

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Fifteenth Legislature
26th Day

Thursday, March 11, 1965

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

CONGRATULATIONS TO PREMIER RE WCCO "OPEN MIKE" BROADCAST

Mr. A. Guy: (Athabasca) — Before the orders of the day are proceeded with, Mr. Speaker, I would like to take the opportunity to congratulate the Premier of this province on the fine job that he did for the people of the province last night when he appeared on the radio program "open mike" over radio station WCCO, Minneapolis. Now this was a nation-wide hook-up across the United States, with a radio audience of over 11,000,000 Americans and a large number of Canadians.

The Premier answered questions about our province of Saskatchewan from many of the American states, from New York to Wyoming. The good-will and the interest for our province the Premier created through this program will go a long way to off-set derogatory remarks regarding our neighbors to the south which we heard earlier in this house. We are proud on this side and we feel that the people of Saskatchewan should be proud . . .

Mr. J.H. Brockelbank: (Acting Leader of the Opposition) — Mr. Speaker, on a point of order, will we be allowed to debate this speech that the hon. member is making?

Mr. Guy: — . . . never before extended.

Mr. Brockelbank: (Kelsey) — Mr. Speaker, I would like your decision, will we be able to debate this speech that the hon. member is making, because this is not just a question or an announcement?

Mr. Speaker: — I think that the point of order is fairly well taken.

Mr. Guy: — I shall just conclude by saying that I want to thank the Premier particularly for the remarks he made regarding the tourist potential of northern Saskatchewan.

QUESTIONS RE RE-BROADCAST OF LEGISLATIVE SPEECHES & TABLING RETURNS

Mr. J.H. Brockelbank: (Kelsey) — Mr. Speaker, before the orders of the day, are proceeded with, and it is evident that the Premier has lots of time, I would like him to find out and report what has been done in regard to the re-broadcasting of those speeches from the legislature, which CKCK failed to broadcast. I haven't had any report on that, and the other thing that I would like him to look into is the matter of tabling returns to orders of this assembly. According to my calculations there are something over sixty outstanding returns that have been ordered and not returned. Many of them were ordered more than three weeks ago. I have six — return No. 2 on February 9th I'll send the Premier this little list of six; return No. 3 on February 10th; return No. 12 on February 9th; No. 10 on February 18th; and No. 47 and 57 on February 19th. There are a good many more, but I think the house would certainly like to get these returns.

Hon. W.R. Thatcher: (Premier) — Mr. Speaker, in regard to the radio broadcast that the hon. member for Kelsey (Mr. Brockelbank) mentioned. We have taken this up on two or three occasions with radio station CKCK or CJME. They have informed us that they will at an early date re-play those portions. They indicated that there would be some advance notice, but so far they haven't done it. I don't know what else we can do.

Now as for these orders for return, Mr. Speaker, we are working as hard as we can. We have many other things to do. Some things we think, maybe, have a little more priority than some of the questions my hon. friends

March 11, 1965

are asking. However, I will do my best to see that those returns are facilitated and brought into the house as soon as we can.

Mr. Brockelbank: (Kelsey) — Like the “open mike”? A supplementary question, Mr. Speaker in regard to the radio broadcast, could the Premier see that arrangements are made and that we in this house are notified at least on~ day ahead of time when these re-broadcasts will be.

Mr. Thatcher: — I will do my best.

WELCOME TO STUDENTS:

Mr. W.G. Davies: (Moose Jaw) — Before the orders of the day, Mr. Speaker, I would like to direct the attention of the house to a sparkling group of young people who constitute the grade eight class of the Alexandra Public School in Moose Jaw. There are forty-four students in this group, Mr. Norman Sanders is the teacher and Mrs. Sanders is accompanying him. I am sure, Mr. Speaker, that we’d all want to wish them a pleasant and informative afternoon as well as a happy time during other parts of their in Regina, and a safe journey home.

Hon. Members: — Hear! Hear!

QUESTION RE OFFER OF WORK TO AMERICAN CITIZENS

Mr. Smishek: Regina East) — Mr. Speaker, before the orders of the day, I understand that the Premier speaking on the radio broadcast yesterday said to some American that he would ensure them jobs if they wrote him. There are 22,000 unemployed in Saskatchewan. I wonder if those workers wrote to the Premier would he ensure them a job as well?

Some Hon. Members: — Hear, hear!

Mr. Thatcher: — Mr. Speaker, I don’t think the hon. member heard me. What I said was, if they were in a skilled field we could find them jobs. I can tell you, Sir, that the province of Saskatchewan is heading for one of the greatest labor shortages in the history of this province in many fields by July or August. Unless we can have more graduates coming from technical schools unless we can get more Indians, or unless we find immigrants, we will be thousands of workers short in certain fields. For example, the hon. member from Moose Jaw, (Mr. Davies) was talking about nurses the other day. These are the type of people we are trying to get in. If we don’t get them in, our industry will be in serious trouble later on this year.

Mr. Brockelbank: (Kelsey) — A supplementary question, Mr. Speaker, if this shortage is going to materialize, will it probably not be possible to spare the people who are going to be legislative secretaries?

Some Hon. Members: — Hear, hear!

Mr. Thatcher: — That is a question that had about the usual intelligence of the ones the hon. member has been asking this session.

QUESTION RE SASKATCHEWAN FLAG

Mr. W.J. Berezowsky: (Cumberland) — Mr. Speaker, I noted in the Leader Post, that a month ago, the government adopted a flag for the province of Saskatchewan. I was wondering what that meant. Perhaps the Premier could tell us what kind of flag and under what conditions . . .

Mr. Thatcher: — Mr. Speaker, I wish to say categorically that this government has not adopted a provincial flag. The Centennial or the Diamond Jubilee Committee has adopted a flag for the Diamond Jubilee only; it has nothing to do with the provincial flag. I, for one, hope that if we ever do adopt a flag, it will have a Union Jack on it somewhere.

Some Hon. Members: — Hear, hear!

CONGRATULATIONS TO GRADE 12 STUDENT — WEYBURN, ON WINNING AWARD

Mr. J.A. Pepper: (Weyburn) — Mr. Speaker, before orders of

the day are proceeded with, I would like to draw to your attention, and through you, the attention of the members of the assembly, an award was recently presented to a grade twelve student of the Weyburn Collegiate. I am referring to Mr. Sheraton Abels who won the Bryant Oratorical contest at the Trustee's Convention in Saskatoon this week.

He is the eldest son of Mr. & Mrs. Harvey Abels of Weyburn. His topic was capital punishment, and I am sure, Mr. Speaker, the members all join with me in conveying congratulation to Mr. Abels in winning this outstanding award.

Hon. Members: — Hear! Hear!

WELCOME TO STUDENTS:

Mrs. Sally Merchant: (Saskatoon) — Mr. Speaker, before the orders of the day are proceeded with I would like to draw your attention and the attention of the members to the fact that today we have two schools from Saskatoon represented in the gallery. We have grade seven from King Edward School, and the grade seven class from the Queen Elizabeth School in the city of Saskatoon, and I would like to make them welcome and I know the members of the house would as well.

Hon. Members: — Hear! Hear!

Mr. J.E. Brockelbank: (Saskatoon) — Mr. Speaker, in addition to the remarks of the lady member from Saskatoon, (Mrs. Merchant) I would like to remark that the city of Saskatoon has sent many, many students to this chamber to watch the session and hear the sounds and see the sights of the legislative chamber. This indicates a keen interest in the affairs of our province, by themselves, and by their teachers. I think that it is also illustrated by the fact that they have seen fit to send four members to this side of the house, but only one to the government side.

Some Hon. Members: — Hear, hear!

Mr. A.E. Blakeney: (Regina West) — Mr. Speaker, I wonder if I might on your behalf, and on behalf of the members, extend a welcome to a group of students in the east gallery. Sixty grade seven students from the Connaught School are here with their teacher, Mr. Hugh Peck. I am sure that all of us are pleased to have here with us this afternoon, the good students from a good school in a good constituency, and I hope they will enjoy their visit with us.

Hon. Members: — Hear! Hear!

ADJOURNED DEBATE

The assembly resumed the adjourned debate on the proposed motion of Mr. Leith, for second reading of bill no. 06 — An Act to Confirm a certain bylaw of the rural municipality of Cory No. 344 of Saskatchewan.

Mr. A. Thibault: (Kinistino) — Mr. Speaker, I don't intend to speak very long on this bill, but I received a few letters from my constituency voicing their opposition to this bill. I can understand that if you are going to make concessions to industry that it will mean that other people will have to pay more taxes.

I want to table a few letters here. One is from the town of Birch Hills, dated March 3rd, to Arthur Thibault, MLA, Kinistino Constituency, Legislative Assembly, Regina, Saskatchewan.

Honorable Sir:

With regard to a resolution submitted to Saskatchewan government by the Cory Municipality regarding suggestions that amendment to the Rural Municipal Act, permitting tax concessions to industrial projects, the town Council of the town of Birch Hills, is not (and the word "not" is underlined) in accord with this resolution. Due to the potential discrimination to smaller urban and rural areas by the amendment, we would recommend that this resolution not be adopted.

signed by H.H. Wheland, Town Clerk.

March 11, 1965

Then we have another one here from the village of Beatty, dated February 17th.

Dear Sir:

The council and village of Beatty resolve that they are against any further property tax concessions to any incoming industry and commercial enterprise.

Yours truly, Ada Warner, Secretary of the Village council of Beatty.

I will table these letters so that their opinion is very well represented, and I go along with them. I haven't heard a single word of approval in my constituency with regard to this bill, and therefore, I have no alternative but to oppose it.

Mr. M. Pederson: (Arm River) — Mr. Speaker, I too, want to voice some of the remarks placed before the house by the hon. member from Kinistino (Mr. Thibault) in connection with this bill.

I believe that the principle that is attempted to be established under this particular proposed bill, is a wrong one. The municipality of Cory is a fairly wealthy municipality surrounding the city of Saskatoon. They are a municipality who are in a position, perhaps a far better position than most municipalities, to make concessions such as they would propose in this bill. For this reason they are proposing to have granted to them a right that is not granted to other municipalities. In other words, Mr. Speaker, they are asking for an advantage over other municipalities in the province, and this can only lead, in my opinion, to a dog-eat-dog type of proposition. Municipalities who are weaker financially than this municipality will be forced into the position of having to make very costly tax concessions to compete. I feel very strongly that if this type of policy is to be adopted, and in principle we would be adopting it if we pass such a bill, that we would create a condition of chaos in the province of Saskatchewan insofar as rural municipalities in particular are concerned. There are many areas of concession that a municipality has power over to entice, as it were, industry into the municipality, without empowering them with the opportunity to grant major tax concessions.

I, too, have a letter from my own constituency, from the village of Simpson, in which a unanimous resolution was passed opposing the passage of this bill. However, had I not received this, I still would be opposed to the passage of this bill on principle. I feel, Mr. Speaker, that a precedent would be established if this bill is passed. We will be deluged with requests from other municipalities in the province; we are in effect depriving the citizens of that municipality of a revenue to which they are entitled should this bill pass; and in fact, placing some of the responsibility for paying for the services of that municipality on the land and property owner rather than the industry involved.

It is quite true, of course, that there are things to be said in favor of such a move, that, in fact, it might ultimately provide a substantial amount of employment and so forth, which it could be argued, would eventually lead to greater revenues to the municipality, but I have my grave doubts whether the beneficial effects of getting industry into a municipality such as the Cory municipality, through this method would be sufficiently large to overcome the adverse effects that would be felt by other municipalities in this province, who might be placed in an untenable position.

Mr. Speaker, I too have no alternative but to oppose this bill.

Mr. E. Whelan: (Regina North) — Mr. Speaker in rising to oppose this bill, I would like to table a letter that was sent to me by the city of Regina and signed by the City Clerk, it is dated February 18th, 1965.

I won't read the entire letter because the first portion of it makes reference to the type of legislation that is being introduced, but for the information of the house I think I should read the resolution that was unanimously adopted by the city council. It reads as follows:

WHEREAS there is now provision in the municipal acts, that a municipality may for a reasonable cause, abate taxes in whole or part and

WHEREAS tax concessions of the nature petitioned for, would tend to induce among municipalities an undesirable form of rivalry for enticing industry, and

WHEREAS proper taxes levied on an industry are an insignificant part of its operating expenses;

BE IT RESOLVED that the Council of the City of Regina, go on record as opposing the passage of an act to permit the aforementioned tax concession.

Council directed that I forward this resolution to each of the six Regina MLAs, in order that they may be aware of its feelings.

Now, Mr. Speaker, I realize that one of the Regina MLAs sits in the Executive Council and I was hoping that he would use his influence to have the hon. member for Elrose (Mr. Leith) withdraw this private bill: because I feel that the city council is right in the statements that appear in their letter to each of the MLAs for Regina City.

I am sure that the hon. member for Regina South, (Mr. Grant) realizes the sort of predicament that will arise because he was the mayor of the municipality; he was the mayor of the city of Regina, and it should be very evident to him particularly that there will be an undesirable rivalry between municipalities if this legislation is passed, because it will establish a precedent.

Mr. Speaker, I am surprised that the hon. lady member for Saskatoon (Mrs. Merchant) didn't introduce this particular private bill, but in looking at it, I give her full credit for having good political judgment. I am sure that she took a look at it and decided to hand it to the transplanted member for Elrose, (Mr. Leith) and in doing so said, "Let George do it".

Some Hon. Members: — Hear, hear!

Mr. Whelan: — I think this bill does set a bad precedent. There is no measure or control over this type of legislation once you introduce a bill of this sort. Who suffers in this tax concession? In a municipality it would be the small property owner, the person who owns a half-section of land, or the home owner in the municipality.

Mr. Thatcher: — Oh, nonsense.

Mr. Whelan: — I think this is the sort of concession that at this particular time they can least afford. I think that the reeve and councillors of the Municipality of Cory were either very brave, or politically prejudiced, or both. Now, I think that we have seen in the past few weeks the sort of rivalry that develops between provinces in getting industry to the point where we have the Premier of Alberta asking for a conference about this problem. Now, we are introducing the same sort of rivalry at a municipal level, and I am opposed to this. I am opposed to it for three reasons. In summing up, first because I think it sets bad precedent; second, because I think that the cost of the tax concession will be borne by the wrong people. I think it would be better to hand the cost to a senior government, to a provincial government or the federal government, because the municipalities are in rough shape trying to raise money. Their scope for raising money is limited. Third, I think this would be giving a subsidy to industry by the group that can least afford it.

Mr. Speaker, I am opposed to the bill in principle.

Some Hon. Members: — Hear, hear!

Mr. G.T. Snyder: (Moose Jaw) — Mr. Speaker, just a brief word in regard to this bill. I feel duty bound to express my opposition to it at this time. It appears to me that something of a situation being established which will finally represent a rather disorganized auction on behalf of municipalities who will be in a position to bid against each other for any prospective industry at the expense of the general public, or more specifically for those people in the municipality that is involved. It will represent, I think, an unhappy

competition between municipalities for any prospective industry which is showing some willingness to establish in one of a number of municipalities.

It is well recognized that any industry which is showing a willingness to establish within the province must choose one particular municipality to set up in, and as a result one municipality only can benefit from it. Any value to be derived by tax abatement will be derived only at the expense of the people within the municipality who will not be receiving as much tax benefit from the industry that so establishes.

I have to equate this situation with a group of unorganized workers, we'll say sixty workers arriving on the scene of a construction site and each bidding individually for twenty existing jobs. I think you can see the kind of a situation that results from this. I think in accordance with the remarks passed by other members on this side of the house, that this is a job which is best left to a more central organization. SEDCO was established in this province some time ago for the purpose of encouraging industry to establish. I think this is where the responsibility properly lies. It can be done in this fashion, in a much more reasonable and a much more equitable fashion, than by having municipalities bid against each other for this kind of privilege which will be a detriment to the province generally, if this sort of unhealthy competition is carried on.

I feel duty bound, Mr. Speaker, to voice my opposition to this particular bill.

Hon. D.G. Steuart: (Minister of Public Health) — Mr. Speaker, in rising to speak on this bill, I might first say that having been involved in municipal work for many years, I recognize the danger if municipalities were allowed, or ever got into the game of bidding against one another for industries, by giving tax concessions, that this could develop into something serious.

I don't think there has been any need in the past twenty years, for example, to worry about it, because there hasn't been that many industries coming in here to bid against each other. I have heard more from members opposite about industry in this half of this session, or however far we have progressed in this session, I think when they have spoken, especially the back-benchers, I think probably in any four years before and it has all been anti, and all been bad.

Get a mine up in the north, Anglo-Rouyn, they call it a peanut mine, there to fleece the public. Get a heavy water plant, they ridicule it. We got a cement plant now in Cory and again we see crocodile tears about the municipality. Let's find out a few facts. This wasn't a case to begin with of one municipality bidding against another. This plant would either be established in Cory, because it is an addition to an existing plant, or it wouldn't be built in this province at all.

The decision had to be made. We were told that it would not be economic to put this plant in for some time, unless the municipality was prepared to consider a reduction of fifty per cent of their tax.

Mr. R.A. Walker: (Hanley) — . . . at the expense of Cory . . .

Mr. Steuart: — When the hon. member rises in his seat and says this is going to put a tax-load on the poor farmers up in the Cory municipality, well, he displays his ignorance of the situation. In fact they are going to pay some local improvement taxes as well. It will add very little to the services demanded from the municipality of Cory, and will give them an extra \$10,000 a year in tax revenues.

I don't know why they have to be so concerned, as I say there wasn't enough industries come in, in the last twenty years that this problem arose, but I agree that when we start getting industries and they are going to be coming in thick and fast, that we don't intend to embark on any program to allow the municipalities to bid against one another. We intend to ask municipalities, just as we intend ourselves, to have a flexible program, because we are determined to get industry in here. We are determined to give people jobs, we are determined to get tax revenue at the local level and the provincial level, and if we have to sit down with people and take a look at existing programs and existing policies, and accommodate some people now and then, we will be prepared to do it, because we are not just competing with one municipality against another, we are competing with Alberta, we are competing with Manitoba, and for the last twenty years we have lost that competition . . .

Mr. Walker: — I can speak for the Cory ratepayers.

Mr. Steuart: — Have you heard the Cory ratepayers down here. Have you a letter, Mr. Representative from Cory?

Mr. Walker: — I can speak for them as well as you can, or better.

Mr. Steuart: — Well, then get up and speak. Have you a letter from them saying that they oppose this?

Mr. Walker: — Have you a letter saying they favor it?

Mr. Steuart: — Well, they have asked us to put it in.

Mr. Walker: — How?

Mr. Steuart: — They asked us to put it in.

Mr. Speaker: — Order!

Mr. Steuart: — You know, Mr. Speaker, I don't know where the hon. member is most of the time; it obviously isn't his own seat because if he checked with the municipality of Cory, he would know that they asked us to put this in, and this is why we are putting it in.

Mr. Walker: — That is all bosh, and you know it.

Mr. Steuart: — I must admit I wasn't really surprised when the hon. member from Arm River, (Mr. Pederson) the lone Conservative in the house, rose and spoke along with the Socialists, because we have been keeping kind of a batting average, outside of a few minor things, he seems to belong right over there on that side where he is right with the Socialists.

But I would think a good Conservative, if there is such a thing, a good Conservative would be honestly joining with this one, we are trying to get industry into this province, and if we have to take a hard look at what has been done in the past, and prepare to take a new look, which we are prepared to do, and which we are doing in this case, I would think he would come along with us and vote in favor of free enterprise coming in.

But, Mr. Speaker, they have said that they are going to oppose the bill on the opposite side, and I am not at all surprised, because if you look at their record in the past twenty years, they haven't been prepared to have a new idea, they haven't been prepared to take a new look, when provinces on both sides of us were going out actively after industries, and getting those industries. Getting our people leaving Saskatchewan and going over there to go to work. They still aren't prepared. When we bring something in, when we are getting the industries, their best effort is to sit there and do a little howling. Well, I am certainly going to support this bill and it is not opening the gates to bidding from one municipality to the other, it is not going to work a hardship on the municipality, we will protect the municipalities, we will give them better protection than they have received from the people on the other side.

In fact, I think one of the reasons they are sitting on the other side is the municipalities felt that if they were returned for another term, we wouldn't have any municipalities as we know them today, they would have had the county system rammed down their throat whether they liked them or not. So I am supporting this bill.

Mr. Walker: — I would like to know if the Liberal party . . .

Mr. Whelan: — Mr. Speaker, I wonder if I may ask the hon. minister a question before he takes his seat. Will you answer a question? Does this mean that he is opposed to the position that the Saskatchewan Urban Municipalities Association is taking in this regard?

March 11, 1965

Mr. Steuart: — Well, I don't know what that is you're peering at in your hand, if that is the stand the urban municipalities take, I am not opposed to the stand the urban municipalities may take, I am opposed to the stand that you people are taking. All I am saying is that we are not embarking on a program to set one municipality against another. If anybody thinks we are, they have taken alarm a little too early in life.

I am opposed to you people taking this attitude, hypocritical attitude about this, as you have taken about every industry we brought in since we have been in, in the last nine months.

Mr. W.J. Berezowsky: (Cumberland) — Mr. Speaker, just to make the record right and to show the hon. members that we are not just speaking for ourselves, I too have a letter from the town of Creighton, from the council of the town of Creighton. I propose to read it. This says;

Dear Mr. Berezowsky:

Enclosed is a copy of a resolution passed by the council of the town of Creighton.

The council has instructed me to request that you express their views to the debate on this bill. Creighton council are of the opinion that blanket tax concessions, such as are proposed, are not justified.

A favorable vote on the bill such as this could result in a rush to industries going from municipality to municipality seeking the best deal.

It mentions a petition in question of the rural municipality of Cory No. 344, and it appears on page 100, Saskatchewan Gazette, January 29th.

Thus, you have a council of a municipality, it is an urban municipality, which is interested just as much as the hon. member from Prince Albert, (Mr. Steuart) in having industry in their community. Yet they do not like this kind of legislation.

Mr. Steuart: — How many new industries do they have, Bill, up there in Creighton?

Mr. Berezowsky: — That is not the point. The point is that they are interested in industry, just as Cory is, but they do not want to compete tax concessions. They do not want to see one municipality set up against another dog-eat-dog kind of thing. They know this, that insofar as that part of the province is concerned, if industry comes in it should pay its fair share of taxes and it shouldn't be induced to move into another little community somewhere else because it would not have to pay taxes. This kind of thing.

If hon. members on the opposite side of the house, Sir, if the government over there are really concerned with developing this province, then: this is one bill that they should not pass. If it had been the intention of previous legislatures to give that kind authority, then municipalities would have had that kind of authority to grant tax concessions.

The fact itself, that a petition has been brought into this house and that a bill has been presented to this house for allowing them to have the right to make this kind of reduction would indicate that they have not a very strong case. I think this may weaken the whole structure of municipalities. I think it is going to set one up against another. I think this kind of bill, if it were passed, would be bad business for the province of Saskatchewan. It certainly will not bring any more industry in. I think this has been pointed out and I would like to point out that if they do give concessions of that kind to industries, the people that are going to suffer are all the ordinary taxpayers, the farmers, the small businessmen for whom we are all concerned.

I have to go along with and I agree with what this town council has suggested that I should do, oppose this kind of legislation.

Some Hon. Members: — Hear, hear!

Hon. W.R. Thatcher: (Premier) — Mr. Speaker, I would certainly like to compliment the member for Elrose, (Mr. Leith) for sponsoring, I think, one of the better bills this session.

I had something to do with this Canada Cement Company which is building the second phase of their operation this year. We approached them some months ago in Montreal. We said, “You have completed the first phase of your company, when are you going to build the second phase?” They told me that they were considering it in a three to five year period. We said, “We’re trying to get industrial development now. Would you not be interested in it going ahead at the present time?” They told us they would come out and take a look at it.

So they did come to Saskatoon with their officials. They analyzed the picture. Then they said, if it is to be economic, we must have some concessions on taxes. I speak from memory, but I think the taxes on the new five-million addition that was proposed would have been \$20,000. They said if the Cory people would agree, for a period of time, to take half that amount or \$10,000 a year, with certain other things, that they could come in.

Mr. Speaker, this government makes no apologies for persuading the council of Cory to go along with this proposition. Any time that we can get a \$5,000,000 industry, one that will employ 120 people in the construction phase, one that will employ seventy or eighty people once it has commenced, we will do it. This government in the last election said we would go all out to provide incentives to industry. We are proud of the job we did on Canada Cement.

Saskatchewan has one more industry today because of the legislation which is now before us.

Some Hon. Members: — Hear, hear!

Mr. Thatcher: — I want to reiterate what the hon. member for Prince Albert (Mr. Steuart) said of the former government: Surely, this government opposite must once in a while get a new idea, For twenty years they couldn’t get industry to come here. We’re having one of the greatest industrial booms in Saskatchewan that exists anywhere in Canada today because of policies like this. This is a dandy and I am proud of it.

Mr. Berezowsky: — Could I ask the hon. member a question? I just want to ask the hon. member a question, if he will permit a question, if he will permit a question.

Mr. Thatcher: — You bet.

Mr. Berezowsky: — Is it not true that the Canada Cement according to the statement, had intended to come here two years ago?

Mr. Thatcher: — I already told you what they indicated to me. Now if you want to call them a liar or call me one, it is your privilege.

Mr. Berezowsky: — I saw it in the annual report.

Mr. Thatcher: — They told me that they would not build the second phase of this plant for three to five years. We persuaded them to come out here and look at it. As a result of the concessions that have been made, I think Cory will benefit. I think the province of Saskatchewan will benefit.

Mr. J.E. Brockelbank: (Saskatoon) — Mr. Speaker, before the hon. member takes his seat, would he answer one question?

Mr. Thatcher: — Certainly.

Mr. Brockelbank: (Saskatoon) — You mentioned that the tax abatement, if your memory was correct, would be \$10,000 a year, is that correct?

Mr. Thatcher: — Yes, as I recall it. The

March 11, 1965

over-all tax for the new phase would have been roughly \$20,000 and I believe the municipality will now receive \$10,000. Don't hold me to the exact dollar. I'm speaking from memory but it was in that area.

An Hon. Member: — Give or take \$10,000.

Mr. Speaker: — The details of the deal in dollars and cents details of the deal are matters that should be discussed in the committee.

Mr. Walker: — Mr. Speaker, there is one question that I would like to ask the Premier before he sits down. Does he understand that the reference to general taxes includes reference to school taxes as well as municipal taxes? This is to say, does the school unit abate part of these taxes as well as the municipality?

Mr. Thatcher: — I would suggest that details on taxes like that should be asked in committee.

Mr. J.H. Brockelbank: (Kelsey) — Mr. Speaker, on a point of order. How can we deal with the principle of this bill unless we know what is the question that is being effected, whether it is municipal taxes alone or whether it is municipal plus school? This is very important in regard to the principle of the bill. We must know this before we can vote intelligently on the bill itself. So I think we should have that information. Does the term used as general taxes, does this include only municipal or school taxes and health region taxes, everything else? I take it, it includes everything else except local improvement taxes which are specifically excluded in the bylaw. Now is that correct? This means that the school taxes are cut too?

Hon. D.T. McFarlane: (Minister of Municipal Affairs) — On a point of order, Mr. Speaker, it has always been my impression that when a private bill comes in such as this one does, that it goes into the private bills committee, and all these materials and all the information then comes out in committee. This is where all the members of the legislature have a chance to search into the ramifications of the bill. But so far in this session, all the debate has been on the bill before it has even got into committee and we have been prevented up to this point from hearing all sides of the question. I sincerely suggest, Mr. Speaker, that many of these questions could be more properly dealt with after the bill has been in committee and then we can discuss it on third reading.

Mr. Brockelbank: (Kelsey) — On a point of order, Mr. Speaker, the Minister of Municipal Affairs, (Mr. McFarlane) I think is quite off the mark, because it is unreasonable for him to suggest this house deal with the principle of the bill when we don't know whether that principle is to cut the general taxes in half or all of the taxes in half or only the school taxes or only the municipal taxes. This is important that we know now before we deal with the principle.

Mr. Thatcher: — Mr. Speaker, I still think it would be in order to have this information in committee, but if the hon. member wants to be cantankerous I would say that provision is the point of privilege.

Mr. Brockelbank: (Kelsey) — On a point of privilege, I don't want to be cantankerous . . .

Mr. Thatcher: — Oh sit down, please. Sit down. Sit down. I'm answering . . .

Mr. Brockelbank: (Kelsey) — I'm not trying to be cantankerous.

Mr. Thatcher: — Sit down. You are a grouchy old . . .

Mr. Brockelbank: (Kelsey) — And if I was trying to be cantankerous, I could really be.

Mr. Thatcher: — All right, if the hon. member (Mr. Brockelbank) who has been here many years would read the bill, he might be able to understand it. It says:

Provision is hereby made for the cancellation of abatement of fifty per cent of all general taxes, but not from local improvement taxes.

Now, I would assume from that, that certainly school taxes would be included.

Mr. R.A. Walker: — Your honor, I wasn't going to speak on this bill and I do it with some hesitation and diffidence now. I have to be mindful of the fact that the rural municipality of Cory have petitioned for this legislation through their council. I don't know whether the residents of the rural municipality of Cory know that this is going to cost them approximately \$5,000 a year for the next ten years or not. The Premier says that the total taxes on this extension will this year amount to about \$10,000 . . .

An Hon. Member: — \$20,000

Mr. Walker: — I thought he said \$10,000 . . .

Mr. Thatcher: — No, I said \$20,000 but that Cory will get about \$10,000 of it because fifty per cent of it is removed. That is my recollection.

Mr. Walker: — So that the amount which is lost by the school unit . . .

Mr. Thatcher: — How can you lose what you didn't have?

Mr. Walker: — . . . will be greater. But, Mr. Speaker, if this bill doesn't pass, they will have it. This is the point. If this bill doesn't pass, the school unit will have from \$5,000 to \$10,000 a year more than it will have if this bill passes.

Mr. Steuart: — You don't understand it.

Mr. Walker: — As I understand it, Mr. Speaker, the purpose of debate in this house is to determine whether or not the bill passes. If, as the Premier says, "They won't have it anyway", he is more or less saying that it doesn't matter about debate in this house, they are not going to get it anyway, which is really a threat that the bill is going to pass in spite of any consideration that might be given to it in this assembly.

An Hon. Member: — Hear, hear!

Mr. Walker: — And so, Mr. Speaker . . .

Mr. Steuart: — Mr. Speaker, on a point of order. He is misinterpreting what the Premier said. If they don't get this, they won't get the cement plant. Even you ought to be able to recognize that. If they don't get the cement plant . . .

Mr. A.E. Blakeney: (Regina West) — That's not a point of order.

Mr. Steuart: — Are you the new Speaker, Mr. Smart Alec . . .

Mr. Blakeney: — I am a member of this house and I know this, Mr. Speaker, that when . . .

Mr. Steuart: — Let the Speaker rule whether it is a point of order or not.

Mr. Blakeney: — Mr. Speaker, I will stand on a point of order, and when members opposite say "A point of order, he's misinterpreting what another speaker says" then the member for Prince Albert (Mr. Steuart) knows that's not a proper point of order, and when he interrupts his properly . . .

March 11, 1965

Mr. Steuart: — I don't need a lecture from the hon. member from Regina . . .

Mr. Blakeney: — Well, you are going to get one whether you need one or not . . .

Mr. Steuart: — Well, I won't get it from you. Sit down and keep quiet.

Mr. Blakeney: — No one needs one more than you, Sir.

Mr. Speaker: — Order! Now, the member from Hanley has got the floor. Nobody else has.

Mr. Walker: — Thank you very much, Your Honor. Now, Mr. Speaker, the sensitivity of hon. members opposite, suggests to me, Mr. Speaker, that they are very much like the little boy who has got the cookies out of the cookie jar and now the finger of suspicion is pointing at him.

Well, Mr. Speaker, I do not care how sensitive they are about this little giveaway. I don't care how sensitive they are about this . . .

Mr. Steuart: — Oh! Oh!

Mr. Walker: — Well, the hon. member isn't really expected I suppose, to live up to the ordinary traditions of parliamentary debate and the ordinary courtesies of parliamentary debate. The hon. member just can't seem to restrain himself. I suspect, Mr. Speaker, that the hon. member is quite emotionally bound up in this question somehow . . .

Some Hon. Members: — Hear, hear!

Mr. Walker: — And I think, Mr. Speaker, that it would be worthwhile if somebody could investigate just why he seems to have such a keen personal sense of interest in this matter.

An Hon. Member: — . . . progress . . .

Mr. Walker: — Now, Mr. Speaker, I want to say that no matter what the hon. member for Prince Albert (Mr. Steuart) may say about this bill, if this bill does not pass, the rural municipality of Cory will save something over \$5,000 in revenue.

An Hon. Member: — No such thing.

Mr. Walker: — Something over \$5,000 in revenue, perhaps even \$10,000 in revenue that they won't get if the bill does pass.

Mr. Thatcher: — That's not right .

Mr. Walker: — Well, Mr. Speaker, if it's not right that the municipality will get more money by defeating this bill . . .

Mr. Thatcher: — They'll have no plant.

Mr. Walker: — Then I suggest . . . Well, Mr. Speaker, the hon. member was up there in December and presided over some opening or announcement of the opening of the plant and I suggest, Mr. Speaker, that one of the reasons why the Liberal party is so anxious to repay this political debt, is because they induced this company to take part in a by-election campaign, a company which had no real interest in the political partisanship of the Premier and

Mr. Thatcher: — Do you not want the cement plant here?

Mr. Walker: — . . . and his Minister of Industry. And as a matter of . . .

Mr. Thatcher: — . . . want us to make the cement here?

Mr. Walker: — These people came here, the Premier would have us believe because of some personal pledge that he made to them, which I presume wasn't in writing, which I presume was one of these oral commitments which the Premier makes with such facility and with such ease and with such reckless irresponsibility, wherever he seems to go.

Mr. Speaker, I think that the legislative policy of this province over the last many decades has been a sound one, that taxing authorities ought not be put on the auction block to private business. If we are going to say that municipalities are now to be encouraged to offer tax incentives, nobody will lose by this, Mr. Speaker, except the ratepayers, the taxpayers of Saskatchewan. If they are, the only beneficiary will be private business. No one will gain except the shareholders of giant corporations, Mr. Speaker.

Mr. Thatcher: — Get a job.

Mr. Walker: — Mr. Speaker, there has not been one jot or tittle of evidence submitted to this house that this plant would not have been built without tax concessions.

Some Hon. Members: — Hear, hear!

Mr. Walker: — Not one jot or tittle of evidence, Mr. Speaker. If the hon. member wants to create this impression then he better submit something more substantial than some back room hotel conversation he may have had in Montreal with some buccaneer. I say, Mr. . . .

Mr. Thatcher: — Canada Cement is a buccaneer, eh?

Mr. Walker: — I say, Mr. Speaker . . . Well, I don't know. If you say they are, then I'm prepared to . . .

Mr. Thatcher: — You just said they were, that's why we can't get business . . .

Mr. Walker: — I didn't say Canada Cement.

Mr. Thatcher: — Yes, you did.

Mr. Walker: — Now, Mr. Speaker, all I can say is, if the Premier is trying to entice people to vote Liberal in by-election campaigns by paying them out of the pockets of the residents of Cory municipality, then I am going to object.

What has been proposed here? That the Cory municipality should lose \$5,000 or \$10,000 of tax revenue but also the school unit of Saskatoon East will lose even more because the mill rate in the school unit is double the mill rate in the rural municipality. The school unit will lose twice as much revenue as the rural municipality will lose. How much does \$10,000 amount to the Saskatoon East School Unit? It amounts to one mill on the assessment, Mr. Speaker, and if the Saskatoon East School Unit is going to be deprived of this revenue by the passage of this bill, it means that every taxpayer in the Saskatoon East School Unit will have to pay one extra mill of taxation for the next ten years, one extra mill of taxation.

Now, Mr. Speaker, I think that this government has been pretty brazen about handing out provincial resources to their friends who come in to make money out of this province. But I think that the provincial government ought to be a little more cautious about giving away the resources of other levels of government in order to enrich their friends who come to this province.

If my hon. friends would just face the facts. The fact is, whether they like it or not, the Canada Cement Company came to Saskatchewan. They came here under a CCF government. They came here undertaking to pay every cent that any company pays in this province, in taxes, locally and provincially. They didn't ask this government to play fast and loose with the people's purse.

March 11, 1965

They didn't ask the previous government that. They didn't ask this government that sits across the way that either. The truth of the matter is, Mr. Speaker, that the government who sit across the way made an improper proposal to the Canada Cement Company, and the improper proposal that they made was that they come now, before the by-election in Hanley, so that the Premier and his erstwhile Minister of Industry could stand on a platform in Hanley constituency a week before the election and point to this as some achievement of a Liberal government. And when the government goes and makes that kind of improper and indecent proposal they can expect to pay, but they shouldn't expect the ratepayers of the municipality of Cory to pay their debts for them. They shouldn't expect the taxpayers of the Saskatoon East School Unit to pay their debts for them.

Some Hon. Members: — Hear, hear!

Mr. Walker: — They should pay their own debts. Pay their own election campaign expenses.

Mr. Steuart: — I didn't think you were that . . .

Mr. Walker: — The CCF people paid the CCF campaign expenses. You people should pay your own campaign expenses. I may say, Mr. Speaker, that that little episode cost them a lot of votes in Hanley constituency, cost them a lot of votes last December.

Mr. Steuart: — Then we did pay.

Mr. Walker: — And you are not through paying either.

An Hon. Member: — That really hurt.

Mr. Walker: — And so, Mr. Speaker, I think that this legislature ought to consider this matter very, very seriously. Here we have a tradition in this province that business pays the going rates of taxes. If subsidies are to be made, if there is to be a subsidy made of \$10,000 a year for ten years, which is \$100,000, if there is to be a subsidy made of \$100,000 by this province and by this Premier to this industry, it should be borne by all the people of Saskatchewan. It should not be thrust upon the taxpayers of the rural municipality of Cory, many of whom live on very modest incomes and can ill-afford to bear this extra burden. Nor should it be imposed upon the farmers and the dwellers of small towns of the Saskatoon East School Unit, many of whom, again, have to work very hard for what they have and who find their taxes hard to pay.

And so, I would ask the government to find this money out of provincial revenue, this \$100,000. If the Premier promised it, let him keep his promise. Let him find this \$100,000 out of the \$6,500,000 that he claims he saved the people of Saskatchewan by instituting Liberal economic in this province last summer. Let him pay the \$100,000 out of money which he has to answer for, which he has control of, not out of somebody else's money. It's awful easy to spend other people's money and when it comes to spending the money of the people that I represent, I am going to rise up here and protest about it.

Mr. Speaker, we have seen evidence before of buccaneering private enterprise coming into states like Texas and states like Oklahoma and Louisiana, making deals with corrupt politicians, corrupt, and venal, and unscrupulous politicians, for special concessions and giveaways and gifts of the public preserve of the public revenues, of the public purse. We have seen tremendous economic development, oil development, such as occurred in the state of Texas in the early half of this century without any commensurate return to the people of Texas, and during the first half of this century, all those reserves exploited and taken away by outside financial interests. Texas, at the end of the greatest oil boom in its history wound up being fourth from the bottom of all the states in the American union in terms of revenue to spend, for instance, on education.

An Hon. Member: — Worse than that.

Mr. Walker: — This sort of thing, Mr. Speaker, was standard practice in the United States in the days of James J. Hill and J. Gould and . . .

An Hon. Member: — Go west young man.

Mr. Walker: — . . . and the buccaneers who promoted the development of the great west of the United States. Politicians giving away the people's preserves, giving away the people's rights, giving away the people's heritage, in return for what? In return for what? Well, this industry came to Saskatchewan under a CCF government. This industry was opened three years ago in Hanley constituency and the president of the company said then that he contemplated regular and continuous expansion of the industry so that in ten years time it would be a \$15,000,000 industry.

The Premier didn't buy anything with this concession. He didn't buy anything. I suggest he didn't even win the constituency as a result. I suggest, Mr. Speaker, that we ought not to give anything for this kind of a deal. And I appeal to the legislature if you don't pass this, you will save Cory ratepayers and the ratepayers of the Saskatoon East School Unit, \$100,000 over the next ten years. I appeal to you not to pass it.

Hon. A.C. Cameron: (Minister of Mineral Resources) — Mr. Speaker, I haven't too much to say on this. Most of the members expressed their opposition to the bill and were going to vote against it. Then the member from Kelsey, (Mr. Brockelbank) rose and said how can we have an intelligent vote unless we know the substance of the bill? After the substance of the bill was verified, I didn't see that it added too much intelligence in the discussion from the member from Hanley, (Mr. Walker).

He depended on his colleague to support the evidence for him. They went to Creighton, they went to Saskatoon, they went to Birch Hills, they went all over the province, in other municipalities in support of opposition to this bill. But I notice the member from Hanley (Mr. Walker) who is a representative of the municipality of Cory, didn't mention anything about the attitude of the people of Cory. He didn't come to this house with any letter from the municipality of Cory. He didn't come with any opposition from any ratepayers of the municipality of Cory . He mentions Cory's name not at all, except to make reference to a place on the map.

Now, surely this was the man, as a representative, to whom these people would have gone to explain it to him and have him fight on their behalf. Not a letter. Not a word. Not an utterance from any of the people of Cory municipality did he bring before this house.

Then he proceeded, with a great deal of thunder and a great deal of noise, but no enlightenment on the discussion.

An Hon. Member: — Mostly smoke.

Mr. Cameron: — He talked about the giveaway of our resources, much the same as the member from Moose Jaw. We were going to lose \$50,000,000 if we got a Leduc. Much as they criticize the incentive program for northern Saskatchewan. They criticize everything when they see an opportunity of an industry being induced to come into the province.

Then he says it's the poor people of Cory and the ratepayers that are going to suffer. Yet, he couldn't bring one letter from anyone of the people of Cory protesting this great damage they are going to suffer.

Mr. Walker: — I've worked for them for eighteen years and they apparently accept my word.

Mr. Cameron: — And then he says, but you are going to penalize them to the extent of \$100,000 in ten years. This government has forced the municipality of Cory to put up \$10,000 or \$100,000 in the next ten years. He said, this is coming out of the pockets of the ratepayers of the municipality of Cory.

That was how this intelligent discussion was carried on.

An Hon. Member: — Voice of experience.

Mr. Cameron: — Cory municipality didn't have an industry. Cory

municipality were not obtaining any revenue from such an industry. So they said, in our thinking, we have an opportunity here, not only to induce an industry to come into the municipality which would guarantee a tax base for a great number of the years in the future, but in order to have this new plant settled in this municipality, we are prepared to take \$10,000 additional revenue per year for ten years and then the full revenue of \$20,000 per year after that.

So in essence what the people of the Cory municipality and the ratepayers are getting is this, they are being assured of \$100,000 additional found revenues, which they haven't got now, over a period of the next ten years. And they have assured on top of that, an additional \$20,000 a year from there on for so long as the plant shall operate. Then he says, this is coming out of the people's pockets. That's socialist arithmetic. Then he overlooks this fact, at its best. Municipalities as local governments must have some responsibility and some freedom with which to make decision. Surely a responsible council will understand the feelings and the position of their ratepayers. If the council agreed to pass the resolution of this nature, they must have known that they had the support of the ratepayers behind them and I think that is borne out by the fact that the member could not even come up with one letter, in support of his position from the municipality of Cory.

They like to take this position, that a municipality is a creature of the province and they want to treat them as a very poor creature at that. Then they say a municipality has the right to represent the local people and now they say, "since it has exercised this right, and since we as socialists don't believe that they should have done so, we're going to squash them from exercising this right." Now they either have the responsibility or they haven't the responsibility. They acted in a responsible manner, empowered with the power to do so, and they passed this resolution and have the support of the people behind it. They figure this is good business, it is sound business, it is business in the interest of the people of Cory. Then he says, "but look at it now, in view of the light of today and in view of these requests from other municipalities and we ask the legislature to give a serious look and to defeat this bill." He doesn't know the thinking of the Liberal party, and he doesn't know the integrity of the Liberal party.

Some Hon. Members: — Hear, hear!

Mr. Cameron: — When the Cory municipality came to the government and said, "We would like to do this and we are prepared to do it, and we have the support of our people in so doing. If we should proceed this summer and if we should give our commitment to the cement plant, in the event that you would put up this plant, we will give you this concession. Will you recognize this?" We said we will. It was on that basis that they got the plant in there. Now you would say, "Now that they have given their commitment to the company, now that the company's in the course of construction, you would ask the municipality of Cory to go back on their pledge and on their commitments". The municipality of Cory does not intend to go back on their commitment and this government . . .

Mr. Walker: — Would the hon. member permit a question?

Mr. Cameron: — No, I . . .

Mr. Walker: — Will you permit a question?

Mr. Cameron: — No, I won't. I'm speaking. I have the floor, I have listened to you long enough . . .

An Hon. Member: — He's got nothing to add.

Mr. Cameron: — We gave the commitment to the municipality of Cory. It is to their advantage to do so, and as a responsible local government they felt they should do so; we approved of it then; we will honor that commitment, and in our opinion, the commitment will be honored whether it is a verbal commitment or whether it is a written commitment.

Some Hon. Members: — Hear, hear!

Mr. Cameron: — That is one thing that you

people must learn to understand that a commitment given by this government is a commitment that will be honored.

Some Hon. Members: — Hear, hear!

Mr. Walker: — Before the hon. member resumes his seat, would he permit a question?

An Hon. Member: — . . . on the floor . . .

Mr. Walker: — Does the hon. member not understand that the municipality of Cory could do this every year for ten years whether this bill passes or not? Does the hon. member not understand that?

Mr. Cameron: — There is some element of doubt there. This is the way they wished to do it; we approved of their right to do so, and therefore, we approve of it.

Mr. A.M. Nicholson: (Saskatoon) — Mr. Speaker, I feel the Premier has done a great injustice, I believe he said he saw the president of Canada Cement in Montreal. Certainly, this is a corporation that has had an excellent record for many, many years. Its inconceivable to me that the president or any responsible officer of this corporation would say, unless the poor people in Cory would write off \$10,000 a year for us for the next ten years, we'll not build in the Cory municipality. I challenge the Premier to produce any correspondence from any responsible person from the Canada Cement Company to indicate that these were their terms, and that they would not build unless they could have this concession.

The president of Canada Cement has not been one of our supporters, but they made sizable investments in Saskatchewan when there was a CCF government. It was because they considered there was a valuable potential market in this area, and they have not been disappointed. I am sure that the plans they made when they first decided to come here were plans which would have been carried out whether there had been this sort of a commitment or not.

I think it was a great pity that the Hanley by-election was an occasion when the Canada Cement should be involved in a by-election discussion.

Mr. Thatcher: — . . . involved . . .

Mr. Nicholson: — Oh well, this wouldn't be before us . . .

Mr. Thatcher: — . . . any announcement since then . . .

Mr. Nicholson: — . . . had it not been certain commitments which were made

An Hon. Member: — . . . Hanley by election.

Mr. Nicholson: — . . . which were made on behalf of Mr. Pinder, who was a candidate in the Hanley by-election and I am sure the member for Hanley is speaking for the great majority of the ratepayers in that municipality, who resent the government of the province . . .

Mr. Thatcher: — . . . plans . . .

Mr. Nicholson: — . . . introducing legislation in this province to do what is not in keeping with the tradition in this province. As the mayor for Regina East, (Mr. Baker) said, this legislation is placing an additional burden on the people that I represent and that the lady member for Saskatoon, (Mrs. Merchant) represents. I am sure that she has had a letter as all the Saskatoon members have from the city of Saskatoon, signed by the City Clerk.

Dear Sir:

I am attaching a copy of a letter dated February

March 11, 1965

12th from the executive secretary of the Saskatchewan Urban Municipalities Association, regarding property tax concessions to industries and commercial enterprises which was considered by council at its meeting on the 15th.

This letter was dated, February 16th.

The city solicitor was instructed to appear before the Private Bills Committee and oppose the bill, and I was directed to advise of councils feelings on the matter. Certainly the members for Saskatoon are anxious to save the taxpayers of Saskatoon the necessity of sending the city solicitor to Regina. Certainly, I feel that this bill should not be given second reading.

I would like to read the letter from S.U.M.A., which the city clerk attached to his letter. This was dated February 12th and it is directed to all city, town and village councils, re the property tax concessions to incoming industries and commercial enterprises.

In the Saskatchewan Gazette of January 29th, the municipality advertised its intention to petition the legislature to pass an act permitting the cancellation or abatement of fifty per cent of all the general taxes to be levied against an incoming industry between the years 1966 and 1975. There is now provision in the Municipal Act, that a municipality may with reasonable cause, cancel all or part of each years taxes after they are levied. This must be done each year and each time it is done, must receive the approval of the Department of Municipal Affairs. There is no provision in the Municipal Acts as they exist today, for offering tax concessions to any group such as is proposed by the above noted municipality, thus the need for the private bill. Knowledgeable municipal people are almost unanimous in their opinion that blanket tax concessions such as this, should not be permitted. Experience has proven that where they are, a concession granted by one municipality must be equalled and at times exceeded by another. There have been many known instances where industries have gone from municipality to municipality seeking the best deal. Furthermore, property taxes levied on an industry are an insignificant part of its operating expenses and in the long run, do little to help it. S.U.M.A. as consistently opposed property tax concessions and in this particular instances has made the government officials aware of its opposition.

At the same time, the bill which is to be introduced is a private bill and all members of of the legislature are free to vote as they wish.

I draw this to the special attention of the member for Nipawin, (Mr. Radloff) who has had a long association with S.U.M.A.

The bill which is to be introduced is a private bill and all members of the legislature are free to vote as they wish. Therefore, may I suggest that if you wish to prevent this type of concession, you have a resolution of council passed expressing your opposition and have it forwarded to your local MLA at the same time I would appreciate receiving a copy of any such resolution.

May I remind you though, that the legislature is in session and immediate action is necessary.

Now, Mr. Speaker, I am sure that there are hon. members opposite who have received similar letters from their municipalities and I would like to stress that this is a private members' bill, and that a defeat on a free vote will not result in the defeat of this government. I feel sure that the member for Canora (Mr. Romuld), after his short term in municipal government, will want to respect the views of an organization which represents sixty per cent of the people of the province. The Minister of Public Health, (Mr. Steuart), the former mayor of Prince Albert, I am sure has a great deal of respect for this important resolution. I think that if the Premier in a reckless moment paid what's \$100,000

Mr. Thatcher: — It wasn't reckless, it was very deliberate.

Mr. Nicholson: — If he did say that . . .

Mr. Thatcher: — I'm looking forward to doing it again, just as soon as I can get another company.

Mr. Nicholson: — Yes, well I think, Mr. Speaker, that if the Premier was in a reckless moment and he doesn't want to go back on it, it would be quite a simple matter to take this \$100,000 out of the \$6,000,000 that he has saved and not ask . . .

An Hon. Member: — More . . .

Mr. Nicholson: — Well, more than \$6,000,000 and not ask the people in . . .

An Hon. Member: — . . . know we have six . . .

Mr. Nicholson: — . . . Cory and in the Saskatoon area to pick up this \$100,000 which he says was part of the deal that got the Canada Cement organization involved in political affairs in Saskatchewan at a critical time, which incidentally didn't do the government of the day any particular harm.

So I want to appeal to the private members on the government side, who have received the letters from the municipality in their constituency to rise in their place and indicate that they want a free vote and that the fate of the government will not be decided if the majority of the members on both sides feel that this was improvident commitment for anyone to make, taking into consideration the laws and the traditions of Saskatchewan and other provinces in Canada.

Mr. Nollet: (Cut Knife) — Mr. Speaker, there is some variance in opinion across the . . . I'm sorry . . .

Mr. J.A. Pepper: (Weyburn) — Mr. Speaker, I can assure you that I will be very brief, but I believe that if we pass this bill, we will be setting up a precedent which would be very wrong and leaving ourselves wide open for strong criticisms. I think we must take a firm stand to use all municipalities equal in this regard. I too, Mr. Speaker, have a letter sent to me from the city council of Weyburn which I am prepared to table, asking that I oppose this bill. I would just like to read a portion of this letter, Mr. Speaker, it is addressed to me, dated February 18th:

Municipal authorities are almost unanimous in opposing tax concessions such as this, the following resolution was approved by the Weyburn City Council on February 16th, 1965

This is the resolution,

That the city of Weyburn register its protest to the local member of the legislature and to the Premier of the province of the private bill before the legislature for the cancellation or abatement of municipal taxes. Experience has proven that tax concessions granted by one

March 11, 1965

municipality must be equalled or exceeded by other municipalities. Property taxes levied on an industry are usually an insignificant part of its operating expenses and in the long run, do little to help the industry. It is felt that to support this bill, will be encouragement for further concessions in the future.

So, Mr. Speaker, not only on account of this letter from the city of Weyburn, but on the principle of the bill alone, I certainly oppose this bill.

Mr. Thatcher: — You better withdraw it.

Mr. J.E. Brockelbank: (Saskatoon) — Mr. Speaker, I listened with interest to some of the comments that were made here today and I was particularly interested in what the Premier had to say.

I might say that I enjoy watching the Premier in action. When he smiles, he smiles very nicely; when he looks indignant, he really looks indignant. He suggested to the legislature that the matter of Canada Cement had nothing to do with the Hanley by-election. I suggest to you, Mr. Speaker, that the press releases were coming thick and fast . . .

Mr. Cameron: — They still are . . .

Mr. Brockelbank: (Saskatoon) — . . . through the month December. December 10th, December 14th, “Secret Deal, Tax incentives offered. Cory denies there was a secret deal. There were no incentives.” I just don’t know what to make out of his statements about this not being involved in Hanley by-election.

With regard to the remarks of the Minister of Mineral Resources, (Mr. Cameron) I think it was highly irregular for him or his government to make a commitment to Canada Cement. It is not their position to make a commitment to Canada Cement.

Mr. Cameron: — Mr. Speaker, on a point of order, I don’t wish to interrupt the speaker, but I did not indicate in any sense that we gave a commitment to Canada Cement. I said we gave a commitment to the R.M. of Cory and we intend to fulfil that commitment.

Mr. Brockelbank: (Saskatoon) — I would retract that, Mr. Speaker, and I would suggest that that commitment is just as indecent. To make a commitment to the Cory municipality when he had no right to make a commitment to Cory municipality.

Mr. Thatcher: — We are the government now. You fellows aren’t.

Mr. Brockelbank: (Saskatoon) — That’s the job of the legislature, Mr. Premier, . . .

Mr. Thatcher: — Not at all.

Mr. Brockelbank: (Saskatoon) — . . . to make that commitment.

An Hon. Member: — . . . still doing . . .

Mr. Brockelbank: (Saskatoon) — I was particularly taken with the remarks of the hon. Minister of Health, (Mr. Steuart) the former mayor of Prince Albert, and his dissertation on the use of private bills to grant tax concessions. It was particularly interesting because he was the mayor of Prince Albert at one time, and in the light of his remarks and others, I would beg leave of the assembly to adjourn the debate at this time.

The question being put on the adjournment motion, it was negatived on the following recorded division.

**Yeas — 22
Messieurs**

Brockelbank (Kelsey)
Wood

Whelan
Nicholson

Snyder
Brotten

Nollet
Walker

Kramer
Dewhurst

Larson
Brockelbank (Saskatoon)

Blakeney
Davies
Thibault
Willis

Berezowsky
Michayluk
Smishek
Link

Pepper
Pederson

**Nays — 31
Messieurs**

Thatcher
Howes
McFarlane
Boldt
Cameron
McDonald (Moosomin)
Steuart
Heald
Guy
Merchant (Mrs.)
Loken

MacDougall
Gardiner
Coderre
McIsaac
Trapp
Grant
Cuelenaere
MacDonald (Milestone)
Gallagher
Breker
Leith

Bjarnason
Romuld
Weatherald
MacLennan
Larochelle
Asbell
Hooker
Radloff
Coupland

Mr. Brockelbank: Saskatoon) — Mr. Speaker, speaking to the principle of bill 06, I only had a couple of minutes to look at the financial position of the company, Canada Cement, and it appears to me at a quick glance that the company is quite solvent and is quite able to pay its taxes and I have no indication that it hasn't been prepared to pay taxes, in each and every instance.

Their working capital for 1963 was \$13,900,000. Their net earnings were \$22,000,000. Their surplus after preferred dividends and common stock was \$4,300,000. On the matter of earnings per share, and dividends record in their preferred shares in 1961, they paid \$1.30, in 1962 they paid \$1.30, in 1963, they paid \$1.30. In their common stock, they paid \$1.00 in each of 1961 and 1962 and 1963, they paid \$1.20. So the position of this particular company looks quite solvent, and I have no indication that this company actually requested tax concessions. There has been nothing tabled in the house to indicate that to me, or to anyone else.

The history of private acts is something that I would like to look at for just a minute. The private act as a means of offering tax concessions to industries has fallen into disuse in all provinces in Canada except one, the province of Quebec, which uses the private act quite extensively. If my information is correct, a private act for this purpose has not been used since the year 1930 in Saskatchewan. This is quite a length of time and I suggest there is probably a very good reason why it hasn't been used for that period of time.

I have what I believe to be a fairly knowledgeable pamphlet on municipal assistance to location of industry. This is a Canadian study of tax concessions and other inducements. It was compiled by Stewart Fife, a joint publication of the Institute of Public Affairs of Dalhousie University. This particular book deals with the matter of tax abatement by private bills and other means. The conclusions of the book, seem to say to me, that the matter is not as well received by industry or definitely not well received by municipalities, although it may have been a number of years ago.

I am going to quote some sections from this particular book, but prior to that, I would say that the principle of this bill affects not only Cory municipality but other municipalities as well. I am speaking particularly in this instance, of the city of Saskatoon, which is affected by this bill, notwithstanding other municipalities in other places in this province that will be affected by this bill if it is passed.

I want to suggest at this time that the municipality of Cory as I understand it, is able to use the Municipal Act, I believe its section no. 217 of the Municipal Act for the abatement of taxes each and every year. I would suggest that if the municipality of Cory is sincere and can demonstrate its need and its councillors vote each year in favor of tax abatement, I am sure that the Minister of Municipal Affairs, (Mr. McFarlane) will give it a favorable consideration when it comes across his desk. There is not really a case, there hasn't been a case made up to this point, for the presentation of this and passing of this particular private bill.

Now how would this affect Saskatoon city? I just wanted to read some comments out of the particular book that I named, about tax concessions, advantages and disadvantages. It has a section on page 11, entitled, "The Case against Tax Concessions."

From the local government point of view, one of the biggest objections is that if one municipality grants a concession, there is nothing to prevent another municipality for offering an even greater tax concession. The competitive bidding so initiated is most undesirable, and may be exploited by industries seeking concessions. This has actually happened in Ontario and certainly occurs in places in the United States today. There is still some competitive bidding in Canada for industries but the extent appears to be less than is commonly believed and tax concessions are the least important of the concessions offered. Probably the abuse of concessions can be prevented only if the granting of tax concessions is regulated and policed by the provincial government and if a number of checks are incorporated in any permissive legislation.

I would suggest that the legislation that permits this now, of course would be the Municipal Act, and it has checks built into it that will only allow it to remain in force for a period of one year. The matter of advantages to a municipality . . .

The advantage to a municipality more commonly results, however, where an industry is located in one municipality but its employees live elsewhere.

I would suggest that there is a very serious problem arising in Saskatchewan in and around Saskatoon, the city which I have the honor to represent here. I will deal with that in a minute. I will continue reading here.

This may create a problem in an urban area which is divided between two or more municipalities. In these circumstances, one municipality may have markedly less industrial assessment and have a narrower tax base or more demands for services than others.

And this is the case in Saskatoon city. The demands are greater for services as a result of this development. This division of a community along with a number of jurisdictions may mean that more industry may well reduce taxes in a particular circumstance. Referring for a moment to one more, section of this particular book on page 7;

Conversely local governments do not usually recover from taxes on residential property the full cost of providing services to them. Insofar as new industry means additional population and additional services, it may actually bring an increase in the general tax rate. The relationship between taxes paid by the industry and its employees and the cost of servicing them depends on a large number of factors, even in specific cases, the net affect is difficult to determine accurately. The ideal of an industry which pays large taxes but costs little to service and has few employees, is rarely realized.

With regard to Saskatoon city, as you all know the taxes that are taken from the people of Saskatoon for the servicing of their city have reached a high proportion and this also occurs in the city of Regina, I am sure. I think it is time that a more equitable share of tax revenue from industrial developments be accorded to the cities that have industrial developments surrounding them.

In this particular instance that we are talking about, and in

relation to potash, it is understood and it is quite easy to prove that a number of employees that work at these plants live in Saskatoon. I will say at this time that I can see no reason why the provincial government will not in the near future come to some overall agreement with the municipalities that would allow for these funds to be funnelled to the areas that service the employees that are working in the industries outside of the major centres.

I think this is something that has to be looked into and I think there are precedents that have been established. I would cite one particular precedent that I know and this has to do with the village of Creighton. You could say Creighton is a creature of the Hudson Bay Mining and Smelting Company. Agreements were made by the previous government a number of years ago for the Hudson Bay Mining and Smelting to make grants to the town of Creighton for the purpose of providing services to the employees that worked for this large company, the Hudson Bay Mining and Smelting Company.

I imagine this type of an agreement is still in effect in that particular area because the mining is still one of the principle ventures in that area. I would suggest that not a cent of the advantages are going to flow to the ratepayers of the city of Saskatoon from these particular industries, that are located around the city, of Saskatoon.

The time has come, I think, that all the people who are concerned with this problem should consider very carefully this particular bill No. 06 for the reason that I have stated. The actions that will result from the bill, namely throat-cutting, as far as tax concessions from one municipality to another and the fact that this is going to cause serious damage to the large cities that are surrounded by these industries. I have seen no case built for support of this bill to this point.

Mr. C.G. Willis: (Melfort-Tisdale) — Mr. Speaker, I intended to get up in this debate to inform the house that I had received letters from the town council of Melfort, and the town council of Tisdale, protesting against the bill No. 06, protesting against the practice which Cory and the government opposite are trying to foster here in this province. I did not intend to take part in the debate any further than this, Mr. Speaker, until the Premier started talking about lack of industrial development here in the province of Saskatchewan.

I know the Premier over the last twenty years has been wearing blinders as far as his home province is concerned. He has recently taken off the dark glasses and he sees what is happening in the province now, but seeing what is happening now and not knowing, not ever having the opportunity to see what was happening in the last twenty years, he suddenly thinks that this is new development taking place in the province, and development which is the responsibility or the result of the actions of the government opposite.

Now, Mr. Speaker, I have here the annual report of the Department of Industry and Information for the year ended March 31st, 1964. Although we have in the front a picture of the Minister of the crown, who is a Liberal minister, the report covers a period when the CCF were in office. I think it would be of interest to this house. I'm sorry the Premier is not in his seat now, I am certain he hasn't read this report up to the present time. I am certain that he doesn't know just what has happened here in the last twenty years, and I would like to read into the records, some of the report here, showing that there has been industrial development here in the last few years, industrial development without the incentive of tax reductions. The report, part of the report dealing with industrial development, is under the Industrial Development Office and is concerned with promotion and attraction of new industries in Saskatchewan, with the existing industry and with the province's resources and industrial progress. It goes on, on the next page to talk of the recent inauguration of the Saskatchewan Industry Advisory Council and the Saskatchewan Economic Development Corporation, which it says, has proved a great assistance to this office, this work of promoting industry.

Now SEDCO certainly will have, has had in its short life and will have, will continue to have great influence on industrial development here in the province. On the next page, it mentions that SEDCO assists both new and established industries by providing loans for capital expenditures, by making buildings available on the leases or lease purchases and by making available grants for the purchase of machinery, for research, or employee training programs, but nowhere here does it mention that SEDCO should try to encourage municipalities to influence industries to establish any place in the province by tax reductions. Up to now, Mr. Speaker, it hadn't been

considered necessary it hadn't been considered good business for SEDCO or any other organization to encourage this type of industrial incentives.

We have had industrial developments here in the province, as shown by this list. On page 11 of the annual report, it says here,

The start of construction of Kalium Chemicals Limited, potash solution mining operations at Belle Plain

This was opened officially, Mr. Speaker, in 1964 by the premier of the province who sits opposite now. I dare say, Mr. Speaker, that this was probably the first time that the hon. premier saw the Kalium Plant. He probably never saw it when he was going along highway No. 1 before. He probably didn't know that there was a Kalium plant until they had the official opening in 1964. He didn't know, he is not to be blamed in thinking that his government was responsible for bringing Kalium into the province. Second, there was an announcement by the International Minerals and Chemicals Corporation, Canada Limited, that construction was underway on the second shaft at Esterhazy potash Mine. A second shaft following the first, Mr. Speaker, and both of these industries came into the province without tax concessions. It says here:

With the completion of this shaft, production capacity of the mines will be 4,000,000 tons annually.

Third, an announcement that Alwinsol Potash of Canada, a subsidiary of French and German Potash Mining interests, will begin shaft sinking on its property near Lanigan in 1964. Again, Mr. Speaker, this potash company came into the province in spite of the work of the premier when he was leader of the opposition. He went over to Europe and when he came back, he reported that he had been speaking with Alwinsol people and that they had assured him that they wouldn't come into Saskatchewan as long as there was a socialist government here in the province.

An Hon. Member: — Verbal backroom deals.

Mr. Willis: — They came, Mr. Speaker, and they came in spite of the fact that there were no tax incentives. Again, there is the production of helium at Swift Current by Canadian Helium Company, the only commercial plant producing helium in the western world outside the United States. This company came here to the Swift Current area because there is helium there, not because the R.M. offered them a tax concession.

Then again, mentioned on page 11, the production of chlorine caustic soda and a full range of herbicide at Saskatoon, by Inter-provincial Co-operatives Limited. The province's first chemical complex. Again, Mr. Speaker, no tax concessions like that to be made by Cory to this important industry and I gather that this country is in the R.M. of Cory. And again, on the next page, it goes on to list construction of Canada's first fatty acid nitrogen derivater plant at Saskatoon, by the Armour Industrial Chemicals Company Canada Limited. Much of the output of this plant will go to Saskatchewan's growing potash industry the reports says. Again this company came, established in Cory municipality, without tax incentives. The last one which is mentioned here is the announcement by the Consolidated Mining and Smelting Company Limited that it would build a fertilizer plant in Regina. This plant, the first of its kind in the province will come into operation in 1965. I have no doubt that in 1965 when this plant is opened officially the Premier of this province will stand up and claim that this came into the province because of the policies of the Liberal government. Here before the Liberal government even took office, the firm announced its intention to build outside of Regina and without the benefits of tax concessions by Sherwood.

At the bottom of page 12 and half way down page 13 is a list of new companies which came into production during 1963, and Mr. Speaker, for the information of the members opposite (and again I must say that I am sorry that the Premier is not in his seat) I would like to read this list of new companies which came into production during 1963 without benefits of tax cuts as an incentive. First of all there is Agra Vegetable Oil products, it produces rape seed oil, rape seed meal and is situated in the rural municipality just south of Nipawin. I was interested in noticing, Mr. Speaker, that even though this company was in operation in 1964, it was opened officially by short-lived Minister of Industry and Information, Mr. Pinder. He did open quite a number of plants, Mr. Speaker, while he was Minister of Industry and

Information, but not plants which came into this province because of his or the Liberal government's activities, but plants which started construction prior to the defeat of the CCF government early last year.

The second company mentioned here is the Canada Cement Company Limited. Cement packaging warehousing, it says, and the address is Saskatoon. This company, Mr. Speaker, came into Saskatchewan without tax incentives, committed itself to expansion in the next few years, now the government opposite is trying to get a tax concession so that they will extend their plant in Saskatoon. Canadian Helium Limited is the third company mentioned. Helium and liquid nitrogen produced in Swift Current. The fourth one, Falcon Engineering Company Limited. Pressure vessel stock water at Weyburn. And I am sure that the people of Weyburn didn't entice this company by means of tax cuts. Golden Crest Foods Limited: frozen bread dough, address, Regina. Inter-provincial Co-operatives Limited, chlorine and caustic soda, and herbicides, Saskatoon. MidWest expanded Ores (Sask) limited. This plant in Saskatoon, produces loose filled insulation and related products. Miller's Fuel and Cartage Limited, manufacturers of redi-mix concrete and again at Melville and I am certain that the city of Melville or the rural municipality where this firm is established, did not entice this plant by means of tax cuts. Paramount Displays make commercial signs at Moose Jaw. Perma-Glaze Limited make fishing tackle here in Regina. Premier Manufacturing Limited, bale stokers, wing lifts, again in Regina. Rathje Bros. Mushroom Farms Limited produce mushrooms at Lumsden, this was established in 1963, Mr. Speaker, in the rural municipality without benefits of tax cuts. Remco Plastic Products Limited, light weight concrete blocks here in Regina. Ringer Limited, bedroom and school furniture at Prudhomme, Mr. Speaker, Royston Laboratories (Canada) Limited. Roskote Coating, again established at Moose Jaw. Saskatoon Furniture Manufacturing Co. Ltd, cabinet, vanities etc. at Saskatoon. Saskatoon Bumper Electro Plating Limited, general chrome, chrome and nickel plating at Saskatoon Treman's Industries, chicken and fish batter mixes at Moose Jaw. White Pipe Products, finishing asbestos cement pipe, cast iron fitting at Regina.

That, Mr. Speaker, is a long list of firms which established here in Saskatchewan in 1963, before the Liberal government came to office, before there was any suggestion that tax cuts should be used to entice manufacturing firms to come to Saskatchewan.

Now, and not just in 1963, but manufacturing development proceeded a long way back in Saskatchewan over the past twenty years. Mr. Speaker, as shown by the Saskatchewan Economic Review of March, 1964. Here on page 6, there is a table showing private and public investment by industry in Saskatchewan. Industry which came into Saskatchewan without benefit of tax cuts. Investment in primary industries \$10,000,000 in 1950; \$69,000,000 investment in 1963. Manufacturing in 1950 was \$2,000,000; in 1963 \$6,000,000. New machinery, primary industry in 1950 investment in the province of \$103,000,000 and in 1963 \$135,000,000. Invested in new machinery, box manufacturing in 1950 was \$6,000,000 and in 1963 \$9,000,000. Proving, Mr. Speaker, that industries don't have to have tax cuts in order to come into the province of Saskatchewan, and proving too, Mr. Speaker, that there has been industrialization in this province, not just the last nine months, but at least according to this table, since 1950.

Some Hon. Members: — Hear, hear!

Mr. Willis: — Then there is another table, table 12, gross value of commodity production and it also gives the percentage analysis by industry here in the province. Non-agricultural commodity production in Saskatchewan in 1948 was \$434,000,000, Mr. Speaker, and by 1963, this was \$1,114,000,000 and again this tremendous increase in manufacturing did not come into the province because of tax cut incentives.

Then, Mr. Speaker, I wanted to refer to one other table here before I take my seat, and this has to do with table 5, city population in Saskatchewan. Regina's population because of its phenomenal industrial development which has taken place in Saskatchewan, increased from 71,000, in 1951 to 112,000 in 1961, and I am assured now that the population is well over 120,000 people. This increase, Mr. Speaker, can be duplicated, in other major centres in Saskatchewan, which came about because industrialization came to Saskatchewan and came here not because of tax incentives.

Now, Mr. Speaker, I want to comment on a statement made by the Minister of Mineral Resources (Mr. Cameron) when he mentioned that there was little inconvenience to Cory municipality, that they would only lose \$10,000 in each of the ten years. This was all that they would lose, he said. Following this ten year period in 1975 and on, they would get \$20,000 increased taxation. Well, Mr. Speaker, Canada Cement indicated that they were going to

March 11, 1965

build additions to their plant, that Cory municipality could have expected this increase of \$20,000 not in 1975, but at least by 1966 or 1967, very, very shortly.

I want to say that this addition was to come regardless of commitments which might have been made by the Premier, in a hotel room in Montreal. They were committed to come here regardless. I would say further, Mr. Speaker, that it is too bad that this assistance has been thought necessary by the government opposite to entice different industries to settle in different municipalities.

We can look forward to various municipalities, rural municipalities at that, Mr. Speaker, bidding against each other for various industries in the province, and this is not good, particularly when it is considered that the rural municipality does not help to service the people in these industries. The industries which surround Regina here, a large number in all, the people who work in these industries live in the city of Regina. Regina gets nothing in taxes from these industries which are established round about. Sherwood municipality gets this, Mr. Speaker. It doesn't cost Sherwood too much to have the industry come, but it does cost the city of Regina, a great deal.

It would be too bad if the municipalities surrounding our various cities, whether it is Moose Jaw, Regina, or Saskatoon, Prince Albert, or the future city of Melfort, it would be too bad if these places started bidding against each other and thereby throwing indirectly burdens upon the city without compensating the city in any way.

Mr. Speaker, I certainly hope that the members opposite do regard this vote as a free vote, that the members opposite vote in the interest of the people of Saskatchewan and if they do, they will turn down this request of the rural municipality of Cory to have this tax agreement ratified not by the government opposite, Mr. Speaker, but by the legislature of the province of Saskatchewan.

Mr. Cameron: — May I ask the hon. member a question before he sits down?

Mr. Willis: — Mr. Speaker, the hon. minister had an opportunity to speak. He wouldn't answer questions; I don't feel as though I should answer a question either.

Mr. Cameron: — Mr. Speaker, on a point of privilege, I rise now on a point of privilege . . .

Mr. E. Kramer: (The Battlefords) — You never sat down.

Mr. Cameron: — I rise, Mr. Speaker, on a point of privilege. This is in reference to my department and concessions. I understood the member to say Canadian Helium, Swift Current came into the province without tax concessions, and the potash industry came in without tax concessions.

Mr. Willis: — There were no tax concessions by the municipality.

Mr. Cameron: — Just a moment, the tax concession given was a royalty-free holiday and a special . . .

Mr. Willis: — Mr. Speaker, I was talking about the rural municipality which has nothing to do with a royalty-free holiday.

Mr. Walker: — If the hon. minister is going to have the right to speak twice, then I want the right to speak twice too.

Mr. Speaker: — Order. You are out of order too, Mr. Member from Maple Creek, now sit down. That is the end of that.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — I think it is about time we had an end to all these disorderly interjections, or questions, answers and rampaging back and forth, or you will reduce this legislature to the shambles that is in Ottawa. Now think that one over, all of you.

Mr. A.E. Blakeney: (Regina West) — Mr. Speaker, I had a few comments that I wanted to make they are not as yet organized fully in my mind. I believe that if I make them now, I may take up an unnecessary amount of the time of the house, and accordingly I am going to ask that the debate be adjourned. I ask leave to adjourn the debate.

Debate adjourned.

RESOLUTION NO. 5 — ROADS-TO-RESOURCES

The assembly resumed the adjourned debate on the proposed resolution No. 5 moved by Mr. Radloff:

That this assembly urge the government of Canada to extend the current Roads-to-Resources program.

And the proposed amendment moved by Mr. Berezowsky:

That the following be added to Motion:

and further that this assembly urge the government to request the government of Canada to include dust-free surfacing where traffic warrants under this program on the same basis of cost-sharing as now applies to grade construction and gravelling.

Mr. F.K. Radloff: (Nipawin) — Mr. Speaker, speaking on the amendment to Roads-To-Resources, I feel this is a very important question and I would certainly think that all the members of the house should give this motion, and the amendment, their consideration and I would ask that on this motion, all members proceed as they wish and take the responsibility of supporting the resolution and the amendment, and we will try to press forward on the Roads-to-Resources. I would ask that all members support the amendment and the motion.

Some Hon. Members: — Hear, hear!

Mr. M. Pederson: (Arm River) — Mr. Speaker, I just want to make a few remarks in connection with the amendment which I understand is the only portion that I am entitled to speak to at this moment.

I have listened with some interest to the comments of both sides of the house in connection with this very important program that, as you will know, Mr. Speaker, and all hon. members will know, was a program established by a Conservative government who had something of a, (I am almost hesitant to use that word) a vision, in developing the areas of the north.

Mr. Thatcher: — I don't think . . .

Mr. Pederson: — I might suggest, Mr. Speaker, that if some of the hon. members who represent those areas had a little more of that vision, that we might not have some of the type of remarks that are passed in this house which seem to oppose some of the things that are good for northern Saskatchewan in particular. I am pleased, Mr. Speaker, to note the amendment and I intend to support it, because although there seems to be some problem insofar as the Minister of Highways (Mr. Grant) is concerned to figure out which roads are involved in the Roads-to-Resources program, I wanted to tell the Minister of Health, (Mr. Steuart) that he should be in favor of this. He has, after all, a very small, perhaps a quarter mile long piece of the Roads-to-Resources right in the heart of his own constituency in the form of a bridge and I want to remind him of that. There are in fact, some parts of the Roads-to-Resources program that have already received attention from sources other than in this house.

Mr. Brockelbank: (Kelsey) — Dust-free

Mr. Pederson: — Yes, very dust-free, it may be other things, but it certainly

is dust-free. I am not too sure, Mr. Speaker, of the advisability in some instances though, regarding the dust-freeing of certain roads before they have been built to better standards. I am one of those people who back in the late forties worked on the stretch of highway that runs north from Waskesiu Park to Lac La Ronge and although I recognize this is not generally accepted as part of the Roads-to-Resources program, it is nevertheless a direct link. I recall with some horror the winter we spent attempting to put some gravel on to that road, and that road is basically the same road that was in existence in that day with some repair work done to it. Many of the areas north of the park, the road was built on logs in the muskeg. I've seen any number of trucks and equipment disappear in the swamps up there simply because the land is unstable. Until a better base on that particular road, and many others that are in the Roads-to-Resources program, are established, it would be unwise to move forward too speedily on a dust-freeing program.

The intent of the amendment, as I understand it, Mr. Speaker, is that this government should take under advisement the question of urging on the federal government when they approach them for a renewal of the Roads-to-Resources program, bringing up the question of including, at some future date, an oiling program on a cost-share basis. I believe this is a reasonable attitude to take, I think that I can speak with some degree of certainty of the attitude of the party that I represent who after all instituted this program, that it was not intended as a stand-still program. The original intent was to get roads, period. To be followed up by those things that must be done in order to provide a modern transportation facility for heavy traffic, and this most certainly would have included in due course, the oiling or paving of large stretches of this highway. I would hope that when the approach is made to the federal government that all of these points will be borne in mind and that the Roads-to-Resources, which, in my opinion, is one of the initial stepping stones to providing an access to the wealth that does lie in the north of this province and, I might reiterate, only one of the stepping stones. Contrary to what my friend from Athabasca (Mr. Guy) may think, that everything possible is done to extend this program as rapidly as is feasible with the taking into account the fiscal problems that we face and the money that is available so that we can have as rapid a development as possible in the north. This cannot, in my opinion, Mr. Speaker, be pushed to its fullest unless we take into account the necessity of providing in certain areas, at any rate, dust-free types of highways on which heavy transport may move.

This is essential and certainly should be embodied as part of the original motion. For these reasons, Mr. Speaker, I am most pleased to support the amendment.

Amendment agreed to.

Mr. A.R. Guy: (Athabasca) — Mr. Speaker, I would like to say a few words in regard to this motion. I am certainly pleased to support this motion by the member for Nipawin, (Mr. Radloff), because there is no area of the province would benefit anymore from the Roads-to-Resources program than the constituency which I represent.

Now, members of this house may recall that I was a stern critic of the manner in which the former government handled the Roads-to-Resources program. I believe that under their administration it was not done nearly as efficiently as it should have been, and in many, many cases not as wisely as it should have been. I am not going to take the time to put on the records of this house again, the remarks that I made in the past regarding the handling of the Roads-to-Resources by the former government. We all know that it was a little short of being scandalous.

Mr. Willis: — On a point of order, Mr. Speaker, if the hon. member from Athabasca (Mr. Guy) is going to make statements as wide as this, that the method of handling the Roads-to-Resources money was scandalous, then I think that he should put that on the record here and now.

Mr. Guy: — I think if the hon. Minister of Highways will go back through the Hansard for the last two or three years, he will find enough to show that it was scandalous. I know that it is preying on his conscience as he sits on the other side of the house today, the fact that he didn't make as good use of the money that he should have done, it is because of that reason we are able to criticize him very successfully.

Now, when discussing the Roads-to-Resources, I believe that we

are all aware of the need for the roads in opening up the northern part of our province for the development of our natural resources. In fact this need has increased significantly since April: 22nd, when the Liberal government was elected, because by their subsequent actions we have shown our earnest desire to have these resources developed. We have been very successful to date in spite of efforts of members opposite to discredit any company that comes into the province and tries to develop our resources. These companies that have now shown their willingness to invest their capital in the development of these resources under a Liberal government.

Now, for once I find that I can agree with many of the remarks that were made by the member for Cumberland, (Mr. Berezowsky) the other night. It is not very often that we agree to any great extent, but he pointed out many good reasons for the extension of these Roads-to-Resources. He made a good point when he mentioned the large silica sand deposits that are untapped to date in the northern part of the province. He mentioned the desirability of developing a large sand deposit along the Hanson Lake Road, but I wasn't surprised in this regard because I understand that he is a large share-holder in a company that is interested in developing these sands.

Mr. Berezowsky: — Mr. Speaker, that is a lie.

Mr. Guy: — Well, the member for Cumberland, (Mr. Berezowsky) can call it what he likes . . .

Mr. Speaker: — Now, I think this has gone far enough, for one member to call another member a liar. I am going to ask you to withdraw that.

Mr. Berezowsky: — I will withdraw.

Mr. Walker: — Mr. Speaker, on a point of order, the member . . .

Mr. Speaker: — Now, the hon. member has been asked to withdraw and he has done so like a gentleman, that is the end of that point of order. Now if there is another one . . .

Mr. Walker: — That is right, Your Honor. I suggest that the hon. member for Athabasca, (Mr. Guy), and it is unusual for him, is attributing corruption to a member of this legislature by saying his motives are that he has a personal interest in a company that is involved or will benefit from this proposal. Anybody else but the hon. member from Athabasca, (Mr. Guy) would know better than to make that kind of an imputation and I submit, Mr. Speaker, that it is incumbent upon you to insist that he withdraw it.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — Now that depends upon the manner in which it was taken, I didn't hear the hon. member for Cumberland, (Mr. Berezowsky) take too much exception to it.

Mr. Walker: — He said it was a lie.

Mr. Speaker: — Ohm that is what he was referring to.

Mr. Walker: — That is right.

Mr. Speaker: — Well, the member for Cumberland, (Mr. Berezowsky) has made a withdrawal of his statement, and I think if there has been anything said that shouldn't be said, any aspersion passed on the member for Cumberland (Mr. Berezowsky) by the member for Athabasca, (Mr. Guy) to the effect that he was making some private, petty deal of this . . .

Mr. Walker: — He said he was a prominent share-holder in this company. He said he was interested in the company that would benefit by the construction of this road.

Mr. Speaker: — Oh well, we are all interested in companies that might benefit

March 11, 1965

from the construction of roads. Good Heavens!

Mr. Walker: — He should withdraw, Mr. Speaker.

Mr. Guy: — Mr. Speaker, if I might continue, I . . .

Mr. Walker: — Mr. Speaker, it is unparliamentary for any member of this house to say a member has a pecuniary interest in anything that he advocates in this house. It is unparliamentary and the hon. member should withdraw it. A member should not attribute to another member that he has a private interest, a pecuniary interest in anything that he advocates in this house, surely, Mr. Speaker.

Mr. Speaker: — I will take the matter under advisement and I will bring in a ruling tomorrow. That is that.

Mr. Guy: — Well, Mr. Speaker, I certainly was not insinuating that there was anything wrong in the member for Cumberland, (Mr. Berezowsky) having an interest in the development of this property. That is entirely up to him. I hope for his sake and the other members of the company that he is involved with, that they do have successful development of these sands, because it is going to be good for the whole northern part of the province.

His point that the extension of No. 102 highway towards the Reindeer Lake will open up the important mineralized areas, will be increasingly important as a result of the Department of Mineral Resources program, which I might say is proving extremely popular. It is also a very relevant point, but I might remind him that his derogatory remarks about reputable mining companies does not help encourage new companies to come into this province.

Although it has been made evident that increased sums of money must be made available by the federal government if all roads planned to date are to be completed, it is more significant that at the present time the immediate need is for the extension of time, and I cannot agree with the member for Cumberland, (Mr. Berezowsky) that this can be laid on the doorstep of the Premier and the Liberal government. The fact is that the shortage of time is directly the result of the former government's procrastination. If it hadn't been for the cutbacks in 1962 and 1963, by the former government, the money could have and would have been spent by this time, but like everything else the former government did, they played politics with our Roads-to-Resources program.

In the 1960 election campaign, the CCF-NDP promised an immediate start on the road to Island Falls, but in spite of continued pressure from the local road association and myself, no steps were taken until the end of 1963. By the first of March, 1964, only \$29,000 had been spent, although they did promise that they would spend money if they got elected in April. They weren't elected, of course, which was a good thing for the people of Island Falls and Sandy Bay, because since that time, \$175,000 more has been spent since we took office and there is a further large amount in the budget for the coming year.

The same is true for Cumberland House road, it was promised in 1960, but only \$65,000 was spent in 1964, a little more than in my constituency, perhaps because the member for Cumberland, (Mr. Berezowsky) was in a much shakier position, but since we took office, we have spent \$188,000 on that road and we are pledged to another \$500,000 budgeted for the coming year.

The same is true for the No. 2 highway north of La Ronge. In 1961 the announcement was made that the road would be diverted to Reindeer Lake, and at that time I said that this was a smoke screen for the fact that they weren't prepared to spend any more money on that road, and estimates for 1962-63 showed that I was correct. In 1962, \$20,000 was spent for maintenance to the Churchill River, and in 1963 nothing was included in the estimates for that road.

With the election expected in 1964, the former government started talking about this road again, but it wasn't until after we took office that work on the extension of this road was started again, and since that time \$400,000 has been spent with a large budget for the coming year estimated.

Now, if these three roads had been built at the rate they were promised, and should have been built, they would have been completed by this

time and we would not be risking the loss of several million dollars of federal funds due to the end of the time limit having been reached.

In view of these facts, it seems that the assertions of the member from Cumberland, (Mr. Berezowsky) regarding the blame for this delay is completely erroneous as usual. The present government must be commended for their attempt to catch up on the malingering of the former government in order to spend the money available before the time limit expires.

Another point I would like to make, Mr. Speaker, is the difference in attitude of the former socialist government and our new Liberal government. Even though millions of dollars of the Roads-to-Resources program remained uncommitted, the former government continually used the excuse they wouldn't build this road, they couldn't build that road, because they were afraid that the Roads-to-Resources program would not be extended, and this was three or four years before the time limit was up. I want to remind the people of this province, and the opposition opposite, that we are also cognizant of the fact, and, of course, we sincerely hope that this program will be extended, but we are not prepared to sit and wait, but as has been stated by the Minister of Highways, (Mr. Grant) we have already over-spent by several million and are continuing to build roads where roads are needed, as evidenced by our willingness to construct the road from No. 2 highway to the Hanson Lake Road.

This is the difference in the thinking of the two governments. Whereas the former CCF government were prepared to cry to Ottawa, and if their cries were not heard, to sit and wait, we are prepared to accept our responsibility to build roads where roads are required.

Therefore, Mr. Speaker, in view of our government's willingness to accept this responsibility to build roads, it is my hope that the federal government will extend the Roads-to-Resources both in time and in funds available and I will certainly support the motion.

Some Hon. Members: — Hear, hear!

Mr. Willis: — Mr. Speaker, in rising to speak on the main motion, I want to say, first, in relation to the words of the member from Athabasca, (Mr. Guy) . . .

Mr. Guy: — Mr. Speaker, on a point of order, I wish that you would check your records, and see if the former Minister of Highways, (Mr. Willis) has not already spoken.

Mr. Willis: — It is not necessary to check your records, Mr. Speaker, I spoke after the amendment was proposed. I spoke after the member for Athabasca, (Mr. Guy) spoke, or after the member for Athabasca, (Mr. Guy) got through with his yelling spree the other night, and I am certainly entitled to make a few comments on the main motion.

Now, Mr. Speaker, the member for Athabasca, (Mr. Guy) thought he has made one or two points. He has discussed one or two items connected with our Roads-to-Resources program. One has to do with the dilly-dallying of the former government. We wasted time, and because of this wasted time the present government is not able to spend all the money and consequently the agreement has to be extended.

First of all, I would agree with the member for Arm River, (Mr. Pederson) that this program was considered a continuing program, that it did not have a definite beginning, and did not have a definite end. We had anticipated that anytime in the future that we wanted to, that there would be extension to this program in the north. At least we had expected this as long as there was a Conservative government at Ottawa, and I am sure we would have received the same consideration from the former Conservative government as we did when the program was agreed to.

Now, we did go to Ottawa, recently, with our Roads-to-Resources program. We did not agree with the former government that the location of the road as agreed upon in the original agreement was the right location, and finally after much discussion, back and forth, with Ottawa we were able to get a re-routing of the highway north from the Churchill River. In place of going directly north to Uranium City, we asked Ottawa and we got permission from Ottawa, to take the road to the south end of Reindeer Lake and eventually from somewhere on this road, we would go to Uranium City.

Now this was a logical step, Mr. Speaker, once we get to Reindeer Lake by building approximately eighty miles of road, we have tapped a large lake which goes north almost to the Northwest Territories. We would open up this tremendous territory because of the lake which is there. This was logical and I am sure that the hon. member from Athabasca, (Mr. Guy) does not object to this routing. This was logical. Ottawa finally agreed and in the meantime, we had to wait in order to get Ottawa's agreement before we mapped out any road, before we went ahead spending money.

This is one reason why there was a delay. This is correct in this regard. But once we got Ottawa's agreement, we went ahead with the road. We planned the road, located it, and we had in last year's budget an amount to start building approximately twenty miles of road. This money has not all been spent at the present time. We passed the amount in the last session when we were in government and this would have proceeded at exactly the same rate as the present government did proceed.

Now, Mr. Speaker, the second point which the member made, and I am sure the members on this side of the house have gotten used to the member for Athabasca (Mr. Guy) use of words which to us sound as though he were taking us to task but which to him, I suppose, are merely words which he uses every day. He used the word 'scandalous'. To him 'scandalous' doesn't mean very much probably. When I asked him to withdraw, to substantiate, there was no substantiation. He merely uses a word, flings it off. It is the scandalous behavior of the past government and this is it. We have to go back in time to find out just what he meant. These members who were not here in the past probably don't recall the member for Athabasca, (Mr. Guy) speaking some sessions ago regarding the Department of Highways building from north of La Ronge to Churchill River. And he, at that time, accused the government of wasting money. I imagine this is what he meant by scandalous procedure on our part.

Mr. Speaker, the cost of building the road from Nemeiben Creek to the Churchill River, about thirty-three miles averaged out at \$42,000 and some odd dollars. This, according to the hon. member is a scandalous figure to pay for a road in the north.

Now, we had no comparisons to go ahead with at that time. It was true that the road from Flin Flon to Denare Beach was under construction. We had let a small part of this road, two or three miles, the bid price that came in, if my memory serves me correctly, was about \$60,000 a mile. Now, it could be that the terrain south of Flin Flon was more difficult to build in than it was south of the Churchill River. But this mileage wasn't large enough to compare with what we did with our own forces south of the Churchill. As I mentioned, south of the Churchill, the total cost, and this was the total cost because after we finished building the road we added up all of the cost and we divided by the number of miles of road and the cost per mile was \$42,990. Approximately \$43,000 per mile.

Now, just recently, the Department of Highways let another contract for north of the Churchill. This is practically the same type of terrain. There isn't too much difference south of the Churchill River or north of the Churchill River. North of the Churchill River, a contract was let for 19.6 miles. I asked the question of the government, in this session, as to what is the cost figured on the bid which was received and accepted. The 19.6 miles north of Churchill, Mr. Speaker, is being built at a bid price, just a bid price, (there may be some extra's later). But the bid price, the bid price would be \$52,900 a mile . . .

An Hon. Member: — Oh no.

Mr. Willis: — In practically the same type of terrain, \$10,000 a mile more for work which is being done by a private contractor than was done by government outfits.

I do not know whether the Johnson Commission looked at this or not. This is one figure they should have looked at. The hon. member for Athabasca (Mr. Guy) called the \$42,990 per mile scandalous. If that is scandalous, Mr. Speaker, \$53,000 is even more scandalous.

But disregarding the comments of the member for Athabasca, (Mr. Guy) and his claims of scandalous procedures on the part of the department, there is one other thing I had thought should have been included in the Roads-to-Resources program, and that is that the Roads-to-Resources program should be not only extended in regards to time, but also with regards to miles of road.

Now, in my opinion, I'm sure the Minister of Highways, (Mr. Grant) and I'm sure the member for Meadow Lake, (Mr. Coupland) would agree with me, the Buffalo Narrows road should also be included in the Roads-to-Resources program. This is an important road on the west side of the province. It wasn't included in the original program because the Department of Natural Resources had built a passable road to Buffalo Narrows. But as the Minister of Highways, (Mr. Grant) mentioned the other night this is not of acceptable standard. It should be rebuilt and I hope that the Minister of Natural Resources, (Mr. Cuclenaere) when he talks with his counterparts at Ottawa regarding extending this program, doesn't only try to extend it in time, but also tries to extend it in black-topping and tries to get included, one or two other main roads in the north, the Buffalo Roads being one.

Now, in the last few years, we not only have been working on the original roads which were laid out, but the former Minister of Natural Resources, (Mr. Kramer) was successful in having the Cumberland House road included in the Roads-to-Resources program; as was successful in having the Island Falls Road included in the Roads-to-Resources. Last year we voted money in this legislature to extend these roads, to build them and I am certain that we would have gone ahead just as fast if not faster than the government opposite, in seeing that these two roads are built to Roads-to-Resources standards.

Mr. Speaker, I certainly hope, although I am not moving any amendment here, I certainly hope that the government across the way does try to have the Roads-to-Resources program extended, not only in time, and not only in dust-freeing provisions, but also in number of miles of road which are included in the Roads-to-Resources program.

Hon. G.B. Grant: (Minister of Highways) — I mentioned the other day, one thing that I was impressed with as a newcomer to this house, and I have another thing that I am impressed with. I am reminded of a woman's sewing circle or a beehive. Either can be stirred up very easily by something of not a great deal of importance. It is amazing the discussion that we have become involved in on a subject that we are not too far apart on.

I would like to indicate to the house that remarks the other day dealing with the amendment were not intended to indicate that I was going to vote against it. I believe one of the opposition members indicated so, but I did not say that. I was merely trying to indicate some of the problems involved in this suggested amendment and I think it could be elaborated on by pointing out that dust-freeing either involves about \$3,000 a mile or \$25,000 a mile. Also the cost of maintenance, if it is an oil surface, goes up about \$500 a mile.

So we want to bear this in mind when we're . . .

Mr. Speaker: — I draw the attention of the minister to the fact that the amendment is carried. The amendment is passed. We're now back on the motion, are we not. I am advised we're back on the motion as amended. She's wide open. Go to it.

Mr. Grant: — Well, I'm glad I find I'm right. I also find that the former Minister of Highways, (Mr. Willis) agrees with me that I was almost right on the Buffalo Narrows Road. He says that it should have been included. I was just trying my best to get it included.

The other point that I think is worthy of bearing in mind is that when a road is oiled, this does not apply of course to a paved road, but when a road is oiled there will be problems on the road ban limitations, and the former minister is quite aware of this. These are merely problems that I am bringing to your attention and really is background information.

The other thing, and I will conclude my remarks with this, is that after the hon. member from Melfort-Tisdale, (Mr. Willis) remarks the other night, I feel there should be no further disagreement, discussion, or waste of time, on highways because quoting from the Leader Post he says that:

The Saskatchewan government is simply carrying out the CCF-NDP highway program. George Willis, MLA for Melfort.

Mr. Willis: — Mr. Speaker, on a point of order, I was speaking of my own constituency about the program which in regard to my own constituency,

the program has been signed, sealed and almost delivered, before the last election.

Mr. Grant: — Well, unfortunately, that may be right, Mr. Speaker, but the newspaper release makes no mention of that, just the heading, “Road Program called CCF plan”. But this should eliminate any further discussions on highways. I have introduced the program. He agrees that it is his program of last year. And on top of that, the money was voted for it, so from here on in, let’s get on to some more important business.

Mr. Brockelbank: (Kelsey) — Mr. Speaker, this has been a very interesting debate on northern roads. I would suggest to the Minister of Highways, (Mr. Grant) that he shouldn’t be too optimistic, that highways will always be, as long as we live, a subject for interesting discussions in the legislature of the province of Saskatchewan. So you don’t need to worry about running out of things to talk about in that line.

When the member for Athabasca, (Mr. Guy) talks about northern roads, it is fitting and proper, Sir, that he should talk loud and long, because his case is very poor. There are two governments that deserve no credit for the development of roads in northern Saskatchewan and one is the Liberal government at Ottawa and the other is the Liberal government in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Brockelbank: (Kelsey) — There were no roads into northern Saskatchewan when we had a Liberal government in this province before. There weren’t very many roads in southern Saskatchewan.

Mr. I.H. MacDougall: (Souris-Estevan) — Still living in the past.

Mr. Brockelbank: (Kelsey) — We took up with the Liberal government at Ottawa on many occasions the question of getting assistance for roads into northern Saskatchewan. One of the earliest was about 1944 or 1945, when the Minister of Highways at that time made representations in regard to assistance from a Liberal government at Ottawa on the Nipawin-Flin Flon road. He was turned down flat by the Liberal government at Ottawa. To add insult to injury, very shortly afterwards, the same Liberal government at Ottawa gave assistance to a Liberal government in Manitoba for a road to Flin Flon.

Then on many occasions after that time, we approached Ottawa for assistance with northern roads. We didn’t get it. We didn’t get any assistance on the road to La Ronge. That was one that was built by the previous government. The first main road, as a matter of fact, the first highway in Saskatchewan to get to the edge of the Precambrian shield. My hon. friend from Lake Centre, no, not Lake Centre . . .

An Hon. Member: — Arm River.

Mr. Brockelbank: (Kelsey) — Arm River, same territory, my hon. friend from Arm River (Mr. Pederson) knows by working on it, that it was a tough road to build.

It isn’t quite right that we never got any help from Ottawa. We did get on a couple of occasions, a little bit of help. Eldorado Mining and Refining Company was prospecting in the Beaver Lodge area and they came up with a mine. Now, Eldorado Mining and Refining is a federally owned crown corporation. It belongs to the people of Canada. When they came up with this mine, they had to have a road from the mine to Lake Athabasca. When the agency of the federal government had to have a road out, this was the first time, Mr. Speaker, that we were able to get assistance from the federal government for a road in the north, when actually the province of Saskatchewan was helping the federal government rather than vice versa.

There was another short road of fourteen miles, and a relatively cheap road from Stony Rapids to Black Lake on which we did get some sharing from the federal government.

But those were the only two cases during that whole twenty years, when we were able to get assistance on northern roads. Then, be it to the credit of the Conservative government at Ottawa and Alvin Hamilton, that they did put into effect the Roads-to-Resources program, and we took it up and we built a lot of roads under that program, which are still pretty good roads in spite of what has been said about them.

Now I think this program should be extended and I would say, not only in time. It's a good program. It should be extended in time. It should be extended in mileage too. And it should be extended to include putting a dust-free surface on these roads.

Now, I know when you come to a dust-free surface you run into other problems. The question which was raised properly just now, by the Minister of Highways, (Mr. Grant) in regard to the necessity for a road ban on an oiled road, in the spring of the year. Well, there are some roads in the north where there isn't a tremendous amount of heavy truck traffic, where for four weeks or six weeks, or even two months, they could get along pretty well without any heavy truck traffic over that banned area. I would think that at the present time, the Hanson Lake Road, certainly the southern part of it, if the northern part becomes a route for hauling some concentrate then that northern part will be a different situation. But certainly on the southern part, the oiled surface would be satisfactory. It would let the tourists get into the lakes in the summertime, in June and July, August, September, and they would be able to get along while the road ban was on.

A main road, like the road to La Ronge and this should be included in the Roads-to-Resources program, where there is a necessity for heavy traffic at all times of the year. I think it would be wise to go the whole hog and put a good paved surface on this kind of a road.

Most of these roads in the north, once they are built, and I admit that they are quite expensive to build, but once they are built, most of them have then a good base and a good foundation. Because most of the fill material is either broken rock or a mixture, a very stable mixture of clay, gravel and sand. It is rough stuff to handle but once you get it into the base of a road, you've got a very good foundation. One of the important things about a paved road is the kind of a foundation which you have. So I think we are very sensible to be asking for this extension of the program to include the oiling and paving of roads and certainly the extended mileage and to continue with this agreement for another term of years.

I am certainly very happy to see these two sinners, Mr. Speaker, the Liberal government at Ottawa and the Liberal government in Saskatchewan converted to the need for northern roads.

Some Hon. Members: — Hear, hear!

Motion agreed to.

The Assembly adjourned at 10:00 o'clock p.m.