

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session - Eighteenth Legislature**  
**8th Day**

**Monday, November 24, 1975.**

The Assembly met at 2:30 o'clock p.m.

On the Orders of the Day

**INTRODUCTION OF SPECIAL GUEST**

**HON. A.E. BLAKENEY (Premier):** — Mr. Speaker, I wish to introduce a distinguished visitor. I have the pleasure this afternoon of introducing to you and to the Members of the House, Mr. Herman Garron, the Minister of Agriculture for Costa Rica. I am advised that the Hon. Mr. Garron is seated in the Speaker's gallery. Mr. Garron has been in Regina since Saturday. Since his arrival he has visited Agribition and met with a number of provincial government officials. Mr. Garron will be travelling to British Columbia tomorrow prior to his return home.

I know, Mr. Speaker, that I am speaking for all Members of the House when I extend a warm welcome to Mr. Garron and I hope that his visit to Saskatchewan has been and will continue to be enjoyable and helpful to him in this work.

**HON. MEMBERS:** — Hear, hear!

**WELCOME TO STUDENTS**

**MR. BLAKENEY:** — I should also like to introduce to the House a group of students in the Speaker's gallery from the Wascana Institute of Applied Arts and Science. They are vocational students who are carrying on their studies at Scott Collegiate in the constituency of Regina Elphinstone. They are here with their instructors, Mrs. Zikman and Mrs. Beaglehole. I know that we extend to them a warm welcome to the Legislature and express the hope that they will find their visit here educational and helpful to them in their studies. The Legislative Secretary to the Premier, Mr. Allen, the Member for the adjoining constituency of Regina Rosemont will be meeting them at 3 o'clock and discussing further with them the rules of the House and other items that may have occurred to them after seeing our proceedings here this afternoon.

So on behalf of you, Mr. Speaker, and all of us I extend to them a warm welcome.

**HON. MEMBERS:** — Hear, hear!

**QUESTIONS**

**CENTRAL CANADA POTASH COMPANY PROFITS**

**MR. D.G. STEUART (Leader of the Opposition):** — Mr. Speaker, before the Orders of the Day I wish to direct a question to the Minister of Mineral Resources (Mr. Whelan). Would the Minister admit that the Central Canada Potash Company about two or three months ago filed with the government the information requested from all the potash

companies, requested by the government, filed that information with the government — I think it was sometime in August or it might have been September — but did in fact file with the government those figures, 1974, 1973 and I think 1972? If so, has the Minister examined those documents?

**HON. E.C. WHELAN (Minister of Mineral Resources):** — Mr. Speaker, in answer to the Hon. Member's question, this is the only potash company that has file the financial information that we requested. And we have examined it.

**MR. STEUART:** — My supplement, then, Mr. Speaker. The Minister having examined them, I would ask the Minister then if he is aware that the various taxes levelled by the government against the potash industry, royalties, prorationing and the reserve tax and so on, would the Minister then tell us what percentage based on the figures submitted by the Central Canada Potash Company, what percentage of their pre-tax profits, their gross profits, what percentage does the provincial government's level of taxation work out on the figures submitted by the Central Canada Potash? What percentage of the provincial figures and, since they filed, I am sure then their income tax, what percentage of the total tax is provincial and federal? If you haven't got the federal tax I should like to know what percentage, including the reserve tax, what percentage would that be of their pre-tax profits, their gross profits?

**MR. WHELAN:** — In answer to the Hon. Member's question, Mr. Speaker, the percentage that they have paid is nil because they haven't paid us a dime as far as reserve tax is concerned. They are the only potash company in the province that haven't paid us. Their particular statement is a very involved and very different kind of statement than the average potash company because of the contract that they have with the co-operative organizations in the southern United States and in eastern Canada. To date these people have paid us no taxes of any kind, either prorationing taxes or reserve taxes.

**MR. STEUART:** — The haven't paid you any prorationing taxes. I just want to clear up the answer because, you could have applied, my question really, using the taxes you have levied against them. I didn't say the taxes you collected. You are saying they are the only potash company that has not paid some of these taxes, fine. That's not fine, that's between the government and them but the question I asked was applying to the taxes you charged them, you know the taxes you levied against them, what percentage of their gross or pre-tax profits are those taxes, whether they paid them or not? What I am saying is the industry says they are 80 per cent. You take your taxes plus the federal taxes, I am asking what percentage then on the basis of the figures they submitted are you taxes?

**MR. WHELAN:** — Well, on the basis of figures, Mr. Speaker, in answer to the Hon. Member, that they have submitted it would look pretty good. But they have a very different kind of an arrangement with the co-operative organizations which doesn't give you a true picture of what their earnings actually are. It is a different kind of an arrangement than any other potash company has.

Surely the argument can be made that it is a very low percentage, using their figures, the earnings are a very low percentage but they are tied up with a contract that is certainly not a true picture.

**MR. STEUART:** — Pretty good, isn't even an answer. I asked, do you know the percentage or don't you? If you don't know the percentage, thank you, I wish you to say so. If you know the percentage, say it's 85 or 82 . . .

**MR. BLAKENEY:** — I think the Hon. Member well knows that this information is filed with the Department of Mineral Resources with a big confidentiality label. He also well knows that he can obtain that information from Central Canada Potash. We are simply not able to disclose the information with respect to individual companies unless they permit us to do so. If the Hon. Member wishes we will contact Central Canada Potash and ask them if they have any objection to us disclosing that information. I think we have it, the Minister has seen it. It is filed pursuant to a form which ensures its confidentiality. If the Hon. Member wishes us to get in touch with Central Canada Potash we would be happy to do so.

**MR. STEUART:** — Mr. Speaker, I should like to ask the Premier. I would like to point out, the Premier has said . . .

**MR. SPEAKER:** — Order, order! Will the Hon. Member for Prince Albert-Duck Lake take his seat.

#### **POTASH INDUSTRY - RESERVES TAX**

**MR. S.J. CAMERON (Regina South):** — I wish to direct a question to the Premier, Mr. Speaker. The Throne Speech indicates that one of the concerns of the government that led to the takeover of the potash mines was the possibility of having to repay millions of dollars collected by the government from the potash industry under the reserves tax. My question to the Premier is whether or not prior to the introduction of the reserve tax the government held consultations with the potash industry about it? If it did not, why did it not do so? If it did, what was the result of those consultations?

**MR. BLAKENEY:** — I take it that someone else is going to undertake to answer. They make their best speeches sitting down.

The answer is that we did have consultations with the potash industry that we sent out to them for comment on the proposed form of the reserve tax. I was not engaged in the consultations. The officials of the Department of Mineral Resources and I believe the then Minister were involved in some of the consultations. I do not know with precision what comments were made by the industry but certainly there was consultation with the industry.

**MR. CAMERON:** — Mr. Speaker, a supplementary. I can only assume from the reaction of the potash companies since, that the reaction they

gave the government initially was not a very favourable one. I see the Premier nodding his head so perhaps he is agreeing with me. I am wondering, that being the case, why the government didn't refer the reserves potash tax system to the Court of Appeal for an advance ruling which it had a right to do under the Constitutional Questions Act?

**MR. BLAKENEY:** — I think that the Hon. Member makes an assumption which I think is accurate except that it will be recalled that the reserve tax was promulgated as a proposal prior to May 6th, 1974. It was the intervention of the federal rule of non-deductibility which caused extra problems in getting a tax regime which was, at least in the eyes of the companies, acceptable. So that these were, I think, two series of comments really: one which presupposed the old federal corporate tax rules and the other which presupposed the new federal corporate tax rules.

The question of whether or not we should have applied to Court of Appeal under the Constitutional Questions Act to have a ruling I think is basically one of timing. We felt that the taxes should be applied and should be collected and we felt that it was inappropriate, because we feel that the tax is valid, to delay the collection of some tens of millions of dollars, as we think it would have been the case, while the Court of Appeal was rendering a decision on the validity of the reserve tax.

## ADJOURNED DEBATES

### ADDRESS-IN-REPLY

The Assembly resumed the adjourned debate on the proposed motion of Mr. Koskie (Quill Lakes) and the amendment thereto by Mr. Steuart (Leader of the Opposition).

**MR. J. WIEBE (Morse):** — Mr. Speaker, in entering this debate I first wish to offer my congratulations to you in your new role as Speaker of this Assembly. I am confident that you will discharge your new responsibility with diligence, honour and fairness. At times, it will be a difficult and trying experience and I wish to offer you my co-operation in your endeavors.

As well, I wish to congratulate the ten new MLAs in our Liberal caucus for the exceptional and very creditable job which each did in their maiden speeches. Up until a week ago these new MLAs had never sat in the Legislative Chambers, and one can say they were as green as grass in terms of Legislature procedure and legislative debate. It is very gratifying and encouraging to see ten young, bright and energetic MLAs accept their responsibility to participate fully in the legislative process and to do such an outstanding job.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — They have been a credit to their constituency and I am sure they will continue to be in the months and years ahead.

Initially, Mr. Speaker, I should like to take this opportunity to thank the voters of the new Morse constituency for their support on June 11th. I must say how pleased and proud I am

to have once again been given the privilege to serve the people of my constituency, and in turn the province of Saskatchewan in this Legislature.

Mr. Speaker, I feel it appropriate as well at this time to mention briefly some of the concerns of my constituents. The new constituency of Morse after redistribution is now strictly a rural constituency completely surrounding the city of Swift Current. Agriculture is, of course, our major industry with oil, despite the drastic effects of Bill 43, still playing a role in the economy of the area.

Bill 42 not only had a dire effect on the oil industry, but also had a direct effect on the farming community located northwest of Swift Current. This is an area where many young families were able to start farming because they supplemented their farm income with jobs in the oil industry. Because of Bill 42 these jobs have vanished, leaving many of our young farmers in a very difficult financial position. Another example of where verbal concern for people by the NDP contradicts their actions.

Highways as well play a very vital and important role in the economy and rural life of our constituency. I am pleased to say that on the whole the majority of the highways in my constituency have been well looked after, with the exception of some of the highway system which I inherited because of redistribution, and I speak specifically of No. 19 highway, a distance of 21 miles from No. 1 south to Hodgeville. This particular stretch of highway has been completely ignored and neglected during the past four and a half years. A highway that is in such a condition that one takes his life into his own hands just by venturing out on it. Because of that four and a half years of neglect, normal maintenance or re-surfacing will not put that highway into a safe driving condition. A rebuilt highway is urgently needed.

Mr. Speaker, I could quote traffic figures, business trends, population growth and so on to reinforce the need that is there. But the government already has those figures, and I believe they understand that need. What is left is for the government to make the decision to go ahead. I sincerely urge the Minister of Highways and the Minister of Finance to make funds available in 1976 to allow that construction to begin.

Again, Mr. Speaker, during the Premier's remarks in this debate, he called on all Members of this Assembly to show restraint in their financial demands on behalf of their constituents and I agree with the Premier's request, that if we are to curb and control inflation, that MLAs must exercise restraint in their demands upon government spending, and I am prepared, Mr. Premier, to go along with that restraint. But in my defense that funds should be made available for No. 19 highways, let me again echo the sentiments of the Premier.

In his reply to Ottawa's wage and price control program, he has stated that a catch-up clause is required to adequately compensate those wages which have fallen behind other provinces. During the last four and a half years No. 19 has drastically fallen behind the standards of other highways in this province and a catch-up program is urgently needed. Again I urge the Treasury Benches to give this matter their sincere consideration.

Transportation and rail line retention as well plays an important role in the Morse constituency. I can safely say that each Member in this legislature is concerned about our rail lines, and how vitally important the Hall Commission hearings will be towards the future of transportation in Saskatchewan.

I must congratulate the federal government for putting the vast majority of our rail lines into the permanent system, and for setting up the Hall Commission to allow each and every resident of Saskatchewan to have a direct say in the future development and retention of our rail lines. I echo the concerns and suggestions made by the Premier when he asked that each and every MLA in this Assembly become directly involved with the Hall Commission hearings and to participate in the preparation of briefs by our constituents. The fight for rail line retention will be one of the most important issues that agriculture will face this decade.

During the spring session of the Seventeenth Legislature, I introduced a resolution calling on all Members of this Assembly to set aside their political biases and work together to ensure that the majority of our rail lines be transferred into a permanent system. Mr. Speaker, the government Members to your right, voted against that resolution. Mr. Premier, you and your government were not prepared at that time to co-operate. One must ask why? I suggest, Mr. Speaker, it was because we were approaching a provincial election and the Premier and his party wanted to play politics with the future of our branch lines.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — The Premier wanted to shift the blame. You wanted the people of Saskatchewan to believe that it was the Liberals that were tearing up the rail lines in this province. Your party wanted the people of Saskatchewan to believe that it was the Liberals who were allowing the railway companies to have their own way. At not time, Mr. Speaker, did the Premier tell the people of Saskatchewan that it was a Liberal government who refused to accept the recommendations of the railway companies.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — At no time, Mr. Speaker, did the Premier of this province tell the residents of Saskatchewan that it was a Liberal Government that year after year after year put a freeze on our branch lines and prevented that abandonment.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — At no time, Mr. Speaker, did the Premier or the Attorney General or his party accept the blame and admit that the only rail lines that were ever abandoned and torn up in this province was when we had a Conservative government in Ottawa and an NDP government in Regina.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — It was only, Mr. Speaker, after a Liberal government

was elected in Regina in 1964 that Saskatchewan was able to convince Ottawa to call a halt to this distasteful practice.

Now that the election is over, Mr. Speaker, the Premier in his remarks during this debate called on the MLAs to co-operate and work together with his government in the preservation of our branch lines. A request identical to the one which I made last spring. Mr. Speaker, I assure the Premier that I will not oppose his call for co-operation. I assure the Premier that unlike your stand last spring, you have my full co-operation in working towards the preservation of our branch lines.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — I am pleased to say, Mr. Speaker, that on each and every branch line in my constituency that is scheduled to come before the Hall Commission that rail line retention committees have been organized and are working hard in the preparation of their briefs. You can rest assured that the Morse constituency will be well represented at each and every one of those hearings.

Another concern of my constituents, just as vital as transportation, is our grain-handling network. Much has been said about the effects of what the railroads are proposing, but very little has been said about the proposals of our major grain-handling companies, such as Cargill, United Grain Growers, the Wheat Pools, Pioneer and so on. It is very easy and politically expedient to criticize and condemn the railroads whose board rooms are far removed from us. It is a bit more difficult to criticize elevator companies in which we have ownership and which we consider our friends. The proposals which all elevator companies are making could have just as drastic an effect on our rural way of life as those being made by the railroads.

We have to ask ourselves, what will be the cost to our rural communities, to our rural way of life, to our farmers, to our local and senior governments, if we have a community where the rail line has been retained, but the farmer no longer has an elevator to deliver his grain to. How far will he have to go along that same rail line to find an elevator where he can deliver that grain.

The same arguments that we use in our fight to preserve our branch lines can be used in our fight to preserve our elevators. To state them now would be repetitious. To be fair, can we really single out any one elevator company! Their proposals are similar, they just vary in degree. The arguments so far to date as to which proposal is the most devastating is which proposal will abandon the most elevators. The concept of the mini terminal, the high through-put elevator, the multi-elevator point, all mean that some communities will have to be abandoned. These concepts have yet to be put in operation and already we have seen elevators closed, moved and communities abandoned.

Results have been no elevator service, higher road maintenance costs for local governments, larger trucks; and increased trucking costs. There is loss of storage capacity on the total picture as well, many points are left with only the elevator which means no competition. Let me repeat, Mr. Speaker, that the proposals made by our elevator companies could have just as

serious an effect on our rural way of life as those proposals made by our railways.

There is no doubt that changes will have to be made in our grain-handling and transportation systems. I believe that we have a right to ask that our elevator companies justify their proposals as well.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — I urge that the province of Saskatchewan devote as much energy and attention to the proposals made by our grain companies as they are to the railway proposals to ensure that from this will evolve the best possible grain-handling and transportation system, and one that is fair and equitable to all.

In my capacity, as Opposition critic for agriculture, I should like to deal for a few moments with the effects that the implementation of the Throne Speech will have on the agricultural industry in this great province.

I cannot, however, let the occasion go by without some comments on the fate of the former Minister of Agriculture and his transfer to Industry and Commerce. The Member for Tisdale (Mr. Messer) has left a portfolio which dealt with and affected the lives of the majority of the people of Saskatchewan to one which has had and is having very little effect on anyone.

There is no doubt that the agricultural policies proposed by the former Minister of Agriculture and endorsed and adopted by the Premier and his colleagues cost the NDP more votes and constituencies than any other program.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — I think it's fair to say, Mr. Speaker, that had the anti-government vote not been divided, it could have cost the NDP government loss of power.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — To be fair, Mr. Speaker, I must say that while I disagree with the majority of the programs implemented by the former Minister, that in making agriculture exciting, by putting it in the forefront, in the minds of everyone, where it should be, Jack Messer was probably the best Minister of Agriculture this province has ever had. It is unfortunate, Mr. Speaker, that agriculture will again be put on the shelf and in the background.

The new Minister of Agriculture (Mr. Kaeding) has so far not been able to generate any kind of enthusiasm or new programs which again indicate the low priority which this government holds for our greatest resource.

The Throne Speech again, Mr. Speaker, as in the past, has only paid lip service in recognizing our agricultural economy. Again the government has attempted to pat itself on the back for past accomplishments, with nothing new or exciting to



further enhance and develop this great industry.

Mr. Speaker, the government instead has decided to spend over one billion dollars to take over the potash industry in Saskatchewan. The NDP government in its determination to carry out its political philosophy of state ownership and control, will be spending over \$1 billion on an industry that is already here and established, and one which the government now receives close to 80 per cent of that industry's profit without taking any risk or investing any money. I suggest, Mr. Speaker, that this is bad business, that the priorities of this government are all wrong.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — If the government feels that the potash industry is making excessive profits, it can regulate that profit through taxation with no risks and the companies will live with taxation, Mr. Speaker. If the government is sincere about developing this province and investing \$1 billion in development, I suggest that they turn to this province's greatest resource and its greatest industry.

It may sound old hat and it may be an old refrain, but agriculture remains one of our most important industries and with proper attention and concern will retain that status for a long time to come. Saskatchewan is the bread basket of this nation and yet the only agricultural products that we produce in this province are grain, livestock and similar products produced by farmers.

This province is literally a desert in terms of the manufacture of agricultural products to service and maintain the agricultural industry. We must again depend on other provinces and other countries to service that industry. Millions and millions of dollars leave this province each and every year just to service that industry. For example, this year alone over \$154 million will leave this province for the purchase of agricultural machines and repair parts. Would it not be wiser to take part of that billion dollars to develop an industry to manufacture those machine and equipment right here in this province.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — Saskatchewan as well is one of the greatest users of fertilizer in Canada and yet not one pound of fertilizer is produced in this province. Again ample opportunity for a new industry and one which is badly needed. Chemicals, sprays, veterinarian supplies and medicines, and the list goes on. Would it not be wiser to invest that money in establishing industries to complement our agricultural economy to provide more jobs, lower prices for Saskatchewan farmers and an opportunity to keep our dollars at work in this province!

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — If this government has run out of ideas, Mr. Speaker, why not correct a mistake which you made three years ago when you cancelled the South Saskatchewan River irrigation project?

One of the worst decisions this government has ever made. One only has to go back to the winter of 1972-73 when hay in southern Saskatchewan was non-existent to realize just how vital further development is.

We don't even produce enough potatoes or peas to feed ourselves in this province. We have no plants to process these products even if we did produce them. Again we have to rely on other provinces to put this kind of food on our table.

We are looking for more opportunities for our young farmers to find land, to make a start. Irrigation will provide an excellent future for from six to eight farmers on the same acreage that now provides a living for one family farm. The future of increased production to feed a hungry world lies in irrigation. We have the potential. All we need is a government with the courage to develop that potential.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — Mr. Speaker, the list goes on. The potential in this province is just as great if not superior to any other province in Canada. Again I say, all we need is a government with courage, the proper perspective and the right political philosophy to build this province into one which we can all be proud of.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WIEBE:** — Mr. Speaker, because the Throne Speech has not been able to adequately reflect the wishes of the people of this province, I will be supporting the amendment.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. G. McNEILL (Meadow Lake):** — Mr. Speaker, it is a great honor to rise and have the opportunity to speak in this Legislature for the first time. It is also an honor to represent the Meadow Lake constituency in this Eighteenth Legislature and bring to this side of the House their representative, as this is the first time since 1974 Meadow Lake has had an NDP representative, and I'm sure they are happy after 11 years of little or no representation.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — That at least I'll do my best and work to the best of my ability to look after their wants and needs.

Mr. Speaker, at this time I should like to thank the many people that worked so hard and long during the election campaign. Also I wish to thank all those who voted for me. And, Mr. Speaker, as this is the first time up, I should like to assure both this side of the House and the opposite this will not be the last. Mr. Speaker, we are in need of many things in our area, such as roads, regional parks, new industry and on an on. Some of which we have had over the past four years, but we had seven lean years from '64 to '71 and that has to be caught up on, when there was little or nothing done.

Mr. Speaker, I wish to speak a little on the Meadow Lake

area, a part of this great country of ours that I am proud of, and not only proud to be part of it, but also, Mr. Speaker, I live in my constituency.

The Meadow Lake constituency consists of many and varied resources, such as a large forest area, farming, large ranches, fishing, some industry, natural gas wells, and a large tourist industry. Mr. Speaker, this area is full of talented and courageous men and women, our early pioneers. They endured many hardships to make a living. In harsh winters, wet falls, crop failures, early frosts and snow, forest fires, they had to carve this and out of a living forest, and yet, in spite of all these difficulties, Mr. Speaker, or perhaps because of the, the people of the North work together co-operatively, at first to survive and later to protect what has become known in Saskatchewan - "the land of clean air and water." This motto, Mr. Speaker, "The Land of Clean Air and Water" will be protected and perpetuated, through the enlightened and advanced policies of industrial development of this government.

Mr. Speaker, the north of my constituency consists of the Meadow Lake Park, which is one of the most beautiful and scenic spots in Canada, an area where you can take your family for recreation such as boating, swimming, water skiing, or just plain relaxation. Or, if you wish, you can go fishing where you can catch northern pike, pickerel, perch, splake, brook trout and rainbow trout.

Mr. Speaker, I speak with pride and say, now, where in Saskatchewan, in Canada, and yes, in the world, can anybody offer this and yet have hiking trails and canoe routes that are the only means of getting into some of the smaller lakes and also for the winter, power toboggan trails and these are being expanded on; all of this, Mr. Speaker, and we still have our motto, "The Land of Clean Air and Water".

Mr. Speaker, the Liberals fought hard in the election of '71 to put the pulp mill on the Beaver River. I like to think that they lost the election through this proposal. If this had become a reality, it would have polluted our complete north country, would have destroyed the natural resources, our northern ecology and would have driven our human resources away.

Mr. Speaker, Meadow Lake is rapidly becoming the communications hub of the northwest, with an increase of approximately 130 per cent in telephone traffic since 1971, on lines which now extend as far north as Buffalo Narrows. Four hundred new phones have been installed in the region under the Unreserved Area Program, which does not include the town of Meadow Lake. Community grants to towns in the Meadow Lake region are helping these communities to establish themselves and upgrade their utilities and facilities to compare with towns in the southern part of the province.

Mr. Speaker, with the gas wells now producing natural gas in some of our communities, and abundance of water and manpower in our area we can now compete with any centre for industrial development. Also, Mr. Speaker, with the programs initiated by this government and carried out by the Minister of Highways (Mr. Kramer) all our communities have their main streets paved.

Meadow Lake now is in the process of building a new airport

to accommodate the traffic in and out of Meadow Lake and the North. This is schedule for completion in the summer of 1976 and will have a main runway of 5,000 feet long and a 2,000 foot crosswind runway. Most of the earthwork and store sewer drainage has been completed, gravel being stockpiled in preparation for surfacing next spring. Some of the land purchased for the airport project may be needed for future expansion if necessary, but it will be leased back to the local farmers for agricultural use until this project is completed. This is being built at a cost of \$2.3 million. Also, Mr. Speaker, the contract is being let and work has been started on \$199,000 water bomber base in Meadow Lake to more quickly protect the forest industry in the North. At this time our beacon and navigational aides will not be installed by MOT until 1977.

Mr. Speaker, we could get these dates moved up, so with an approach to the Department of Highways they agreed to put in a temporary beacons and when MOT installs their permanent equipment this can easily be dismantled and moved farther north where it will be badly needed.

At this time, I should like to thank Mr. Ed Troutman and others of Meadow Lake who worked so hard to get this temporary beacon to Meadow Lake and also worked hard to install it. Mr. Troutman, I might say, is the owner of Mitsoo Airways which has the charter out of Meadow Lake and I wish to comment him on the type of service he has given us in the North.

Mr. Speaker, the roads to our tourist facilities are continually being upgraded, with no primrose paths being built for the Alberta friends of the Liberals, which was built at an enormous cost and then not needed because their Alberta friends changed their minds. Mr. Speaker, in 1971 the Liberals spent \$1,389,000 on road in the Meadow Lake region, since then the NDP has spent \$11,351,000 in the region for an average of \$2.25 million a year.

Special forest extraction roads are being crated to remove heavy timber hauling trucks from the tourist roads, a new bridge has been built on Highway 26 at the Beaver River. The road to Green Lake and north is being reconstructed and hopefully will be completed in the next year. A lot has been done in the last four years on road improvements, but due to the large increase in traffic and much heavier freight loads, there is a lot more to do. It is my intention to do what I can to have this done.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — With the large mineral finds in the North there will be an ever increasing flow of traffic on our roads in the North, particularly in my area, because Meadow Lake is quickly becoming the hub of the North, Mr. Speaker. I only ask that all Members in this House support me when I ask for large sums to upgrade and rebuild our roads in the northwest corner of this province.

In Pierceland, we have a very thriving community and again, due to the community grants and other help from this government, they have a lovely skating rink, curling rink, pavement on the streets and are in the process of planning water and sewer facilities. In Goodsoil, they have just completed installing modern facilities, also they have a landing strip adjacent to

the town, also a hospital and a resident doctor. Mr. Speaker, during this sitting, I will be asking for moneys for lights for this runway as there is a need to land and take off at night, especially for the air ambulance plane due to accidents and critical cases being brought to this hospital at night.

Another community which is the gateway to Meadow Lake Park is Dorintosh. It has just opened a new credit union building, which also has water and sewer facilities and paved streets. Here again, they are in the process of arranging financing through government grants, donations and the hard work and co-operation of the residents to build a new skating rink.

Mr. Speaker, moving on to Loon Lake, where I make my home. If I should appear a bit boastful and a little over enthusiastic about this area, it's because it is one of the most beautiful and scenic places I have ever had the opportunity to be. Here in this area we have many pioneers. It is the centre of a large Sudeten settlement which a year ago last July we had the distinct honor to have the 35th anniversary of the Sudeten Society of the World hold their convention at Loon Lake. This was attended by approximately 500 people from all over the world. Loon Lake town is completely modern, water, sewer, natural gas and all the other facilities of any modern city. We are fortunate that through community grants and hard work on the part of our recreation association, Kinsmen Club, town council and many other organizations who got together in the last couple of years we built a recreation centre. In this town we have a central high school which is named after one of our pioneer residents, Mrs. Ernie Studer. Also there are a hospital, two resident doctors, and also a very active senior citizens' club, which due to their hard work will be having a pioneer villa built starting in 1976.

Mr. Speaker, we in this area have the very great distinction of having a railroad built joining St. Walburg and Pierceland. It was built in the '30s and no rails ever laid on it. Therefore, policies of the East won't have to abandon this railroad. They abandoned it when they built it. But, it has been of some use, Mr. Speaker, the pioneer ranchers and farmers use it for an access road.

Also, Mr. Speaker, Loon Lake is a very historical spot. Big Bear on his retreat back to his reserve, and the Cree from the North retreating home, passed through this area closely followed by General Middleton and Major Steele with his cavalry and at a spot between two of our lakes known as Steele Narrows, Major Steel caught up with retreating Cree. There was an exchange of gun fire with one of the retreating Natives being killed, and his grave is still there as a reminder that we should live in this great land of ours in peace and harmony and to co-operate and work with all, regardless of our colour, our race or our creed.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — Mr. Speaker, we are blessed in our immediate area with six lakes, all adjoining. It's possible to go from one to the other by boat. This area is a highly developed tourist area. One of the largest resorts of these lakes is owned and operated successfully by the Loon Lake Indian Band. Further west we have a string of lakes leading down to which will be the new

stretch of Highway 21 — completing another north-south tourist route to the North. Mr. Speaker, in the other end of my constituency is another very historical spot, Fort Pitt and the very old settlement of Frenchman Butte. These areas consist mostly of farming and ranching, and were settled in the early 1900s and before. At one time a railroad ran to Frenchman Butte, but has since been stopped due to rail line abandonment.

The people of the Onion Lake area, which is adjacent to Frenchman Butte, has a large Indian reserve, and they wish to thank the Department of Highways for upgrading and building a stretch of road in that area. Being situated where they are, and with the Saskatchewan River running between them and their shopping centres, they have difficulties, especially in the winter time, getting their produce to the market and shopping. With the large working force on the reserve, which has to go out to work, and shortage of housing in such places as Lloydminster and adjacent areas, they have to commute. When the ferries are operating it is quite easy to commute back and forth. But, Mr. Speaker, the period in the fall during freeze up and in the spring, the ice is unsafe for a period of time and also during snow storms and such during winter. There are long periods when travel this way is impossible. They either have to go around the Deer Creek Crossing or stay home.

Mr. Speaker, for the past number of years these residents have asked for a bridge at their meridian crossing and due to the fact we have been unable to get the federal government to even consider a share of the expense, which they are morally obligated to share. When approached they only wanted to do another study and suggested to us that they are not in the provincial bridge building business. But we know, Mr. Speaker, we have figures and statistics to show they have been in on most or all of the major crossings in Saskatchewan, and I should just like to point out to the Hon. Member for Saskatoon who has asked for another bridge in Saskatoon, we have been in need of one, probably longer than that.

Mr. Speaker, Paradise Hill is another community which is prospering under the many and varied programs implemented by the NDP government. They have a hospital completely staffed and are proud of their community which has a paved main street, many business places and also modern facilities. Mr. Speaker, one more of the many historical points in my region is the Imhoff Art Gallery, which I am sure you all have heard about. It is situated near the town of St. Walburg. Here is centre, Mr. Speaker, which has grown by leaps and bounds due not only to the very capable and wise mayor and council, but to the many and varied grants and help from this government. Due to this they now have a senior citizens' centre, 20 low rental units and have just opened another senior citizens' complex, which is another way, Mr. Speaker, that the NDP government is looking after our senior citizens. They have received grants to repair their rink, anew fire truck, new town hall and many, many more too numerous to mention. At this time, Mr. Speaker, I should like to welcome Onion Lake, Frenchman Butte, Paradise Hill and St. Walburg into the Meadow Lake constituency and assure these people that I will endeavour to work to the best of my ability to look after their best interests.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — Mr. Speaker, all these policies that I have mentioned are a striking contrast to those of the Liberals. My predecessor in the riding was a Liberal who supported the proposed Athabasca Pulp Mill in the region, which would have stripped the forest and at this time of the year would have used the full flow of the Beaver River filling it with pollution.

Mr. Speaker, as a New Democrat representing the riding of Meadow Lake, I will continue to do my utmost to support those industrial development policies which will ensure both economic returns to Saskatchewan residents as well as the protection of our ecology of the North.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — Mr. Speaker, the spirit of working together to overcome hardship and difficulties has become the hallmark of the people of northern Saskatchewan and yes, Mr. Minister, all of Saskatchewan.

Western hospitality is simply one of the outward signs of that spirit. What may be impossible to the individual is just another solvable problem of the community that works together. That is how our communities have grown and prospered, by people pulling together. Mr. Speaker, that is how our great co-operative ventures have grown and prospered, by people pulling together. Mr. Speaker, that is how our great co-operative ventures have developed out of the simple principle that working together we can accomplish more than we can as individuals. The great social and economic experiments of Saskatchewan publicly financed hospital and medicare insurance, publicly owned power, telephones, and insurance utilities and the Land Bank, it all comes out of the rich heritage of co-operative action, but by our pioneers. Successive generations of Saskatchewan people have added to and developed that tradition. Mr. Speaker, that is what we are doing today, furthering the tradition of co-operative action by working together to assert effective control over our potash industry . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McNEILL:** — . . . through ownership so that we can enjoy an assured and lasting return and guaranteed expansion in the years to come.

Mr. Speaker, I cannot support the amendment to the motion but I do support the motion.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. F.J. THOMPSON (Athabasca):** — Mr. Speaker, I should first like to congratulate you on your appointment as Speaker of this Legislature. Secondly, Mr. Speaker, it is a great honour for me to represent the constituency of Athabasca.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. THOMPSON:** — I should like to thank the constituents of Athabasca for putting their faith and confidence in me to represent them

in this Legislature.

The Athabasca constituency is one of two of the largest constituencies in Saskatchewan. The Athabasca is approximately 600 miles in length, it runs from the third meridian which is the centre of this province, the Alberta border, north to the Northwest Territories and across to the eastern side of the province to take in the communities of Stony Rapids, Black Lake and Fond du Lac. It is a constituency which has many large lakes, small fresh water lakes and rivers and streams, the largest of the lakes being Lake Athabasca in the far North and as you come south you run into Cree Lake, Peter Pond and Dore Lake. It is a mining constituency, Mr. Speaker. We have one mine that has been operating for many years, since the 1950s in the Uranium City, Eldorado Nuclear. There is a major strike and development taking place in Cluff Lake and it looks like another find in the Cree Lake area.

Yes, Mr. Speaker, we have a good constituency. We have lots of fresh water, clean air and thanks to the New Democratic government for putting a stop to the Dore Lake Pulp Mill which we all know would have completely ruined that north country.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. THOMPSON:** — On March 1st, 1971, the Hon. Member for Saskatoon Riversdale (Mr. Romanow) made the following comments in this House:

If the Athabasca Pulp Mill goes ahead what will happen to our fresh water, our trees and our clean air?

Mr. Speaker, that question was answered on June 23, 1971 and since that time, Mr. Speaker, the people of northern Saskatchewan have never looked back.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. THOMPSON:** — The Hon. Member for Nipawin (Mr. Collver) has criticized the Hon. Members of the House for their so-called immature behaviour. How can the Member for Nipawin seriously make such statements publicly when he himself privately stated to me during a conversation over coffee in the community of Buffalo Narrows last summer that he abhors politics. I don't know if the Hon. Member for Nipawin wishes to recall our conversation at Buffalo Narrows when he clearly protested his liking for politics when he said selfishly that he ran for the provincial legislature purely to protect his own interest. I quote, Mr. Speaker, "I am running to protect my freedom." Well, Mr. Speaker, if he is interested in politics purely for the benefit of no one but himself, I strongly support that most of his remarks should be received in that light. How can anyone take the Hon. Member for Nipawin seriously if he is not interested in being serious and sincere about the politics of Canada and especially about the politics of Saskatchewan?

I should like to commend the NDP government for the progressive Throne Speech that it has brought down, and especially for its stand on potash. I find it quite interesting how the Opposition keep fighting against such policies and such government regulations. They have done this ever since 1944 in



hospitalization, Government Insurance, the Land Bank. I think one that is most recent in their mind and that hit them so hard was medicare. I should caution the Members in the Opposition that they want to remember what happened to medicare when they fought it so vigorously and how it backfired. I am sure, Mr. Speaker, that when this potash thing is straightened out they are going to get hit a lot harder if they keep fighting the potash policies.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. THOMPSON:** — I should like to now turn to northern Saskatchewan and in particular the Department of Northern Saskatchewan. The Department of Northern Saskatchewan was created in May of 1972 headed up by the Hon. Member for Shellbrook (Mr. Bowerman). This department since its inception has carried on tremendous progress in northern Saskatchewan. It has had its problems. The department was criticized, the government was criticized, the Minister was criticized to no end.

Mr. Speaker, today the Department of Northern Saskatchewan is a department which even if the Opposition had formed the government it would be foolish to get rid of. There is no way they would have done this.

I should first like to speak about the housing program in northern Saskatchewan. When we take a look at the housing program that was in northern Saskatchewan in 1964, the houses were being built, there was no shortage. Then we all know what happened in 1964 and 1971, the years when hardly any housing went up in northern Saskatchewan. As a matter of fact in the small town of Pine House in 1969, the Opposition decided they were going to take the housing out of Pine House. They were going to force the people of Pine House to move into La Ronge to work in a mine (this is in 1969) that was closing down in 1970, and in 1971 was not even operating.

The type of housing built under the Liberal government — one of my colleagues and I were into Pine House, he is sitting here — one fellow told us, “You know I stepped right through the floor of my house.” It was built in 1969, the last house that was built in Pine House under the Liberal government. In 1972 we went and checked and sure enough he had stepped right through it. The material that was used, was really deplorable. In 1969 under a Liberal government there were 23 houses built in northern Saskatchewan, public housing. In 1970 they build 23 houses for all of northern Saskatchewan. In 1971 they didn't even have a housing program and there were no houses built. In 1972 under the Department of Northern Saskatchewan they started out a program of building houses and they built 40 in 1972, 99 in 1973, 151 in 1974 and this year, 1975 they have started 134 public housing units.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. THOMPSON:** — Mr. Speaker, that speaks for itself.

The type of housing that is being built in northern Saskatchewan today, Mr. Speaker, is of top quality. They have plumbing, electricity, and they are as modern a house as you can find anywhere in the city. The program is to build in

five years 625 houses.

Mr. Speaker, they are not just building these houses, they are creating many jobs, creating jobs and trades. The people of northern Saskatchewan are learning how to become carpenters, plumbers, electricians, the whole thing and this is under the Northern Housing Program. In 1974, these figures have come out, the Department of Northern Saskatchewan's Housing Branch employed 1,115 men. Of that 1,115 men 80 per cent were northern Native people.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. THOMPSON:** — The total payroll in northern Saskatchewan by the Northern Housing was \$2,477,617 for projects in the North.

One of the first things the New Democratic Party did when they came into power, Mr. Speaker, was to lower the power rates in northern Saskatchewan, and they are on the same level as they are in southern Saskatchewan. In 1964 the NDP government had started to build power lines in northern Saskatchewan. They had rural Saskatchewan electrified and they were starting to put the power lines into northern Saskatchewan. They went as far as Buffalo Narrows. We all know what happened after 1964, that was the end of the power line in northern Saskatchewan. Between 1964 and 1971 there was not one mile of power line started in the Athabasca constituency.

Since that time under the direction of the Department of Northern Saskatchewan and its =mi, the Hon. Member for Shellbrook (Mr. Bowerman) action has been taken on power lines. A power line has been put into Dore Lake, into Cold Bay, a power line extension has gone into the town of Portage, La Loche and into Turner Lake at a cost of \$801,000.

Mr. Speaker, I should like to turn to the roads and airfields and refer back to the roads that were built under the Liberal government.

**AN HON. MEMBER:** — Didn't build any!

**MR. THOMPSON:** — Yes, one, called the Primrose Trail. It started from nowhere and ended up nowhere!

Mr. Speaker, in 1964 once again northern roads were being built, they were being put into northern communities, good quality roads, and then in 1964 they stopped again and they were never resumed until 1972. Since that time roads have been put into isolated communities such as Patuanak, Pine House, plans are for Dillon — this is only in the Athabasca constituency, Mr. Speaker.

Airfields have been constructed at Beauval, Ile a la Crosse, improvements to Buffalo Narrows airfield and La Loche. A new airfield has been built in the town of Pine House. Plans are going ahead for a start on the airfield at Dillon and one is started at Patuanak. Mr. Speaker, roads and air fields have been a priority also with the Department of Northern Saskatchewan and these are progressing very well.

School and gymnasiums in northern Saskatchewan. Once

again we take a look at the gymnasiums, a new gymnasium put in at Buffalo Narrows, a new gymnasium at La Loche, a new gymnasium at Green Lake and plans are underway for a new gymnasium at Beauval. Mr. Speaker, this indeed is progress in education.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. THOMPSON:** — Operating grants have been increased substantially in northern Saskatchewan. In 1971-72 in Uranium City alone the operating grant was \$124,000. In 1975 the operating grant is \$335,654 and they will be receiving more money for this fiscal year. The Northern School Board has now become an elected board and their budget in 1972, Mr. Speaker, was \$1,844,000 and in 1975 it is \$4,880,000.

Since 1971 direct dialling telephones have been put into Beauval, L Loche and pay stations have been put into Patuanak and Pine House. They will be going into Turner Lake shortly.

Economic development has been an aspect of northern Saskatchewan that has been criticized. I should like to take some of the Members in the Opposition, the people who criticize, into northern Saskatchewan and show them what economic development has really done in the North. Many, many businesses have been started, new cafes, hotels, garages, post operations, fishing industries have improved greatly through economic development.

I should like now to turn to local government, Mr. Speaker. In 1971 there was virtually no local government in northern Saskatchewan. The governments that were there were in an advisory capacity only, they had very little money to work with, \$2 per capita. The Northern Municipal Council was then formed and they started to administer and foster local government in northern Saskatchewan. Since that time many of the towns have become local community authorities. They have grants this year of \$56 per capita. They are handling their own affairs and they have money to work with and it has proven well.

Mr. Speaker, in the next three and one-half years I will continue to work for the Athabasca constituency for a road network from the south shore of Lake Athabasca to Green Lake a road to Dillon this year is a high priority road, I'll be working on that.

I should like to now turn to sewer and water. Sewer and water has been put into communities at La Loche and Buffalo Narrows A start has been made on sewer and water in Green Lake and in Ile a la Crosse. Next year there will be starts in Beauval. Another thing that I should like to work for and see happen in the next four years, Mr. Speaker, is a provincial park put in the Clearwater Valley. This is one of the most beautiful valleys in northern Saskatchewan with the Clear Water River running from Alberta out into the centre part of Saskatchewan. The river is filled with trout, pickerel and grayling. I will be working for that to be turned into a provincial park. I will be working for a bridge across Buffalo Narrows and I will be working very hard to give senior citizens homes in northern Saskatchewan. This is one area, Mr. Speaker, where we have to move fairly fast on as we have many senior citizens in northern Saskatchewan and their housing conditions are still in a poor state.

Mr. Speaker, the Department of Northern Saskatchewan right now has become a complete success in ns. There is no way that you could take the Department of Northern Saskatchewan out of there. I challenge any of the Member from the Opposition to run against me in the Athabasca constituency just on the basis of what the Department of Northern Saskatchewan has accomplished.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. THOMPSON:** — New Democrats across this province are very proud of the accomplishments of the Department of Northern Saskatchewan. So also are the people of northern Saskatchewan very proud of that and they proved that in the last election as they elected two northern Members.

Mr. Speaker, in closing I support the motion and I oppose the amendment and the subamendment.

**SOME HON. MEMBERS:** — Hear, hear!

**HON. E.B. SHILLINGTON (Regina Centre):** — Mr. Speaker, my first words must be one of congratulations to yourself on assuming the office of Speaker. Although I am now in the House, I rather get the impression that the office of Speaker can be trying at times and a difficult role to fill. I think it is fair to say that it is a post which many people occupy but which few do really well and I join with all of the Members in wish you success as Speaker.

I should also at this time like to congratulate the Member for Wilkie (Miss Clifford), for Saskatoon-Sutherland (Mrs. Edwards). It has been many years since we have had women in the House and I think we are all pleased that they have some representation now.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — We might like to see them on a different side of the House but that will come next time. There was a time when the representation such as this would have inspired a comment that the House was much more attractive because they were here, but I think in the present day that might be considered condescending and chauvinistic so although the two Members would inspire some comment, I will refrain from making it.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — Also a number of the experienced Member have congratulated new Members and I thought about that for awhile and I thought that something along that line would be appropriate but it seems to me that perhaps what is more appropriate than congratulating new Members is to congratulate the Members who have returned. It seems to me, the world of politics being what it is, that there is a much better chance of being a new Member than an old Member.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — I should like to congratulate the old Members.

I would also like to very briefly touch on the constituency of Regina Centre. I think Members who were here before will be aware that the bulk of my constituency comes from the old Regina Centre represented by the Premier. I checked through the records in the Library and I wondered if any other Premier may have represented any part of my constituency and I find that it is not so. I find the present Premier is the first Premier to come from one of the urban areas. By that I mean Regina or Saskatoon. Perhaps that's a sign of the times, I don't know.

Before going on I wish to discuss for a moment the makeup of Regina Centre. It's different than most other constituencies if not all other constituencies. It is made up of the downtown core. During the election we estimated that over 50 per cent of my constituents are retired. I would estimate probably another one-third are probably on welfare and a goodly percentage of those are native people. The vast bulk of the others are young people who are single or married without children. There are very few of the middle class families living in Regina Centre.

The native people whom I represent have very severe and very difficult problems and we have difficulty in defining the problems much less in offering any solutions. I do believe that the solutions which we must have for those problems will have to be defined by the native people and they will have to come from them. So I guess for the moment our role is but to listen and this government stands prepared to do that.

I should also like to touch for a moment on the plight of senior citizens. The Hon. Member for Redberry (Mr. Banda) suggested that in the last election the Hon. Members opposite in Liberal and Conservative Parties used the senior citizens as pawns. I happen to believe that that is true. During the election I found that many of the senior citizens also believed that to be true. I found that the extravagant promises made by the Members opposite were simply not believed. The New Democratic Party is a party with a history of keeping its promises. We instituted a minimum income plan, one that this province could fund. We promised other things. We promised to continue and expand the Senior Citizens' Home Repair Grants, to make dentures available at a very reduced cost, provide a chiropractic program, provide an eye glass program, to develop a program whereby senior citizens might get around the country and see the province in development. These are promises which the New Democratic Party made, these are promises which the New Democratic Party is going to keep. I think that is why we received votes from the senior citizens in the numbers that we did.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — Just before I get on to the subject of potash, I want to deal with the remarks made by the Member for Morse (Mr. Wiebe). I think it may have created an unfortunate impression. He suggested that the Minister of Agriculture (Mr. Kaeding) was absent and left it at that. I think most Members of the House are aware that the Minister of Agriculture is attending a food

conference in Rome. If the Hon. Member for Morse didn't know that he should have and to simply state on radio that he was absent and leave it at that is unworthy of the Member for Morse.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — I want to go on and deal with the question of potash for a moment. The Hon. Member for Quill Lakes (Mr. Koskie) suggested that the expropriation of natural resources was a worldwide phenomenon. And that's true. Venezuela has taken over the oil industry, the Arabs have done the same. Why even in Canada, Mr. Speaker, the Liberal government in Quebec is nationalizing the Olympic Games.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — And, of course, Mr. Speaker, we don't use the word nationalize, because when you say that you are nationalizing something you imply you are bringing the benefits back home. I think the Government in Quebec might be afraid there aren't many benefits to bring back home so they haven't used the phrase.

I think there is a reason why national governments throughout the world are taking over natural resources. It seems to me, Mr. Speaker, that the capitalist system was ideally suited to exploiting resources on a frontier. It seems to me that that system might result in the exploitation of those resources as fast as possible with a maximum number of jobs. But today that's not what people want to do with natural resources. Today people want to conserve natural resources and make sure that the benefits of those resources go to the people of their lands and other lands, not to the multinational companies. I think that is why we find a worldwide trend of governments taking over natural resources.

I had an interesting experience two days ago. A representative from Guyana was visiting the Department of Co-operatives here. I find that we have the best developed Department of Co-operatives in Canada, if not in North America. One of the things we got talking about was potash because, of course, he heard about it while he was here. He said that his country had taken over bauxite three years ago. I said, "that is very interesting, tell me about it." He said "Well in my country there are three parties, the socialist party in power, the main opposition is the communists and there is a small right wing party. However, the right wing party represents most of the economic power in the country." He said the main opposition came from them. They said we couldn't run the bauxite, couldn't keep the people here, we couldn't market it. It just seemed to me, Mr. Speaker, that perhaps the Hon. Member for Qu'Appelle (Mr. Lane after he got to Washington and got the Washington government straightened out on the Land Bank should have gone on and helped the party in Guyana with their arguments.

However, it seems to me that what was said in Guyana is what is being said here. And I asked the Guyana representative how it went because the nationalization took place three years ago. He said, it's gone very, very well, there is no problem running the industry, most of the people stayed and they were

able to replace those who left. But, he said, the biggest problem was pension funds, most of the pension funds were invested overseas.

It seems to me that as long as national governments have sought to bring the benefits of resources to the people and have nationalized industries, the hue and cry of the corporations has been that you can't do it yourself. I suppose that was always true. I have a suspicion that in the feudal times when the barons plundered the peasants somehow or other they managed to convince the peasants that although they might have their excesses they were an essential part of society. It is hard to believe it, Mr. Speaker, but there are people in Saskatchewan who believe that we can't run a potash mine. In fact, I suspect that there might even be some of those doubting Thomases here in the House.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — Mr. Speaker, the Members on your left will be telling you that Saskatchewan people don't have the expertise or the skills or the energy or the resourcefulness to run a potash industry. They will tell you we have got to bring people in from the outside because Saskatchewan people aren't smart enough to run a potash mine. The people from New Mexico may be but the people of Saskatchewan aren't. Let other people do it for us because we are not smart enough to do it. This has always been the excuse for giving away our resources to the multinational companies. I simply do not accept that assessment of Saskatchewan people. Saskatchewan people are successful in many fields. We produced a former Prime Minister of this country and while not all of us might share his goals, I think it is fair to say that most Members of the House share a sense of pride in this honour.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — Saskatchewan has produced other outstanding public figures. I would refer the Hon. Members to two leading federal deputy ministers, Tommy Shoyama and Al Johnson. Tommy Shoyama is the former Deputy Minister of Health and Welfare and Al Johnson, of course, now heads the CBC.

I think it is true that we have opened more opportunities here at home for our people. If people know where they are doing they should be able to get there right here. It seems to me that one potash company at least will agree with me on that statement. It is interesting too that Saskatchewan people are beginning to see this province as the land of opportunity. I had occasion on the weekend to go to Calgary for the Grey Cup game and, of course, by the time I decided to go we couldn't get a hotel room. We went through the list of friends who has moved to Calgary and stayed with one of them.

**AN HON. MEMBER:** — That's co-operation.

**MR. SHILLINGTON:** — It was interesting, a party was held where there must have been 30 to 40 people there and all of them from Saskatchewan. All of them had left five to ten years ago. Not one of those people at that party in Calgary had left within the last

five years. I think it is fair to say that young Saskatchewan people are staying at home these days. I am convinced that the potash development will be part of the whole picture which makes Saskatchewan more attractive to young people.

So that Hon. Members will be aware of why we view potash as importantly as we do, I should like just for a moment to deal with the subject for a moment. The potash reserves as all Hon. Members will know in this province are immense. They are so immense it is difficult for the average person to grasp their magnitude. The total recoverable resources in Saskatchewan are about 118 billion short tons of potassium chloride. Next to the USSR we are the largest producer of potash. Indeed we have about 60 per cent of the free world's supply of potash. Saskatchewan is the Saudi Arabia of the potash world. In 1975 we will produce about 1.2 million tons, a drop in the bucket out of the total reserves, valued at nearly \$500 million. Potash is our third industry after agriculture and oil and it is an expanding industry. It will undoubtedly expand must faster than either agriculture or oil. Potash is an old chemical, it has been used for quite awhile to make certain consumer goods, such as glass. It wasn't until early in the last century that it was discovered that it was an important ingredient in the soil and that it could be used as a fertilizer. Today, of course, 95 per cent of potash is used for fertilizer. The world is going to need more fertilizer as more and more developing countries adopt modern farming techniques; as more and more food is needed to feed an expanding world population; as agricultural land becomes depleted of nutrients. Potash isn't going to solve the world's food crisis by itself but our reserves are certainly an important part of the picture, Mr. Speaker.

Potash is something that is needed when the soil becomes run down or depleted. Some cereal crops generally speaking do not deplete the soil whereas the left crops do. By way of example, tobacco does and grain doesn't. Because our soil here is new and because we don't grow leaf crops, we use very little of it here. It is rather ironical that as one of the major food producing areas in the world we use the least potash. But the areas, Mr. Speaker, where there is a good problem, in Asia, the sub-continent of India and China are areas where potash is really needed to grow food.

Mr. Speaker, I want just before leaving potash to touch on a subject that has been raised a number of times by the Hon. Member for Regina South (Mr. Cameron). He has raised a number of times the question of the right of federal disallowance and I think it is fair to say that he has not indicated that he would approve of such a move, he has just raised it. I certainly hope he doesn't reflect the views of his former employer, the Hon. Otto Lang. I think if the federal government were to disallow the Bill on potash, it would be a most unfortunate thing. I think it would be deeply resented by western Canadians. It is unnecessary; it wouldn't be justified. Whatever we might think about the direction in which Otto Lang seeks to lead the western agriculture industry, I think we can credit him with more good sense than that.

I should like now to deal with the question of inflation. It is as serious and as difficult a problem as Canadians presently face. I believe that slowly but surely over the years inflation has been eroding the fabric of our society. Canadians are known as great savers. I think many young people



have seen savings eroded with a seven per cent interest rate and a ten per cent inflation. Many young people have lost the respect that their fathers and forefathers had for saving. Perhaps more important though is the fact that inflation has aggravated inequalities in society. Those groups which have been able to bargain effectively have moved ahead, those groups that haven't, have fallen behind.

Our party for years has been advocating some form of controls. But by ignoring the problem in the federal election, which I guess was a correct political call, the Prime Minister was still ignoring the problem and whatever it might do to the country. After ignoring it for some 11, 12 or 14 months he has now brought in price and wage controls. I don't think anyone over here quarrels with the goals he seeks to reach. I think many Hon. Members on this side of the House are concerned about the form that wage and price controls may take. We believe that the dilemma of wage and price controls has always been that it is much easier to control wages than it is prices. It has been true whenever governments have tried to institute it. And, of course, that leads working people quite naturally to believe that they are the scapegoats. I think many people are afraid that the federal price controls are going to commit the same mistake.

We believe that interest rate should have been controlled. They are certainly an important part of inflation. We believe that the whole pricing mechanism is wrong. We believe that for most rises in commodity prices the companies should have to get permission in advance. And we recognize that that is perhaps not for some industries, e.g. produce in a grocery store, lettuce and that sort of thing, you probably can't ask them to get permission in advance. But those things, Mr. Speaker, could have been excepted. We believe that by and large price controls would have been fairer, and what is more important would have appeared fairer, if it had been set up in that manner.

I am convinced that perhaps the most serious shortcoming of the federal system is the serious under staffing. I have been informed that at the time the War Time Prices Board was disbanded in 1946, 20,000 civil servants were working for the War Times Review Board. The federal government proposes to accomplish somewhat the same thing with 200. I think it is just absurd to expect that 200 people can police prices in Canada.

The leaders of the trade union movement have suggested that the federal government is just controlling wages, that price controls are only cosmetic. We don't know that that is true, at least I don't know if that's true. But if it is true just as surely as the sun sets tonight wage and price controls are going to fail. If the federal government doesn't control prices, if the price control machinery isn't effective, then the whole wage and price control is going to collapse and if it does, it's going to be catastrophic. Not only will inflation be worse, not only will all of those problems I mentioned get worse but what I think is even more serious is that people will no longer be willing to give a system of wage and price control a fair chance. It seems to me that the system has just one chance and if it doesn't work this time, we are in real trouble. I hope the federal government listens to the recommendations that have been made to them by all of the provinces.

Mr. Speaker, I want to go on and deal very briefly with the remarks that were made by the Hon. Member for Nipawin (Mr. Collver). There has been a fair amount said about them and I don't intend to add much. Suffice it to say that it shoed poor judgment for someone who was new and who, by his own admission, knew very little about the procedure of the House to lecture us on how we should behave.

I think Mr. Speaker, that something positive came out of the speech. I really believe that. I believe that the Hon. Member's speech did more than anything else to breathe new life back into the Liberal Party. Hon. Members opposite looked like a lot of dead dogs. They felt their day had come. The speech by the Hon. Member for Nipawin gave them a ray of hope. They think now that have a chance. I think more than any speech that might have been made by the Hon. Member for Prince Albert-Duck Lake (Mr. Steuart) or even the former Ross Thatcher or Jimmy Gartner, the remarks of the Member for Nipawin breathed new life into the Liberal Party.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — False hope, the Members say. I want to end on what is perhaps a five cent irrelevancy. One of the things that is different about this House is that for the first time in four years nobody will be asking a question on the Order Paper about my salary. That is the first time in four years that hasn't happened.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — No doubt even the new Members are aware that questions frequently appear about a civil servant's salary. It always did irritate me when they asked for my salary year after year and I always thought that some day I am going to get in the legislature and some day I'm going to lay the wood to those people that are asking all the questions.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — The trouble was, Mr. Speaker, that the two Members who did it most frequently, the Hon. Member for Athabasca and the Hon. Member for Moosomin are no longer here so I lost the opportunity. Perhaps there is a lesson in that. Perhaps you have to expect that. But I suggest Members opposite should be careful placing questions on the order paper about civil servants, asking for the qualifications and salary of the other. I can tell you that civil servants resent it very deeply. I think the Hon. Members opposite should think rather carefully before they do it.

It goes without saying, Mr. Speaker, that because of the foregoing I will be voting against the amendment and for the main motion.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. A.N. McMILLAN (Kindersley):** — Mr. Speaker, I don't intend to involve the House for

too great a length of time, nor do I intend to raise my voice. I wouldn't, I think, like to wake up the Members opposite who seemed to have dropped off during the address from the Hon. Member for Meadow Lake (Mr. McNeil).

Let me begin by saying that it is a great pleasure for me to rise in this Legislature as the representative of the people in the Kindersley constituency. It is not an easy decision to let your name stand for provincial office. I suspect it is even more difficult for a young person to make than for most. For this reason, I should like to thank Dave Steuart and the Liberal Party for encouraging me and other young like myself to let our names stand for election on June 11th, past. For the most part young people have few choices about their careers in Saskatchewan, Mr. Speaker. They can farm, thanks to a relatively healthy agricultural environment, or they can get involved in the service sector or the labor force. Service sectors directly or indirectly related to agriculture or service areas that are government oriented such as teaching, nursing, or in fact, directly civil service. However, Mr. Speaker, young people raised in Saskatchewan have a third alternative, one which they have been turning to continually over the past few years. They can, in fact, leave Saskatchewan.

The Liberal Party recognizes the exodus of our young people as a long-standing problem and a major problem, Mr. Speaker. The worst part of this problem, however, is that this situation continues relatively unchanged despite agricultural affluence and a tremendous opportunity for this government to expand our economic base and give young people additional opportunities to stay in this province.

Mr. Speaker, the Liberal Party has given me the encouragement to try and correct this situation and the people of the Kindersley constituency have given me the opportunity to try and correct this situation. I should like to thank them both.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McMILLAN:** — Mr. Speaker, it wasn't easy for me to defeat Alex Taylor, the former Member for Kindersley. Particularly because he was a veteran campaigner and a Cabinet Minister and I was, admittedly, a political novice. Alex Taylor was a sincere man and a hard worker, Mr. Speaker, and it may be argued that his only fault lay in his association with the New Democratic Party and the Members opposite.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McMILLAN:** — An association, Mr. Speaker, that was so damaging to the people of the Kindersley area that Mr. Taylor spent much of his time trying to entice a crutch factory to locate in Kindersley, not doubt to support either his government's crippling programs or his own sagging political popularity. I hate to be an alarmist, Mr. Speaker, but since the election, rumour has it that the crutches are no longer needed in the Kindersley area and the factory will consequently be locating in Rosetown. I offer my condolences to the Member for Rosetown-Elrose (Mr. Bailey) and also express my surprise that his election could so quickly cripple the Rosetown-Elrose area.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McMILLAN:** — Mr. Speaker, crutches couldn't maintain the political stature of the former Member of Social Services, neither could sincerity or hard work. The odds against him were too great. Mr. Taylor was defeated by a Land Bank program, Mr. Speaker. A Land Bank program which saw millions of dollar of taxpayers' money used to put arable farm land under state control with no real option for Saskatchewan's young people to buy that land back.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McMILLAN:** — Mr. Speaker, the former Member for Kindersley was defeated by a Hog Marketing Commission, a commission that was rammed down the throats of Saskatchewan farmers in such a way as to make democracy in this province laughable. Mr. Speaker, Alex Taylor was defeated by a Social Services program of his own making. A program, Mr. Speaker, while compassionate in its intent, but it was not only cumbersome and inefficient, a program which encouraged people to become dependent on social assistance. Mr. Speaker, many other things contributed to Mr. Taylor's defeat. A highway program with a construction and maintenance record that is nothing short of disgraceful.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McMILLAN:** — A Senior Citizens' program that did nothing but pay lip service to the needs of Saskatchewan's pioneers, and an educational program which took more and more of the decision making powers out of the hands of parents and put them into the hands of the government.

Mr. Speaker, Alex Taylor was defeated for a number of reasons, many of them just mentioned, but no single issue contributed more to his defeat than this government's implementation of Bill 42.

Mr. Speaker, I suspect that Kindersley is much the same as other oil producing areas of this province. It is primarily an agricultural area with the oil industry serving as an important and welcome secondary industry. The oil industry has provided new life to our community over the past 25 years. It ha brought drilling rigs into the area and it has necessitated the development of a large oil service industry in Kindersley and surrounding towns. The oil industry has created a new demand for products and services. This has resulted in the expansion and development of new retail industries and service industries. It has brought new people into the area and provided new job opportunities for people already living there.

Agriculture has been the basis for the economy of the Kindersley area and the oil industry has provided the vitality. That vitality was eliminated with the implementation of Bill 42. The drilling rigs left, Mr. Speaker, each taking with them 30 to 50 employees. The oil wells were allowed to fall back in production and work for the service companies dried up. Service companies folded up and moved, or sank on the spot. Jobs were lost, people moved away, and literally millions of dollars of oil-based and related business was lost from the Kindersley area.

Mr. Speaker, the Members opposite have apparently seen the light as far as the oil industry is concerned. They have indicated their intention to introduce amendments to Bill 42 to correct the untenable situation in the oil industry. The people of Saskatchewan have been demanding this for two years. I hope, Mr. Speaker, that the amendments prove worthwhile.

I would have assumed also that the Members opposite would have learned a lesson from Bill 42. I had hoped that the government realized that its short-sighted greed was not in the long term best interests of the people of the province. I was in fact, sure that this government had learned that lesson by the loss of two Cabinet Ministers in oil producing constituencies and vote or rejection of 50 per cent of the people of this province in the last election. I was positive, Mr. Speaker, that the Members opposite would at least take the time for sober reflection. Obviously, I was wrong. This government has plunged its arm into the potash industry to a degree not even approached by Bill 42.

They have, Mr. Speaker, probably condemned this province to four years of fiscal illness unmatched on this continent. Young people, like myself, Mr. Speaker, may be forced to take the geographic cure for such illness, and they will continue to leave this province to find employment elsewhere.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. McMILLAN:** — The Members opposite have guaranteed young people that career opportunities in this province will not be expanding in the next four years. They have guaranteed the people of this province that if our economy grows in the next four years it will do so because of a healthy agricultural industry and for no other reason, Mr. Speaker. The fact that this government could even consider implementing major programs complimenting their narrow philosophic views would be understandable if they had a convincing mandate from the people of this province. They do not. Yet they sanctimoniously introduce major legislation into this House knowing that a majority of people in this province feel the government's action is not in their best interest.

Mr. Speaker, their gall is unforgivable. I will not be supporting the motion, Mr. Speaker, but will be supporting the amendment.

**SOME HON. MEMBERS:** — Hear, hear!

**HON. W.A. ROBBINS (Minister of Health):** — Mr. Speaker, may I upon entering the debate offer my congratulations to you on being elected to the high office you currently occupy. I am sure that you will bring credit to it. I should also like to add my congratulations to the thoughtful contributions made to this particular debate by the Hon. Member for Quill Lakes (Mr. Koskie) and the Hon. Member for Melfort (Mr. Vickar) in their speeches when they moved and seconded the Address-in-Reply to the Speech from the Throne.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROBBINS:** — Mr. Speaker, my congratulations to all newly elected

Members on both sides of the House — may they well represent all residents of their respective constituencies.

I might make a brief comment with respect to the Member who has just taken his seat when he talks about sober reflection. I want him to know that any reflection I have is sober. I am always sober.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROBBINS:** — Mr. Speaker, I will not prolong the debate unduly but I should like to express brief remarks on our resource industries and on our present problems with inflationary trends in our economy and I may even have a word or two to say about Health.

Prior to doing so, Mr. Speaker, I wish briefly to comment on remarks made by some opposition Members in this debate. I note that both of the Hon. Members for Saskatoon in the official Opposition expressed distaste and dissatisfaction over the ward system in our two major cities. I find that stance a rather strange one, Mr. Speaker. The party to which they belong changed Saskatoon from a multiple member constituency to a number of single member constituencies because they said it was undemocratic to have a multiple member constituencies. They contended it was a gerrymander which saw Saskatoon elect CCF Member solely for a long number of years. Perhaps it wasn't as democratic as single member constituencies. Then why isn't it more democratic to have single member constituencies or wards in municipal elections rather than all councillors elected at large? They are critical of the fact that the government did not consult the people of Saskatoon or Regina with respect to setting up the ward system. Did the Liberal Government of Saskatchewan consult the voters of Saskatoon when they set up single member constituencies in 1967. They did not. Did they do a very efficient job concerning representation by population in those constituencies? They did not. It is interesting to note the two independent "elder persons" from Saskatoon (may I coin a phrase) past and present, somehow are able to shed their independence — sort of rise above their principles — when they emerge politically for a legislative contest on the provincial scene.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROBBINS:** — I was amazed, Mr. Speaker, by the performance, and I believe it was a performance of the Hon. Member for Nipawin (Mr. Collver) in this House in its first session. Former Members are aware, Mr. Speaker, that I on occasion indulge in a bit of poetry in legislative debate. On one occasion an opposition Member dubbed me the poet laureate of the legislature. I deny that title. Mine is strictly verse — I resort to it on occasion because the record of the Opposition is getting 'verse' and 'verse' as time goes by.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROBBINS:** — I beg the indulgence of the Assembly while I describe my reaction to the Hon. Member for Nipawin and his legislative comments in this House:

The PC Leader was slated to go  
 On the air in the House, for an hour or so:  
 He entered the debate on the third or fourth day  
 To expound his theories and make PC hay,  
 He started out solemnly, measured and slow;  
 In deep scolding tones, to let us all know  
 Just where we all stood, an unruly lot;  
 That should be banished forever, or put on the spot;  
 With all of the voters across this broad plain —  
 Our ill-mannered postures — just give him a pain —  
 He is suddenly speechless — he's struck deaf and dumb;  
 He's spotted a Member, who's chewing some gum.  
 This inflationary habit he condemns with a snort —  
 How dare they — the Members engage in such sport.  
 Overcome by it all he sinks to his chair  
 Giving up in disgust, he's filled with despair,  
 Don't worry, dear Member, this will give you a kick  
 For all will be righted, in time, by our Dick.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROBBINS:** — Mr. Speaker, potash is in today. Time Magazine refers to the proposed Saskatchewan policy in relation to potash as potash poker. Let's examine that statement. Financing a large investment in potash will not necessarily be an easy task. But we should look at the facts. The credit of this province, despite the remarks of the Hon. Member for Kindersley (Mr. McMillan) is as good or better than that of any province in Canada. This province, under all governments, CCF, Liberal and New Democratic in the last 30 years has accumulated 28 surpluses and had only two deficits. Those surpluses totalled \$194 million. The deficits \$6 million for a net surplus figure of \$188 million. We have a good reputation and a good base to start from. All that has occurred since World War II.

The long term future of the potash industry is bright. The world must have fertilizer and we have a great deal of it. Proven reserves of 118 billion tons based on present production and present demands indicate a supply for at least 5,000 years. The demand is high and prices are rising rapidly.

Take a look at some of the records in the last couple of years. Two years ago China bought some 18,000 tons of potash, last year 138,000 tons. Look at India, 190,000 tons two years ago, 269,000 tons last year. Brazil has increased its purchases from 47,000 tons to 307,000 tons in one year. The long term demand from these countries is bound to be very, very large.

Investment, I would argue, Mr. Speaker, in potash parallels investment in land. You assess the potential production and you schedule your payments accordingly. The net assets balance the net debt and Saskatchewan people will own both the potash and the means of producing it. The purchase of the payout will be separated from provincial tax funds. Loans will be repaid from income generated by the industry itself. Earnings will no longer flow beyond our borders to corporate shareholders, who are largely foreign — they will remain at home in Saskatchewan.

Mr. Speaker, I do not consider public or private enterprise virtuous or villainous in itself. However there is a myth abroad that somehow all private business is efficient and public enterprise is not. The record denies this assumption. There is

a great deal of waste in private entrepreneurial ventures. It simply does not receive the concentrated public scrutiny which is directed toward public enterprise. I suggest to the Hon. Member for Nipawin that the people of Saskatchewan can find out a great deal more about the operation of the government of this province than they can find out about the Bessborough Hotel. I call as a witness, Eric Kierans, eminent economist, former federal Liberal Cabinet Minister, Stock Exchange President, McGill University Economics Professor. His comment is as follows:

Society has created a monster in the private corporation — tax concessions have helped to create the problem of concentrated corporate power which the federal authority now feels compelled to investigate.

Incidentally the person from the federal authority who is investigating corporate power in this province is Robert Bryce, the former Deputy Minister of Finance who actually designed a lot of the regulations giving a lot of the tax concessions to the same corporations that he is now investigating. I notice one of my colleagues made reference to Venezuela and its takeover of the oil industry. This is something that is happening all over the world in terms of natural resources. The Government of Venezuela is paying \$1 billion to people like Exxon, Mobil Oil, Gulf, Texaco, Shell. The October 28th deadline passed without any representation or protestations from any of those companies in relation to the payments they are about to receive from that government. And well they might let them pass because those companies took over \$40 billion in profits out of Venezuela in the last 60 years.

Mr. Speaker, a few comments on inflation. I headed a delegation of Ministers to Ottawa conferences in late October and early November with respect to the national government's anti-inflation proposals. There are many unanswered questions. May I make my personal position crystal clear. I think the Prime Minister of this country was right when he said on October 13th that our attitudes must change. I thin it incumbent on every Canadian to become a 'conservator', one who conserves in society. I didn't say conservative, Mr. Speaker, because a Conservative is a fellow who will fight to the death to prevent from passing out what his father fought to the death to prevent from coming in.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROBBINS:** — Before the Members in the official Opposition get too enamoured with a statement like that, I would remind them that in Saskatchewan, Liberal is simply a Conservative with a conscience to which he pays no attention whatsoever.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROBBINS:** — I would disagree with any attempts to opt out of the anti-inflationary program. This is not to say the program is satisfactory, in many ways it is not. Wages and salaries can be much more easily controlled than prices. This is a known fact. Therefore we should be taking every step we can to assure that prices are as effectively controlled as they possibly can be. It is true that some price increases may be justified in terms of rising costs. But there is no way, Mr. Speaker, that



the people of this country should stand for price increases occurring prior to the proposals for those price increases being presented to the Anti-inflation Board. In other words they should have to justify their increases in prices before the price changes actually take place. If that were done, that alone would slow the whole inflationary process appreciably.

Professional fees — we made many protestations in relation to professional fees when we were in conferences in Ottawa. We cannot control incomes by simply setting professional fees. An example would be an architect who is designing a building. If the fee is four per cent of the cost of that building and the building doubles in cost, obviously you cannot control its income in that way. We argued along with a number of other provinces with governments of all political persuasions that a surtax should be applied to professional incomes and frankly if a surtax is not applied to professional incomes, those professional incomes will not be adequately controlled.

Rents, Mr. Speaker, are a real problem today. One of the basic reasons for that problem is that rental accommodation is extremely scarce. It is extremely scarce in this city. It is very scarce in the city of Saskatoon. We argued for an excess profits tax on financial institutions — we were thinking basically of the banking institutions and trust companies — with such tax funds funnelled back to CMHA and through CMHA to the housing corporation of the various provinces in order to increase rental construction to reduce that scarcity factor. I might suggest, Mr. Speaker, that more than \$1 billion would be available today to the federal authority of this country if they would apply an excess profits tax to financial organizations only and relate that money back to the housing situation.

All we have to do is look at the banking institutions today. They are at the peak of profitability. I am certain that every person in this House has heard of Chargex cards and Master Charge cards. The rapid increase in the profits of the banking institutions of this country is directly related to the increasing use of Charges and Master Charge. Consumer debt in this country has grown more than 400 per cent in the last two years. It has increased from less than 14 billion ten years ago to over \$17.5 billion at the end of July. No logical person can argue that doesn't make very excessive demands on the economy of this country. If we are going to control inflation in any reasoned way, I suggest the federal authority must take some reasoned steps in relation to consumer credit in this country as it exists today. In fact, Mr. Speaker, I would argue, that when you and I as consumers, if we use Chargex and Master Charge cards, sign that charge card when we make a purchase, in effect we are printing money and the federal authority of this country has lost control of the money supply.

Many try to tell us that government spending is responsible for inflation. I have heard that argument from people across the way. But rising expenditures fully covered by revenue flows do not make a net demand on the economy. When the Hon. Member for Kindersley makes remarks with regard to fiscal illness he fails, I think, to fully understand the implications of the fiscal measures that have been taken in this province by all governments, and I repeat again, CCF, Liberal and the New Democratic administrations from 1944 on. May I point out, sir, that federally, under both old line parties, both the Conservatives and Liberals, consistent deficits, 23 of them in the last 27

budgets — and that compares to 28 surpluses in Saskatchewan in the last 30 budgets — clearly indicate where the inflationary pressures occur. Does such fiscal irresponsibility create inflationary pressures in the economy? Obviously it does. One would not mind deficit financing in depressed times — but what is our position as a country when we consistently run deficits in prosperous times? In addition, Mr. Speaker, we eliminate our options when less prosperous times arrive — as they most surely will.

Mr. Speaker, a third point we attempted to make was that the government in Ottawa should remove 'indexing' from the federal income tax system and do it as an anti-inflationary move. Ottawa and the provinces will suffer a great deal in the current year in terms of revenue losses — in excess of a billion dollars. This province alone will lose some \$13 million of revenue in 1975 based on the indexing that is occurring at the federal level. Every province in Canada argued against indexing when it came in. Every province. I want to remind this House that the provinces did not agree to indexing of the Income Tax Act. And the way it is set up in terms of the exemptions and also the marginal rates of income tax that apply, the assistance definitely goes to the people who least need it.

May I state one simple example. Indexing will save a person on a \$5,000 income in the year which we are just ending, when they file a return next April, 1976, between \$15 and \$20. Another person on a \$50,000 income will save been \$700 and \$800. It is obvious in terms of the inflationary pressures in the economy that it is the person at the bottom that needs the help and not the fellow with the \$50,000 income.

Yes, Mr. Speaker, we support the principle of fighting inflation but we would ensure reasoned success in the battle with reasoned and disciplined measures — that's why we are still asking Ottawa plenty of questions and we are still awaiting answers.

Mr. Speaker, before I conclude my remarks, perhaps I should make a few remarks with respect to the Department of Health. I certainly do not pose as an instant expert in health. I am as surprised as any one else that I am Minister of Health. I told the Premier when I was appointed to this position that I knew unemployment was low in this province but I didn't know a fellow could get a job even when e didn't apply for it.

We really have an urgent need to improve living standards of low income persons, the elderly, the chronically ill, the economically underprivileged. This government is concerned about the increasing cost escalation in institutional health care. We recognize the legitimacy of some wage and supply costs but we need to reduce unnecessary hospital utilization and there is evidence of that, prolonged lengths of hospital stay, and there is evidence of that, and unnecessary surgical operations, and there is clear evidence of that, Mr. Speaker.

It is important, Mr. Speaker, that we find lower cost alternatives health service as a tradeoff to high cost services. There is a real need for firmness in enforcing the cost alternatives if the health sector does not undertaken initiatives on a voluntary basis. I sincerely hope that they will do so.

There is no urgent need to develop a new health cost

sharing formula with the federal authority which will move the cost sharing emphasis away from institutional services to the less expensive currently non-cost shared community services. Mr. Speaker, most of our health problems are self-inflicted. We need to change our current life styles which lead to ill health. Our health costs are extremely high for treatment for such things as alcoholism, cancer related to smoking, traffic accidents and bad food habits and resultant cardiovascular diseases. We call on the federal authority to accept some responsibility in these areas on a shared basis with the province and to move those costs away from the high incidence of institutional care.

We also need, Mr. Speaker, an improved traffic safety program. We require strong measures to contain death and disability in traffic accidents, particularly those related to drinking and driving. Mr. Speaker, the interim report on the Saskatchewan Vital Statistics tabled today in this House indicates 611 people lost their lives last year in Saskatchewan in accidents, and the major cause of those accidents was related to traffic accidents and a major component in those traffic accidents was the problem related to liquor.

I look forward, Mr. Speaker, to the Good Samaritan act, if I may term it as such, which will take some pressures off individuals who may be feeling at the present time that they cannot stop to assist people who have suffered an accident. I am sincerely hopeful that every Member in this House will support that measure because I think it should be of appreciable value in the future.

I presume, Mr. Speaker, that the Members of this House have long since concluded that I will not support the amendment but I will support the main motion.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. R.H. BAILEY (Rosetown-Elrose):** — Mr. Speaker, I am pleased to be able to stand at this time to represent the new constituency of Rosetown-Elrose. I should like to congratulate you, Mr. Speaker, as well as the Hon. Member for Weyburn (Mr. Pepper), appointed Speaker and Deputy Speaker. I should like to congratulate all Members, those who are serving for the first time in this House and those who have been re-elected for their constituencies.

Mr. Speaker, I am very proud, as I said earlier, to represent the new constituency of Rosetown-Elrose. The northern part of the constituency was represented in this legislature last year by the late George Loken, the southern part of the constituency was represented by a very fine man, Hayden Owens. Both of these gentlemen, Mr. Speaker, both inside this House and outside this House, maintained a very traditional-like conduct and certainly it would not be becoming of me as the new Member for a new constituency to behave any differently than they did.

Now, Mr. Speaker, we hear somewhat about the cities in our province, the Hon. Members for Regina and Saskatoon telling us about these cities, and we are all proud of the cities of Saskatchewan. I'm just wondering, Mr. Speaker, in speaking for the first time if I could inform the Members of this House that

although I do not have any statistics as such, I am quite sure that the Rosetown-Elrose constituency produces more gain than any constituency in Saskatchewan.

Who are all of these people, Mr. Speaker, who live out in the rural areas? We know where Regina is and Saskatoon and Swift Current and Moose Jaw, and I went to the index of names across Saskatchewan and I am wondering how many of the Members within this House have heard of Ardath, Anerley, Anglia, Beechy, Bounty, Bickleigh, Bentes, Birsay, Chipperfield, Conquest, and going on down the list I was able to find a name, Mr. Speaker, to match every letter of the alphabet within my constituency.

During this debate, it's the first time in the House, Mr. Speaker, I listened to a challenge that was put forth by the Hon. Member for Kelsey-Tisdale (Mr. Messer); a challenge which invited people on this side of the House at least to come to his constituency and contest an election. I wonder if that same Member who happens to be absent this afternoon would like to go to Estevan or Swift Current and contest an election on the oil issue in Saskatchewan.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BAILEY:** — I should like to provide this same Member with a challenge that he can come to Rosetown-Elrose constituency any time he likes and campaign on the Land Bank.

Now, Mr. Speaker, my party does not support the concept of proportional representation. But when you realize, Mr. Speaker, that the government sitting opposite had but 10 per cent approximately more popular votes than we had, when you realize that my party picked up 30 per cent of the popular vote in this province, and yet we are representing that percentage with somewhere between 11 and 12 per cent of the seats in this House, it is very becoming of us then, and we realize the responsibility that is ours in representing such a large percentage of voters thought having such a small percentage of the seats in this House.

Mr. Speaker, for the record, I should like to request the Hon. Member for Regina Rosemont (Mr. Allen) that it was not the Hon. Member for Nipawin (Mr. Collver) who said that Saskatchewan people could not run potash mines. He can go to the records and he should make that correction and he should make it in this House.

Mr. Speaker, I have followed the legislature debates in this House for many, many years. I remember when radio was first introduced into debate. I was disappointed in many respects with the debate, Mr. Speaker, because I have heard these same stories for the last 20 years. When the crops are poor in Saskatchewan because of a number of factors that can cause poor crops, grasshoppers, drought, frost, and the world demand drops off so that the prices fall, the Hon. Members always have the crutch of crying — it's Ottawa's fault. When the good Lord blesses us with ideal growing conditions, and the demand is high and prices are high, they want to take all of the credit.

Mr. Speaker, I want to say that the people of Saskatchewan listening to that record are fed up, and they are fed up

plenty with that type of debate. The Hon. Members in this House should, for the most part, and I know the provincial affairs do relate somewhat to the affairs in Ottawa, but let's keep out debate centred on Saskatchewan issues and not pass these matters over and blame everything on Ottawa.

Mr. Speaker, the Hon. Members opposite do not have to tell this side of the House, at least seven of us, that Ottawa is in a mess. We know that. There's no point in going on and on, and I would suggest to the Hon. Members opposite and to the Members of the opposition that that situation will be corrected after the next federal election.

The Hon. Member for Quill Lakes (Mr. Koskie) referred to the Leader of the Liberal Party (Mr. Steuart) as Snow White and I'm sure that the Hon. Member for Prince Albert-Duck Lake has been enhanced and glorified ever since, because Snow White as you know, was a very charming individual with a sweet personality that brought lot of charm to a lot of people . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. BAILEY:** — . . . however, one part was that she was very pleasant and soft-spoken. But she did bring a great deal of happiness, and as far as the seven dwarfs are concerned, Mr. Speaker, I just want to say that everybody loved them. Everybody. Nobody ever quarrelled about the seven dwarfs.

Now Mr. Speaker, in the early part of this century there were seven people who depicted Canada through the artistic skill and they became known as the Group of Seven. They impressed the people so much in this country that they took that very title. So I would ask the Hon. Members opposite, both on the government side and the opposition, just to refer to us as one of the group of seven.

Mr. Speaker, there has been a great deal of rhetoric in this House about inflation. Yes, indeed, inflation is probably taken over from weather as the major topic of conversation. But I want to suggest that the results which followed after the election in Saskatchewan on June 11, contributed a great deal to inflation. Twenty-two defeated MLAs, 22 defeated NDP candidates. As has already been introduced and referred to in this House, a letter that asks to how best can we fill the needs of those people who have failed to win a seat.

Now, Mr. Speaker, I know that all the defeated candidates did not seek a job with the government. But let's say that 15 of them did. Picking off a salary of \$25,000 per annum means that the government had to dig into the public coffers somewhere and dig up \$375,000. I suggest to you that is aiding inflation. This government has demonstrated beyond any stretch of anyone's imagination that they have now a new slogan — the party first and the people second.

Mr. Speaker, the Hon. Premier (Mr. Blakeney) of this province made a suggestion the other day. We, in Saskatchewan would perhaps have to wait a little while to get some roads, we would have to wait to get these necessary bridges, and yet the expenditures of government buildings to be staffed by an army of civil servants, must go on. And again they are demonstrating that it's the party first and people second.

One of the first press releases, Mr. Speaker, which I heard after the election, was from the Hon. Member for Biggar (Mr. Cowley) and he suggested at that time that perhaps we would have to tighten our belts. By the speeches I have heard so far from the Members opposite, they indicate that this government has no intention whatsoever of curbing government spending. They have no intentions whatsoever of aiding in this fight against inflation. Their actions demonstrate that the party comes first and the people second. It has become very clear of the people of Saskatchewan that they will continue to fan the flames of inflation and then try to blame Ottawa.

The potash issue itself as received a great deal of discussion on both sides of the House. I'm sure that the people in the province right now are probably reaching the point that the word 'potash' is just slightly turning them off. But there is the point that I should like to suggest to this House at this time. How does this government know, Mr. Speaker, how do the Hon. Member opposite know right now that the potash companies are not in fact going to accept a settlement, take the money and laugh all the way to the bank! A certain gentleman in Saskatoon entered into agreement with this government and certainly he laughed all the way to the bank.

Mr. Speaker, this government has a unique way of destroying those who would oppose them in any way. When the oil companies stood up, the government enacted a bill and they chased them out. I'm proud that the government has recognized their faults. I'm proud that they recognize the faults they had in that piece of legislation. I don't know whether the amendments are going to entice these people back in again or not, but I'm glad that they admit that they make a mistake there. When the potash industry entered into disagreement as part of our society, the government says — we'll just move in and put them away forever. We'll buy them out.

Mr. Speaker, there has been a long tradition in the province of Saskatchewan that politics at the local level would be non-partisan. Politics at the local level would not be along party lines, and for a number of years not only the government opposite, the NDP, but the CCF, have attempted at various intervals in the history since 1944 to introduce into our local level provincial politics. And when the cities of Saskatoon and Regina did not want to move in that way, the Government of Saskatchewan simply said this: Look, we know more about how to operate your city than you do; we know more about your city than elected members who serve on those councils; and we will simply and arbitrate to tell you that you are going to have the ward system. That's how they got around that.

Now, Mr. Speaker, I'm disappointed that the Hon. Member for Last Mountain-Touchwood (Mr. MacMurchy) is not in his seat today, because there was another group of people who had a say and who have had a long say in local elections and local control in this province, and I'm referring to the school trustees. When the school trustees failed to agree with this government opposite, the government therefore sought about and brought in legislation that all but destroyed this organization and the control that they had. It was the intention of the Hon. Member, the former Minister of Education to set about to destroy local control of education. He introduced an Act which this government supported, which said we will have negotiations of salaries and so on at the provincial level. My party is not quarrelling with

that. And what we are quarrelling with, Mr. Speaker, is the way this government moved legislation to humiliate elected trustees at the local level. Destroy them if you can. So, Mr. Speaker, with the Federation, the Teachers' Federation in the province and certainly all the capabilities they have, they were to sit on this side of the negotiating table and on this side the government said to the trustees, hundreds of them strong across this province, "We'll let you sit in, but we can only let four of you sit in. In doing so, remember that you have five senior civil servants sitting in front of you and they are responsible directly to the Minister." That's exactly how they cut down and slashed away at the local control in education. Mr. Speaker, I happen to have been in education in this province for some 26 years and if the Hon. Member opposite would like to have some good reading, I would refer them to the Thursday edition, November 20, 1975, of the Regina Leader-Post where we have a very interesting article by Mr. Ray Guay of Moose Jaw. Mr. Speaker, I should like to quote somewhat from this particular article:

The Minister and his department are at the head of the line because education has become a topsy-turvy world. No longer does the department listen to the heart beat and the pulse of the community, it regulated it.

That is exactly true in Saskatchewan today. Mr. Speaker, I should like to quote also what Mr. Guay has to say about how this government turned down a request:

A while back, the Saskatchewan Chamber of Commerce asked for a royal commission on education. There has been no reaction by the Government. The reason is fairly simple. The Government, not only the one in this province, would not know how to relinquish some of its usurped authority, it would have no faith that anyone can do the job better than it can.

While we talk about the billion dollar investment into potash; while we talk about the multi-million dollar expenditures that are taking place in government highrises across this province. Now I had three phone calls the other day. These phone calls all came from rural credit unions, Mr. Speaker, and they had been informed, if I can read them correctly, that as of December 1st, that the Saskatchewan Power Corporation will not be paying them any commission for the collection of Saskatchewan Power bills. Now the customers may move down the street, Mr. Speaker, and pay the power bills at a licensed retail outlet that's authorized to collect. But what they have said to these rural banks and these rural credit unions is this, that if you want to collect a 25 cent fee, that's your option, that's what option you have. Now, Mr. Speaker, a Crown corporation of this government telling these small banks and the small credit union that do a very valuable service, particularly in the rural areas of this province, that they will not be paid a commission, but other collectors will be paid a commission, makes this government look like a two-bit organization.

Mr. Speaker, I am looking forward to serving in this House. I'm looking forward to serving the constituency of the Rosetown-Elrose constituency.

I want this House to know that we will diligently at all times respect your position and your rulings. Mr. Speaker, we

in the Conservative Party, we the Conservative Members of this House, we believe very strongly that the Throne Speech outlines very detrimental legislation to the future of Saskatchewan. We do not believe that the amendment strongly enough criticizes the government for its failure to act in the fight against inflation and does not strongly emphasize our objections to the continued growth of government power in Saskatchewan. However, Mr. Speaker, the amendment does give us an opportunity to register our displeasure with the proposed legislation and accordingly, Mr. Speaker, it is our intention to support the amendment.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. S.C. WHELAN (Minister of Mineral Resources):** — Mr. Speaker, I congratulate you on your appointment to the highest office in this legislature. I have sat in the legislature with you since 1964 and I know you to be a fair and judicious person. I have no hesitation in predicting that you will be one of the ablest Speakers ever to occupy the Speaker's Chair.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WHELAN:** — I wish to congratulate the new Members, and to express to them my best wishes for a good relationship between them and the constituents they represent.

It is gratifying to be re-elected by a constituency like Regina North-West. This constituency is made up of new voters — young couples in new homes, as well as established citizens in an older portion of Regina.

New subdivisions require new schools, recreational facilities, libraries, day care centres, an overpass or complete removal of railway tracks to facilitate access to this portion of Regina. It is my intention, as in the past, to work diligently for the voters of Regina North-West and to make this area the best place in the city to raise an educate a family.

Mr. Speaker, I wish to express my sincere congratulations to the new Members who have been recently elevated to Cabinet rank. Each in his own way will make a valuable administrative contribution to the province. The Hon. Member for Canora (Mr. Matsalla) is hard working, tolerant, meticulous and very close to his constituents. The Hon. Member for Saskatoon Buena Vista (Mr. Rolfes) has already distinguished himself as a spokesman who is persistent and effective. The Hon. Member for Regina Centre (Mr. Shillington) is a long-time associate, although quite a young man, as a legal assistant in the research office when we were in the Opposition, as a candidate in the Moosomin constituency, as an executive officer in the government and more recently, as a candidate in Regina Centre. He has proven himself to be an able lawyer, an effective spokesman and, I suggest, an informed representative.

Those on the back benches on our side of the House who sit in this legislature for the first time, each in his own way, I predict, will prove to be a good choice for the constituents who elected him.



In addition to the mover and seconder of the Speech from the Throne, who introduced this debate and who did an excellent job, there are three other Members I should like to make special mention of.

First, my close associate, the Hon. Member for Rosemont, the legislative secretary to the Premier. This young man whom you all know by now is an able debater, for many years, perhaps since he acted as a page in this legislature, has prepared and trained himself to be a Member of this House. He is personable, articulate and well-informed. His uncle, who was a prominent officer in a railway union, told me when 'Billy' was eleven that one day he would be a Member of this legislature. The Hon. Member has worked for our provincial party as an organizer, director of organization and provincial secretary and now sits on the executive of the federal party.

When the Liberals gerrymandered my constituency and put two and a half ridings in one, it was automatic that proper redistribution would result in at least another seat, Mr. Speaker. I am proud of the fact that the Hon. Member for Rosemont represents a portion of what was Regina North-West. This province and this legislature will hear a great deal from the Hon. Member for Rosemont, and Rosemont, I predict, will re-elect him, Mr. Speaker, again and again.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WHELAN:** — There are two other Members I should like to make specific mention of, they are Members who hold the two northern seats. Because the activity of my department takes me to their areas, in a short period of time I've got to know both of them quite well. The northern ridings and the government in this legislature are extremely fortunate to have two such able representatives for this huge area. They live in their ridings, they know the people, they are able, knowledgeable representatives. We have made some mistakes in the North — governments who develop new programs are bund to — but, Mr. Speaker, if in that process we have developed leadership such as the leadership that these two Members illustrate, then, Mr. Speaker, our efforts have not been in vain.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WHELAN:** — I also note with particular interest, the presence of other new Member in the House. Three of them are sons of former Members I sat with in these Chambers. While they were opponents, they were friends of mine. Their sons are the Hon. Members for Thunder Creek, Wascana, and Regina South. I regard it as a good experience for me to have known each of their elected parents.

Now if I may, Mr. Speaker, I should like to turn to my own department. I want to talk first about changing attitudes regarding minerals. Changing attitudes as they pertain to the ownership of minerals and the operation of a department that affects minerals. When I meet with Ministers of Mines from across this country — and recently it was my privilege to chair a Mines Ministers' meeting in Saskatoon — one thing becomes very, very evident, and very clear. That is, as representatives of the public, regardless of the political leanings, there is

steadily developing in this country, a clear-cut policy that the resources of this country, which belong to the people of this country, should give the people a substantial return.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WHELAN:** — And also, Mr. Speaker, that conservation of the environment, which goes hand in hand with development of the resources, is inseparable from this clear-cut policy. I have witnessed this concern being expressed by Ministers responsible for the management of resources, particularly the scarce non-renewable resources. The old method of ‘cut out and get out’ espoused in other times, Mr. Speaker, is no longer acceptable. It dates the people who support it. These people, I suggest, are out of step with what’s happening in other provinces, even with the people in their own parties.

Attitudes are changing. Even within the industry you’ll find attitudes are changing. Right now there’s a new breed of management, a growing group of mean, wiser men, who have sized up the situation and who are aware of and understand this trend very well.

I quote from *Impetus*, November 1, 1975 edition: Denis Timmis, MacMillan Bloedel’s President. He states, I quote:

Access to raw materials is more likely to be achieved through government than through any other source. I think it’s perfectly natural. Natural resources belong to the people, and the people are going to get as much out of them as they can.

Corporate heresy? No. Mr. Speaker, only the statement of a man who is in step with what’s going on.

I could quote others who are saying much the same thing as Denis Timmis. For example, Mel Hurtig of Edmonton, a former Liberal candidate, spokesman for the newly formed Public Petroleum Association of Canada. According to a November 14, 1975 story from Ottawa, Mel Hurtig and his associate are calling for nationalization of foreign oil companies. In a radio interview when asked to comment on the potash takeover, Mel Hurtig said he, “Jumped for joy.”

Another who constantly advocated Canadian ownership of our main industries is Eric Kierans, former chairman of the Montreal Stock Exchange and a former federal Liberal Cabinet Minister.

Yet here are people who would turn back the clock and some of them are here in this House, Mr. Speaker. There are people who would give away our resources, now that we have established the fact that we are desperately short of them. There are people who would scar the earth and destroy our environment, and ignore conservation of a resource, people who still preach ‘cut out and get out’.

But I want to tell Members of this House, Mr. Speaker, that while I am Minister of Mineral Resources, I will fight to see that three important policies are adhered to: One, that there will be rational exploitation of resources. Two, there will be legislative roadblocks, if necessary, to guarantee conservation and prevent the shattering of our economy. Three and finally,

Mr. Speaker, there will be a constant, prevailing approach to established policies that will clearly emphasize the unchallengeable fact that the minerals of this province belong to the people of this province.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WHELAN:** — Mr. Speaker, our department will act in the development of our coal, our uranium, our oil and our potash. The Department of Mineral Resources will act to see that the people of this province receive a substantial return for what is rightfully theirs.

Let us look first at coal. In a current study, preliminary results indicate that Saskatchewan has about 5.5 billion tons of economically recoverable coal. A breakdown shows about one billion tons in the Estevan basin, four billion tons in the Willow Bunch-Wood Mountain area, and half a billion tons in the Shaunavon basin.

Recent drilling for gas and oil along the western borders of Saskatchewan indicate coal at deeper levels. We have not determined the extent of these coal finds, nor their accessibility, but, Mr. Speaker, it is there. There's also coal in the La Ronge area, in an amount estimated at least of a hundred million tons. Because of serious recovery problems that would involve the draining of amounts of water, just how soon this coal will be accessible has yet to be determined.

How is our coal being used now? Well, four million tons are used annually to feed the Estevan boundary dam power station. When the Poplar River thermal electric plan begins operation in late '78 or '79, it will use another one and a half million tons annually in the production of an additional 350 megawatts of electricity.

This is an important fact for the people of Saskatchewan. This means that by 1979, of all the electricity serving the people of this province, 60 per cent will have been generated from coal. Coal, Mr. Speaker, lighting and heating our homes and businesses, providing energy to our industries.

Mr. Speaker, when the Poplar River plan starts operation, 150 new jobs will have been created in the Coronach area, jobs in mining and in the plant. It will bring a burst of activity and prosperity to the town of Coronach.

Another use of coal? A thermal electric plant, specially constructed to use Saskatchewan lignite, is not being built at Thunder Bay, Ontario. This will give Saskatchewan coal a market in the amount of about one million tons a year.

Coal is important to us. A humble, yet remarkable substance that has tremendous potential. It can be distilled into oil, gassified and change into synthetic natural gas, or used to generate electricity. The time is right to make the best possible use of this remarkable resource.

For this purpose our department is currently studying different applications of coal. This will determine the best use of our lignite, to give us in Saskatchewan the best energy at the lowest possible cost, in the most practical form for use by the consumer, to last us for as long as possible.

The job of looking at coal development will not be easy. There are a great many considerations. The type of coal being mined in Saskatchewan, our lignite for instance, because of its light, powdery quality presents difficulties in storage, stock-piling, even transportation and special treatment is required. Saskatchewan coal is recovered by the process of strip mining, the cost is relatively reasonable, but as more coal is mined, more direction will be needed in the area of reclamation.

Then there's the problem of moving coal once it's out of the ground. That's when the unfairness, Mr. Speaker, of freight rates rears its ugly head. Right now, Mr. Speaker, rail companies appear to be charging on the basis of what the market will bear, and not at all on the basis of what it actually costs to move the coal.

Because the railways are not likely suddenly to become fair to us, we are also considering whether it might not be wiser for us to convert out coal to gas, or electricity and market this resource in an upgraded form. Not only would this bypass the unreasonable freight rates, it would put Saskatchewan in an excellent bargaining position in the whole energy scene.

This, of course, entails study of costs, costs of building a gasification plant, for instance, or of moving the coal within the province to an area adjacent to a reservoir of water, as water is an important element in conversion of coal into synthetic gas.

And there are the considerations of timing. What kind of energy reserves will there be in Canada in the next few years? What will the entire energy picture be like?

The decision regarding our coal will depend, Mr. Speaker, on the answers we get. These answers will depend on, again I say, the factors of cost, timing, transportation, plan requirement, impact on the environment and surrounding communities as well as on the total energy situation.

As the Speech from the Throne has indicated legislation regarding coal will be introduced. This legislation will set the basis for future government decisions on coal, will provide for useful economical and orderly development of a resource that belongs to the people of Saskatchewan and bring a unified approach to the problems of reclamation of lands used in strip mining and the problems of environment. When the Bill is before the House there will be an opportunity to expand on this.

Mr. Speaker, may I call it 5:30?

## QUESTIONS

### GOVERNMENT LEGISLATION TO REDUCE SPEED LIMIT AND MANDATORY USE OF SEAT BELTS

**MR. D.M. HAM (Swift Current):** — Mr. Speaker, I have a question directed to the Acting Minister of Highways (Mr. Byers). Is it the intention of this government to enact legislation which would reduce the speed limits on our highways and legislate mandatory use of seat belts?

**HON. N.E. BYERS (Acting Minister of Highways):** — We are now in the process, Mr. Speaker, of tabling bills that this Session of the Legislature will deal with. Not all legislation is approved at this time, and I think that the Hon. Member will have to await the tabling of any Bills to know what the government's intentions are in that regard.

The Assembly resumed the interrupted debate on Address-in-Reply.

**MR. WHELAN:** — Mr. Speaker, I have concluded my remarks regarding the coal resources of the province of Saskatchewan.

May I now turn to uranium. Uranium is a valuable energy resource. Prices have dramatically increased from approximately \$3 a pound to now in the neighborhood of \$20 a pound and will probably reach \$30 a year or so. This resource is being sought by countries around the world. This then, creates the need to establish certain priorities. One, that the people of Saskatchewan receive a fair return for their resource, for this particular resource; and second that consideration be given to establishing a uranium reserve for Canadian energy requirements.

Mr. Speaker, may I review briefly uranium operations in Saskatchewan. It has been my good fortune to have had an opportunity to visit the mines and meet the people who work in them. The uranium industry in our province is a challenging and exciting development. Eldorado Nuclear, the Canadian Crown corporation, started an underground mine in 1952. Since then, with the mill at Uranium City refining ore to the first stage, Eldorado has placed Canada in the forefront of nuclear energy development.

An open pit mine near Wollaston Lake (the Rabbit Lake find) discovered in 1968, started production in July of this year. This mine is owned by Gulf Mineral Canada Limited, a majority owned subsidiary of Gulf Limited and Uranerz Exploration and Mining Co., a German company which has a 49 percent interest in this deposit.

A \$55 million mill was constructed and now refines uranium to the yellow cake stage. There is an estimate 12 to 15 year deposit of uranium ore on hand at the Rabbit Lake site. But to ensure that this plant can continue operation beyond that time, a search for additional ore is under way in an area 40 miles around the site of the mill.

The Wollaston site has a good landing strip. It is also accessible by road. The Government of Saskatchewan completed a road from La Ronge to Wollaston in the fall of 1973.

On the west side of the province, deposits in the Cluff Lake area were located using aerial techniques in 1967. The company is Amok Limited, from France. One of these deposits alone is 400 feet long, 155 feet wide, 90 feet thick and is estimated to be worth several hundred million dollars at current prices. These Cluff Lake deposits contain some of the richest ore on the face of the earth and are in good supply, about 15 years supply has been located to date. Amok has plans to build a mill and is currently negotiating with this government for a road to be built from the south of La Loche or Turner Lake to Cluff Lake. This mining operation, like Rabbit Lake, will be an open pit mine.

The most recent discovery of uranium in Saskatchewan occurred this year in the Zimmer-Key Lake area. This is a joint venture with Uranerz Exploration and Mining Company; Inexco Mining Company of Texas and the Saskatchewan Mining Development Corporation, each holding a one-third interest.

Initial exploration indicates that the ore at this site is plentiful and very rich. Further drilling in the area will hopefully prove up sufficient quantities of ore to establish a mine. A temporary winter road from Cree Lake to Zimmer-Key is being built this winter so that a camp can be established as soon as possible.

There are several other prospects, good joint ventures in the exploration for uranium. They are located in this vicinity. With the building of mills and further discoveries of uranium in Saskatchewan, there is the possibility of building a uranium refinery in Saskatchewan, similar to the refinery that is located at Port Hope, Ontario.

Obviously roads are essential and obviously roads to these remote uranium sites will cost a good deal of money, but these roads can also be used in the exploration for other minerals such as nickel, gold, iron ore, and in developing tourist activity.

There are other aspects where, as a uranium producer, Saskatchewan is concerned. As a producer we and we must make strong representation to the federal government that uranium be used to benefit and advance mankind, not to harm mankind or to threaten our very existence. And, because the resources of this province belong to the people of this province, we are seeking to negotiate a royalty structure that will give an ample return to the people of Saskatchewan, as well as a fair return to the uranium industry.

The new royalty structure for uranium will have to main aspects: (1) It will impose a basic royalty, calculated on a small percentage of gross revenue. This will be the basic price to be paid for the right to mine the ore. (2) It will also have a graduated royalty which will be structured to take a larger share after a certain rate of return on capital investment has been achieved. This will assure to the people of Saskatchewan a fair return on the resources that belong to them. The House should know that we are still discussing the royalty structure with the uranium industry in hope of arriving at an equitable distribution of the benefits of this non-renewable resource.

The petroleum industry in Saskatchewan is of special concern to the department. May I turn to our negotiations in that area. Since Bill 42 was introduced, the federal government has made a number of what we think to be unreasonable changes in the income tax structure which have had a serious effect on the province's tax structure and have reduced returns to the oil industry. We have fought this vigorously and we had hoped that the federal budget last June would have corrected this flagrant discrimination against the provinces. Nothing has changed. As a result we have had to make adjustment in our royalty structure. We have had to take funds from our tax revenue that are rightfully ours to replace those that have been unfairly seized through taxation by the Federal Government.

We are concerned that the oil industry in this province

should be active. To this end, we are proposing certain changes in royalties and incentives. These changes will work to the benefit of the industry, and the benefit of this province, and changes that will maintain the income derived from oil. In the past months, we have had discussions with the oil industry. Our talks have been amicable. We have proposed changes that will increase exploration activity, increase production and increase petroleum reserves.

The new oil royalty, we think will do several things:

- (1) It will replace the existing complex system of oil royalties and taxes with a much simpler structure. This will be easier to understand and simpler to administer.
- (2) It will provide an improvement in return to the producer. And the netback — and that is what the oil operator gets for his product after royalties, taxes and expenses when considered in conjunction with incentives — will return the producer to the 1973 levels.
- (3) It will increase incentives for industry to spend exploration and development money in the province. This will continue the principle of refunding a portion of the royalties and taxes for exploration and development work carried out in Saskatchewan.
- (4) It will provide for maintenance credits. For every dollar spent on maintenance work, a percentage will be returned in the form of a credit to the oil producer. This will mean more employment and great security for the oil service workers.
- (5) There will be earned credit for exploration if the companies reinvest in exploration or development in Saskatchewan. These credits will be transferrable between companies. Hopefully this will give the kind of boost that smaller companies might need.

For instance, a smaller oil company with limited production and credits will now be able to work out a business arrangement with a producer with credits, making use of those credits to undertake exploration and development work in the province. We are continuing discussions with the industry to work out the precise form the new structure should take.

May I point out at this time, Mr. Speaker, that while the oil companies have had differences and disputes with us, we have always communicated and discussed the problem in a frank and constructive manner. While the cost of our incentives to the oil industry will be significant, we are sure that industry will respond by stepping up its activity in the province. We have, in fact, received assurance in this respect. Somebody asked us how we know this. Before the last election somebody asked me how we knew we were going to beat the Liberals and what seats we were going to win. I couldn't tell them where — but there are the results.

**SOME HON. MEMBERS:** Hear, hear!

**MR. LANE:** — You told them you were going to win Qu'Appelle.

**MR. WHELAN:** — The results are there . . . There will be oil wells and there will be production, it is all there.

On December the 12th the federal Energy Minister is convening a meeting of the Mines Ministers at Ottawa. Recently there have been announcements from Ottawa about exploration and tar sands, about cutbacks on crude oil exports. I heard a speaker say this afternoon that we shouldn't discuss matters with Ottawa, but Ottawa really controls the export of crude oil in this country and I think we have to go to them to talk to them.

In both instances the programs are ineffective; although we approve of cutbacks in crude oil exports by selective licensing, we insist that our neighbors in the South be asked to purchase heavy crude first — we feel this is only fair — otherwise the export of oil from Saskatchewan will suffer. The expenditure for exploration in the tar sands on our side of the border in the North represents a pittance, \$200,000, compared to the federal take in export tax and, unfortunately, this money has already been expended. They are talking about it but they have already spent it.

The federal government must plan the production, use and sale of uranium on a short term, medium and long-term basis. There is a need to protect the use, transportation and export of coal and electricity on the same basis. But, Mr. Speaker, it is impossible to project the development of natural gas, heavy crude or petroleum or any other energy minerals unless the federal government develops long-term, short-term and medium-term energy policies.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WHELAN:** — Their performance so far is ineffective and indecisive, in some cases, Mr. Speaker, it is non-existent.

While every provincial government, and some newspaper editors across this country, seek energy policies for Canada, we get a hit-and-miss unplanned piecemeal performance by the federal government. This cannot continue. One day we will find ourselves suddenly short of energy to heat homes, to propel tractors, transport trucks, trains and automobiles. Surely, Mr. Speaker, the people of Canada are entitled to show in written form the policy of our federal government and what it is planning in regard to energy on a short-term, medium-term and long-term basis.

When we go to Ottawa on December 12, this province will put forward in the strongest terms, again, as has been done in the past the urgent need for a national energy policy.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WHELAN:** — Mr. Speaker, may I now turn to the potash industry. Not in the way that you might expect with figures to show that potash has jumped from \$20 to \$70 a ton and still the potash companies insist they are not making any money. Anyway you will get those statistics in due time. The income from potash in 1969 was \$69 million. The income from potash this year will go well over \$400 million. The average price in '69 was



\$20 a ton, it is now \$72 a ton. Some of it was sold in '69 for \$5 a ton, they are now selling it offshore for \$105 a ton, and somebody says they are not making any money. That must be the most awful free enterprise operation that you have ever seen. Unbelievably bad. How could they be that bad? Surely, surely they couldn't be that bad. It is unbelievable.

I want to talk to you about the people involved in potash. As I see it here are basically three groups: (1) The potash industry, the owners and the management. (2) The elected representatives of the people and those who work for them and civil service; and (3) the rank and file citizen.

Let me talk about the corporation man. The fellow who works for the corporation, who lives in a community that we know. We know him quite well. Sure, you meet these people, they are nice people. They have nice families. They are all nice people. But these people represent multinational organizations who work for a return on money. You bet they do! You bet that is their purpose. These people though they may be charming individuals are there for a purpose. In fact the corporation-man has been selected because he is a nice person. But the main goal is one that we cannot overlook. That company and those people are there for a return on their investment. That's the overriding philosophy behind their operations. Not to supply a service or to fulfil a need, or to employ people, but to make as much money on their capital investment as they can. Did you know that when the potash companies first came to Saskatchewan they appealed to the Saskatchewan government to be exempt from health and education tax? They didn't want to pay health and education tax. Imagine that! Well, that's a good public relations effort, unquestionably. Paying taxes in Saskatchewan or the United States they will challenge — they will challenge it. They will set aside funds because taxes cut into their return on their investment, on the money that they make.

Let me quote from the 1975 annual report to shareholders, from one of them, which incidentally is the only financial report of any sort that they see fit to provide us with. The president and chief executive officer said to the shareholders, and I quote:

External considerations became increasingly important during the past year, particularly in governmental areas. A new reserve tax was imposed on our Saskatchewan potash operations by the provincial government, and this tax is now being challenged in court on constitutional grounds.

In the United States, new taxes enacted during the year had little impact on IMC, but there was discussion of eliminating the percentage depletion allowance for all minerals and metals mining. With the United States increasingly dependent upon foreign sources of supply, it would appear that our national interest (and I put quotations around the word 'our') would be served best by more tax incentives, not fewer.

We continue to make our positions known on these and other issues, both in the United States and Canada.

Mr. Speaker, every country is challenged when these people are asked to pay taxes. Not just Canada, not just Saskatchewan,

but the United States as well. The question we should ask ourselves is: can any corporation, multinational or otherwise, that challenges government, disregards laws, refuses to pay taxes to a government while engaged in operations within its jurisdiction, is that corporation a good corporate citizen? I say, not by an stretch of the imagination.

The next group of people involved in the potash story are the elected representatives in government and the civil servants. As Members we are here to represent the people in our constituencies; to work for the people who trusted our judgment and our abilities enough to want us to represent them. Our job, then, as the government is to formulate and interpret policies in the best interests of these people. The civil service workers in the best interests of the province, and every elected Member tries to do the same. Maybe there are some exceptions sitting in the front benches opposite, I don't know. But, the civil servants of Saskatchewan are among the most able and conscientious in Canada. From my association with them I am prepared to match their abilities with that of the executives of any corporation in the country. We, then, as representatives of the people will say that the people receive fair and adequate compensation for their resource.

The third group is the rank and file citizen. They own the minerals in this province. They, too must exercise responsibility and good judgment so that development of these minerals will benefit all of them. They should never lose sight of the fact that Saskatchewan's resources belong to them. They were given us by a federal statute in 1930. Again, I quote:

In order that the province may be in the same position . . .

**MR. MacDONALD:** — . . . constitution, would you?

**MR. ROMANOW:** — Listen Cy, you'll learn something.

**MR. WHELAN:** — Cy, you've been making that speech since the day you came in here. I know what you are going to say before you open your mouth.

In order that the province may be in the same . . .

I'm going to tell you how we got these resources. I'm going to tell you if you will just listen. I want to have you listen; you are going to but for the people that are going to take them away, I'm going to bat for the people that own them.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. WHELAN:** — They are whom you represent. It's no mystery, that's where your representation is. Let me say what the federal government put in writing in 1930:

In order that the province may be in the same position as the original provinces of Confederation, the interest of the Crown in all Crown lands, mines, minerals (precious and base) and royalties derived therefrom within the province, and all sums due or payable for such lands, mines, minerals or royalties, shall from and after the

coming into force of this agreement and subject as therein otherwise provided, belong to the province.

If the resources belong to them, it is only natural that the people of the province should profit from their development.

Three groups of people; three purposes. The potash industry whose purpose is return on investment; the elected representatives and civil service whose purpose is responsible representation; and the rank and file citizens whose purpose is to be aware of their rights and the fact that minerals such as potash must be used judiciously, not only for present generations but for future generations in Saskatchewan, and for people elsewhere who are hungry.

Yet, there are those in this House, Mr. Speaker, elected representatives of the people, who say they can effectively represent the public interest and still continue to deal with the potash people in the same old way. I say it can't be done. These two purposes are in direct conflict with each other. You can't work for the people, and for a company that refuses to pay its taxes. These two are just not compatible.

There are just too many examples, time doesn't permit me to make mention of them, where our minerals have been taken from us with very little payment, and used; yes, Mr. Speaker, even wasted, without compensation or benefit to the people who owned them. The people of Saskatchewan have said, "Stop!" Social thinking and awareness has finally caught up with irresponsible exploitation. It won't be continued. Our potash policy is representative. It heads the people's command to curtail exploitation and identify those who show lack of consideration to the people who own the minerals.

Enough is enough. Down through the years these companies have expected governments to jump when they snapped the whip. In 1969 they wanted the government to salvage the potash industry. The government did. There was prorationing. And never forget, the potash companies asked for it. The government didn't. They wanted roads for heavy trucks. The government jumped. Help and tax holidays — they got that too. Now they come and say, no more prorationing, it is unconstitutional. And they say they won't pay the reserve taxes. Our potash jumps from \$20 to \$72 per ton. Mr. Speaker, this government will not jump for bad corporate citizens. Times are changing and times are changing for the better.

Mr. Speaker, I have spoken on the concerns of my department. I have told the Hon. Member present in this House about our coal and the growth of the uranium industry. I have told them how we will work with the oil industry in this province. And I have talked about the interests of the three groups of people in potash.

At this time, Mr. Speaker, I wish to say that when history is written, those who vote against the Speech from the Throne will be set apart as the group who were not interested in the social and economic welfare of the people they represent. And those who vote for the Speech from the Throne will go down in history as the pioneers who cast their vote to safeguard the interests of the people to whom the minerals belong the people of Saskatchewan. Mr. Speaker, I humbly join this latter group. I will support the motion and oppose the amendment.

**HON. E.L. COWLEY (Provincial Secretary):** — Mr. Speaker, before I enter this debate I want to take this opportunity to congratulate you on your election to the position of Speaker of this Assembly. I am confident that you will serve in this capacity with fairness, with competence and with the dignity that befits your office.

I should also like to take this opportunity to welcome the new Members of this Assembly and particularly to congratulate the new ones who are here for the first time, and those who were able to get back for the second or more frequent times as the case may be.

I should especially like to welcome the new Members of the Progressive Conservative caucus and their leader, the Member for Nipawin (Mr. Collver). He and his colleagues were able to pass through this past election virtually unscarred by avoiding the issues and running solely on the amazing fact that they were able to get 61 candidates. Mr. Speaker, this House has been graced by the presence of Members of different racial origins, different religious origins, and now with the Progressive Conservatives, we are graced with the presence of Members from a different century.

**SOME HON. MEMBERS:** Hear, hear!

**MR. COWLEY:** — I might note, Mr. Speaker, the 18th century, complete with quotations and contemporaries such as Edmund Burke.

I should also like to dwell for a moment or two on the Leader of the Opposition, the Member for Prince Albert-Duck Lake (Mr. Steuart). I understand that he will be relinquishing that position in the near future. In listening and reviewing his speech in reply to the Throne Speech I noticed, as I'm sure many Member did, that he was peddling the same old line that he used in past years to criticize this government. There is one thing you can say about the Hon. Member for Prince Albert-Duck Lake, he seems to use statistics in the same way that a drunk uses a lamp post — for support and not for illumination.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COWLEY:** — Mr. Speaker, turning to a more serious vein I should like to take this opportunity to extend my appreciation to the people of the Biggar constituency for the confidence they have placed in myself and this New Democratic Government.

The constituency has changed somewhat through redistribution, going westward and somewhat southeasterly to take in areas that used to be in the old Wilkie constituency and the old Rosetown constituency. I might say that the areas of the Wilkie constituency turned out very well, as did the ones from Rosetown. The makeup of the riding hasn't changed greatly and fortunately neither has the voting pattern. This is the tenth straight election that a candidate for the CCF or the NDP has been returned to this Assembly and I don't take any particular credit for that, but I certainly take a great deal of pleasure in thanking the people of the constituency, particularly all those who worked hard on behalf of the New Democratic Party.

Mr. Speaker, Biggar remains an area of small urban and a rural mixture of population. But in the past four years we have seen new industries move in; we've seen old industries expand and we have seen construction of all types expand greatly. The agricultural industry has rebounded and remains buoyant. The Biggar constituency is part of the new NDP Saskatchewan that's grown out of the dust of seven year Liberal blight.

Before turning to other matters, I'd like to respond to some comments made during the course of this debate. The Member for Regina Wascana (Mr. Merchant) indicated that two Provincial Secretaries had not supplied him with certain information that he requested. I just want to set the record straight and indicate that the former Provincial Secretary, the Member for Humboldt (Mr. Tchorzewski) had forwarded the request to me with a request that I reply to the Member for Wascana. When I received it the House was about to meet and I responded to the Member for Regina Wascana indicating that he should put his question in the ordinary manner and put it through the Assembly. In fairness to the Member opposite I believe my response only arrived in the past few days.

I want to deal briefly with a matter raised by the Member for Nipawin (Mr. Collver) the other day in his remarks. He made some reference to a survey that someone or some group had done on the potash issue. Since the Member for Nipawin has denied us the information as to how the survey was done, or by whom it was done, through his refusal to table it in the Assembly, I can only guess at its contents, Mr. Speaker. The Member stated that 53 per cent of those polled were opposed to the policy and only 32 per cent, I believe he said, were in favour. Well, I say that a more enlightened Conservative than he once remarked that he enjoyed taking his dog to the park and "watching with delight what it did to the poles."

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COWLEY:** — Results of a survey are more often than not affected by the question and the way the question was asked then by true sentiments on the issue.

We do not know exactly who was surveyed in this operation of his. Now, I suppose if the people were taken from Progressive Conservative Party members' mailing list, I might believe the results, but I'm sure that any statistician would tell you that it would not be a large enough sample to be accurate.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COWLEY:** — It's also curious how a poor, bankrupt, Progressive Conservative Party can afford to contract out to what I can only assume to be a large, out-of-province research or opinion testing company such a job, as there are, to the best of my knowledge, no such companies headquartered in this province.

Mr. Speaker, I will be dealing at some length with the potash industry and this government's policy when I have an opportunity to speak on the various bills that will be before us for second reading in the near future.

I would like to congratulate the mover, the seconder of the motion in reply, the Members for Quill Lakes and Melfort. In their opening remarks they've demonstrated that their constituents and this Assembly will receive excellent representation from them.

Mr. Speaker, turning to potash briefly, this government since its election in 1972 has worked to obtain its objectives in the potash industry through regulation and taxation. On October 23, 1974, I, as Minister of Mineral Resources announced a new potash policy for this province. The major thrust of that policy was to ensure the people of Saskatchewan the maximum possible benefits from the potash industry and to attempt to ensure orderly expansion of the industry. Part of the new program was the establishment of a tax which came to be known as the reserve tax, which we then estimate would have increased the revenues for the province to an estimated \$90 million. The second feature of the policy was a program for expanding the industry involving the active participation of the government in both expansion programs and existing mines on a voluntary basis and in the development of new mines. The reserve tax was structured to encourage the industry's expansion by indicating government willingness to participate and by government initiatives in developing new mines through joint ventures. Through industry spokesmen, both the new policy and the reserve tax were attacked. Many companies announced they were curtailing planned expansions because of government taxation policies. It is interesting to note that most of these expansions were cut before the companies announced their intention to proceed and one could wonder whether or not they ever intended to proceed with them.

A case in point, Mr. Speaker, one that I believe points some of the problems behind this, is Central Canada Potash. In early January, Central Canada Potash announced it decided to drop its plans for an \$8 million expansion in Saskatchewan. In announcing the decision, Mr. Gordon, the manager of the Central Canada Mine in this province, blamed the investment climate in Saskatchewan. A particularly vicious editorial in the Saskatoon Star-Phoenix of January 13, 1975, said:

This demonstrated how government greed sustained by irrational taxation policies financially killed the goose that laid the golden egg.

It was with some interest then that I read in the Financial Times of January 20, 1975, one week later, an article in which it was announced that Noranda Mines Limited, the owners of the controlling interest of Central Canada Potash was cutting back \$100 million on their capital spending that year. They went on to say that they were cutting back \$40 million in Liberal Quebec, \$20 million in Tory Ontario, only \$8 million in Saskatchewan and \$21 million outside of Canada. The reasons given by Mr. Powiss, the president of Noranda, was that the company would have had to borrow heavily in debt markets and mining analysts quoted in the article suggested that the low price of certain products affected the decision as well.

Mr. Speaker, nowhere in the Financial Times were the taxation policies of Saskatchewan mentioned. No mention was made of potash markets. If we are to assume that Mr. Powiss's statements were correct then we can only assume that the Saskatchewan announcements were an example of a corporation playing politics.

By attempting to embarrass the Government of Saskatchewan.

This was not the only example of a corporation working hard to try and see a government elected that would meet their demands. On the eleventh of June of this year the people of the province turned aside that attack and returned to office this government under the leadership of Allan Blakeney.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COWLEY:** — Mr. Speaker, the failure of their old line party friends to grasp power in this province left the industry facing four years of government by a party that is committed to gain the maximum benefits from our resources for the people of this province.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COWLEY:** — They began a series of court actions to contest the legality of the tax structure. They refused or put off payment of their taxes, refused to file financial statements as requested and launched campaigns against the government position. The alternatives to our announced action were not attractive. We could have waited out the court action, we could have lowered our taxes and the returns to the people of this province. This we did not do. Either of these actions would have been an abdication of our responsibility as the elected representatives of the people of Saskatchewan. We had but one tenable course of action open to us and the Throne Speech delivered on November 12, Mr. Speaker, made public our decision to follow that course of action.

Taxation and regulation no longer worked satisfactorily, a solution was to obtain effective control through ownership of the industry.

Mr. Speaker, I am confident that the benefits and the wisdom of this decision will be shown in the future. I have confidence in the people of this province and our ability to run this industry. I have confidence in our ability to expand the potash industry, to make it grow, and confidence that we and our children can grow with it.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COWLEY:** — Mr. Speaker, I want to spend a moment or two on some of the other comments made the other day by the Member for Nipawin (Mr. Collver). The Member stated that inflation is brought about by excessive government spending and that provincial governments and in particular I assumed he was speaking of the provincial Government of Saskatchewan, should show leadership. He went on to talk about deficit spending by governments. Here I can only assume that at the provincial level he was in particular referring to Conservative Ontario. I noted with some particular interest some of his comments with respect to the various groups in this province who may find themselves out of step with their normal position relative to groups in similar occupations outside of Saskatchewan or relative to groups that they traditionally had a relationship with in this province. He said, I believe, that at some point in the future, perhaps in

the near future when this enemy (meaning inflation) is brought under control, that then you could look beyond the guidelines, but in the meantime, teachers, nurses, and the public employed and the construction workers and the hospital workers would be stuck where they are now with their eight per cent or ten per cent. Mr. Speaker, at some time in the future, and perhaps in the near future, when the enemy is brought under control — one can only remember it was under control a while ago, some fellow in Ottawa wrestled it to the ground. If we are going to have to wait that long for the same fellow to wrestle it down again, they may be out of step, not in the near future, but in the far future when teachers and nurses and construction workers and public employees and hospital workers in Saskatchewan, now out of step will have to stay out of step, at least in the opinion of the Member for Nipawin, until such time as the guidelines are no longer necessary because the enemy is brought to the ground.

He went on to say something that I thought was particularly characteristic of the Conservative Party. Because having said that the workers would have to bear the brunt of this policy and that no exceptions should be made for them, he suggested that professional incomes cannot be controlled, as the Speech said, and he agreed with that. He went on to say, is the government going to look at overtime pay and piece work and hourly rates. In other words he suggested while apologizing for the fact that the professional incomes could not be controlled, don't worry about that because we are not going to look at overtime pay, because some worker earning \$3 or \$4 an hour and getting overtime for a few hours was comparable to a doctor on a professional income.

**MR. MacDONALD:** — Elwood, that's awful weak . . . what are you trying to say?

**MR. COWLEY:** — Well, Mr. Member for Milestone, what's his new seat (Indian Head-Wolseley) He left that seat. If the Member would listen, I will continue on.

The Member for Nipawin suggested that professional incomes could not be controlled, and that was all right, because one couldn't control overtime pay. Mr. Speaker, I do not believe that those same teachers, nurses and public employees and construction workers who are being asked to be frozen at levels — at least as I read the Member's speech — below their traditional comparisons with other provinces and groups within this province, can accept the fact that professional incomes cannot be controlled.

Mr. Speaker, if we are going to have an income and prices policy in this country as the Prime Minister suggests, then one of the things which we as provincial government and which all provincial governments must work towards is to make it as fair and equitable as possible. Mr. Speaker, that means that we must make sure as best we can that all income groups find that their incomes are affected in a similar way and we must see that the price controls are truly effective. It is simply not good enough in my opinion to ask that only wages be frozen in order to combat inflation.

Mr. Speaker, I want to make one other comment, before closing. The statement of the Member for Saskatoon-Sutherland (Mrs. Edwards) was surprising, with respect to — I didn't get



the exact quotation — it was something like this. Most government enterprises take ten times as many employees to produce goods as the private sector, I believe it went on to say. I don't want to maintain that government enterprise is any more efficient or less efficient from private enterprise. I would suggest, Mr. Speaker, that if one looked at Saskatchewan Telecommunications and the number of telephone calls they put through, or however you would measure them and compare them to Bell Telephone in Ontario, that it does not take ten times as many or even twice as many, nor more than the same number to do the same job in Saskatchewan as it does in Ontario.

Mr. Speaker, I would also suggest that the Power Corporation employees in Saskatchewan are equally as competent and equally as productive as Power Corporation employees in Calgary Power or some other power company which is privately controlled.

Mr. Speaker, I am interested that the Member for Qu'Appelle (Mr. Lane), the former Member for Lumsden suggested the Box Factory and the Shoe Factory. I don't mind going back into history but he should really be in the history class for it. The examples the Members opposite always use are the Box Factory and the Shoe Factory, they never suggest using Saskatchewan Minerals, they never talk about Saskatchewan Power Corporation. They never talk about the Water Supply Board which was their creation, Mr. Speaker. I want to suggest to the Member for Sutherland that while one can certainly question — the relative merits of public service, private enterprise, I think it is unfortunate to suggest that the employees of the various public enterprises in Saskatchewan, such as Power and Telephones or Saskatchewan Minerals are only one-tenth as efficient as employees in the private sector. I simply don't accept that, Mr. Speaker, for these reasons and many, many others. I will be supporting the Motion and voting against the amendment.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. J.G. LANE (Qu'Appelle):** — Mr. Speaker, it gives me a great deal of pleasure to join this Throne Speech debate. I should like to commend the previous speaker who obviously has not lost his sense of humour. That speech was just about as funny as his attempted defense of Intercontinental Packers in trying to prove to the people of Saskatchewan that Fred Mendel got taken for a ride by the Blakeney government.

Mr. Speaker, I would like also to take this opportunity to commend the newly elected Member for Rosetown-Elrose (Mr. Bailey). It is the first time that a Conservative has fully participated in this debate.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. LANE:** — The rumour circulating around the Conservative caucus room that perhaps he is not next leader of the Conservative Party has some merit from the manner in which he delivered his speech today. He is to be congratulated for breaking party rules and getting into and fully participating in the debate.

We were a little disappointed of course that the Member for Pelly (Mr. Larson) who had a lateral move from the outside of the far benches into the action centre of the House opposite, is back to his old tricks of telling everybody how it was the Liberals and the Conservatives who starved thousands and hundreds of thousands and millions of people around the world. It was the same way of course when he gave that speech a couple of years ago about the sick and the lame and the starving and the number of calories that people in India had, who refused to take into account while the need for food in the world was great that it was his government and his party that was forcing a cutback in the development of the potash industry and it was his party and his government of which he was a part that was cutting back on all producing and cutting back on much needed petroleum reserves to supply these needy people through the world. Obviously the people of Pelly saw fit to re-elect him for the same speech, he was successful and I would hope that in the next time around when he gives that speech that the record of the government opposite is brought to the attention of the people of Pelly.

I was a little disappointed that the new Member for Turtleford (Mr. Johnson) made some comment about having a mandate from the people of Saskatchewan to nationalize and expropriate the potash industry. He is about as accurate as the last Member for Turtleford (Mr. Pedoniak), Mr. Speaker, and as a matter of fact, nowhere in New Deal in 1975 is any mention made of nationalizing or expropriating the potash industry. We would hope that his efforts in his first maiden speech at giving that type of misinformation would certainly cease after termination of these remarks.

We should like to welcome, of course the new Members for the northern constituencies, Mr. Gerry and Mr. Mander. It was a very interesting situation that that is the only way that the government opposite could get one set out of northern Saskatchewan much less two, was the only one with a forced gerrymander of the Electoral Boundaries Commission.

I could talk a little bit about a gerrymander in Qu'Appelle constituency. I don't want to go back into a description of Qu'Appelle constituency, most of the Cabinet Ministers were there near the last few years and during the election and know well that it is the type of constituency with a large percentage of rational thinking people and it being, of course, the only constituency in Saskatchewan that has a major urban-rural split, it is the only constituency in Saskatchewan in which the large urban area totally divorced and separated out of the city of Regina was put into a rural constituency.

It is interesting, Mr. Speaker, and I should like to say a few words about the election if I could. For the edification of the Members opposite, I am a little disappointed in the Provincial Secretary (Mr. Cowley) not looking too closely at his notes, because he couldn't find out who had done the survey referred to by the Member for Nipawin (Mr. Collver). I am advised by one of the Members on this side of the House that the survey was done by the Bjershank - Herrington Public Opinion Research Corporation. I am a little surprised that he missed that when he said there was no corporation of that nature in the province of Saskatchewan.

Mr. Speaker, I should like to spend a few minutes on the

recent election, for the edification of the new Members. The opposition in the Qu'Appelle constituency was a former Cabinet Minister who has gone to his higher reward. Mr. Speaker, some interesting things happened in that election, surprising of course the new Members as they have stood up one after the other like puppets on a string telling how right their cause was and certainly the new Members on that side, how right their cause was. Their cause is just how they would never get involved in certain political practices. It was always the other side that did it. Some interesting things happened in the election which of rouse the new Members will be surprised to hear and I am sure that the tenor of their maiden speeches that they will take this up with a caucus meeting at 9:30 tonight and severely chastise those responsible for the practices that were delved into by some of the Cabinet Ministers.

There is a strange question, Mr. Speaker, we can't figure out when the practice developed of Cabinet Ministers having the right and the privilege and the power of delivering SGIO insurance cheques to people who have suffered general insurance damage. I believe that the practice began in 1974 when the Riceton rink burned down. The Minister of Co-operation, as he then was, was able to bring out to the people of Riceton a cheque from the Saskatchewan Government Insurance Office. Now he had nothing to do with that particular Crown corporation at that time and within a week of the fire, and I most certainly admit that his haste and alacrity has some merit in that within a week of the fire he was able to get the cheque for the full amount of the insurance out to the people of Riceton and delivered at a public presentation. Now I would be reluctant to accuse the government opposite by saying that there is political interference in a Crown corporation and I said nothing about that until we discovered that the same defeated NDP Cabinet Minister, the former Co-operation Minister is now hired by the same Saskatchewan Government Insurance Office, at approximately \$30,000 a year. I understand he is now able to stop delivering cheques and has somebody else do it now that he is in the executive position at SGIO at approximately \$30,000 a year. It is an interesting appointment because of his previous record of being an insurance adjuster. According to the industry it is the fastest promotion of an insurance adjuster in the history of the general insurance business and in that he is to be somewhat congratulated.

There were a couple of incidents in the election that I would perhaps like to pass on to the Premier for his own edification. One thing I understand that prior to the election there was some talk in the previous House about the NDP having an electoral campaign college in Muenster. Perhaps just again for the interest of the Premier, though he may not want to take it up, it certainly wouldn't bother me that he didn't, but he may want to give a certain little lesson on how to vote because it is interesting to note that the defeated NDP Cabinet Minister in Qu'Appelle proceeded to initial his own ballot before he dropped it into the ballot box and, of course, that was a spoiled ballot and I am sure the electoral officer would be prepared to — if he doesn't already have it framed — be able to show that to the Premier and that a lesson in voting would probably be in order.

It is interesting too that on election day, I think we can all remember the NDP Cabinet Minister defeated used to wear some very colorful suits in the legislature, and on election day

the Member for — where are you from now, Mr. Bowerman— happened to purchase a new pair of moccasins to campaign in the Indian Reserves on election day. I am advised by the Indian people there that they were brand new. I was checking the election expenses submitted by the former Member for Watrous, that the brand new pair of moccasins he used to tour around and knock on the doors in the Indian Reserve from house to house, weren't included in his election expenses.

Now the other thing, Mr. Speaker, it was interesting to note that the Premier brought his bus to Qu'Appelle constituency on the last day prior to the election, I believe it was.

**AN HON. MEMBER:** — Did he have moccasins on.

**MR. LANE:** — No, he didn't have moccasins on, but he took his bus tour from Lumsden into Glen Cairn subdivision and out to Fort Qu'Appelle. It is interesting to note that after the Premier's bus tour went through the constituency that the Liberal majority in Lumsden went from one to approximately 60, that the poll in which the Premier stormed in Glen Cairn gave the biggest Liberal majority at any poll in the Glen Cairn and that the Liberal vote in Fort Qu'Appelle increased dramatically over 1971. So I should like on behalf of the people of Qu'Appelle to welcome the bus tour anytime, any election. I was very pleased with the results of the bus tour, Mr. Speaker, and Mr. Premier.

We have noticed since the election, too, Mr. Speaker, some interesting changes in the returned Members opposite. Of course, we are very, very disappointed that the Member for Regina Victoria (Mr. Baker) was not appointed to the Cabinet. He has had many, many years of experience and I am assuming the deep disappointment he feels as Members with a limited amount of experience like the Member for Saskatoon Buena Vista (Mr. Rolfes) and Saskatoon Centre (Mr. Mostoway), again are brought into the centre of the action and into the Cabinet. On behalf of all people in Regina we join with the Member for Regina Victoria in his disappointing efforts to attain provincial cabinet status.

Mr. Speaker, I should like to join with other Members of the House in congratulating you personally on your elevation to the office of Speaker. You can, of course, always rest assured of the full co-operation of the Member in the Liberal caucus and we certainly look forward to working with you, Mr. Speaker, in maintaining the decorum of the House as so ably spoken about by the Member for Nipawin (Mr. Collver).

Mr. Speaker, we always thought the Member for Saskatoon Centre (Mr. Mostoway) who has just moved into the middle so that the Premier could keep his hand on him and reins on him, but obviously he has given him freedom of speech in his new position of whip. He is contributing in his usual inimitable style to the elevation of debate in the legislature.

Mr. Speaker, the Throne Speech quite clearly sets out for all to see the priorities of the New Democratic Party. After dropping from 55 per cent of the popular vote to 39 per cent of the popular vote, the lowest since 1940, the NDP obviously had to do something more drastic than return to commonsense which was alien to them; the only other choice they had was to nationalize and expropriate the potash industry. Mr. Speaker,

a party which initiated more programs for more people with the sole goal of getting re-elected.

I can remember, Mr. Speaker, how Members opposite thought that the family income plan was going to guarantee the votes of about 10,000 families and how that this program was waved around and some of the Members opposite are smiling, how this program was waved around the House as being a guarantee of electoral votes and how many thousands of dollars were spent on advertising that program.

We remember the Members opposite and the Hearing Aid Program and how that was going to get them literally hundreds of votes and was to be the saving platform for the senior citizens. But the Hearing Aid Program was put under government control to get political credit notwithstanding that it drove out the small independent Saskatchewan dealer.

Free medicare was brought in, Mr. Speaker, when people felt they should be making a contribution to the matter of health costs, something again done purely for re-election. An unfortunate program, Mr. Speaker, in the effect that people did, as I say, feel that they should contribute something to rising health costs. The government opposite brought in this for cheap partisan political purposes and the result of 55 per cent down to 39 per cent was evident.

Mr. Speaker, a drug program was implemented. Not in the most efficient manner or the most effective manner as was advocated by the Saskatchewan Pharmaceutical Association, but in a manner that was going to assure government control and government operation and an increased bureaucracy.

A Community Capital Fund was implemented which by its very name designed the political reasons and the partisanship for which it was implemented.

We can remember Cabinet Minister after Cabinet Minister standing up in the House and laughing when the mention of his own defeat came up, yet some of them are not with us today. They are doing very well, mind you, but they are not in the legislature today. Sixty-one per cent of the people of Saskatchewan said no to your philosophy, your direction and your plans for this province, Mr. Speaker, yet they insist on nationalizing the potash industry, a \$2 billion gamble; proven to be a bad risk and a bad business decision. A decision lacking in commonsense and a decision based on desperation after your social programs failed to win a majority of the voters in Saskatchewan in the best economic times that we have had. I think that the Throne Speech, Mr. Speaker, makes it quite clear the priorities of the government — nationalization before any effort and any programs and any policies to deal with the pressing problem of inflation.

It is very interesting to note, Mr. Speaker, and I think it is obvious, that this government simply cannot attack inflation without attacking its very direction and its very programs. The NDP cannot attack inflation in Saskatchewan because it would mean a cutback of construction of new government offices, a cutback in government buildings and a cutback in the hiring of civil servants. An effective fight against inflation would mean a cutback in programs which are poorly administered and poorly run. An effective fight against inflation would mean a cutback

in practically everything the NDP have done over in the previous four years.

In 1971 a budget of \$471 millions was needed for a population of 900,000 people. In 1975 a budget of \$1.1 billion was needed for a population of 920,000 people. In 1971 approximately 12,000 civil servants were needed for 900,000 people but in 1975, 20,000 civil servants are needed only 20,000 more people. Obviously this direction is inflationary.

Mr. Speaker, the Economic Council of Canada made it quite clear in its tenth annual report that the great increase in the growth of the public sector segment of our gross national product is a main factor in inflation. Obviously the public sector is not productivity oriented notwithstanding what the Member for Biggar said and it is certainly not efficient. Productivity to date in Canada has never been measured in the public sector and we were disappointed to hear the Member for Biggar (Mr. Cowley) attempt to give some unsubstantiated example. It is obvious, Mr. Speaker, that the public sector does not have to be efficient and certainly it is an obvious fact that it is not efficient. Across the free world, Mr. Speaker, there has been a failure by democratic governments to attain the broad social goals that they have supposedly set out.

Through North American and through Europe there are concerns that health systems are failing that the education system is failing, that welfare is failing, that the justice system has failed and it not solving the very basic and the root problems.

Mr. Speaker, the hundreds of millions of dollars spent in Saskatchewan education have not made the children better readers and better able to communicate. I quote from an article, Mr. Speaker, in the Leader-Post of Monday, November 19, 1975 by Bruce Whitestone under the heading, "Mindless Spending on Education," and I quote and not out of context, Mr. Speaker:

An education expert no longer sees ever increasing government expenditure as the key to improved performance. In fact the case can be made that mindless spending on progressiveness platitudes about education is the root cause of the problems in schools and universities. Institutions that undergo as rapid an expansion as have the schools tend to outgrow their base as well as their structure. There is a point where quantitative change alters quality, while we do not know with precision where that point lies, the schools have clearly gone well beyond it.

And he continues, Mr. Speaker:

It is not only that we cannot afford the high cost of education but also that we cannot afford its low productivity. We must get better results from the tremendous investments that have been made.

Mr. Speaker, why has there been a failure in the educational system. Because the government opposite like many other social democratic governments have started with the assumption that all our education system needs is more money. I can recall speeches by the then Minister of Education about how starved education was under the previous government but I ask the Members opposite quite simply can our children read and write

better than they did five years ago and most teachers will tell you no, and most parents will tell you no.

The same thing has happened in the field of public health. In 1971 the budget for public health was \$77.5 million and in 1975 it was \$268 million. A very simple question arises, are people healthier? Probably not and I think that most doctors would say that they are not. And I think we can rest assured that the Department of Public Health won't know the answer. Certainly access to public health services has improved but have we as legislators really done the job that should be done in public health and that is making our people healthier and obviously that job has not been done.

Social welfare, Mr. Speaker, is another obvious example. In 1971 direct Saskatchewan Assistance Plan payments when economic times were bad were \$35 million; in 1975 they were \$60 million. But what have we accomplished in the field of Social Welfare, Mr. Speaker; there are still 40,000 people on welfare, not including those on strike. The Member for Saskatoon Buena Vista (Mr. Rolfes) shakes his head, the new Minister of Social Services, but he has failed and he has refused to issue a report by the department, any statistical report. One was given out I think for approximately three months by the Department of Social Services. It showed the record of the government opposite so bad and so poor and so much a failure that they have chickened out and have refused to supply any more statistics. The recent brochure or publication of the Department of Health interim report on Saskatchewan Vital Statistics fails and I say, deliberately so, to put out any statistics on the matter of welfare in the province of Saskatchewan. Obviously the approach of the government opposite in the field of welfare of merely spending more and more money has failed, merely raises the poverty level each year without leading people to self-sufficiency and it's time for welfare reform. The Liberal Party went to the people of this province with a position of welfare reform.

The goal of the welfare system as far as the Liberal Party is concerned is that in the welfare system, the main goal should be to assist the needy to attain self-sufficiency. The main goal should not be simply to guarantee an adequate income.

Mr. Speaker, generally I think that there are two principal means by which government can influence the behaviour of the voting people. It can do it by regulation and the government opposite know that area very well, having brought in more regulations, more controls and more government influence than any other government in the history of this province. Or it could do it by incentives. I think that regulation in the field of social policy has failed and it's now time to experiment with incentives.

Welfare workers should be paid more for every recipient client who attains self-sufficiency. Incentives should be given to welfare workers who reduce their case load and reduce the amount of assistance spent. Teachers who attain the social goals set out for their students should be paid more. Teachers who recognize potential dropouts and are successful in solving their problems should be paid more and incentives given for that purpose.

There are ways, Mr. Speaker, of bringing productivity, efficiency and effectiveness into social programs but based on

the previous four year track record of the NDP government much thought does not sit too well with them.

Mr. Speaker, I submit for the Members opposite the study of the 1973 budget of the United States government by the Brookings Institution, certainly not a right wing, fascist group as the Members opposite want to say, certainly a progressive institution, one that leads liberal thought in the United States, Mr. Speaker. I am going to quote page 458 of their study on the difference and the effect of regulation versus incentives. It says quite simply:

There are two principal means by which the federal government could try to influence the behaviour of individuals and institutions by regulation and by changing the incentives that individuals and institutions face. Explicit federal attempts to influence behaviour through incentives are relatively new. The more traditional approach has been to change behaviour by regulation. Projects or individuals receiving federal aid in the United States are required to have specified characteristics . . .

And I think the same thing certainly applies to Saskatchewan.

or to meet certain detailed standards. In some instances certain kinds of behaviour are simply declared illegal. The regulatory approach, however, has often proved ineffective, necessitating constant tightening of the rules of frequent administrative decisions about exceptions necessary to meet local conditions. (An obvious situation in Saskatchewan. Hence in many areas it would be preferable to de-emphasize the regulatory approach in favour of creating incentives for desirable behaviour. Those examples summarized earlier in the study will suffice to contrast the regulatory and incentive approaches to changing behavior.

They go on to give specific examples of where incentives have been much more effective than regulation in the field of pollution control, in the field of welfare assistance, ensuring that welfare recipients who can work do so, and thirdly where incentives have been more effective than regulation and that's in the field of controlling medical costs and quality. Certainly areas that should be strongly looked at by the government opposite, Mr. Speaker.

Mr. Speaker, a mere freeze or slowing down in the rate of growth as proposed by the government opposite, or the rate of growth of the public sector is not the answer. It simply doesn't go to the root of the problem. The public sector, Mr. Speaker, should become goal-oriented and efficient.

The NDP's record in this regard is dismal to say the least. Their answer of delaying capital expenditure and restricting the rate of growth of the civil servants is merely covering up a failure and is simply the covering up of a failed concept and a failed ideal.

Having no answers or no programs to deal with inflation the NDP decides to get the public's mind off inflation and to do something else and that is nationalize the potash industry. I think, Mr. Speaker, that one of the reasons the government



opposite considered the nationalization of the potash industry is because it thinks it can't lose, because I submit, Mr. Speaker, that one of the greatest mistakes made by political leaders in Canada is the federal-provincial equalization formula.

Basically it's designed to supply and allow a minimum level of government services and social programs in all provinces, no matter the economic position of the province. In this I think that we would all agree that the program has probably succeeded. But the great failure is the program's inability to give incentives to have-not provinces to improve themselves. If a so-called have-not province becomes a have province, it is simply cut off. If a have-not province fails to develop and improve its economic base, it gets more money. If a have-not province makes economic blunders and stupid business decision, it get more money.

I think we can recall a great Conservative decision in Nova Scotia to built a heavy water plant that is not costing the taxpayers of Canada hundreds of million of dollars, but Nova Scotia doesn't have to pay. As a matter of fact it's just the opposite, the man who made that decision, one of the worst in Canada, very nearly became Prime Minister in 1972.

In New Brunswick, I think everyone is aware of the so-called 'Hatfield's Folly', the Bricklin automobile. New Brunswick won't be penalized for its stupid decision. If it suffers a loss of revenue or a loss of income as a result of the failure of this Bricklin automobile, it will simply get a higher equalization grant.

The risks to the people of Saskatchewan from the NDP's decision to nationalize the potash industry are the greatest risks taken by the people of any province ever in the history of this country. It is a bad business deal. The evidence has been documented before this House by the Leader of the Opposition.

The Premier says it's a good deal and yet in the same breath he says he doesn't have all the vital information, that the potash companies refuse to turn over their books to him. Obviously, the Premier doesn't know whether it's a good deal or not, because he doesn't know the vital and necessary information. The risk and the gamble that the government opposite are asking the people of Saskatchewan to take becomes every greater when we realize that the government opposite is going into this operation blind and without vital information.

But seemingly the NDP didn't really want to know the real situation because it refused to set up a system where the potash companies could open their books to the Government with a guarantee that the information would not go to a competitor, the competitor obviously being the Potash Corporation of Saskatchewan.

The NDP refused to make it possible for vital information to be turned over to them and yet are in the process of trying to borrow hundreds of millions of dollars, obviously just in the known physical assets of the potash industry. No doubt the massive borrowing will be inflationary.

It's interesting that the risks will be awesome but not with the monies of the NDP Members, but with the moneys of the

pensioners and superannuates of Saskatchewan. With the monies of future generations of Saskatchewan citizens, they are the ones who are being asked to shoulder the risk, while the NDP tries to bring in a program to try and get some political benefit, a program without business merit.

Mr. Speaker, I say it's time that the federal-provincial equalization formula was revamped to give incentives to provinces to improve themselves and to penalize provinces who make stupid or wrong decisions so that the people of Canada will not be challenged in the future to come up and ante up for Blakeney's blunder which will really make Hatfield's Folly look like a penny ante poker game.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. LANE:** — In a few years, Saskatchewan will again have to go to the equalization formula and we will hear the great hue and cry from the Members opposite, get Ottawa, Ottawa won't give us the money, we need the money and there will be another federal-provincial confrontation as they try and get federal funds to bail them out and bail the people of Saskatchewan out of their bad decision.

Certainly the decision to nationalize is stupid for another reasons. Government managers, again notwithstanding what the Member for Biggar says, will now take over an industry that will have to compete with other mines, other marketing agencies and other targets. A failure to urn the industry on sound business management principles will lead to the requirement of further massive provincial government subsidies and a demand for further federal aid.

How is the NDP track record in business? The Throne Speech itself admits the failure of their program in SaskOil and admits that they need private initiative and private incentive and private industry to develop the oil reserves of the province of Saskatchewan.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. LANE:** — It's not even worth talking about Intercontinental Packers, it was so bad, the Members opposite individually know it was bad. The only one who liked it was Fred Mendel.

Mr. Speaker, the NDP track record and the modern track record, without going back to the factories and shoe factories, is bad enough and the track record certainly does not give any confidence to the people of Saskatchewan, the 61 per cent of Saskatchewan, who voted against the NDP record.

Mr. Speaker, the NDP have failed to attain the goals of their social programs, because I say it is a failure of management. Business management cannot exist in a static environment such as government and that is all the more reason not to nationalize the potash industry. Business management thrives on change and changes in technology, changes in knowledge, change in product, changes in markets. No government agency can possibly give the necessary environment for sound business management development. The takeover is irrational and it's foolish and it's poorly thought out by the NDP without necessary vital information.

I say, Mr. Speaker, that it's the sign of a desperate party. A party that tried every scheme imaginable to win an election. A party that gerrymandered seats in northern Saskatchewan. A party that used and manipulated Crown corporations to get votes. A party that at public expense hired people to write press releases and send out press statements on behalf of the backbenchers opposite. A party that tried to bribe people with their own money and failed and failed miserably. A party that notwithstanding the best economic period of Saskatchewan, has had its share of the popular vote go from 55 per cent or 54 percent to 39 per cent, the lowest that it has ever received.

Mr. Speaker, I think that the great tragedy of this Throne Speech is the missed opportunities. The government opposite had the opportunity to give, to reform the welfare system in Saskatchewan, to make it workable and to help the needy attain self-sufficiency. It has the opportunity to review our health care system, to put the emphasis on improving the health of our people and not merely supply more and more programs and lengthening the waiting lists at the hospitals.

It had the opportunity to review our education system to guarantee to the people of this province that our children can read and write better, that they are better educated and that the education system is a desirable channel for the economically deprived.

The opportunity was passed to develop a housing system that reflects the uniqueness of our society and the needs of Saskatchewan citizens and not merely a housing program that depends on federal programs that fund 75 per cent of our housing program in Saskatchewan.

I think that the people of Saskatchewan and I think the election result proved to the government opposite, they were ready for such action and this Throne Speech certainly doesn't deliver that action to the people.

The government opposite fails in the Throne Speech and may in fact, have destroyed the birthright of future generations of Saskatchewan citizens to be able to build their own future without paying for the mistakes of the past.

Mr. Speaker, I support the amendment and I join with the representatives of 61 per cent of the people of this province in opposing the motion.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. J.A. PEPPER (Weyburn):** — Mr. Speaker, it is quite normal when one rises to speak to make some comments regarding the remarks of the previous speaker. However, I find that I can put my time to much better use, Mr. Speaker . . .

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PEPPER:** — . . . than by making any remarks regarding the speech we have just listened to and it has been given in the usual manner by the Member for Qu'Appelle.

Now, Mr. Speaker, as this is my first opportunity to speak in this Throne Speech debate in this, our First Session of the Eighteenth Legislature, I should like to take this opportunity to congratulate you on your appointment as Speaker of the Assembly. I am sure that you will discharge your duties with fairness, honesty and with dignity. If you can command the same consideration from all Members, it will enhance and lighten your burden, and provide equal opportunities for democratic participation.

May I also, Mr. Speaker, congratulate the Members appointed to the Cabinet since the June election, the Members for Regina North-West, Saltcoats, Saskatoon-Buena Vista, Canora and Regina Centre. I think that's the list of them. I am sure, Mr. Speaker, that they will not only represent their constituencies well, but they will contribute considerable knowledge in their portfolios.

I have listened to several movers and seconders to the Address-in-Reply to the Speech from the t Throne on previous occasions. I should like to commend the Hon. Member for Quill Lakes and Melfort for the very able way, Mr. Speaker, in which they have made and handled their maiden speeches in this House, a credit to anyone even had they been veteran politicians.

Now Mr. Speaker, may I now just say a word of welcome and congratulations to all Members on both sides of the House in winning their constituencies by securing a vote of confidence in the election last June.

I must confess that I am inclined to feel like part of a small island, I suppose you would say, surrounded by Liberal and Conservative Members all across the southern part of our province. However, Mr. Speaker, the opposition made one mistake. They made one mistake by leaving sufficient seed there which has already started to germinate, I can assure you, and I warn them that it will spread like wildfire in spite of the future efforts they may take to quench it.

The recent redistribution of the electoral boundaries certainly transferred much of the good area which I had previously held in the old Weyburn seat or Weyburn constituency and placed it in the two adjoining constituencies, Estevan and Bengough-Milestone. However, Mr. Speaker, I was never one to run away from a challenge. I was prepared to work hard and take the decision of the voters. The voters in what is now the Weyburn constituency have placed their confidence in me and I am very happy to serve them to the best of my ability during this next term of office.

During the last four years the province of Saskatchewan has moved ahead, its economy has not only been maintained but has continuously been on the upswing. No matter what yardstick or measurement you may choose to use, it is a leader among the provinces and continues to perform at near maximum capacity. Population increased to 920,000. It has the lowest unemployment rate in Canada. We have also had the good fortune, Mr. Speaker, this year to have a substantially larger wheat crop than last year and a higher than average grade. This performance is matched I should say in very few other areas on the North American continent.

The constituency which I have the honor to represent has benefited in each of these categories and I am proud to be a Member of a government which has contributed to make it possible to become a reality. We now have located in the Weyburn constituency a regional office for the Department of Agriculture for south eastern Saskatchewan, with a staff of approximately 20 people. They have also established the headquarters at Weyburn to operate a newly developed community college. Our community college has a staff of some eight to ten people and is expanding by leaps and bounds with great enthusiasm displayed within the entire southeastern communities.

Many new homes and apartments are being built within the city and within the urban centres, new farm homes are springing up in the rural area whose farms are being operated by sons and daughters of many of our retired rural citizens who are now located in comfortable homes within their smaller urban centre. This all just doesn't happen, Mr. Speaker, it takes planning. Planning which helps to provide and maintain stability for our citizens and to equip them with opportunities that enhances and develop a future for themselves and the generations to follow. Our government believes this is important, that all may have equal opportunities to build a bright and prosperous future. We know, Mr. Speaker, that some 2,035 applicants have taken advantage of our Farmstart program by the end of March 1975. This year in my constituency out of 1,390 eligible farms, 904 or 65.04 per cent participated in our improved crop insurance program. I say that those applicants, Mr. Speaker, and established farmers as they now are, are being assisted by the government to build and plan their future and the future to build rural Saskatchewan.

There are many things contained in the Throne Speech that concern all Members. I think transportation is very important. I believe it will be more important than any of us can imagine and that it will effect all areas of the province. I am pleased to know that the government is giving this problem very high priority. Because the future development of rural Saskatchewan and the cost of moving commodities and products, be it from the rural area of our province or the urban industrial cities, its success will be based on a well-planned transportation system. The present trend as I now see it if it is allowed to continue would abolish many of our rail lines and facilities that are now service our rural areas, and in turn will force our small farmers and merchants to sell our giving way to large corporate style farming and chain store conglomerate. Mr. Speaker, I was not elected as a Member of our New Democratic Party to sit back and let this take place. Our smaller urban centres are fighting for survival and I have and will continue to join forces with them to do all I can to maintain and keep rural areas, so that they might have the privilege of enjoying happiness and contentment also. At the same time they can contribute to all segments of society in the manner in which they are best equipped for.

Mr. Speaker, I believe that one of the most important issues facing us today is the issue of inflation. This has not come about over night, because I know that many of us have been watching the signs of it approaching and at the same time not sure or certain just what measures should be taken to combat it. It is for that reason, Mr. Speaker, that I am pleased that our government has responded in a positive manner when the federal government asked for our co-operation to assist in doing some-

thing about it. I am also pleased to endorse our Premier's stand and that of his colleagues when they say the program must be fair and equitable to all groups of society.

I am concerned, Mr. Speaker, as to the effect an anti-inflation program will have on the lower-wage income groups, and I feel that they have been asked to carry much too large a burden. So I say, Mr. Speaker, that any steps that can be taken to alleviate this situation are very greatly needed.

According to Statistics Canada, a study made showed that the lower a family's total income, the greater the proportion spent on food. As an example — families with incomes of less than \$3,000 spend 27.9 per cent of their income on food, while at the same time families with incomes of over \$15,000 spend 13.4 per cent of their income budgeted towards food. It is for that reason that any changes in the price of food will have its greatest and most significant effect on those in the lower income bracket. In 1969 the cost price index for food stood at 127.1. In 1975 it had increased to 188.4 or an increase of 48.23 per cent. In Regina and Saskatoon in December 1969, it was at 129.1 but by December 1974 it rose to 193.5, an increase of 49.88 per cent.

Housing gives us a very similar picture. Canadians rated or considered at the bottom fifth of the income scale and living in cities and town with a population of 1,000 people or over paid twice the proportion of their income for housing than families that were rated in the top fifth of incomes in Canada. A three-bedroom bungalow, for example, in either Regina or Saskatoon in 1969 cost approximately \$21,000 while by 1975 this house cost \$33,000.

It would appear to me, Mr. Speaker, as indicated by these studies done in the examples cited, where the two basic necessities that all families require are food and housing, that in both of these areas it is the lower income group that pays a larger share of their income than those in the higher income bracket or level. It also shows that it is in these two areas that the cost of living has risen very substantially. Any more that we as a government can take to help alleviate these situations is necessary and I believe it can best be done by all levels of government showing their concern and acting accordingly.

Now, Mr. Speaker, I should like to speak briefly on one other aspect of the Throne Speech Address which I believe is very important to the people of Saskatchewan. It will prove to our citizens of this generation and the generation to follow that the Blakeney government in its recent move to protect the potash resources in Saskatchewan is acting in the best interests of the people. Again I am proud to be a Member of that government. And I am confident that time will prove this legislation is good legislation. I am sure this legislation will go down in history demonstrating what a responsible government should do in order to protect the interests of the people whom we are elected to serve, and not the interests of multinational corporations whose only concern, Mr. Speaker, is that of profits for its shareholders.

As has been said previously, we have been able to create a cordial relationship with many industrial firms such as oil and uranium. We hope and I am sure that we will endeavour to keep that relationship, Mr. Speaker. I have had the privilege of

living and discussing problems with oil company personnel for years and where we may not always agree, I still consider and respect their views and have reason to believe that they respect ours.

Now, Mr. Speaker, in any industry, good management and workers are the key to the success of that operation. I say to you and to the Members here, do not underestimate the potential of our Saskatchewan people. It is common knowledge that from past history other Saskatchewan corporations headed by many of our own people have proven very successful ventures. I am sure the potash industry will be no exception.

Most of the people working in the potash industry in Saskatchewan are Saskatchewan people. Although relative few of them are in management and virtually none of them are at the policy-making level, they do make the mines and refineries work and we expect they will continue to make them work. We think that many who came from outside our province will decide to stay here and they will help us expand this industry.

Certainly within the Potash Corporation of Saskatchewan we have a number of talented people who have spent many years in potash development and potash mining. I have no doubt of their ability to assemble a team to manage the industry efficiently, no doubt at all. Because, Mr. Speaker, it will be a new and bigger horizon for any people in the industry. Helping to manage one mine is one thing, managing a group of mines is something else — it's a challenge to their imagination, to their initiative and to their ambitions. I am sure, Mr. Speaker, many will be unable to resist that challenge.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PEPPER:** — I can assure you that those people are welcome to stay and become part of this new venture.

But I think equally important, Mr. Speaker, is that many of the miners and mill workers will feel more secure in their jobs knowing that the decisions are being made here in the province or here in Regina, not in the corporate boardrooms of New York, Toronto, Houston, Chicago or Paris.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PEPPER:** — They will be made right here. They know that decisions made here are going to take into consideration their future.

They know that this government is interested in making the best use of our non-renewable resources over a period of time. They know this government is vitally concerned with diversifying our economy and preserving our communities outside the big cities. Places like Lanigan and Esterhazy. The government will not make decisions based simply on how much profit we can make or how quickly. The decisions will take into account the human needs, Mr. Speaker, of the workers and their families. The government will be sensitive to the unhappiness and to the disruption caused to families and communities by layoffs and closures.

And when I say that, Mr. Speaker, I am not being critical of those businesses which have as their prime concern a quick return on investment. If that's the kind of business they're in, obviously they will try to make the biggest profit in the shortest time. It's not their objective to preserve jobs here in Saskatchewan or to strengthen Saskatchewan's economy. They will make decisions in the best interest of their world-wide operations.

We don't agree that such a motivation is the last way to develop our Saskatchewan resources. We think that the future of Saskatchewan workers and of Saskatchewan communities must be taken into account. And we think a Saskatchewan Crown corporation, the Potash Corporation of Saskatchewan, can do the job better than any one else.

Potash workers in Saskatchewan need to be assured that this government intends to stabilize and expand the potash industry. We know that workers in the industry are looking for a long-term stability. We intend to provide that kind of stability. We believe that everyone in the industry today has the right to stay in the industry if they wish to do so. Before long, we expect there will be more jobs available.

Some unions involved in the potash industry have called for public ownership in the industry, so we expect they will welcome the involvement of the Potash Corporation of Saskatchewan into this potash business. They know that they will have an employer who believes in the rights of workers to bargain collectively without harassment. They know that it is our government which introduced The Occupational Health and Safety Act, a piece of progressive legislation, Mr. Speaker, aimed at protecting the health and safety of our workers.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. PEPPER:** — I want to reassure potash workers that job security is a prime concern of the Potash Corporation and that the future of the industry and of the potash communities will be a major interest of this government.

Now, Mr. Speaker, in closing I believe this Throne Speech address has dealt with most of the pertinent issues of today. It has proven to the people of Saskatchewan that our government under the leadership of Premier Blakeney is a responsible government prepared to take steps that will provide for our citizens of Saskatchewan equal opportunities for all, and that they may be given a fair return for those resources which so rightfully belong to them.

I am sure by now, Mr. Speaker, that you will have realized that I am supporting the motion, and I'm certainly opposing the amendment.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. B.M. DYCK (Saskatoon Mayfair):** — Mr. Speaker, I want first to congratulate you on your election as Speaker of this legislature. It is a high and important post and I know that you will carry out your responsibilities with integrity and impartiality. I know that you will gain the respect of both sides of this House for your duration.



I want to welcome all new Member to this Assembly and express my regrets to those who ran but who did not succeed, and to those Members who did not return to this House. At this point, Mr. Speaker, I should like to apologize to the legislature for the condition of my throat. I have a bad case of laryngitis. I think it must have been a bug I picked up from the Tories while in Calgary for the weekend. I do hope that you will bear with me for a couple of hours.

Mr. Speaker, when the Premier of this province announced the new policy on resource development I recognized that this great province is again taking a giant step forward and is again in the vanguard of social and economic development. When the Premier announced this program it took a good deal of courage and I say courage because I know that there will be powerful forces raised against him and the government of this province in the months ahead. There are some alternatives that could have been pursued. One could have been to let the potash industry deal more or less on its own with a good deal of the profits leaving this province and indeed leaving this country. Obviously, our responsibility to the people of this province and the mandate that we were given on June 11 wouldn't allow our government to pursue this alternative.

The last number of months have been a continuous harassment by the various potash firms in this province against the government. We have seen legal actions taken against us. We have seen a refusal to pay taxes duly constituted by law, and we have seen the threat of no further development of the potash industry when we know that the world demand is growing each year. Certainly, pursuing this alternative would have involved a good deal of litigation in the courts. Two years down the road, or more, perhaps the problem would have been solved. But clearly, Mr. Speaker, that was not a viable alternative for this province. Clearly it is an alternative that I would not have supported as a Member of this Legislature.

The forces opposed to our position are already making threats. They assume, for example, that investment will not come to Saskatchewan. Well, first of all, Mr. Speaker, when we talk about the large secondary industry located in this country, when was it ever located in Saskatchewan, or Manitoba, or Alberta for that matter. The bulk of it as we know is in eastern Canada. By and large much of the investment that has taken place in this province has been done, and will continue to be done, by the people of this province. I can think of the many farmers, the Wheat Pool, the Saskatchewan co-operative movement and the many individual entrepreneurs in the cities of Saskatoon and Regina and elsewhere who have built their businesses on a good solid footing without assistance from the multinational corporations. These are the new types of business firms that have been the strength of our province in the past and I know they will be in the future.

While we do seek investment for secondary industry in the province from other parts of the world certainly the position of the government has not been a deterrent to that investment. Because if one looks at the situation in the Maritimes you will find that they have a great deal of difficulty in attracting investment for secondary industry. Certainly governments there in the Maritimes are not the same as the Government of Saskatchewan.

We have been, over the years, misled to a point where we believe that Canada cannot exist as a country without a good deal of foreign investment. This is not a position that I necessarily have taken in the past, nor will I take it now. Some of the Members of this Assembly may have heard of Mel Hurtig, and the Minister of Mineral Resources (Mr. Whelan) was referring to him earlier on this afternoon, who has been a champion of an independent Canadian economy. What does Mr. Hurtig have to say about the threat that investment will be leaving Saskatchewan. I quote Mr. Hurtig:

This causes me pure joy and I will explain to you why. Just three days ago in Toronto, I released some brand new numbers about the business afforded us and I was speaking to some 600 property developers from across Canada. And here I will give you the brand new numbers I have released, because they were shocking. In the last 25-year period, ending in 1974 — from 1950 to 1974 inclusive — non-residents have brought into Canada in long-term and in short-term capital, if you add it all up together, just over \$25 billion. And in the same period of time, in the same 25-year period, sent out of Canada, \$17 billion worth of dividends, \$7 billion worth of interest payments and \$16 billion worth of Mickey Mouse things like the service charges the multinationals use to transfer payments from one country to another. So, summing up, \$25 billion in 25 years inflow, and \$40 billion as an outflow during the same period of time. The next time someone threatens not to invest in this country, you tell him, “thanks very much, we already have had too much of that investment.”

You know, Mr. Speaker, with the expansion of the potash industry in this province which we anticipate and which the world markets will demand, there will be a good deal more employment in Saskatchewan, Not just in the operation of the mines, and the construction of new mines, but in the centralized staff, the management and scientific staff that now does not exist in Saskatchewan but which exists in other parts of the United States and indeed in other parts of the world.

Mr. Speaker, I should like to see a good many of those people employed in those research and managerial capacities, employed right here in Saskatchewan and preferably, Mr. Speaker, right in the city of Saskatoon.

We believe that our important potash resource can best be developed in a co-operative spirit by the people of Saskatchewan. That's why we're proposing that the Potash Corporation of Saskatchewan, a Crown corporation, negotiate the purchase of potash mines in this province. It's our intention to expand those mines in the most efficient manner, to increase total output at minimum cost, and to develop new mines as and when they are needed.

It takes something like five years to get a new mine into production, but expansion of some existing mines can take place more rapidly, so that it is likely to be the government's first option. Since the industry is currently selling all it can produce, it is reasonable to assume that production . . .

Mr. Speaker interrupted the debate and the question being put on the amendment, it was negatived on the following recorded

division:

YEAS — 20

Steuart	Edwards	Collver
Stodalka	Nelson (Assiniboia-Gravelbourg)	Larter
Lane	Clifford	Bailey
Wiebe	Merchant	Berntson
Malone	McMillan	Ham
MacDonald	Thatcher	Katzman
Cameron		Birkbeck

NAYS — 31

Blakeney	Mostoway	Tchorzewski
Pepper	Larson	Matsalla
Bowerman	Whelan	Skoberg
Smishek	Dyck	Vickar
Romanow	McNeill	Nelson (Yorkton)
Snyder	MacAuley	Allen
Byers	Feschuk	Koskie
Baker	Shillington	Johnson
Lange	Rolfes	Thompson
Faris	Cowley	Banda
Robbins		

**MR. DYCK:** — Mr. Speaker, before the vote was taken, I was saying that it takes something like five years to get a new mine into production, but expansion of some existing mines can take place more rapidly, so that is likely to be the government's first option. Since the industry is currently selling all it can produce, it is reasonable to assume that production capacity must be increased as soon as possible. We think a Crown corporation, owned by the people of the province, is the reasonable and commonsense way for us to achieve these provincial goals of expansion for a provincial resource, potash.

In the end, we don't think it matters that the companies refused to expand. We should be expanding through a Crown corporation in any case because it is the best way for us, as a province to expand. It makes good business sense to consolidate this important industry under a Crown corporation. Potash is a resource of a different kind from our other known provincial resources and must be treated in a different way. It makes some sense to look on it as a natural single industry, somewhat like industries already being run by provincial Crown corporations.

Let me give you an example. I think virtually no one would want to return to the days when our telephone system was a conglomerate of small rural telephone companies. By pooling all of our resources in a province-wide, publicly-owned telephone system, we now enjoy a service that for most of the province is excellent, is being constantly improved. In addition, it's profitable and our rates are lower than comparable private telephone companies.

Saskatchewan Minerals — a Crown corporation mining sodium sulphate, made more than \$2 million profit for the province last year and probably will do even better this year. Obviously

it is a Crown corporation that's doing something right.

Saskatchewan Power Corporation — another example of what a Crown corporation can do. We get cheaper power, an expanding public asset, and dividends to the provincial treasury. All these things have lower taxes and cheaper rates for the people of Saskatchewan — a double dividend for all our citizens, thanks to Sask Power, a Crown corporation.

Now not all Crown corporations are meant to make a profit. Some of them are designed to provide a necessary service that private entrepreneur can't or won't provide, such as bus services to small communities. It is true that some Crown corporation have failed. Not many, but some. Private businesses are failing every day in Canada, and we hear very little about that. That is all right; even though many of these private ventures enjoy sizeable public funding. Saskatchewan's Crown corporations have an excellent record. I'm happy to compare Crown corporations here in Saskatchewan with private corporations anywhere. Just try comparing insurance rates, SGIO across the board competes pretty well and when it makes a profit, that profit accrues to the people of this province and doesn't go to a head office somewhere outside this country.

The record of our major Crown corporation is hard evidence that publicly owned and operated companies in Saskatchewan can and do operate with efficiency and profit. The Potash Corporation of Saskatchewan will be another successful Crown corporation and it will do the best job of developing our potash industry for the people of Saskatchewan.

Mr. Speaker, turning to the recent announcement of the wage and price controls by the federal government on October 14th. May I say at the outset that in my view it was nothing else but a wage control and not a price control. The White Paper that was introduced by the federal government appears to provide for many loopholes for price increases. In fact, there are so many loopholes that prices could be increased whenever the corporation wishes. For example, the White Paper says, and I quote:

Firms may make increases in prices on the basis of forecasts of cost increases.

That amounts to a virtual free hand to the corporations, and yet firms have already increased their prices to take account of future cost increases. They will be reaping a double windfall. The White Paper also says that the firms should only increase their prices every three months except where this would impose a hardship on the firm. No wonder the big businesses are so anxious to co-operate with the federal program.

Quality control is not mentioned in the program. That means that if, by some chance, the prices for some good do stay the same the quality of these goods could be reduced and so, of course, in effect the profit will increase. Similarly, there appears to be no indication that professional fees will be controlled effectively. The White Paper also says that companies can benefit from gains in productivity. The employees, who created the productivity, cannot benefit, beyond the arbitrary two per cent national limit.

Mr. Speaker, I want to remind this legislature that when prices and profits were rising faster than workers' incomes, the federal government did nothing. In those days of 1972-73 and 1974 our party was urging selective price controls and nothing was done. It is only now when some wages have started to catch up that the federal government has started to act and in so acting they have frozen prices at a very high level and profits are frozen at a very high level.

Let me give you some indication of how profits have increased in the last few years. Those are figures taken from Statistics Canada. In 1972 the average profit for the year for all four quarters was \$10.8 million. The average for 1973, Statistics Canada, \$14.3 million in profits, average for the year. In 1974, \$18.3 billion average profits for all four quarters, Statistics Canada.

Mr. Speaker, what about labour costs and profits as they apply to the percentage of the gross national product. In 1968 the amount of the GNP that went to labour was 53 per cent, the amount in profits was 10.7 per cent. I will skip a couple of years, in 1970 the amount of GNP that went to labour was 54.5 per cent, the amount that went to the corporations was nine per cent. In 1972 the amount that went to labour was 55.1 per cent and the amount that went to profits was 10.3 per cent of the GNP. In 1974 the amount that went to labour was 53.9 per cent of GNP, the amount of profits as a per cent of the GNP was 13 per cent. A further indication that the price mechanism will not work was a confidential document that was released recently from the federal Department of Finance. It indicates already the projected increase in the Consumer Price Index will be 9.9 per cent for the coming year. That is their projection. In reality what we anticipate is a return to the double digit inflation that we have known in recent years of 11, 12, 13 per cent in the next year.

Now, the actions of the Anti-Inflation Board and the powers given to it are very interesting. If, for example, the Anti-Inflation Board rules to limit a certain price increase, what are the alternatives available to the person or corporation which is increasing prices. Allow me to quote again, Mr. Speaker, from the White Paper:

Those persons against whom the administrator has acted will during a period of 50 days have their right of appeal, the legislation will establish an anti-inflation appeal tribunal, consisting of a chairman and others to be appointed by the government. The tribunal will dispose of appeals by either discussing them or allowing them in one of three ways:

- (1) the order of the administrator may be entirely rescinded;
- (2) the order may be varied or the matter may be referred back to the administrator for reconsideration;
- (3) an appellant will be able to appeal the decision of the appeal tribunal to a federal court of appeal.

Further the Cabinet within 30 days by order of the administrator will be permitted under the terms of the legislation to rescind the order of the administrator or instruct him to vary his order.

So in any practical sense, Mr. Speaker, two years down the road

perhaps the price will be rolled back.

In this instance what would happen? Will all the consumers be refunded the amount equal to the increase in price? Mr. Speaker, I rather doubt that. Firms are expected to refrain from increasing the prices of any individual product more frequently than once every three months, except where this would impose hardship on the firm. Retailers and wholesalers would be exempt from this requirement.

In my view, the present anti-inflation legislation of the federal government will not work. But something should be done because inflation is a major and serious problem in this country. It has eroded the purchasing power of many of our senior citizens who have saved for their senior years and now find that the purchasing power of the dollar they have saved has limited purchasing power. The only people that have been gaining in the last few years during the inflationary years have been those people that have held real property. Real estate people have gained but those people who are on pensions have certainly lost.

A number of things should be done:

- (1) Price of key commodities should be frozen immediately and any price increases should be first justified before the Anti-Inflation Board. In some instances prices should be rolled back immediately.
- (2) The federal government should provide a good deal more assistance for public housing across Canada.
- (3) Companies in the private sector should reduce some of their budgets, I think particularly of some of their advertising budgets.
- (4) Interest rates should be lowered and consumer credit should be limited.

These are only some of the steps that would help us solve this very serious inflationary problem. Mr. Speaker, I will support the motion. I beg leave to adjourn debate.

Debate adjourned.

The Assembly adjourned at 9:20 o'clock p.m.