



FOURTH SESSION - TWENTY-SIXTH LEGISLATURE

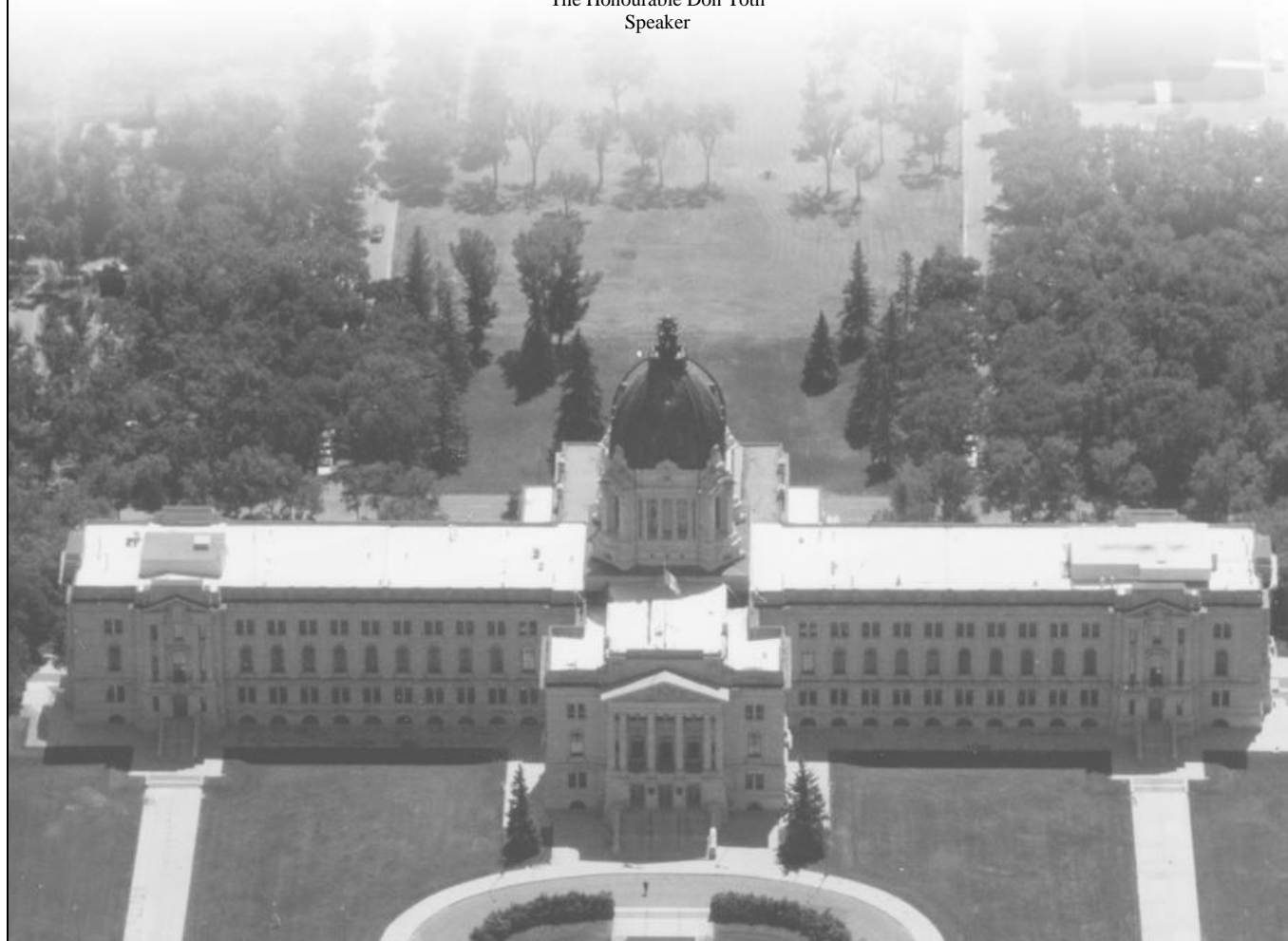
of the

Legislative Assembly of Saskatchewan

**DEBATES
and
PROCEEDINGS**

(HANSARD)

Published under the
authority of
The Honourable Don Toth
Speaker



MEMBERS OF THE LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

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 Premier — Hon. Brad Wall
 Leader of the Opposition — Dwain Lingenfelter

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Vermette, Doyle	NDP	Cumberland
Wall, Hon. Brad	SP	Swift Current
Weekes, Randy	SP	Biggar
Wilson, Nadine	SP	Saskatchewan Rivers
Wotherspoon, Trent	NDP	Regina Rosemont
Wyant, Gordon	SP	Saskatoon Northwest
Yates, Kevin	NDP	Regina Dewdney

[The Assembly met at 10:00.]

[Prayers]

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

The Speaker: — I recognize the member from Saskatoon Massey Place.

Mr. Broten: — Thank you, Mr. Speaker. It's a pleasure to stand today and present a petition on behalf of my constituents who live in Hampton Village, and it's a petition concerning the need for a new school in the community.

We, the undersigned residents of the province of Saskatchewan, wish to bring to your attention the following: that Hampton Village is a rapidly growing community in Saskatoon with many young families; that Hampton Village residents pay a significant amount of taxes, including education property taxes; that children in Hampton Village deserve to be able to attend school in their own community instead of travelling to neighbouring communities to attend schools that are already typically reaching capacity.

We, in the prayer that reads as follows, respectfully request that the Legislative Assembly of Saskatchewan cause the provincial government to devote the necessary resources to the construction of an elementary school in Hampton Village so that children in this rapidly growing neighbourhood in Saskatoon can attend school in their own community.

Mr. Speaker, the individuals who signed this petition live in the community of Hampton Village. I so present.

The Speaker: — I recognize the member from Saskatoon Meewasin.

Mr. Quennell: — Thank you, Mr. Speaker. I rise again today to present a petition signed by citizens of Saskatchewan concerned about Bill 160 and the detrimental effects that it will have on the development of human rights law in the province of Saskatchewan. And the prayer reads, Mr. Speaker:

We, in the prayer that reads as follows, respectfully request the Legislative Assembly of Saskatchewan withdraw Bill 160 from consideration by the Legislative Assembly of Saskatchewan and hold extensive public consultations, informed by a public policy paper, before any amendment to the Human Rights Code, the law that supersedes all others in our province, are even considered.

Today the petition is signed by residents of Pilot Butte, Cudworth, Regina, Canwood, Delmas, Nipawin, and Leader, Saskatchewan. I so submit, Mr. Speaker.

The Speaker: — I recognize the member from Regina Rosemont.

Mr. Wotherspoon: — Mr. Speaker, I rise to present petitions on behalf of concerned residents from across Saskatchewan as it relates to the mismanagement of our finances by the Sask Party. They allude specifically to the two consecutive deficit budgets, the debt loading that's currently going on, \$400 million in this year alone, Mr. Speaker, and done at a time of unprecedented highs in revenues, of course coming at a cost to Saskatchewan people now and well into the future, Mr. Speaker. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your honourable Legislative Assembly condemn the Sask Party government for its damaging financial mismanagement since taking office, a reckless fiscal record that is denying Saskatchewan people, organizations, municipalities, institutions, taxpayers, and businesses the responsible and trustworthy fiscal management that they so deserve.

And as in duty bound, your petitioners will ever pray.

These petitions are signed by concerned residents of Regina. I so submit.

STATEMENTS BY MEMBERS

The Speaker: — I recognize the member from Regina Rosemont.

Mobile Spay and Neuter Clinic

Mr. Wotherspoon: — Thank you, Mr. Speaker. I want to recognize a very special program here in Regina. I was honoured to join the talented and passionate team at the Regina Humane Society on Thursday, March 3rd to launch the mobile spay and neuter clinic.

In the spirit of leadership demonstrated by our province historically, this clinic represents the first of its kind in Canada. The clinic puts to practice the best practice in animal management. The clinic is mobile, a state of the art, 26-foot, commercially built clinic on wheels. Further it removes the barrier of cost to spaying and neutering of a pet. Its program provides a subsidy based on a pet owner's ability to pay. The clinic follows and operates under the professional standards and regulations that ensure high-quality surgical pre- and post-operative animal care.

I would like to thank the entire team at the Regina Humane Society: Ms. Lisa Koch, executive director, all of the staff, Ms. Louise Yates, president, all of the board members, and Dr. Brie Hamblin, veterinarian. I would also like to recognize the city of Regina for its support, partnership, and funding. Lastly I want to thank and recognize the volunteers, supporters, and donors of the Regina Humane Society, who recognize the need for animal care and protection.

I ask all members of this Assembly to join with me to thank all of those that have led and assisted this project, to commend them for their leadership, and to thank them for the valuable service that they're providing our fine city. Thank you, Mr. Speaker.

The Speaker: — I recognize the member from Arm River-Watrous.

Listening to Rural Saskatchewan

Mr. Brkich: — Mr. Speaker, when the people of rural Saskatchewan speak, our government listens. This week held the annual convention, Saskatchewan Association of Rural Municipalities. And just like any good convention, issues and concerns were raised, concerns such as the status of infrastructure in rural Saskatchewan and future flooding relief. Mr. Speaker, I would like to proudly announce that our government is investing \$23.5 million in rural municipal roads.

There has been a huge response to our government's recently announced 22 million emergency flood damage program. So far claims have been approved for multiple municipalities and 25 individual farmsteads, with more claims being approved daily.

Mr. Speaker, several municipalities have been raising concerns over the funding formula for health care facilities put in place by the former government. Our government heard loud and clear that the current formula of 35 per cent local funding and 65 per cent provincial was a financial burden for communities. We have responded by reducing the local share to 20 per cent. This will save municipalities millions of dollars which can then be used to address infrastructure and other needs.

Conventions like SARM [Saskatchewan Association of Rural Municipalities] are an important way for government and communities to connect. Thank you, Mr. Speaker.

The Speaker: — I recognize the member from The Battlefords.

Battlefords Citizen of the Year

Mr. Taylor: — Mr. Speaker, The Battlefords Citizen of the Year for 2010 is Yvonne Nyholt, whose photograph has appeared in the local newspapers numerous times because of her efforts to help re-light the picturesque and statuesque water tower in North Battleford. But her volunteer work has spanned decades and includes numerous organizations and events. Yvonne Nyholt has served as a board member of the Battlefords Residential Services for 25 years. She served several terms as the north region associate member representative on the Saskatchewan Association of Rehabilitation Centres board of directors. Prior to her involvement with BRSI [Battlefords Residential Services Inc.], she was active with one of its predecessor organizations, Battlefords Developmental Centre and Residence Association.

Yvonne Nyholt is also a board member of the Battlefords Interval House and has served as a board member for the Saskatchewan ophthalmic association. She has volunteered with the Canadian Red Cross, Battlefords District Food and Resource Centre, Diabetic Association, the Battlefords Union Hospital association, and the Battlefords Wildlife Federation. She is the incoming president of the Good Sams RV [recreational vehicle] travel club.

Yvonne says, and I quote:

To work for your community is something that we all

need to do. If everybody gives just a little of their time, it's amazing what we can get done.

I ask all members to join me today in congratulating Yvonne Nyholt for her lifetime of good works and her recognition as the 2010 Battlefords Citizen of the Year.

The Speaker: — I recognize the member from Saskatoon Sutherland.

University President to Retire

Ms. Schriemer: — Thank you, Mr. Speaker. Mr. Speaker, I stand today in this House to announce that yesterday Peter MacKinnon, president of the University of Saskatchewan, announced that he will be stepping down as president on June 30th, 2012.

He has been at the helm during a period of unprecedented growth, and that growth is a testament to his leadership.

Mr. MacKinnon joined the University of Saskatchewan in 1975 and served as professor, assistant dean, and dean of the College of Law, as well as acting vice-president academic before his appointment as president and vice-chancellor in 1999. He was a leader in many of the innovative projects at the U of S [University of Saskatchewan], including the Academic Health Sciences building and the Canadian Light Source synchrotron.

Mr. MacKinnon was also integral in the establishment of the university's strategic directions in 2002, a document that has been the foundation for the institution's growth and development ever since.

All people of this province should be proud of the accomplishments of the U of S, and particularly so those accomplishments achieved under President MacKinnon's leadership. I would ask all my colleagues to join me in extending our heartfelt thank you to President MacKinnon for his commitment to the University of Saskatchewan and indeed the province of Saskatchewan. We wish him nothing but the best in his future endeavours. Thank you, President MacKinnon, and thank you, Mr. Speaker.

The Speaker: — I recognize the member from Saskatoon Eastview.

World Kidney Day

Ms. Junor: — Thank you, Mr. Speaker. Today is World Kidney Day. World Kidney Day is a joint initiative of the International Society of Nephrology and the International Federation of Kidney Foundations. The mission of World Kidney Day is to raise awareness of the importance of our kidneys to our overall health and to reduce the frequency and impact of kidney disease and its associated health problems worldwide. That awareness includes highlighting that diabetes and high blood pressure are key risk factors for chronic kidney disease. It includes educating all medical professionals about their key role in detecting and reducing the risk of chronic kidney disease.

It's also a time, Mr. Speaker, to remind the people of

Saskatchewan to have their organ donor cards signed. Mr. Speaker, there are 115 families currently waiting for a kidney transplant in Saskatchewan. They trusted the minister when he told them last year that he would have the kidney transplant program operating by July 2010. For the minister to keep these patients waiting any longer is a cruel breach of that promise. He should immediately put their minds at ease and honour his promise.

Mr. Speaker, in this morning's *Leader-Post* a kidney disease patient is quoted as saying in regards to his wait for a kidney transplant, "It's not the right way to live." And he's sadly right. Mr. Speaker, the minister needs to get the Saskatchewan kidney transplant program fully functioning now.

The Speaker: — I recognize the member from Saskatoon Northwest.

Trade With India

Mr. Wyant: — Mr. Speaker, today marks an important step in the continuing chapter relating to the trade relationship between India and the province of Saskatchewan. Saskatchewan's exports to that country already account for roughly 40 per cent of Canadian total. That trade has been mostly potash plus beans, peas, and lentils. The livelihood of 18,000 Saskatchewan farm families depends on this important relationship.

Mr. Speaker, I'm very pleased to report our exports also include high-tech expertise. Today in India, Premier Brad Wall witnessed the signing of two major contracts involving International Road Dynamics of Saskatoon.

The Speaker: — Order. Order. Order. Order. Order. Just to remind the member to refer to members by their position in the Chamber. Thank you.

Mr. Wyant: — The company secured work on two major transportation projects worth \$1.1 million. This is further confirmation that IRD's [International Road Dynamics] work in remote-sensing equipment and intelligent highway technology is world-class and can compete anywhere. Mr. Speaker, our government would like to congratulate the staff at International Road Dynamics in Saskatoon and in the offices around the world.

We would also like to thank the Saskatchewan Trade and Export Partnership for the work they do in promoting Saskatchewan companies in India and around the world. Now the focus of the trade mission to India will focus on important discussions with Indian officials on the sale of pulse crops, potash, and innovation. Thank you, Mr. Speaker.

The Speaker: — I recognize the member from Athabasca.

Follow-Through

Mr. Belanger: — Thank you very much, Mr. Speaker. The trick in every sport, from a golfer's swing to a hockey player's shot, is follow-through. It's a trick this government has yet to master, Mr. Speaker, because they're great at the windup, but they have no follow-through. From storing carbon underground with Montana, Mr. Speaker, to creating medical isotopes in

Saskatoon, the story with this government is big ideas, no follow-through.

It was in this same building where they had their grand ribbon-cutting ceremony on carbon capture, Mr. Speaker. The governor of Montana was here for the photo op. It was a big windup, Mr. Speaker, but there's no follow-through. Months after the project was dead, the government finally admitted it couldn't deliver.

It's the same story with the medical isotope reactor, Mr. Speaker. The Premier said he'd be doing the federal government a favour by taking their money to complete this project. But a federal budget came and went, and this big idea went with it — big idea, Mr. Speaker, and no follow-through.

And these big ideas aren't free, Mr. Speaker. Dollars are wasted on studies that go nowhere, and time is lost waiting for the trial balloons to go pop in the air.

The environment, health, clean energy — all areas where we could do so much. We could be so much further ahead than we are today if only this government would learn to master the most basic skill in sports — follow-through. Thank you, Mr. Speaker.

QUESTION PERIOD

The Speaker: — I recognize the member from Saskatoon Eastview.

Physician Recruitment

Ms. Junor: — Thank you, Mr. Speaker. Yesterday the physician recruitment agency CEO [chief executive officer] was at the SARM convention talking to delegates who were there voicing their concerns about rural health care and particularly the doctor shortage.

To the minister: other than go out and buy yourself a doctor, what message or help did the physician recruitment agency give to communities like Wakaw, Watrous, Spiritwood, and Big River, just to name a few, who are struggling to keep their emergency services without doctors?

[10:15]

The Speaker: — I recognize the Minister of Health.

Hon. Mr. McMorris: — Mr. Speaker, the physician recruitment strategy that our government implemented over the last couple of years is proving results, Mr. Speaker. We have more physicians, more general practitioners, and more specialists working in this province today than we have any year under the NDP [New Democratic Party], Mr. Speaker.

Mr. Speaker, not only that, Mr. Speaker, we've increased the number of medical seats, and we've also increased the number of residencies. I am proud to announce that the U of S just announced earlier this week that a record number of residents have matched in the first round of CaRMS [Canadian resident matching service] — that's when medical students match with residencies — 79, Mr. Speaker, in this province. Can you

imagine if we ever went back to only 60 residency seats under the NDP?

The Speaker: — I recognize the member from Saskatoon Eastview.

Ms. Junor: — I think the residents of Saskatchewan, the doctors of Saskatchewan, and the PAIRS [Professional Association of Internes and Residents of Saskatchewan] would like to have a contract. That's what they're imagining.

Mr. Speaker, the minister's physician recruitment agency — and I've seen the PowerPoint — has been in place for months, and all it has done is spent \$200,000 on furniture. Rural communities across the province are competing with each other to recruit their own doctors with no help from the government. Doctor vacancies have increased from 84 in 2007 to 119 now.

Mr. Speaker, to the minister: when is he going to stop hiding behind the physician recruitment agency and come up with a real strategy to address the doctor crisis in rural Saskatchewan?

The Speaker: — I recognize the Minister of Health.

Hon. Mr. McMorris: — Mr. Speaker, as I mentioned, the exact number of doctors working in the province over the last three years of our government has increased by 228. That's an increase of 13 per cent. Mr. Speaker, we've increased the number of medical residency positions, and we've also increased the number of medical seats. So we train more of our own that will stay here in Saskatchewan, Mr. Speaker.

Mr. Speaker, it is interesting, and I can't help but quote the former NDP MLA [Member of the Legislative Assembly] and former physician who talks about, and I quote, "Judy Junor to carp on about health care in rural Saskatchewan is pure hypocrisy." That's what that is, Mr. Speaker.

The Speaker: — I recognize the member from Saskatoon Eastview.

Ms. Junor: — Always rely on credible sources, Mr. Speaker.

Mr. Speaker, one of the main concerns at the SARM convention for rural community representatives is aging infrastructure. Communities have very limited resources to use for infrastructure improvements and to provide basic services for their communities. Mr. Speaker, that minister and that Sask Party government are telling rural communities to take their money and, instead of fixing infrastructure problems, buy a doctor.

To the minister: when is he going to start doing his job and get communities like Wakaw and Big River and Watrous and all the others who are just on the brim of losing their doctor and losing their services, what is he going to tell them that they need to do and how they're going to use their municipal revenue? What help is he giving them?

The Speaker: — I recognize the Minister of Health.

Hon. Mr. McMorris: — Mr. Speaker, we're working very closely with all the communities across the province through a

physician recruitment agency, the first one in Saskatchewan's history. Other provinces have had one, never under the NDP. We implemented it, and it's working in Saskatchewan, Mr. Speaker.

Mr. Speaker, the member opposite talks about infrastructure in rural Saskatchewan. Well I'll tell you what we have done for infrastructure in rural Saskatchewan. Under the NDP, 35 per cent of any capital had to be raised by the community. This government changed it from a 65/35 to an 80/20. That's what we're doing in rural Saskatchewan, Mr. Speaker.

Mr. Speaker, there are issues in rural Saskatchewan. But I can tell you they were a lot more acute under the former NDP.

The Speaker: — I recognize the member from Regina Elphinstone-Centre.

Employment Trends

Mr. McCall: — Mr. Speaker, there's a letter in today's *StarPhoenix* from well-respected University of Saskatchewan economist Eric Howe entitled, "Aboriginal job loss disaster." The letter references a subject that has been a long-time focus of Dr. Howe's research, a subject on which he is an authority. And the letter adds to a debate that has seen his authoritative observations pitted against sunshine spin from this Sask Party government. Eric Howe states, and I quote:

In January 2009, 60 per cent of Saskatchewan's aboriginal adults were employed. A year later, everything had changed.

. . . By January 2010 . . . one in seven aboriginal workers . . . had lost their jobs. Only 50 per cent of our aboriginal adults were still employed.

Given Saskatchewan's demographic reality, decreasing aboriginal employment spells economic disaster provincially.

Mr. Speaker, recognition of a problem is critical. Does this government agree with Dr. Howe?

The Speaker: — I recognize the Minister Responsible for Advanced Education and Immigration.

Hon. Mr. Norris: — Mr. Speaker, we know that there's more to do regarding the education and employment of First Nations and Métis people in the province, Mr. Speaker. That's why we've invested, within the Ministry of Advanced Education, Employment and Immigration alone, more than \$40 million of direct investment. That raises by tens of million dollars when we look at indirect investment. Those are considerable increases over the members opposite, Mr. Speaker. Mr. Speaker, when we begin to look at some key areas, Mr. Speaker, for several months we've seen First Nations and Métis employment on the rise, Mr. Speaker.

Mr. Speaker, we know there's more to do. We're working nationally through the CMEC [Council of Ministers of Education, Canada], that is Canadian ministers of Education and Advanced Education. Just a couple of weeks ago, we were

sitting down with the national Aboriginal organizations.

There is more to do, Mr. Speaker. Those numbers are on the rise, Mr. Speaker. We're going to continue to work through partnership to see the numbers continue to improve, Mr. Speaker.

The Speaker: — I recognize the member from Regina Elphinstone-Centre.

Mr. McCall: — Well we'll get to partnerships and this government's record on that, Mr. Speaker, but there's a letter from January 14th in the *Leader-Post* from, again, Professor Eric Howe in which he states:

Aboriginal employment in Saskatchewan in 2010 decreased in every month since July. However, there is seasonal variation in employment, so it is important to take a longer view although that view is even more depressing. Aboriginal employment is down an extraordinary 10 per cent from its previous peak in January of 2008, so aboriginal employment decreased sharply during a period when total provincial employment was slightly up. During the tenure of the Saskatchewan Party government (comparing October 2007 to December 2010) aboriginal employment is actually down.

... As to why this is happening and what needs to be done, people will differ. [I go on quoting in the letter.] However, it does not help to distort the record. The province is facing economic disaster.

When is that minister going to stop with the summits? When is that minister going to stop with cutting programs that have helped improve Aboriginal employment, and when is he going to present a plan that actually holds some water?

The Speaker: — I recognize the Minister Responsible for Advanced Education.

Hon. Mr. Norris: — Mr. Speaker, it's important for the record to make sure that everyone in this province understands that First Nations employment went up in January by 1,400 jobs, Mr. Speaker. That's the ninth consecutive month, Mr. Speaker.

As far as a track record, Mr. Speaker, when we look at the decade between 1996 and 2006 we see that the gap in education and employment success at both the K to 12 [kindergarten to grade 12] and at the post-secondary level, Mr. Speaker, it widened under the NDP, Mr. Speaker. They were ineffective. They were inattentive and, Mr. Speaker, they lost their focus. And as a result, this province lost a decade under the NDP, Mr. Speaker. The lesson learned is we can't go back to NDP governments.

The Speaker: — I recognize the member for Regina Elphinstone-Centre.

Mr. McCall: — Thank you, Mr. Speaker. I guess we can mark the minister down as disagreeing with the authoritative comment of Dr. Howe, which again is very interesting, Mr. Speaker. Who are we going to trust: an authority on the subject or the Minister for Employment on that side? I think the people

know who to trust on this, Mr. Speaker.

One of the things that Dr. Howe points out to us as problematic in the way that this government has approached the question of aboriginal employment is the fact that, and I quote, "The Saskatchewan Party government had eliminated its Aboriginal Employment Development Program."

He goes on to state that:

It had taken a major aboriginal institution — First Nations University of Canada — and beaten it to its knees. However cathartic these actions were to the Saskatchewan Party's base, the damage to our province was severe.

We've got a government that ripped up, unilaterally ripped up 100-plus Aboriginal employment development program agreements, and now they want to talk about partnership. The numbers speak for themselves. When it comes to deciding what we're going to believe, we'll side with Dr. Howe every time — asking, demanding action on Aboriginal employment for the people in Saskatchewan.

The Speaker: — I recognize the Minister Responsible for Advanced Education.

Hon. Mr. Norris: — Thank you. Thank you very much, Mr. Speaker, for the opportunity. Not only did we see First Nations and Métis employment increase in January by 1,400 jobs, we saw that First Nations and Métis youth employment jumped by over 30 per cent. That's 1,900 jobs, Mr. Speaker.

With reference to the First Nations University of Canada, Mr. Speaker, we know the track record, and it's a sorry one, of the members opposite. Turn a blind eye, write a blank cheque, and hope it goes away, Mr. Speaker.

We work with federal partners. We work with partners here in the community, Mr. Speaker. We've come up with a four-year framework including a partnership with the University of Regina to ensure that our First Nations and Métis students have maximum opportunities, not just simply to succeed in their studies, but to simply succeed and stay in Saskatchewan. Mr. Speaker, a far brighter future than was ever offered students under the NDP.

The Speaker: — I recognize the member from Regina Elphinstone-Centre.

Mr. McCall: — Well, Mr. Speaker, I guess we've got some fairly clear indication. On the one side, you have the authoritative comments of Dr. Howe, a respected economist from the University of Saskatchewan, who's dedicated three decades-plus to this kind of research. On the other side you've got the pompom waving and spin from the Sask Party.

But the fact remains, Mr. Speaker, that between October 2007 — December 2010, Aboriginal employment, to cite the work of Dr. Howe, it's actually down. He says that this is a disaster for the province of Saskatchewan, Mr. Speaker. And I guess on the opposition side, we agree with Dr. Howe that this is a disaster. A useful tool in the fight to ward off that disaster was Aboriginal employment development, the cause for a

representative workforce.

We've seen the government opposite tear up that valuable program that should have been bolstered and improved. Instead they walked away from it. When is this government going to bring forward a meaningful, comprehensive plan that deals with representative workforce, Aboriginal employment, and when are they going to stop the spin? Thank you.

The Speaker: — I recognize the Minister Responsible for Advanced Education and Immigration.

Hon. Mr. Norris: — Mr. Speaker, once again, Mr. Speaker, for nine consecutive months we've seen employment increase in Saskatchewan for First Nations and Métis people, Mr. Speaker. That includes, Mr. Speaker, a jump of 30 per cent for First Nations and Métis youth. Mr. Speaker, there are some key indicators of the success that is under way, Mr. Speaker. The success: we can look at adult basic education, which we know is so important for First Nations and Métis communities, Mr. Speaker. You've seen a 17 per cent increase year over year in investments in adult basic education, Mr. Speaker. That stands in stark contrast . . .

[Interjections]

The Speaker: — Order. Order. Order. I recognize the minister.

Hon. Mr. Norris: — Mr. Speaker, what we see is investments in adult basic education through our ministry alone, the Ministry of Advanced Education, Employment and Immigration, increased by 17 per cent, Mr. Speaker.

The crisis, Mr. Speaker, was defined between 1996 and 2006 when First Nations education in both the K to 12 system and the post-secondary system saw the gap increase, Mr. Speaker, that is between First Nations and other members within this provincial community. We know there's more to do, and mostly that's because we're trying to clean up the mess created by the NDP, Mr. Speaker.

The Speaker: — I recognize the member from Cumberland.

Support for Northern Housing

Mr. Vermette: — Mr. Speaker, the Quarry apartment building is set to close in La Ronge after complaints of bursting pipes and heaving floors, but the rental vacancy rate in La Ronge is zero per cent. Mr. Speaker, some will try to find a place with friends and families to stay on the reserve, but that situation is no better. One resident, Mr. Speaker, says, we have no idea where to go.

To the minister: why has this government failed to act on a serious northern housing strategy so families in La Ronge have safe and affordable places to live?

The Speaker: — I recognize the Minister Responsible for Social Services.

Hon. Ms. Draude: — Thank you, Mr. Speaker. And I know that this is a very serious issue not only in La Ronge but in other parts of the North. I know that there's a 16-apartment

building that shut down now for building code violations. And the ministry had asked the Calgary landowner to apply for assistance to bring it up to code, but at the time of the closure, they hadn't made that application.

So we do know that there is work to be done, and we will help. We can't give specifics about the individuals in the building, but we'll help them find accommodation. That's why we have, Mr. Speaker, that's why we have implemented a housing strategy. The northern people will definitely be involved in the strategy as we build towards a discussion on what we should be doing in the province. And, Mr. Speaker, we know that we have done work and there's more work to do.

The Speaker: — I recognize the member from Cumberland.

Mr. Vermette: — Well, Mr. Speaker, that's going to do lots for the people that have no place to go at the end of the month. Mr. Speaker, La Ronge has experienced a boom but the people aren't seeing the benefit. Everyone, Mr. Speaker — students; young professionals; families on-reserve, off-reserve — is couch surfing, finding places with friends and families because they can't find affordable housing. With a zero vacancy rate, they have nowhere to go.

To the minister: why is this government failing to ensure La Ronge families have safe and affordable housing options?

[10:30]

The Speaker: — I recognize the Minister Responsible for Social Services.

Hon. Ms. Draude: — Mr. Speaker, since November of 2007 when we became government, we've invested over \$18 million for 173 rental or ownership units in the North. Ninety-eight units are complete and there are 75 under construction at this time. And we've spent \$2.8 million helping 224 low-income homeowners make the necessary repairs to their homes and to their properties. The Saskatchewan Housing Corporation homeowner repair program is now delivering this through the northern housing network.

Mr. Speaker, right now Sask Housing owns approximately 1,400 social and affordable housing units in the North. That's one unit for every 12 people in the North, Mr. Speaker. In the South, it's one unit for about every 35 people. We are working on it. We know it's a challenge. And the North will be part of the strategy as we go forward.

The Speaker: — I recognize the member from Cumberland.

Mr. Vermette: — Well, Mr. Speaker, the housing that is available is often substandard. The overcrowding rate in northern Saskatchewan is 18 per cent and the people have to live in unsafe and unhealthy conditions because they have a lack of safe and affordable housing. Now some are being forced out of their apartment. Mr. Speaker, this government says everyone in Saskatchewan is benefiting from the boom, but families in La Ronge aren't enjoying a boom when they have to thump on doors to ask for a place to stay with friends and families so they can find a place to have to sleep.

To the minister: why is this government not ensuring that families in La Ronge and throughout northern Saskatchewan have safe and affordable homes to live in?

The Speaker: — I recognize the Minister Responsible for Social Services.

Hon. Ms. Draude: — Mr. Speaker, the issue of affordability is important for northern Saskatchewan, as it is right across all of our province. I want to just point out the NDP record on housing. Maybe they should talk about they only invested in 89 new units in their last three years, compared to 173 units for us. The NDP invested \$4.5 million in their last three full years, and our government invested \$18 million. But when it comes to affordability, Mr. Speaker, let's talk about the 92,000 . . .

[Interjections]

The Speaker: — Order. Order. Order. Order. I recognize the minister.

Hon. Ms. Draude: — Mr. Speaker, what we've done on affordability is things like removing 92,000 low-income people off the tax rolls. That saved \$2,800 annually for low-income single parents. We've lowered utility costs by 7 per cent. We've doubled the low income tax credit. We've nearly doubled the number of seniors who are eligible for benefits under the seniors' income plan. We've doubled the amount available to low-income seniors for the seniors' income plan, and we've increased rental supplements five times.

Mr. Speaker, there's always more we can do. And people in northern Saskatchewan are an important part of a growing economy, and we'll be working with them as we build the province.

The Speaker: — I recognize the member from Regina Dewdney.

SaskTel Services

Mr. Yates: — Mr. Speaker, this government continues their ideological attack on our Crown corporations, Mr. Speaker, and continue to privatize by stealth. Mr. Speaker, one of our longest standing and most profitable Crown corporations, SaskTel is one of the latest to be attacked by this government.

Mr. Speaker, we saw the sell-off of the Hospitality Network, a service that provided telephone and TV service to hospitals across this province and across the country, Mr. Speaker. A profitable Crown sold off, Mr. Speaker, taking away some of the profit out of that Crown corporation.

Mr. Speaker, we saw the ideological selling off of the SaskTel building in Saskatoon, a building where we owned it and we in fact made a profit by renting other portions of the building to others. Now we have to pay rent in that building, Mr. Speaker.

So, Mr. Speaker, why is this government throwing away the future of our Crown corporations because it ideologically wants to destabilize them and privatize them?

The Speaker: — I recognize the Minister Responsible for

Energy and Resources.

Hon. Mr. Boyd: — Mr. Speaker, SaskTel is investing into Saskatchewan at a record rate, some \$120 million into the Internet system and into high-speed Internet, into the cellular network in Saskatchewan. SaskTel is doing a tremendous job in terms of reaching more people in Saskatchewan with high-speed Internet, allowing people to have the latest of communications equipment.

The Hospitality Network is simply not a part of that core business. It is felt that this was an area that should more be in the private sector, and as a result of that the province made the decision and SaskTel made the decision to divest in this area.

The Speaker: — I recognize the member from Regina Dewdney.

Mr. Yates: — Mr. Speaker, this government for ideological reasons continues to sell off and privatize portions of SaskTel. Mr. Speaker, today we have citizens of this province standing at SARM . . . yesterday, pardon me, Mr. Speaker, talking about the services being provided to them in rural Saskatchewan.

Mr. Speaker, an individual stood up yesterday and talked about how SaskTel is delivering poor service to them in rural communities because of their stop sell directive. Services now that were once provided by the Crown corporation are now provided by private suppliers, contracted out, or privatized, Mr. Speaker. And citizens are saying they're not getting the same quality of service, and they can't, Mr. Speaker, they can't hold their government accountable because they don't own it.

Mr. Speaker, the people of this province want SaskTel to deliver those quality services to every rural community, but instead this government's decided to sell it off. When will the minister reverse that bad decision?

The Speaker: — I recognize the Minister Responsible for Energy and Resources.

Hon. Mr. Boyd: — Mr. Speaker, there was a realized capital adjustment of \$36.6 million subject to final closing adjustments. The net cash gain from this investment is about \$25 million for the people of Saskatchewan. There are no job losses at SaskTel as a result of the transaction. And we understand it's the purchaser's intention to keep Hospitality Network's head office here in Regina. So the service is still in place. The people of Saskatchewan that were employed in it in SaskTel are still working in SaskTel, which is in a sharp contrast, in a sharp contrast through the \$72 million that was lost under Navigata under the previous administration.

The Speaker: — I recognize the member from Regina Dewdney.

Mr. Yates: — Thank you, Mr. Speaker. Mr. Speaker, can the minister confirm to this Assembly that during a meeting of the SaskTel board of directors, a motion was passed to downsize the corporation by eliminating positions, outsourcing, and eliminating assets, and can he confirm that this was not simply a motion of the board of directors but came as direction from their Sask Party leadership?

The Speaker: — I recognize the Minister Responsible for Energy and Resources.

Hon. Mr. Boyd: — Mr. Speaker, we will look into the member's question. With respect to that, I don't know; I wasn't in attendance at all of the board meetings. But we'll certainly look into the member's contention with respect to this.

But I don't think it's any secret the Government of Saskatchewan has said on numerous occasions that we are looking at reducing the number of people that work for the Government of Saskatchewan through things like attrition as people retire, that sort of thing. It's a stated goal here in the province of Saskatchewan. We will certainly be moving forward with respect to that.

The Speaker: — I recognize the member from Regina Dewdney.

Mr. Yates: — Mr. Speaker, the people of this province are very proud of their Crown corporations. They want their Crown corporations to remain publicly owned and publicly operated, Mr. Speaker. Mr. Speaker, how does the government square with motions passed in the board to outsource jobs and eliminate assets of the Crown corporations and being in the best interest of the people of Saskatchewan?

The Speaker: — I recognize the Minister Responsible for Energy and Resources.

Hon. Mr. Boyd: — Mr. Speaker, if the member was listening to my response, the second-last one here, it was there were no losses of jobs for the people that were in the Hospitality Network that were employed in SaskTel. No losses of jobs, they were all moved into other areas of responsibility, which of course is in sharp contrast . . . As I said, there was a profit gained in this area, which of course is in sharp contrast to the \$72 million of taxpayers money that was lost on Navigata by the previous government and the front bench members of the opposition today.

ORDERS OF THE DAY

SEVENTY-FIVE MINUTE DEBATE

The Speaker: — I recognize the member from Prince Albert Northcote.

Review of Potash Royalties

Mr. Furber: — Thank you, Mr. Speaker. I'm pleased to rise today to move a private member's motion urging the Assembly to properly represent Saskatchewan families with respect to potash royalties. Now this is of vital importance to our province currently and of vital importance to the future of our province, for reasons that will become obvious if they're not already.

Here are the facts, Mr. Speaker. The Potash Corporation in 2010 netted \$1.8 billion in gross revenue. On that \$1.8 billion, they paid \$77 million in royalties to the province of Saskatchewan. Less than 5 cents on every dollar has gone in to the people of Saskatchewan, the owners of the potash resource.

Now who thinks this is fair and who thinks this is unfair? Well the people who think that this is, less than 5 cents on a dollar is a fair amount are the Potash Corporation and the Saskatchewan Party.

Now do I blame the Potash Corporation for saying they're against the royalty review? Certainly I do not. It's the job of their CEO to protect the interests of the company, which is a profit-driven company. So they're interested in maximizing their profits and certainly I don't blame their CEO for saying that he's not interested in seeing their profits diminish in any way. But unfortunately for the people of Saskatchewan, their CEO, the Premier of Saskatchewan, has said that he's not interested in maximizing the profits for his shareholders — the million or so of us who live in Saskatchewan. And it's shameful because it's his job to maximize the benefit for his shareholders, and he's not doing his job and he's not maximizing that benefit for Saskatchewan people.

So what is the call for a royalty review based on? Well certainly it's based on the numbers put forward by the Potash Corporation of Saskatchewan. I listened for over an hour to their quarterly report earlier last month where the CEO spoke of a few things, a few things that are driving the industry. He said that inventories were especially low at this point in their history, that stockpiles are also low for companies that resell, and that world demand is enormous right now but is going to skyrocket moving forward. And so we are simply calling on a review based on what the CEO himself called the new norm for Potash Corporation. So he said clearly in that meeting or that presentation that \$1.8 billion in profits is the new norm for the Potash Corporation of Saskatchewan.

Now we've called for a review, and we want that review to take place immediately because we believe that 5 cents on a dollar is not enough. The Saskatchewan Party government countered by saying that for 16 years they will not have a review. Now what does that mean for Saskatchewan people? What does that mean, Mr. Speaker?

If you use the numbers from 10 years ago, we were getting about approximately 30 per cent in terms of royalties on potash. And you use the new norm and extrapolate that over 16 years, electing and re-electing this government would cost the taxpayers of Saskatchewan, for one corporation, \$7.4 billion. That's the difference for one corporation that makes up 40 per cent of the production in Saskatchewan. Now if you again move that into 100 per cent production, you're looking at somewhere close to \$15 billion of royalties that are not being paid and that should be paid to the people of Saskatchewan — nearly \$1 billion a year the Saskatchewan Party government is willing to forgo that Saskatchewan people, we believe, deserve.

[10:45]

Now who else has weighed in on potash? Who else has weighed in suggesting that a review is something that should take place immediately because the current regime is not fair? The Premier of the province of Saskatchewan called the royalty review crazy. Now in spite of the fact that that term's offensive and ridiculous, he said it anyway. Now why did he say it? And who agrees with him? Bill Doyle agrees with him.

Who else disagrees with him, Mr. Speaker? People from all over the political spectrum, including people from the right and people from the farther right. Rick Swenson, the leader of the Saskatchewan Progressive Conservative Party, a party to which many of the MLAs currently in the Saskatchewan Party used to belong, said recently that the government needs to negotiate a new deal on potash to “ensure that the owners of resources — the people of Saskatchewan — get their fair share of the resource pie.”

Now it's clear that this is not ideologically driven. It's simply a matter of pragmatic need for the Saskatchewan people, and what's fair and what's not fair.

Who else has weighed in, Mr. Speaker? Colin Boyd, professor at the Edwards School of Business at the University of Saskatchewan — again a school of business, Mr. Speaker — suggesting that “The capital writeoffs make it . . . [difficult] to determine whether there's an appropriate rate of return.” And he notes the complexity of the current regime. Now what he says is:

It may be a fair debate to have. What is a fair profit for PotashCorp to make if potash prices do go up? Is the province fairly sharing in that bounty?

So he's asking too that, is it fair for the Saskatchewan people to take less than 5 cents on a dollar for their potash? And he's arguing that we should have a review.

Who else, Mr. Speaker? Sylvain Charlebois, associate dean in the school of management and economics at the University of Guelph, a former University of Regina business professor. So two business professors, Mr. Speaker, suggesting that we need a review.

He says that “A review of province's royalty structure is ‘dearly needed’ to make the system more responsive to volume of sales rather than price.” He says:

The world needs the mineral. The world needs potash. I think there is actually a public responsibility for the government to go for a review. This would be good for the industry, not just the public, for the long run.

So, Mr. Speaker, not only does he suggest that it's good for the people of Saskatchewan and that it's dearly needed, but he also says that this would be good for the industry.

So the fearmongering that's going on on behalf of the Saskatchewan Party is not accurate, according to the associate dean of the school of management and economics at the University of Guelph.

Now it's not only university professors in schools of economics that are weighing in, Mr. Speaker. In addition to those folks, there are tax experts that are also weighing in, saying that we should look at a potash royalty review. Now who might those people be, Mr. Speaker?

Jack Mintz of the school of policy at the University of Calgary and a fiscal and tax policy specialist describes the province's current royalty system as “just wrong.”

My argument is that it is actually a poor rent-collector, probably not collecting enough rents on it. In fact, when you kind of look at the numbers it would suggest that.

He's a former head of the conservative C.D. Howe Institute think tank.

So there you have it, Mr. Speaker. From all over the political spectrum, people are calling for a review.

In addition to the folks that I've already listed, Erin Weir has written in to the *Leader-Post*, February 17th, and said that a review is necessary. The headline of his article reads, “Sask gets ‘measly return.’” He says:

. . . Saskatchewan people are still getting a measly return on the resource they own. A provincial review of potash royalties would be a good first step toward fixing a broken system.

And Erin Weir is a Saskatchewan expatriate working as a senior economist with the International Trade Union Confederation in Brussels, Belgium. So another person weighing in that has an economics background, Mr. Speaker, suggesting that a royalty review is needed immediately.

Now the fearmongering that's going on by the Saskatchewan Party is reprehensible. It's sad. It's unfortunate. And the Premier himself used the word crazy to describe a call for a royalty review. These credible people suggest otherwise. They're saying that it's not that at all, that it's something that's necessary for Saskatchewan people.

And he's saying that, he's trying to incite fear into people suggesting that there will be no jobs if this takes place. But what are the workers saying? What are the people that are actually employed at the potash mines saying about this? They're saying, “The Government of Saskatchewan should revise its royalty regime to ensure that companies pay the province a fair price for every tonne of potash that's extracted.”

So quite simply, the workers are saying that a review needs to take place. Ken Neumann says, “The workers who mine potash and the citizens who own it deserve better.” So their fearmongering, Mr. Speaker, is nothing more than that. It's nothing more than a desperate attempt to change the channel from a royalty review because they don't want to do one.

Now Ken Neumann is the national director for Canada of the United Steelworkers Union, which represents only 280,000 workers, including potash workers. Now Mr. Neumann was born and raised in Saskatchewan. So those are some of the folks who are also calling for a review. Credible, hard-working folks, most of whom have economics backgrounds, work in business schools, and contribute and are from the province of Saskatchewan, Mr. Speaker.

Now it's sad that the Government of Saskatchewan is willing to walk away from, like I said, close to \$15 billion or approximately that over 16 years, but they are used to it, Mr. Speaker, and that's unfortunate. They walked away from \$800 million a year in equalization because they wanted to help their Conservative friends in Ottawa. They're willing to walk away

from \$800 million a year to help their friends. The people of Saskatchewan deserve that money as well, Mr. Speaker. So if you add that \$12.8 billion over 16 years to the 15 already existing, you get somewhere close to \$28 billion that this government is interested in walking away from to protect their conservative friends.

Now whether it's a corporation, whether it's the Conservative Party of Canada in Ottawa, it's unfortunate that that's who their friends are and that they're not protecting the people of Saskatchewan, the people that they were elected to represent. So it's sad that that's the state of affairs in Saskatchewan today.

Now I'm sure that they're going to fearmonger and that's going to continue and they're going to talk about how this is going to extend to every other industry in Saskatchewan, to minerals and oil and gas and all over the place, Mr. Speaker. Not true. Not interested in doing that, and here's why. The difference between potash and oil and gas is obvious and it's simple. We have currently around 30 per cent of the world's potash production and about one-half of 1 per cent of the oil production in the world. We're getting less than 5 cents on the dollar for royalties in potash. We get around 30 cents for a barrel of oil that's extracted.

We have over 50 per cent of the world's supply of potash. Again, somewhat less than 1 per cent of the world's supply of oil. Capital for oil and gas is as the product: it's fluid; it's fluid. You can move it. You can cap a mine, or cap a well. You can shut it in. And you can move away to another jurisdiction. You can't do that with a potash mine, Mr. Speaker. You can't do that. It's billions of dollars, and the price to sink a shaft for a potash mine has nearly doubled over the last few years. So you can't do it.

Additionally, Mr. Speaker, it protects Saskatchewan citizens. Saskatchewan citizens use oil and gas. We use most of the gas that we produce in Saskatchewan and so you'd be asking the citizens of Saskatchewan to pay for that review. We do not use potash in our agricultural sector in any way, shape, or form.

So, Mr. Speaker, if I could, I'd like to move the motion for those reasons:

That this Assembly urge the government to represent Saskatchewan families by ensuring a fair return for their potash resource; and further,

That this Assembly urge the government to support a review of royalty rates that would benefit Saskatchewan families.

The Speaker: — Order. The motion before the Assembly is a motion presented by the member from Prince Albert Northcote:

That this Assembly urge the government to represent Saskatchewan families by ensuring a fair return for their potash resource; and further,

That this Assembly urge the government to support a review of royalty rates that would benefit Saskatchewan families.

Is the Assembly ready for the question? I recognize the member from Martensville.

Ms. Heppner: — Thank you, Mr. Speaker. And it's a pleasure to rise today to discuss the difference between the NDP's plan for the future of our province and our government's vision for our province. And I think the difference between our two parties is pretty clear on this side of the House. We want to see Saskatchewan moving forward and the NDP are happy to go backwards, which is exactly what their policy would do to our province.

Mr. Speaker, potash in Saskatchewan is an amazing story. The amount of people that are employed by this, the amount of money that is derived from potash in Saskatchewan, and when we look at the investment that is planned on being made by potash companies in our province, it's about \$12 billion, and I don't think that now is the time to jeopardize that.

The opposition says it's fearmongering. I don't believe that is true. I think that is a simple fact. As soon as you make a jurisdiction not competitive with other jurisdictions, you are going to lose investment. We have pages and pages of potential projects in other places around the world. The potash in Saskatchewan represents 50 per cent of potash in the world, which means that 50 per cent of it, Mr. Speaker, is someplace else. Companies don't have to invest in our province. They have other options. They have other places to go. And, Mr. Speaker, I think it's incumbent upon any government to make sure that we remain competitive.

And what's interesting is the royalty structure that is currently in place was put in place by the previous NDP government under Lorne Calvert. And, Mr. Speaker, why did they do that? They looked at the investment that was needed in our province, the investment that was willing to be made by companies, and changed the structure in order to facilitate that investment. And I have to say, Mr. Speaker, economic development is not usually the strong suit of the NDP. But in this circumstance, the NDP actually made the right decision, and we will give credit where credit is due. And, Mr. Speaker, we'll give the former premier, Mr. Lorne Calvert, credit for making these changes.

And, Mr. Speaker, it was interesting the things that Mr. Calvert said at the time when these changes were made. He said, and I quote:

I think it is more significant to have opportunities for our young people to go to work in the province first of all [first of all] than to secure revenues for the General Revenue Fund of the province. Moreover, having people to go to work will guarantee the latter.

Mr. Speaker, I couldn't say it any better. If you make an investment friendly to business and make sure that they invest, that will lead to jobs, which in the end leads to more money for the province of Saskatchewan. Mr. Calvert had it right, and it's surprising to see the change in direction under the NDP currently.

There was a government release under the NDP in 2003 talking about the benefits of the changes to the potash industry which said, and I quote, "This will result in new jobs and new

infrastructure expenditures by the industry.” Mr. Speaker, that was the . . . He was talking about the current status of taxes and royalties paid by potash companies into the province of Saskatchewan. And like I said, Mr. Speaker, we’ll give credit where credit is due, and we believe that they made the right decision.

Another government release from 2005 under the NDP said, and I quote, “As a government, we want to promote that expansion and growth of our economy.” And he was referring to the changes that had been made to the royalty structure in the province.

[11:00]

And it’s also interesting, Mr. Speaker, that the current leader of the NDP . . . When looking at what Alberta had done with their royalty review, I think we all saw the chill that came over Alberta and the subsequent investment into Saskatchewan. One of the best things a government can do is offer stability to those who are investing in our province. Alberta at the time talked about a fair share, which is apparently the same talking point as the NDP is using today. And, Mr. Speaker, just less than a year ago the current leader of the NDP said, and I quote, “And I think there was a huge flow of investment into Saskatchewan after the Stelmach government made their ill-advised royalty changes.”

Mr. Speaker, the current leader of the NDP understood that when you start messing around with royalty structures, you start messing around with the investment that people are willing to make into our provinces. He didn’t have anything good to say about what Alberta had done, and now he’s standing up less than a year later — these quotes come from April of 2010 — less than a year later he’s standing up saying that we need to change the way that we’re doing business in this province. And at the same time, the NDP seemed to be saying that this isn’t going to affect us.

Well, Mr. Speaker, it is absolutely going to affect us. And that has nothing to do with fearmongering. Again less than a year ago, April of 2010, he was praising our Energy minister and he said, and I quote, “And to give credit, and I do give credit to the minister for the fact that he didn’t change and hasn’t proposed changes to the royalties that were in place when this government was elected in 2007.”

He was praising our government for the stability that we are offering business and industry in this province, Mr. Speaker. So what has changed? The only thing that I can understand that has changed on the NDP side is that we’ve got an election coming up and they want to pad the coffers so they can pay for new election promises.

But, Mr. Speaker, when they had money the last time, they didn’t do anything. Mr. Calvert stood up in this House in 2007 and said over and over and over again that they left \$2 billion in the bank. Yet just three days ago the member for Saskatoon Eastview said that they couldn’t do anything about the hospital in North Battleford because they didn’t have any money. She’s completely contradicting the position of her former leader who said they left us money. So if the NDP left us money to the tune of \$2 billion, why didn’t they do anything to invest in schools

and hospitals and roads and long-term care in this province, Mr. Speaker?

Mr. Speaker, do you know why? Because they had absolutely no vision for our province. They didn’t believe that we could grow. They were planning for decline. That’s why our schools are falling apart, our hospitals are falling apart, and our roads are crumbling. They didn’t think that we were going to grow, Mr. Speaker, so they kept all the money in the bank and didn’t invest it in Saskatchewan. Mr. Speaker, we are committed to investing in Saskatchewan, in the people of Saskatchewan and our infrastructure, to make sure that we can continue to move forward.

Mr. Speaker, the member opposite had just stood up and quoted from a bunch of different people about the royalty structure in our province. I’ve already quoted from his very own previous leader and his current leader as to the benefit of the current royalty structure. But Ken Rasmussen, a U of R public policy analyst, said this, and I quote:

If you want to collect more royalties, I guess you can. But you will be limited to the existing levels of production. You won’t see much new investment and you won’t see the kinds of growth that we’ve witnessed in the potash sector. So it really depends on what you want.

Mr. Speaker, I really think that goes to the point of this matter: what do you want? Our side of the House wants to see our province grow. We want to see investment. We want to see jobs.

And according to Ken Rasmussen — not us, Mr. Speaker, but this is an independent public policy analyst — who said that if these changes are made that the NDP are proposing, that we will see limited investment and we’ll probably see decline as well, which is not something, Mr. Speaker, that we want to see.

Nesbitt Burns analyst Joel Jackson said, just in January:

You have to be careful because if the government was to revise the potash royalties and make them prohibitive for producers to start greenfield mines because you make the profitability of those mines lower, the province could jeopardize billions [not millions, billions] of dollars of greenfield investment by global companies.

Mr. Speaker, we have seen the commitment by companies like BHP [BHP Billiton] who are willing to come into this province, invest billions of dollars in this province which will result in hundreds and thousands of jobs for our province, Mr. Speaker. And we are not willing to jeopardize that as the NDP is.

And the member opposite has also said that this isn’t going to apply to any other resource in our province. Well of course not, Mr. Speaker, because the NDP actually just want to nationalize the other industries and tax this one so that it doesn’t grow.

Mr. Speaker, the people who are directly affected by potash have also come out with their concerns. There’s been letters written to the Leader of the Opposition voicing those concerns. One of them comes from Malcolm Eaton, the mayor of the city of Humboldt, who says, and I quote:

We are very concerned about recent discussions regarding changes to the taxation and royalty agreements that are in place. We believe the uncertainty that these discussions create will have an adverse effect on the investment climate and consequently affect our ability to take advantage of the opportunities that the current growth of the potash industry is presenting to us.

Mr. Speaker, the mayor of Colonsay, James Gray, said, and I quote:

Our community is seeing growth largely due to the potash industry, and we don't want to lose residents and future housing because of issues between the potash companies and the provincial government. We want Saskatchewan to remain the place to be for all and don't think raising royalties is a way to encourage this.

Mr. Speaker, it's not just us. It's not just the Saskatchewan Party government who is against the raising or the changing of royalties when it comes to potash. It is public policy analysts. It's economists. It's the people who are directly affected, the people on the ground, Mr. Speaker. And I think, as I said, it's incumbent upon any provincial government to offer stability. It's incumbent upon us to offer competitive jurisdiction. As I said, these companies don't have to be here. They could go to other places and invest there, Mr. Speaker. But they're choosing to be here, and we welcome them here, as opposed to the NDP.

The Speaker: — I recognize the member from Regina Walsh Acres.

Ms. Morin: — Thank you, Mr. Speaker. Mr. Speaker, it's truly a delight to be able to second the motion from the member from Prince Albert Northcote:

That this Assembly urge the government to represent Saskatchewan families by ensuring a fair return for their potash resource; and further,

That this Assembly urge the government to support a review of royalty rates that would benefit Saskatchewan families.

I am very happy that I get to enter into this debate today, Mr. Speaker.

Mr. Speaker, the NDP believes that Saskatchewan people deserve a fair return on our potash resource. Now, Mr. Speaker, the Premier has been speaking out of both sides of his mouth on the issue. On one hand he is talking to the national stage and the global stage, quite frankly, about the fact that potash in Saskatchewan is a strategic resource. And, Mr. Speaker, furthermore, when we have the member that just spoke, Mr. Speaker, talking about the fact that companies will go elsewhere, it's quite interesting that that notion is even brought up by the previous member, Mr. Speaker, given that we in Saskatchewan own 50 per cent of the potash reserves in the world, Mr. Speaker. So perhaps that information needs to be disseminated amongst the Sask Party opposite as well, so they understand the advantage that Saskatchewan has. It's a strategic resource in Saskatchewan for many reasons, not the least of

which is that we own 50 per cent of the world's reserves of potash, Mr. Speaker.

The NDP believes that when potash companies are making billions of dollars in profits from our potash and paying just 5 cents on the dollar in royalties, it's time for a royalty review to ensure that the owners of the resource, which are Saskatchewan people, Mr. Speaker, are getting their fair share.

The NDP believes that higher royalties and a fair return on our potash will make more resources available for other things that will benefit all of us in Saskatchewan, Mr. Speaker. And let's just list a few of those: affordable housing, assistance for farmers who are facing rising input costs, improved public health care, improved senior care, better roads and highways, early learning and child care, debt reduction, reduced tuition, education funding. I could go on and on and on, Mr. Speaker.

The needs in this province are great, as they are in any province, Mr. Speaker, and therefore it's incumbent upon the Government of Saskatchewan and the representatives of the Government of Saskatchewan and the lead representative, being the Premier of Saskatchewan, to do everything he can on behalf of the people of Saskatchewan. And that means making sure that we are seeing the returns that we should be getting from the resources that we own, especially a strategic resource like potash, Mr. Speaker. When we own 50 per cent of the world's reserves, business is not going to be going elsewhere, Mr. Speaker.

Mr. Speaker, the NDP believes that if the Potash Corporation has enough money to give one individual, being the CEO of PotashCorp, approximately \$500 million, it has enough to pay a little more in royalties, Mr. Speaker. But what has the Wall government said, Mr. Speaker? The Wall government has said unequivocally no.

[Interjections]

Ms. Morin: — Sorry. The Sask Party has said unequivocally no. They said that we're not going to look at doing a royalty review for four terms, Mr. Speaker. That amounts to 16 years. Now I know that the Sask Party government is fixated on the term 16 years, Mr. Speaker. They're fixated on that term because the NDP was in government for 16 years prior to the Sask Party getting elected. But now they're fixated on the 16 years, being that that's when they're looking at potentially doing a royalty review on behalf of the citizens of the province of Saskatchewan. And it's unconscionable, Mr. Speaker.

And let's talk about the fact that the previous member talked about, that these policies were put into place by the NDP. Absolutely they were put into place by the NDP. And why? It was to stimulate the economy.

The NDP government in 1991 was left with a \$15 billion debt by some of those individuals that are sitting across the way, Mr. Speaker — \$15 billion debt. We were on the verge of bankruptcy in this province, Mr. Speaker. So what did the NDP have to do since 1991, Mr. Speaker? It had to do all sorts of interesting and creative things to ensure that we didn't have to declare bankruptcy, Mr. Speaker. It also had to make sure that we implemented policies that made Saskatchewan more

attractive than any other province to ensure that the economy in Saskatchewan was stimulated to its maximum potential, Mr. Speaker. That's why the NDP put those policies in place.

But, Mr. Speaker, the industry themselves, the industry itself is saying that there is a new norm, Mr. Speaker. There's a new norm, and that new norm means that there is high profitability in potash, Mr. Speaker, which also means that there should a royalty review of potash royalties in the province of Saskatchewan to ensure that the people of Saskatchewan are seeing the maximum return on the benefit of ownership of 50 per cent of the world's reserves, Mr. Speaker.

Now, Mr. Speaker, the Wall government . . . sorry, the Sask Party government. Sorry, Mr. Speaker. The Sask Party government has recently confirmed, on March 9th, 2011, in the *Leader-Post*, by the Minister of ITO [Information Technology Office] that, like I said, it would not review the royalty regime in this province for potash for four terms. And that's as recent as March 9th, Mr. Speaker.

Now, Mr. Speaker, in 2010 PotashCorp alone made \$1.8 billion from potash sales in Saskatchewan, but paid only \$77 million to the people of Saskatchewan. Mr. Speaker, \$77 million, 5 cents on the dollar is what people of Saskatchewan are seeing on their strategic resource, on the resource that they own that's 50 per cent of the world's reserves, Mr. Speaker. And, Mr. Speaker, that's why the NDP wants to see a royalty review in this province, Mr. Speaker.

Mr. Speaker, in fiscal 2009-2010 potash royalties were actually negative. The Government of Saskatchewan, the Sask Party government, had to pay back over \$200 million in potash royalties to the companies that mine potash, Mr. Speaker. Now instead of Saskatchewan people reaping the benefit of their strategic resource, as the Premier calls it, and instead of people in Saskatchewan seeing a return on a strategic resource that they own 50 per cent of the world's reserves, they ended up having to pay \$200 million back to those companies because of what happened in 2009, Mr. Speaker.

Now, Mr. Speaker, I want to quote a few people because the Sask Party government is keen on quoting individuals who have a petition to support them, so that they're not standing alone out there against the people of Saskatchewan who feel quite differently than the Government of Saskatchewan. And, Mr. Speaker, Rick Swenson, whom they already quoted, says this . . . He's the leader of the Saskatchewan Progressive Conservative Party, to which the Sask Party government holds the magic key on the \$3 million trust fund, which they're not allowing the Progressive Conservatives to get their hands on so that they can actually participate in the democratic process in this province, Mr. Speaker.

And he says this, that "The government needs to negotiate a new deal on potash to ensure that the owners of the resources, the people of Saskatchewan, get their fair share of the resource pie." Mr. Speaker, and that's from a right-wing Progressive Conservative Party, which they love to tout themselves as representing, despite the fact that the only thing they represent is big business. And they don't worry one bit about the people of Saskatchewan, while Rick Swenson actually has a conscience about the people of Saskatchewan.

Mr. Speaker, Jack Vicq, Jack Vicq, in talking about a potash royalty review that could potentially pay for tax cuts, says this, "There would certainly be some people, not business people I don't think, who would say Saskatchewan is not getting its fair rewards from resource revenues." This comes from *SaskBusiness Magazine* of January-February of 2011. And that's Jack Vicq who they also like to quote. Well we like to quote Jack Vicq as well, and that's what he has to say, Mr. Speaker.

Now, Mr. Speaker, let's talk about Jack Mintz. That's another Jack that they like to quote, Mr. Speaker. And Jack Mintz is from the University of Calgary, describes the province's current potash royalty system as "just wrong," Mr. Speaker. And this was in *The StarPhoenix* in February 17th of 2011. Now let's also talk about Sylvain Charlebois, former U of R [University of Regina] business prof who says, "A review of the province's royalty structure is 'dearly needed' . . ." From *The StarPhoenix* of February 17th, 2011.

[11:15]

And, Mr. Speaker, I'm running out of time; I have 44 seconds left. And there are so many more individuals, third party individuals who are experts on taxation issues, on the issue of potash in the province, Mr. Speaker, that I could go on and on. But I'm going to leave you with the workers, the potash workers, Mr. Speaker, and they're saying this:

The Government of Saskatchewan should revise its royalty regime to ensure that companies pay the province a fair price for every tonne of potash extracted.

The workers who mine potash and the citizens who own it deserve better.

And that's from the United Steelworkers of America, Mr. Speaker, and it's Ken Neumann who's the national director. Thank you very much.

The Speaker: — I recognize the member from Last Mountain-Touchwood.

Mr. Hart: — Well, thank you. Thank you very much, Mr. Speaker. And it's certainly a pleasure to enter into this debate. You know, Mr. Speaker, it's very interesting to watch how the opposition is starting to operate or continues to operate, and particularly in these days as we're getting closer to this fall's general election. They read the polls the same as the people of this province and we do. They see that in the polls that their numbers are heading south; they're tanking. And so what they've done and where they are now — at least I believe they are — is they're in desperation mode, Mr. Speaker.

And we just heard the member opposite talking about referring back to the '80s. Well in all of my years in this House whenever the NDP were in desperation mode and they felt that they were backed into a corner, they would bring out the 1980s blues song. You know, they'd blame everything on the Conservative Grant Devine government, and they'd sing the 1980s blues, and it was always their fault and so on. And Mr. Swenson, that they quoted here today, was part of that organization and so on, and so as I said they definitely are in

desperation mode.

And so what are they doing? They're reaching back into the '70s, Mr. Speaker. And for those people that remember back into the '70s, they saw this new industry growing here in Saskatchewan, the potash industry and they said, well listen, only government can get things right in this province. And so what did they do? They went ahead and they nationalized the potash industry. And how did that work for them, Mr. Speaker? Well history will tell us it didn't work very well. So eventually when the people of the province could see that, and they said, listen, we need new administration. We need to fix this. We need to turn this around. And so the potash industry was privatized. And the bottom line is we've got a thriving industry, a stable industry that's making massive investments in this province, Mr. Speaker.

And these people now, in desperation mode, are going back to the '70s and saying, hey, you know, I mean they're saying, let's just have a review. Well I think that's just opening the can a wee bit, Mr. Speaker. I think in their desperation they've got more things in mind.

And what is this doing, Mr. Speaker? It is sending the wrong message, just like the wrong message they sent in the '70s when they nationalized this industry and sent the wrong message to investment of any kind in this province from around the world. And if we let them continue with this foolishness and people aren't buying into it, Mr. Speaker, we could have the same sort of problems here.

Nobody's saying that the people of this province don't deserve a return on their resources. And they are getting that; we are using the royalty structure that was put in place by the Calvert government. And what did the current Leader of the Opposition say, as my colleague mentioned, just less than a year ago? He was in committee, in the Economy committee. And I think I'll just quote it again. The Leader of the Opposition says this, "And I think there was a huge flow of investment into Saskatchewan after the Stelmach government . . . [and] their ill-advised royalty changes."

Later on in committee, the Leader of the Opposition said this. He said:

. . . the stability in Saskatchewan under the Romanow leadership, and Lorne Calvert, and now our Premier leaving it in place has led to a stability regime that is really known across the country. And to give credit, and I do give credit to the minister for the fact that he didn't . . . and hasn't proposed changes to the royalties that were put in place when this government was elected in 2007.

That is Economy Committee out of *Hansard* on April the 20th, 2010.

So, Mr. Speaker, what has changed? The only thing that has changed is we're getting close to election. Their party isn't getting any traction out there. They're heading in the wrong direction, so they're going for a Hail Mary pass here, Mr. Speaker. And I can tell you, it's not working because they haven't done their homework for one thing. I was listening earlier to the member from Prince Albert Northcote who stood

in his place. He's the critic of Energy and Resources. He's supposed to have done all his homework and he boldly proclaims, here in the House, that Saskatchewan doesn't use any potash. Farmers in Saskatchewan don't use any potash.

Well I can tell you there's nothing further from the truth, Mr. Speaker. I want to tell him that farmers of Saskatchewan do use potash in their production. If he was reading the papers recently in the last couple of days, you would know that the maltsters of Canada are saying, there's really going to be a problem in getting quality malt barley and that's going to translate into the increase in their product. The beer prices are going to increase.

Where's the tie-in between potash and beer? If that member had done any homework and if his caucus researchers would have helped him with this, he would know that potash is an essential nutrient for plant growth. And it's particularly essential for barley production; if you want quality barley, you use potash to make sure that you get good quality malt barley.

So they haven't done much homework on this issue, Mr. Speaker. They're in desperation mode and they're going for a Hail Mary pass. They talk about Saskatchewan's low royalty rates. Well if you do a comparison, if you do your homework and look at the facts, our royalty rates are 22 per cent. The next highest jurisdiction, which is the country of Jordan, is 11 per cent. The UK [United Kingdom] and the US [United States] are down in that 3 or 4 per cent.

The member from Regina Walsh Acres talked about we've got potash all sewed up and it's not going anywhere and we should be able to tax the devil out of it and that sort of thing. Well that's not reality. We have 50 per cent of the known reserves, but I'm looking at a list of potential potash expansion projects from around the world. And just some of the countries that I would like to mention at this time is China happens to have potash. Russia has potash. Argentina has potash. Brazil has potash. China has potash. There's projects happening in the US. There's projects happening in Australia.

Do you think for a minute that if we get our royalty structures and our taxation structures way out of line, that these companies aren't going to move to where there's more suitable and more favourable and fairer tax and royalty structures? I think they've done it in the past. They'll do it again, Mr. Speaker.

And then they don't even talk about the amount of corporate and income tax that's generated by that industry, Mr. Speaker. They totally ignore that. They take one little thing out of context, again because they're in desperation mode, Mr. Speaker, and they're hoping that they can ride that one-pony story to at least have some sort of success in the next election.

Well I'm going to tell you something. The people of the province see through their foolishness, Mr. Speaker. All we need to do is look at the letters condemning their position, Mr. Speaker, that are coming forward from mayors of communities whose communities are in the potash belt. These people know what's happening. They know what's fair. They see the jobs and the people in their communities that are working in the industry and the additional jobs that are in the industry and, Mr. Speaker, they don't want any part of their position. So I would

suggest, Mr. Speaker, to the members opposite that they should do their homework. They should know that potash is being used in Saskatchewan by Saskatchewan farmers, that the industry is creating jobs.

On the weekend, this past weekend, Mr. Speaker, I was on the Yellowhead Highway driving past Jansen. And I happened to see the BHP Billiton's sign saying the mining location, proposed mining location is just a little north of the Yellowhead. So I turned off and I drove up there just to see what's happening up there. Well, Mr. Speaker, I was quite amazed at what's happening up there.

There was four drilling rigs that — this is a Sunday afternoon — there's four drilling rigs working. There was a number of vehicles on the road. In fact there's a speed zone on a grid road alongside this construction site because of the traffic that's on there. There's a lot of economic activity just starting to take place. There will be a lot more when they actually start sinking the shaft. They're currently, I understand, drilling to freeze the ground so that they don't have water coming in when they start drilling the shaft. This is an example of what's happening.

I understand that the community of Leroy has had to develop more lots and to provide homes. Wynyard, Lanigan, I know that BHP Billiton is working with First Nations in my constituency to develop their workforce for the future. Those are the benefits, Mr. Speaker, that these people see ignored.

The Speaker: — I recognize the member from Regina Rosemont.

Mr. Wotherspoon: — Thank you, Mr. Speaker. It's my pleasure to weigh in on debate here today on a matter that's most important to Saskatchewan people. I'm certainly going to be speaking in favour of the motion put forward by the member from Prince Albert Northcote. I'll read that motion at this point in time:

That this Assembly urge the government to represent Saskatchewan families by ensuring a fair return for their potash resource; and further,

That this Assembly urge the government to support a review of royalty rates that would benefit Saskatchewan families.

I find it troubling. I find it surprising. I find it disappointing that the government would be of a different mind, of a different opinion on this front, Mr. Speaker.

This is not an ideological debate, Mr. Speaker. This is not a debate that has anything to do with election timing. It's a debate that should stay away from the goofy fearmongering that we're hearing opposite, Mr. Speaker, and it should be focused on principles of fairness, of equity, and of balance, Mr. Speaker.

And what we need to recognize, Mr. Speaker, is that this is the furthest thing from an ideological or political discussion. What we see is that experts and political leaders from across the political spectrum — from centre, from left to right across the piece, Mr. Speaker — we're seeing that they support fairness in Saskatchewan, that they're calling for this review of our potash

royalty rates, Mr. Speaker.

The question is, and we've seen members opposite . . . In fact the member from Lloydminster and the Minister of Energy and the current Premier of the Sask Party have highlighted that they're not going to review potash royalties for four terms, Mr. Speaker, that they're going to be stuck in cement as an industry and a world market evolves and changes, leaving Saskatchewan people with dust, leaving the fair and equitable return that they so deserve out of their reach, Mr. Speaker. Sixteen years, Mr. Speaker.

And let me just highlight a very distinct difference. We're calling for a review and an increase to potash royalties, Mr. Speaker. What we're not, what we're not calling for, Mr. Speaker, is that to be reflected onto oil, Mr. Speaker, because it's a very different resource, Mr. Speaker. Oil is a very different resource, oil and gas, Mr. Speaker. And in fact we think we have a balance that's working quite well — a fair balance, Mr. Speaker, that was developed by New Democrats, Mr. Speaker, put forward.

The reason I say that, the interesting thing about oil, Mr. Speaker, is that as we see oil price move along, Mr. Speaker . . . And it's unfortunate circumstances that's driving that price of late. But as we see oil price move along, we recognize that a benefit increases to Saskatchewan people, directly into the coffers of their government to be invested back into Saskatchewan families — almost \$20 million in fact, Mr. Speaker, on an incremental increase of \$1 for a barrel of oil, Mr. Speaker. It's a very different resource and should be treated as such.

I believe Saskatchewan produces about one-half of one per cent of the world's oil, Mr. Speaker. And there's mobile capital in that industry, very different than what we have in potash where we're mining, Mr. Speaker, where we have 50 per cent of the world's resource and we have 30 per cent of the world's production, Mr. Speaker. So a very different circumstance.

So what we're talking about here today is standing up for Saskatchewan people, standing up for Saskatchewan communities, Mr. Speaker, who aren't getting their fair share out of their most prosperous resource, that being potash, Mr. Speaker. For the members to stand up opposite and not to review royalties and to leave it right now where we get pennies on the dollar — 5 cents on the dollar, Mr. Speaker, for our potash — and to leave the burden on Saskatchewan people, Mr. Speaker, is unfair. And the fact, Mr. Speaker . . . And the member from Weyburn Big-Muddy can shout from his seat all he wants, Mr. Speaker, but what he should, what he should recognize is that when you don't collect the fair rent, Mr. Speaker, collect the fair dollar in royalties for Saskatchewan people, you in fact create an inequity across Saskatchewan.

[11:30]

Because if we're not collecting the rightful amount from the most prosperous resource in our province, from prosperous companies that we want to continue to see be prosperous, Mr. Speaker, we're putting a burden unfairly on families, on individuals, by way of income tax, Mr. Speaker, by way of property tax, Mr. Speaker, by way of small-business taxation,

Mr. Speaker. If you're not collecting your fair share from that most prosperous industry, Mr. Speaker, our most prosperous resource, our strategic resource, you're failing Saskatchewan people. Failing to stand up for Saskatchewan people is in no way responsive to what we see going on in our province. And I hear the member from Last Mountain-Touchwood talking about the Jansen project.

An Hon. Member: — Point of order.

The Speaker: — Order. Order. Order. I'd ask the member from, or the Minister Responsible for Crown Corporations to state his point of order.

Hon. Mr. McMillan: — Mr. Speaker, for two times in the last minute, the member making a speech has referred to the presence of a member on this side of the House. I believe the rule states you may not comment on the presence or absence of a member in the Chamber and I would ask that he more carefully give the speech that he's intending. Thank you, Mr. Speaker.

The Speaker: — I thank the Minister of Crown Corporations for his point of order. And the minister is absolutely correct. If the member has referred to the absence or presence of a member, that is inappropriate. And I would ask the member from Regina Rosemont to follow the rules and procedures of the Assembly. Thank you.

Mr. Wotherspoon: — Thank you, Mr. Speaker. I can understand the uneasiness too, to not, to pretend that one wasn't maybe part of this debate on that side of the Assembly, one that's most critical for Saskatchewan people and then one that's critical, Mr. Speaker, to providing fairness to Saskatchewan people.

As I've said, there's many business leaders, economists, politicians from across the spectrum who have weighed in on this debate, Mr. Speaker. And I can think of tax specialist and somebody who has certainly has high regard in Saskatchewan, business leader Jack Mintz, who has described the current system, and this is from *The StarPhoenix* of February 17th, 2011: "... describes the province's current potash royalty system as 'just wrong.'"

Just wrong, Mr. Speaker. That's coming from Jack Mintz, one of the most reasonable individuals and experts in the field of taxation. What Mr. Mintz, I suspect, recognizes is that if we don't collect the fair dollar that we should from potash, but yet we go to income tax of families and individuals and property tax on businesses and families, Mr. Speaker, that's an inequity. Because if we're not collecting our fair share from the most prosperous industry in our province and asking for Saskatchewan people to pay for the growth that we're experiencing within Saskatchewan, Mr. Speaker, that's simply unfair.

It goes on. Jack Mintz, I quote, "Regardless of whether BHP buys PotashCorp or not, the Saskatchewan government should reform its potash royalty to reduce its complexity and minimize distortions." That's from *The Financial Post* on October 14th, 2010.

I want to highlight a business leader from across Canada and certainly a business leader here in Saskatchewan, Sylvain Charlebois, a former U of R business prof, Mr. Speaker, and I'll quote, "A review of province's royalty structure is 'dearly needed.'" That's from *The StarPhoenix* on February 17th, 2011. A business leader that's renowned in this province, Mr. Speaker, that certainly isn't affiliated in any political manner with our party, Mr. Speaker, that simply is representing Saskatchewan people.

And I'll highlight Mr. Erin Weir, an economist, senior economist with the United Nations, Mr. Speaker, and I would quote, "Saskatchewan is collecting far too little revenue from potash." That's from *The StarPhoenix* on February 10th, 2011.

Mr. Speaker, this is a pretty clear-cut case and we need to see action from government. The fact that this government is cemented in its position and irresponsible to the game-changing environment that has occurred in potash from a global perspective, Mr. Speaker, does not serve Saskatchewan people well.

The member from Last Mountain-Touchwood talks about the Jansen mine and the excitement that exists in that region, and he is correct about that excitement, Mr. Speaker. There's also diligent planning that's required in each of those communities to lay out the infrastructure — hard, physical, and social, Mr. Speaker — to meet the needs of that mine, Mr. Speaker.

Well who is going to do that without collecting our fair dollar for our potash resource, Mr. Speaker? This government, this Sask Party government, and this weak Premier, Mr. Speaker, are failing Saskatchewan people on this front, Mr. Speaker. What we need to recognize is we have a taxing inequity in this province. We need to make sure that we do a review and get the dollar right and make sure we collect a fair share from our dollar. Because quite simply, Mr. Speaker, from our potash resource, our most prosperous resource, 5 cents on the dollar doesn't cut it, Mr. Speaker.

What could we do with those sorts of dollars? Well we could address inequities across this province. We could invest in a significant way in communities, in families, in child care, in all sorts of programs that are required for Saskatchewan people. We could address the taxation inequity that exists, Mr. Speaker, for families and for individuals and for small business, Mr. Speaker. Failing to do so fails Saskatchewan people. The numbers are crystal clear, Mr. Speaker. We can dial back our numbers almost a decade and the fact remains that when price was a fraction of what it is today, the revenues to government were the same, Mr. Speaker. That's not fair and it's not right.

Mr. Speaker, Saskatchewan New Democrats have a proud economic record working with industry to develop an economy, Mr. Speaker, to understand their needs, but to represent and have a backbone to collect fairly the resource and the benefit for Saskatchewan people, to put it back into making sure that quality of life across this province improves, Mr. Speaker. Failing to collect the fair dollar we should from this most prosperous resource is a shame, Mr. Speaker, and we're going to adamantly ensure this government reverses this decision.

Thank you, Mr. Speaker. It's a pleasure to speak to this here

today, and we look forward to questions in the coming minutes.

The Speaker: — I recognize the member from Biggar.

Mr. Weekes: — Thank you, Mr. Speaker. It's a delight to be able to speak to this topic, to this motion. I certainly will not be supporting the NDP's motion. And I'll give you many reasons why our government will not be raising royalty rates, which will stifle investment in this province. I'd like to start by quoting Eric Anderson, who made comments on NewsWatch Saskatchewan this morning. And I quote Mr. Anderson:

Over a four-year span from 2005 through 2009, PotashCorp paid about \$1.5 billion in taxes in Saskatchewan. But over the next four years, starting last spring until 2014, PotashCorp forecasts they'll pay about \$4 billion in taxes in Saskatchewan, almost triple their previous four-year span. And the expansion projects will see about \$1 billion spent per year in Saskatchewan for the four consecutive years of 2009 through 2012. It is like the mother of all economic stimulus packages, but using money derived from other countries.

Finally, 10 years ago PotashCorp employed about 1,100 people in Saskatchewan. In a couple of years, they should hit about 2,500 people. That is more than double from just 10 years ago.

Mr. Speaker, that's why we will be not tinkering with the royalty rates.

Mr. Speaker, I think the people of Saskatchewan know where the government and NDP stand on the issue of potash royalty reviews. Our government seeks to ensure a stable and responsible investment climate where the people of this province get a fair share for their resources. And the private sector can be certain that their multi-billion-dollar investments in Saskatchewan's resource sector will be respected. On the other hand, you have the NDP, who want to shake down profitable enterprises with their job-killing resource tax. Yes, Mr. Speaker, the NDP has devised a thousand and one ways to drag this province back to the reckless NDP policies of the 1970s.

So there you have it, Mr. Speaker. On one hand, our government wants to grow Saskatchewan's resource sector to attracting investment and respecting existing agreements, royalty and taxation policies. And then you have the NDP and their job-killing resource tax. This is hyperbole, Mr. Speaker. It is an appropriate description for the NDP's proposal.

But there's more to this issue than a policy disagreement between a responsible government that wants to move this province forward and an opposition that wants to back the clock on Saskatchewan's success story.

Our government has received plenty of correspondence from actual stakeholders, and they all agree that NDP's job-killing resource tax is bad for this province. First I would like to read a letter from the mayor of Humboldt on behalf of the city. Mr. Malcolm Eaton writes, I quote:

The city of Humboldt is at the centre of a vibrant, growing

economic region in Saskatchewan. The potash mining industry is a key element in the continued growth and development of our city and region.

He also goes on to say:

We have been working very closely with BHP development process and are involved in several major growth planning initiatives as a result. Many of our local businesses are planning for renovations and expansions. New business ventures are evident throughout the city. We are working with several private, residential, commercial, and light industrial enterprises that are considering investing in our community. The city is reviewing the feasibility of several large-scale projects and investing in major infrastructure improvements and new developments. All of the communities in our region are working on plans to address the emerging labour needs, housing needs, and support services for our growing population.

Mr. Eaton goes on to state the fact that:

The potash mines in our area include PCS Lanigan, Mosaic Colonsay, PCS Allan. PCS Lanigan and the new BHP Jansen mine project are both within 30 minutes of Humboldt, and many employees live in Humboldt and area. The confidence and optimism that is evident in our region is vital to the success of our community's growth and development plans.

We are very concerned about recent discussions regarding changes to the taxation or royalty agreements that are in place. We believe the uncertainty that these discussions create will have an adverse effect on the investment climate and a consequential effect on ability to take of the opportunities of the current growth of the potash mining industry is presenting us. The economic downturn in the global economy in 2009 and the recent debate regarding BHP Billiton's bid to purchase PCS definitely causes some concerns and uncertainty in our region.

When BHP reiterated that their commitment to the development of the Jansen project and PCS brought forward its pledge to Saskatchewan, the concerns and uncertainty that was replaced by renewed optimism. We believe there is a need for the period of stability to support the growth and the development of potash industry in our province and allow our communities to attract the interest and confidence of new residents and new business ventures. Discussions regarding changes in royalty and taxation policy should not be brought forward in the midst of this significant growth phase.

Mr. Speaker, here we have a well-articulated letter from someone who represents a great swath of people who will be directly harmed by NDP's job-killing resource tax. Yet in spite of the many, many valid points raised by the good people of Humboldt, the NDP wants to power ahead with their reckless job-killing resource tax.

Why, Mr. Speaker, why would the NDP opposition insist on such counterproductive policies? The mayor of Humboldt

represents the general sense of optimism in this province and, quite frankly, one could argue that Humboldt is the ground zero in this potash debate. The progress being made by Humboldt is representative of a province that is moving forward on all fronts. The only thing not moving forward are the political fortunes of the NDP, which is exactly why they want to undermine all the progress being made throughout the province.

Mr. Speaker, we also have another mayor from the town of Colonsay writing about his constituents' concerns. In Mayor James Gray's letter dated March 7th, 2011, he writes:

Dear Mr. Boyd,

This letter is to advise you that I am not in favour of raising the royalties on potash in Saskatchewan. Business agreements to set priority royalties were made between the province and the potash companies, and I do not think the government should renege on those agreements now.

Mayor Gray goes on to write that:

Our community is seeing growth largely due to the potash industry, and we don't want to lose residents and future housing because of issues between potash companies and the provincial government. We want Saskatchewan to remain the place to be all and don't think raising royalties is the way to encourage this.

He ends by saying, "Please consider these concerns and don't raise the royalties on potash."

[11:45]

Well, Mr. Speaker, it is quite clear that the people of Humboldt and Colonsay are united in their opposition to the NDP's job-killing resource tax. If the NDP would just get past their own ill-informed talking points, they would realize that the province has nothing to gain through the job-killing resource tax.

But the NDP's reckless job-killing resource tax extends beyond potash. A recent letter from the president of the Saskatchewan Mining Association urged our government to dismiss the NDP's job-killing resource tax and here is why, Mr. Speaker. Mr. David Neuburger wrote that:

The world demand for energy, food, and natural resources made Saskatchewan an attractive place for investment. The SMA conducted a study in 2009 and identified approximately \$43 billion of direct investment of its member companies over the next 20 years.

I'd like to paraphrase something the late, great Ronald Reagan, former U.S. President, said. The NDP operates in this manner: if it moves, tax it. If it keeps moving, double-tax it. And if it still keeps moving, conduct a review to see how much more you can tax it before it stops moving. That's what the NDP are doing with their discussions about raising royalty rates. They are going to tax business out of this province and chase an investment away, like the Stelmach government did when they increased royalty rates on their oil industry. That investment came to Saskatchewan. We're not going to make the same

mistake. We want to attract investment. We want to attract investment for jobs in this province and for the royalties that these businesses pay so we can have, so we have money . . .

The Speaker: — Order. Order. Time has elapsed on the 65-minute debate. We'll move into the 10-minute question period. I recognize the member from The Battlefords.

Mr. Taylor: — Thank you, Mr. Speaker. It is interesting, a number of rural members getting up to speak. Yesterday in question period, the Leader of the Opposition . . . Or two days ago in question period, the Leader of the Opposition asked the Minister of Agriculture why crop insurance premiums are going up 21 per cent, but this province, the Sask Party, won't even consider a 1 cent increase in the royalties from potash, Mr. Speaker.

I ask the minister from Biggar, or the member from Biggar, two questions, Mr. Speaker. The first one is, how does he give 21 per cent up in crop insurance and no review of potash revenues? And secondly, the member and I were in North Battleford at a meeting of the joint school boards, Mr. Speaker. The school boards said we need equity financing in education. The member from Biggar said, potash revenues are up; you should get some help this year. How does he give his thoughts about potash revenue, education, and his discrepancy in comments?

The Speaker: — I recognize the Member from Biggar.

Mr. Weekes: — Mr. Speaker, I'm glad to answer that question. This government invites investment in this province. We invite the potash companies and the oil industry and other mining sector to this province. We set up a royalty rate and taxation rates that they can work within and we obviously take that money to fund education. We've increased education funding dramatic — 14.7 per cent.

And, Mr. Speaker, it's interesting that they're talking about agriculture. Their member from P.A. [Prince Albert] Northcote, he said that no farmer in Saskatchewan uses any potash in the province. He needs to do better research. He should talk to the Leader of the Opposition who claims to be a farmer. He's got ads in the paper that Saskatchewan farmers do use potash in this province. Thank you, Mr. Speaker.

The Speaker: — I recognize the member from Batoche.

Mr. Kirsch: — Thank you, Mr. Speaker. Alberta witnessed an exodus of jobs, investment, and revenue when their government disrupted the existing royalty structures in place. As a result of the Alberta government's initiative, jobs, investment, and revenue came to Saskatchewan. To the member from P.A. Northcote, why would you want to endanger jobs, investment, and revenue that would strike at the heart of Saskatchewan families?

The Speaker: — I recognize the member from Prince Albert Northcote.

Mr. Furber: — It's a shame that the member wasn't listening to my speech because I spent three minutes talking about and answering this specific question. But what I want to know from the member opposite is, how is it that he can ask that question?

And how is it that they can have this policy of 16 years without potash royalty review? How can they have that policy while the people of Saskatchewan are suffering? The price for rent is through the roof. The price for SaskPower, SaskEnergy is through the roof. They have no relief for rent controls. They are underfunding schools. The Roman Catholic School Division in Prince Albert is the lowest-funded school division in the province of Saskatchewan. How can they have this going on and not want to institute a royalty review in Saskatchewan?

The Speaker: — I recognize the member from Regina Walsh Acres.

Ms. Morin: — Thank you, Mr. Speaker. Mr. Speaker, if potash is a strategic resource as the Premier has touted, why is the government not thinking strategically, thinking about — long-term — about the return to the people that the people of Saskatchewan should be getting from their resource? Why are they closing their eyes to long-term conditions of the new norm of growing demand and rising profits and leaving Saskatchewan people out of this opportunity for prosperity to fund things like the surgical care centre or correct the funding inequity between the Catholic and public school systems and other issues that are important to Saskatchewan people? The member from Martensville could potentially answer that question. Thank you, Mr. Speaker.

The Speaker: — I recognize the member from Martensville.

Ms. Heppner: — Thank you, Mr. Speaker. Happy to answer that question. Within the current royalty structure that we have for potash and the amount of money that the province is realizing in this, I'm happy to explain to the members opposite what our government is doing. We currently have just under \$1 billion in our savings account. We have paid down almost 40 per cent on our debt, all of this while record investments in infrastructure, in schools, in roads, in health care. We have lowered income taxes. There are, I think it is 92,000 people of the lowest-income earners in our province who no longer . . .

[Interjections]

The Speaker: — Order. Order. Order. I'd ask the member who just placed the question to allow the member to respond. I recognize the member from Martensville.

Ms. Heppner: — Mr. Speaker, we have lowered income taxes. I believe it's 92,000 low-income earners no longer pay any provincial income taxes. We have lowered education property taxes, Mr. Speaker. After this budget is introduced, the agriculture sector — something that the NDP have historically ignored — will have an 80 per cent reduction in their education portion of property taxes.

Mr. Speaker, this is all within balanced budgets and without any royalty changes or jeopardizing investment in our province.

The Speaker: — I recognize the member from Saskatoon Northwest.

Mr. Wyant: — Mr. Speaker, we know that members opposite did not consult with the Saskatchewan Mining Association or the Saskatchewan Potash Producers Association, the two major

entities most affected by their job-killing resource tax proposal. And the opposition ignored requests from the municipalities that would be most directly affected by the same resource tax.

I'd ask the member from Prince Albert Northcote to provide this House and the people of Saskatchewan with a list of groups that he and his caucus members consulted prior to creating their job-killing resource tax.

The Speaker: — I recognize the member from Prince Albert Northcote.

Mr. Furber: — Mr. Speaker, we've just gone through the most comprehensive consultation in Saskatchewan's history on politics and what people want from their government. We just spent six months going through a review and consulting with Saskatchewan people.

You know who they consulted, Mr. Speaker? The Minister of Energy and Resources consulted on potash for the 2009 budget. He was off by \$2 billion. Who have they consulted on a royalty review? The potash companies and Bill Doyle.

Mr. Speaker, we will stand on the side of Saskatchewan people every time in this debate, in calling for a royalty review to benefit Saskatchewan people and not the Potash Corporation of Saskatchewan.

The Speaker: — I recognize the member from Regina Dewdney.

Mr. Yates: — Thank you very much, Mr. Speaker. The members opposite continue to fearmonger and say that if there's a change in royalty rates in this province, that the mining companies will simply pick up and leave, Mr. Speaker. Well when you have 50 per cent of a strategic resource in the world, Mr. Speaker, and other countries are talking about moving to have 3 or 4 per cent, maybe 8 per cent, Mr. Speaker, could the member from Martensville please tell me how a mining company picks up a mine shaft and moves it to another country?

The Speaker: — I recognize the member from Martensville.

Ms. Heppner: — Mr. Speaker, the member opposite is correct that we have 50 per cent of the resource, and that means that 50 per cent of it is someplace else.

And what our government is trying to do is to make sure that the investment climate in this province is such that companies want to stay here because they do have the opportunity to invest someplace else. They're not going to pick up mine shafts, but they can certainly pick up their company and go to a different jurisdiction whether it's China or Russia or Australia, other parts of this country, the United States. They have other places to go, Mr. Speaker. And under the NDP we saw out-migration of people. We saw businesses leave. We see them coming back under this administration, Mr. Speaker, and we want to keep them here.

The Speaker: — I recognize the member from Estevan.

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, during

an Economy estimates meeting last April, the Leader of the Opposition stated in reference to potash royalties, and I quote:

... the stability in Saskatchewan under the Romanow leadership, and Lorne Calvert, and now our Premier leaving it in place has led to a stability regime that is . . . known across the country. And to give credit, and I do give credit to the minister for the fact that he didn't change and hasn't proposed changes to the royalties that were in place when this government was elected in 2007.

Mr. Speaker, to the member from Regina Rosemont: why is your leader now flip-flopping on the royalty structure he appeared to be so proud of just a year ago?

The Speaker: — I recognize the member from Regina Rosemont.

Mr. Wotherspoon: — Mr. Speaker, thank you for the question. Of course what we've recognized, we've had a game-changing environment in potash and we see a new norm in the potash industry. And we've also consulted across Saskatchewan and analyzed the books, something this government fails to do.

What we've recognized is that Saskatchewan people are simply not getting their fair share of their most prosperous resource, and that's not fair to Saskatchewan people. It creates an absolute inequity. So as price and production skyrockets, the people of Saskatchewan deserve to see benefits from that as well, Mr. Speaker. And quite simply, they're not.

And just in close, Mr. Speaker, it's fair to note that this government that can't balance its books over the last two years has drained \$1.2 billion from our Crown corporations over that same period of time. In essence they've got nothing from PCS [Potash Corporation of Saskatchewan]. Thank you, Mr. Speaker.

The Speaker: — I recognize the member from Regina Dewdney.

Mr. Yates: — Thank you very much, Mr. Speaker. We hear repeatedly from the members opposite this continued fearmongering that if there was even a slight change in royalty structure that the province's mining companies would pick up and leave and they'd go elsewhere in the country, Mr. Speaker.

My question again to the member for Martensville: could she please explain to this Assembly and the people of Saskatchewan how they pick up the potash and leave?

The Speaker: — I recognize the member from Martensville.

Ms. Heppner: — Mr. Speaker, as I've said, there is potash resources in other places . . .

The Speaker: — Time. Time has elapsed on the 75-minute debate.

PRIVATE MEMBERS' MOTIONS

The Speaker: — I recognize the member from Thunder Creek.

Motion No. 4 — Potash Royalties

Mr. Stewart: — Mr. Speaker, there has been a lot of talk about potash royalties in particular, uranium royalties, oil and gas royalties over the last little while, Mr. Speaker. And all of that talk has originated from the opposition benches in this honourable Assembly, Mr. Speaker. Sadly a lot of that talk has been nothing more than rhetoric, Mr. Speaker, designed to bolster their sagging political futures on the eve of a provincial election, Mr. Speaker. And I will be trying to inject some facts into the debate today, Mr. Speaker, and to set the record straight with regard to royalties in this province and other taxes that are paid by our mining industries, particularly the potash mining industry, Mr. Speaker.

In the process of setting the record straight, I will start with a history lesson about the potash production tax and how it's a tax that has been deemed fair by virtually everybody who has reviewed it over the years, and a tax, frankly, Mr. Speaker, that the NDP should be able to take a great deal of credit for.

The potash production tax, Mr. Speaker, was brought into effect in January 1st, 1990. It replaced the potash resource payment agreements, the PRPAs, which had been in place since 1979. The PRPAs required producers to make two payments: a base payment and a graduated payment.

The base payment, Mr. Speaker, set a per tonne charge on the value of potash sold by the producer. It was meant to be a minimum amount payable to the province for the production of the resource, even when the producer was not profitable. The graduated payment was based on the profit of the producer's Saskatchewan potash operations. There were five brackets originally, Mr. Speaker, for the graduated payment: 10 per cent, 20 per cent, 30 per cent, 40 per cent, and 50 per cent.

The institution of the potash production tax, the PPT, ended the unusual and unique practice of taxation by agreement. The PPT, the potash production tax, was designed to function in a manner very similar to the PRPAs. The PPT, or potash production tax, also has a base payment which is a set charge on the volume of potash sold. The profit tax component is similar to the graduated payment of the PRPA, except that it initially had three brackets instead of five. And those three were 15 per cent, 35 per cent, and 50 per cent, Mr. Speaker.

[12:00]

In the first eight years of the potash production tax, there were a number of small amendments to the potash production tax regulations, mostly to deal with some minor issues that arose in the administration of the tax system.

In the late 1990s, the potash industry came to the Government of Saskatchewan with the concern that the total tax burden on the potash industry was such that it was next to impossible to justify new investment. Analysis confirmed that the maximum marginal tax rate for the industry exceeded 80 per cent. When considering its total tax burden, including federal and provincial corporate income tax and corporation capital tax resource surcharge, average tax rates — that's average, Mr. Speaker — on profits from potash operations exceeded 50 per cent in Saskatchewan.

In 1998 under the previous NDP administration, the following changes to the PPT were implemented in regulations. The highest profit tax bracket, 50 per cent, was eliminated leaving 35 per cent as the top profit tax rate. The maximum base payment rate was frozen at its 1997 level of \$12.33 per K₂O tonne. The four different categories of mine capital were consolidated into one and given a 35 per cent depreciation rate. The categories of research and development costs eligible for a 40 per cent tax credit were broadened and their treatment made more consistent. The tax treatment of various other costs and revenues were clarified with a number of housekeeping measures. A provision was made that in 2001 the first profit tax bracket, 15 per cent, was expanded from \$35 to \$40 profit per K₂O tonne.

In the early 2000s, the industry came to the government with the concern that the tax burden was still too high to justify new investment in the industry. This was an issue as potash markets were growing rapidly and new investment was needed in order to meet the increasing demand. The industry said that the potash divisions operated within larger corporate entities and had to compete with alternative investment opportunities that existed in other divisions of their companies. Changes would be made so that growth and investment was encouraged, but the government would retain the taxes that it collected from the industry up to that point.

In 2003 the following changes to the PPT, the potash production tax, were implemented in regulation. And that's still, Mr. Speaker, under the previous NDP administration. The profit tax portion of the PPT was removed on sales of potash that were above the producers' average of sales in 2001 and 2002. Producers were given an accelerated depreciation rate of 100 per cent for capital investment in the year that was in excess of 90 per cent of the producers' capital investment in 2002.

Also under the previous NDP administration, Mr. Speaker, after the 2003 tax changes were implemented, the government and the industry agreed to discuss possible ways to further improve the system.

In 2005 the following changes to the potash production tax were implemented in regulations. Producers were given a 10-year holiday from the base payment portion of the PPT for potash produced from approved expansions of productive capacity. The accelerated depreciation rate for capital investment in excess of 90 per cent of the producers' capital investment in 2002 was increased from 100 per cent to 120 per cent.

Due to the 2003 tax changes that removed the profit tax on sales in excess of the producers' average sales in 2001 and 2002, a situation was created where a new entrant to the Saskatchewan potash industry would not pay profit tax as it would not have had sales in 2001 or 2002. Existing potash producers were concerned that new entrants to the industry that were not subject to some base level of profit tax, as they were, would have a significant long-term advantage in potash markets.

The new 2010 system, Mr. Speaker, under obviously this the current government, created a base minimum taxable

production. And in response to concerns that due to the 2003 tax changes it was possible that the fraction of potash sales subject to profit tax could continue to fall without limit, the government instituted a 35 per cent floor on the producers' sales subject to profit tax.

In 2010, to summarize the changes, Mr. Speaker, the following changes to the PPT were implemented in regulations. For existing producers, base tonnes subject to profit tax are average sales in 2001 and 2002. The equivalent base tonnes of a new entrant are set equal to 75 per cent of its sales in the year until 75 per cent of sales exceeds 1 million K₂O tonnes. In the year that this occurs, the base tonnes of the new entrant are set permanently at 1 million K₂O tonnes. When new producers enter the industry, the base tonnes of all producers will be adjusted downwards. The total industry adjustment is 65 per cent of new entrants-based tonnes and is distributed among producers according to their proportionate share of total industry-based tonnes. For both existing producers and new entrants, there is now a minimum floor on taxable tonnes equal to 35 per cent of a producer's total sales.

So the only substantive change to the royal structure introduced by this government was instituting a tax for new entrants equal to 35 per cent of a producer's total production. At the same time though, there were a number of relatively minor housekeeping changes made in response to the concern that mine-based executive jobs were included in the deductible costs for the purpose of profit tax while non-mine-site corporate jobs were not. Changes were implemented.

In the calculation of profit for the profit tax, producers are allowed to deduct \$100,000 allowance for each qualified new — new, that is, Mr. Speaker — corporate office position and \$25,000 for qualified existing corporate office positions. After five years a new position is treated as an existing position.

Revisions have been made over time to improve the Saskatchewan potash industry's competitive . . . And full credit has to be given to the previous NDP government, and we have, Mr. Speaker. We've done that. We're taking the measures that were necessary to keep the industry in Saskatchewan and enable further investment by the industry in this province.

To put our royalties in context, they are quite simply, Mr. Speaker, the highest in the world. To raise them again risks killing the industry in the province, certainly would cancel announced new investments by the industry in the province and eliminate the possibility of any new investment. This would translate into the loss of thousands of jobs in Saskatchewan, Mr. Speaker, and probably in the neighbourhood of \$1 billion dollars in revenue to the province each and every year. In the long term it would kill the goose that laid the golden egg.

I have in front of me, Mr. Speaker, a bar graph prepared by CRU of Great Britain, Mr. Speaker. CRU group is a well-respected, UK-based mining industry research company. And this bar graph is potash royalty and production taxes around the world, and it's an interesting comparison, Mr. Speaker. It includes 13 potash producing jurisdictions globally.

And this is very interesting. This is the part that the members opposite really ought to listen to. Those jurisdictions that

charge 1 per cent or less royalties include China, Russia, Spain, Germany, and Belarus. Jurisdictions who charge under 5 per cent include Israel, United Kingdom, USA [United States of America], Brazil, and Chile. Those are under 5 per cent, Mr. Speaker. New Brunswick, the other Canadian potash mining jurisdiction, charges 6 per cent. Jordan, with the second highest royalties in the world, charges 11 per cent, Mr. Speaker. And the only other potash mining jurisdiction in the world that I haven't mentioned is Saskatchewan. And we charge 22 per cent, Mr. Speaker, the highest, the highest royalties in the world and more than double the next closest royalties charged in the world. And that from Jordan — Jordan, Mr. Speaker.

Mr. Speaker, potash industry payments to the Government of Saskatchewan are very substantial. I've talked about the 22 per cent royalties our potash mining companies pay. Mr. Speaker, when we add in corporate income tax and other taxes paid by the industry over and above the royalties, which is a three-piece piece on its own, Mr. Speaker, the potash mining companies in Saskatchewan marginal tax rate in this province is 45 per cent. When all taxes are considered, Mr. Speaker, on potash mining, companies pay four to five times the tax rate of any other jurisdiction in Canada or any place else in the world.

I don't know if the members . . . The members seem to be having a time yelling across the floor, Mr. Speaker, but they ought to listen to this. They ought to hear this part, if you don't listen to anything else. When you consider all taxes paid, the marginal tax rate of the Saskatchewan potash producers is four to five times that paid in any other jurisdiction in Canada or the world.

The public policy, Mr. Speaker, the public policy, our taxation policy around potash, has been a success. Significant investment in mine expansions still to come, Mr. Speaker. We are seeing the first greenfield mines built in Saskatchewan in 40 years. Industry estimates \$12 billion will be invested in expansion, and that investment is expected between now and 2020, Mr. Speaker.

I have in front of me, Mr. Speaker, three pages of fine print. And these are a list of potential potash expansion projects around the world. Three pages, Mr. Speaker, very fine print. And dozens and dozens, I suspect well in excess of 100 potential potash expansion projects around the world, only five of which are in the province of Saskatchewan, Mr. Speaker. It is folly indeed to suggest that we have a corner on the potash market, on the ability to produce potash for the world. It is an absolutely unfounded and ridiculous statement, a statement designed to bail out that hastily dreamt up election campaign strategy by the NDP, to sacrifice the potash industry to bolster their own political support in the province, Mr. Speaker.

Mr. Speaker, 2008 demonstrates that as profits increase with price, payments to government increase dramatically. In 2008, Mr. Speaker, government received nearly \$1.4 billion in potash royalties. Currently and for the next two to five years, significant capital investment writedowns will suppress government revenues. But there will be significant revenue growth in the long term.

Now, Mr. Speaker, maybe that's how they justify the false statement, frankly, that the industry pays 5 cents on the dollar.

Maybe they're looking at the next two or three years and saying, well maybe that's close to that because of the writedowns that are allowed. Every business, Mr. Speaker — a farm, gas station, any business that you can think of, a lemonade stand — any business, Mr. Speaker, gets to write off capital investment, and so does the potash industry and the uranium industry and the oil and gas industry in this province. That's the way business is conducted, in the free world at least.

[12:15]

And if any of those members opposite would take the time and effort to study our royalties, which were developed for the most part under NDP governments, they would know this.

The Leader of the Opposition, I know — I know — the Leader of the Opposition understands how they work, but he continues to advance his pre-election rhetoric regardless of the facts and at the expense of our potash industry and jobs for Saskatchewan people, Mr. Speaker.

World potash demand is generally expected to increase by about 3 to 4 per cent per year over the next decade. And those projections, Mr. Speaker, are based on the following economic indicators: increasing world food demand, Mr. Speaker; limited available land to expand agricultural production; growing middle class in emerging economies resulting in an increased protein demand; and growing world population.

Total annual demand could increase by as much as 15 million tonnes by 2020. At current market share, Mr. Speaker, Saskatchewan sales would increase by as much as 5 million tonnes annually. New expansions will be the first to market, resulting in the opportunity to capture more than the current world market share for Saskatchewan producers. Mr. Speaker, under our current royalty regime, that spells a windfall for this province.

I have some interesting quotes, Mr. Speaker. I'll start with some New Democrat quotes. And here's what the NDP said in the Regina *Leader-Post* on October 5th, 2003, Mr. Speaker: "Premier Lorne Calvert said he is willing to forgo some potash royalties to help create employment."

And he says:

"I think it is more significant to have opportunities for our young people to go to work in the province first of all than to secure revenues for the General Revenue Fund of the province," Calvert said. "Moreover, having people go to work will guarantee the latter."

Mr. Speaker, the NDP had little respect for that previous leader. He was not well treated, not well regarded by them. But I bet, I bet, Mr. Speaker, they wish they had him now. We don't hear, we don't hear that kind of straightforward, economic common sense from their current leader, Mr. Speaker, like we did from their past.

My next quote from the NDP, Mr. Speaker, comes from a government news release, August 14th, 2003.

Premier Lorne Calvert said the tax changes will help the

industry to realize its immense growth potential. Potash sales and investment are expected to increase as a result of the tax changes. This will result in new jobs and new infrastructure expenditures by the industry.

Mr. Speaker, that is certainly true. That's true and they all know it. They know it, their leader knows it, but they still indulge in this destructive rhetoric — destructive to our economy, destructive to our mining industry — and they do it, Mr. Speaker, for short-term political gain.

A government news release issued April 11th, 2005, Mr. Speaker, entitled . . .

The Deputy Speaker: — Order. The chatter's starting to pick up a little more across the floor. I would ask certain members to keep it down. I would like to listen to the speech that's being made. I recognize the member from Thunder Creek.

Mr. Stewart: — Mr. Speaker, this is a government news release, or part of one, issued April 11th, 2005, entitled "New tax changes to grow potash industry." And it states, Mr. Speaker:

New tax initiatives announced today will stimulate . . . expansion in Saskatchewan's potash industry, resulting in more jobs and increased wealth for the province.

. . . "Saskatchewan potash producers are currently enjoying record sales, but there is still ample room for expansion." [Industry and Resources minister Eric Cline said that.] "As a government, we want to promote that expansion and grow our economy."

Mr. Speaker, I have here a quote from the former Energy and Resources minister in the previous government, the member from Prince Albert:

The NDP's Minister of Energy and Mines argued that lower royalties will encourage increased activity with more capital expenditures, more drilling, and increased land sales. The government expects the revenue raised from this increased activity will more than offset the effect of lower royalties.

That is pretty straightforward, simple economics, Mr. Speaker. And even the NDP understood it until lately. We want to ensure . . . Here I have one from the *Leader-Post*, Murray Lyons, August 15th, 2003 entitled, "Two tax changes for the potash industry." And I'll read a bit of it. He says:

"We want to ensure the people of Saskatchewan get fair return for their resource. We want to ensure as well that the profit and profitability of potash in our province makes us competitive with other jurisdictions," said Lorne Calvert.

Mr. Speaker, *Leader-Post*, September 20th, 2002, Murray Lyons again, "Mining industry offered incentives." And the quote is:

We believe exploration is the key to ensure the sustainability and competitiveness of this important

industry, and it's important to take action now to ensure future exploration will occur and to reverse the trend of decreasing exploration expenditures in our province.

And that quote is attributed to former Premier Lorne Calvert as well.

Mr. Speaker, on June 14th, 2004, in *Hansard*, page 1595, this quote appears from the former premier:

We are seeing, as a result of changes in royalty structure with the potash industry, expansion, specifically at the Rocanville mine. And we're working with the mining industry. You can read the reviews of the mining industry now saying Saskatchewan is a very competitive place to invest for mining.

Now, Mr. Speaker, I have a series now of quotes that I would like to read from the current Leader of the Opposition, and they are illuminating, to say the least. He, on the 20th of April, 2010, in Economy Committee estimates, the Leader of the Opposition said these words, Mr. Speaker, and I think they're illuminating indeed. He says, "And I think there was a huge flow of investment into Saskatchewan after the Stelmach government made their ill-advised royalty changes."

Now that is one of the things, that is one of the things that the Leader of the Opposition has said over the years, Mr. Speaker, that I can't help but agree with. And there haven't been many, but that is certainly on the list. And I think it takes any credibility away from his current position. He knows the oil industry, Mr. Speaker. That man, the Leader of the Opposition, worked in the oil industry for Nexen for years, 10 years roughly, when he left Saskatchewan in bad times and went to Alberta. He worked for Nexen and had a very high, had a very high position, Mr. Speaker, a vice-president's position, I believe. And he learned the industry. I don't know if he knew much about it before he left, but he knew how to give away the golden share for Saskoil, and he earned himself a spot in Nexen by doing that. And he went there, and he learned something about the oil industry, Mr. Speaker.

Now he recognizes that the exact changes that he's advocating for potash and uranium would kill the oil industry, but he won't admit yet, Mr. Speaker, that those changes would have exactly the same effect on potash and the uranium investment in this province.

I'm fortunate to have another quote from the Leader of the Opposition, Mr. Speaker, in the Economy Committee estimates, April 20 — same day — 2010. And in this quote, he's speaking to the current minister of Industry and Resources. And another illuminating quote from the Leader of the Opposition, Mr. Speaker, who now thinks that we should tax industry to death:

I would certainly tend to agree that stability in the royalty and the trust that . . . in doing political risk — whether its in Alberta or Saskatchewan or anywhere in the world — the political risk is one thing on the investment side that people certainly factor in when they're making investment.

And as John Lau and other industry leaders have

indicated, that the stability in Saskatchewan under the Romanow leadership, and Lorne Calvert, and now our Premier leaving it in place has led to a stability regime that is really known across the country. And to give credit, and I do give credit to the minister for the fact that he didn't change and hasn't proposed changes to the royalties that were in place when this government was elected in 2007.

Well unbelievably, Mr. Speaker, those are comments made by the current Leader of the NDP Opposition, the same, the same gentleman, Mr. Speaker, that's now advocating doing exactly what he railed against doing a year ago. But of course he wasn't as close to an election a year ago, Mr. Speaker, and he wasn't as desperate then.

Oh, look. Another quote from the Leader of the Opposition, this one from *Hansard* on March 25, 2010, Mr. Speaker. And he says in this quote in *Hansard* on March 25, 2010, he says:

I was invited by John Lau and his wife Heather to come to the sod-turning of the new office building in Lloydminster a couple of weeks ago. And while I was there, the president and CEO, John Lau said, [he said] I want to say one thing where I give the Premier credit — [and that's the current Premier he's referring to, Mr. Speaker, and the quote is] that he didn't change the royalties that were put in place by the NDP government. That's what he said.

So on the issue of energy and royalties, I think we have a pretty good track record.

Mr. Speaker, in recent years the government of Alberta raised oil royalty rates in the neighbourhood of 20 per cent in an effort to extract more government revenue from the oil industry. The current Leader of the Opposition railed against that at the time when he was an employee of Nexen, having given away the Saskoil golden share to earn that position. I've gone through that before, and the members have their backs turned to me now, so they don't seem to want to listen to that. But in any event, Mr. Speaker, the Leader of the Opposition was a vice-president of Nexen, a major Canadian oil company in Alberta at the time after he left Saskatchewan, in a time when our economy was in the doldrums. We were a have-not province, and he bailed on us and he went to join Nexen.

In any event, he railed against these increases in oil royalties and the instability that that caused. And the net result, Mr. Speaker, of those royalty changes in Alberta that the Leader of the Opposition rightfully railed against, was a loss of billions of dollars in oil industry investment in Alberta, a loss of billions of dollars of oil revenue for the people of Alberta, and the loss of thousands of jobs in that province, as well as substantial investment moving from Alberta to Saskatchewan where our oil royalties remain stable.

The Leader of the Opposition recognizes that did great harm to the oil industry and to the province and to the people of Alberta, but he now advocates doing the exact same thing in the potash and uranium industries in our province. He would do it in the oil industry here too, Mr. Speaker, if it suited his political motives. And if he ever had the reins of power, Mr. Speaker, at some point it would suit his political motives, and the oil

industry would get it next.

He knows full well that that action would devastate the economy of the province and put us back into have-not status again for a very, very long time. He knows this action would leave no revenue for investment in health, education, social services, housing, roads, or further debt reduction. He knows these things from experience, and yet he advocates destroying Saskatchewan for the foreseeable future for short-term political gain as we approach an election in which it appears that he will be humiliated and the NDP will be devastated.

[12:30]

Mr. Speaker, I have also some third party quotes that refer to this issue and don't exactly, to say the least, support the position of the opposition:

Nesbitt Burns analyst Joel Jackson warned raising potash royalties could stall the momentum by reducing the attractiveness of Saskatchewan potash producers and threaten investment plans by new entrants.

He goes on to say, Mr. Speaker:

You have to be careful, because if the government was to revise the potash royalties and make them prohibitive for producers to start greenfield mines because you make the profitability of those mines lower, the province could jeopardize billions of dollars of greenfield investment by global companies.

And he said that in the *National Post*, Mr. Speaker, on January 20th, 2011.

Paul Martin, business analyst on CJME, Mr. Speaker, February 15th, 2011, said, "I don't think there is very much merit in it." That's in brackets, the NDP wanting to change potash royalty structure.

It's more of a political posture than it is an economic one. The NDP has been looking for some kind of an issue, a wedge issue, to hang its hat on and potash came along. I suppose if I was in the NDP's boots, I would be trying to do something like this too.

But we looked at what happened when Alberta started tinkering with royalty rates and it did them no favour whatsoever. We are getting hundreds of millions of dollars, billions of investment in the province. Why should we mess with that?

Mr. Speaker, it's interesting that when we talk about the NDP motives for this devastating policy, even talking about royalty reviews and dramatically increasing royalties on the mining industries has a potential of devastating investment in the province. When we talk about that, the members opposite turn their backs. They don't even listen. They don't want to hear it. They don't want to think about it. They don't want to even consider the damage that they're already doing. And I don't think they can fathom the damage that they would do if these policies were actually implemented.

Mr. Speaker, I have another quote here from the *Leader-Post*, an editorial, February 16, 2011, another very recent one, Mr. Speaker. It says:

Now is not the time to launch such a review of the potash industry as some are suggesting . . .

The dust is still settling after last fall's failed takeover bid of PotashCorp by Australian mining giant BHP Billiton. Indeed, PotashCorp's "Pledge to Saskatchewan" on Monday was a response to the provincial government's support for the company that helped convince the federal government to block BHP's bid. The pledge reaffirms promises of almost \$6 billion in mine expansion, more than 600 new jobs and millions of dollars in donations to charitable and community organizations.

. . . if not handled right, higher royalties *could* impact production, slow mine expansion and reduce jobs. The province might then be the ultimate financial loser.

In our view, the industry needs some breathing room after the roller-coaster ride of the past couple of years.

Mr. Speaker, I see their backs are still turned. They're still not listening. They're still not willing to consider, they're still not willing to consider the devastation their policies would reap on Saskatchewan and our people and the unemployment that would be caused by them. But they don't want to listen, Mr. Speaker. And that's fine. I believe there are people out there that are listening.

Another quote here from . . . [inaudible interjection] . . . Oh, I overdid it, Mr. Speaker. I woke one of them up. Another quote here, Mr. Speaker, from *Petroleum News*, dated March 21st, 2010 goes like this:

Abandoning the trumpeted objective to deliver a "fair share" of oil and gas profits to the 3.5 million people of Alberta, Stelmach said "building competitiveness (against the other oil and gas jurisdictions of North America) is at the top of the government's agenda."

. . . Newly installed Energy Minister Ron Liepert said the government could no longer "pretend that oil and gas investment levels haven't eroded or that we don't have a responsibility to current and future generations of Albertans to address that."

. . . The most sweeping overhaul of Alberta's royalty regime since it was first introduced was supposed to generate an extra \$1.4 billion a year in government revenues from a 20 per cent average hike.

. . . The combined result was the loss of billions of dollars in capital spending to other provinces and the U.S. and thousands of jobs.

That quote, Mr. Speaker, from *Petroleum News*, March 21st, 2010.

I have a short one here from Andre Plourde, the University of Alberta, on Global Television News, February 16th, 2011. And

part of what he said was, "I think stability and predictability are really the key."

Mr. Speaker, I have another one here from, oh look, this one's from Nexen, the same company that employed the Leader of the Opposition for 10 years or so in Alberta in an extremely lucrative position as vice-president responsible for government relations. I don't know what that really involves, Mr. Speaker, but it seemed that they felt some gratitude to the Leader of the Opposition. Maybe it had to do with giving away the golden share that Saskatchewan possessed in Saskoil. Maybe that's why he got the job. And I don't know if it really included any duties at all, but he did learn a few things about the oil industry while he was away, we hope.

Nexen says this in the Alberta oil royalty review 2007 submission from that company. They say:

We hope the royalty review process will consider this carefully and recognize that changes to the fiscal burden on future investments will affect the level of future investments based on economics. A negative revision to the royalty burden for past investments, regardless of the stage of development, would undermine the attractiveness of investment in Alberta and Canada.

Nexen believes that it is extremely important that we preserve the principles of stability, certainty, consistency and fairness for Alberta's business climate.

Well, Mr. Speaker, when the Leader of the Opposition was a vice-president of Nexen, and when Nexen believed in preserving those things for Alberta apparently, I don't know, maybe the Leader of the Opposition had something to do with writing this submission. I wouldn't be surprised if he did, being the vice-president of government relations. If he actually had duties to perform at all, Mr. Speaker, I suspect that this might have been one of them.

But he believed clearly in preserving the principles of stability, certainty, consistency, and fairness for Alberta's business climate. But he now doesn't believe, now that he's Leader of the Opposition in Saskatchewan, he doesn't believe in doing the same here. That, Mr. Speaker, I think pretty much underscores the problem with that Leader of the Opposition and illustrates why he, in the polls, ranks as the lowest scoring Leader of the Opposition in the entire country, Mr. Speaker. And he seems to be on a downward trend.

Eric Anderson commented on the potash industry in Saskatchewan. He said this on News Talk radio, March 10, 2010. Eric Anderson said:

Over a four-year span from 2005 and 2009, PotashCorp paid about \$1.5 billion in taxes in Saskatchewan. But over the next four years, starting last year, until 2014, PotashCorp forecasts to pay about \$4 billion in taxes in Saskatchewan, almost triple their previous four-year span. And the expansion projects will see about \$1 billion spent per year in Saskatchewan for the four consecutive years of 2009 through 2012. It's like the mother of all economic stimulus packages, but using money derived from other countries.

Finally, 10 years ago, PotashCorp employed about 1,100 people in Saskatchewan. In a couple of years, they should hit 2,500 people. That's more than double from just 10 years ago.

And that is from Eric Anderson, Mr. Speaker, on CJME radio, March 10th, 2010, and very illuminating indeed.

And I think, you know, I sat here yesterday and today and I listened to those opposition members talk on this issue. And I didn't hear much that I thought was factual, but I heard a lot of talk. But one thing I did notice, and they had Rick Swenson in here yesterday. And they introduced him around again and they all took turns, they all took turns chatting with him and trying to convince him that he's one of them now. And I think he's buying in. I really do. I think they got him, Mr. Speaker. He believes it.

But I noticed that they gave Rick Swenson some credibility on this issue. And I think it's worth exploring that, Mr. Speaker, because I have here the verbatim of a conversation between Rick Swenson and John Gormley a couple of weeks ago I think, on John Gormley's radio show. And I'll start, I'm not going to go into, I'm not going to read most of it because it'd take too long, and it's frankly just too embarrassing. But John Gormley says, I'll start here, he says:

Some things you did, Rick, worked very well. And I'm politically the kind of guy who was aligned with some of your projects, but some of the screw-ups you guys had near the end there were totally brought on yourselves.

And Rick Swenson says, "Right, but the taxpayer today . . . and you've got to remember this has been 17 years basically since we've had a royalty review in this province under that regime."

And Gormley says:

What the blank are you saying? You had a royalty review in '98, '03, '05. The law, by regulation, the potash taxes were significantly amended on those three occasions. Do you not know that?

Rick Swenson said: "Right. Yes."

Now normally, Mr. Speaker, I wouldn't be doing this to a member of the public in this province, but the NDP have been raising him yesterday and today as some sort of an expert on potash royalties. So I think he's fair game now. He's brought himself back into the limelight.

After he said, "Right. Yes," John Gormley said: "Okay. So what are you telling me about 17 years?" And Swenson says, Rick Swenson says:

But you still have a scenario today where you would have had BHP, if they had been successful with the PCS bid, being able, because it was an existing company, it would be able to write off all of the costs of that mine, and the taxpayer of Saskatchewan had to bear it. Which is totally wrong.

Now I'm not going to editorialize on this. I'll just follow the

script, tempting as it is. John Gormley said then, he said:

Well actually new entrants were dealt with in 2010. There were amendments made in 2010 to deal with new entrants. But okay, so your point is, and again this is fascinating because you're a Conservative, so you and the socialist Lingenfelter appear to be on the same page here, Rick, is that right?

And Rick Swenson says:

I don't say that you go through and have a willy-nilly royalty increase that isn't tied to what's going on in the reality of the world. I'm just saying the current scenario we have right now where you've got tonnage tied up to expansion and new construction means that the taxpayers have to upfront all those costs.

And John Gormley says:

They don't upfront them. They simply write them off. Which is the same thing you do any time that you develop a farm, you develop a business, you borrow money to invest on the stock market.

[12:45]

And I'll drop that conversation right there, Mr. Speaker. And as I said, the only reason I bring it up is the NDP seem to be parading Rick Swenson around as their best new friend, new best friend and some sort of an authority on potash royalty rates. Clearly in the last election, the people of Thunder Creek didn't think he was much of an authority or expert on anything. He ran against me as Leader of the Conservative Party. He ran against me — an opposition MLA at the time — and garnered a stunning 295 votes, Mr. Speaker, which was 195 more than I'd given him. So to his credit, to his credit, Mr. Speaker.

John Gormley wrote this article in *The StarPhoenix* on February 25th, 2011 about, on this topic, Mr. Speaker, "Potash royalties and the golden goose" is the title. And he says:

The goose laid a golden egg every day. Supposing it must contain a great lump of gold in its inside, and to get the gold they killed the goose. To their surprise they found the goose differed in no respect from their other geese and the foolish pair, thus hoping to become rich all at once, deprived themselves of the gain they were assured day by day. [That's] Aesop's Fable, The Goose That Laid the Golden Egg.

With NDP Leader Dwain Lingenfelter promising to raise taxes on potash mining, should he ever be elected, the helpful childhood lesson of Aesop's fable comes to mind.

Before we talk of potash production taxes, the corporate capital tax resource surcharge, base payments, profit tax portions and accelerated depreciation rates for capital investments, the moral of the golden goose is simple: Short-sighted greed can end up making us poor.

It is easy, quick and opportunistic for a politician to suggest that because Potash Corp. of Saskatchewan Inc.

and other miners are having a profitable year, we should jack up resource royalties.

Responsible government, like the present one and its predecessors, continuously monitor the tax regime, assessing what is mined and what is paid back to the citizens of the province who own the resource.

But upping royalties now would not only be bad policy but would also send a terrible signal to the rest of the world about an unpredictable and unreliable Saskatchewan investment environment. [And] Here's why.

Royalty regimes, like any complex transaction designed to create a relationship and strive toward a mutually sought outcome, often take years to complete.

Just last year, potash tax changes were made that re-established a minimum floor on taxable tonnes of potash produced and tweaked major changes made earlier by the Lorne Calvert NDP government in 2005 and 2003.

Those changes had amended earlier tax changes in 1998 and, before that, in 1990.

The Calvert tax changes were designed to encourage a big expansion of potash capacity in order to meet anticipated increased demand in coming years. As a result, the NDP gave generous accelerated depreciation rates for capital investment.

But committing billions of dollars in mine expansions doesn't happen overnight. In a process, from planning to completion, that will realistically take a decade, the potash industry began ramping up capital spending in 2007 and, continuing through 2020, will spend an estimated 12 billion expanding mines.

In 2009 and 2010 alone, as the world reeled from a recession that Saskatchewan refused to participate in, more than \$4 billion was spent by the industry, much of it by PotashCorp.

Mine expansions and existing mining activity have created more than 20,000 tax-paying jobs in the mines, building trades, engineering and support industries.

In 2005, NDP cabinet ministers rightly pointed out that taking lower royalties during the expansion phase would pay off in the long run with dramatically expanded production, which would then be taxed on higher volumes and prices as the world beat a path to Saskatchewan's door.

As witnessed in the glowing reviews of potash development during the BHP Billiton Ltd.-PotashCorp takeover battle, the world is enamoured with potash. As the global population increases, more food must be grown on fewer acres and an expanding middle class in China, India and other Asian countries needs more protein.

Even this year, as capital investments continue, more than \$300 million will be paid to the provincial government in

direct royalties and mining taxes, not to mention millions more in sales taxes, income taxes and spinoffs from the increased expansion activity.

To change the royalty and tax rules now, in the middle of the capital expansion phase, would be like your bank halfway through a five year, locked-in mortgage unilaterally increasing your good mortgage rate just because it thinks you should [be able to] pay more.

Stability, certainty and security are critical to the continued development of this world-leading resource, of which 50 per cent of the world's known reserves are based in Saskatchewan.

It is wise to remember that the remaining 50 per cent are somewhere else.

From Australia to Bolivia, Ethiopia to Argentina, several dozen potential potash projects are underway, in addition to the 12 other nations that already mine potash.

It's easy, at first blush, to differentiate an existing potash mine from an oil rig that can be moved out of a suddenly hostile oil royalty climate.

This has prompted supporters of Lingenfelter to sniff, "What are potash companies going to do, move their mines?" [I think we just heard that.] Careful. [Careful, he says.] Enough other, lower cost areas can mean a slowdown in mining here, layoffs and eventually — if the gap is too wide — simply shutting down Saskatchewan mines all together.

Even a cursory glance at potash tax rates is helpful. In Saskatchewan, royalties and production taxes amount to about 22 per cent of a potash company's net revenue.

You know, there's that 22 per cent number that's such a nuisance to the NDP, Mr. Speaker. A far cry from 5 cents on the dollar — 22 per cent. That's 22 cents on the dollar. Yesterday in this House, the member from Walsh Acres and the Leader of the Opposition, and today again an array of other NDP members made that statement, that the potash companies in this province pay 5 cents on the dollar to the Government of Saskatchewan.

And the reason I specifically mention the member from Walsh Acres is because she said, that's unconscionable. Well what's unconscionable, Mr. Speaker, is making that assertion. That is unconscionable to say those things, when in reality the potash corporations in this province pay 22 per cent royalty and a 40 to 45 per cent marginal overall tax rate to government. Those are the facts, Mr. Speaker. Those are the facts.

The royalty regime was largely developed during NDP years. They supported it then. We supported it then, Mr. Speaker. In opposition, we were fully supportive of the changes that the Calvert administration made to the royalties in the province at that time. And we still are, Mr. Speaker. We tweaked them somewhat in 2010 to deal with new entrants into the potash industry, and that had to be dealt with now, Mr. Speaker. Because until now, we've gone 40 years in this province

without any new entrants to the potash industry, and that's why that change was necessary. And the change that we made was to add a tax for those new entrants, Mr. Speaker.

Mr. Speaker, I have some letters here, letters from interested parties. The first one I'd like to read, Mr. Speaker, is a letter from the Greater Saskatoon Chamber of Commerce. And this letter is addressed to the Leader of the Opposition, Mr. Speaker, and he will have read this re: royalty rates in Saskatchewan:

Dear Mr. Lingenfelter:

Our chamber is writing you to revisit and reverse your most recent public announcements concerning your new position, that the Government of Saskatchewan should increase potash and uranium royalty rates. We strongly believe this will have severe consequences for the industry, our economy, our people, and our province's future.

At our meeting on June 22nd, 2010, with yourself and your Saskatoon caucus, we reviewed our strategic plan titled, fishing for piranha. This document was developed by our chamber in 2008, and the June 2010 meeting represented the most recent of several meetings with members of your Saskatoon caucus wherein we presented our strategic plan.

In our plan we identified the need to attain competitive royalty rates for uranium, potash, and coal. Based on our chamber's research, Saskatchewan's royalty rates for these resources are the highest in the world, and for potash more than double our nearest competitor. Uncompetitively high royalty rates diminish investment, economic activity, and much needed career opportunities for our people.

Concerning taxation and royalty structures, our chamber has consistently advocated for competitively priced, simpler, and more transparent structures. Our research clearly indicates that simple, transparent, competitively priced royalties and taxes are the best means for our province to build career opportunities and build a strong and broad tax base for our province.

Long-term resource project investment decisions like those under way and under consideration in the potash industry depend on consistent and competitive government policy. Policy reversals and policy change surprises that adversely affect return on investment dramatically discourages investment in our province. In our chamber's view, that presents our province as an unstable place to do business. Investment in this industry is significant and long term. Stability is crucial in making an investment choice. To remind you of our previous discussion, we are enclosing another copy of our strategic document for your consideration.

We are herein requesting that you reconsider and reverse your most recently communicated position. We remain hopeful that with more thoughtful reflection, your caucus can endorse our position that competitively priced, simple and easy to understand and easy to communicate tax on royalty structures are the best means to build our province

for the current and future generations of Saskatchewan citizens.

Now, Mr. Speaker, I don't see any willingness of that side of the floor to look at their new position, to revisit that for the good of the province, for the good of the industry, for the good of mining, for the good of preserving thousands of jobs in this province. But they are sticking to their guns, Mr. Speaker, so far, on this ridiculous idea to dramatically raise mining royalties in the province as a means to save their political bacon, so to speak, in the upcoming election of November 7th, 2011, Mr. Speaker, just a few short months away.

I also have letters of a similar nature from the city of Humboldt, Mr. Speaker, the Saskatchewan Mining Association, oh boy, Areva. Oh, Areva really went at them. If time only permitted, Mr. Speaker, they gave reasons.

Here's one I'll read in, from the town of Colonsay to the Minister of Energy and Resources:

This letter is to advise you that I'm not in favour of raising the royalties on potash in Saskatchewan.

Business agreements to set royalties were made between the province and the potash companies, and I do not think the government should renege on these agreements now. Our community is seeing growth largely due to the potash industry, and we don't want to lose residents and future housing because of issues between the potash companies and the provincial government.

We want Saskatchewan to remain a place to be for all, and I don't think raising royalties is the way to encourage this.

Potash producers of association, Mr. Speaker, and the list goes on.

Mr. Speaker, I'd now read the motion into the record:

That this Assembly commends the Saskatchewan Party government for its responsible handling of potash royalty rates, and condemns the NDP for its potash and resource royalty tax policies, which would put thousands of Saskatchewan people out of work.

The Speaker: — The question before the Assembly is the motion presented by the member from Thunder Creek:

That this Assembly commends the Saskatchewan Party government for its responsible handling of potash royalty rates, and condemns the NDP for its potash and resource revenue and royalty tax policies, which would put thousands of Saskatchewan people at work.

Is the Assembly ready for the question? Being now the hour of adjournment, is the Assembly . . . or past the hour of adjournment.

This Assembly is adjourned until Monday afternoon at 1:30 p.m.

[The Assembly adjourned at 13:00.]

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GOVERNMENT OF SASKATCHEWAN

CABINET MINISTERS

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Premier of Saskatchewan
President of the Executive Council

Hon. Bob Bjornerud
Minister of Agriculture
Minister Responsible for Saskatchewan
Crop Insurance Corporation

Hon. Bill Boyd
Minister of Energy and Resources
Minister Responsible for Saskatchewan
Telecommunications

Hon. Ken Cheveldayoff
Minister of First Nations and Métis Relations
Minister Responsible for Northern Affairs
Minister Responsible for Saskatchewan
Gaming Corporation

Hon. June Draude
Minister of Social Services
Minister Responsible for the Status of Women
Minister Responsible for the Public Service Commission

Hon. Dustin Duncan
Minister of Environment
Minister Responsible for Saskatchewan
Water Corporation
Minister Responsible for SaskEnergy Incorporated

Hon. Donna Harpauer
Minister of Education
Provincial Secretary

Hon. Jeremy Harrison
Minister of Enterprise
Minister Responsible for Trade

Hon. Darryl Hickie
Minister of Municipal Affairs

Hon. Bill Hutchinson
Minister of Tourism, Parks, Culture and Sport
Minister Responsible for the Provincial
Capital Commission

Hon. D.F. (Yogi) Huyghebaert
Minister of Corrections, Public Safety and Policing

Hon. Ken Krawetz
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Minister of Finance

Hon. Tim McMillan
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Investments Corporation
Minister Responsible for Information
Technology Office
Minister Responsible for Information
Services Corporation
Minister Responsible for Saskatchewan
Government Insurance
Minister Responsible for Saskatchewan Liquor and
Gaming Authority

Hon. Don McMorris
Minister of Health

Hon. Don Morgan
Minister of Justice and Attorney General
Minister of Labour Relations and Workplace Safety
Minister Responsible for the Saskatchewan Workers'
Compensation Board

Hon. Rob Norris
Minister of Advanced Education,
Employment and Immigration
Minister Responsible for Innovation
Minister Responsible for Saskatchewan
Power Corporation
Minister Responsible for Uranium
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Hon. Jim Reiter
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Minister Responsible for Saskatchewan
Transportation Company
Minister Responsible for The Global
Transportation Hub Authority

Hon. Laura Ross
Minister of Government Services