowns are in place, that will sustain social service by way of royalties and taxations on the resource companies.

And in this connection I want to point out that it was in the year 1975, which the potash corporation was conceived, that the price of oil was 7.56 U.S. per barrel. And a decade later the price of oil, when the Progressive Conservative government was in power, in 1985, the price of oil was a far cry from 7.56 U.S. a barrel; it was \$30 a barrel.

And the point I want to make here is that if the government has a will or a resolve to secure a fair return for the public from natural resources, be they potash or oil or other mineral wealth, if there is a will and a resolve to secure a fair return, then that return can be secured even when prices for resource commodities are low. Prices high, prices low, if you have a resource policy in place that places a priority on a fair return to provincial taxpayers, you can do a lot. You can do a lot in terms of building a safety network for the people of the province and provide health, education, and social services.

And if you don't have that resource policy in place, be prices high or prices low for potash or oil or any other mineral wealth, then you can't provide that social network. And if you don't have control of the resource sector, or strategic windows on the resource sector such as the oil sector with Saskoil or the potash industry with the Potash Corporation of Saskatchewan, then you lose your ability to control your future and to secure a fair return for public money and for public taxpayers.

What we saw with Colin Thatcher and his brilliant

give-aways to the oil companies in the first term, and indeed in the first years of this government's election in '82 and '83 and '84, was really in excess of a billion dollars going out of the public purse because there wasn't a resource policy in place to put that money into the public purse. There was not a resolve on the part of this Progressive Conservative government to secure a fair return for taxpayers from the God-given resources that were put here in the province to being with.

And any one of us knows, any one of us knows that the resource sector has big bucks at stake. There may be highs, there may be lows in the resource sector for any given mineral or commodity. But in the long term, in the long run, there will be returns that will sustain that kind of economic activity and involvement, and indeed not only sustain it but pay handsome dividends to those who are principals in resource extraction and development.

And that is the issue with respect to the Potash Corporation of Saskatchewan that we are debating here today, that there be a fair return on the resource of potash for the people of Saskatchewan.

Now we need to look at public participation and see it for what it is. When the Premier talks of the involvement of everyone in public participation and it being just like a co-operative, he fails to tell the truth about the control of the privatized potash corporation.

And I want to point out that in Bill 20 this legislation calls only for a majority of the board of directors to be resident Canadians — only a majority of the directors to be resident Canadians. And furthermore, in the next section of the Bill, that only three, at least three of the directors of the purchaser corporation shall be residents of the province of Saskatchewan. Out of how many directors? How many directors should be residents of Saskatchewan? Three. Out of how many? We don't know. Some control! Some measure of provincial government control over provincial resources when all we know is that there will be three members of the board of directors who will be Saskatchewan residents.

There's no intention of the Progressive Conservative government introducing this Bill 20, no intention whatsoever to protect Saskatchewan interests, even with the stipulation that three of the directors be residents of Saskatchewan, because there could be 20 others on the board of directors who would not be residents of Saskatchewan. Some control over our future here in the province!

It also states in this Bill 20 that the head office shall be in Saskatchewan. But what does that mean? It can mean anything this Progressive Conservative government wants it to mean. It can mean a post office box in Midale. That's what it can mean. Then that can be construed as the head office of the potash corporation in the province of Saskatchewan.

That's exactly the game that was at stake in the Joytec corporation and with may of the shell companies that were set up that bilked taxpayers of \$1.125 million. Mail room, mail rooms that were in the head offices of corporations that hardly existed. In this case we'll have a

head office in the province of Saskatchewan allowed by this legislation that could be little more than a mailing address.

And we talked about the foreign, the limitations on foreign control or foreign holdings in the privatized PCS — a 45 per cent limit on non-resident holdings. But we note, Mr. Speaker, and we note very particularly that there is no specific percentage provision as to how many of the shareholders must be Saskatchewan residents.

There's a lot of talk about non-residents in this legislation, but if one looks carefully at the definition of non-resident in this legislation itself, it doesn't mean a non-resident of the province of Saskatchewan; it means an individual, and I quote, "an individual, other than a Canadian citizen . . ." Now that doesn't have to be a Saskatchewan citizen, Mr. Speaker. That can be anyone other than a Canadian citizen. And then we're told that Saskatchewan interests are protected. A lot of protection from this government.

And I note, Mr. Speaker, in this conjunction that the recently released poll, released today by the Saskatchewan Federation of Labour, on privatization, consistently revealing that this government is out of touch with its own people here in the province of Saskatchewan, has indicated that 66 per cent of the respondents in the poll believe that foreign investors will get the most benefits out of the Potash Corporation of Saskatchewan when it's privatized. Sixty-six per cent of the people don't believe this credo of the Premier that privatization will result in Saskatchewan control of resources; 66 per cent of the people believe that foreign investors will get the most out of benefits from this corporation.

And we say on this side of the House that this government is selling the Potash Corporation of Saskatchewan for a song, that we have seen no valuations for the corporation, that it could very well be undervalued, based on its locked in, shut in capacity that's existed these last years. Because this government has had PCS on a leash holding it back so that the private sector can enter in and gobble up proportionately larger shares of sales and offshore opportunities.

We say that this has been a set up from day one, from 1982, to weaken the potash corporation, to put it on a leash, and to turn over the whole of the potash sector to those people who controlled it before it was nationalized by Allan Blakeney and a fair return came to the people of the province.

What a leap of faith, what a leap of faith we heard yesterday from the Premier when he talked about the privatization initiatives of his government, and to some extent tangentially talked about the privatization of potash. Lower taxes he talked about, lower utility rates, better services. Those were the thematics that we heard, the thematics indeed of the next provincial election, the goodies flowing from potash.

This borders, Mr. Speaker, on the patently absurd — on the patently absurd. Is that what we have seen, the things that were promised from the privatization of potash yesterday? Have we seen lower taxes? Have we seen

lower utility rates? Have we seen better services? Of course we haven't. No one in Saskatchewan has seen those come about.

We see instead young people graduating from the University of Saskatchewan who go unemployed. We see engineering students graduating from the Faculty of Engineering of the U of S who can't find jobs in Saskatchewan — consistently, consistently have to go out of province, into Alberta to find jobs, even though they would work here if the opportunities existed.

Little wonder then that we see increasing numbers, ever increasing numbers of people fleeing this province. Indeed, that the net outflow for the first half of this calendar year, the net loss in population has been 13,132 people fleeing the province of Saskatchewan. Incidentally, the greater percentage of them young people, the greater percentage of them young people between the ages of 20 and 30 — 13,000 plus — equivalent, Mr. Speaker, to only a hundred less than left the province in all of last year put together.

What a scandal! What a shame! How absurd for the Premier to talk about the privatization of potash resulting in lower taxes, lower utility rates, and better services. What we've seen is people fleeing the province because of increases in taxation with the flat tax and the gas tax, and increases to the sales tax, and the hospitals, or the hoax tax, the lotteries tax.

(1345)

This government is out of touch, Mr. Speaker. This Premier is out of touch, and it borders on the absurd when he claims that lower taxes and utility rates will result, that increased services will result. What a leap of faith when people are fleeing the province of Saskatchewan. And what a leap of faith, what an insult, Mr. Speaker, when the Premier talks about better services accruing to the people of Saskatchewan when potash is privatized, when the food bank in Saskatoon has record numbers of people pounding on its doors for baskets and bags of food. What absurdity! What hypocrisy when school teachers in Saskatoon give up their summer holidays to feed young children in playgrounds, not just this year, Mr. Speaker, but for the second year in a row in the city of Saskatoon. Better services? What hypocrisy, I say, from the Premier.

It borders on the absurd, it borders on the obscene that we can build new hospitals, the Premier says, that we can build new roads. Well I say the Premier of Saskatchewan has had eight years to provide better health care; he's had eight years to lower taxation; he's had eight years to do something about children who are hungry, and he hasn't done a thing. And the people of Saskatchewan don't believe him when he says that privatization will bring in the new Jerusalem or nirvana.

It's good for all, he said yesterday. It's good for all, the privatization program, the privatization of potash is good for all. I say the Premier's promise, that it's good for all, is good for nothing — it's good for nothing.

Some Hon. Members: Hear, hear!

Mr. Koenker: — And I say this, Mr. Speaker, on the basis of his record that the gas tax would never again darken the door of Saskatchewan; that the sales tax would be eliminated upon the election of a Progressive Conservative government in 1982, and it was increased; that there would be lower income tax, and we got the flat tax; indeed, on the very score of privatization, that SaskPower and SaskTel and SGI (Saskatchewan Government Insurance), utilities would not be privatized by this government, from the Premier's mouth, said that they would not be privatized. And then the promise is broken this session with the introduction of legislation to privatize Saskatchewan Power Corporation. His word is good for nothing.

The bottom line, Mr. Speaker, with respect to what we heard yesterday from the Premier, is not only that his argumentation was simplistic — he may have his credo, but I say that credo is incredible — that his actions in the past have spoken louder than his words, and the people of Saskatchewan will judge him and this government on their actions and not just on their words.

This Premier is a spokesperson for vested interests, for big business, for multinational companies, for foreign multinational companies, and he does not stand up to protect the interests of Saskatchewan people. And it's with this in mind that I'd like to turn now to an examination of some of the genesis of the Potash Corporation of Saskatchewan back in 1974 and 1975.

In the years 1965 to '71, the Liberals formed the Government of Saskatchewan. And the royalties and taxation that the Liberals secured from the potash industry during their seven years of government amounted to \$15.7 million — an average return per year of some \$2 million.

During the six years from '76 to '81 that the New Democratic government of Allan Blakeney was in power and the Potash Corporation of Saskatchewan was in place, royalties and taxations from the potash industry amounted to \$985 million, an average return of \$164 million in royalties and taxes per year to the treasury of the Government of Saskatchewan.

And during the six years of Progressive Conservative government with the Potash Corporation of Saskatchewan from 1982 to 1987, the return was \$274 million, an average return of \$46 million — \$2 million average return from the Liberals over seven years; \$164 million return over six years; an average return of \$164 million each year for the six years of New Democrat administration of the potash corporation, and \$46 million from the six years of Progressive Conservative administration.

A low royalty regime, Mr. Speaker, a low royalty regime from governments that were constitutionally amicable to big business, and a high royalty regime from the New Democratic government of Allan Blakeney.

And this says more about the political masters of the potash resource than just about anything else we could say. It says that there has to be a will and a resolve from the political masters or powers that be at any given time to

secure a fair return to the people of the province, and without that kind of resolve it doesn't — no matter what the prices will be, what the export or the production will be, one thing can be sure — without that resolve there will be no large return to the people of the province.

You take the six-year period where the New Democrats ran the potash corporation and the six-year period where the Progressive Conservatives had the Potash Corporation of Saskatchewan; the New Democrats recovered \$711 million more than the PCs for the people of the province.

And if the New Democrats hadn't have been there, if it had been a Liberal administration, we probably would have seen maybe an increase from the \$2 million average. If the Progressive Conservatives had been there for those six years, we might have seen possibly an increase from the \$46 million average. But we know one thing for certain, we wouldn't see an average return under the New Democrats as what's happened of \$164 million.

The member from Shaunavon said earlier this morning, the government doesn't have to own the potash mines for the benefits to be passed on to the public. And I can agree. Not necessarily . . . it doesn't necessarily have to own the potash mines to secure a fair return, but it does have to have a will and a resolve to secure a fair return. And it does need a window on the resource sector, be it oil or potash, and that's precisely what we find lacking with this present government and its willingness to turn it over to the private sector. And they demonstrated that they have no resolve.

And I want to turn now to some of the history of potash beyond just the numbers and terms of profits and production to look at how the potash companies actually defied the government of the day with its royalty regime when the New Democrats came in. Because of the leniency of the Liberal years and an average return of \$2 million, how they fought tooth and nail against Allan Blakeney and the New Democrats, against a fair return for the people of the province from their own God-given potash resources.

The basic problem with potash back in '75-'76, the basic problem at that time was a disagreement on who was to receive the revenue from potash. The history of that fight is a history of a fair return to the public of Saskatchewan. Prices were low in the early '70s for potash, and then in the mid-'70s the price of potash began to climb from \$20 a ton to \$75 a ton. And basically the province and the potash companies began to be at odds because they disagreed on how the revenues from the industry's renewed prosperity should be shared. When industry was at a low ebb, several years back in the early '70s, the Saskatchewan government had approved a modest schedule of potash royalties that were supposed to remain in effect until 1980 — a modest regime, because of the modest, the low prices.

But what happened? As soon as the company's fortunes began to turn around, they began to get greedy and provincial officials started to oppose special fees and reserve taxes that would increase the government's take from \$18 million in '74-'75 to \$120 million in '75 and '76.

Now what could the provincial treasury do with \$120 million from potash as opposed to \$18 million? Quite a number of things, quite a number of things. It could sustain, for example, Mr. Speaker, the incremental expansion of the dental program each year, if there was \$100 million in the provincial treasury, because of a fair royalty regime and a fair tax regime on potash.

And that issue that was there back in '75, '76 is the issue that faces us squarely here today. Who will benefit from potash, from the God-given resources and the control of those resources? That is the issue here today.

In those days, in '75 and '76, the question was how far would Allan Blakeney go? The Americans were very concerned — so concerned that the U.S. Senate passed a resolution asking the American Department of State to intercede with both Ottawa and the Government of Saskatchewan to oppose the Blakeney government's plans. And the resolution drafted by the U.S. Senate agricultural committee said that partial nationalization of Saskatchewan's potash industry could hurt the U.S. almost as much as an Arab oil embargo that had just taken place earlier. Can you believe, Mr. Speaker, the forces that were arraigned against the Blakeney government in the mid-'70s?

Not only that, but there were massive advertising campaigns against the government. TV time was bought. The Canadian Association of Potash Producers, the industry's trade association, had spent almost \$100,000 on a media campaign to muster public opinion against the Blakeney government and the nationalization plan. And that is \$100,000 in dollars that were worth a whole lot more then than \$100,000 would be worth today.

(1400)

And at that time Mr. Blakeney had commented, and I quote:

The powerful potash lobby in Ottawa has tried to confuse in the public mind the real reason for Saskatchewan's potash policy. But the time is past when big companies can successfully challenge the right of Canadians to control the development of natural resources.

The time has past, Mr. Blakeney said, when the big companies can challenge the people for control of the resource revenues. Well the time was past then because the New Democrats were in office demanding, insisting on a fair return for the people of the province — not a return of \$18 million in '74-'75 as had been the case, but with reserve taxes and special fees that would increase the government take at a time that potash prices and sales were increasing from \$18 million to \$120 million.

But no longer is the time past when big companies can successfully challenge the people's right to a fair return from their natural resources. What we have now is a government that wants to hand over those resources, in the case of Bill 20, to big corporations and foreign interests, to sell the potash corporation for a song. And that, Mr. Speaker, was the issue implicit in the debate

back in '74 and '75 and '76 over who was going to control the potash industry. At that time, planned increases in Saskatchewan potash production capacity by the private industry had been postponed or cancelled because of the uncertainty about the Blakeney government's resource policy towards the industry.

That's fair enough, but what wasn't so fair is that the companies mining potash claimed that the reserves tax, which had first been imposed in 1984, coupled with other federal and provincial taxation, lowered the rate of return of investment to a level at which expenditures for expansion could not be justified. Now all the potash producers in the province were required to pay a reserves tax, a federal and provincial income tax, a proration fee, and a royalty on the ore.

The reserve tax, Mr. Speaker, was based on the value of potash ore reserves, the mine, and the refining plant involving a complex formula that I won't get into. The proration fee was a \$1.20 fee for each tonne of product. And the royalty was imposed for each tonne of ore brought to the surface and was based on the concentration of potassium in the ore, and I won't get into that.

In May of 1975, Mr. Justice D.C. Disberry of the Court of Queen's Bench ruled that Saskatchewan's prorationing scheme was unconstitutional and awarded Central Canada Potash Ltd. one and a half million dollars compensation plus costs. And that ruling was appealed by the province. And then in October of that year the potash companies sued the Government of Saskatchewan, can you believe, for the return of \$24 million in prorationing fees that had been collected since June 1st of '72.

Who is to control the profits and the subsequent benefits accruing to the people of Saskatchewan from their God-given mineral resources? That was the question then, and that is the question now, Mr. Speaker. Twenty-four million dollars at stake. The Government of Saskatchewan sued for \$24 million because of the prorationing fees collected. That was the issue.

That was the issue over constitutionality of the Blakeney government's actions. The ability of the Saskatchewan government to expand and control and regulate and ensure a fair return to the province of Saskatchewan — that was the issue, and that is why we had The Potash Development Act of 1975 that introduced the negotiated purchase of potash mines by the Government of Saskatchewan. That is why we have a record of fight with the big companies rather than flight from the big companies, or with the big companies, as we do with this Progressive Conservative Government.

The struggle for a return to the people of the province from their own resources, that is the history of the potash struggle, and that is part of the history that we are living through right here today with debate on Bill 20.

I want to talk, Mr. Speaker, about some of the issues that are a little bit more current in terms of the fiscal returns to the province of Saskatchewan from the potash corporation once it had been secured by the Blakeney

government. By the end of 1981, the last year the New Democrats were in office for a full year, \$418 million had been invested in the Potash Corporation of Saskatchewan. And that, Mr. Speaker, was the total amount of provincial equity investment, and it was used to purchase and improve the mining assets of the Potash Corporation of Saskatchewan — \$418 million.

From 1976 through 1981 — those same year that the New Democrats were in power, having purchased the potash mines — the Potash Corporation of Saskatchewan had total profits after taxes, total profits after taxes were paid, of \$414 million.

A portion of that \$414 million worth of profits was repaid in dividends to the owners, \$100 million, and the rest — 314 million — was retained earnings which increased equity, provincial equity, the people's equity in the potash corporation and reduced the need for long-term debt so talked about by this government

So what did we have? By the end of 1981 the people of Saskatchewan had received very substantial benefits from that initial investment of \$418 million. They had received \$100 million worth of dividends, and their equity had increased in value to \$732 million. From a \$418 million investment to an equity of \$732 million.

The history of financial return to the people of Saskatchewan from the Potash Corporation of Saskatchewan was a history of consistent profits and tax royalties paid to the provincial treasury under the government of Allan Blakeney.

In 1976 — the first year of government holding the potash corporation — a half a million dollars. In '77 it climbs to \$1.1 million; in '78 to \$25 million profit; in '79 to \$78 million profit; in '80 to \$167 million profit; in '81 to \$141 million profit. What a record of return to the people of Saskatchewan from the God-given resource that was put in the ground of Saskatchewan for the benefit of the people of Saskatchewan.

And it's no accident then, Mr. Speaker, that we saw a prescription drug program implemented for the benefit of the people of Saskatchewan, a children's dental plan implemented for the benefit of the people of Saskatchewan, the SAIL (Saskatchewan Aids to Independent Living) program and countless other programs benefitting Saskatchewan people.

What is the profit picture under the Progressive Conservatives since 1982? In 1982, \$1 million profit; in '83, an \$18 million profit; in '84, \$25 million; in '85, \$68 million; in '86, \$103 million; and in '87, \$21 million.

The facts, Mr. Speaker, speak for themselves. The facts speak for themselves, and I want to refer, once again, to the annual report, the most recent annual report for the Potash Corporation of Saskatchewan for 1988 that was tabled in this Legislative Assembly earlier this spring. And it shows retained earnings or profits for the year 1988 of \$106 million, from the Potash Corporation of Saskatchewan to the people of Saskatchewan — \$106 million worth of profit or retained earnings on the basis, Mr. Speaker, of \$364 million worth of sales.

What a record! What a performance for a company that was kept on a leash, for a company that was working at only two-thirds capacity to still return \$106 million to the people of the province. And that's my argument, Mr. Speaker, that if the Potash Corporation of Saskatchewan were unleashed and not held back by the Government of Saskatchewan, the Progressive Conservative government, there would be more benefits for the people of Saskatchewan.

And it's only because of this government's ideological agenda to open the free market to those free enterprisers who are already in the potash field, and to foreign forces — the Americans, the Chinese, the Japanese — that we don't have profits going into the provincial treasury to benefit all of the people of Saskatchewan. A hundred and six million dollars, Mr. Speaker. Isn't that what we so desperately need when we're spending \$100 million dollars a day just to service the interest on the deficit — \$1 million a day.

Isn't that what we need? A Potash Corporation of Saskatchewan, that's what we need when we're paying \$1 million a day just to service the provincial deficit. That's what the people of Saskatchewan want from their government, a fair return on investments, and that's why they're opposed to this privatization mania of this present government.

And I might add in this context, Mr. Speaker, that it's even the present government in its most recent provincial budget of March 1989 that takes from the Crown investments corporation of Saskatchewan \$200 million, and puts that into the general revenue of the provincial treasury. That this government, this Progressive Conservative government that is so hostile to government involvement in the resource sector through Crown corporations, that it should take \$200 million from those Crowns that it wants to sell off and put it into general revenue in the most recent budget. Doesn't that tell you something about what's at stake for the people of Saskatchewan when it comes to the privatization of the potash corporation?

From these self-professed advocates of free enterprise who abhor government enterprise in the form of Crown investments and Crown-run resource companies like the potash corporation, that these, of all people, should bring in \$200 million into their own budget from the Crown investments corporation. Isn't that something! Isn't that telling, Mr. Speaker — \$200 million.

(1415)

To put that into perspective, Mr. Speaker, that is the same amount of money that this Progressive Conservative government robs from the people of Saskatchewan through that crazy fuel tax. In spite of the rebates, in spite of all of the saving of receipts of Saskatchewan people, this government takes in \$200 million, estimates that it will take in \$200 million from the fuel tax.

And at the same time it estimates that it will take in \$200 million from the Crown investments corporation this year in the form of a dividend to taxpayers. Now why would

any government want to sell off a cash cow? And that's why people of Saskatchewan are opposed to privatization. They know that there are only so many ways that you can raise a buck or earn a buck in a household or on a farm or in a business.

And the same pertains to the Government of Saskatchewan. There are only so many sources of revenue for any government to draw on, whether it's corporate taxes, individual taxes, sales tax, tobacco tax, resource revenue, transfer payments from the federal government. There are only so many sources of revenue.

And they know that once the big dollars for the resource sector, from oil which is now gone, and from potash which will be gone with the passage of this legislation, once those big resource royalties and revenues and profits are eclipsed by this legislation, that the fuel tax will no longer be putting just \$200 million into the provincial treasury, that there will have to be \$400 million taken out of the people's pockets to make up for the money that isn't there from resource revenues from the Crowns.

Either that or the sales tax will have to go up, or the flat tax will have to go up from 2 to 3 per cent, or services will be cut, which is exactly what we saw from these people who can't manage the store, who don't have a resource policy to sustain the kinds of services Saskatchewan people have been accustomed to, precisely because of the resource policy that the New Democrat governments had instituted previous to the last eight years.

By their own admission, from the annual report of the potash corporation and from the provincial budget of this March, resource revenues are the key to governing this province, and this is what this government, this PC government and its Premier would sell off — the last of the profit-making Crowns, the Potash Corporation of Saskatchewan.

And if the people of Saskatchewan ever want to have a prayer of seeing a return of the prescription drug program as it was known prior to '87, if there's ever to be a prayer of a return to that prescription drug program, then you'll have to have a Potash Corporation of Saskatchewan. If people in rural Saskatchewan ever want to drive on decent highways again, to ever have a prayer of driving on decent highways, then, Mr. Speaker, there must be a Potash Corporation of Saskatchewan.

If waiting lists at hospitals are ever to be reduced, if there's ever to be a prayer of my constituents not having to wait five months to get into the cancer clinic, then there must be a Potash Corporation of Saskatchewan. If admission quotas at the University of Saskatchewan are ever to be lifted, let it be said, Mr. Speaker, that there must be a Potash Corporation of Saskatchewan.

If there's ever to be a decent social services program that provides minimal levels of decency for people on social services so that they can wash their clothes and have a transportation allowance so that they might be able to find a job, then there must be a Potash Corporation of Saskatchewan. There must be a resource policy that serves the public interest and provides social services and health services and education and highways.

Now, Mr. Speaker, many might ask, what is the outlook for potash? I said earlier that the resource sector is a cyclical . . . has many cyclical cycles. It doesn't matter really whether you're into pulp or paper, coal, oil, potash — it's subject to fluctuation. That's the very nature of the resource sector. And I want to quote in terms of . . . from the 1988 Canadian minerals year-book, "Review and Outlook," produced by Energy, Mines, and Resources Canada, as to the outlook for potash in the coming years.

And this year-book, "Review and Outlook," notes that already a year ago, in '87, there was a general perception in the potash industry that the '86-87 period, the worst period that the market had seen, there was a perception that that was over and done with and that the markets would begin to be improving. And this review notes that indeed markets have improved both in volume and price to the most optimistically forecast levels — to the most optimistically forecast levels.

And it goes on to note that agronomists now expect planted grain acreage to increase in '89 to 9 to 12 per cent over previous forecasts of 6 per cent. And because potash is a fertilizer used in cereal crops to produce food in the United States, especially in the case of corn in the United States, the increase is forecast to be 13 to 14 per cent. Potash consumption in the United States indeed is likely to rise from 600,000 tons to 1 million metric tons of potash above last years level. And furthermore, it goes to note that some agronomists forecast good levels of potash consumption in the United States for 1990 and 1991. It goes on further to note that it's reasonable to expect a steady improvement in demand from most Latin American as well as Asian countries, particularly in China, at an average annual rate of between 4 and 5 per cent.

It further points out that Canadian producers, Canadian producers of potash will gain a high proportion of this incremental market so that Canadian offshore exports in early 1990s will reach equality with North American sales. And it finally concludes this outlook by noting:

It is assumed that world demand for potash will resume an upward growth averaging between 2 and 2.4 per cent a year between now and the year 2000.

The outlook is optimistic, Mr. Speaker, both for the use or demand for potash and for the price of potash, for the development of new markets for potash. The outlook is optimistic from the federal Government of Canada. And it's at this time of optimistic market outlooks that this Progressive Conservative government wants to sell the Potash Corporation of Saskatchewan. It's precisely at this point in time that the Government of Saskatchewan, the Progressive Conservative Government of Saskatchewan has locked in PCS production at Lanigan.

In this same report that I've just been quoting from, it goes on to note that overall capacity utilization at Lanigan, the PCS mine at Lanigan, was less than 60 per cent for last year, and that PCS has to find a solution to this low utilization as unit costs of production were prohibitively high. PCS on a leash, greasing the skids for the private

sector, while markets are improving and the private sector companies are taking advantage of the opportunities presented.

While that's happening, PCS trims employment down from 1,668 in 1986 down to 1,480 in '87, and down again to 1,276 in '88. Two hundred jobs lost in Cory alone.

And now we have privatization, precisely at the point when market prospects are brighter than they've been for the last number of years. Little wonder then, little wonder then, that in its annual review and outlook for mineral production last year, that the Government of Canada says, and I quote:

Some three years ago the Government of Saskatchewan announced its intention to privatize PCS when conditions are right. Steps to privatize are likely to be taken in 1989, since the overall world potash markets as well as PCS's performance improved to the point where investment in potash becomes much more desirable.

Much more desirable. And then we see Potash Corporation of Saskatchewan sold off.

Well at the same time, what do we see? What do we see happening in neighbouring Manitoba just two kilometres across the border, Mr. Speaker? We see the Manitoba potash project, the Manitoba potash project, with the Government of Manitoba pressing to get involved in the construction of potash mine in Manitoba just two kilometres across the line from Saskatchewan, begging for investment to seize the opportunity presented by this rosy, optimistic market projections that I've just talked about. Isn't that something!

And this Manitoba potash project notes, and I quote from their annual report:

Although world demand for potash and the price in world markets go up and down in cycles as they do for agricultural products, the long-term outlook for demand is up.

And I go on to quote, Mr. Speaker:

The studies confirm that the Manitoba potash project from both a technical and an economic standpoint is a good investment for Manitoba.

And this Premier divests from the potash investment in Saskatchewan. A bright future projected for potash in Manitoba, for the demand for potash, the growth in world markets, enough to legitimate concrete plans for the production of potash two kilometres outside the borders of Saskatchewan by the Government of Manitoba, and this government begs out of the potash industry.

And I want to just close this portion of my speech, Mr. Speaker, by pointing to the advantages highlighted by the Manitoba potash people in their most recent '88 annual report, and I quote:

1. Opportunity to meet the demands of a rapidly growing world market;
2. High quality deposit equivalent in ore grade and mining conditions to the most efficient Saskatchewan mines;
3. Among lowest direct operating costs in the world;
4. Strategically located, close to key transport lines, utilities, and town infrastructure;
5. Efficient transportation available to offshore and U.S. destinations.

These are the advantages cited by the Manitoba potash project, the very same advantages enjoyed by PCS, and this government wants to bow out and betray Saskatchewan people.

(1430)

I just want to comment also, Mr. Speaker, on the betrayal of Saskatchewan people with the sale of the potash corporation when it comes to jobs in research and development. It was in 1979 that the potash corporation initiated a modest agronomic research project looking at the salinity of Saskatchewan soils, not very high profile. The company had just come under government control. But in the next year, 1980, a half a million dollars, about one to one and a half per cent of annual gross sales was spent on research and development by the potash corporation under the New Democrats.

And in 1981, again a commitment in the annual report was made to the expenditure of one to one and a half per cent of annual gross sales for research and development activities. And indeed, because of the increased profitability and sales of the potash corporation, the amount expended on research and development by the potash corporation increased from half a million dollars in 1980, to \$3.8 million in '81.

By 1982 there were some 30 people working for the R&D (research and development) sector of the potash corporation. And what happened in 1983 after the Conservatives came in? There were 26 engineers and technologists working in R&D. Isn't that great? A small reduction, okay, down from 30 but perhaps doing the same amount of work. No they weren't doing the same amount of work because we note that the expenditures for that year were \$2.9 million.

And the next year we note that the annual report from the potash corporation in '84 indicates that the potash corporation continues to place a strong emphasis on long-range research and development, continues to place a strong emphasis on research and development. And yet in the very next year the annual report for '85 notes, and I quote:

Long range and operational support Research and Development continued at a somewhat reduced level . . .

And I come to the most recent annual report which talks in glowing terms about technical services, enhanced safety, productivity, and quality control under R&D, but where the corporation expends only \$2.2 million or .61 per cent of gross annual sales on research and development.

Now here we see, the point I want to make, here we see the Progressive Conservative government backing out of research and development activities at the Potash Corporation of Saskatchewan. All the talk from the Premier about new jobs and diversification and the bright future of the potash corporation, given yesterday as an article of faith, are belied by his own record in research and development activities in the potash corporation. And I say, Mr. Speaker, this record of cuts to research and development in the potash corporation under PC hands will continue when it's put into private hands. And those jobs, those future jobs that I talked about earlier for engineering students at the U of S will continue to go out of this province as people flee this government's policies.

Mr. Speaker, the record of this Progressive Conservative government when it comes to social services and the provision of a safety net, as well as resource policy, is a record of betrayal. The issue before us in this debate on Bill 20 is the issue of control. Will foreigners be allowed to buy into PCS and control PCS, or will Saskatchewan people, through their government, have an opportunity to ensure that the benefits from the God-given resources go to the people of Saskatchewan?

The issue, Mr. Speaker, is quite simply, who will benefit? The issue, Mr. Speaker, is whether we will have \$1.6 million next year from the potash corporation in profits that we had this year. The issue, Mr. Speaker, is how far that \$106 million in profit from the potash corporation in 1988 could go to benefit all of Saskatchewan people instead of just big-business people.

People are saying, Mr. Speaker, that this government has gone too far, that they're selling Saskatchewan's future. People are saying, let the people decide. Let the people decide what the fate of the potash corporation and SaskPower will be. People are saying, Mr. Speaker, that this government has no mandate to privatize, no mandate whatsoever.

Some Hon. Members: Hear, hear!

Mr. Koenker: — People are saying, Mr. Speaker, that this government is trying the hands of Saskatchewan people behind their backs from here to eternity with their privatization measures of the potash corporation because of the free trade agreement, that it's a voluntary surrender to outside American and foreign interests from the Premier of the province, and that they don't like it and that they won't accept it.

People are saying, Mr. Speaker, that potash is to Saskatchewan what oil is to Saudi Arabia, that that is our ticket to our future if we control the God-given resources that have been given to us instead of selling them off for a song to foreign investors.

The privatization agenda, Mr. Speaker is potash today,

SaskPower tomorrow, and SGI the day after tomorrow, and medicare the day after that day. That is the privatization agenda. And the people of Saskatchewan know that.

The Saskatchewan experience and experiment with government control of resources through Crown corporation has worked, has worked for Saskatchewan people. We may sell people Saskatchewan wheat, but we don't have to sell them Saskatchewan's farms. We may sell foreigners Saskatchewan's potash, but we don't have to sell them our potash mines.

Mr. Speaker, I say the good Lord put the potash in the ground of Saskatchewan for the good of all Saskatchewan people and not just for the interests of big business. I say that when the natural gas and the coal and the oil and the gold and the potash was formed millions of years ago in the bowels of the earth, it didn't have the name of Peter Pocklington or Cargill or any foreign interests written on it. It was put in the ground in the province of Saskatchewan for the benefit of the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Koenker: — I say, Mr. Speaker, that there is enough wealth in Saskatchewan, there is enough wealth here in Saskatchewan for the need of all, but not for the greed of all, the big corporations.

Some Hon. Members: Hear, hear!

Mr. Koenker: — And because of this, Mr. Speaker, because of this, Saskatchewan people are beginning to stand up and be counted; they're beginning to stand up and say that the minister of privatization, the minister responsible for the potash corporation, and that the Premier of this province belong not in government but in jail for what they're doing with this provincial heritage.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. I believe that that kind of remark is not called for and is unparliamentary. Order, order. Order, order. I'm going to ask the hon. member to withdraw that remark.

Mr. Koenker: — I withdraw that remark, Mr. Speaker.

I just want to conclude by saying, Mr. Speaker, that the Government of Saskatchewan that sells out Saskatchewan's resources, that sells out Saskatchewan's future, that sells out Saskatchewan's potash, should be turfed out of office, and that that will be the fate of this government because of Bill 20. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Thank you, Mr. Speaker. I certainly welcome the opportunity to enter the debate today on Bill 20, an historic piece of legislation that will help to move the potash industry in Saskatchewan towards the next decade and to the 21st century. And I think, Mr. Speaker, the member on the opposite side of the House that we've been listening to for the last several

hours is probably one of the better examples that we have in this Assembly of one of the preachers of fear, because he's gone on at great length, I think, trying to talk about the potash industry and some of the things, certainly, that are not included in this Bill and is not the intention of this government.

When I listened to the member on the opposite side too, Mr. Speaker, when he talks about all of the great things two kilometres across the border into Manitoba where they have potash — and we understand that — I didn't hear him saying anything about who was promoting the development of potash in Manitoba and who has been for the last number of years.

Two people that were previously associated with this government, as you know, Mr. Speaker, Jack Messer and the former president of the Potash Corporation of Saskatchewan, David Dombowsky. But I also, Mr. Speaker, didn't hear the member saying anything about the fact they had already started digging a hole in the ground.

Now certainly they have been examining possibilities for potash development there, but to this date there has been no move whatsoever to start developing a mine. And I'm sure that the people in Manitoba are fully aware of the fact that there is an over-supply of potash in the world today, and I certainly don't anticipate that they're going to be developing any mine in that particular province for some years to come.

He also talks, Mr. Speaker, about the privatization of potash as being such a terrible thing. The markets look very, very bright and yet the government is getting out of it. They're bowing out, he says, and this is really a bad thing.

Well, Mr. Speaker, let's take a look at the record of this government and our record with regard to privatization. This government decided to get out of the pulp and paper industry as well, but I don't really see that that has been a bad thing. I think, when we consider what Weyerhaeuser has done with pulp and paper in this province, and the fact that they have developed a new paper mill that was not there before and has created in the neighbourhood of 200 jobs, that the province, the government bowing out of the pulp and paper industry or the pulp industry, that wasn't a bad thing, Mr. Speaker. That was an excellent thing.

So why does he insist on trying to create fear with the residents of the province by suggesting that because we're getting out of the potash industry that that is a bad thing. Well, Mr. Speaker, when we consider the fact that the member opposite and many of his colleagues are certainly very much opposed to business — and we've seen examples of that with the high-tech industry. We know what they did with Joytec.

And I see comments just this morning, Mr. Speaker, that the member opposite who just finished, the member from Saskatoon Sutherland, is condemning the possibility that an American defence company might be purchasing SED Systems. Now that's in his own riding. He's opposed to jobs being created in Saskatoon and jobs being created in

this province, Mr. Speaker.

So when he stands in his place and makes some of the comments that he does, I think that we really have to consider where's he coming from as far as his political ideology is concerned.

It's really interesting when we talk about defence contracts, Mr. Speaker, and I just make this one short comment. That it was the NDP government back in the years . . . back in 1979 to '81, it was the NDP government that got the first defence contract for SED Systems, so I don't think he has reason to disagree with what's happening there.

(1445)

Well, Mr. Speaker, I know that the potash debate has been going on for some time, some four months now, and the opposition has a good deal of time to talk about it, some as much as 13 hours. I want to say, Mr. Speaker, that as far as the potash industry in this province is concerned, it is very, very, important to the people of Saskatoon.

Saskatoon is looked upon as being the potash capital, I believe, of North America. Very, very important industry in this province. And when you consider the fact that we've got nearly 10,000 people in this province that are employed in the potash industry, that is very, very important to the economy of this province. Many people in the city of Saskatoon, if they're not directly employed in the potash industry, are employed in industries that also are services industries that are involved with the potash mining.

We're fortunate in Saskatchewan that we do have about 40 per cent of all the potash reserves found in the world. So it is an industry that we look forward to having great potential for many, many years to come, Mr. Speaker.

Well let's take a close look at the NDP, what happened with their nationalization, and they often talk about the fact that the PCs don't have any mandate to privatize the industry. I don't recall them asking me or anyone else in this province back in the 1975 election or in fact telling us that they were going to privatize . . . or nationalize the potash industry. I don't recall that. And yet now we find that it's really a bad thing when we start look at privatizing an industry that they themselves were looking at back in 1981-82. But they really don't like to admit, Mr. Speaker, that that's in fact what they were doing.

Well back in 1975 we know that the Leader of the Opposition today, the member from Riversdale, was suggesting and predicting that this nationalization of the potash industry marked a new era in resource management for Saskatchewan and for Canada. Well, Mr. Speaker, I think if we examine that very, very closely, that it was probably one of the better examples that we have seen of resource mismanagement, something that would have been much better if it had never ever happened.

If we consider the fact that in 1975-76 when the NDP decided that they were going to take over the potash industry, where did the money come from to take over the

potash industry that they did? Where did it come from? We haven't heard them talking too much about this. They always talk about all these great ideas they've got, but they never really get down to the root of where they're going to get the money to do this.

Well, Mr. Speaker, this is where they got the money. They talked about the so-called Heritage Fund. Well I understand they took about \$418 million out of that, Saskatchewan taxpayers' money, and they borrowed another \$106 million from foreign banks to purchase roughly 50 per cent of the potash industry. So there we are, Mr. Speaker, at \$524 million — 418 from the taxpayers of the province and another 106 million that they borrowed.

Now the member from Sutherland didn't mention anything about the fact that they had borrowed the money, the \$106 million, and he also did not say anything about the fact that in 1978 they borrowed another \$550 million for the mine expansion at Lanigan.

So here's a member then . . . this is how they misconstrue the facts, misrepresent the facts, Mr. Speaker. He talks about 418 million on one hand, and yet we find that in fact it was over a billion dollars that we're talking about here. So another \$550 million that was borrowed to pay for the mine expansion at Lanigan, an expansion, Mr. Speaker, that was totally unnecessary because of the fact that the market was already flooded with potash — totally unnecessary.

Now they say, well why did the PCs continue with that expansion then after they came to power in 1982? Well the fact of the matter is, Mr. Speaker, that over \$330 million had already been spent by the previous government by the time the PCs came to power, and the commitments were already there to complete the project.

Mr. Speaker, aside from all the money then that was borrowed and money that was taken from the taxpayers' pockets in this province, we have \$130 million in accumulated losses in unpaid interest charges. So the people of Saskatchewan have invested some \$1.1 billion in PCS since 1975. If we take inflation into account, that amounts to over \$2 billion, Mr. Speaker, \$2 billion on the potash industry.

Now I know that Saskatchewan taxpayers would be interested in knowing what kind of a return they got from this. We've heard all kinds of fancy figures from the other side as to the return that the taxpayers got from the potash industry.

Well it's not really very rosy, Mr. Speaker. The hard fact is that over the 14 years since the potash mines were nationalized, there's \$2 billion in investment, that the return has been something like 3.7 per cent by these economic wizards on the other side of the House — 3.7 per cent on the original investment, Mr. Speaker. When we factor in average debt service charges of 11.3 per cent, we find that the NDP's potash investment actually showed a return of minus or negative 8 per cent. Now that's really terrific, Mr. Speaker.

Now here's another thing. They talk about job creation.

Have you heard one member on the other side of the House talk about how many new jobs were created when the potash mines were nationalized? We haven't heard one thing about that. Not one new job was created, Mr. Speaker, not one new job. No new economic activity was generated, and now the people of Saskatchewan are burdened with a potash debt of nearly \$700 million.

And they talked about all of these different revenues that they had coming in, but how much did they ever pay, how much did they ever pay on the principal? And they never paid anything on the interest.

Well in short, Mr. Speaker, the nationalization of the potash industry by the NDP in 1975 was very, very poor business, and a very, very poor investment. Let's break that down, Mr. Speaker, as to just what it is really costing, and I'd like to hear the member from Saskatoon Sutherland talk about this . . . (inaudible interjection) . . . Saskatoon University, right.

Today Saskatchewan taxpayers face interest charges on the potash debt, of \$220,000 per day — that's about \$9,200 per hour. So if one considers the amount of time that we've spent on this Bill 20, Mr. Speaker, it's cost the taxpayers of this province about \$9 million just during the course of this debate on Bill 20.

Mr. Speaker, every dime of those interest charges will have to come out of the provincial treasury, paid into the pockets of the foreign banks that the NDP used as capital pool. Mr. Speaker, that was just another unhappy illustration of the sorry business acumen of the NDP.

If one was to consider the fact that if that money had simply been deposited in a savings account, Mr. Speaker, we would have had a substantial amount of money today that we don't have — \$1.5 billion on \$418 million invested.

So, Mr. Speaker, we in the government say this has gone far enough. Enough is enough. The nationalization of the potash industry has been a dismal failure, Mr. Speaker, a dismal failure. But the members on the opposite side of the House would never, ever admit that, although we do know full well that in 1981-82 that they were considering privatizing the potash industry in Saskatchewan.

Today the NDP's take-over of the potash industry is costing Saskatchewan people \$70 million a year. Now they talk an awful lot about more money that's needed for health care and education and the social programs. Well, Mr. Speaker, \$70 million a year will go a long ways in providing more of those very necessary services in this province, but we haven't got it; we haven't got it because of moves that these people made with their great economic wisdom back in the 1970s.

Mr. Speaker, the potash industry, as we all know, by nature is very cyclical, and we know that it has ups and downs as far as the sales are concerned. Investment decisions of this kind should be taken by individuals with a considerable amount of knowledge in the business world — consideration given to their own risk comfort level and their particular financial priorities and capacities. It certainly should not be an investment

decision taken by government for the sake of the preservation and continuation of a particular ideology.

Mr. Speaker, the Potash Corporation of Saskatchewan has indeed experienced periods of boom and bust. In an industry subject to extreme fluctuations in price and demand and a volatile market, the last downturn pushed PCS and most other potash companies into a loss positions. But because PCS is owned by the provincial government, those losses have to be taken right out of the taxpayers' pocket in this province, Mr. Speaker.

And while the last couple of years have seen a turnaround under a new management team and aided by record export sales in '87 and '88, the company requires new investment now to expand and to diversify. And, Mr. Speaker, what better way to do it than through public participation? What better way than to do it by allowing the people in the province of Saskatchewan an opportunity to purchase shares. And I don't have any doubt, Mr. Speaker, but what members on the opposite side of the House will be just as interested as anybody else in purchasing shares in the potash industry.

The replacement of debt with equity, together with growth and diversification, will strengthen PCS. It's certainly going to be very beneficial as far as jobs are concerned. It's going to provide job security for our potash workers and their families, and it's also going to be good, Mr. Speaker, when we consider the communities which are located close to the potash mines. Saskatoon, of course, is going to benefit much more probably than any other centre in the province.

Mr. Speaker, the endless droning repetitive arguments that we've heard from the other side of the House cannot be based on economic reality or on a clear and coherent financial framework. Our Premier, I think, yesterday gave us the best example possible, the best examples, excellent reasons as to why this should be happening and the benefits that are going to be derived for the people of Saskatchewan. And I would hope that everyone has an opportunity to get a copy of that speech, Mr. Speaker, and find out exactly all of the reasons why this is being done, because it was an excellent speech and I think it laid out very clearly for the people in the province of Saskatchewan as to why this is so important, and the many long-term benefits that are going to be derived from it, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — I know it was mentioned before, Mr. Speaker, but I will mention it again, and that's to do with a comment that was made by Bruce Johnstone yesterday in the . . . or in Saturday's *Leader-Post*, that as far as the people of Saskatchewan investing \$2 billion in potash, that they have really received nothing in return. In fact, today Saskatchewan people own a potash corporation that is \$650 million in debt, so it really was not a good business deal back in the 1970s.

One of the greatest concerns that the preachers of fear on the opposite side like to raise, Mr. Speaker, is the fact that we're going to lose control of the potash industry, we're going to lose control of the potash resource. Well I think

that this has been pointed out very clearly that that is not going to be the case. The amount of shares that any one company or any one individual can own is limited. So the potash resource industry is certainly going to be very, very carefully monitored and controlled, will remain here in the province of Saskatchewan . . .

The Speaker: — Order, order. The member for Regina Elphinstone and Regina North . . . or Moose Jaw North, please refrain from interfering with the debate.

Hon. Mr. Meiklejohn: — I would just say again, Mr. Speaker, that one of the concerns that the opposition keeps harping on is the fact that the industry . . . we're going to lose control of it. But I think that has been clearly pointed out, Mr. Speaker, that that is not the case at all. But by selling shares in the potash industry in the province of Saskatchewan, that it's being set up in such a way that control will always remain here in the province of Saskatchewan. The head office will always be here in the province of Saskatchewan. But again the preachers of fear like to say otherwise, Mr. Speaker.

We've got lots of potash here, Mr. Speaker, that's going to last for many, many years to come. It's going to be providing jobs for many, many years to come. It's going to provide revenues that can be used for providing services, whether it's health or education or social programs, Mr. Speaker, for many, many more years to come. The people of Saskatchewan are going to benefit a very, very great deal from privatization and share offering that's going to take place in the near future.

Mr. Speaker, it's not a question of whether we would be better off holding on to PCS as a Crown corporation. We clearly would not. It's not a question of whether we would lose control of our potash resource by allowing a share offering to take place. That is clearly not the case, Mr. Speaker. And it certainly is not a question of whether we would be losing future profits at PCS by selling shares in the corporation. None of those things are going to be there, Mr. Speaker.

Mr. Speaker, all of this can lead to only one conclusion. The NDP is opposed to public participation of PCS because it offends their outdated and discredited socialist ideology, that worn-out ideology that has provided a simple solution to every problem faced by the NDP, and that solution, Mr. Speaker, has been nationalization.

(1500)

During the 1970s and the early '80s the NDP was determined to nationalize oil, pulp and paper, uranium, coal, farm land, and of course potash. Well nationalization, Mr. Speaker, has been a bust, and the people of Saskatchewan are still digging themselves out from underneath the mess left by the NDP.

Mr. Deputy Speaker, the member from Riversdale and his colleagues in the NDP could find half a billion dollars for the purchase of potash mines that generated no new jobs and no economic growth. But, Mr. Deputy Speaker, where was the NDP back in the early 1980s when interest rates were over the 20 per cent mark? Where were they for assistance for farmers and for business people and

home owners? Nowhere to be found; weren't interested in helping out one little bit. But they had a half a billion dollars, Mr. Deputy Speaker, to buy potash mines.

Mr. Deputy Speaker . . .

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

Hon. Mr. Hodgins: — Mr. Deputy Speaker, I would ask leave of the Assembly to introduce some guests.

INTRODUCTION OF GUESTS

Hon. Mr. Hodgins: — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, it's my pleasure to introduce to you, and through you to all members of the Assembly, a couple of very distinguished youthful politicians from northern Saskatchewan. And I'm pleased to introduce to you, Mr. Deputy Speaker, seated in the gallery to my right, the Speaker's gallery, the mayor of Ile-a-la-Crosse, Buckley Belanger, and the mayor of Pinehouse, Greg Ross.

Hon. Members: Hear, hear!

SPECIAL ORDER

ADJOURNED DEBATES

SECOND READINGS

Bill No. 20 (continued)

Hon. Mr. Meiklejohn: — Mr. Deputy Speaker, let me say this in closing. Bill 20 is not the product of some stifling ideology or philosophy. It's a synthesis of practicality and a reasoned, coherent approach to economic management in the formulation of responsible and progressive public policy.

Public participation in PCS is good for the corporation, its workers and their families, the communities that depend on a health industry, and the taxpayers of Saskatchewan.

Mr. Deputy Speaker, I will take great pleasure in standing in my place and voting in favour of Bill 20. Thank you.

Some Hon. Members: Hear, hear!

Mr. Prebble: — Well, Mr. Speaker, I'm pleased to take part in this debate, and I think perhaps it's appropriate that another Saskatoon member should follow the member who just spoke representing Saskatoon Mayfair because, Mr. Speaker, I think that some of the comments that that member made, Mr. Speaker, demonstrate how this PC government has totally misrepresented the truth about the Potash Corporation of Saskatchewan and the record of the New Democratic Party in terms of the way it managed potash in this province, Mr. Speaker.

And so I want to begin by directly commenting on some of the remarks that the member for Saskatoon Mayfair made, Mr. Speaker. First of all, Mr. Speaker, the member for Saskatoon Mayfair argued that in fact the Potash

Corporation of Saskatchewan, based on investment that in current dollars terms he suggested was some \$2 billion, had as a result of the bad moves that the New Democratic Party made, run after interest payments, a net annual loss of 8 per cent, Mr. Speaker.

Now I want the member, if he has the courage to hear these comments, Mr. Speaker — it appears that he doesn't — to . . .

The Deputy Speaker: — Order, order. The member for Saskatoon University knows that he is not to make reference to people's absence or presence, and you cannot do indirectly what you cannot do directly. So I would ask him not to make reference to people's absence or presence.

Mr. Prebble: — I will abide by your ruling, Mr. Deputy Speaker. I want to lay out for the member, Mr. Speaker, and for all members of the legislature, the facts with respect to the profit record of potash under the New Democratic Party. You will recall, Mr. Deputy Speaker, that in 1976, the first year of operation of PCS, the company paid more than \$1 million in provincial taxes and royalties, and made a profit of half a million dollars.

In 1977 the taxes and royalties paid to the provincial treasury increased to more than \$16 million, and profits topped 1.1 million. In 1978 the Potash Corporation of Saskatchewan paid provincial taxes and royalties of \$35 million, and made a profit of nearly \$25 million. And I want to remind the member that in those days that was based, Mr. Deputy Speaker, on an investment of about \$440 million in PCS.

In 1979 more than \$58 million was paid in taxes and royalties by the Potash Corporation of Saskatchewan, and the profits of the company jumped to \$78 million. Mr. Deputy Speaker, the member from Mayfair only has to go back and look at the annual reports of PCS to see these figures. He'd I'm sure have been interested in looking at the report for 1980 when PCS paid nearly \$90 million in taxes and royalties. And its profits, Mr. Deputy Speaker, hit \$167 million for the year, and it paid a \$50 million dividend to the taxpayers of Saskatchewan into the Consolidated Fund.

And then I'm sure the member for Mayfair would have been interested in the profit figure for 1981. Taxes and royalties in that year paid by PCS were \$71 million. Profits were \$141 million, and another \$50 million dividend was paid to the treasury.

So, Mr. Deputy Speaker, in the six years that the New Democratic Party had responsibility for the Potash Corporation of Saskatchewan, the public company had more than \$413 million in profits, Mr. Deputy Speaker. Mr. Deputy Speaker, only about \$440 million had been invested in PCS. That means, Mr. Deputy Speaker, that in just six years, under the New Democratic Party, all but \$20 million of the money that was owing to completely pay off for the original investment in PCS had been earned.

And in addition to that, Mr. Deputy Speaker, the provincial treasury had received more than \$270 million

in taxes and in royalties, and PCS had paid Saskatchewan taxpayers \$100 million in dividends, Mr. Deputy Speaker.

Now how does that record square with the facts of the member for Mayfair, Mr. Deputy Speaker? It doesn't at all. The reality is that under the six years that the New Democratic Party had responsibility for PCS, its return, Mr. Deputy Speaker, on equity was 22 per cent — 22 per cent, not a loss of 8 per cent as the member for Mayfair suggested. So, Mr. Deputy Speaker, if there were losses on PCS that were made, they were clearly made under the PC term in office and not in ours.

Now, Mr. Deputy Speaker, the member for Mayfair also said that the Potash Corporation of Saskatchewan under the New Democratic Party didn't create any new jobs in the province of Saskatchewan. Well I wonder, Mr. Deputy Speaker, if he could again go back to the annual reports, go back to the record of PCS, look at the truth for a moment and consider the fact that in those six years from 1976 to 1982, the number of people who worked at the Potash Corporation of Saskatchewan increased from 1,164 to 2,267. Now I wonder how the member for Mayfair explains those facts, Mr. Deputy Speaker, and how those square with his claim that no new jobs were created.

Mr. Deputy Speaker, the member suggested that more money could have been made by taking the borrowed money that the New Democratic Party borrowed to established the Potash Corporation of Saskatchewan, and to put it in the bank. Now, Mr. Deputy Speaker, I just don't understand the logic of that. The member for Mayfair is somehow suggesting that going out and borrowing money at 13 or 14 per cent in those years, and then, Mr. Deputy Speaker, investing it at an interest rate of in the range of 10 per cent, would have somehow been a good investment.

Well we just don't understand that on this side of the House, Mr. Deputy Speaker. That can only be described as PC economics, that the member from Mayfair actually believes that one can make money by going out and borrowing money and then taking the borrowed money and putting it in a savings account, and that somehow the interest in that savings account will exceed the interest that has to be paid on the borrowed money. That's beyond me, Mr. Deputy Speaker.

But I don't think that the member for Mayfair can refute the fact that a 22 per cent return on investment during the six years that the New Democratic Party had responsibility for managing the Potash Corporation of Saskatchewan, greatly exceeded anything that could have been made had that money been placed in the bank, Mr. Deputy Speaker.

Now, Mr. Deputy Speaker, the member for Mayfair went on to say that the head office for the Potash Corporation of Saskatchewan is going to remain in the province of Saskatchewan, and that control of the Potash Corporation of Saskatchewan is somehow going to remain in the province of Saskatchewan, Mr. Deputy Speaker. And once again, Mr. Deputy Speaker, that puzzles me how the member from Mayfair could possibly conclude that Bill

20, the legislation before us, would have the end result that the member for Mayfair suggests.

Mr. Deputy Speaker, he conveniently ignores the fact that this legislation only provides that a paper head office remains in the province of Saskatchewan. Mr. Deputy Speaker, when 45 per cent of the shares of PCS, as provided for under this Bill, lie in foreign interests, non-Canadian interests, because this Bill provides that 45 per cent of all the shares in the Potash Corporation of Saskatchewan will be held by non-Canadians; and when in addition to that, Mr. Deputy Speaker, the remaining 55 per cent of the shares, by virtue of the legislation, will remain in Canadian interests but not necessarily in Saskatchewan hands, in fact, Mr. Deputy Speaker, there is no provision in this legislation, no requirement for a single share to be held by Saskatchewan residents.

Now clearly, a few shares, Mr. Deputy Speaker, will be held by Saskatchewan residents. I don't want to pretend that none of the shares will be held by Saskatchewan residents; clearly some Saskatchewan residents are going to buy PCS shares when they go onto the market.

But I think, Mr. Deputy Speaker, that it's reasonable to speculate that not more than 10 per cent of the shares in what will be a gigantic share offering of well in excess of a billion dollars . . . it's not unreasonable to think that not more than 10 to 15 per cent of the shares will initially be purchased by Saskatchewan residents. And that means, Mr. Deputy Speaker, that of the other 55 per cent of the shares that will be held by Canadians, that at least 40 per cent of that 55 per cent, or about three-quarters, will be held by Canadian residents outside of the province of Saskatchewan.

And so, Mr. Deputy Speaker, when 45 per cent of the shares are held by non-Canadians, by governments like India, by American companies, American multinational potash companies, by foreign interests such as China, perhaps Korea, perhaps Japan, and when you have . . . of the remaining shares that remain in Canadian hands, at least three-quarters of those being held by non-Saskatchewan residents, it's reasonable to conclude, Mr. Deputy Speaker, that control of PCS will not lie in the hands of Saskatchewan people, but that it will lie in the hands of non-Saskatchewan residents, and that therefore the real head office for the Potash Corporation of Saskatchewan will soon no longer be in Saskatoon. If the owners, Mr. Deputy Speaker, of PCS lie in central Canada and lie outside of Canada, then clearly, Mr. Deputy Speaker, the head office of PCS is likely to be in Toronto or in some other major central Canadian city, Mr. Deputy Speaker, or else perhaps even outside of Canada completely, Mr. Deputy Speaker.

It's not unreasonable, for instance, Mr. Deputy Speaker, to think that the real head office could be in Chicago where a lot of the people who are currently running PCS originate from, Mr. Deputy Speaker. If you look at the key management personnel currently at the Potash Corporation of Saskatchewan that this PC government has put in place, most of the senior management, Mr. Deputy Speaker, are former management people for International Minerals Corporation based in Chicago. And it's not at all unreasonable to think that that's where

the head office of PCS will be after Bill 20 becomes law, Mr. Deputy Speaker.

So for the member for Mayfair to suggest that control of PCS will remain in the province of Saskatchewan is to misrepresent the reality of Bill 20, Mr. Deputy Speaker. And for the member for Mayfair to suggest that the head office will likely still be in the province of Saskatchewan in anything other than paper terms is again to misrepresent the reality of Bill 20, Mr. Deputy Speaker.

(1515)

And therefore, Mr. Deputy Speaker, I think that some of the comments that I've made demonstrate that the member from Mayfair's point simply cannot be substantiated when you look at the reality of the Bill before us.

Now, Mr. Deputy Speaker, I want to turn to some of the other comments that I would like to make about this very important piece of legislation because this, Mr. Deputy Speaker, is really a debate about the future of the province of Saskatchewan, about who will have control over the economic destiny of this province, Mr. Deputy Speaker. It's a debate, Mr. Deputy Speaker, about who will control perhaps the most important resource in this province, not just for the next 20 or 30 years, but for many, many generations to come. Because the consequences of Bill 20, Mr. Deputy Speaker, will be virtually irreversible, at least as long as the free trade agreement takes effect between Canada and the United States.

And I say that, Mr. Deputy Speaker, because one of the most unsettling provisions about this Bill is its virtual irreversible nature. And I invite members of the government and members of the public to look at the free trade agreement, and specifically, Mr. Deputy Speaker, to look at the provisions of the free trade agreement that govern the sale of Crown corporations and the establishment of levels of American ownership under a Crown corporation.

And when that provision of the free trade agreement is examined, Mr. Deputy Speaker, members of the public will see that the reality is that once that any shares that are sold to Americans, any PCS shares that are sold to Americans cannot be bought back by the Government of Saskatchewan at any future time by any future government, Mr. Deputy Speaker, as long as the free trade agreement remains in effect.

Mr. Deputy Speaker, that is a very, very troubling provision, because if this government chooses to take its 45 per cent foreign ownership of PCS and sell it largely to American interests, that means that as long as the free trade agreement stays in effect, those shares can never be bought back by the people of Saskatchewan regardless, Mr. Speaker, of who is in government.

And somehow members opposite, members of the PC Party call that public participation, Mr. Deputy Speaker. I call it a sell-out of Saskatchewan interests, Mr. Deputy Speaker. It's nothing less than that. It's a sell-out of Saskatchewan interests to the vested interests that this Premier is in the hip pocket of, Mr. Deputy Speaker, and

one of those major vested interests is the multinational corporations in the United States that used to run the potash industry of this province and that, Mr. Deputy Speaker, for 13 years had the control of that interest wrested from them by the people of Saskatchewan, Mr. Deputy Speaker.

And now we're seeing this Premier turn back the clock and return the control over that resource to many of those same multinationals that we wrested control of 13 years ago, Mr. Deputy Speaker, many of whom donate heavily to the PC Party opposite.

Now, Mr. Deputy Speaker, I want to talk for a moment about the importance of potash to the people of Saskatchewan, about the importance of this resource, Mr. Deputy Speaker. Because unlike most other resources, Mr. Deputy Speaker, that we have in this province, potash is particularly important because it is a resource that will be able to be used and for which many, many future generations will be able to benefit, Mr. Deputy Speaker. In fact, in this province we have a 4,000-year supply of potash at current rates of utilization.

That means, Mr. Deputy Speaker, that some 200 generations of Saskatchewan residents can potentially benefit from this very important resource. Mr. Deputy Speaker, what this government is therefore doing is, in selling off this resource to foreign interests and to non-Saskatchewan interests and calling it public participation when in fact they know that no more than 10 per cent of the shares will ever be held by Saskatchewan residents, Mr. Deputy Speaker, that we will move from 100 per cent Saskatchewan control to probably about 10 per cent Saskatchewan control.

What this government is doing is, in effect, by making that sell-off it is robbing the next 200 generations of Saskatchewan residents from the benefits that accrue from that resource, from the ability to control that resource, from the ability to receive profits from that resource, Mr. Deputy Speaker.

We right now, Mr. Deputy Speaker, in having 100 per cent control of that resource through PCS, we have stewardship of a resource that cannot only significantly benefit the people of Saskatchewan, but that can significantly benefit the world, Mr. Deputy Speaker. We have, in effect, Mr. Deputy Speaker, stewardship of a resource that can help to feed a hungry world.

Right now, we have a population in the world of just over 5 billion people, Mr. Deputy Speaker. We know that within 40 years, Mr. Deputy Speaker, the population of the world will have doubled. We'll be looking at a world population in the range of about 10 billion people, Mr. Deputy Speaker, and that population increase will continue to take place.

And we know, Mr. Deputy Speaker, that to meet the food needs, the nutritional needs of that exploding population, one of the important resources in helping to meet those needs is obviously fertilizer, Mr. Deputy Speaker, and one of the most important sources of fertilization to meet those needs is obviously potash.

And therefore, Mr. Deputy Speaker, not only do we control the resource, potash, at this point in time, that can be a tremendous benefit to Saskatchewan people, but we control a resource, Mr. Deputy Speaker, that can also be a tremendous benefit to the world. We can manage that resource right now, Mr. Deputy Speaker, in such a way that not only Saskatchewan people can benefit but that the global community can benefit as well.

And I want to give an example of what I mean by that, Mr. Deputy Speaker. Mr. Deputy Speaker, one of the things that the Potash Corporation of Saskatchewan began to do under the New Democratic Party is that it began to work with other countries in the world, including poorer countries in the world, to help them with research that would both benefit the Potash Corporation of Saskatchewan and the people of Saskatchewan from the point of view of sales of potash to that country, but that would also benefit local people in that country from the point of view of helping those people to better meet their own food needs at the local level without having to import large amounts of food from overseas, Mr. Deputy Speaker.

And one of my dreams for the Potash Corporation of Saskatchewan, Mr. Speaker, is that that role for PCS could have been expanded. That of course was one of the things that members opposite were not interested in. When they came to government, Mr. Deputy Speaker, they basically dropped, they basically cut off the research arm of the Potash Corporation of Saskatchewan. And they gave no attention at all to what PCS could be doing to meet the needs of less fortunate countries in the global community, Mr. Deputy Speaker.

But, Mr. Deputy Speaker, when we were in a position when we had paid for the Potash Corporation of Saskatchewan and were able to turn it over to another generation of Saskatchewan residents who would be able to benefit from the profits of PCS without having a debt attached to it, one of the obvious things that we would have been able to do, Mr. Deputy Speaker, is begin to see how we could use the Potash Corporation of Saskatchewan as a vehicle, not just to make money for Saskatchewan residents but also as a vehicle to benefit residents of poorer countries in this globe, Mr. Deputy Speaker.

In effect, in other words, the Potash Corporation of Saskatchewan could not only have become a vehicle for making profits for the people of Saskatchewan but it could have also become an international aid vehicle, Mr. Deputy Speaker, that could have used the potash resource as a resource that would not only benefit countries that could afford to pay for potash but that could also benefit countries, less fortunate countries, that were perhaps not in an position to pay the market price for potash, Mr. Deputy Speaker. That is one of the exciting things that PCS could have done in the future that the PC government opposite, Mr. Deputy Speaker, is now making impossible.

Mr. Deputy Speaker, I think that one of the key tests that we have to look at in terms of whether or not Bill 20 is a good piece of legislation, is the question of whether or not this legislation adds to the rights and the benefit and the

power of those who have little in Saskatchewan, or whether this piece of legislation is simply going to benefit those in this province and out of province who are wealthy and powerful.

And I think, Mr. Speaker, that one of the most despicable things about Bill 20 is that it has nothing to do with the interests of those who have little in the province of Saskatchewan, or with the interests of those who have little outside the province of Saskatchewan. And it has everything to do, Mr. Deputy Speaker, with the interests of those who have much in the province of Saskatchewan, and evermore to do with the interests of those who are wealthy outside the province of Saskatchewan, Mr. Deputy Speaker.

And I say that, Mr. Deputy Speaker, because while the government talks about public participation, one has to ask oneself the reality, who in Saskatchewan will be able to afford to buy Potash Corporation of Saskatchewan shares? Who will be able to afford to do it, Mr. Deputy Speaker?

And I think it's reasonable to say, Mr. Deputy Speaker, that first of all no one who is poor in the province of Saskatchewan — and that, to begin with, we're talking at least about 25 per cent of Saskatchewan residents — no one who is poor will be able to afford to buy a single share in the Potash Corporation of Saskatchewan.

And I think, Mr. Deputy Speaker, it's also reasonable to assert that average income earners in this province, while they may be able to afford to buy a few shares, will in effect not be able to buy any significant number of shares in PCS, Mr. Deputy Speaker.

The only people who will be able to afford to buy significant numbers of shares in PCS in the province of Saskatchewan are the small percentage of people in this province who are wealthy — the top 10 per cent of people in the province of Saskatchewan, Mr. Deputy Speaker. If they are shareholders in PCS within the province, which clearly there will be some, they will be primarily among that group of people, Mr. Deputy Speaker.

Right now we have a potash corporation that everyone in this province owns, that everyone in this province has an equal share in, that everyone in Saskatchewan benefits equally from. And what this government, Mr. Deputy Speaker, wants to do is move that from a situation where everyone has an equal share and everyone receives equal benefits to assist them, in which only a few in this province get the benefit of those shares, Mr. Deputy Speaker.

And even worse, Mr. Deputy Speaker, they want to take the bulk of the corporation, some 90 per cent of it, and sell half of that 90 per cent off to wealthy investors in to other parts of Canada, and the other half of that 90 per cent off, Mr. Deputy Speaker, to people who are non-Canadians, to governments and corporate interests outside of Canada, Mr. Deputy Speaker, who will not be operating and making decisions about PCS with the interests of the people of Saskatchewan in mind, Mr. Deputy Speaker, but will be making decisions about PCS with the interests

of their own profit margins in mind, Mr. Deputy Speaker.

And so, Mr. Deputy Speaker, I say that Bill 20 fails perhaps the most important test for any piece of legislation, and that is who benefits. And will the average resident of Saskatchewan and average income earner benefit from the selling off of PCS? And will poor people in this province benefit from the selling off of PCS? I think, Mr. Deputy Speaker, the answer is clearly, they will not benefit, they are unlikely to own any of the shares when this is all said and done, Mr. Deputy Speaker. This legislation is solely in the interests of those who are wealthy and powerful in the province of Saskatchewan, and outside the province of Saskatchewan, Mr. Deputy Speaker.

(1530)

Now, Mr. Deputy Speaker, I want to turn to look at the legislation itself in a little more detail. Mr. Deputy Speaker, one of the things that I find particularly troubling about the Bill is the provision in section 3 of the Bill which will transfer the assets that are held by the Potash Corporation of Saskatchewan and its various subsidiaries, Mr. Deputy Speaker, to a newly publicly traded corporation called the purchaser corporation.

I don't want to go into all the fine details of section 3, Mr. Deputy Speaker — that's not my role in second reading. But clearly, Mr. Deputy Speaker, the intent here, the intent in the Bill is to basically allow the Potash Corporation of Saskatchewan to enter into transactions that in one form or another will allow the corporation to transfer as many of the assets as it wishes to what is called the purchaser corporation under this Bill.

Now, Mr. Deputy Speaker, what concerns me about this provision is that it is clear under the legislation that it is not the intent necessarily of the government to transfer all the assets of the Potash Corporation of Saskatchewan to what is referred to as the purchaser corporation in section 3 of the Bill. And what is significant about that, Mr. Deputy Speaker, is that the provisions in this legislation to sell 45 per cent of PCS assets to foreign interests, Mr. Deputy Speaker, the provision to sell off 45 per cent of PCS assets to foreign interests only applies to the assets that PCS has actually transferred, what is described in the Bill as the purchaser corporation, the corporate entity that purchases the assets of the potash corporation from the potash corporation and takes charge of those assets, and then disperses those assets to various foreign interests.

Now what that clearly means, Mr. Deputy Speaker, is that this government, prior to transferring assets to the purchaser corporation, is free to take any other assets that PCS holds that it wants to and sell them off to whatever foreign interests that it wants to before taking the remaining portion of PCS assets and transferring it to the purchaser corporation, Mr. Deputy Speaker.

In other words, what I am saying, Mr. Deputy Speaker — and I see the Minister of Finance, the minister responsible for PCS, shaking his head, Mr. Deputy Speaker. I see him shaking his head. But, Mr. Deputy Speaker, he will not be able to deny when we are done with him in Committee of the Whole that this is true.

What he is giving himself the authority to do in this Bill, Mr. Deputy Speaker, is to sell off as many potash mines that PCS currently holds that he wants to, to foreign interests. And then when he's done doing that, Mr. Deputy Speaker, when he's done doing that, he will transfer the rest of the assets of PCS to the so-called purchaser corporation. And then of those remaining, assets that the purchaser corporation holds, another 45 per cent of those assets can be transferred and sold to foreign companies and foreign countries.

And that means in reality, I believe, Mr. Deputy Speaker, that when PCS has been sold off far more than 50 per cent of it will be held by foreign interests. It won't just be a sale of 45 per cent of PCS assets to foreign interests, we may well see 60 or 70 per cent of the Potash Corporation of Saskatchewan owned by interests outside of Canada, Mr. Deputy Speaker. That's what this legislation is all about, and it's that kind of a sell-off that members on this side of the House are objecting to.

Some Hon. Members: Hear, hear!

Mr. Prebble: — You know, Mr. Deputy Speaker, one of the things that I really find interesting about this Bill in terms of referring to some of specifics of the Bill is its title, Mr. Deputy Speaker.

In many ways the title represents the kind of doublespeak that the Conservative Party opposite has engaged in whenever it's talking about privatization. When it came to the privatization of the Saskatchewan Power Corporation, Mr. Deputy Speaker, the government opposite was fond of saying that SaskPower is not for sale; it's SaskEnergy that is for sale, ignoring the fact of course that SaskEnergy was part of SaskPower.

In this case, Mr. Deputy Speaker, the government has called this bill the reorganization of the Potash Corporation of Saskatchewan. Mr. Deputy Speaker, this Bill has got nothing at all to do with reorganizing the Potash Corporation of Saskatchewan. This Bill is about dissolving the Potash Corporation of Saskatchewan. This Bill is about the demolition of the Potash Corporation of Saskatchewan, Mr. Deputy Speaker. And the misleading nature of the title reflects, Mr. Deputy Speaker, I think, on the misleading comments that members of the PC side of the House have been making about this legislation ever since the debate on it began.

Now, Mr. Deputy Speaker, we on this side of the House believe that not only is this sell-off of the Potash Corporation of Saskatchewan not in the interests of the people of Saskatchewan, but that there is a much better way and a better vision that people in Saskatchewan could have looked forward to with respect to the management of the Potash Corporation of Saskatchewan if it wasn't for the fact that the members opposite, the PC government, have been running it for the last seven years.

And I want to speak for a moment, Mr. Deputy Speaker, about what our vision is for the Potash Corporation of Saskatchewan. And I want to make some personal comments about what my personal hopes and aspirations for the Potash Corporation of Saskatchewan was, Mr.

Deputy Speaker, that unfortunately Bill 20 makes impossible.

Mr. Deputy Speaker, what we currently have with respect to the Potash Corporation of Saskatchewan right now is a corporation that is 100 per cent owned and controlled by the people of this province. It's a powerful economic development tool for the people of Saskatchewan, Mr. Deputy Speaker. And our vision of PCS is that it would remain 100 per cent owned and controlled by the people of Saskatchewan.

Our vision of PCS, Mr. Deputy Speaker, is a vision where the head office, the real head office, is right here in the province of Saskatchewan. Not just a post office box number, Mr. Deputy Speaker, but the head office with all the jobs that the head office brings right in my home city of Saskatoon, Mr. Deputy Speaker.

Our vision of PCS, Mr. Deputy Speaker, is of a corporation with a major research and development arm working in close harmony with the University of Saskatchewan, which I'm proud to represent in this legislature, Mr. Deputy Speaker, and with our technical schools in the province of Saskatchewan, a strong research and development arm that creates jobs and opportunities for young people in this province, Mr. Deputy Speaker.

Our vision, Mr. Deputy Speaker, is that the research and development arm of PCS that the PC government cut off and shut down would be reopened, Mr. Deputy Speaker, because that kind of research and development is not only key to us expanding our markets overseas, Mr. Deputy Speaker, but it's key to us developing new product lines which could be processed and manufactured right here in the province of Saskatchewan.

Mr. Deputy Speaker, we saw a government some 18 months ago, Mr. Deputy Speaker, that made a decision to close down, virtually close down at least, the Cory mine just outside of Saskatoon. I think, Mr. Deputy Speaker, it primarily chose to close it down because it didn't like the politics of the union that was representing PCS workers, Mr. Deputy Speaker. They were some of the workers in the potash industry who were most willing to stand up for their rights against this autocratic government, Mr. Deputy Speaker. And this government chose to punish those workers by virtually shutting down that mine.

When it shut down that mine, Mr. Deputy Speaker, it closed down the potassium sulphate pilot plant which was developing new lines of speciality fertilizers for the citrus industry, Mr. Deputy Speaker. That mine, Mr. Deputy Speaker, and the market for potassium sulphate was one of the most promising opportunities we had in the province of Saskatchewan.

And I remember that day well, Mr. Deputy Speaker, because on that same day the Minister of Social Services, the member for Melville, announced, Mr. Deputy Speaker, announced that there were going to be 200 new work-for-welfare jobs in the province of Saskatchewan that were going to last for 20 weeks, the same day that the PC government laid off 200 people who were

permanently employed at the Potash Corporation of Saskatchewan and put them on unemployment insurance, Mr. Deputy Speaker.

And that day for me, Mr. Deputy Speaker, symbolized what this government is all about, Mr. Deputy Speaker. It creates 20-week work-for-welfare jobs, 200 of them, on the same day that it lays off 200 people who were permanently employed in the potash industry in the province of Saskatchewan.

And that, Mr. Deputy Speaker, has just been so typical of what this government has been about, destroying long-term job opportunities for people and then, Mr. Deputy Speaker, taking the poorest of the poor and forcing them to work for 20 weeks at minimum wage, just long enough that they can qualify for unemployment insurance, because after the 20 weeks the PC government of course laid them all off again, Mr. Deputy Speaker. That's what this government has been all about.

Well, Mr. Deputy Speaker, that's not our vision of this province. Our vision of this province — our vision of this province is of an economic future that provides hope and security and long-term job opportunity for people in the province of Saskatchewan, and to use the Potash Corporation of Saskatchewan as an important vehicle for achieving that objective, Mr. Deputy Speaker. And a very important vehicle it could have been.

Now, Mr. Deputy Speaker, not only was our vision one of using the Potash Corporation of Saskatchewan as a vehicle for economic opportunity in this province, as a vehicle for the creation of new jobs in the province of Saskatchewan, but our vision, Mr. Deputy Speaker, also was one of using the potash corporation as a model for industrial relations in the province of Saskatchewan; as a forum for experimenting with new kinds of employee input into the way that the corporation would be managed.

In other words, Mr. Deputy Speaker, we were hoping to use PCS as a model for new forms of worker control in the province of Saskatchewan. We believe, Mr. Deputy Speaker, and we believe passionately, that the people who work for the Potash Corporation of Saskatchewan should have a meaningful say in the day-to-day decisions about how the Potash Corporation of Saskatchewan would be run. And we believe, Mr. Deputy Speaker, that that kind of employee control would not only be in the best interests of employees at PCS, but that it would also, Mr. Deputy Speaker, be in the best interests of the people of Saskatchewan. Because, Mr. Deputy Speaker . . .

An Hon. Member: — Why didn't you do it?

Mr. Prebble: — Well the member for Lumsden, the Minister of Finance and the minister of PCS says, why didn't we do it. And I want to tell the minister responsible for the Potash Corporation of Saskatchewan that in 1981 we were beginning to do just that, and he knows it full well. He knows full well, Mr. Deputy Speaker, that we had been holding detailed talks with the unions representing PCS workers for just such a plan, Mr. Deputy Speaker. He knows that full well. He knows that there had

been concrete talks and detailed discussions between workers at the Potash Corporation of Saskatchewan and PCS management for just such a plan of democratic control.

And what did the member opposite, the member responsible for PCS, and his party do when they were elected? They cut short that opportunity for democratic control. They smashed the body, the joint body that was set up to discuss that. They dissolved it, Mr. Deputy Speaker. They robbed the workers of PCS of an opportunity to control, to have meaningful control over their work place, Mr. Deputy Speaker, and they did it without blinking an eye.

Now, Mr. Deputy Speaker, I want to comment on another important vision, Mr. Deputy Speaker, that we had for the Potash Corporation of Saskatchewan. And, Mr. Deputy Speaker, that was a vision, Mr. Deputy Speaker, of how the communities that were most closely connected with the potash mines and with PCS could again become more involved in the operations of PCS could more concretely benefit from their proximity to the potash industry, Mr. Deputy Speaker.

(1545)

Mr. Deputy Speaker, we dreamed of a PCS that could work hand in hand with local communities, looking at how they could become involved in supplying some of the products that were required, either raw materials or finished manufactured products, or just basic day-to-day supplies that were going to be required and needed by the Potash Corporation of Saskatchewan, and that those local communities in close proximity to PCS would be in the best position to supply, Mr. Deputy Speaker.

And once again, Mr. Deputy Speaker, this legislation, which transfers control of PCS to non-Saskatchewan residents, ends any opportunity for those communities to benefit in concrete form from the operation of the Potash Corporation of Saskatchewan in their communities, Mr. Deputy Speaker.

Now I want to comment, Mr. Deputy Speaker, I want to go a little further and comment on some of my hopes about the Potash Corporation of Saskatchewan, Mr. Deputy Speaker. And one of the things that I would like to have seen our government do, Mr. Deputy Speaker, and that I think is particularly borne out now, is that I would personally, Mr. Deputy Speaker, would like to have seen the Potash Corporation of Saskatchewan issue non-transferable shares to every resident in this province. Shares that would not be sold, Mr. Deputy Speaker, but shares that would be transferred to every Saskatchewan resident in the province of Saskatchewan when they turned 18, Mr. Deputy Speaker, and on which every Saskatchewan resident would earn dividends, Mr. Deputy Speaker, and would earn dividends on an annual basis, Mr. Deputy Speaker.

And one of my great regrets, Mr. Deputy Speaker, about the fact that we didn't have the opportunity to do that is that I think that had that been done, this government would never have been able to get away with selling off the Potash Corporation of Saskatchewan, Mr. Deputy

Speaker, because this is a corporation that is truly owned by every resident of Saskatchewan. And if every resident of Saskatchewan had not only had ownership, but had had individuals shares, Mr. Deputy Speaker, all of which would have been equal in value for every resident, none of which would have been transferable, but all of which could have earned dividends, Mr. Deputy Speaker, I believe that this government could never have sold off PCS, Mr. Deputy Speaker.

That's my one regret, Mr. Deputy Speaker, that we did not have an opportunity to put such a plan in place, Mr. Deputy Speaker. I believe that it would have helped to concretise the ownership, the reality of ownership for all Saskatchewan residents and that, Mr. Deputy Speaker, all Saskatchewan residents would have enjoyed being able to receive on an annual basis, dividends on those shares.

Now, Mr. Deputy Speaker, I want to turn to some other concerns that I have about Bill 20, Mr. Deputy Speaker. I want to put those concerns in the context of what the Potash Corporation of Saskatchewan and its loss now means for the people of Saskatchewan, Mr. Deputy Speaker. Because what we have here, Mr. Deputy Speaker, in the sale of potash is not only the sale of the most important revenue-generating Crown corporation in the province of Saskatchewan, but we also have, Mr. Deputy Speaker, in Bill 20, the sale of the last revenue-generating Crown corporation in the province of Saskatchewan — the last, Mr. Deputy Speaker. In other words, Mr. Deputy Speaker, Bill 20 not only represents the selling off of potash in this province, it represents the selling off of the last major revenue-generating asset in the province of Saskatchewan.

One is left wondering, Mr. Deputy Speaker, once this last revenue-generating asset is gone, what is left for Saskatchewan people? That, Mr. Deputy Speaker, is one of the reasons why we have been putting up such a strong fight against this Bill. Because, Mr. Deputy Speaker, it not only represents the sale of the crown jewel in terms of Crown corporations, it represents the sale of the last revenue-generating asset in this province. And that truly, Mr. Deputy Speaker, is a tragedy.

We've seen this government, Mr. Deputy Speaker, sell off Saskatchewan Minerals Corporation, a highly profitable asset that employed many people in Chaplin, Mr. Deputy Speaker, that was of great benefit to the province of Saskatchewan. We saw this government sell the Saskatchewan Mining Development Corporation and pass the legislation to privatize that, and with that legislation, Mr. Deputy Speaker, among other things, goes an opportunity for the people of Saskatchewan to control and receive benefits from the gold resources of this province.

We saw this government sell off SaskCOMP, a highly profitable computer company that regularly returned a 20 to 25 per cent return on investment to the people of Saskatchewan. We saw this government sell off Saskoil, Mr. Deputy Speaker, and now, Mr. Deputy Speaker, only 25 per cent of the assets of Saskoil are controlled by the people of Saskatchewan; the rest are controlled by non-Saskatchewan residents. We saw this government sell off the Prince Albert pulp company, Mr. Deputy

Speaker. It's gone now, controlled by an American multinational, Weyerhaeuser of Tacoma, Washington, who not only controls the pulp mill, Mr. Deputy Speaker, but who controls more than 12 million acres of northern forest resource now. That's been the record of this government to date.

Every major public asset that the people of Saskatchewan had, Mr. Deputy Speaker, this government has sold off. Every single major public asset that the people of Saskatchewan had that was revenue-generating had been sold off except for potash. And now, Mr. Deputy Speaker, we have the ultimate sell-off, the ultimate sell-off of Saskatchewan people's interests and that is the sell-off of our potash resource, Mr. Deputy Speaker.

And, Mr. Deputy Speaker, one is left wondering . . . Mr. Deputy Speaker, one's left wondering where we're going to get the revenue from to either pay off the PC debate or to finance our social programs in this province. And you know, Mr. Deputy Speaker, on every sell-off the PC government misrepresented the financial position of the corporation in the same way that they're misrepresenting the financial position of the Potash Corporation of Saskatchewan.

I remember the ads . . . I'll just give one example here, Mr. Deputy Speaker. I don't want to divert too much, I just want to use one example to make my point here, and that is with respect to the sell-off of the Prince Albert pulp company. You'll remember the ads, Mr. Deputy Speaker, the misleading ads, Mr. Deputy Speaker, about how the Prince Albert pulp company, under the New Democratic Party, was losing \$90,000 a day. And I remember that the Deputy Premier and the members of the government opposite ran those ads all across the province of Saskatchewan, Mr. Deputy Speaker. Did they bother to consider, Mr. Deputy Speaker, the truth with respect to the annual report which showed that in the two years that the NDP government ran PAPCO (Prince Albert Pulp Company) that it made \$20 million in 1980 and \$21 million in 1981. Did they bother to refer to the annual report to look at the profit figures? No, Mr. Deputy Speaker. They just used the \$90,000-a-day loss claim as a matter, Mr. Deputy Speaker, of convenience for their own political ends, in the same way as the Premier later, later on that year talked about how the Assembly was costing \$90,000 a day, when of course all the members knew that it only cost \$30,000 a day. Mr. Deputy Speaker, they're fond of that \$90,000-a-day loss figure.

And, Mr. Deputy Speaker, they've done exactly the same on PCS. They claim, Mr. Deputy Speaker, the PCS was losing money under the NDP, whereas, Mr. Deputy Speaker, as I mentioned right in the beginning of my speech in rebutting the member from Mayfair, nothing could have been further from the truth. We made \$413 million in profits; we paid over \$250 million in royalties and taxes in the six years that we ran PCS.

The members opposite know that's the truth, Mr. Deputy Speaker, but they didn't want to live with the truth because that wouldn't have justified their political ends. So they fabricated the truth, Mr. Deputy Speaker, they fabricated the truth to justify the selling off of PCS.

Some Hon. Members: Hear, hear!

Mr. Prebble: — Now, Mr. Deputy Speaker, one is left wondering what we will do when PCS is gone to pay off the gigantic debt that the PC government, the members opposite, has run up. I mean, this is not only a government, Mr. Deputy Speaker, that couldn't make money in running the Potash Corporation of Saskatchewan. I almost vomited, Mr. Deputy Speaker, when I heard the member for Mayfair talk about the \$600 million debt of PCS, because you know, Mr. Deputy Speaker, what he didn't talk about? He didn't talk about the fact that 512 million of that \$600 million debt had been run up while he was in government, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Prebble: — That's what he didn't talk about — that's what he didn't talk about. He blames us for the \$600 million debt. It's absolutely incredible! He doesn't bother to refer to the 1982 report of his own colleague, the member for Yorkton, the former minister responsible for the Potash Corporation of Saskatchewan. The documents show, Mr. Deputy Speaker, that when this government inherited PCS in 1982, it had a debt of only \$88 million on equity of some \$730 million.

The member for Wilkie laughs. I invite the member from Wilkie to go to the annual report and to look it up, Mr. Deputy Speaker. I invite him to go and do that, Mr. Deputy Speaker, and he will see that that's the truth. He will see that that's the truth, Mr. Deputy Speaker.

Now, Mr. Deputy Speaker, the member from Mayfair clearly misrepresented the debt situation of the Potash Corporation of Saskatchewan under the DNP, Mr. Deputy Speaker. He knows full well, Mr. Deputy Speaker, that 512 million out of the \$600 million debt of PCS was run up during the PC term in office.

So, Mr. Deputy Speaker, as I said, we're left wondering . . . without the revenues of the Potash Corporation of Saskatchewan, we are left wondering how the \$3.9 billion deficit that this government has run up will ever be paid off by the people of Saskatchewan, Mr. Deputy Speaker, without, Mr. Deputy Speaker, any government, regardless of their political stripe, having to resort to taxing the people of Saskatchewan themselves to both make the interest payments on the debt, Mr. Deputy Speaker, and to make the principal payments on the massive debt that this government has run up.

You know, Mr. Deputy Speaker, until Bill 20, until potash was to be sold off, there was still some hope of paying off the massive PC deficit without having to pay it off on the backs of the people of Saskatchewan, Mr. Deputy Speaker. It was our hope, Mr. Deputy Speaker, it was my personal hope that under an NDP government — making at least \$200 million a year I'm convinced could have regularly been made, at least \$200 million a year in profits could have regularly been made from PCS, Mr. Deputy Speaker — there was some hope of seeing how the principal payments on the debt could be made and how the deficit could be reduced, Mr. Deputy Speaker, without doing it on the backs of Saskatchewan people.

Without PCS, Mr. Deputy Speaker, and without the revenues that the Potash Corporation of Saskatchewan brings, I frankly see no vehicle for paying off the massive debt that this PC government has run up, except through regular taxes, Mr. Deputy Speaker, and that saddens me greatly — that saddens me greatly.

And what this government is doing, Mr. Speaker, in selling off the Potash Corporation of Saskatchewan is that it is guaranteeing, Mr. Speaker, it is guaranteeing, just to pay off the debt alone, it is guaranteeing that there will have to be a massive tax increase in this province, a massive tax increase if we are ever to pay off the PC debt, because, Mr. Speaker, there is no longer, after the sale of PCS, going to be any significant revenue from resources in this province.

As I've said, Mr. Speaker, we've lost our revenues from oil with the sale of Saskoil; we've lost our revenues from our computer company with the sale of SaskCOMP; we've lost our revenues on gold from the sale of SMDC (Saskatchewan Mining Development Corporation); we've lost our revenues on sodium sulphate from the sale of Sask Minerals; we've lost our revenues, Mr. Speaker, on forestry from the sale of PAPCO; and now, Mr. Speaker, we are going to lose our profits from potash from the sale of PCS.

(1600)

And so, Mr. Speaker, this government is now about to sell off the very last revenue-generating Crown corporation that we have in the province of Saskatchewan, and with it, Mr. Speaker, is going to come a guarantee that there will have to be, regardless of who's in office, a massive tax increase in this province to pay off the debt that these members opposite, this PC Party, has run up in seven short years, Mr. Speaker. And it really is a tragedy.

And not only, Mr. Speaker, is the government guaranteeing that there will have to be a massive tax increase to pay off their debt, but, Mr. Speaker, they are also robbing the people of Saskatchewan and future generations of Saskatchewan residents from the opportunity to use resource revenues as a means of financing social programs in this province. You know, Mr. Speaker, that was what Crown corporations were originally to be all about.

Of course the government opposite, the PC government, never supported that vision, Mr. Speaker, they had no respect for it, and they certainly had no desire to carry it out. But our vision, Mr. Speaker, of the Crowns was one of establishing publicly owned companies, Mr. Speaker, that would generate revenues and profit that could be used to finance social programs in this province instead of having to ask Saskatchewan taxpayers to pay the full cost of those social programs, Mr. Speaker.

I don't want to pretend, Mr. Speaker, that revenues from the sale of those resources would constitute the majority of revenue for social programs in the province of Saskatchewan.

But, Mr. Speaker, in our years of government, those

revenues were very significant. They constituted regularly 20 to 25 per cent of the budget, Mr. Speaker. And, Mr. Speaker, in losing potash and in losing all these other Crown-owned agencies that I have made reference to, we lose our opportunity, Mr. Speaker, we lose our opportunity to finance social programs from resource revenues. And that is obviously going to dramatically limit any future government in terms of what they can do in health care, in terms of what they can do in education, in terms of what they can do in fighting poverty in this province, Mr. Speaker.

We on this side of the House, Mr. Speaker, are determined to reinstate those social programs even if we don't have the vehicles, the resource, publicly owned resource company vehicles to help do that, Mr. Speaker. But it is going to be so much more difficult, and we are going to be so much more limited in what we can do, Mr. Speaker, because the very sources of revenue that we would have relied on to fight poverty, to reinstate the dental plan, to reinstate the drug program, Mr. Speaker, those sources of revenue will now be gone. And this Bill, Mr. Speaker, this Bill represents the final cutting off of those revenue sources in the province of Saskatchewan.

An Hon. Member: — You're living in the '60s and '70s, Peter.

Mr. Prebble: — Mr. Speaker, the member for Weyburn, I can't resist commenting on his comments. He's chirping away from his seat and he says, you know, Mr. Speaker, that we're living in the 1960s and '70s. I say, Mr. Speaker, that building medicare in this province in the 1990s and fighting poverty in this province in the 1990s will be just as relevant as it was in the 1960s, Mr. Speaker, just as relevant.

And our new visions, Mr. Speaker, for preventative health care in the 1990s, Mr. Speaker, our new visions for the elimination of poverty in this province in the 1990s, for building programs like the family income plan, which this government has demolished and dismantled, Mr. Speaker, that those visions are just as relevant in the 1990s as they were in the 1970s.

But, Mr. Speaker, what this government is doing — I mean, this government talks about the 1960s, and I want to say to the member for Weyburn that what he is doing in this Bill, in Bill 20, is taking us back to the 1960s. It was in the 1960s, he will recall, Mr. Speaker, that foreign multinationals controlled the entire potash resource of this province. It was in the 1960s, Mr. Speaker, that all the profits from potash went to non-Saskatchewan residents. And what the member for Weyburn wants to do is take us back to the 1960s with Bill 20, Mr. Speaker . . .

Some Hon. Members: Hear, hear!

Mr. Prebble: — In fact, Mr. Speaker, he wants to take us further back than that; he wants to take us back to the 1930s, Mr. Speaker, the last Anderson government that was thrown out of office by the people of Saskatchewan after one term, without a single seat, Mr. Deputy Speaker, which is my wish for this government, I might add.

Some Hon. Members: Hear, hear!

Mr. Prebble: — Now, Mr. Speaker, I want to say that I think, Mr. Speaker, that we will, when we look at Bill 20 and when we wonder what's going to happen with respect to privatization of potash, we only have to look, Mr. Speaker, at what has happened to some of the other privatizations that this government has embarked on prior to attempting to privatize potash in this province.

I referred earlier to Sask Minerals, Mr. Speaker, and I want to comment on that for just a moment as it relates to potash, Mr. Speaker, because what we saw in the Sask Mineral deal a couple of years ago was a secret deal patched up behind closed doors to sell our Sask Mineral resource to two out-of-province companies. Both companies that bought Sask Minerals, Mr. Speaker, were out of province.

And what did we see after the sale went ahead, Mr. Speaker? We saw lay-offs in Chaplin, Mr. Speaker, that's what we saw — and I predict, Mr. Speaker, in the same way that we'll see even more lay-offs in potash. You know, Mr. Speaker, we've already seen this government lay off half the workers at the Potash Corporation of Saskatchewan. The size of PCS has gone from 2,200 employees in 1982 to just over 1,100 in 1989, Mr. Speaker. And I say that just as we saw job lay-offs with the sell-off of Sask Minerals to out-of-province interests, we'll see more job losses in the Potash Corporation of Saskatchewan.

Mr. Speaker, we saw the same thing with Saskoil. Mr. Speaker, I remember when this government claimed that the sale of Saskoil constituted public participation. And I wonder, Mr. Speaker, if the members opposite, if the Deputy Premier, Mr. Speaker, and the Premier could explain to this Assembly how Saskatchewan people are participating in a company in which 75 per cent of the shares are controlled by non-Saskatchewan residents. How does that constitute public participation in the province of Saskatchewan, Mr. Speaker? I'd like to know how it does.

Now, Mr. Speaker, I think that we'll be seeing precisely the same pattern that we saw the privatization of Saskoil and the privatization of Sask Minerals. We'll see precisely those same kind of consequences with the privatization of the Potash Corporation of Saskatchewan.

Now, Mr. Speaker, I want to turn to another important issue, and that is, Mr. Speaker, I want to comment for a few moments on the question of . . .

The Speaker: — Order, order. The hon. member for Saskatoon University is giving his remarks. In all fairness, he's a member who seldom, if ever, interferes with other members, and I think we should allow him to continue his remarks.

Some Hon. Members: Hear, hear!

Mr. Prebble: — Well, Mr. Speaker, I'd like to comment on two or three other matters briefly before closing. One, Mr. Deputy Speaker, is I want to examine for a moment the claim by the PC Party and the Liberal Party, Mr. Speaker, the claim that is made that the collection of

royalties and taxes, Mr. Speaker, can be just as great as the profits of the Potash Corporation of Saskatchewan. In other words, the PC Party and the Liberal Party like to claim, Mr. Speaker, they like to claim that we don't need to own the potash resource in order to benefit financially from it; that we can collect our money through royalties and through taxes.

Well, Mr. Speaker, I invite all members to examine what the record has been in regard to this. How much royalties and taxes did the Liberal government of the day collect from 1965 to 1971, Mr. Speaker, from the potash industry in this province? Well albeit, Mr. Speaker, there's been significant inflation during this time so these figures are in effect deflated, but the dollar figures, unadjusted, Mr. Speaker, are \$15.7 million. Now in today's terms, Mr. Speaker, that would probably be closer to about \$60 million, in current dollars.

Mr. Speaker, how much did the PC government collect in the period 1982 to '86. And I just want to use equivalent time periods in terms of number of years, six-year periods. Well, Mr. Speaker, they collected \$274 million, Mr. Speaker, \$274 million in royalties and taxes.

Well, Mr. Speaker, those two governments, the PC government and the Liberal government, I say they don't have the political will to collect royalties and taxes from resource industries. And we saw that with respect to potash, Mr. Speaker. I remember when the Liberals were only prepared to collect a two and a half per cent royalty return from potash revenues. They let the rest of those revenues flow, Mr. Speaker, to the private sector potash companies.

Well, Mr. Speaker, what were the royalties and taxes collected by the New Democratic Party government from 1976 to 1981? — \$985 million, Mr. Speaker, \$985 million. Now, Mr. Speaker, I say that the record speaks for itself.

There is not a chance that the PC government or the Liberal government, if they should assume office, would collect royalties and taxes, Mr. Speaker, that would either be equivalent to the NDP or that would be equivalent to the profits that were made, the \$413 million in profits, Mr. Speaker, that we made over that six-year period.

Now, Mr. Speaker, I want to turn to another matter, because I think it can clearly be refuted, Mr. Speaker, that there is no comparison with the royalties and taxes that will be collected either by the PC or Liberal government versus the NDP, or that those royalties and taxes will ever compare with the profits that can be made if the corporation is owned by the people of Saskatchewan instead of by foreign interests.

But I want to ask two other questions, Mr. Speaker, before I take my seat. One is the question, where will the money from the Potash Corporation of Saskatchewan go, Mr. Speaker, when it is sold? Mr. Speaker, will that money go to fund social programs in the province of Saskatchewan? Well I doubt it, Mr. Speaker, because none of the other privatizations have resulted in money going to the funding of social programs in this province. In fact, we've seen the demolition of our health care and our education

and our social services system in this province. We've seen massive cut-backs in those programs, Mr. Speaker, at exactly the same period that all the privatizations have been taking place that I made reference to earlier.

So, Mr. Speaker, where do we think the money is going to go? Well, Mr. Speaker, I think I know where the money is going to go. Some of the money of course, Mr. Speaker, will go into the hands of wealthy investors outside the province of Saskatchewan, Mr. Speaker. It will go into their hands, Mr. Speaker, in the sense that I believe that this government is preparing to sell PCS at a greatly undervalued, a greatly undervalued price, Mr. Speaker. Right now we've got a situation where PCS is only operating at 60 per cent capacity, Mr. Speaker. The private potash companies in this province you know, Mr. Speaker, they're operating at 88 per cent capacity. PCS, Mr. Speaker, is operating at 60 per cent capacity.

It's no wonder, Mr. Speaker, that in some years under this PC government it's been losing money, Mr. Speaker, no wonder at all. It's been operating at such incredible undercapacity. But you know what, Mr. Speaker, I venture to guess that this government will sell PCS off and it will not value it, Mr. Speaker, at its potential value if it was operating at a hundred per cent capacity. This government is preparing to sell PCS off I venture say, Mr. Speaker, at a valuation that represents what PCS is worth while it only operates at 60 per cent capacity.

(1615)

And what that is going to represent, that sale, Mr. Speaker, is a massive, massive give-away to foreign interests and to wealthy investors outside of this province who will buy their shares, Mr. Speaker, at probably no more than two-thirds of what they're really worth. So that's where some of the money will go from the sale, Mr. Speaker. But where will the rest of it go, Mr. Speaker?

Well, Mr. Speaker, I think I know where it will go. It will go, Mr. Speaker, it will go into the election war chest of the PC government opposite. This is a government, Mr. Speaker, that campaigns on elections, Mr. Speaker, by massive give-aways, Mr. Speaker. It makes very expensive promises. We saw it do that in 1982; that's how it got elected, Mr. Speaker. We saw it do that again in 1986. And, Mr. Speaker, it's preparing to do that again in 1990.

And where will the money come from to finance its promises for the 1990 election, Mr. Speaker? The money will come from the sale of the Potash Corporation of Saskatchewan. That's the plan, Mr. Speaker. That's why this government is in such a rush to sell off PCS, because it needs, it needs the money, Mr. Speaker, that it will make from the sale of PCS to finance its next election campaign, Mr. Speaker. It's going to try to buy votes from the people of Saskatchewan one more time.

But I say, Mr. Speaker, that the people of Saskatchewan won't be fooled again. They've seen the record of this government, Mr. Speaker. They've seen, Mr. Speaker, that the expensive promises only result in a massive debt that it's going to take many future generations of Saskatchewan people to pay off. And I believe, Mr.

Speaker, that they won't be fooled again.

But there's no doubt about the fact that this government is going to have probably in the range, Mr. Speaker, of a billion dollars, another billion dollars to finance its next election. We saw where it got its last billion dollars, Mr. Speaker, and that was from its friends in Ottawa with the Mulroney government. And now we know where it's going to get . . . that's where it got its money for the 1986 election; now we know where it's going to get its money for the 1990 election, Mr. Speaker. It's going to get its next billion dollars from selling off the Potash Corporation of Saskatchewan.

I have one more point, Mr. Speaker, that I want to make in closing, one more point, and that is, Mr. Speaker, that I believe that this government does not have a mandate to sell off the Potash Corporation of Saskatchewan. This is a very, very fundamental change, Mr. Speaker, that this government didn't breath a word about in the 1986 election when it was campaigning, Mr. Speaker.

In fact, Mr. Speaker, if you look at this government's political propaganda in both the 1982 and the 1986 elections, you will see clearly, and I just quote, for instance, from the PC *Pocket Politics* Handbook distributed in the 1982 election where they asked the question:

It is true (that) the Conservatives plan to dismantle the Crown corporations (of the province)? (And they answer, Mr. Speaker:) Absolutely not.

Now that really does constitute misleading the people of Saskatchewan.

I go back to 1985 when the Minister of Justice, the member for Kindersley, was asked, Mr. Speaker, in Moose Jaw about selling off Crown corporations, and he referred at that time, Mr. Speaker, in the *Moose Jaw Time-Herald*, to privatization as being yesterday's theory, Mr. Speaker.

Mr. Speaker, he went on to say that:

It didn't make sense for his government (Mr. Speaker, the PC government) to dismantle what another government had built up.

And I agree with his comments, Mr. Speaker, and I only wished he'd stand by them today in this House and remove Bill 20 from the order paper, Mr. Speaker.

But once again, the Minister of Justice in this case, a senior cabinet minister in the PC Party, misrepresented the PC government's plan, Mr. Speaker, to private Crown corporations after they were re-elected in 1986.

And so, Mr. Speaker, I say that the PC government has misrepresented their intentions not only with respect to PCS, but in fact with respect to every other revenue-generating Crown corporation they've sold off. They have misled the people of Saskatchewan, Mr. Speaker. They misled the people of Saskatchewan about their intentions because they did not receive a mandate in the 1986 election to sell off the Crowns, Mr. Speaker, and

they certainly didn't receive a mandate in the 1986 election to sell off PCS.

And now, Mr. Speaker, now what have they done? Well, Mr. Speaker, because they are unable to persuade the people of Saskatchewan, as demonstrated by the latest opinion polls, that selling off PCS is a good idea, because consistently 70 per cent of Saskatchewan people, Mr. Speaker, indicate in public opinion polls that they are opposed to the selling off of this crown jewel of the Crown corporations, the Potash Corporation of Saskatchewan, this government is having to resort to closure, Mr. Speaker, to win their debate. It's the only way, Mr. Speaker, that they're capable of winning the debate.

And I say, Mr. Speaker, I say in closing that when the real head office of the Potash Corporation of Saskatchewan no longer lies in the province of Saskatchewan, when it lies somewhere in eastern Canada or in Chicago, and when 90 per cent or more of the shares of the Potash Corporation of Saskatchewan are no longer held by Saskatchewan residents, but are held by the governments of China and India and Japan, and by wealthy investors in eastern Canada and by the large American potash corporations of the United States, and when the control of this previous resource has been wrested from the people of Saskatchewan and transferred to non-Saskatchewan residents and non-Saskatchewan interests who do not have, Mr. Speaker, any concern about the well-being of Saskatchewan residents in making their decisions about how PCS is managed, but will have concern only about their profit margins, Mr. Speaker, and will have concern only about their private interests, Mr. Speaker, then the next generation of Saskatchewan residents and the 200 generations of Saskatchewan residents in the future, Mr. Speaker, who could have benefitted from this resource had it stayed in public hands, will say, Mr. Speaker, that not only was 120 hours of debate on this important issue not enough, but that a full year of debate on this issue had not been enough.

Because this government is robbing the next 200 generations of Saskatchewan people from the opportunity to benefit from a resource that every one of them is entitled to by virtue of being a citizen of this province, Mr. Speaker.

This is a dark day for the people of Saskatchewan, Mr. Speaker. This is a day, Mr. Speaker, that demonstrates who this government really governs for, Mr. Speaker. It doesn't govern on behalf of the people of Saskatchewan. This Premier is in the hip pocket of the private American potash companies. And we on this side of the House, Mr. Speaker, who are we in the pocket of? We are in the pocket of the people of Saskatchewan, Mr. Speaker.

We will stand for the people of Saskatchewan and fight for the people of Saskatchewan until we have no more strength in our voices and no more strength in our bones. And as I stand here, Mr. Speaker, I say that we will do everything we can to regain control of this resource so that it will benefit the people of Saskatchewan at some time in the future, despite Bill 20, Mr. Speaker — despite Bill 20.

I will be opposing Bill 20, Mr. Speaker, as I know that the

majority of Saskatchewan people do, and I'm proud to take my seat, saying that I will stand against it and do everything I can, Mr. Speaker, as will all other members of the House, to make sure that in the future this resource, Mr. Speaker, can continue to operate to the benefit of Saskatchewan people. Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Muller: — Thank you, Mr. Speaker. I don't know if I can get quite as emotional as the member for Saskatoon University, but I'm certainly going to come back to make some comments on some of the remarks that he made in his speech, because they were certainly misleading, and I have to straighten those out. But before I get into his remarks, I'll get into the main text of my remarks.

I'd like to enter this debate because some statements of members opposite are misleading to a point of unacceptability. I specifically like to deal with the NDP assertion that potash corporation has been contributing to things like health care and dental plans and so on.

Mr. Speaker, government ownership of the potash industry has been a drain on this province — a drain that's hurt our ability to pay for social programs, a drain that the NDP used as an excuse not to build nursing homes and hospitals and not to hire nurses, a drain, Mr. Speaker, that has added to the tax burden of our people and stopped diversification and development.

Two billion dollars has been put into PCS, and not a dime — not 10 cents, Mr. Speaker, not one plugged nickel — has been returned to public purposes. That, sir, is beyond dispute, and I invite anyone to show me different.

It is true, Mr. Speaker, that the Leader of the Opposition talks about profits. He says the corporation has made a profit in a few selected years, and that's correct. But, Mr. Speaker, the point . . . the fundamental and vital point is that not 1 cent has been paid to the government to build the province — not 1 cent for health care, not 1 cent for education, not 1 cent for farm families.

Mr. Speaker, the investment in potash has cost the people of Saskatchewan billions of dollars but has returned them nothing — nothing. Sure the company made some profits in some years, and where did these profits go? They went quick as a wink out of the country to foreign banks. The people's taxes went to foreign banks, and the much vaunted profits of PCS went to foreign banks.

All the while the member for Saskatoon South, the minister of Health, telling us that hospital waiting lists are a good way of managing hospitals.

An Hon. Member: — What did he say?

Mr. Muller: — He said that hospital waiting lists were a good way of managing the hospitals.

The profits went to foreign banks while the member from Regina Elphinstone, as minister of Social Services told our people, there would be no more nursing homes built so that money could be saved. Not 1 cent has ever been returned to the people of Saskatchewan on the so-called

investment.

So let's get rid of the myth that the potash corporation has helped pay for health care. It has not, and it has in fact competed with health care for tax dollars. It is documented, it is clear, and it is time the members opposite started telling the truth, that this is all part of the hypocrisy the opposition is displaying in this debate. First they plan to privatize PCS, now they plan to condemn it.

And you know, Mr. Speaker, I've spent a few years kicking around politics and a lot of those years were in local politics. And from time to time in local politics, as you all know, that you got new members on council and things moved along and changed, but the new council didn't throw out the old council's good ideas. You know, like the NDP had a good idea in 1981, they never got an opportunity to implement it, but they had this SHAR (Saskatchewan holding and reinvestment) program or SHAR, what they called.

And we have the documents here in front of us, the Hon. Elwood Cowley, the Hon. Allan Blakeney, Hon. Walter Smishek, Hon. Ted Bowerman — that name rings a bell to me — the Hon. Don Cody, the member for Regina North East now, the Hon. Eiling Kramer, J. H. Beattie. They put together a package to sell the Crown corporations to people and corporations. They were going to list them on the stock exchange to show that they were viable.

But certainly when they lost power, they knew that they . . . they said right in their material that if they didn't do it, other governments — other governments — would do it; other Saskatchewan political parties will undoubtedly make similar proposals in the future. Now when we've made a similar proposal in the future, they have filibustered. They have used every tactic they could in this legislature to block the share offering of PCS.

Now this is something I can't understand. The only reason . . . the only thing that they have in mind is power. They don't care for the good of the province of Saskatchewan. I mean, all you have to do is look at the former leader of the opposition — he was premier for some time. He came from Nova Scotia; he was a government bureaucrat. Then he got elected; he was leader of the opposition. Then he got elected again as premier. Then he was premier for 11 years. That was the Hon. Allan Blakeney. I had a lot of respect for the man. He was a real parliamentarian.

(1630)

But what happened to him? As soon as he got this motley group over here behind him, he decided that he didn't want to be tied to them any more so he left as leader of the opposition. And then he got up and left the province. I mean, he came from Nova Scotia, he went back to Toronto. What real interest did he ever have in Saskatchewan other than to promote socialism? I mean, he's now back in Toronto promoting socialism, as he's teaching in university in Toronto. And everybody here knows it, they know that he left them cold because he knew the direction they were going.

It's a funny thing . . . Anyway when they were in power they refused to build nursing homes. They used waiting

lists as good management — their actions, not ours. And now they say PCS should support these things. But the height of the NDP hypocrisy, Mr. Speaker, the absolute height of it comes on the question of selling shares to our customers. Selling shares to our customers, they're against that.

This legislation would allow the government to sell 5 per cent of the shares to our customers. And the NDP say that's a terrible thing. That's really a terrible thing to do. Well I'll tell you, Mr. Speaker, not all NDPers prefer to see the potash industry controlled by foreign banks. There was a fellow that used to work with the member from Riversdale, a fellow by the name of Jack Messer. Mr. Messer was intimately involved in the Potash Corporation of Saskatchewan as an NDP minister; indeed, he was the minister in charge. And then the 1982 election occurred and he was a politician without a ministry, but one that still had a hankering to be involved with potash.

Well he certainly did that. So the NDP, who were in power in Manitoba, paid Mr. Messer to travel all over the globe seeking investment, investment from all places — China and India, Mr. Speaker. Jack went to China to try and get Chinese to invest in the new potash mine in Manitoba that would compete with his own province, and his own creation, PCS.

Indeed in the *Winnipeg Free Press* on January 19, 1987, we read that he went to China, to India, to Brazil, to Korea, Japan, and even the United States, all looking for foreign investment in potash. In fact, that NDP government was so interested in the foreign investment that the (*Winnipeg Free Press*) article tells us they were prepared to pay Messer up to \$1 million to get it. They called it a potash consultant fee.

We also read in *The Western Producer* of August 3, 1989, just a month ago.

The previous NDP government explored joint ownership schemes for potash development with China and India.

Mr. Speaker, you know, I listened to the member for Saskatoon Centre the other night and she was certainly going on for some time about the loss of jobs in Saskatchewan potash industry. And I don't think that she ever looks beyond the boundaries of Saskatoon or Saskatchewan.

But if another mine gets investments from other countries, those other countries are going to buy from that mine which they have invested in. I know I certainly would if I was an investor in it and I was using potash. So if Manitoba were to get some of the Pacific Rim countries to invest in their mine in Manitoba, I'm sure that those Pacific Rim countries would buy from Manitoba rather than from us.

So what would that do to the employees of the Potash Corporation of Saskatchewan? It certainly wouldn't create jobs in Saskatchewan, not one job. In fact it would lose us jobs in Saskatchewan. And these people, the person that helped put PCS together in Saskatchewan, is now promoting it on the Pacific Rim for another province.

I just can't understand that.

An Hon. Member: — Is that the executive director of the NDP Party?

Mr. Muller: — I don't know what position he holds with the NDP Party now, but I understand he's the executive director.

As you know, Mr. Speaker, I'm no fan of the previous Manitoba government, and I think they were a little out of the ballpark to give Messer a million dollars to cut a deal. But at least they had it right in trying to build with equity instead of debt. I mean, at least they recognized that basic economic principle.

Now why, Mr. Speaker, why would an NDP government try to get some investment from foreign customers including the United States? Well it's a little like being a member of the local co-op. I have a co-op number. You buy your share in the co-op and because you bought that share you know that you will benefit from dividends the co-op earns. So you buy your groceries at the co-op. And I buy a lot of groceries at the co-op.

The NDP Government of Manitoba saw it that way and they said, if we can only get the Americans to pick up a few shares, they will always want to buy Manitoba potash, and that sure will be good for Saskatchewan jobs. Wouldn't that be great for Saskatchewan jobs? And if we can get India to buy a few shares, she'll buy Manitoba potash. And if we can get the Koreans and the Brazilians to buy a few shares, they'll buy Manitoba potash.

Well I believe they're right. And I'll tell you, Mr. Speaker, if we let Manitoba build a brand-new mine with shares held by Saskatchewan's largest and most important customers, we are going to lose sales and we're going to lose jobs. And the member from Saskatoon Centre, I'm sure, wouldn't enjoy seeing the potash mines anywhere in Saskatchewan, let alone around Saskatoon, losing jobs.

The opposition would like the people to think that Saskatchewan can have it all its own way on potash. They don't want to talk about the Israelis or who are the real competitors. They don't want to talk about the Soviets who are opening up and looking for foreign investment any way they can get it. They don't want to talk about the competition, Mr. Speaker, because if they can pass over it, maybe they can befuddle the people, maybe they can frighten the people, Mr. Speaker. They're very good at frightening people. They certainly tried it in Assiniboia-Gravelbourg, and it didn't work.

Well we cannot allow that to happen. We must build with Saskatchewan people, and if we are wise, we will invite some participation by our largest customers. I think that makes common sense to me.

Now, Mr. Speaker, we see the hypocrisy of members opposite and we've heard their myths. What we have not heard, not from the member for Riversdale, not from any other opposition member, is any sound economic reason why potash at any cost must be owned by the government.

Some Hon. Members: Hear, hear!

Mr. Muller: — Why does it have to be owned by the government? Anyway, Mr. Speaker, I have to delve back into the PAPCO debate a bit because the member for Saskatoon University certainly brought it into his debate. He talked about reading the annual report and how much money PAPCO had made, in the annual report. And I wrote it down here, in 1980 they made \$20 million, he claims. In 1981 they made \$24 million.

Well sure they did in the annual report, but they never showed the debt in the annual report. They borrowed the money from two banks, the Bank of Montreal and the Imperial Bank of Commerce, to buy the paper mill . . . or the pulp mill — they didn't have a paper mill — to buy the pulp mill in Prince Albert. They set that debt aside. They were paying 17 per cent interest on that debt, and they never made a payment on the interest or the principal. So in 1981 when they show a \$24 million profit in the annual report, what actually it was was \$11.8 million loss because it was \$35.8 million it would have cost to pay the interest, which they never paid.

So I've said before in this legislature that my banker will not allow me to run my business or my farm that way, Mr. Speaker, because I have to pay the interest to him and I have to pay the debt. This is the same way they financed the potash corporation: they set the debt aside so it doesn't show in the annual report; the annual report comes out; it shows that they made a profit. They say that these profits went to build hospitals and went to the dental plan and went to all of these kinds of good social programs, but they never said a word about the debt that was set aside, that was costing more than what the profits they were making off the potash corporation.

The other thing that the member for Saskatoon University got into was that we had no mandate; we have no mandate to sell shares in PCS. Well if we have no mandate to sell shares in PCS, what did they have with SHAR? What did they have with SHAR? They were going to sell shares in PCS. They were going to put it on the stock exchange. They were going to do all kinds of things with Crown corporations, and they say we have no mandate. That document gave us the mandate because it was a good idea. We picked up on it, improved on it, and we're going to do something with it.

Some Hon. Members: Hear, hear!

Mr. Muller: — And I tell you, ladies and gentlemen and Mr. Speaker, their unique way of financing . . . They're saying we have no mandate.

And the other thing the member from Saskatoon University talked about was capacity, capacity to produce. Well I'll never forget running in the 1982 election, and the potash mines were producing potash like you wouldn't believe. They were piling it on the ground and they didn't care what happened to it as long as they kept those mines working. They overproduced. Some of that potash deteriorated in the weather outside. It wasn't even binned. They didn't care whether the potash melted or rotted or whatever happened to it, as long as

they kept those mines open in the 1982 . . . during the election campaign. This is political interference in an industry that certainly doesn't need it.

And you know, it's kind of funny — I just jotted down a few notes here — but the member for Saskatoon University says everybody owns the potash corporation, everybody owns the potash corporation. Well, I wrote down here that everyone owes to the Potash Corporation of Saskatchewan. Everybody owes, with no return, no return at all.

Some Hon. Members: Hear, hear!

Mr. Muller: — And I don't want to take up a lot of time in this debate. I just wanted to make a few good points to show that these people are trying to fool the people with their annual reports, not showing the debt in those annual reports, removing the debt, and showing a profit that's a fictitious profit as they did with PAPCO in P.A. Certainly now we're getting money back from that to the tune of \$63 million. We got a new paper mill and it's working, up and running. There's more construction going on. There's more people working. That's the creation of jobs. Private enterprise creates jobs. Public enterprise and debt does not create jobs and you shouldn't buy things that are already there.

An Hon. Member: — What's the unemployment rate in Saskatchewan, Lloyd?

Mr. Muller: — The unemployment rate in P.A. is really good and getting better, and I would say that to the member from P.A.-Duck Lake.

Some Hon. Members: Hear, hear!

(1645)

Mr. Muller: — I must be getting to him a bit because he's starting to wake up in his seat. But anyway I think I've probably taken up enough time. They'll be able to stand up and filibuster now until 5 o'clock. And with that, Mr. Speaker, I will be opposing the amendment and voting for Bill No. 20 when it comes before this House.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. I'm pleased to rise in this debate — not because of what is happening in this debate nor because of what this Bill proposes to do — I'm pleased to rise in this debate on behalf of the constituents of Regina North East who sent me here to speak on their behalf even though the government, through the motion of closure, is restricting me to be able to do that, as it is restricting other members of this House.

And I intend in my remarks, Mr. Speaker, to outline what the voters of Regina North East think of this proposed sell-out of the Potash Corporation of Saskatchewan. And in the process of my remarks, Mr. Speaker, I intend to show that not only do I speak on behalf of my constituents, but I and my colleagues on this side of the House have, since this Bill was introduced and the debate begun, have been speaking on behalf of all of the citizens

of Saskatchewan, and before I'm done, Mr. Speaker, I intend to prove why I say that.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — And I listened to the member opposite, and I think the most telling comment that he made was that he wanted to get up and make a few good points. I listened for 20 minutes and when he sat down I was still waiting for him to make some good points, Mr. Speaker, because he did what other members of that side of the House, which they have learned so well from the Premier, stood up and gave nothing other than a bunch of misleading and dishonest statements which had nothing to do with the facts of what this thing's all about.

Now, Mr. Speaker, I'm telling you and the House, and I'm telling the people of Saskatchewan — I don't need to tell them because they're telling the House through us — that they are fed up with that kind of misleading kind of commentary from the government opposite in order to try to sell its political line, rather than to sell the reality of what is going to happen when the potash corporation is sold off to foreign ownership all over the world, and in fact foreign governments in other parts of the world, Mr. Speaker.

Now I listened to the member make a comment about the government ownership of the potash corporation has been a drain on the province. Now that's misleading statement number one. How in heaven's name can a potash corporation, which paid during that period before 1982 paid taxes of \$270 million and paid a dividend to the treasury of \$100 million be a drain on the province and on the taxpayers of Saskatchewan? Now that's a great leap of logic, Mr. Speaker. And I know why the member didn't take a great deal of time, because if he had possibility had had to explain his statement, he would have some great difficulty in doing it.

Now between 1982 and 1987 what was the result? Was it the same? Was it an equally good performance by the potash corporation? Of course not. Between 1982 and 1987 the potash corporation lost \$184 million on an accumulative basis under the mismanagement of this government and the political junkies that they put in charge of the potash corporation starting with the former cabinet minister, Mr. Paul Schoenhals, who lived off the public trough, lived off the taxpayers of Saskatchewan because they rejected him in the election of 1986.

And turning the Potash Corporation of Saskatchewan over to private interests and foreign ownership will create even a greater amount of that, Mr. Speaker, and that is objectionable from the people of Saskatchewan.

What I found particularly interesting, Mr. Speaker, is that the member opposite says that members on this side have not given any economic reasons why the potash corporation should remain in the ownership of the people of Saskatchewan. Some of the numbers which I have just mentioned, and I will mention them at a greater length later, after 7 o'clock, some of those numbers are the economic argument.

But I ask him, and I ask the Premier and other members,

why haven't they yet — even though this Bill will be in committee tomorrow because of closure, because of muzzling of the opposition and because of muzzling of the public of Saskatchewan — why have they not yet tabled the studies and the evaluations which can justify the selling off of the potash corporation? That is a very major thing that they are doing, and they have refused, even though they have limited the debate in the committee to two days to provide that information in advance so that the opposition members of this legislature could consider it, so that we can ask the kind of questions that need to be asked when the Bill is in committee — and I'll have more to say about that, Mr. Speaker, when I speak at greater length later today and this evening.

I want to take some time now, Mr. Speaker, not a great deal, but I want to take some time to outline to the House some of the points that I want to make and the remarks that I am going to be making in debate on this Bill, because it's important, Mr. Speaker, to emphasize a number of things.

First of all, I want to outline and make the point that this government is selling off a major profitable Saskatchewan asset, and it's going to sell it off for a song to foreign investors. And I want to emphasize that because that's a very important fact that we have to consider before this Bill proceeds any further.

This potash corporation should in the future, as it has in the past, be a major source of revenue to the provincial treasury, should be a major source of revenue for the taxpayers of Saskatchewan to pay for the services that they want and need. And in order to keep their taxes down, even under their mismanagement in the last year, the last year of a report that's provided, this potash corporation made a profit of \$106 million.

Why would anyone in their right mind want to take a corporation that makes that kind of revenue, much of it which could be going to the treasury, and have that kind of profit go off to some foreign nations who are going to now be owners of this corporation? Doesn't make any sense. I ask the member from Shellbrook-Torch River, what is the economic argument that justifies that kind of an approach?

Now the other point, Mr. Speaker, that I want to make here . . .

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

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

The Speaker: — The hon. member has asked if you would permit a question.

Mr. Tchorzewski: — Mr. Speaker, the members opposite prefer, instead of entering in this debate before the closure rule, prefer to interrupt members who speak on this side by asking silly kind of questions like this in order to waste time.

It is the member opposite who has to answer the questions; he is the one who introduces the Bills, and we'll be asking the questions tomorrow and the day after in committee, and I hope that he's prepared to answer them at that time, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Now if the member from Weyburn would be quite kind enough to be quiet for a minute, I will come to the next point which I want to make in my intervention during this debate, Mr. Speaker. I want to make the point in my intervention that this Premier's privatization of the Potash Corporation of Saskatchewan is going to benefit big business and wealthy outside interests and not the people of Saskatchewan.

What this debate has shown more than anything else is that this Premier has become the spokesman for vested interest. He has become the spokesman for the big corporations. He has become the spokesman for the big foreign corporations, to the banks, and to the financial institutions, and is no longer representing the people of Saskatchewan.

Throughout this whole debate the arguments the members opposite have made have been made on behalf of foreign corporations and big corporations, and the only arguments presented on behalf of the people of Saskatchewan, whose voice is being muzzled by the closure Bill, has been presented by the members of the New Democratic Party in the opposition, in the official opposition on this side of the House.

So the point, Mr. Speaker, that the Premier has become the spokesman of vested interests and big corporations is an important point in this debate.

And thirdly I want to, in my remarks, Mr. Speaker, make the point that by selling off this profitable Saskatchewan asset, this PC government, these Progressive Conservative members — I stumble on my words when I used the word "progressive" — are betraying Saskatchewan's future. They are betraying Saskatchewan's future because they don't care about the future. They, in their desperation, are only interested in their own selfish, personal, political interest, and they will do anything at any cost in order to try to meet that interest.

I ask, Mr. Speaker, when the revenue-earning corporations like the potash corporation are disposed of and the profits that used to stay in Saskatchewan are going to go to China and Korea and Japan and India, who do you think is going to have to pay for all of the cost of health care and education and the building and maintenance of our roads?

It's going to have to come out of the pockets of the taxpayers of Saskatchewan totally. It's going to have to come out of the pockets of Saskatchewan people who now are overtaxed because of the fiscal policies of this government and the former minister of Finance from Kindersley and the present Minister of Finance from Qu'Appelle-Lumsden.

That's an important point that has to be made in this

debate, Mr. Speaker, that they are moving the total cost of government services off from places like the potash corporation and are going to put it into the pockets of the citizens of Saskatchewan who are going to have to make up the difference and foot the bill totally.

And finally, another point that I am going to be making in my remarks, Mr. Speaker, is that this Conservative privatization has not helped ordinary Saskatchewan people and has been rejected by the people.

And I am going to make that point very emphatically at 7 o'clock; whether it's the privatization of the children's dental program or the privatization of SaskPower or the privatization of the Potash Corporation of Saskatchewan, the people of this province are opposing it.

They oppose it today, they opposed it several months ago, and in fact the amount of the opposition over the last several months has increased very dramatically, Mr. Speaker. And it's no wonder that the members opposite have felt compelled to muzzle that opposition which the public of Saskatchewan has been displaying in growing numbers over the past three or four months.

Now there is another argument, Mr. Speaker, that needs to be made here, and that is the argument of job creation. I've heard members opposite say that there were no jobs created by the Potash Corporation of Saskatchewan. Well that too is misleading. That too, Mr. Speaker, is a dishonest statement, because in 1982 the number of Potash Corporation of Saskatchewan employees totalled 2,267 with a total payroll of \$62 million. And you know what, Mr. Speaker, 40 per cent of those jobs were new and created after the Potash Corporation of Saskatchewan became a reality in Saskatchewan — 40 per cent of those jobs.

Now contrast that to the record of the members opposite and the Premier with regard to the privatization of Saskoil. Did it create jobs in Saskatchewan? Of course not, and I will provide statistics this evening which shows in more detail how it has been a failure. As a matter of fact, Mr. Speaker, since Saskoil was privatized there has been a reduction in Saskatchewan of 51 jobs. Is that what Bill 20 and the privatization of the Potash Corporation of Saskatchewan going to bring us? Are those the kind of benefits that we should be interested in? Of course not.

It is not a surprise — it's a shock — it's a shocking thing and a tragedy, but it's not a surprise that there are thousands of people leaving the province of Saskatchewan every year and our population is going down when the performance of the members opposite and the Premier on job creation is that dismal. Our young people look for a future. Our young people want to raise families. Our young people want to have jobs which are secure, with which they can build homes so that they contribute to their communities whether it is Kinistino or Humboldt, or whether it's Regina or Saskatoon.

They can't have a sense of that security when they look at a Saskoil which was a thriving corporation in this province, which was providing dividends to the treasury in Saskatchewan which was helping to pay for their health care and helping to pay for their education, and

find that Saskoil since privatization has not paid anything to Saskatchewan and that the number of jobs that used to be in Saskoil before privatization has decreased by 51. They look at that, Mr. Speaker, and they give up hope.

And they say, look, I've got to go somewhere else. I want a future. I don't want to live in a place where the government's only interest is their own self-preservation and that the future of this province doesn't matter to them. I don't want to have to stay here and watch members opposite reward, in the worst form of patronage that this province has ever seen, every kind of defeated politician and friends of cabinet ministers day in and day out while they're told that their wages have to be frozen, that the minimum wage has to be at 4.50 for six years.

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

The Assembly recessed until 7 p.m.