

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Hon. Mr. Devine:** — Thank you, Mr. Speaker. It's my pleasure to introduce two individuals in the Speaker's gallery from a constituency that you might be familiar with. The individuals are Elaine and Harold Young from Strasbourg, and they received recognition this morning by the Minister of Telephones and myself, have been the 36,800th individuals in rural Saskatchewan to receive individual line service.

We are half-way through the process of providing individual line service to the people of Saskatchewan, replacing the old party lines, and it's about a \$260 million project.

This couple are typical rural Saskatchewan people in that they've raised a fine family. They have now not only children but grandchildren. They've been involved in all community organizations. And we'd just like to recognize them as being part and parcel of the new decade and the new century when it comes to telecommunications. Please welcome these guests.

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

**Hon. Mr. Maxwell:** — Thank you, Mr. Speaker. It's my pleasure, Mr. Speaker, to introduce to you, and through you to all members of the Assembly, a couple of tourists who are spending a few days here in Regina, and they're seated in your gallery, sir.

They are my cousin, Ian Smith, and his wife, Ann. They come from Birmingham in England. Now I know, Mr. Speaker, you'd appreciate it's a little difficult for a Scotsman to admit that he has English relatives; however, they're really fine people, and I hope they're going to have a pleasant stay and take fond memories of Saskatchewan home to Birmingham with you. So I would ask all members to help me welcome them, Mr. Speaker.

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

**Hon. Mr. Andrew:** — Thank you, Mr. Speaker. I would like to introduce to the House, Mr. Pat McMillan who is sitting in the Speaker's gallery. Pat McMillan is a marketing specialist with the Department of Agriculture, state of Maryland. He is in Saskatchewan as part of an exchange between the state of Maryland and the province of Saskatchewan to identify areas where we can co-operate in trade, particularly in the field of agriculture, but also in the area of tourism. He is also spending some time while he is here with the Department of Agriculture at the University of Saskatchewan.

I would hope all members would welcome our good neighbour from the state of Maryland and wish him well during his stay in our province.

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

**Hon. Mr. Hepworth:** — Mr. Speaker, I'd like to introduce through you, and to all members of the Legislative Assembly, some 42 senior citizens seated in your gallery, sir. They are from Weyburn and area and are accompanied by Sylvia Eddy who is seated on the floor of the legislature. Their bus driver was Ken Grams. I look forward to meeting these people after question period, Mr. Speaker.

I trust that they have enjoyed their tour and that they will enjoy question period and other House proceedings this afternoon. And I would ask all members of the Legislative Assembly to welcome these senior citizens here to the gallery today, Mr. Speaker.

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

## ORAL QUESTIONS

### Population Loss in June

**Mr. Romanow:** — Thank you very much, Mr. Speaker. My question today is either to the Premier or to the minister in charge of Human Resources. It has to do with the statistics released today by the provincial bureau of statistics, your own department, the bureau of statistics, which indicate that for the month of June this province has suffered another net loss, out-migration, of 1,264 people, bringing a total thus far, to the end of June, for the first six months, of 13,132 people who have left.

Now that's a very, very serious net loss in the six-month period and a very serious one for June — I might add, the sixth consecutive loss in the six months of 1989.

Mr. Speaker, my question to the minister or to the Premier is: how does the government explain this ongoing, massive hemorrhage of population loss, other than a complete failure of its own economic policies? How do you explain that?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, the population loss is due to a lack of diversification, which has been held up by the members of the opposition.

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

**Mr. Romanow:** — Mr. Speaker, I've never heard a group of blamers who blame everything so often as the Premier's government opposite does on us, even when we have nothing to do about it.

The minister opposite and the Premier opposite know that they've had eight years now of privatization policy, of big megaprojects — eight years of so-called free enterprise, PC style, in Saskatchewan — and the net result is a population loss which probably is unparalleled except by the Dirty Thirties.

My question to you, Mr. Minister, is a straightforward one but a very important one. What in the world are you going to do? What is your game plan to turn that around in order

to make sure that the young men and women remain here in the province of Saskatchewan?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, people have always left Saskatchewan in time of drought. Part of the solution has been provided by God, in that we now have more rain this year. We expect that that money will filter into the system after harvest.

We also expect that this government will be able to proceed with power projects, with fertilizer plants, with diversification throughout Saskatchewan. We expect that eventually, despite the opposition, we will be able to complete the Rafferty dam.

We expect that this government will do the diversification that should have been done when the members opposite were in government, as was done in Alberta, as was done in British Columbia where our people are now having to go to find the jobs that should have been Saskatchewan. We are trying to build despite the filibustering and striking of the members opposite.

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

**Mr. Romanow:** — Mr. Speaker, a new question to the minister. I say to the minister, with the greatest of respect, he's not going to get away with that kind of a trite and easy answer — not at all.

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

**Mr. Romanow:** — You, sir, and the Premier of the province of Saskatchewan have been in charge of the affairs of this province now for eight years — eight long years. Your government has had all kinds of opportunities for job creation and economic growth and for job creations and keeping the young men and women in the province is Saskatchewan, and you had a total and complete failure.

Now look, do not give us patronizing answers. The people of the province want a specific game plan for job creation. What is it? Do you have one, or do you simply indicate that you're bankrupt, and if that's being case, why don't you give up the reins of government and call an election so that we can get on with the job of giving jobs and building for the province?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, I've heard this for many, many years. The leader of the opposition told me when I was young, and maybe a little foolish in those days, he told me that we had to buy the potash corporation to create jobs. It was purchased. The holes are now belonging to the people of Saskatchewan. Where are the jobs?

This government is going to diversify that corporation. The members opposite say they will stop it — they will stop it cold. They will make the province ungovernable. They will stop privatization. They will stop the expansion and diversification of the potash corporation. They

wanted to stop WESTBRIDGE, and it is rolling right along, creating jobs. They have temporarily stopped the Rafferty dam and the power project. In the city of Melville, where there are supposed to be new jobs building boilers, there are people waiting for the project to continue.

Those people are against everything, including jobs. They're against any kind of progress. That is what we have. The NDP want to buy a pulp mill . . .

**The Speaker:** — Order, order. I'd like to draw to the attention of the hon. member for Regina Rosemont that, as we have discussed before in the House, unparliamentary language is not acceptable and creates heat in the House that is not in good keeping with question period, and therefore I would like to ask him to apologize for that remark.

**Mr. Lyons:** — I apologize for that particular remark, Mr. Speaker.

**The Speaker:** — Thank you.

**Hon. Mr. Schmidt:** — They should apologize for the damage they've done to this province. They bought a potash mine, did nothing with it. They bought a pulp mill, did nothing with it.

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

**The Speaker:** — Order.

**Mr. Romanow:** — Mr. Speaker, I have a new question to the Minister of Human Resources. Actually, I think I should ask the Premier to bail the minister out, if that's at all possible . . .

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

**Mr. Romanow:** — . . . because these answers, Mr. Premier, are absolutely ludicrous. I mean, we have nothing but a policy of blaming, blaming, blaming, blaming. We have a policy of contradiction. On the one hand, the potash take-over is a potash of useless holes, in the mind, and yet you're trying to sell that privatization of potash as the greatest thing ever in the context of privatization. You can't have it both ways. Look, leave the rhetoric behind for a moment. Stop blaming us. Try to give the people of . . .

**The Speaker:** — Order, order. The hon. member, I know, has a great deal he'd like to say, but . . . Order, order. I would like to ask him to get to the question.

**Mr. Romanow:** — I am saying to the hon. member, the situation is as follows. The minister opposite has one policy: blame, blame, blame. I'm asking: does he have a specific economic game plan? Will he undertake, on behalf of the Premier, to table a game plan in the next few days with specifics which indicate a job creation program to turn around this massive population hemorrhage and get this province going again? Will you do that?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, this government has a

policy of building Saskatchewan and creating jobs. I have gone through the list already, but what . . . The members opposite have no policy . . .

**The Speaker:** — Order, order. Could we ask the hon. members on both sides of the House to give the member for Melville, the Minister of Labour, the opportunity to reply to the question.

**Hon. Mr. Schmidt:** — While this government does have a policy of creating jobs, building the province, the members opposite have espoused no new policy. Are we to go back to their old policy of nationalizing? What would they have us do? Nationalize more farms, nationalize more pulp mills, get rid of the paper mill that we built, nationalize a beef plant? Would they have us nationalize all the other potash mines to create double the number of jobs that they did when they nationalized them in the first place? What kind of a policy do they have? At least we have a policy and it's working. It may not be perfect, but it's working.

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

**Mr. Romanow:** — Mr. Speaker, I have a new question to the minister. Really, this would be a joke if it wasn't so serious and so sad.

**The Speaker:** — Order, order. Before we get into the question, I'd just like to ask the hon. members to allow the Leader of the Opposition to put his question without interruption.

**Mr. Romanow:** — Thank you very much, Mr. Speaker. I simply want to ask the minister one last question. The minister says that he has a policy and he says it's a policy which is working. How in the world can the minister say it's a policy that is working, in the light of the fact that in the first six months of 1989 our net population loss is already equal to that of the entire period for 1988? How in the world is that working?

You can't blame that on us. You've been in power for eight years. Tell us what the explanation for that is, and for goodness' sake tell us where is your game plan. Because if you don't have one, resign and let us get in there to get moving with the province of Saskatchewan.

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

**Hon. Mr. Schmidt:** — Mr. Speaker . . .

**The Speaker:** — Order, order. I must intervene again. I must intervene again, and of course, as you know, I don't particularly like to intervene this frequently, but I must intervene and ask the members to restrain themselves — and that includes the member from Indian Head-Wolseley and the member from Athabasca. Would you please allow question period to go forward.

The member for Athabasca, I'm going to draw his attention again, and the Minister of Public Participation. Allow the question period to go forward without too many interruptions.

**Hon. Mr. Schmidt:** — Mr. Speaker, this government will

keep doing what it has been . . .

**The Speaker:** — Order, order. I'm going to intervene again, and I must intervene until hon. members heed the request of the Chair that the member for Melville be allowed to present his case and the answer.

**Hon. Mr. Schmidt:** — Mr. Speaker, this government will continue policies of diversification. If that means that we will have Crown corporations sold to the employees, sold to the people of Saskatchewan so that they can be expanded to build jobs, then we will continue with that policy despite the opposition's filibuster. The opposition is against this policy. What would they want us to do, go back to their policy? Would they want us to shut in all the gas wells that we've drilled? Would they want us to tear down the hotels in the park? Would they want us to shut down the pool in Watrous so that people can't enjoy tourism in this province? Would they want us to go back to that kind of a system.

The members opposite have no interest or knowledge in this province. They don't realize that agricultural income was down 32 per cent last year, and that was due to drought. But would they want us to stop irrigating in this province? Yes, they would. They would want us to go back to the bad old days.

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

### Effects of Lottery Tax

**Mr. Shillington:** — Thank you very much, Mr. Speaker. My question is to the Minister of Finance. Mr. Minister, in a government with a history of the sort of public relations coups marked by the used car tax and the most intelligent budget ever, surely one of your finest triumphs must be the lottery tax which we now see in progress. So unpopular, Mr. Minister, is this tax that you've turned a popular lottery into a financial disaster.

Mr. Minister, and Mr. Speaker, accolades flow from all directions to you. In your circle of admirers stands none the less than your Alberta counterpart, the Tory minister, Mr. Kowalski, who has said that the sale of lottery tickets in Saskatchewan has dropped 75 per cent. His authority is figures which your government has given him.

My question, Mr. Minister, is: if you'll share these figures so willingly with your admirers in Alberta, will you share them with your admirers here in this Assembly?

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

**Hon. Mr. Maxwell:** — Mr. Speaker, as the minister responsible for the lotteries in Saskatchewan, I would like to respond to that question and clarify a few things. I had the conversation with Ken Kowalski in Edmonton a couple of days ago, and the conversation did not revolve around a 75 per cent downturn in sales.

**An Hon. Member:** — Is he a liar?

**The Speaker:** — Order, order. We have just had, a few minutes ago, an episode, unfortunately . . . Order, order. The hon. member hollered from his seat, is he a liar? That

kind of language is not acceptable. I must ask him to rise and apologize.

It's unparliamentary. It is not acceptable regardless of who it is. We cannot have hon. members hollering liar at whoever in this House. I would ask the hon. member from Prince Albert-Duck Lake to rise and apologize for that remark.

**Mr. Lautermilch:** — Mr. Minister, I will apologize. And if you feel I called the member a liar . . .

**The Speaker:** — Order, order. We're not going to debate it, sir. I would just like you to rise and unequivocally apologize for making that type of unparliamentary remark in these Chambers.

**Mr. Lautermilch:** — Mr. Speaker, I apologize for asking if the minister from Alberta . . .

**The Speaker:** — Order, order. I'm going to ask you one final time. I'm going to ask you one final time, sir, and I've asked you twice, to simply rise and apologize for making that unparliamentary remark in these Chambers, which we know and you know, sir, is not acceptable.

**Mr. Lautermilch:** — Mr. Speaker, I apologize.

**The Speaker:** — Thank you.

**Hon. Mr. Maxwell:** — Mr. Speaker, in the course of our conversation, I indicated to Mr. Kowalski that, yes indeed, in the first week, this week over the same week last year, sales had gone down. And we were looking at the reasons why, and obviously we have to consider the hospital tax in that.

The 75 per cent figure Mr. Kowalski was using was not a general downturn. It is no place close to that in fact from the preliminary figures we have in. We'll have more detailed information in about 10 days. The 75 per cent figure merely reflects individual kiosks in certain locations around the province. It was not widespread across the province at all. And in fact indications . . .

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

**Mr. Shillington:** — New question, Mr. Minister of Finance. This has been an interesting question period. We now learn that your circle of admirers includes the Minister of Culture, who apparently was complaining of the drop in revenues also.

Mr. Minister, your counterpart in Alberta said:

"If Saskatchewan revenue decreases dramatically, it means that ultimately Manitoba and Alberta will have to pay more of the total (so-called) operating costs of the Western Canada Lottery Corp."

Mr. Minister, he expressed the opinion that Saskatchewan should continue to pay its full share of the expenses even if revenues dropped. So what we have here, Mr. Minister, is a situation in which Saskatchewan residents are paying an extra tax of 10 per cent and are then ante-ing up more money out of the treasury to pay for

the damage being done by the extra tax. Mr. Minister, may we assume that this is another example of a Conservative's idea of competent fiscal management?

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

**Hon. Mr. Maxwell:** — Mr. Speaker, I'd like to make two points in regards to that particular question. The first point is that it's a discretionary tax; nobody has to buy lottery tickets. It's strictly up to individuals whether they choose to buy it or not.

Secondly, the tax is strictly for hospitals — for nothing else. And there are a lot of people in the province . . . there have been positive editorials — I didn't bother carrying them with me — on that very subject, saying that this kind of a tax is a good idea because it is discretionary. Now lots of people share that opinion.

Of course we're concerned if there's a major downturn in the sales because we would lose some revenue. The early indications are there has been a downturn and that's been well publicized in the media. We don't know the full extent yet because we don't have all the numbers in, Mr. Speaker. As soon as we know the full extent, we'll be able to analyse the situation.

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

**Mr. Shillington:** — Thank you. A new question, Mr. Speaker. My question is to the Minister of Finance who should have analysed this matter before . . .

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

**Mr. Shillington:** — . . . and not left it to the minister of culture and youth to try to clean up the mess afterwards.

Mr. Minister, Mr. Kowalski says — and he is quite clear in laying the blame for this drop in revenue squarely on your new tax — he goes on to say, they're not going to have any surplus at all. In fact, they may very well be killing their own golden goose.

Mr. Minister, my question to you is how much revenue will the culture, recreation, and sports groups lose? And is it fair to say that the taxpayer's going to have to pay and ante up that revenue which this nuisance tax has deprived us of?

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

**Hon. Mr. Lane:** — Mr. Speaker, that is the first time that the NDP have called moneys to the hospitals a nuisance, Mr. Speaker.

Mr. Speaker, the tax moneys are going to hospitals. The NDP indicated yesterday that they resent that the hospitals have to go out and generate money through lotteries, knowing full well that it was at the request of the hospitals that they were able to set up the lotteries.

Mr. Speaker, there is ample indication that people of this province want lottery moneys to go to hospitals. And if the NDP aren't even listening to their own membership when they say that they want more and more of the lottery

moneys to go to health care, Mr. Speaker, they call that a new tax.

Mr. Speaker, the people of this province believe fundamentally that more and more of the gambling moneys in this province should go to health care, and the moneys will go to health care, Mr. Speaker. The moneys will go to new projects; the moneys will go to equipment funds for the hospitals, Mr. Speaker, and that's where a lot of the gambling moneys in fact should go, Mr. Speaker. It should have been that way at the outset, Mr. Speaker.

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

**Mr. Shillington:** — New question, Mr. Speaker. Whatever the name, Mr. Minister, this tax is going to pay for such nonsense as GigaText, and very well you know it.

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

**Mr. Shillington:** — Mr. Minister, among the many victims of this tax, this ill-thought-out tax, are those who operate the kiosks. Mr. Minister, I have receipts from a typical kiosk operator in Saskatoon. It shows that on June 26, before the tax, he sold tickets in the amount of \$1,584. That day was pretty much average, he said. On July 7, the daily sales had fallen to half — to \$720, then by half again on July 10 to \$334, all this while his commission, of course, is dropping.

Mr. Minister, my question is: how do you justify a tax which isn't raising any revenue because the public of Saskatchewan simply refuse to pay it, and which is putting small businesses out of business?

**Hon. Mr. Lane:** — Well, Mr. Speaker, it's quite interesting. The hon. member blames the drop on sales on the tax. It's not on raffles, Mr. Speaker, but the Roughrider ticket sales are down dramatically. The tax doesn't even apply.

There are several others, Mr. Speaker, that in fact sales are down and the tax hasn't applied.

Now we recognized at the outset that there would be an adjustment period, Mr. Speaker, on the imposition of the tax. And I suggest to the hon. member, suggest to the hon. member that there are going to be a number of people, a number of New Democratic Party supporters across the province to find out today that the NDP: one, have said that any of the lottery moneys going to hospitals is a nuisance; and secondly, Mr. Speaker, that the NDP have taken a fundamental position today that gambling moneys or revenues from gambling should not go to health care, Mr. Speaker.

We believe that it should, Mr. Speaker. We believe that the public will make the adjustment, Mr. Speaker. We will believe that we will meet the revenue targets, and that there will be the additional moneys for health care, Mr. Speaker.

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

#### Contract with Kiosk Operators

**Mr. Hagel:** — Mr. Speaker, there is not a single person in the province of Saskatchewan, I believe, who believes what the Minister of Finance says. We all know that that tax is going to budget the deficit and the mismanagement of the Conservative government of Saskatchewan today.

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

**Mr. Hagel:** — Mr. Speaker, I direct my question to the minister responsible for the Saskatchewan lottery corporation. Mr. Minister, I suspect that we would have heard a large number more of these kinds of stories that have just been related by the member from Regina Centre if it had not been for the introduction of the — what people are calling — the Devine tax here in Saskatchewan.

And I ask you, Mr. Minister: why it is that your government has acted in a dictatorial manner to try to eliminate or prevent negative publicity? Let me refer specifically to section 2(hh) of the contract signed between the lottery corporation and the vendors, and it directs the vendors as follows, and I quote, Mr. Minister:

to refrain and direct his employees to refrain, from giving statement or discussing with any member of the press or media any matter relative to any aspect of the business and operations of the Corporation, Sask Sport Inc. or the Western Canada Lottery Foundation.

Mr. Minister, will you tell me, what is the purpose of this gag order imposed by you and the Conservative government?

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

**Hon. Mr. Maxwell:** — Mr. Speaker, not . . .

**The Speaker:** — Order, order.

**Hon. Mr. Maxwell:** — Thank you, Mr. Speaker. Not having seen the particular document to which the hon. member is referring, not having seen it I can tell you that it would have nothing to do with me because it would be between Sask Sport Inc. who have the licence to run the lottery, and their kiosks, and it would be something that's been in effect for some considerable period of time.

**The Speaker:** — Order, order. I must once more ask hon. members to co-operate. The business of the House is having difficulty proceeding because of the noise, and I'd like now to ask the clerk to continue calling Bills.

#### CONDOLENCES

**Hon. Mr. Devine:** — Mr. Speaker, before orders of the day, and by leave of the Assembly, I would like to move a condolence motion.

Leave granted.

**Frank Meakes**, who died on July 8, 1989, was a member of this Legislative Assembly from 1956 until 1964, and again from 1967 until 1975. He represented the constituency of Touchwood, Mr.

Speaker.

Mr. Meakes was born on February 20, 1917, at Punnichy, where his parents had established a farm. He eventually took over the Meakes' family farm and raised pure-bred shorthorn cattle. In 1943 he married Mary Luthi of Punnichy, who predeceased him in 1965.

As a young man during the Thirties, Frank Meakes became interested in the co-operative movement. He was president of the Lestock Co-op for many years and a founding member of the Lestock Credit Union. He also served on the board of his local Saskatchewan Wheat Pool committee. In 1962 he became minister of co-operation and co-operative development, a post he held until 1964.

As an elected member, Mr. Meakes was noted for his devotion to parliament by his near perfect attendance record in this Chamber. He served this Assembly as Deputy Speaker from 1961 until the time he was named to cabinet. After retirement, Mr. Meakes continued to be active in the community where he lived. He is survived by his second wife, Margaret.

In recording its own deep sense of loss and bereavement, this Assembly expresses its most sincere sympathy with the members of the bereaved families.

Mr. Speaker, I'd like to move this motion, seconded from the member from Saskatoon Riversdale.

**Mr. Romanow:** — Thank you very much, Mr. Speaker. I am pleased to join with the Premier in seconding the condolence motion, although it gives me no particular pleasure to have to do so in the case of Frank Meakes.

Mr. Speaker, I joined the Legislative Assembly first in 1967 when Frank Meakes had already been what I would describe as a veteran of this House at that time. And coming in as a very young man, inexperienced about the ways of the legislature, I was rather mystified, as I'm sure some new members on both sides of the House might be, about what it is that this institution, this great institution, is all about, how we conduct the business, and even apart from the process of conducting the business, a very difficult question period which is part of the process apparently, Mr. Speaker, and the hard debates which we have . . . more than that, what this Assembly means in the context of society and men and women governing themselves, and the pursuit of social and economic objectives, and movements of equality of opportunity. Those were difficult questions for me to sort out in 1967, and Frank Meakes was one of the very first friends that I made in the legislature at that time. Because Frank having been, as I say, here before, but I suspect even more so because of his lifelong interest in the parliamentary process, was able to give us — me and others — the necessary direction, the necessary guidance to try to make a contribution to the political process of this great province of ours, Saskatchewan.

For those of you who didn't know Frank Meakes, he was in some ways like all people, I suppose, somewhat paradoxical. At times, and I would suspect most of the time, he was a mild-mannered, soft-spoken politician who really would not make his voice heard loudly in debate, certainly not as loudly as it seems to be taking place in this legislature in any event since 1986, or perhaps even before that time.

But nevertheless, he always was heard and spoke frequently on very many of the key issues which affected not only his constituency but the issues of the province.

His concerns ranged all the way, obviously, about the plight of the farming community and farmers, to the plight of the poor, the working poor, the position of native people in the province of Saskatchewan. There's a large representation of native people in the Touchwood, as it then was, area.

This was a person who, while he may have seemed to be somewhat mild mannered, it soon came to my attention he was in fact, as I say, a bit of a paradox; mild mannered but very determined, very vigorous and dedicated as a person in pursuit of these various causes.

Once Frank Meakes was able to assess the various pros and cons of an issue and came to a conclusion on the side of the issue, he stuck to his position and stuck to that position very tenaciously indeed — stuck to it tenaciously. And as a result, paradoxically somewhat, this mild-mannered, gentle man, because truly he was that, almost got the impression of being an outspoken MLA, an outspoken spokesperson of the Legislative Assembly. He was outspoken because, as I say, once he made his decision it was a decision with which he would stick for quite some time, and, as a result, the impression that indeed he had these strongly held views which he did have.

Frank Meakes was also a kind of a person that I had admiration for from another dimension, another aspect. If you take a look at his personal curriculum vitae, you see that Frank was educated formally to grade 8, and then he took grades 9, 10, and 11 by correspondence classes, back in another time. That's as far as his education went.

Correspondence classes, of course, provide an opportunity for equal access to education, but I think all members would agree that the ideal situation would be to attend a formal class-room setting. But if you looked at it at first blush you would say, well what can a person with, by today's standards, not a large, extensive formal education have to say about the important issues of the world. That was a big surprise when you listened to Frank Meakes.

Frank Meakes was indeed a very well-read and very well-educated person. This was a person who read right through life, right to his dying hours, I'm sure to his dying days; a person who was active not only beyond reading but in the promotion of books, the library system. He was given an honorary recognition by the Saskatchewan Library Association for his contribution of libraries.

And I've always felt that formal education — some of us

have gone through it, some of us haven't — really isn't the mark of an intelligent person. It may be the mark of a well-educated person — I say "may" be the mark, but it's no guarantee of that either. The mark of a well-educated person, in my judgement, is the degree to which that individual has that level of sensitivity, the antenna which are out there bristling, able to receive the various communications of issues coupled with, as a mark of intelligence, reading, reading, reading, and reading.

And Frank was a reader. Frank was well-read. Frank was intelligent. Frank was truly an educated man. And I think that that reading brought about that civility, that gentleness of which I've referred to earlier — realizing that as one progresses in life through maturity and as one reads, that very rarely are issues simply cast in black and white terms; that there are many, many greys in life. And in fact sometimes life itself, both in terms of political issues and social concerns and personal concerns, is made up of a set of greys.

Frank was an individual who gave through his educated mind, through his principles, and through the sensitivities that I've referred to, the kind of leadership which, when I entered in 1967, I decided I would try to emulate. I don't think I've succeeded anywhere near, but I said to myself that I would try to emulate that goal.

Of course, his leadership talents were quickly recognized, as the Premier has pointed out in the introductory motion. Frank has always been a leader in his community, coming from the community and going back to the community as we buried him yesterday, as you know and you were there present, Mr. Speaker, a service which one of my colleagues, my whip and colleague from Quill Lakes described to our caucus today as a fitting service, in a fitting burial site, for a true son of the Saskatchewan soil.

Frank's leadership was known by that community, and I think that the way, in a sense, the funeral service and the day yesterday, as I reflect back on it, took place, is a kind of a metaphor for what his life was all about. He believed so strongly in community control and community participation that that sense, that trait, thrust him very quickly into a role of leadership.

His curriculum vitae here again is far too numerous to list, but his activities in the Saskatchewan Farmers Union in the early days of protest, the farm protest; president of the Lestock co-op association, also a question of leadership at the community level; the Lestock wheat pool and credit union committees. These are well-known, all well-known. He was a director of the Round Plains Telephone Company, and municipal councillor, a school trustee. In fact, mayor of Lestock, I think, Mr. Speaker, was also one of Frank's latest — after he was out of provincial politics — contributions to the community.

That really is a very eclectic, a very comprehensive and engaging, interesting set of activities for community functions. And I found that the fact that he maintained this love for community after the retirement from political life in 1975 — he served with me from '67 to '71 and then in '71 he was re-elected and was part of the Blakeney team which formed the government of that day to 1975.

Sometimes it's the habit of politicians, once we are defeated or retire, that that's it for political activity. No so for Frank. The abiding, never-failing concern and belief that communities working together can effect change for the betterment of all people was a characteristic and a quality which can only be marvelled at, and I think was reciprocated by the local respect which he attained, judging by the tremendous contribution that he has contributed and made to the legislature and the people of the province of Saskatchewan.

The Premier has indicated his various contributions, which I will not speak at length about, but are there and speak for themselves. He was first elected, Frank Meakes was, in 1956, and served until 1964 when he was defeated when the late former premier Ross Thatcher entered the legislature. And then he returned in 1967. Premier Thatcher was still the premier of the province of Saskatchewan.

I very often think of those days because, as I said in a few of my remarks earlier here, that was the time when I entered the House. And I don't wish to diminish any of the contributions of the colleagues in this House, but it seemed to me that that period from '67 to '75-78 — certainly I'll speak from '67 to '71 — was a period where the legislature was at its most dynamic best.

(1445)

The debate was very pronounced and sharp, but the debate was also very high-minded, very stratospheric in its dimensions. There were heavyweights in the political legislature in the province of Saskatchewan at that time. And if you think of the cast of characters: Ross Thatcher and Davey Steuart and Woodrow Lloyd and Allan Blakeney and George Willis and Bill Davies, and one could go on — Alex Cameron from Maple Creek. These people were men and women with politics on their minds, but more than politics — politics is the vehicle to achieve ideas, and the debate was very much on ideas.

In 1967 when he re-entered after the defeat — which is also an unusual thing for a politician to embark upon. Once you're defeated you sort of think that that is the decision of the public — it certainly is for the moment — that perhaps you should not proceed further. But Frank's sense of community and commitment prompted him to seek the nomination again and he was re-elected again.

That period from 1967 to 1971 was one of the most exciting I've ever experienced in political life. And I include the period when I was a part of the government, from '71 to '82. I think we did some tremendous things. We made some mistakes, that's for sure; every government does.

But the debate on the big issues, some of which are repeating themselves today — I don't want to make this obviously a political address — but some of them really are repeating themselves in variations today. Because as they say in that old poem when the walrus was speaking to the carpenter, or vice versa, said, there ain't nothing new under the sun — that's badly paraphrased — in reality, there isn't very much new under the sun.

And the basic themes about role of government and economy, the extent that it should or shouldn't be involved, diversifying the provincial economy, job loss, population loss, those were the issues of '67 to '71. They've been the issues actually of all of Saskatchewan's history. And Frank Meakes's guiding light in the caucus — I'll say a word about that before I take my place — in the caucus and outside the caucus really was something which I will never forget.

Of course, as we know, he served on a variety of committees of the legislature. He was the deputy speaker of the Assembly, and I say this to you, sir, and to all former speakers who are here and deputy speakers, perhaps on a day like today this is a job which is probably the most difficult job in the Legislative Assembly.

I think that when strong-willed men and women meet and clash in a competitive, adversarial format, which is what the legislature and the parliament is, the task of providing decency and civility and ensuring the rules are being administered and yet all of the objectives being achieved, is a situation which I would not envy you, sir, in occupying, and I sure didn't envy my colleague, the member from Westmount in occupying.

Frank Meakes, however, brought to that debate his commitment to the ideas, but he also had those senses of civility and gentleness about it which sometimes I think we all miss a little bit in this period of 1990s. The Deputy Speaker's role, and having fulfilled it I think very competently, is a tribute to not only the man's capabilities but his reverence for the institution that we have here.

Of course he served as minister of co-ops for a two-year period prior to the defeat in 1964. He then went on to the various local activities that I've talked about, and I will not discuss again at length, and made a distinguished contribution throughout the entire period.

I guess I'd like to say two other points, make two other points about Frank Meakes, drawing on his life to see what lessons can be learned by those of us who are left behind. And these are not original thoughts, Mr. Speaker, the ones that I am now going to say, because I've discussed this with a number of friends and colleagues and associates of Frank's as we tried to talk about what his life meant and what ideals he held, but I shared the views.

I think there are two principles which became very important to me, watching Frank Meakes operating in this House and in this province. One was his abiding belief to the end that people working together can help people — the sense of community that I've talked about — which was reciprocated by him being selected as a leader in so many community functions.

I think that if you examined the extreme hurdles and obstacles that we have to face in this province in trying to build a society here in this province, the hurdles are obvious — harsh climate and large distances and small population, and relatively little political clout in the Canadian configuration of things. The notion of communities banding together to help themselves where necessary was a logical one. Frank was very early on that

belief.

From the farmers union through to the co-op movement through the CCF (Co-operative Commonwealth Federation), the New Democratic Party, to his capacity as mayor of Lestock, he believed that men and women working together can effect change, that we're not simply pawns of larger forces beyond our control, whether those forces are national or international.

And frankly, Mr. Speaker, I happen to subscribe to that view. I think all of us do in this House. I certainly hope that all of us do, because if I didn't believe in that, if I believed that there were forces — there are some of course which are serious — but essentially forces which prevented us from a measure of control over our individual lives, to free us up to be individuals, to do our own things — some people said a few years ago or today — if I didn't think that we could do that and that we could do that in a collective community sense, I think I'd be out of politics.

There's no sense in being in political life for the title or for the pay or for the excitement and the friendship of all of the members opposite or on this side of the caucus. It simply isn't worth it. You have to be in the game because it is the very essence of the democratic system that men and women working together can effect positive change. And Frank Meakes embodied that throughout his entire life, was rewarded — if elected to office is reward, but I think it is reward — rewarded and reciprocated in kind by believing in that very distinctly.

The second general principle which strikes me about Frank Meakes, before I take my place, is the question of the roles or the functions that we fulfil in political life, each and every one of us. In our caucus, Mr. Speaker, we have 26 members. There are 38 in the government side. I'm sure that that's the case with theirs. They haven't invited me to their caucuses to be absolutely certain of what I'm saying here as being accurate, but in any event I'm sure that that takes place in the government side as well.

Caucus members come from all over the province, with all kinds of backgrounds and various personalities. We contribute not evenly, or uniformly — perhaps I should put it that way; evenly I think we do to some extent, but not uniformly — in all of the functions of caucus and government that might be expected by the public at large.

There are some of us who perhaps have a talent to analyse the issues and the problems of the day and to provide solutions. Others of us may have the ability to sell, if I may use that word, the solutions on behalf of a political party. Others might have the capacity to compromise, to accommodate, to convince, to heal the various differences which exist in any caucus.

Others — and there aren't many of these, Mr. Speaker, and I'm now referring to Frank Meakes — have a very valuable other function to fulfil, and that is to play the role which I can only describe as the role of the conscience of caucus — that person within the deliberative body of MLAs who are down here doing the people's business, that role within caucus and outside caucus which is a role



determined to make sure that the caucus remains true to its principles and to its ideals.

I don't think I'm a conscience of caucus in my political years, and I know how difficult that is sometimes to have somebody in caucus raising fundamental principles which make it difficult to accept for pure, short-run political gain.

And sometimes how difficult it is in that message of conscience which MLAs provide to be able to accept that perhaps the anger which one exhibits to the opposition side, or however the debate is carried out, shouldn't be done so. Because as conscience of the caucus, you're conscience of the democratic system which says that at the end of the day debate has to be conducted with civility, with respect, and with gentleness, and with principle.

As much as personality might enter into the debate, conscience of caucus, conscience of legislature, that is a tremendous contribution to any political party, to any caucus. That is a tremendous contribution, Mr. Speaker, to this institution. It is a tremendous contribution to government and society in Saskatchewan and in Canada as a whole.

Frank Meakes was a conscience of caucus, who with his mild-mannered and gentle approach, gentlemanly approach in the old-fashioned sense of the word, was able, coupled with his commitment to community, to achieve what most of us in three lifetimes could never, except dream of, achieve.

Well those are the two lessons from Frank's life. There are many that I could draw on, but those are the two that have stuck to me, and the two that I will try to, as I think of Frank Meakes, try to follow and try to instil in my colleagues and my relationships and associations, because I think for all of that we will be the better for it.

Finally, Mr. Speaker, let me conclude on an extremely personal note. I saw Frank Meakes about, I guess, a month and a half ago, or two months ago now, for the last time when he came to my office to discuss with me a number of issues. One of the issues was the question of the privatization of SaskEnergy, and as you will know, Mr. Speaker, at that time the debate and the controversy surrounding the walk-out, surrounding the issue itself which is even more important.

Frank also came to talk to me about politics at the local level. I'm not so sure, sir, that you wanted to hear that, but nevertheless he did. He came to talk some local politics.

I will remember him as I remembered him back in 1967, so animated. He was so excited. He was so clear in what he thought we should be doing. He was preaching the virtues of community in the context of the political actions which he was recommending. He was . . . it was almost like having him back in caucus because he exhibited that kind of enthusiasm and that kind of interest, while at the same time being as sharp and as relevant as I ever remembered him from the times when I served with him in the House ending prior to 1975.

I didn't know that a few weeks afterwards he fell ill, and then as unexpectedly I found out on the weekend that he was suddenly taken from us with his death, the heart attack which caused his passing.

Well, I'm going to remember the happy times with Frank Meakes, of which there are many. I'm going to remember those principles of which I've talked about, and I'm going to remember the funeral service yesterday in a beautiful country setting, peaceful and cheery, and based on tradition in history as it was with the old stone church 101 years old in Saskatchewan, and the location. I'm going to remember that because I'm going to say to myself: it was the final last tribute to one of the true gentlemen of this House and of my experience.

And I pass on my regrets and condolences, and that of my wife, to Frank Meakes' widow, Margaret, and to his numerous extended family.

Thank you, Mr. Speaker.

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

**Hon. Mr. Swan:** — Mr. Speaker, I would like to ask leave of the House to introduce some guests.

Leave granted.

## INTRODUCTION OF GUESTS

**Hon. Mr. Swan:** — Mr. Speaker, I would like to introduce to you today Mr. and Mrs. Betty and Watson Walker from Rosetown, and they have guests from England, Thomas and Gillian Hogg from Sevenoaks, Kent, in England. The folks from England have been visiting in Canada for a short stay and have been in Saskatchewan for the last few days. I trust that they will have enjoyed their visit here to our legislature and the opportunity to see a little of question period and the actions of the House following question period. I look forward to an opportunity to meet with them, and I would like the House to join with me in welcoming these folks to our country and to the Saskatchewan.

(1500)

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

## CONDOLENCES

**Mr. Brockelbank:** — Mr. Speaker, I had the opportunity of serving in this legislature with Mr. Frank Meakes for some period of time. I entered the legislature in '64. At that time Mr. Meakes was not here but he re-entered the Chamber in '67 upon being re-elected to represent the constituency. And I must say that over the years that I knew Frank, prior to that and since that time, I've always appreciated his counsel and his contribution to the party, to myself, to the province. It was universally a good contribution, and I appreciated it very much.

If you knew Frank Meakes, you would know that he is a man of many dimensions, and I use the term "a man of many dimensions" advisedly, because I know if Frank could hear me, he would be chuckling at that one. The

dimension of Frank Meakes that I'm talking about is his intellectual dimension, and not necessarily his physical dimension.

Over the years that I knew Frank, he provided, as my leader has said, excellent counsel; he was the conscience of the caucus as it was required from time to time. And in this very Chamber, Frank Meakes was an outstanding proponent of the parliamentary democratic system. He's a strong believer in the Commonwealth Parliamentary Association, that association which allows parliamentarians from all over this great Commonwealth to intermingle at conferences and seminars to exchange their ideas. I know that Frank Meakes took part in some of those seminars and exchanges, and I felt that he represented Saskatchewan well at any of those that he did attend.

In the context of farming, as Frank Meakes was a farmer and as I . . . my background is a farm background, I think I can get a situation which is analogous to the Frank Meakes situation: if you have milk, the cream comes to the top. And that's what Frank Meakes was in our society — he was the best that came to the top. He was involved in many organizations: co-operatives, farmers' organizations, co-operatives of all kinds, farm organizations; he was involved civically as councillor and eventually as mayor, as well as being involved in this Legislative Chamber. And Frank always rose to the top, and therefore he certainly would be qualified as the cream of our society.

The Indian and Metis people of Saskatchewan will be aware of the fact that they lost a strong supporter of their causes in Frank Meakes. I know that in caucus from time to time, and elsewhere, he quite often spoke out on behalf of their issues and made his voice heard.

I thought, as we went to the burial site yesterday, that it was a beautiful day, and as we pulled up to the site it was the old, stone church south of Wishart. The cemetery is surrounding the old church, and over the entrance to the cemetery is a sign which indicates that the cemetery, and I gather the church, was there since 1888, which made it 101 years ago.

And I thought to myself at the time that that bit of information I picked up somewhere along the way in schooling about the wonderful one-horse shay that lasted for a hundred years and a day. Well I suppose none of us can hope to attain that in complete good condition, and Frank was certainly no exception to that.

We all have our problems which detract from our maximum ability we attained in our life. We age, parts fall off, and things like that, and the result is that we come to our end. But I thought it was very fitting that Frank came to his end at that old churchyard, the stone church cemetery, on such a beautiful day and with so many friends about.

I want to pass on my sincere condolences to his wife and the family. I certainly grew to appreciate Frank Meakes over the time that I knew him. Thank you, Mr. Speaker.

**Mr. Trew:** — Thank you, Mr. Speaker. I too wish to join in

today's expressions of condolences to the Frank Meakes family and his many friends. Though I did not sit in the legislature with Mr. Meakes, as the buddy MLA for Last Mountain-Touchwood, assigned some responsibilities by the Leader of the Opposition for that constituency, I have more than a passing interest in the affairs of that particular constituency.

And I was always . . . I shouldn't say always. In the early stages I was somewhat surprised at the political weight that Frank Meakes carried in that constituency, particularly amongst members of the New Democratic Party. And I say I was surprised, not in any way because I want to detract from Frank Meakes, but there is also another retired MLA, more recent. Of course I'm speaking of Gordon MacMurchy, who also can be described as nothing short of a political heavyweight, and yet despite that Frank Meakes was not overshadowed by Gordon MacMurchy. They were seen as equals, both to be respected, both to be admired, both to be looked at with a great deal of pride. So people respected what both those individuals had to say.

Last Mountain-Touchwood is one of the constituencies that is somewhat famous within my party for always bringing forward very good resolutions to our annual convention, good resolutions that we should be thinking about and debating. And so it has a very strong history within the party. And one of the tests for resolutions in that constituency has always been: what would Frank Meakes think of it. Would Frank agree? And because of the very nature of the man, if Mr. Meakes thought the resolution was reasonably good, chances are it was very good.

He was a part of a group of men and women who strived to make our communities and our Saskatchewan and our world a better, fairer, more compassionate place to live. He was part of that group of men and women who lit the political torch for the CCF-NDP. He is part of that dedicated group of men and women who have passed the torch on to us. I can only hope that we can carry that torch in a manner that Frank Meakes would have approved of.

Frank Meakes was respected and liked, interested and interesting. He earned his stripes honourably and he will be missed. I offer my condolences to his family and friends.

**Mr. Koskie:** — Thank you, Mr. Speaker. I too would like to join with others, the Premier, the Leader of the Opposition, and other members to express also my condolences to Mrs. Meakes and other members of the Meakes family. I can only say that in attending the funeral yesterday for Mr. Meakes, I think the large attendance at the service was indicative of the respect which the community felt towards Mr. Meakes.

I want to say that Mr. Meakes was not a large man physically, but in my view, he carried within his body a big heart that he demonstrated throughout his entire life his devotion to his community and to this province. Others have indicated his involvement locally and also his record here in the legislature.

I think it was perhaps most adequately summed up, the type of man he was, by the former premier of

Saskatchewan who gave a brief eulogy at the grave site as he was laid to rest. And in his comments, Mr. Blakeney indicated, as has been indicated by the Leader of the Opposition, that one of the great strengths of Frank Meakes is his unbending faith in people being able to do things and solve problems.

And he worked endlessly with his community, his people, and likewise when he joined the legislature he continued to respect the views of people. And as Mr. Blakeney indicated, he was often the conscience of the caucus in that he repeatedly indicated and asked, when any important decision was being made, how it would indeed affect the people of Saskatchewan, adversely or otherwise.

I want to say that certainly we are going to miss Mr. Meakes. We will miss his wise counsel that he continued to give up until his death. We will also miss his unbending commitment to our political movement. He gave us much during his lifetime, and I think that those that remain can take some solace in that, during his lifetime, Frank Meakes gave his best to his community, to his province. And certainly, in laying to rest, certainly we can say that he was a true and faithful servant of the people of Saskatchewan.

In closing, I just want to pass on the words for his friends and family, which I think are appropriate to Mr. Meakes, and these are the words, Mr. Speaker:

For though you have left our time and place,  
Your deeds shall carry you far,  
Until you meet your Pilot face to face  
Now that you have crossed the bar.

Thank you.

**Mr. Lyons:** — Thank you very much, Mr. Speaker. I want to join with other members of the Assembly in expressing the condolences to the family of Frank Meakes. And I rise, and members who have served in the legislature with Mr. Meakes have spoken eloquently of the role that he played in the internal life of both the legislature and the caucus. I want to just say a few words on behalf of those who knew him, not as a colleague but as a friend.

I first met Mr. Meakes in 1969 when I moved to Saskatchewan. I, at that time, was involved in organizing with the New Democratic Party, and a conflict arose in the course of that organizing between the youth and the party. And Mr. Meakes was a member of the committee that was struck, including the late Woodrow Lloyd and Mr. Meakes, and I believe it was the former member from Last Mountain-Touchwood as well, who were on that committee to deal with the problem.

And through that process, I came to realize that Mr. Meakes was more than sympathetic to the hopes and aspirations of the young people who were, at that point in time, making demands within the party, and the fact that Mr. Meakes supported those particular ideas and demands. And out of that developed a friendship, until his passing, between myself and Mr. Meakes. And we'd talk once or twice, or sometimes three times a year, either at political conventions or just over the phone, and discuss

political activities and what's happening in the province and those kind of things.

(1515)

And through those discussions and meetings, it became clear that Frank Meakes could be seen in one of three roles. One, the first role, as other members have alluded, was the role of the conscience of the party and the voice of the common people of the province. And Mr. Meakes, not through any pretensions or not through any notion of self-importance, but basically through an understanding of what affected people at the local level and at the community level and at the provincial level, always spoke on their behalf. And for that he won many, many legions of friends.

As well, there was another dimension to Mr. Meakes, Frank Meakes, and that is the dimension of the intellect. Mr. Frank Meakes used to read a great deal and would discuss the ideas from his reading with his political friends and political colleagues, and through that reading was able to put what was happening politically in Saskatchewan and in his local community within some kind of overall theoretical context.

And thirdly, Mr. Frank Meakes was known as not only a conscience of the party and as a spokesperson for the common people, but he was known for his ability to withstand the kinds of political pressures that are exerted on all of us. He had developed a set of principles which he used on a day to day basis to guide him in his affairs both within the legislature but also with his other fellow human beings. And in that sense Frank Meakes is a friend. He's a friend to many, many people in this province, and he'll be missed by many, many people in this province.

And I remember, in fact, that the last time I talked to Frank was at the last convention of our party, and he said . . . He was asking me how things were going in the legislature and how I liked being an MLA and so on, and in the conversation he came up with a phrase which I think I will carry around with me for a long, long time, and that phrase was, "You know, you can never do too much for people, but you can always do too little."

And I think to me that sums up the kind of person that Frank Meakes was, is that he always knew that to act as a servant of the people, that required sacrifice and required hard work. And that when you forgot that, when you did too little for people, that the people themselves would react to that. And I think one of reasons why Frank had so many friends, there were so many people at the funeral, why he will be missed by so many people across Saskatchewan, is that he in fact did a great deal for a great many people. I know that he'll be missed by many, many people in this province.

**The Speaker:** — Before we put the question, I would wish to ask leave of the House to make a few brief remarks about Mr. Meakes, who in fact was my MLA for a good number of years.

Leave granted.

**Hon. Mr. Tusa:** — I too wish then to express my

condolences to the recent demise of Mr. Frank Meakes, the former member for Touchwood constituency.

During the time I taught adult education in the community of Lestock, I had the opportunity to become well acquainted with Mr. Meakes. After classes it was not unusual for us to have discussion, usually with other regulars at the local coffee shop. As is the case in rural Saskatchewan, these sessions were stimulating and animated, but always friendly. Also he informed me of his role as deputy speaker while he was a member, which provided us with a topic of interest to both of us.

We shared anecdotes about events that had occurred in the Chambers, but in a serious vein we agreed on the paramount position played by the Legislative Assembly in fostering and nurturing our democratic traditions.

In closing, I wish to express my personal condolences to Mrs. Meakes and family members, whose lives he touched in a very personal way, and who I know will miss him.

Motion agreed to.

**Hon. Mr. McLeod:** — Mr. Speaker, with leave of the Assembly, I'd like to move a motion regarding these resolutions which we have just passed.

Leave granted.

**Hon. Mr. McLeod:** — Mr. Speaker, I'd like to move, seconded by the member from Quill Lakes:

That the resolutions just passed, together with a transcript of oral tributes to the memory of the deceased, be communicated to the bereaved families on behalf of this Assembly by Mr. Speaker.

I so move.

Motion agreed to.

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### SECOND READINGS

#### **Bill No. 82 — An Act respecting Small Business Investment Incentives**

**Hon. Mrs. Duncan:** — Thank you, Mr. Speaker. I'm pleased this afternoon to rise and move second reading of The Small Business Investment Incentives Act. This Act is aimed at increasing investment in Saskatchewan small businesses. It will, in effect, take over from The Venture Capital Tax Credit Act.

Under this new Act all new investment incentive activities will operate under it. The old Act will remain in force, Mr. Speaker, so that existing venture capital corporations and eligible small businesses can fulfil their requirements under the Act. This new Act has been introduced to make improvements to Saskatchewan's

investment incentives as we announced in this spring's budget.

Mr. Speaker, what we are doing here is building and improving on a success. The venture capital program was a bold step, a step quite unique in Canada, and it has met many of its goals. It was a catalyst to stimulate investment in Saskatchewan small businesses, not by the Crown, Mr. Speaker, but by the private sector. And it worked. The Venture Capital Tax Credit Act has played a major role in redefining the style of investments so that a large pool of Saskatchewan capital was freed up for use here at home.

Saskatchewan residents responded enthusiastically to those early initiatives, Mr. Speaker. In fact, since we first introduced the venture capital investments incentives Act in 1984, more than 4,200 investors have participated in 189 venture capital corporations. Over \$92 million of equity capital has been raised during that time, and at present over \$77 million of that pool has been invested in eligible Saskatchewan small businesses.

The program itself is credited with having changed some long-held investment attitudes here in the province. It has enabled more and more of our residents to invest in a very profound manner. The investment of hard-earned dollars is proof positive of their confidence and belief in their province, their communities, and their friends. In fact, Mr. Speaker, it is these very friends and neighbours who are the small-business people who need the equity capital to be more successful.

That pool of \$92 million has brought about a lot of success stories. Many sources have noted a far more dynamic investor mentality exists in Saskatchewan today. We saw that such attitudes needed encouragement and support, and we as a government provided a vehicle which has proven itself in attracting many investors and benefitting many small businesses with increased equity.

But, Mr. Speaker, members of this government are not like those sitting in opposition — those members who will never admit when it is time to change programs or to change policies. Mr. Speaker, after a time even successful programs require improvements and some fine tuning. Since the inception of the VCC (venture capital corporation) program we have studied and analysed The Venture Capital Tax Credit Act and its program functions to see that it met the original intent.

The changes that we are now introducing with The Small Business Investment Incentives Act arose from that analysis as well as suggestions from program participants. All our experience has demonstrated that the investment incentives concept can play an even a stronger role in strengthening and diversifying our economy. This legislation will continue to fulfil our intention to encourage and support investment in small Saskatchewan businesses.

The new Act entails four major changes. First, we are formalizing two investment options in response to the needs of small businesses and investors. We will also be encouraging that investors will own shares in the corporations to which they make their investments. As well, we will be replacing the tax credit system with one

of cash grants. We will also be enabling Saskatchewan resident individuals and a wider range of prescribed bodies to be eligible participants under the new program.

Let me address the two investments options, Mr. Speaker. As the old venture capital program developed, the need for two options became increasingly clear. This new Act recognizes that need and enshrines it in legislation. The direct investment option is one. It will serve the many investors who prefer to make specific single investments in particular companies. Direct investment corporations are less costly as they avoid the extra administrative layer that exists with a holding company. Under this option, the government will provide a cash grant incentive to the investor equal to 25 per cent of the original investment.

The second option is the multiple investment option. This one provides for small-business incentive corporations. Investors can use these to create a pool of capital from which they can make a number of investments. This is a preferred option under our program because of its advantage in reducing the risk to investors. Risk is reduced because investors' equity is spread over a number of small businesses. Also, these small-business incentive corporations or holding companies are more likely to possess full-time, professional management.

Under this option, the small-business investment incentives program will provide a cash grant incentive. That cash grant goes to the investor and it's equal to 30 per cent of the original investment. Clearly, Mr. Speaker, these two options offer greater flexibility in rural and urban situations, and greater investor appeal.

The second major change under the new Act will permit direct investor ownership in small businesses and will remove the former 49 per cent ownership limit, improving the balance between ownership and investor risk. Our previous venture capital experience showed that in some cases investors were providing most of the equity capital, yet they were not getting a proportional percentage of ownership in a small business. Investors will now be able to get an equity position proportional to their level of investment. This better balance will make investments more attractive. It should increase the ability of small businesses to raise more capital.

While allowing direct ownership, this change does have built-in take-over safeguards, Mr. Speaker. It sees that individuals or closely associated groups investing in direct investment small-business incentive corporations cannot gain control of the business. These safeguards will be made more clear later in the clause by clause deliberations of the Act, Mr. Speaker.

The third major change has altered the tax credit incentive system to one providing cash grants. Here again, experience has shown that many venture capital program issues were coming in at year end. This placed them in a direct competition with all the other investments opportunities hinging on tax credits, most of them coming at the same time. Offering cash grants will encourage investments and project developments throughout the year as returns will be made immediate.

Further, they will allow businesses to access capital

markets at the times of the year most convenient to them.

The fourth major change enables rural development corporations to be eligible investors under the new program. We have had considerable success with rural-based investments under the existing program. By dovetailing two successful programs, Mr. Speaker, we'll encourage even more economic diversification in rural municipalities, towns and villages.

For the sake of clarity I will summarize the classes of investors eligible under the new program. They are Saskatchewan resident individuals and certain prescribed bodies like rural development corporations, pension funds and self-administered RRSPs. No corporations are eligible.

(1530)

Mr. Speaker, as Minister of Economic Development and Tourism, I've met with many business people from across the province, hearing their concerns at formal meetings and informal sessions like the open houses we recently hosted at some of our business resource centres around the province.

What impressed me most at these sessions is that what I found that there is a real cautious optimism out there, a recognition that yes, times have been tough, but Saskatchewan has strong potential for the future. Our business community wants to be part of the many exciting opportunities ahead, especially those opening up in light of free trade, Mr. Speaker.

Our government is working to build on that optimism and the investment potential that can be found in our own financial arena. We believe that given healthy investment, our businesses will be competitive anywhere in the world. We will help build with a range of economic initiatives like this small business investment incentives program.

In my closing remarks, Mr. Speaker, I want to make it very clear just who those builders will be and just what activities will be eligible for investment under this new program.

They will include manufacturers and processors and research and development organizations. Some will be tourism operators and others will be software developers. Some of those eligible will be agriculture and livestock producers, and others in communities under 20,000 will be retail and service companies.

In a broad sense, these builders for many diverse fields will attract the kind of investment that goes beyond a single business or group of businesses. They will represent investments that will be returned through new businesses, through industrial development, through diversification, and through job creation and, more importantly, a broadened tax base, Mr. Speaker.

For the small business investment incentive program, our objective is to assist diversification of the provincial economy by encouraging our own residents to invest in equity shares of Saskatchewan based corporations. The

program's generous incentives will help to reduce risk for the investor. The businesses receiving investment will benefit from the increased stability and broader opportunities for growth that stem from an expanded equity base.

Mr. Speaker, I am delighted to move second reading of this Act respecting the Small Business Investment Incentive(s) programs, and I invite all members of this Assembly to support these initiatives for the benefit of Saskatchewan businesses and Saskatchewan investors.

Thank you, Mr. Speaker.

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

**Mr. Lautermilch:** — Thank you very much, Mr. Speaker. I have a few comments to make on second reading regarding Bill 82.

I would want to inform the House that the members of the opposition support this Bill in principle. I would want to say that there are some questions we will be asking in Committee of the Whole regarding some aspects of the legislation, and I will do that at that time.

I think a couple of things, a couple of concerns that we have regarding this piece of legislation is the fact that a lot of the Bill is in regulation, which basically gives cabinet the authority, the power, to make some very wide-ranging changes or rules regarding the small business investment incentives without bringing them to the legislature.

I would want to say that this move towards regulatory legislation is not unlike many other pieces of legislation and Bills that have been brought before this House. When I look at the Bill, on page 16 under section 23, I see a page and a half of regulations and, as I said, some of them are very wide-ranging. Categories of persons eligible is done under this piece of legislation by cabinet. Prescribing any interest rate and the method by which it is to be calculated, again done by cabinet. Terms and conditions on which the minister may pay any incentive, again done by cabinet without bringing before this legislature.

And I think it's dangerous that governments move towards regulatory legislation as opposed to having the legislation in statute. When it's in statute, we, all of us in this province, know what the rules are, know that the rules will be applied fairly because they are brought before this legislature and changed in this legislature if necessary. And putting them into regulation doesn't . . . it consolidates the power to cabinet, and that is one of the major concerns that we do have.

I would want to say that the business community that I've been talking to generally favour the small business incentives program, and that would be one of the reasons, of course, that the opposition would want to support the legislation. Comments that I would want to make would be that if there ever is a time when small business in Saskatchewan needs assistance, it's now.

The statistics that this government just released today indicate that we have 33,000 people unemployed — up

from 31,000 people in June of 1988. The number of employed people in this province, the number of jobs in this province has dropped from last year from 463,000 to 459,000. And small business, as you know, Mr. Speaker, and members of this House will know, is perhaps the most efficient vehicle in terms of job creation. A healthy small-business sector, for the most part, would mean a healthy economy in the province.

I note as well, CMHC (Canada Mortgage and Housing Corporation) reports that housing starts have dropped more than 50 per cent from last year's very low level, and clearly, incentives in that area are necessary at this time.

We've been losing people at a rate that's unparalleled. We've lost in the first six months of this year some 13,100 people. And that's about the same amount that we lost in the whole year in 1988, in the whole 12 months of that year.

And clearly something has to be done in order to turn the economic conditions of this province around. And if we can, through this piece of legislation, get more people investing in Saskatchewan businesses, then it would certainly be a positive move and it would have a positive effect on our province.

Bankruptcies in 1989 in Saskatchewan, and in 1988, have surpassed any figures that we ever dreamed imaginable. Bankruptcy increase last year is 26 per cent up. I mean, an increase of personal and corporate bankruptcies of 26 per cent is a scary figure, and it's got a lot of the business community ill at ease with what's happening in this province. And if we can lever more investment dollars into Saskatchewan small business, clearly that's one of the options that we would like to see happen.

There are some other concerns in terms of this legislation that I will want to study a little further. In terms of the recapture area, if government is going to be investing, and clearly government will be investing in these incentive corporations, we would want, I would suggest, to make sure that we have the option of recovering our investment if things go sour.

And I go back to the venture capital corporation that was part of the Joytec operation. We would not want to see another Joytec in Saskatchewan where taxpayers' dollars are spent and then corporations don't fulfil the dreams or the desire that government or the people of this province wanted to see.

And under the recapture clauses I would want to question the minister and ask the minister if in fact it is as tight as it possibly can be in terms of recovering our investment. And I will be doing that, Mr. Speaker, when we debate this piece of legislation under Committee of the Whole.

The minister may want to have a look at beefing up the recapture clause of this legislation. And I think as responsible legislators, we want to ensure that we are using taxpayers' dollars as effectively and efficiently as we possibly can, and in Committee of the Whole I will want to be having a look at that.

Other concern that I feel that we will want to be discussing is the removal of the minority shareholder ownership provisions which restrict the number, the amount of shares that venture capital corporations can have.

I think we would want to ensure that people who have dreamt up a concept, a vision, of mechanical equipment or whatever it may happen to be, and desire to manufacture and build that particular piece of equipment in this province would be able to see that happen, with some investment of course, because it takes capital in order to develop some of these schemes and some of these concepts; but that the idea of that concept is brought to fruition, meaning that investors aren't coming in to make a fast buck, pull the money from the idea that's been developed, and then shut it down and walk away with profits, with short-term profits.

I think what we would want to see in Saskatchewan in the small-business community, we would like to see some long-term stability for some of our business. We know that in the past few years we have lost so many businesses in this province. I give examples of GWG, Dad's Cookies, just outside of Regina here — companies that had been around for an awful long time, creating employment for Saskatchewan people. And I think that we want to see some long-term stability for these corporations and for these companies.

And I think that it's important that we have the people whose concept that we're developing through the business incentive program, we have their ideas brought to reality, number one, and then maintained on a long-term basis, number two.

With that, Mr. Speaker, as I said, I have some more comments to make in Committee of the Whole. I would like a little more time to study this piece of legislation, a little more time to consult with people in the business community who are interested in this particular piece of legislation. And with that, Mr. Speaker, I would move to adjourn the debate.

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

Debate adjourned.

## COMMITTEE OF FINANCE

### Motions for Interim Supply

**Mr. Chairman:** — Order. Interim Supply. Would the minister introduce his officials.

**Hon. Mr. Lane:** — Thank you, Mr. Chairman. I have with me Mr. Art Wakabayashi, deputy minister; Keith Laxdal, associate deputy minister; and Jim Marshall, director of economic policy.

The first of the four motions:

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1990, the sum of \$383,373,900

be granted out of the Consolidated Fund.

I did advise the opposition critic as to the schedule and forwarded that prior to the session this afternoon. I believe he received it.

(1545)

**Mr. Upshall:** — Thank you, Mr. Chairman. Mr. Minister, I want to spend a few moments asking some questions on some aspects that relate to agriculture in Saskatchewan in terms of the effect of some federal programs that have come down. As you know, the interest rates have increased dramatically; the freight rates have increased dramatically; the federal budget reduced the fuel rebates; taxes have increased; the cash advance on grain was taken away, now they have to pay interest on the cash advances.

And I would just like to ask you, because this reflects so directly on Saskatchewan farmers, what representation did you make, or did you have any consultations with the Premier and the federal people in Ottawa, what representations did you make to try to stop the . . . let's take, for example, the increase in the fuel costs because of the reduction in the rebate?

**Hon. Mr. Lane:** — Understand in interim supply I'm not able to respond for all departments and that's not been the practice. I can tell you though, on the interest rates, that the government and I have made representation to the Minister of Finance with regard to our concern about high interest rates, plus the question as to the undesirability, in our opinion, to fight inflation in Ontario on the backs of western Canadians, particularly our farmers.

And then, secondly, with regard to the matter of fuel rebates, my understanding and the indications we have with Finance is that that is interrelated to the federal proposals for a national sales tax, or goods and services tax. All farm inputs, and we have made that representation, are exempt under the proposals for the goods and services tax. That would include fuel. So there is an interrelationship between the changes on the federal government fuel rebates because of the goods and services tax, and you'll note the implementation of the changes on the fuel tax. But I'm not able to answer for specifics in other departments.

**Mr. Upshall:** — Well, Mr. Minister, it seems to me that your department has a direct relationship to many of these areas that I have addressed. Your department has a responsibility of spending funds of this government. And when the federal government takes away from the taxpayers and farmers of Saskatchewan then it reflects directly on you.

And the question I would ask again is do you know then, was there representation made by your government to the ministers in Ottawa saying that they did not agree with the changes in the budget, specifically the reduction in the fuel rebate, and the changes, the implementation of interest on cash advances? What representations were made? Did anyone in your department know if there were any representations made to Ottawa?

**Hon. Mr. Lane:** — Well, again, I'm not trying to be argumentative, but interim supply has not been the practice where the Minister of Finance has answered for every government department. I have answered to the best of my ability with the specific areas that applies to Finance.

Now the specific representations that the Department of Agriculture would make on a specific matter, or the Department of Education or the Department of Health or the Department of Environment, the obvious place to question is the respective ministers.

I have indicated to you the situation, as I understand it, with regard to the farm fuel, and I have indicated to you the representations that I have made with regard to the interest rate policy of the Bank of Canada and supported by the Government of Canada.

So I'm simply not in the position.

And again interim supply has not been the forum where the minister would be responding to specific questions in other departments. It would be appropriate on your asking the Minister of Agriculture, or again, Health, Environment, whatever it may be, what representations they've made. There's another forum for that.

I'm not, again, trying to be argumentative. I'm giving you the best information that I'm able as it's within my mandate, and I believe I've answered with regard to what I understand the inner relationship between the goods and services tax and farm input, and secondly, with interest rates.

**Mr. Upshall:** — Well the problem, Mr. Minister, is that . . . in all of these cases the problem is that Saskatchewan farmers are losing money, and that reflects directly on the spending habits of this government. Of course it does. Did your department consider that, and did you ask any of the other departments to make representation to Ottawa and to ensure that some of these things wouldn't be happening, or did you even consider that? Because like I say, every time that we're lining up between the farmers of Saskatchewan and the government in Ottawa, unfortunately this government, your government, stands firmly on the side of Ottawa.

And as I pointed out the other day, the combined increases to the farmers for costs, combined with the reduction of grain prices, is going to constitute about a \$20,000 loss to the average sized farm in Saskatchewan, so that we have to ensure that the Government of Saskatchewan is standing firm on behalf of these farmers, making representation to Ottawa, saying that there is a crisis out here with regard to debt and income. There are many farmers going broke. They simply cannot afford another \$20,000 tacked on their backs.

That \$20,000 breaks down about \$12,000 lost because the grain prices are going down, and about \$8,000 of new cash that they have to find to fund transportation rate increases, to fund interest rate increases, to fund the loss of the fuel rebate, to fund the interest on cash advances that they'll now have to pay to the tune of \$8,000. That is why I think it's very . . .

**Mr. Chairman:** — Order. The member has certainly an opportunity in Committee of Finance in the Minister of Finance's estimates or Minister of Agriculture's estimates to ask these questions. It is not really an appropriation issue. The question before the committee today is the appropriation of money to pay the bills for a certain period of time. And I would ask the member to keep his questions relevant to the appropriation of this money.

**Mr. Upshall:** — Mr. Chairman, I appreciate that ruling, but I think it relates very directly. Because if there are farmers, because of the loss of revenue, because of the . . .

**Mr. Chairman:** — Order. There is other forums to bring these questions out. And as I've said, in Committee of Finance estimates under Agriculture or Finance, certainly the member has an opportunity to bring these questions forward. But as I have said, this is an appropriation of money for a certain period of time and I would ask the member to relate his questions to the Appropriation Bill that's before us.

**Mr. Upshall:** — If you would quit flicking your light on and give me a minute to . . .

**Mr. Chairman:** — Order, order. Is the member challenging the Chair? I would ask the member to make his comments on the Appropriation Bill, not on the broader issues of finance.

**Mr. Upshall:** — Thank you, Mr. Chairman. Mr. Minister, there are a number of problems facing Saskatchewan farmers. One of those is bankruptcy. Those bankruptcies, if they affect the agricultural credit corporation, then they affect, Mr. Chairman, the revenue paid out by this government, because they have to have lawyers in place, they have to proceed with all the legal proceedings.

And what I'm saying is because this government does not stand up to Ottawa, because it refuses to tell Ottawa that farmers cannot afford the \$20,000 average increase across this province, then that is costing this province money through appropriation under this Bill. And that is the point I am making.

And I think that this minister has a duty, as does the whole government, because the funds of the taxpayers of the province are being spent, because farmers are going broke and going bankrupt and therefore they have to handle those things. Therefore he has an obligation and a duty to talk to the Minister of Agriculture, to the Premier and through him make representation to Ottawa to try to reduce some of those . . .

**Mr. Chairman:** — Order, order. As I've said to the member before, that you certainly have an opportunity in Committee of Finance under the Department of Agriculture or the Department of Finance to ask these questions and pursue those areas for as long as you would like. But the question before the committee now is the appropriation of money for a certain period of time, and I would ask the member to keep his comments to the Appropriation Bill before us.

**Ms. Atkinson:** — Mr. Minister, I see from the Bill that you



have in excess of one-twelfth for educational spending. In fact, there is a further \$34.8 million. And I'm wondering if you can clarify for the members of the legislature and the public what this additional moneys will be used for, over and above the usual one-twelfth.

**Hon. Mr. Lane:** — The Minister of Education had made the commitment on behalf of the government that because the school boards had higher interest payments because of the previous interim supply debate that we've had, that we would prepay some so that they could use the interest and make up for the interest that they had paid out earlier. So they'll be able to bank that and get additional interest.

**Ms. Atkinson:** — Mr. Minister, has this not been the past practice of the government that . . . usually in July school boards, by that stage, have received one-half of their funding, and in the month of July they receive July's payment as well as August's payment in order to get caught up. Has that not been previous practice, or is this something new?

**Hon. Mr. Lane:** — I'm advised that we're advancing the August payment.

**Ms. Atkinson:** — Mr. Minister, do you not usually advance the August payment in July?

**Hon. Mr. Lane:** — I'm told that it's not unusual that it happens, but it doesn't happen all the time. That's the advice that I have. I can't comment further.

**Ms. Atkinson:** — Well, Mr. Minister, I'm advised that past practice of the Department of Education has been that during the month of July, they will receive July and August's payment. So that doesn't really deal with the problem that school boards have experienced as a result of this delay in funding that occurred prior to the end of June, wherein school boards were behind quite significantly in the payments, the monthly payments to school boards, and as a result, several school boards overran their interest charges.

And I understand, Mr. Minister, that this has been . . . the past practice has been this, that because our budgets usually don't come out until March and April, and because school boards have a January to December school year, school boards do not receive any kind of funding for January, February, and March until some time in April.

And of course they do incur interest costs for those three months. And your government and previous governments, as I understand it, have given them two payments in July so that they could have a few additional dollars in terms of interest by banking this one-month payment to make up for the interest costs that they incurred in January, February and March.

And so the real point that I'm trying to make, Mr. Minister, is that even though we are authorizing \$34.8 million in additional funding, funding that goes beyond the one-twelfth, it's not going to deal with the problems that school boards have brought to our attention, and that's the problem of late arrival of foundation grants to school

divisions in May and June.

And so I'm wondering what your government's going to do to remedy a problem, a problem where school boards have overspent their entire budget for interest costs as a result of your government's delay in forwarding those foundation grants. Are you planning to authorize additional funds? Because I have several letters here that suggest that school boards have simply run out of any additional money because of this overextension of interest costs that came about as a result of your delay in forwarding those foundation grants.

(1600)

**Hon. Mr. Lane:** — Well I don't want to resurrect the debate as to whose fault it was. We have been through that debate. Now the boards that I have talked to when I indicated that we would be making the payments that are before us that they thought that that was reasonable. I'm acting on advice when I tell the Assembly that it hasn't always happened in that case, and we have no plans for additional expenditures over and above the budget. This will at least be of some help to the . . . I can't tell you whether it's a wash or not but it, I believe, and from the reports I get, will be some help.

**Ms. Atkinson:** — Well, Mr. Minister, obviously it will be of some help, but this is help that school boards have received in the past. Because of their budget year being from January to December and not receiving any funding until April, they have to have lines of credits for January, February, and March. And governments in the past have given them two payments in July in order that they could garner a little bit of interest to make up for those extensions of lines of credit for the January, February, and March period.

So this money isn't going to help them with a problem that developed this spring, and that problem was that because of delays on the part of your government not bringing forward interim supply Bills that went beyond the one-twelfth, school boards have overshot their budgets in terms of line of credit.

And in fact, I have a letter from one school board here telling me that we, and I quote:

We have already overspent our entire year's budget for interest costs and we had budgeted \$10,000 more than last year. At the same time we have cut off all purchases for the schools as our line of credit doesn't even allow for the June payroll. What can we do? The situation is critical.

And so what I'm simply trying to point out to you, Mr. Minister, in the name of education, that we have a problem here. Yes, you resolved the problem in June by introducing an interim supply Bill that went beyond the two-twelfths for school boards across Saskatchewan. And yes, school boards did receive their six-twelfths or one-half of their funding by the end of June, but they still have experienced a problem and that is that they have incurred interest costs that went far beyond their expectations and their budgets, and as a result, this extra money that you're talking about for this particular interim

supply Bill isn't going to help address the problem.

And the problem is that school boards have overshot their budgets by significant amounts of money, and they're in a position where they're going to have to make some decisions in terms of cutting programs, cutting back in terms of capital expenditures, etc., etc.

Now I simply want to point this out to you, Mr. Minister, because even though you may think you've solved the problem, you haven't. School boards are still facing a financial problem as a result of the earlier delays in funding from your government. And I want to draw this to your attention because I know we will be here in August.

And perhaps your government should consider the possibility of authorizing additional funds in order that school boards who have overextended their interest costs, in terms of their budget, will have some additional funds, so that we don't have to see school boards in this province thinking about or even contemplating or in fact cutting programs for Saskatchewan school children in this province.

**Hon. Mr. Lane:** — Well again without resurrecting the debate, I would like to indicate to the hon. member that historically the school boards have been paid for the full year by December 31, so if they're going into their line of credit for that three months, they should be drawing down in most cases . . .

**An Hon. Member:** — . . . no payment.

**Hon. Mr. Lane:** — No, there's no payment in there, but they should be drawing down what they've received prior to December 31.

**An Hon. Member:** — There's no payments in July.

**Hon. Mr. Lane:** — Well what they're getting . . . But understand that they're getting now the payment now for July.

**An Hon. Member:** — And August.

**Hon. Mr. Lane:** — And August 1. So they may not make the payment till the end of the month, disburse the funds. So they would have had a month's interest.

So again, I have not made the argument that it's a wash. I have not said that, and I can't tell you whether it is. In some boards it may well be, but certainly in others, I know it wouldn't be a wash.

I have indicated that we have no plans for increasing expenditures in the budget. I don't know what August brings; that's the hon. member's statement that we'll be here in August. I don't think she expects a response from me on that. But again, we've been through the debate. I think that this will be of some assistance, whether it's enough, that will be a matter of some debate.

**Ms. Atkinson:** — Well, Mr. Minister, you are the minister responsible for the Potash Corporation of Saskatchewan, so it's entirely in your hands. If you decide to pull that Bill, we won't be here in August.

But, Mr. Minister, what you could have done and should have said is that you would take what I have suggested to you under advisement and that you would consult some school boards to see if additional funds are necessary. That would have been showing a spirit of good will and we wouldn't have to re-debate the old debate, but unfortunately, you didn't do that.

I'm simply trying to point out to you that school boards in the past have received two-twelfths in the month of July, that's funding for July and August. The money coming in July for the August payment has been put in the bank. The schools have incurred some interest that they could then use to offset their interest charges incurred in their lines of credit for the months January, February, March.

I'm simply trying to point out, because of the delays in terms of grants to school boards in May and June, that they have incurred additional interest costs, interest costs that they did not budget for. And I wish, Mr. Minister, that you would consider the possibility of consulting with school boards and seeing whether additional funds from the province of Saskatchewan might help them offset these costs that really were incurred as a result of your government's failure to bring in an interim supply Bill in May that went beyond the one-twelfth. I'm simply asking you to consider that possibility and I guess we'll leave it at that.

**Mr. Kowalsky:** — Thank you, Mr. Chairman. I want to ask the minister a series of questions related to the lottery tax, and I want to ask a series of five or six questions. In order to get through it as quickly as possible, I'll try to be as direct as I can, Mr. Minister, on this. But what I see happening here is sort of an effect which I guess we can refer to as a law of diminishing returns. As you think that we've got an endless pool here, but eventually you find that the well eventually sort of tends to dry up.

I want to know whether you're prepared at this time, Mr. Minister, to give us an indication exactly what your figures show in terms of receipts that have been given to you from the kiosk operators and lottery sales across the province.

We know that the sales were down in the first week. Are they still down this week? And how long do you expect this trend to continue?

**Hon. Mr. Lane:** — We don't have the information. We don't get them till late in the following month. As the minister responsible today indicated, it would be two to three weeks yet before we get any figures. So I'm just not able to respond.

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

**Mr. Sauder:** — Mr. Speaker, I'd like to ask the Assembly for leave to introduce some guests.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Sauder:** — Mr. Chairman, it gives me pleasure to

introduce to you, and through you to the other members of the Assembly, some folks in the Speaker's gallery. One gentleman is the principal of the Ridgedale School in my constituency. He's brought in a group of young people from that area to attend the football game in Regina here tonight. While they come in . . . or were in Regina a little bit early, they wanted to see some other sights; they came to see the legislature for a little while and also to attend some other things.

Included with the group is a 4-H exchange student from Ontario, Chris Carrier. We'd like to welcome him, as well, here to Saskatchewan. And I would just like to ask all of the members here to welcome this group here, and I hope that they cheer, and that the team they're cheering for tonight, Saskatchewan, is going to be successful in this their opening game of the season.

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

## COMMITTEE OF FINANCE

### Motions for Interim Supply (continued)

**Hon. Mr. Lane:** — I'd just like to join with my colleague in welcoming our guests and I will be there tonight cheering for the same team and hope for the same success.

But I would just like, if I may, I've received advice from my officials that we don't get a report from the lotteries until about the third week of the following month, and that's when they report. So that's the reporting periods that they supply to the department, and that's when we would expect to get the information.

**Mr. Kowalsky:** — Could you indicate, Mr. Minister, whether the Department of Finance did any analysis of the projected results from the lottery tax prior to the implementation of this tax?

**Hon. Mr. Lane:** — We certainly gave our revenue estimates and we're confident of those. We did expect some downturn at the beginning that was not unexpected. We certainly have some indications that there is strong support in the province for more of the lottery moneys going into health care. And we're satisfied that that is the view certainly of many people in the province.

We do expect an adjustment period, we do. And in an earlier interim supply on the question of the hospitals tax, indicated as well that there will be revenues because of changes to bingo operations which have been stated already, and with the changes to the legislation setting up and establishing the gaming authority. So our revenue projections, we're still very comfortable with them.

**Mr. Kowalsky:** — You indicate then that you were expecting some type of a downturn. Could you indicate to us how long you would expect this downturn to continue and just how much of a downturn would you tolerate before you would feel that you'd have to pull the tax because of the implications that it would have on Sask Sport?

**Hon. Mr. Lane:** — We think that there is a potential for an

up side as well, is that there are indications that some people would begin to buy either lottery tickets or raffle tickets or whatever, knowing that it would go to health care. So we expect an adjustment fairly quickly.

And we should also not exclude from any considerations the normal adjustment that happens in any lottery game. And they do have a varying life cycle. When they lose their popularity, then people quit buying. And that cycle goes on.

It was interesting to note that prior to the implementation of the hospitals tax, lottery officials were already talking about a daily lottery, for example. That's a recognition that some of the other lotteries are losing their . . . or games are losing their interest. So when they talked about a daily game, that's a reflection that they were looking at some major changes because of a lack of interest.

We should also take a look, because there are several raffles around, fairly prominent ones, and I am advised that of all the major raffles, they have not been subject to the hospitals tax. All except one, from what I'm told, have had a significant reduction in sales this year, and I'm talking about the larger ones with the home lotteries and prizes of that nature.

(1615)

So there was a strong indication that some of these and some of the charities have indicated that was their view, that perhaps the interest in . . . when everybody got into these large home raffles, that it kind of . . . the interest began to drop after that.

So we should take into account the changing nature of the games and an indication from the lottery people themselves that they were looking at a daily game, which is a rather significant change.

**Mr. Kowalsky:** — I would tend to agree with your comment that these things have a natural life cycle, and I would expect that the adding of this tax would sort of exacerbate that problem and could perhaps have accelerated it somewhat.

I want to ask a couple of questions related to the collection of the tax. Did you give any consideration to collection at the source of the tickets as opposed — in that case you'd only have to collect the tax from two people, you the government — as opposed . . . or two sources, would be my understanding, instead of hundreds of sources from across the province?

And it would probably also be a lot simpler for the individual ticket vendors who run the little confectioneries, and so on, that they wouldn't have had to do all of these calculations. Did you consult with them, and why did you not use the collecting at source method?

**Hon. Mr. Lane:** — Well I am advised by my officials that the lottery, the Western Canada Lottery recommended the system that is in place rather than any other, so it was certainly with their concurrence or their recommendation that this was the process to be followed.

**Mr. Kowalsky:** — Could you indicate to us what commission you were prepared to give the kiosk operators for collecting the tax?

**Hon. Mr. Lane:** — I don't have it handy, but I'll supply it. We do pay a commission to them. I'll forward it to you.

**Mr. Kowalsky:** — I wonder if you could make some haste with this. Some of the kiosk operators are getting a little nervous. They know that they're doing this collection of tax, and they are wondering just how much work they're doing on behalf of the government in terms of collecting it, and they would like to see something quite definitive on it. Can you give me a date?

**Hon. Mr. Lane:** — Well they should have already received the notice. If you have an operator that hasn't, that information was supplied some time back. But if you have some that have not received it, it's based, I'm advised, the same as the E&H tax commission structure. So if you've got somebody that hasn't been made aware of that, I will also take it up with my colleague to make sure that the operators are aware that they do receive a commission.

**Mr. Kowalsky:** — I'll conclude then, Mr. Minister, by making a summary comment on this over a couple of minutes.

It's our position that this tax is turning out to be a bit of a fiasco, somewhat like the used car tax, and that you should give very strong consideration to pulling it if it turns around and doesn't yield what it should, and particularly if it ends up taking from the benefactors, that is, those people who get their funding from Sask Sport, who as a result of the implementation of this tax, will find that their sources are being dried up.

There are several problems that . . . one of which you have indicated today was the cyclical nature of this type of source. But besides being a nuisance, it's also the kind of thing that the vendors themselves haven't really been pleased with.

The benefactors I don't think are very pleased with it as well, I mean, meaning the benefactors of Sask Sport, because they see some of their revenue going for this. When you talk to any of the kiosk operators, they'll tell you that people used to come there with \$10 and ask for 10 tickets. Now what they do is they come with \$10 and they ask for nine tickets, ask for nine tickets and they end up paying the 90 cents. Well you go and ask them and you'll find out. Now this may be a habit that people may get over, and you may be able to convince them to think about it, to think otherwise of it.

But the third or perhaps a fourth problem with it is that people are just getting sick and tired of being taxed to death. They're feeling that the government is taxing everything and then trying to lay a tax onto everything instead of trying to come to grips with some of the expenditures that you're making, and they're just being two-bitted to death. And this is sort of their way of reacting to it and saying, hey, we can't even go out and have fun without having to pay some tax on it.

You made several comments, Mr. Minister, with respect to the money going directly to health. That's about the only idea that I've found any kind of support for. I've found support by people who are saying that perhaps you should have a separate lottery altogether for health. I don't know what the wisdom of that is, but certainly tying the health idea was just something that helped make it palatable. But I think we would prefer to have seen health funded in the usual manner, from tax dollars, or that people are used to contributing in the usual way, directly from income.

So, Mr. Minister, I would close by saying that I would ask that you keep a very close monitoring on this, as the opposition will be doing over the next two or three weeks, and be prepared to cut the thing if it doesn't turn around very shortly. I would suspect that, Mr. Minister, you'd be wiser to cut it at this particular moment, right now.

**Hon. Mr. Lane:** — Well, let me respond to the hon. member. Firstly, I'm glad you get the same indications that we do, that people are pleased to see it going for hospitals and health care.

Secondly, I do find it interesting that you are arguing that we should raise income taxes to make up the money. We chose to go with a discretionary activity. Not everyone has to pay the hospitals tax on lotteries. Those who do not gamble do not have to pay it. Those who do not buy tickets do not have to pay it, so it's not one that everybody has to pay. We did that again deliberately. The tax increases this year were undiscretionary activities.

And finally, the consideration of a separate hospitals lottery is one that certainly I have, and I'm sure all hon. members have, received from time to time. The western Canada lottery people, and I suggest that most of the people involved in receiving lottery moneys, are very much opposed to a separate lottery for hospitals, and they are because it will totally drain moneys away from the other charities.

And certainly that suggestion's been put forward. It's been put forward, I know, by people across the province that would think that that's a good idea. That's the down side to it. And I just leave that with the hon. member that there would be tremendous, tremendous losses in those now receiving lottery funds if that happened. I think people would choose that over the others. And there are some serious difficulties with it.

**Mr. Kowalsky:** — One more question, Mr. Minister. In view of our present experience, will you commit to not implementing the casino tax until you are able to see this thing straightened out?

**Hon. Mr. Lane:** — I don't know why casino gambling would be receiving a preferred position. We certainly have indicated, you know, and we've talked with the exhibition boards as to the best way of implementing the tax. We're certainly open to their suggestions.

We've indicated what our revenue expectations are, but we acceded to their request to not do it in the summer-time. But if they have a better way of meeting the revenue targets that we've set out, we've made it clear to

every group that we're prepared to consider the options that they bring forward.

Should the exhibition people bring some acceptable, we're more than pleased to be flexible. But I don't know why anyone really would argue that casinos should be in a preferred position in gambling. I'm not sure that that would be well received out there.

Motion agreed to.

**Hon. Mr. Lane:** --

Resolved that a sum not exceeding \$383,373,900 be granted to Her Majesty on account for the 12 months ending March 31, 1990.

Motion agreed to.

**Hon. Mr. Lane:** --

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1990, the sum of \$64,675,000 be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

**Hon. Mr. Lane:** --

Resolved that a sum not exceeding \$64,675,000 be granted to Her Majesty on account for the 12 months ending March 31, 1990.

Motion agreed to.

The committee reported progress.

#### FIRST AND SECOND READING OF RESOLUTIONS

**Hon. Mr. Lane:** — I move that the resolutions be now read the first and second time.

Motion agreed to and the resolutions read a first and second time.

#### APPROPRIATION BILL

**Hon. Mr. Lane:** — Mr. Speaker, by leave of the Assembly, I move:

That Bill No. 91, An Act Granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 1990, be now introduced and read the first time.

Motion agreed to and, by leave of the Assembly, the Bill read a first time.

**Hon. Mr. Lane:** — By leave of the Assembly, and under rule 48(2), I move that the Bill be now read a second and third time.

Motion agreed to and, by leave of the Assembly, the Bill

read a second and third time and passed under its title.

(1630)

#### ADJOURNED DEBATES

#### SECOND READINGS

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

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. In closing debate on the . . .

**The Speaker:** — Order, order. Yes, I wish to bring to the attention of the Assembly that the Minister of Finance has the right to exercise his right to close the debate. And therefore on that basis, I wish to advise members that if anybody wishes to speak they must now speak.

Order, order.

**Mr. Shillington:** — Thank you very much, Mr. Speaker. Mr. Speaker, there have been certain courtesies which have traditionally been extended here which have suddenly been withdrawn.

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

**Hon. Mr. Hodgins:** — Mr. Speaker, just a point of order. I took note that you did recognize the member for Regina Elphinstone, and then the Regina member for Elphinstone did sit down and the member for Regina Centre stood up in his place, so I would like you to provide me with your ruling on who was recognized, and if the fact that the member for Regina Elphinstone stood, was recognized, and then sat down, does constitute his participation in this debate.

**Mr. Speaker:** — I listened to the hon. member's point of order regarding clarification on the position regarding speaking that applies to the member for Regina Elphinstone. And the member for Regina Elphinstone did not speak. While he may have been on his feet, he did not speak; and since he has not spoken he has not lost any place because he wasn't asking for it.

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

**Mr. Shillington:** — To put it mildly, Mr. Speaker, we have learned once again that this government opposite cannot be trusted. Certain courtesies, Mr. Speaker, have traditionally been observed, one of which is that we are advised of what the government business is. We were given a written list today. It did not include this particular Bill. I say to members opposite, if you want . . .

**The Speaker:** — Order, order. Order, order. The member for Regina Centre has the floor and he is in the process of addressing his remarks to the House, and perhaps we should allow him to continue and other members will perhaps have their opportunity at a future time.

**Mr. Shillington:** — In this legislature and every other

legislature, the opposition is advised as to what the government is, and the opposition House Leader does not pull a fast switch, as happened . . .

**The Speaker:** — Order, order.

**Hon. Mr. Hodgins:** — Mr. Speaker, I'd like to raise a point of order, and I would submit the following point of order: I would very much question whether or not the legislative agenda is a part and parcel of the potash debate that is currently under way. The House Leader's business is certainly a matter of a separate and distinct nature from the issue of whether potash . . . the general potash debate.

**Mr. Lingenfelter:** — Mr. Speaker, I, as the opposition House Leader, would like to speak to this point of order because today, while we were negotiating House business, the Deputy House Leader, the member from Melfort, clearly indicated to us that we would not be dealing with potash.

Now this is part of an agreement where this same government made a commitment to the opposition that they would give us a weekly agenda. The House Leader indicated he would give to myself and to our caucus a weekly agenda. Not once since that agreement was signed on June 12 has a letter been given or an agenda from the Government House Leader. I say today that even a few hours ago, this individual who raises this point of order gave a commitment, his word, that potash would not be dealt with today. I tell you this is the kind of government — sneaky, hypocritical and deceiving of the people of this province and also the members of the opposition.

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

**Mr. Lingenfelter:** — I say that this is the kind of individual who should not be the Deputy House Leader because he simply can't be trusted. He cannot be trusted; his word is worth nothing.

**The Speaker:** — Order, order. I think that we have to be very careful in this House that we don't make personal charges — hold it, order — that you don't make personal charges against a member. And the rules clearly say that personal charges against members are not acceptable. And I believe that the hon. member should rise and indicate that he's not making a personal charge against the member himself.

**Mr. Lingenfelter:** — Mr. Speaker, I am clearly making a charge against this individual, that he broke his word to the members of the opposition when he told us what the agenda was for the House. I'm making that charge against him because he did. He gave us an agreement of what we would be dealing with today. He told us we would move from interim supply to estimates on crop insurance. That was the commitment. He has broken his word and I say to you, from now on we cannot trust this individual.

**The Speaker:** — Order, order. I believe that . . . Order. Would the member for Moose Jaw North please restrain himself, and all other members. Order, order. Member for Moose Jaw North, restrain yourself. All members restrain yourselves.

There is heat and confusion in the House at these times, and I believe that in the best interests of the House, members should contain themselves and not hurl accusations across the floor. That is most unparliamentary, and I might add, some the Speaker hears and some he doesn't, and that's normal and natural. And hon. members who have been warned over and over, continue to do this from their seat.

Secondly, the hon. member from Regina Elphinstone is not in fact speaking to the point of order on this issue, because the point of order that the hon. member for Melfort raised was whether or not the member for Regina Centre was speaking to Bill No. 20.

As such, I must go back to the hon. member for Regina Elphinstone who I was dealing with before, and I'd asked him to make it clear that he doesn't wish to personally level a charge against another member in the House. And I ask him to do that again. I ask him to refrain from doing that and indicate that he didn't intend to personally level a charge.

**Mr. Lingenfelter:** — I ask you, Mr. Speaker, to clarify which charge you're referring to. I didn't intend to make a charge. I don't know that I made one, but I'd like you to clarify which charge you're referring to.

**The Speaker:** — The charge that I'm referring to, the clarification is that you indicated that the hon. member personally cannot be trusted as an individual. And that is what I'm referring to, and I bring that to your attention. I'm asking you to indicate to the House that you did not in fact mean to attack the character of the individual as not being individually trustworthy.

**Mr. Lingenfelter:** — Mr. Speaker, I would like to give you by way of a background how I came to make the point.

**The Speaker:** — I realize that the hon. member would like to do that, but the hon. member also realizes that debate on this kind of issue is not permitted. So I once more ask the hon. member, who has served a good many years in this House, to indicate that he did not intend to level a personal charge against the individual's character.

**Mr. Lingenfelter:** — Mr. Speaker, I am not making a personal charge; what I am saying is that it's very difficult to deal with this individual . . .

**The Speaker:** — Order, order. I believe that if the hon. member, for the last time now — and I think we've belaboured this — for the last time . . . and I've allowed this to go forth because it's kind of an unusual issue. If the hon. member would just once more rise and indicate without any further explanations — he may have that opportunity some other time — but at this time, without any further explanation, that he did not intend to personally level a charge against the individual's character as not being trustworthy.

**Mr. Lingenfelter:** — Mr. Speaker, I withdraw the charge, but I say we will not deal with this . . .

**The Speaker:** — Order, order. I'm just going to once more

ask the hon. member to just once more clarify that he's withdrawing the charge. And after that — I'm afraid I've given you a great deal of leniency in this — I'm going to have to do what needs to be done.

Why is the member on his feet?

**Mr. Romanow:** — A point of order, Mr. Speaker.

**The Speaker:** — I realize that the hon. member may have his views on this, but it is not in order for the hon. member to state a point of order on a point of order. And I believe that we could . . . If the hon. member from Regina Elphinstone who we are dealing with now on this issue would simply rise and withdraw that personal charge which he perhaps could indicate he did not in fact intend to personally do, and that will close the issue.

**Mr. Lingenfelter:** — I think if I get it straight, I am to say that I withdraw the personal charge.

**The Speaker:** — I will accept, on behalf of the House, that you indicated that you have withdrawn the personal charge against the member.

Now to get back to the original point of order, the member from Melville . . . Melfort, rather, raised the point of order on relevancy, that the member for Regina Centre was dealing with an issue, this issue which we have just been discussing, that was not relevant to Bill 20.

I must rule that the hon. member for Melfort has raised a point of order which is well taken, which is well taken. And while the hon. member may have his views, it doesn't actually concern Bill 20.

**Mr. Shillington:** — Mr. Speaker, I think this Bill has been debated now, I believe, for 14 different occasions and probably for 12 or 13 hours. I don't know, don't know those figures exactly.

Mr. Speaker, it's apparent when this much debate takes place on a Bill that the normal processes in this legislature have broken down. One of the things that it indicates . . . The member from Regina Elphinstone was outraged, as well he should be. I am outraged, I am thoroughly outraged with what happened here this afternoon. I am annoyed to be on my feet, speaking about potash. I am very annoyed about it.

(1645)

Mr. Speaker, we normally get some warning of what the day's business is. I did not have time and I did not think there was any occasion to prepare a speech on potash, because we were told something different was coming up. So I say, Mr. Speaker, I say to you and I say to members opposite, if the member from Regina Elphinstone is outraged, he's not half as angry as I am. I am angry about it as well. What took place this afternoon should never have occurred — should never have occurred.

Now let me get onto the issue of the potash Bill in a more direct sense. Mr. Speaker, we are going to have some opportunity, I think, if this is the way the government

intends on conducting itself, we're going to have some opportunity to discuss potash. And we will have some time to make my comments in some considerable detail, in some considerable detail. So if the member from Melfort thought himself short any information on potash, he is certainly going to get it — he is certainly going to get it.

Mr. Speaker, we may or may not at a later time . . .

**The Speaker:** — Order, order. I am asking the hon. members, who obviously have strong feelings on an issue, to restrain and contain and keep their views to themselves at this time to allow the business of the House to proceed, which is what we are trying to do.

And the member for Regina Centre is in the process of making remarks on Bill 20. And I ask hon. members, regardless of their views on other issues, to not introduce them by heckling back and forth across the House because the business of the House will not be able to proceed.

**Mr. Shillington:** — Mr. Speaker, I indicated I wanted to make some remarks on potash. I just want to warn you and the hon. members opposite that the quantity of the remarks I want to make have expanded very considerably since 4:30 this afternoon — very, very considerably.

Mr. Speaker, we have in Saskatchewan a potash industry which contains some 40 per cent of the free world's supply of potash . . . 60 per cent of the free world's supply of potash; 40 per cent of the total supply of potash.

Mr. Speaker, we are to potash what Saudi Arabia is to oil, or South Africa is to diamonds. We have, if not a corner on the market, we have enough to be a very major player. This is a very valuable resource, Mr. Speaker, which will last, whatever the mismanagement of this government, it will last for more than one millennium . . . (inaudible interjection) . . . and more than two indeed, and more than three. I'm getting some coaching here from some other members. Mr. Speaker, it will last a goodly length of time.

It has always been the policy of the Government of Saskatchewan that potash should be utilized for the benefit of the province of Saskatchewan and the people of Saskatchewan, and not for the wealthy private investors who are friends of the members opposite. Mr. Speaker, we have taken the position that these resources were put here by a divine providence for the public of Saskatchewan and ought to be used for that benefit.

Mr. Speaker, it's worth tracing for a moment the history of the Potash Corporation of Saskatchewan. Previously, Mr. Speaker, to the creation of the Potash Corporation of Saskatchewan, the industry was entirely owned in a private way. The industry was developed, Mr. Speaker, during the 1940s and '50s by a government which had taken over from another government of Conservative ilk in 1944.

The Douglas government took over a province which was for all purposes, bankrupt. While I think many members of the Douglas government, the CCF government of the

day, would have preferred to develop this resource under public auspices to ensure that the industry would in fact have benefitted the public of Saskatchewan, they frankly did not have the resources to develop it publicly.

So they turned to the private sector, and over a period of some 10 years, a decade or so, the industry became what one would describe as fully developed. A number of companies came in, some of them Canadian, most of them not Canadian, developed the industry and, Mr. Speaker, very much treated this resource as if it were their own — very much treated it as if it were their own.

Mr. Speaker, in the early 1970s and '60s, the quantity of potash which was used began to increase. During the post-war period, the soils in North America began to be exhausted. That meant that artificial fertilizers had to be used, and the amount of potash being used in North America began to increase dramatically, as it had been used in Europe for some period of time. Moreover, the new emerging countries had also had agriculture for a period of time. Their soils are beginning to exhaust it. So the market increased very rapidly.

It was the view of the companies which were here at the time, Mr. Speaker, that those resources were put there for the benefit of the companies, and they really behaved as if those resources were there for their benefit. They took the position that those resources were put there for their benefit . . .

**The Speaker:** — Order, order. The member for Moose Jaw North, could I ask the member for Moose Jaw North to come to attention. I once more I wish to remind the hon. members that we cannot conduct the business of the House if the level of debate deteriorates, as it once more is, unfortunately, from members' desks, not from the individual speaking at this time. And I would like to point that out to the House and ask the hon. members who are engaging in this to refrain, to allow the debate to continue.

**Mr. Shillington:** — I regret to say this, Mr. Speaker, but given . . . I regret to say this, Mr. Speaker, given the events that have transpired this afternoon, your job is going to get, I'm afraid, a good deal more difficult.

Mr. Speaker . . .

**The Speaker:** — Order, order. Would the hon. member clarify what he's doing in making this kind of a statement to the House, which I'm sure many hon. members don't understand.

**Mr. Shillington:** — It was in no sense said . . . it was said with a sense of regret, Mr. Speaker. I regret the fact that your job is going to get more difficult because of the animosity which exists between the two sides of the House. I say it with regret, Mr. Speaker. It was in no sense . . . if it might in any way have been interpreted as any sort of a threat, it certainly wasn't. It was said with regret, that I regret that your job is going to be more difficult.

Mr. Speaker, the companies which . . . (inaudible interjection) . . . well the member is going to get a lot of opportunity to look at that clock. You're going to see

more of that clock than you're going to want to see this summer, I'll tell the world.

Mr. Speaker, the potash companies treated the industry as if it were their own. They took the position that they own the resources and that they were entitled to the profits from them. That was really their view. Unlike the oil industry, which had developed around a pattern of leasing resources from the owners, potash companies developed in a different fashion. The potash companies developed in a fashion which meant that they in fact owned the resources; they owned the mineral rights; they didn't lease it from anyone; they owned them. And they took the view that the potash industry and the potash was their resources, they were entitled to the benefits from it, they were entitled to all the profits, and that was their view.

When we took the position in . . . When the government of the day — I use "we" in a collegial sense here — when the government of the day took the position that the public of Saskatchewan had a responsibility to ensure that the public of Saskatchewan got the full benefit of the resources, the potash companies took umbrage, refused to co-operate, went so far as to refuse to pay their taxes, and thereby joined . . . I said at the time, and I say now, thereby joined a number, a select few, in this kind of activity which was really criminal in nature.

It is one thing to protest that one's taxes are too high. That thought has crossed virtually everyone who's ever written a cheque for taxes. It's quite another thing to say they're too high and I'm not paying them. Those potash companies of the day failed to realize they were part of a society in which rules and decisions are made in a collective sense, and in which we collectively decide what's fair.

We do not decide on an individual basis what's fair. We do that by agreement. By agreement we decide what takes place in our society. When, Mr. Speaker, we decide that we should begin to act on an individual basis and neglect the collective will, the agreements we make, then all anarchy breaks out.

Mr. Speaker, the potash companies took the position that they weren't going to pay the taxes, and so they didn't. Their position was that they owned those resources, they belonged to them, and they were going to see that the benefit went to their shareholders, and the Government of Saskatchewan could just take a walk in its view that the public of Saskatchewan should be the primary benefactors of those resources.

Mr. Speaker, that, sometime early, if my memory serves me correct, sometime early in 1987 — sorry in 1975, if my memory serves me correct — the companies ceased to pay their taxes. They did not pay their corporate taxes for the 1984 taxation year. Our response to them was, if you think your taxes are too high, show us your books. Mr. Speaker, they didn't show us their books; they simply sat smug, sat silent, and said nothing.

Mr. Speaker, the member from Wilkie is gracing this debate with his wisdom and sparkling charm. I say to the member from Wilkie, there are some things that seem to



be fairly consonant in this world, and one of them is that greed is a part of human nature. Greed was very much a part of the position that the potash companies took. Greed motivated their behaviour. They took the position, Mr. Speaker, that that potash belonged to them and to their shareholders, and it was all their money. Mr. Speaker, the potash companies took that position and so . . .

**The Speaker:** — Order. It being 5 o'clock, the House stands adjourned until tomorrow at 2 p.m.

The Assembly adjourned at 5 p.m.