

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN  
SIXTH SESSION – FOURTEENTH LEGISLATURE  
5th day**

**Wednesday, February 12, 1964**

The Assembly met at 2:30 o'clock p.m.  
On the Orders of the Day:

**DEATH OF LIEUTENANT-GOVERNOR'S BROTHER**

**Hon. W.S. Lloyd (Premier):** — Mr. Speaker, before the Orders of the Day are called, I wish to inform the members of the legislature and they will hear, I know, with regret, of the death of the younger brother, at Owen Sound, Ontario, of His Honour the Lieutenant-Governor. This will require His Honour to be absent from the province for the balance of the week. May I say that I have already, on behalf of the government, expressed sympathy to His Honour and to members of his family.

**WELCOME TO STUDENTS**

**Hon. A.M. Nicholson (Minister of Social Welfare and Rehabilitation):** — Mr. Speaker, before the Orders of the Day, I wish to draw the attention of the legislature, and your attention, Sir, that we have with us guests with us from the University of Saskatchewan, Regina and Saskatoon Campuses, and some members of the International Students Association at the universities. I am sure members on both sides of the house welcome these students here. Dinner will be served in their honour at 5:30 when Mr. Speaker will be presiding. I might mention that after the house adjourns, room 267 will be available, when I hope members from both sides of the house will be available to welcome these students and answer any questions which might be directed to us.

**Some Hon. Members:** — HEAR! HEAR!

**Mrs. Gladys Strum (Saskatoon City):** — Mr. Speaker, before the Orders of the Day are called, I would like to draw the attention of the house to a fine group of students in the west gallery from the Howard Code school in Saskatoon, who are here with their teachers, Mrs. S. Fowler and Miss Hart. I am sure you would all wish to join with me in wishing them a pleasant and profitable day and a safe journey home.

**Some Hon. Members:** — HEAR! HEAR!

**Mr. Gordon T. Snyder (Moose Jaw City):** — Mr. Speaker, before the Orders of the Day are proceeded with, I want to draw your attention to a group of students in the speaker's gallery from the Moose Jaw Technical High School. They are accompanied by two teachers from that school, Mr. Walkerchuck and Mr. Gorenson, and I am sure that all members will want to join with me in welcoming them here and express the wish that their day will be a valuable one in our city.

**Some Hon. Members:** — HEAR! HEAR!

**ADDRESS IN REPLY**

The Assembly resumed the adjourned debate on the proposed motion of Mr. Michayluk for an Address in Reply.

**Hon. W.S. Lloyd (Premier):** — Mr. Speaker, I think we can now agree that the session of the legislature is officially opened. I say so because the Minister of Agriculture has moved an annual motion to put before the assembly amendments to the Stray Animals Act. That's always a sign of spring and the opening of the session.

I want, Mr. Speaker, to join with the remarks of the hon. member for Saskatoon (Mr. Nicholson), Minister of Social Welfare, and all members of this legislature in welcoming the second of our groups from the university of Regina and Saskatoon, and various other members of their groups. We have this pleasure each year and as I said to the group last evening, it is an annual event to which all of us look forward. I regret that it isn't going to be possible for me to be with the group this evening, I do know that it will be an interesting evening and the members of the legislature, in particular are looking forward to getting to know some of our visitors as individuals. May I just add a special word of welcome, Mr. Speaker, to the latest visitor who has joined us in the chamber. all of us I am sure would want to welcome him and wish him well in every way possible.

**Some Hon. Members: — HEAR! HEAR!**

**Mr. Lloyd:** — Now, the legislative debate with which we are now concerned is one which supposedly is to deal with the program of the government as outlined in the speech from the throne. It began on Thursday of last week when His Honour read to us his annual message with regard to government proposals for the session. It was on Monday of this week, treated by the mover and the seconder of the traditional resolution, in this case the member from Redberry (Mr. Michayluk) and one of the Regina members (Mr. Whelan) and all of us agree that these two members performed their function with vigor and after having given very much thought and consideration to that which they had to say about it. They discussed the proposals in the speech from the throne; they discussed many of the background developments to that program and I want to extend to them congratulations on a very real contribution to discussion of the problems of the province of Saskatchewan.

Following that we had, on Monday and on Tuesday, some one and one-half hours plus, from our friend the Leader of the Opposition in the legislature. You know, listening yesterday, it occurred to me that if someone had turned on the radio while he was speaking, after having missed the afternoon's introduction, they might very well have wondered what debate it was they were listening to. As a matter of fact they might very well have come to the conclusion that they were listening to him address himself, not to the throne speech debate, but to a political meeting someplace in the province. He carried on for something more than 90 minutes. Maybe 10 of these minutes was spent on the content of the government program which is now before this legislature. As a matter of fact, I think it is fair to say, that there was little indication that he had even read the speech which is presumably being debated at this time. He chose instead to give his interpretation of some twenty years of life in the province of Saskatchewan under the present government, and secondly he chose to give his interpretation of the Liberal platform for a hypothetical election campaign, which is supposed to be in the offing sometime. He was so concerned, as a matter of fact, and so wrapped up in this latter function that when he came near to the conclusion of his speech, he said others of my group will talk about other planks in the platform.

Now, I had assumed that we were really discussing the speech from the throne. One would have thought that it might have come up for some discussion from the Leader of the Opposition on this occasion.

Following that, Mr. Speaker, it is my opportunity yesterday and today to enlarge on some aspects of the speech from the throne, and, of course, it is my responsibility to comment on some, at least, of the remarks of the Leader of the Opposition. to begin with, I thought it was interesting, in thinking about those remarks, to note a couple of what seemed to me to be major contradictions in them. One of them I mentioned yesterday. You will recall that he assured us this year, as he assured us last year, that his party would not try to out-promise any one. No sooner having said that, than he released a torrent of promises which would cost not only many millions, but tens of millions of dollars to fulfil. This is not promising or not out-promising.

And he spent a considerable amount of time, secondly, in pointing out how that it was his ambition (and it is not a new ambition) to eradicate socialism in Saskatchewan and all its effects, and no sooner had he said this than he was proceeding to deny any intention to do away with the programs and institutions which he, himself, had previously labelled with the socialist name. If the Leader of the Opposition should, Mr. Speaker, appear to be a bit tired today, I am sure he could be excused because of his strenuous effort yesterday to plant his speech so firmly on both sides of so many different fences.

**Some Hon. Members: — HEAR! HEAR!**

**Mr. Lloyd:** — But Saskatchewan is a province of change and a province of growth, and there were some indications, as I noted yesterday, of change and perhaps growth indicated by the Leader of the Opposition. Some of you may recall, may have read in the paper that a few months ago speaking of election prospects in Saskatchewan he assumed the air of some twentieth century Saskatchewan Tarzan prepared to leap or, if you like, of an enraged character in a cartoon strip, and came out with these words for election prospects — “We’ll murder them”. These were his words a few months ago = “We’ll murder them”. Yesterday you will recall his words were “cautious optimism” — there is a very considerable change in a very short period of time, and we must note also his change in a slightly longer period of time — 0 in his attitude toward other political parties. May I refer here, Mr. Speaker, for example, to the Leader Post of June 7, 1962, an article under the headline: “Liberals Falling for Tory Ruse”. The Liberal leader at that time was speaking in the city of Regina, and here are his words as quoted: he said

I am pretty disappointed with certain Liberals who had fallen for the Tory ruse of trying to rally the anti-socialist vote behind conservative candidate, Ken More. I want to tell this small group of Liberals they are being duped.

And then he went on to say he could not understand the logic of any party member who says he will support the Conservatives federally but will return to the Liberal camp provincially after June 18th. Now that was on June 7, 1962, and may we contrast this, Mr. Speaker, with a statement made in the city of Moose Jaw, and quoted on February 11, 1964, in the Leader Post, and here he is talking to the conservatives again and he says:

If you will come along with us, we will finish the job and then we can have our squabbles after the job is done.

**Some Hon. Members:** — HEAR! HEAR!

**Mr. Lloyd:** — Mr. Speaker, “Will you walk into my parlor said the spider to they fly”, or as I commented yesterday about the young lady from Niger, who went out for a ride on a tiger, and came back with the lady inside of the tiger, this is essentially what the Liberal party now is saying to the Conservatives: Walk into my parlor and come into my web, let’s go out for a ride, and you will come back inside, and having done that, we will have a good fair fight according to our rules, Well, there has been a very considerable change as I say, in regard to the Leader of the Opposition in several ways. Last summer’s bellow has become a coy and plaintive, rather come-hither whisper to those people who scarcely more than a year ago were in his opinion a serious threat to the welfare of Canada. Now, I am sure, my friend, the Leader of the Opposition is a good refrigerator salesman, and yesterday I had the feeling that I had seen the same goods displayed before and heard them described before with the same easy flow of language.

Now, Mr. Speaker, let me turn to some comment with regard to the general message which I think is contained in the speech from the throne. One of the most important functions of the government is that function which has been called the allocation of priorities. The throne speech each year indicates government decisions with regard to this allocation of priorities. This allocation is, in part, by direct action of the government, it is also by indirect action, it is by programs of government, by assistance to non-government programs, and by general influence. Now we do have in 1964 a broad choice of possible priorities. Mr. Speaker, on this side of the house we chose that priority which emphasizes services to people, which enhances the opportunity of the individual to have a more satisfying useful and stimulating life. We chose that priority which provides more certainty of necessary treatment and consideration from the total energy and competence of all of us, when the individual may need such treatment and consideration. We didn’t have to so choose. We could have, for example, foregone in 1964 a substantial increase in school grants, this is an increase which in itself is more than one and a half times the total of grants twenty years ago, a time when we had a budget which commanded the admiration of the Leader of the Opposition, speaking yesterday. We could forego substantially increasing the assistance to the university and to technical education programs. We could forego the mentioned added investment on roads, housing and employment activities in northern Saskatchewan.

We need not have added, as we did some months ago, more than half a million dollars to pensions of various groups of people in need of assistance. We need not have reduced, as we did some months ago, the personal premiums for medical and hospital insurance by five million dollars. We could ignore the desire of many municipalities and other groups to provide more accommodation for elderly citizens. We could ignore the request of municipal governments for added measures to support their street and road building programs. We could close our eyes to the need for more staff, to make even more effective our Canada leading programs of care and cure for the mentally ill. We could close our eyes even tighter and do nothing to make secure the future needs of Saskatchewan for water and save still more staff.

Some more farm people and some more small urban municipalities would admittedly, of their own volition, add water and sewage facilities, if we were to withdraw the government programs which have added so much to comfort, economy and healthful environment. Development of parks need not necessarily be extended. We could refrain from added investment in our agriculture industry, and employment-producing, service-providing public works. There is no compulsion on us to prepare for participation in Saskatchewan's jubilee and centennial years in an imaginative way, designed to add both interest and utility to Saskatchewan life.

So there was for us a choice of priorities. We could have omitted, or we could have reduced, many or all of these things I have mentioned, had we done so, we could have reduced the sales tax by one per cent, by \$8 or \$10 per year per person on the average. Many people would have appreciated this. We chose instead to recommend to this legislature and to the people of Saskatchewan, the kind of priority I have suggested, the priority of using that income as an investment by all of us in the welfare of each. We chose, Mr. Speaker, the priority of people. We are convinced that in this way we best serve the present and the future of this Saskatchewan of ours.

**Some Hon. Members: — HEAR! HEAR!**

**Mr. Lloyd:** — Now there are, Mr. Speaker, some essential guideposts for the future, which this list of priorities recommended in the speech from the throne recognizes. They are, for the most part, guideposts which were entirely ignored in the solidly materialistic remarks of the Leader of the Opposition yesterday. Admittedly, encouragement of economic growth is necessary. The speech from the throne recognizes this. There are proposals for added investment in both the agricultural and the non-agricultural segment of our economy. But tomorrow's society will be one in which more goods will be produced by fewer people with less manual labour. On the other hand, more people will be involved in educating youth than retraining older workers, in providing services for older people, in preventing illness and curing the sick in advancing science, in making our cultural heritage available to more people and in passing it on enriched.

The Leader of the Opposition in more than one and one-half hours of free flowing words, in his attempted definition of reform, did not even glance in the direction of these signs or guideposts. And if we are to be ready for tomorrow, then public programs of the kind urged in the speech from the throne are essential. Such a program, we submit, will put Saskatchewan squarely on the road to new horizons, with eyes fixed on new, enlarged and essential targets.

**Some Hon. Members: — HEAR! HEAR!**

**Mr. Lloyd:** — Not only, Mr. Speaker, did his remarks miss the guideposts of the future, they missed many of the realities of today. The Leader of the Opposition, in fact, suggested that you don't need priorities — that choices can be avoided. I submit that this position is misleading and unrealistic. You will recall again that after claiming to be very responsible, after emphasizing that his party wouldn't try to out-promise anyone, he argued that millions (maybe twenty millions) of taxes could be removed, and that other millions could be spent at the same time. No choice, no need to make a choice he said in effect. I submit, again, that that position is misleading and unrealistic. No amount of kicking on legislative doors, or beating of political breasts, can make it other than unrealistic and misleading.

Let me comment further on some remarks made or inferred. It was when he spoke, I think on Monday evening, that he expressed some disappointment that the speech from the throne did not indicate either tax reduction or debt reduction. As a matter of fact, Mr. Speaker, of course, we have experienced both of them, and at least one of them was referred to in the speech from the throne, and I refer again to a reduction of \$5,000,000 in the amount of personal premiums for medical care and hospitalization to be paid by the people of Saskatchewan. That reduction provides that the premium per family for medical care insurance is \$12 a year, \$1 per month, it provides that the premium for single persons is \$6 per year. It provides further that another \$40 per year per family covers the personal provision for hospital insurance and that, for those who are single, another \$20 per year serves that purpose. The combined amounts of these two payments of \$52 per year, \$1 per week per family, the combined amount for a single person is \$26, or 50 cents per week per single person. The reduction to which I have referred, was designed to further improve, in the most effective way, the relationship between medical care costs and ability to pay. This, may I emphasize, is possible only when there is a public program in which all take part in paying the costs and all have access to the benefits.

**Some Hon. Members:** — HEAR! HEAR!

**Mr. Lloyd:** — Now it is quite true that the personal premium does not represent the total cost for all people. A portion of sales tax and of income tax must be added. The Leader of the Opposition likes to compare situations with other provinces, so let's do some comparing. He likes to compare with what was in Saskatchewan before. Let's do some comparing. Let's take a family of four in the province of Saskatchewan, with an annual income of \$4,000. They would pay in their medical care insurance portion of sales tax about \$24, based on \$1,600 of taxable purchases which is the average pattern. The surcharge on income tax would come to not quite, but about, \$10. They would pay in premiums \$12, making a total of \$46. Before medical care insurance, most of these families paid about twice that amount, Mr. Speaker, and without it (Having in mind, increases which have been increasingly common in other Canadian provinces since 1961) they would be paying now, it is safe to say, twice, and in some cases, more than twice that which they now pay.

Let us see about the situation in the neighboring province of Alberta, where they admittedly achieved a medical care insurance plan (although that is a misnomer) without any difficulty. It is a plan which would be welcomed by some people, a decided minority, who, indeed urge such a plan in the province of Saskatchewan. In Alberta this family would receive no assistance whatsoever in meeting its medical care costs. It would be entirely on its own. This family, depending on the age of the parent, would pay up to \$159 a year for the coverage which it gets in Saskatchewan for only \$46. Certainly, it would pay over \$140 or more than three times as much as the same family living in the province of Saskatchewan.

Let us consider a single person in Saskatchewan with an income of \$1,800. The portion of sales tax allocated to medical insurance would be about \$12, income tax about \$5, premium \$6, a total of \$23. Mr. Speaker, we can easily double this amount by changing to a plan such as in Alberta, which is more agreeable to, more acceptable to and urged by some.

In addition to that \$5,000,000 reduction in taxes, or costs to Saskatchewan people, my colleague, the minister in charge of the Power Corporation, introduced earlier this week, a reduction in power rates, which will save the people and industries in Saskatchewan, something over \$2,000,000. This is a decrease in rates which is made possible because of the increased use of power in the province of Saskatchewan and because of wise planning and investment, to provide the generation and distribution services necessary to meet that increased demand.

Now, the Leader of the Opposition also talked about the debt situation, and inferred that this was a ruinous situation in Saskatchewan.

Let me talk first of all about net debt. I shall talk later about gross debt. But first of all I'll deal with net debt because it is the appropriate measurement of the financial load borne by the taxpayer because of public debt.

In 1954, this net debt per capita was \$74.36. In 1962, it was reduced to \$24.31 per capita, by 1963, excluding the school lands funds from our assets, it was \$13.35 per capita. It had gone between 1954 and 1963 from \$74.00 to just over \$13.00 per capita, and if we include the school lands, of course, and the debt in 1954, it would have

been less than \$74.00, and the debt in 1963 would have gone entirely and we would have instead some \$25.00 as the per capita share of net assets of the province. But, disregarding this as part of our assets, it has been reduced from \$74.00 to \$13.00 in a period of about ten years.

Now the Leader of the Opposition will claim of course that he was talking of gross debt, not of net debt. So he was. He formed his conclusions first, and then he went out to select the evidence which suited his particular conclusions. Now the gross debt in the province of Saskatchewan is greater than it was. It's greater than it was because of that which we have built. It's greater than it was because of that which we own. It's greater than it was because of that which we have, that which is working for the people of Saskatchewan, that which will repay its capital and its interest and dividends in addition to that. It's greater for example, Mr. Speaker, because we have a public power corporation serving about 200,000 customers with electricity. Those customers are using about 15 per cent more power this year than last year. It's greater than it was because, there were 12,000 more telephones in use in 1963. It's greater than it was because, since 1960, over 180 rural telephone companies have been connected to dial telephone service. It's greater than it was because many people in Saskatchewan can now (and many more soon will be able to) dial, directly, some 80,000,000 telephones in other parts of North America. Is there anybody who would claim that we should not have not so invested? Is there anybody who would claim that it hasn't been good business to so invest? I ask those questions because that in effect is what the opposition claims when they criticize this gross debt.

**Some Hon. Members:** — HEAR! HEAR!

**Mr. Lloyd:** — Again, they suggest that it isn't necessary to make choices. The priority or the choice of a lower gross debt would have meant less power, fewer telephones, a denial of natural gas to thousands of people. This, presumably, is the Liberal idea of reform. Now, when he was speaking yesterday, the Leader of the Opposition said that a government ought to adhere to the same principle as a business. Well, let's look at gross debt in this way. Let's look at it from a viewpoint other than mine. I quote from an address given by Mr. R.M. Fowler, the president of the Canadian Pulp and Paper Association. Mr. Fowler was speaking on January 31, 1964, and he posed this question to his listeners.

Why is it (he said) that an increase in the national debt to deficit and long term financing is automatically regarded as a bad thing, and increases in corporation debt are regarded as evidence of sound and progressive management of a dynamic company.

This, I submit, is a good question for the opposition to try to answer. It would be interesting to hear their approach to it. Well, he went on to point out that

for fun (he said) he had looked around for an example among Canadian corporations of sound growth, reasonable prudence and vigorous management.

And from our point of view, Mr. Speaker, since a good part of the increase of our gross debt results from investment in telephone services, he made an interesting choice. He chose the Bell Telephone Company. That definition, sound growth, reasonable prudence and vigorous management undoubtedly fits the Bell Telephone Company, undoubtedly fits the Saskatchewan telephone company as well. Now when he examined their position, he found that in the ten year period, up to the end of 1962, Bell's long term debt had expanded by 172 per cent, and he went on to say that he didn't think that Bell had been either unwise or profligate. As a matter of fact, he thought that it was a pretty good company subject to reasonable prudence and vigorous management which had resulted in sound growth. The increase in gross debt in Saskatchewan because of the growth of public utilities would probably be roughly comparable. The Leader of the Opposition would undoubtedly applaud the Bell Telephone development as being that of a glorious decade. In spite of his own words, he'd refuse to use the same measuring device for public utilities serving the industry and the people of his own province.

May I turn now to annual remarks which are made with regards to the subject of taxation in Saskatchewan. And he referred again to a frequently repeated chestnut about new taxes since 1944. And since he refers to this every year, in the same way, I should think that I am

entitled to reply to it, Mr. Speaker, in the same way.

Just to demonstrate, both the consistency and the persistency of his refusal to indicate the whole story, may I quote from remarks which I made to the same reference last year, in this same address. I began those remarks by saying, Mr. Speaker, "as I said last year," so I could have read what was said in 1962 with equal appropriateness, but on this list of new taxes, which is a favorite topic with many of the members sitting over there, a great many of them, they fail to point out represent new services and new developments which weren't present in Saskatchewan in 1944. For example, we didn't need in 1944 any schedule of royalties in regard to potash — no potash under the Liberal government. We didn't need any regulations or fees with regard to pipe lines — no pipe lines under the Liberal government. We didn't need a whole series of fees for students at any provincial technical institute — no provincial technical institutes. We didn't need a series of fees for persons taking apprenticeship training — no apprenticeship training. We didn't need charges for the inspection of oil burners — no oil burners. We didn't need 70 different fees to make some charge for appliances for handicapped persons at nominal costs in 1944. In 1944, handicapped persons went out and got them where they could, and paid what they had to. We didn't need fees in 1944 for the air ambulance — no air ambulance. We didn't need 375 different items in this list to provide for payment for the cancer program. These latter items are almost exclusively applicable to persons outside of the people of Saskatchewan. We didn't need 51 different royalties on telephone and power poles in 1944. The reason — no power pole production in 1944. And I submit as I submitted last year and the year before, that it is astounding the extent to which the Leader of the Opposition is prepared to go, in putting Saskatchewan in the worst possible light.

**Some Hon. Members: — HEAR! HEAR!**

**Mr. Lloyd:** — Now, in attempting to bolster his case about taxation in Saskatchewan, he referred to a Canadian Press survey of taxation, which was published in the Leader Post on July 24th, of 1963. He omitted some very pertinent references in his treatment of this statement. One of them, I pointed out yesterday. Another one of them I didn't. He omitted, for example, to point out that the story says, of perhaps \$1,200 per person that ends up as tax money, some \$700 is likely to make its way to Ottawa, about \$250 to the provincial government and possibly \$250 to the city treasurer. The article goes on:

It's at the provincial taxation level, (it says) that the variations begin to show, but comparing taxes in one province and another, can be misleading, particularly if they prompt conclusions as to which provinces are easy and which are tough upon your pocket book.

Now this, however, was the conclusion of the Leader of the Opposition and the question is asked in the content of the article to which he was referring; was he or was he not misleading the people when he drew his conclusions in that particular way.

The article went on, "tax rates would have to be balanced against other factors, such as how much money saving service you get in return." I'll come to that in a moment, Mr. Speaker, but first of all may I say that there are several errors in fact in the way in which the figures are applied. For example, car registration for Ontario was listed as \$15 and this is true but only for some cars. But all cars in Ontario, as I understand it, over 45 horse power, pay \$25, and as I understand it, all six cylinder cars would be over 45 horse power. It doesn't list any cost for a driver's license fee in the province of Alberta but there is one or two dollars. The compilation of Saskatchewan is credited with a five dollar per capita provincial amusement tax, but we don't have provincial amusement tax in Saskatchewan.

However, disregard these, and disregard some other errors, use the Canadian Press reported totals as they use them and heed the Canadian Press warning that tax rates would have to be balanced against how much money saving service you get in return before you make a comparison. Well let's do this. In Ontario, Manitoba, Alberta and British Columbia, with regard to the cost of just some services that are paid for by provincial taxes in Saskatchewan, but paid outside of in addition to provincial taxes in other provinces.

Let's take the total as reported by the Canadian Press for those five provinces. Let's add for example, the very minimum premium for medicare for a family in those provinces. Let's add such items as hospital care insurance, which will have to be paid in Alberta and British Columbia, where people pay one dollar and in some cases two dollars, when they go to the hospital. Let's add in the facts that in Alberta for operating costs of hospitals, there's a four mill rate in the municipalities, and when you do this, Mr. Speaker, you find that the highest tax comes out in Ontario, the second in British Columbia, the third in Manitoba, the fourth in Saskatchewan, and the fifth in Alberta. May I repeat again, what the Leader of the Opposition did was to form his conclusion first, and then go out and find the evidence which he wanted to select, in other to support those conclusions made. Now in picking and choosing this evidence, he omitted any reference to another Canadian Press survey which was carried in October 25th issue of the Leader Post, again in 1963. This one dealt with the average cost of provincial gasoline taxes and provincial licenses in operating a motor vehicle in each of the provinces in 1962. I won't read all of them, but it starts out with New Brunswick \$139, Newfoundland \$135, Quebec \$132, and at the other end of the scale, Saskatchewan \$98, and Alberta \$96. We might draw some wrong conclusions from looking at those three most costly provinces again. New Brunswick has a Liberal government; Newfoundland has a Liberal government; Quebec has a liberal government. I hope we don't draw any wrong conclusions from this interesting coincidence. The costs in the four western provinces are the lowest. There isn't a Liberal government in Western Canada. You can carry this comparison of costs of operating motor vehicles further. You can carry it further by adding in the cost of the minimum amount of insurance which has to be purchased in all of these provinces, and when you add in these minimum insurance costs for any common type of car, then of course, the position of Saskatchewan is not second from the bottom, but far and away at the bottom of the list insofar as costs of operating a motor vehicle is concerned.

Take for example, the costs in rural Saskatchewan. Taxes, plus licenses, plus insurance will range from a low of \$171 to a high of \$288 in rural British Columbia. Urban costs will range from a low of \$184 in Saskatchewan cities to a high of \$249 in Vancouver, \$210 in Winnipeg, and \$206 in Calgary. Now on all the talk there was yesterday and the day before on increasing taxes and in all the selection of evidence, it was obvious that nay reference to the federal government was omitted for this purpose. He didn't hesitate to bring in federal policies when they suited his purpose, when he wished to praise. Let's see what has happened, with regard to the increase in taxation by the federal government in the period of less than one year since the election of the Liberal government to Ottawa. First of all, to provide for the old age security pension. Saskatchewan citizens will pay in 1964 about \$4,000,000 more. I am not criticizing this, Mr. Speaker, I'm simply reminding that it is one of the facts of life. Because of increased federal sales tax on building materials in 1964, Saskatchewan people and Saskatchewan industry will pay \$6,000,000 to \$8,000,000 more and they will pay even more than that, more in 1965, because it goes up again in January 1st of that year. And in this case, I am reminding and I am criticizing. Take the total of these two increases which have come about since the election of a Liberal government at Ottawa in recent months, they add up to \$10,000,000 to \$12,000,000 of federal taxes on Saskatchewan citizens, additional federal taxes, they escape the selective eye of the Leader of the Opposition in his discussion about taxes and Saskatchewan people.

**Some Hon. Members:** — HEAR! HEAR!

**Mr. Lloyd:** — Now something has also been said and more ought to be said about the state of the Saskatchewan economy generally. It is true, as the Leader of the Opposition commented, that there has been a decrease in the number of some manufacturing establishments. We indicate to him and to the legislature, some of the reasons for this.

Take a look first of all at saw mills and the situation in Saskatchewan over the last 20 to 25 years. At the end of the war, our saw mills were involved in production for war purposes and they were working to capacity. There were great many small mills scattered all around. There were, as a matter of fact, over 500 small mills, the number has in fact now dropped to about 230. This in itself accounts for more than the figure quoted by the Leader of the Opposition as representing a decline in the number of our manufacturing establishments. But let's remember that they are used in conversion of trees into lumber. I have here, Mr. Speaker, the submission of the province of Saskatchewan as



presented by the Hon. Mr. Patterson, then Premier of Saskatchewan, to the House of Commons committee in 1944. And here's what Mr. Patterson had to say about a highly relevant condition. He said,

If our present rate of consumption of timber continues, our virgin and mature stands of white spruce and fir suitable for saw lumber will be exhausted in ten years time.

Ten years time, would have been in 1954, Mr. Speaker, and this is 1964. And it was because we were aware of that particular problem and more aware of the necessities for efficiency and conservation in our forest industry, that production was curtailed, it had to be or else as Mr. Patterson pointed out, we'd have used up our commercial stands of fir and white spruce by this time and so employment has dropped and the number of manufacturing industries has dropped in that particular field.

Secondly, in the field of meat packing. Employment has also dropped. I again remind you that at the end of the war, our meat packing industries were busily engaged in meat preparations, not only for Saskatchewan and Canadian people, but as part of the war effort and there was a great deal at that time of meat exported from our province and from Canada as a whole. Our plants were older, and were higher consumers of labour. With the switch to added emphasis on grain production in Saskatchewan, in the years just following the war, a switch due in considerable parts to market influence, and with the mechanization of these industries, employment has dropped. Programs in the speech of the throne such as the added emphasis on community pasture and on hog production will be something to provide a corrective to this situation.

However, let's look at what we're supposed to be looking at now, Mr. Speaker. Mainly, let's look at the current picture with regard to manufacturing in Saskatchewan. And as a reference, let's use the same documents which the hon. Leader of the Opposition waved in front of us the other evening. Manufacturing industries of Canada in 1961, section G, geographical distribution. This is a publication which was received in Saskatchewan just a matter of a few weeks ago. It is the most recent Dominion Bureau of Statistics report in this particular field. It starts a new series of figures. It is more comprehensive than those which we previously had. It's interesting to read in their foreward this statement, that this is an essential part of a program aimed at improving the quality and consistence of industry statistics. I submit that when they wrote that, they didn't know how the Leader of the Opposition was going to use them. This, however, is what they are aiming at doing. Well, let's look at the years of 1956 to 1961 as provided in this report. Let's look at the realities of today. The figures here show that in manufacturing employment in all of Canada, the number has declined by approximately 76,000 people. During that same period in Saskatchewan, the number in manufacturing has increased by over 500 people – declined in all of Canada; increased in Saskatchewan. He says let's compare with neighbouring provinces. Let's do so. According to this publication, during those years manufacturing employment in Manitoba decreased by about two thousand, in Alberta it rose by less than one hundred. Well, Mr. Speaker, the same publication most recent, most comprehensive available, gives information regarding the value which is added by the manufacturing process in the Canadian provinces in all of Canada. Take this time the years chosen by the Leader of the Opposition 1944 to 1961, and the value added by the manufacturing process in Saskatchewan in 1961 was 2.96 times the value added in 1944. Whereas the value added by manufacturing in Canada was 2.67 times than in 1944 figures. In Alberta 2.62 times, in Manitoba, pardon me, 2.62 times in Alberta, admittedly much higher than Saskatchewan or the Canadian average, 4.48 times.

However, I think the important point to note in pondering what was said yesterday, is that the figures that were used and the accounting of Saskatchewan referred to, did not include those non-agricultural industries which are producing the greatest growth in Saskatchewan, which are not in the manufacturing category: industries such as oil and gas and potash. And it may well strike some very reasonable people rather odd, people who are generally interested in the total picture of Saskatchewan, that a self-styled "responsible political party" should ignore such important economic developments to Saskatchewan, as oil, and gas and potash. Here again I say that the Leader of the Opposition decided first of all on the conclusion he wished to reach, and then went out and selected the facts he wanted to use, and did not use those which he did not want to use.

Stagnation was a frequent word yesterday, "If that isn't stagnation, I don't know what is," was his most frequently used phrase. Then he proceeded to select the evidence, suiting his purpose, rejecting all others, and this is described as responsible. Stagnation, this is the Liberal definition of a province which in 1963, produced more in gross value, more than \$1,000,000,000 of agricultural produce, more than \$1,000,000,000 of non-agricultural produce and which the retail sales exceeded \$1,000,000,000 for the first time in our history.

**Some Hon. Members:** — HEAR! HEAR!

**Mr. Lloyd:** — You know, yesterday we heard the phrase, "Seeing is believing" and the people of Saskatchewan who have seen him as he said "stagnation" to describe Saskatchewan, can certainly be forgiven for doubting whether seeing should be believed. I submit that the use of this word "stagnation" to describe Saskatchewan raises a question, a kind of a philosophical question we ought to consider, Mr. Speaker, and that is, what kind of a dictionary gives to such words as "stagnation", "responsibility", "reform", the meaning ascribed to them by the spokesman on your left. Well, obviously it's the same kind of dictionary which would describe the people of Saskatchewan, as did my hon. friend yesterday as poor country cousins. It's a dictionary written and conceived by the public relations department of the Liberal party. You know it has some other similar definitions attached to some interesting words. For example, look in this book of Liberal words for "Liberal candidate" and see what the dictionary says about this. Liberal candidate at election time stands for Conservative, or Social Credit, or possibly Liberal. Then look under "Liberal policies", again at election time and the definition is depends on what will influence your vote. You know how dictionaries do, they frequently say see another word for further reference. At this point, this Liberal dictionary says "if Conservatives see Conservatives, if Social Credits see Social Credits" but it adds a note, do not refer to Liberal policy in Quebec, it's in another language, and must be considered pink for Saskatchewan interpretation, and note number two in this Liberal book of words in defining Liberal policy, do not confuse Saskatchewan Liberal with federal Liberal, except in selected ways.

Well, let me return, Mr. Speaker, to some other indicators of the total picture in the Saskatchewan economy. Let's look for example at the personal income per capita in 1962. We had in 1962 a very good crop year in Saskatchewan. We were recovering a little bit from the poor crop year of the year before.

Well, personal income per capita in 1962 in Canada ranges from \$972 in Newfoundland and \$1,009 in Prince Edward Island, to \$1,938 in Ontario and \$1,896 in British Columbia. May I ask this question? Does the Saskatchewan Liberal party blame the government of Newfoundland for the misfortune of that province, or does it give credit to the government of Ontario for the good fortune of that province? Saskatchewan in terms of personal income per capita was in fourth place among Canadian provinces at \$1,690, 1963, it will probably be up to third place.

Let us consider a second indicator, the public and private investment per capita as reported by the Department of Trade and Commerce. The original figures for 1963 indicated a range from \$425 in Nova Scotia to \$896 in Alberta. Saskatchewan was in third place, \$733 per capita. The revised figures may very well move us up to second place, \$733 as compared to the Canadian average of \$650, as a measurement of public and personal private investment per capita in the provinces and in the nation.

Now, the Leader of the Opposition drew his own mental Mason-Dixon line about mineral production in Saskatchewan. Let us take a look at the Dominion Bureau of Statistics and their preliminary estimate of mineral production in Canada. Here are figures for 1962, dealing with total value of production, and the range here is from 7/10ths of a million in Prince Edward Island to \$913,000,000 in Ontario. Saskatchewan was in fourth place with a production of \$237,000,000. The estimates for 1963, Mr. Speaker, adding some \$23,000,000 worth of potash produced will be up to \$280,000,000. Again, if the Leader of the Opposition is going to compare us with Manitoba, as he did the day before yesterday, why select a keyhole to look through so he can see only part of the picture, instead of opening the door and looking at the whole picture.

You will remember what he did. He took the one small part of Manitoba and he took a small part of Saskatchewan and said there is more

happening there than there is here, so something is terribly wrong.

Using figures for mineral production that are properly comparable, Saskatchewan's production was valued at \$237,000,000 one year and \$280,000,000 the next – in Manitoba the values were \$158,000,000 and \$171,000,000 in the next year. Compare our place in mineral production among the Canadian provinces. In 1944, we were sixth in the value of mineral produced, by 1955 we had increased to fifth place, in 1958 we had moved to fourth place, we still hold that in 1963. Now, mineral production in 1963, increased in Saskatchewan by 17 per cent over the 1962 amount. The increase over all Canada, was only 4.6 per cent. Let us consider a few facts about life in Saskatchewan. Let's look at the realities of today. Note that over one thousand oil wells were drilled in 1963, taking us well past the five thousand wells. Note that in the last three months, drilling has carried on at the rate of more than one hundred per month. Note the potash operation, an operation that has given us the designation of the potash capital of the world.

One wonders when listening to the Leader of the Opposition, why there is no potash in Alberta and Manitoba, and if he were there would he be blaming the government for the fact that there was no potash. Based on his performance yesterday he should. Note, helium development, one wonders why there is no helium in Manitoba or Alberta. One wonders if the Leader of the Opposition were there would he be blaming that on the government.

Let me move to still another indicator. The growth in electric power as sold to ultimate consumers a good indicator of general activity. And again the source is the Dominion Bureau of Statistics population publication, this one entitled "Electric Power Statistics". Let us look again at the realities of today. In the period from 1956 to 1960, the percentage of growth over all of Canada for electric power sold during those years was 35 per cent. The percentage of growth in Saskatchewan was 51.2 per cent. Only two provinces had a greater growth rate, British Columbia 57 per cent, Alberta at 53.

Note some other things which he ignored. Some major manufacturing developments in recent months. Chemical industry as indicated by two plants in the neighbourhood of Saskatoon. Fertilizer industry as indicated by a major plant near Regina. Recall the news stories of yesterday, that I referred to indicating plants in Weyburn and plants in Swift Current, and I pick up today the issue of the Star Phoenix for Monday, February 10th and I see a headline on page 3 "Industrial Plant to be Established in R.C.A.F. building". A new manufacturing industry to employ between 35 and 40 men is projected for that particular spot.

All of these escaped the selective eye of the Liberal party. Now, Mr. Speaker, if more industry is to be developed, admittedly continuing work must be added to good work which had already been done. We are going to have to, for example, have much greater concern about the supply of water, and the speech from the throne indicates that this is on the program. I might call your attention to an article in the Prince Albert Daily Herald, dated February 7th of this year, in which the Hon. Mr. Laing, points out that one of the most important meetings held on the prairies in recent years, was the meeting last year 1963 of ministers of three prairie provinces to discuss the dispensation of water from the Saskatchewan drainage system. That conference was convened by this government.

I could call attention to extensive ground water surveys which have been carried on for several years by the Saskatchewan Research Council. I could call attention to the expenditure by the Department of Industry and Information of some \$100,000 in a contract to the Research Council in an attempt to prove up an underground water supply in south-eastern part of Saskatchewan.

Secondly, we need, of course, certainty that we can continue to supply power and gas, and again, this is well recorded in the speech from the throne and preparations for more of it indicated. And again, we had in the last few days an announcement of a reduced power rate which will be interest to industry.

Third, we need good transportation systems. I call your attention to the section dealing with highways, and particularly dust-free highways in the speech from the throne.

Fourth, industry needs a good, rapid, efficient communication service. I call your attention to the direct-distance dialing facility and other comments in the speech from the throne.

Fifth, industry needs a source of information, of market research, sometimes opportunities for staff training, there are provisions for these. Better educational facilities are an important part of the search for industries.

Sixth, I call attention to the very considerable growth at the university and at our technical institute.

Seventh, the whole field of research is exceedingly important. We call attention to the work at the university and call attention, in particular, to a very outstanding growth of activity of the Saskatchewan Research Council in recent years.

Eighth, industry needs resource studies. Industry needs public involvement. There are sections dealing with this in the speech from the throne as well.

I point out, Mr. Speaker, to these eight essentials if we are to have more industrial development and the 1964 program now laid before this house provides for an improvement and an extension in each and all of them.

**Some Hon. Members: — HEAR! HEAR!**

**Mr. Lloyd: —** May I turn now to some other comments with regard to the speech from the throne.

There is a great deal of public interest in one aspect to which the Leader of the Opposition did devote some time yesterday. Namely, the matter of the suggested amendments to the Secondary Education Act. This is not the place to discuss the proposal in detail. It is proper, however, to give just a bit of a general summary as to the effect of these proposals.

Let me make it clear to begin with that such changes as would be made possible by the amendments that will be proposed, will be effective only in those sixteen communities in the province in which, at the moment, there are both separate schools and secondary or high school districts. In all the other communities in the province, Mr. Speaker, the situation remains as it is and as it has been. These communities, other than the sixteen, can now arrange and some have arranged, precisely the same situation which the proposed amendments will make available in the sixteen communities affected. I say some have arranged. Examples such as the city of Melville, and the towns of Rosetown, and Biggar, come to mind. That situation isn't altered. There are other communities in the province, even though existing legislation provides for a different arrangement, who haven't done so. One can think of towns like Wadena or Maple Creek or Nipawin or a great many others. That situation is not altered. They have had and they have today, an opportunity to achieve the educational organization that a minority group had wished (and which the proposed amendments will make possible) in the sixteen other communities.

As a matter of fact, Mr. Speaker, in the sixteen communities affected, there is nothing now in school law which prohibits the separate school district from providing instruction for high school students. They may decide to do so now, and if they do decide to do so, they may levy property taxes for this purpose, as they do for the instructions for grades one to eight, and if they decide to do so, they will receive provincial grants. Many of them, as a matter of fact, have decided to do so, and have been doing so for many years. For example, the separate school district in Saskatoon employs over 30 high school teachers to instruct nearly 700 high school students. The separate school district in North Battleford employs 19 teachers instructing over 400 high school students. As a matter of fact, in half of these sixteen districts, they are already providing high school instruction in varying amounts under the direction of the separate school board. They, in fact, employ twice as many high school teachers in the instruction of more than twice as many high school students as done by all the other separate schools in the province. They receive provincial grants for the specific class rooms operated. They are entitled to draw on local tax services if so wished.

The essential difference between the sixteen communities which will be affected (those in which there are both secondary and separate high school districts now) and others, is not in the authority, or in the right of separate school districts to provide instructions for high school students. That they have had. It is not in the authority or right, if they do so, if they draw on public finances to support such instruction. That they will have.

The essential difference is this: First, there has been a different base grant formula applied when two districts in the same community offer high school instruction under these circumstances. Second, even if the separate high school separate school district provides some or a major part of the high school instruction for the family and its supporters, these supporters are still by law required to pay their share of the full tax levy of the secondary education district.

Now then, under the circumstances which will obtain in these communities, sixteen of them, when the legislation is amended as proposed there will be three possible patterns of school organization. First, the pattern can remain as it is at present. The amendments are permissive only. In those instances in which the school community is small, I am certain that very thoughtful consideration will be given before disruption of the present pattern is undertaken. This is probable because a small community can ill-afford two high schools supplying a small group of students. Second, a separate school board may undertake negotiations for an arrangement with a board of a secondary district within the existing system of administration. I am sure that some communities will want to look at this one. Third, a separate school board may initiate a request for a vote of its ratepayers to be excluded from taxation by the existing willingness on the part of the separate school district to assume responsibility for high school education for the families of its supporters. This, as I said earlier, Mrs. Speaker, is not the occasion for the discussion of details, perhaps one procedure should be mentioned.

Before a vote is taken in any district, it is obviously desirable that a plan as to the services proposed and an estimate of the cost be made available to people generally. It is also desirable that there be discussions between various local school authorities regarding the provision of certain services which might be called special services. For example, it is not only unwise but it is impossible to think of duplicate facilities, such as those, for example, of Balfour Technical School in Regina. Consideration of such matter should be thorough before decisions difficult to modify later are taken. An opportunity for and leadership in such considerations must be provided.

I make this final point. That the proposed amendments will not in any way change the position of private schools. The reference of the legislation is again, to schools in sixteen Saskatchewan communities, operated by elected school boards, responsible to their ratepayers, administered according to the laws of this legislature, and the relative regulations of the Department of Education.

Mr. Speaker, another important topic noted in the speech from the throne escaping attention from the Leader of the Opposition in his remarks yesterday, had to do with a series of federal-provincial meetings and arrangements which we have had since this legislature last sat.

As indicated in the speech from the throne, the government of Saskatchewan welcomed the opportunity to participate in the several discussions with representatives of the government of Canada and of other provinces. The life and the economy of Canadian provinces is so inter-related that such discussions assume increasing and emphatic importance. One of the major challenges of today, let there be no doubt about it, is to devise the machinery and to develop the will to provide Canadian provinces with an adequate opportunity to influence many decisions, ultimately to be approved by the government and the parliament of Canada. This is necessary because many of these decisions represent disciplines within which provincial governments must later operate. We, for our part, claim the right to take part in influencing such decisions. It is a right advanced by Saskatchewan over a considerable period of years; it is a right which we shall continue to urge; we are willing to take part in making it effective. It is fair to state, I suggest, Mr. Speaker, that in these discussions, the government of Canada has found in the government of Saskatchewan, on occasion, its best support, and on occasion, its sharpest critic. The choice of support or criticism has been based on the adequacy of proposals, in our opinion, to advance solutions to the problems of Canadian people and in particular the province of Saskatchewan.

For example, we welcome the proposed Canada pension plan. We welcomed it more in its original form than in the revised form which is now being put before us. One revision, however, we do welcome. Our Provincial Treasurer was one who urged that provision be made for investment of a portion of an accumulated fund in provincial securities. This change, I take it, is going to be made. We will continue to argue for the inclusion of local governments' securities as part of the investment area of the fund that will be built up. We will urge extensive information and simplified needs so that the self-employed in Canada may take part in

this plan. Could, for example, a farmer arrange for his deductions to the pension plan to be made through the Canadian Wheat Board. We will continue to urge more adequate provision for the 70 per cent of Canadians not now included in any private plan. And having said all that, in spite of deficiencies, in spite of dire warnings on the part of some, we welcome the introduction of a Canada Pension Plan.

**Some Hon. Members:** — HEAR! HEAR!

**Mr. Lloyd:** — Those who oppose a national system of portable pensions, overlook too much the importance of added support for necessary consumer spending, which such a plan can provide. Those who oppose this necessary extension of social security in Canada forget similar criticisms of ruination of economy when such measures as Old-Age pensions and Family Allowances were originally proposed. You know, Mr. Speaker, where the Saskatchewan Liberal party stands on this Canadian program. To the best of my knowledge they have been entirely silent. Some of their previously expressed philosophy is such as to lead one to speculate about their support of it.

Mr. Speaker, we can neither, however, approve nor accept without the strongest protests, the arrangements for federal government tax-sharing as provided by the present government of Canada. And this, even though admittedly these arrangements do add some two and a quarter millions of dollars to Saskatchewan share, our disappointment is keen because we had been led to expect something quite different. Our reason was based on statements such as three which I shall put on the record here.

One from a book called "The Liberal Party", written by the Hon. Mr. Pickersgill, formerly Secretary of State and more recently moved to a new portfolio in the federal government. Here is a passage from that book:

At the national Liberal convention of 1958, the party pledge itself to alter the basis of equalization payments so that the revenues of all provinces from income taxes and succession duties, would be brought up to the level of the province having the highest per capita revenue.

This policy was reaffirmed at the national Liberal rally in 1961. Mr. Speaker, the same organization in 1919, stated their loyalty and adherence and pledged themselves to the principle of health insurance.

My second quotation which gave rise to greater expectations than we have realized. A pamphlet in the Liberal party's election program not many months ago. "The Liberals Have The Answer – The Pearson Plan" and it says:

The Liberal party believes that in order to ensure a basic equality of provincial services between all parts of Canada,

(here is the key line)

all provinces should receive an equal revenue per head of population from the tax field shared between the two levels of government, so that all Canadian citizens will benefit equally.

Now that was before an election.

Finally I refer to a statement by Mr. Pearson as recorded in Hansard, June 1958, page 733. Mr. Pearson said:

not only is the principle important but the application of that principle is even more important. On what basis are the equalization payments going to be made?

And he answered his question and said:

as far as this party are concerned, we are pledged to equalization on the basis of the per capita yield of the three taxes in the wealthiest province.

No equivocation at all in those words.

The recurrent theme, Mr. Speaker, in all of these three references is that the revenues of all provinces in income taxes and succession duties would be brought up to the level of the province having the highest per capita revenue. No reference to qualification, no equivocation, no suggestion of subtraction for any other reason whatsoever.

But we did receive a plan which drastically deviated from these principles. I objected to that at the conference, and I object now. The proposal of the federal government does not return to the principle of equalization to the level of the province having the highest per capita revenue. It moves away from it. It equalizes to where? To the top province as suggested? No! To the level of the top two provinces as frequently inferred? By no means does it do so. It imposes a penalty on certain provinces by means of an arbitrary and irrational subtraction of some natural resource revenue. It goes even further – it subtracts from the total tax pool, a significant portion of the revenues accruing from succession duties and estate taxes. This is the first time such a subtraction has been made.

In other words, Mr. Speaker, it retreats from equalization up to the level of the top province; it retreats first of all to the measurement of the top two provinces; it retreats further by a deduction of partial natural resource revenue; it retreats further by removing from the tax pool equalizing a part of succession duties and the estates tax. These have always before been considered as a part of the whole pool. Retreat was compounded by retreat and by further retreat from the principles held out to us by the Liberal party as being the Canadian ideal. Slightly reminiscent, Mrs. Speaker, of Napoleon's retreat from Moscow. And again, I must ask this question. Where do the Saskatchewan Liberals stand on this matter? They have not so far said anything about it. It wasn't mentioned yesterday. What leadership can the people of Saskatchewan respect from the Liberal party in this very important matter? The formula produced, Mrs. Speaker, by this succession of retreats, produces what by way of change in the distribution of the proceeds of these taxes? Out of the productive efforts of all Canadians, it produces \$7.81 per capita more to support services in Quebec; it produces \$7.39 more for Manitoba; it produces \$2.65 more to support services in Saskatchewan; it produces for wealthy Ontario, already in a preferred position, an amount of \$2.24 more.

Mr. Speaker, it is admittedly possible to argue that an equalization formula should take into account the whole fiscal capacity of a province. Should take into account all provincial revenues. But what can possibly justify the selection of a single provincial revenue source, such as that from natural resources, and ignore all the other sources from which the provincial government gets its revenues. All revenues, not just resource revenues, vary in their yield per capita from province to province.

It is evident that to be fair if any deductions are made because of strictly provincial revenues, we should look at all provincial revenue sources, not just select one more. An while it was disturbing enough to see included in the equalization formula, a component for revenue natural resources alone, it was far more disturbing to see the proposal respecting succession abatement not taken into consideration in calculating equalization. Never before, in any proposal advanced by any government of any political persuasion, has it been suggested that any part of the three standard taxes should be excluded from the equalization formula. Our concern is this. If one-third of the estate tax abatement is excluded this year, why not in the future one-third of the income tax and the corporation tax? And the effect produced by these arrangements Mr. Speaker, is inequitable and we must protest. Let me illustrate the final effects by noting figures with regard to three provinces and relating this to personal income in those provinces average over the three years, 1960, 1961 and 1962. These years include for Saskatchewan two pretty good crop years and one poor one.

Manitoba, with a per capita income of \$1,589 now benefits from the total arrangement by about \$59 per capita. And Saskatchewan about the same, with a per capita income of \$1,469, the average over those years which is just slightly less than Manitoba, benefits however by \$54 per capita or \$5 less than Manitoba. Take a look at British Columbia, with a per capita income 25 per cent higher than Saskatchewan with benefits to the extent of \$55 per capita more than Saskatchewan and just slightly less than Manitoba. At future conferences, Mr. Speaker, we on this side of the house, will continue to urge and to lend our support to those measures designed to repair what we consider to be damaging cracks in the structure of federal-provincial relationship.

May I sum up our position, by putting on the record here as part of our opening statement to the November Conference.

We believe in a Canada based not on geography nor the luck of history, but on an essential organic unity. If we are to achieve such unity, then each of the parts must have the economic and financial strength to play its assigned and its accepted role, and all of the parts together must complement the strength of the whole structure. We must not erode either the legislative authority nor the fiscal competency of the federal government. We cannot afford to encourage those suggestions which have almost appeared to leave that government responsible for international relations in the operation of the post office and scarcely more, to do so, would lead to fragmentation of Canada, and make any kind of unity based on comparable rights, impossible.

To argue this is not to argue centralization as inevitable. My purpose is to argue for more joint decision making, for the machinery to establish this, for the recognition of rights and responsibilities in which it rests. Consequently, we said the government of Saskatchewan will propose the following:

First; a regular meeting of prime ministers and premiers, so that we may develop a definition of national purposes, and consciously plan for that Canadian economic and social growth necessary to achieve those purposes. Second; the more effective distribution of proceeds from those tax program, income tax and excision duty, which tax income where it comes to rest, without considering where it was produced. Third; a system of national adjustment grants which will automatically contribute to regions deserving additional investment derived from our total Canadian economy. Fourth; a gradual incorporation of conditional grant programs into the structure of continuing federal-provincial fiscal arrangements.

And later, in summing up, we added, these are based neither on greater centralization nor on fragmentation. They are based on a shared leadership to which each of our jurisdictions can contribute. They will add to the reserves of Canadian strength, they will remove those divisive elements which if allowed to continue, can defeat Canadian unity and destroy Canadian identity.

Mr. Speaker, when I began my remarks related to the contents of the speech of the throne, I referred to the matter of priorities and the responsibilities of a government to select priorities and to select them for the right reasons. We, Mr. Speaker, have put people in the services that the need, the services that they deserve and from which they can profit, at the top of our priority list. The throne speech is added evidence of this kind of choice. We believe that to give this priority to the people is good business. Good business for the economy as a whole, and for the individual Saskatchewan citizen. Certainly Saskatchewan development, the high level of services enjoyed by the Saskatchewan people, and the good name of Saskatchewan throughout Canada is proof of just that.

We, Sir, have confidence in the procedure of productive investment by the whole community out of tax returns and out of resource revenue, as a method stimulating growth and properly shared proceeds of that growth. Some of the recognized, accepted and proven benefits may be summarized quickly. They can be best measured not in dollars but in people. May I mention in closing, only a sample of what Saskatchewan people working together, with government leadership sometimes direct government assistance have achieved.

Our urban municipal assistance, with regards to water program, has helped to bring water and sewer to some 80,000 people. The farm



water and sewer program has helped to bring the comfort and economy of these services to some 60,000 people. Hundreds of thousands of people have had added interest and enjoyment and health because of our investment in provincial and regional parks and the roads to get to them. Seventy-five per cent of the people travelling on provincial highways do so on a dust free service. Over 5,000 elderly and chronically ill people find deserving comfort and care in geriatric centres or in homes which are financed by local organizations and the provincial government and with loans from federal agencies.

Since 1960, there are 20 more teachers in northern Saskatchewan teaching 500 more students. There is added financial assistance for those students in that area, going to high school or after. Throughout the province, over two thousand students this year received over one million of direct financial assistance, in the form of scholarships, bursaries are non-interest bearing loans. During the last ten years, more than 20 thousand high school students have been added to the number attending our high schools, an increase of nearly 80 per cent. During the last ten years, the enrolment at the university has grown by something like four thousand. The community pasture program, now available to something like over two thousand farmers, about three and a half times as many as ten years ago. If one adds the municipal and co-operative pastures which had some federal-provincial assistance, if one adds the PFRA pastures to which the provincial contribution has been something like one million acres of land, without cost, the number of users is up to about ten thousand. 24 thousand people received benefits of cancer commission services in 1963. Nearly a thousand people received the benefits of air ambulance services in 1963. Nearly 180 thousand people have hospitalized bills paid by the hospital services plan in 1963. There are in Saskatchewan some 880,000 potential beneficiaries under the medical insurance program. And of these, over 700 thousand received benefits in 1963. Since 1960, over 30 thousand added customers enjoyed the comfort and convenience and the economy of natural gas.

Mr. Speaker, as I said, this is but a sample. These numbers of people and more have benefited as a result of the conscious choice of priorities on the part of this government. It is true, taxes could have been lowered; it is true, public debt could have been less, had we chosen otherwise. But again, who in this legislature is prepared to say we should have chosen to omit or to decrease such activities as those to which I have referred? Who is prepared to dispute the fact that our economy is stronger and our people better served because of the priorities we have chose? Mr. Speaker, this speech from the throne indicates some new horizons, worthy of Saskatchewan. It reveals pride in the vigor and the vitality and the sensitivity in our province, it indicates a confidence that Saskatchewan resources and Saskatchewan people can combine to make Saskatchewan an even better place in which to live for those reasons, I shall support the motion.

**Some Hon. Members:** — HEAR! HEAR!

**Mrs. Marjorie Cooper (Regina):** — Mr. Speaker, I am sure my colleagues will agree with me that it's a never a very enviable position to try to get up and speak in this legislature. After listening to such a magnificent address, as we've just heard from the hon. premier.

**Some Hon. Members:** — HEAR! HEAR!

**Mrs. Cooper:** — However, Mr. Speaker, there are a few things what I would like to say this afternoon just before I adjourn the debate.

First of all I would like to congratulate the mover and seconder of the speech from the throne, on a very excellent and information speech from each one. The member from Redberry (Mr. Michayluk) gave a very impressive and inspiring picture of progress that has been taking place under the CCF government, and as I listen to him, I felt again a thrill of pride in belonging to the government that has done so much to change the image of Saskatchewan, from one of the real stagnations, Mr. Speaker to one of progress, growth, and vitality that characterizes the Saskatchewan of today.

The seconder, my colleagues from Regina (Mr. Whelan) is one of the most energetic and capable of conscientious members of the legislature and he also made a very excellent contribution to the debate, and in spite of the Leader of the Opposition, Mr. Speaker, I doubt very much if he's too seriously afraid of Big Arch.

**Some Hon. Members:** — HEAR! HEAR!

**Mrs. Cooper:** — I would like to also associate myself with my colleagues in the tribute he paid to the hon. Minister of Labour. I've worked with the hon. minister as a colleague now for 12 years, and I know as well as anyone just how greatly he will be missed. You couldn't find a finer or a more co-operative or a more kindly colleague to work with, and it's always been an honour and a privilege. The hon. minister had given years of devoted service to his constituency as an alderman, as mayor, as a member of the legislature and as Minister of Labour and Telephones, and I know the people of Regina, and the people of Saskatchewan have a great deal to thank him for, and I'm sure that the citizens in Regina in particular, would wish me to express their gratitude to him for a job well done.

**Some Hon. Members:** — HEAR! HEAR!

**Mrs. Cooper:** — Mr. Speaker, I wish him good luck, good health and a happy semi-retirement. Now, I say semi-retirement, because knowing the hon. gentleman so well. I am quite sure that he will still, wherever he is, continue to play an active part of the community life, and continue to work with his party he has served so faithfully over the years.

Another member, Mr. Speaker, that is going to be greatly missed is the senior member from Saskatoon (Mr. Stone), for he also has served in the constituency and his province faithfully for a period of 20 years. He's one of the most popular and hard working members of the caucus and we all hate to see him go. May I also express good wishes to all of the members of both sides of the house, who have announced their intentions to retire, and could I say a particular word to the lady member from Humboldt (Mrs. Batten). She's added life and sparkle to the deliberations of the house and although we are on the opposite sides of the house, I've always appreciated her ability, her courage under fire and the able contribution that she has made to committee work and to debates in the house.

**Some Hon. Members:** — HEAR! HEAR!

**Mrs. Cooper:** — I was hoping, Mr. Speaker, that the hon. lady (Mrs. Batten) might have been named a judge. We need some women judges and it's time we had them.

**Some Hon. Members:** — HEAR! HEAR!

**Mrs. Cooper:** — And I feel that the hon. member would have filled this position with distinction.

Now, Mr. Speaker, it's always a joy to listen to the hon. premier. He's so logical. He's so forceful, and he has at his fingertips an array of incontrovertible facts and figures that are completely devastating to the opposition. By the time he'd finished, Mr. Speaker, the speech of the Liberal leader was torn to ribbons. You know, the only joy that the members opposite had, Mr. Speaker, is the fact that we have no pulp mill. You know, Mr. Speaker, I think I would feel pretty sorry for the members of the opposition if we had a pulp mill; they'd be completely tongue tied.

Mr. Speaker, I also enjoyed listening to the Leader of the Opposition, but you know I decided that he isn't a very flexible person. He seems to have gotten himself in a mold, and he just doesn't know how to get out of it. In spite of all the evidence to the contrary, he makes the same old charges year after year. I think he lives in a dream world, and he's never learned to face the facts of life. Nope, there might be a reason for this, Mr. Speaker, maybe he hasn't had time to learn the facts because he's been so busy on the hustings, trying to make deals and saw-offs with Conservatives and Social Creditors and anyone else who would listen. Now, what is he saying to these other political parties? He's saying forget your principles, desert your party, I'll be your leader, join with me in a great crusade to defeat the CCF. He says; save this province from the socialists. Now these are the words he uses, Mr. Speaker in an attempt to fool the naïve and the unwary, but anyone who can read and understand knows that his words do not convey his real motives. He

and his fellow Liberals are broadcasting from one end of the province to the other this message: "The Liberal party are in deep trouble, come and bail us out or we're sunk."

Now I have an idea, Mr. Speaker, that he is not getting just the kind of response that he had looked for, you know other political parties have an identity that they might think was worth preserving. They may have some ideas of their own, only time will tell, but you know, Mr. Speaker, it really intrigues me to speculate on the position in an election campaign of any Conservatives who might make a deal with the Liberals. Would they run on a Liberal platform? Would they run on a Conservative platform, or would they have a platform at all? And if there are any differences, would they oppose each other's political platform and hustings, would they? This makes an interesting speculation.

Then I ask myself this question. Now what would happen in the legislature if any of these saw-off Conservatives were elected., but I got the answer yesterday, Mr. Speaker, from the Liberal leader. He really let the cat out of the bag. One of the members from this side of the house posed this question, "What happened to the member from Moosomin (Mr. McDonald) when he was elected as a Conservative with a Liberal support?" What was the answer of the opposition? Priceless! "He became a Liberal as any sensible person would do."

Mr. Speaker, I hope all conservatives were listening to that statement. However, Mr. Speaker, the Liberal leader keeps on hoping, he continues to flash urgent distress signals to all and sundry in fact, Mr. Speaker, the Liberal party and its leader have changed their flag from KOD to SOS.

**Some Hon. Members:** — HEAR! HEAR!

**Mrs. Cooper:** — Mr. Speaker, yesterday when speaking in this house, the Leader of the Opposition made the charge that the CCF-NDP is a class party. And the people of Canada, he says, don't want divisions like that. Well, Mr. Speaker, who is it for political purposes that is going around this province promoting class strife, trying to make farmers hate labour and labour hate farmers? Who is it? The Liberal party. And, Mr. Speaker, they're using very questionable means to this attack. As a matter of fact, Mr. Speaker, if I use the term I wished to describe their tactics, I'm afraid you would call it unparliamentary. Now, they have been going around the province trying to deceive the farmers, that the New Democratic Party in some way had something to do with the longshoremen's strike. Mr. Speaker, no union affiliated with the NDP had anything to do with the longshoremen's strike. And even worse, Mr. Speaker, they are going around trying to associate our party with Hal Banks. They know better. I have a letter here which I think I should read to the hon. members of the opposition. It's written by a Mrs. O. Ford and the letter is entitled, "Their Baby". I'd like to read this letter.

Canada did not have a Hoffa, so our Liberal government had to import one; Harold Banks' police record makes Hoffa look like a Sunday school teacher. Yet the Liberal government of that day, knowing full well of his criminal record, welcomed him to Canada. Most of today's cabinet ministers were cabinet ministers in the St. Laurent government, at that time. They were so anxious to get Banks in, that Mr. Banks was not required to go through the regular immigration channels, but he was given preferred treatment, an executive order or some special order-in-council was used to get him in and now he can not be deported unless he's caught spying or engaging in some subversive activities. Now the Liberals are blaming the U.S.A. Government, the shipping company, the union, but Banks is their baby, and if he is the cancer, the cancer started the day those Liberals brought the same Mr. Banks into this country.

**Some Hon. Members:** — HEAR! HEAR!

**Mrs. Cooper:** — Now, Mr. Speaker, who was it that was in the forefront of the fight against the SIU and Hal Banks? It was the Canadian Labour Congress. Mr. Claude Jodoin of the Canadian Labour Congress, received credit all across the dominion of Canada for the courageous fight he put up against Hal Banks and his gangsterism. We also have the words here from Bill Dodge, the vice-president of the labour congress who says this, “Paul Hall and Hal Banks are prototypes of the ugliest of the ugly Americans.” These are the words of the vice-president of the Canadian Labour Congress. Yet, Mr. Speaker, certain Liberal members speaking in this province made this statement, and I would like to read it to you. It was made, knowing full well the situation on Mr. Banks. This speech was made in the city of Regina by a Liberal member sitting in this house and I quote just a little bit from this speech. She said this:

many people in the 1940's fell for the real vision and attractive vision of T.C. Douglas. Those who believed in the CCF must have bitterness in their hearts that they were betrayed by a man who promised land, and then led them into the lap of Hal Banks.

Do you wonder, Mr. Speaker, that my thoughts on tactics like this can be described as unparliamentary. Mr. Speaker, the Canadian Labour congress has a very clean record and the Liberal party had better not try to smear it.

Now, Mr. Speaker, I have a good deal more that I want to say tomorrow, speaking directly on the speech from the throne, and in particular on the Woods' report on the hospital privileges, so at this point, Mr. Speaker, I beg leave to adjourn the debate.

**Some Hon. Members:** — HEAR! HEAR!

Debate adjourned.

The Assembly adjourned at 4:36 p.m.