

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session – Fifteenth Legislature
2nd Day

Wednesday, February 9, 1966

The Assembly met at 2:20 o'clock p.m.
on the Orders of the Day

QUESTION RE AUTOMOBILE INSURANCE ACT RATES

Mr. A. E. Blakeney (Regina West): — Mr. Speaker, before Orders of the Day, I wonder if I might put a question to the Minister of Social Welfare (Mr. Boldt)? In view of the press reports purporting to state the new rates under the Automobile Accident Insurance Act, I wonder if the minister could advise the house when the new rates under that act will be announced?

Hon. D. Boldt (Minister of Social Welfare): — Mr. Speaker, the new rates will be announced in due course.

Mr. A. E. Blakeney (Regina West): — After February 16th, Mr. Speaker?

Hon. D. G. Steuart (Minister of Public Health): — Before Orders of the Day are proceeded with, I would like to draw attention to some trappers up there from the great metropolis of Prince Albert in North Saskatchewan, who are down in the south country acquainting the people here with the wonders of northern Saskatchewan, and particularly the Prince Albert Winter Festival. There was a little warm-up out here in the gallery, I understand, and this is just a warm-up for the real winter festival that will take place February 13th to 19th. All members, especially members of the opposition, are invited to go up there at that time.

Some Hon. Members: — Hear, Hear!

STATEMENT BY MR. SPEAKER RE DEATH OF SPEAKER OF THE BRITISH HOUSE OF COMMONS

Mr. Speaker: — members were shocked and saddened, I am sure, to learn of the sudden tragic death of the Speaker of the British House of Commons, Sir Harry Foster. Immediately upon receipt of the sad news I thought that the assembly would wish me to express, on behalf of our legislature, our very sincere condolence and sympathy. This I did and received the following reply:

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Thank you for your letter of 7th September referring to the tragic death of our Speaker. The members of the House of Commons and the Speaker's family greatly appreciate the kind message from yourself and the Saskatchewan Legislative Assembly, and notice of it will be taken formally as soon as the house meets, and recorded permanently in the Commons Journals.

With kindest regards.

Yours sincerely

Barnett Cocks
Clerk of the House of Commons.

ADDRESS IN REPLY

Mr. C. P. MacDonald moved, seconded by the member from Last Mountain, (Mr. D. G. MacLennan):

That an humble Address be presented to His Honour the Lieutenant-Governor as follows:

TO HIS HONOUR THE HONOURABLE ROBERT LEITH HANBIDGE, Lieutenant-Governor of the Province of Saskatchewan,

May it please Your Honour:

We, Her Majesty's dutiful and loyal subjects, the Legislative Assembly of the province of Saskatchewan, in session assembled, humbly thank Your Honour for the gracious speech which Your Honour has been pleased to address to us at the opening of the present session.

He said: Mr. Speaker, after the pageant and ceremony of yesterday, I would like to take this opportunity of expressing a welcome to all the members and particularly to two or three. First of all, perhaps, to the Leader of the Opposition, who had the misfortune to miss most of the last session, even though we perhaps don't agree with his politics, we are looking forward to the opportunity of exchanging debate. Second, to the new member from Moosomin (Mr. E. J. Gardner). I have had the privilege of working with Mr. Gardner and I certainly have enjoyed the opportunity. I think that he will add much with his keen mind and ability to this house.

Some Hon. Members: — Hear, Hear!

Mr. C. MacDonald: — And third, to the member from Canora. Certainly, Mr. Speaker, even though they couldn't beat him on the hustings, I can assure you that the member from Canora (Mr. Romuld) will be here for a long time to come. I know that all of those who read the minutes of the last house will know that certainly his humor and his wit and his contribution to the public debate of this house were not only appreciated but enjoyed by all the members. I think that in looking ahead that we can count on more of the same type of thing from the member from Canora. Therefore, with out any worry the member from Canora (Mr. Romuld) will be with us for a long time to come. We also look forward to adding a new member to this side of the house of February 16th.

Some Hon. Members: — Hear, Hear!

Mr. C. MacDonald: — Of course, I refer to the coming by-election in the constituency of Bengough; and you never can tell, Mr. Speaker, we may even add one from the constituency of Pelly in the next few days.

Mr. Speaker, my thesis in moving the Address in Reply to the Speech from the Throne is that free responsible enterprise has shown in Saskatchewan its recognizable force to lift the social, economic and cultural life of Saskatchewan to unparalleled heights. Change is the order of the day – transformations: Industrially, socially, economically, in the northern forests, in the farmlands of the south, in the cities and towns. The man who can visit only a small part of Saskatchewan lives in a province where there are more people, more jobs, more wealth, more mines, more industries, more oil wells, more economic activity than we dared believe a few short months ago.

Why the change, Mr. Speaker? Because Saskatchewan 1966 is an evolving dynamism of free competitive enterprise. The economic boom taking place in Saskatchewan today has vindicated the essential theme that the human dignity of the individual, subject to the discipline of organized society, can best stimulate economic expansion, that this expansion can best serve the majority of our people.

This Speech from the Throne is a document that projects three basic ideas:

1. Saskatchewan under a Liberal government is entering a period of exciting growth and development.
2. The amazing expansion today emphasizes the complete failure of the NDP Socialist party to keep Saskatchewan moving in the face of the great economic tide of Canada's post-war years.
3. The dividends of this growth are being passed on to the Saskatchewan people in quantities unimagined two years previously.

Saskatchewan today is a living example that it is possible to throw off the Socialist yoke. The NDP evolved a complete set of rules for Saskatchewan. They claimed this plan would enable its people to achieve a heaven on earth. To this end they harnessed the people of Saskatchewan for 20 years.

Many of our people were lured by the magic tune of socialism as played by the pied-piper Douglas. Whither he led them they did not know for Tommy himself did not know. He worked out a Socialist state which he thought would destroy free enterprise in Saskatchewan. Having failed, his theories leave nothing on which his followers can build. They have no shoes to wear, no boxes to pack them in, no woolen mittens to wear in the winter. He even went south of the border to guarantee the insurance of his flute. His followers still dance to the tune that Tommy played. Like the Piper of Hamelin he and his theories have gone over the hills and far away to a place from which he will never return. Those that remain are the real conservatives of today because they cling to a system that history has by-passed 20 years ago.

Perhaps that is why the member for Arm River sits in their midst and so often renders them support. First let me say that none will deny that Saskatchewan has made progress over the past 20 years. But let's lay it on the line, let's face the facts, the hard facts of experience.

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Despite its progress, Saskatchewan fell far behind the rest of Canada, we were the tortoise, Saskatchewan was the retarded child of the Canadian economy. The years that followed the Second World War brought an upsurge that affected almost every aspect of Canadian national life. There was a spectacular expansion of our economy – not only in the levels of production, but also in the scope and diversity of national resources. Economic growth was matched by a new and striking increase in Canada's population. Saskatchewan failed to keep pace. The cause, Mr. Speaker, was obvious; we could neither attract industry nor develop our resources to provide the jobs to keep our people at home.

Let us look at the northern half of our province as a prime example. The northern half of Saskatchewan is a land of vast un-peopled spaces, a vast region of Pre-Cambrian rocks eroded by the glacial action of millions of years, an area of Saskatchewan that is a vast treasure-house of natural resources. In 1964 it was still all but a wasteland, its resources still untapped, its vast pulp potential hardly scratched, its minerals undeveloped, its people, mainly our native population, dependent on government handouts for a major portion of its payroll.

Why has Saskatchewan never had a Kitimat, a Prince George, a Rainbow Lake, a Thompson Lake, a Flin Flon, a Sudbury, an Ungava? We have the same resources and the same potential. For 20 years we heard excuses that ranged from transportation, freight, rates, geography, power or any acceptable excuse the Socialist could offer. No longer will mere cleverism with collective dogmatism carry appeal with the people of Saskatchewan. In less than two years, Socialism has been destroyed by the actions of this government.

Take the pulp and paper industry as a leading example. It leads all other industries in Canada. It now supplies over 50 per cent of the world's newsprint. Its total production rose from \$528,000,000 in 1946 to more than \$2,000,000 in 1965. It led all other industries in Canada, including wheat, in total production value. Saskatchewan has more than one-third of its area covered with timber. Yet we did not produce one page of newsprint. Our lumber industry declined in 1964 from 29,000,000 cubic feet in 1944 to 22,000,000 cubic feet. It was almost non-existent.

Exciting developments have taken place in our northern forests, developments that will have far-reaching effects on the whole economy of our north and the province as a whole. Four new major lumber operations have been attracted to Saskatchewan. Simpsons Timber Company; MacMillan Bloedel and Powell River Limited; Primrose Forest Products; and the Prince Albert Pulp and Paper Company. The climax of this development has been the \$65,000,000 pulp mill. Saskatchewan has long awaited this vital industry. When these new timber complexes begin production, coupled with existing lumber operations, we will cut an estimated 50,000,000 cubic feet. Think of what this will do for the city of Prince Albert, the native people of the north, and the provincial economy as a whole. Exciting events are also occurring in mineral development. The results have been just as startling. Socialism had all but destroyed our mining industry. Less than one per cent of all money spent in Canada on mining exploration was spent in this province. Prospecting has all but ceased. You can't build mines unless you locate the ore.

The story of our incentive program is now history but the results continue to unfold. Already three new base metal mines have established in Saskatchewan, the first in our history to

locate entirely in Saskatchewan. Anglo Rouyn Mining Company at Lac La Ronge: Rottenstone Mining Limited near La Ronge; and the joint venture of Share Mines and Oils Limited and Western Nuclear at Hanson Lake. The north is bursting, take a trip to Lac La Ronge and witness the economic revolution now taking place.

Exciting development has also occurred in the potash industry. Economists predict that in a very few years only wheat will surpass potash in total product value. Production will reach an estimated 12,000,000 tons by 1970. Already \$500,000,000 of actual and committed capital has come to Saskatchewan. Three mines are now in production and five under construction. Exciting expansion also has occurred in the oil fields. There is no doubt 1965 witnessed Saskatchewan's greatest year in the oil industry: record production, record investment, record exploration, record revenues, records in every sector of the economy.

Exciting growth has also occurred in the field of business and secondary industry.

Mr. E. Kramer (The Battlefords): — Don't forget heavy water.

Mr. C. MacDonald: — You know, Mr. Speaker, the member from North Battleford reminds me of a ship. He makes the most noise when he is in a fog.

Some Hon. Members: — Hear, Hear!

Mr. C. MacDonald: — Exciting growth has also occurred in the field of business and secondary industry. The economic climate generated in Saskatchewan has brought an unending flow of individuals, smaller companies, and secondary industries establishing in Saskatchewan. Saskatchewan's per capita investment has jumped from \$846 in 1963 to an estimated \$952 in 1965, an increase of over 12 per cent.

We have a long way to go before we catch up to the rest of Canada. This is but a start, but an exciting beginning. Saskatchewan is alive in 1966, alive in the oil fields, alive in the forests of the north, alive in the potash fields, alive in the underground wealth of its mines, alive in the initiative of its business. All this did not happen by chance or by luck. The modern capitalistic economy does not automatically work at top efficiency. It can only be raised to that level by the intervention and influence of government. Government has not only the ability but the responsibility to use its powers to increase production, income and jobs. We liberals believe that this can be done without violating freedom or restraining competition.

Some Hon. Members: — Hear, Hear!

Mr. C. MacDonald: — Our economy is booming because the private sector is making it boom. Private businessmen made the decisions as to where and when they should invest their money and under what conditions. But it is the government that gives business the incentive to expand. This is the difference between the Socialists and the new Liberal government. The only solution to the economic conditions of Saskatchewan that the NDP had to offer was government control and government ownership, a gospel which is politically dead and technically obsolete. The Liberal government took the opposite approach. It used its influence to remove controls and get out of business.

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What was done, Mr. Speaker? We removed the monopoly of the Saskatchewan Timber Board, sold Wizewood Limited, provided incentives to prospectors, built access roads to mines, negotiated freight rates, negotiated taxation privileges for our northern cities, negotiated tax incentives for solution potash mines, introduced tax incentives for deep-well oil exploration, provided financial assistance through SEDCO, assisted in power installation. This is the influence and leadership we consider to be our responsibility.

Presiding over the progress in Saskatchewan is the leadership of Ross Thatcher. To speak of Saskatchewan today without mentioning his personal contribution would be omitting the most important factor in its growth. He took office two years ago, dedicated to the proposition that Saskatchewan can and must grow and develop.

Some Hon. Members: — Hear, Hear!

Mr. C. MacDonald: — My association with the Premier has enabled me to watch him at work, to come in contact with his energy, a fast paced leader, a man who maintains through all the crises and pressure of office his zest, frankness and singleness of purpose, a man with an unshakeable faith in Saskatchewan. That my acclaim is not unwarranted is made clear by the Premier's amazing achievement after only two years in office. The curse of Saskatchewan was the mistrust of investors after 20 years of Socialism. The power of the Premier lies in his ability to throw out that curse. By his own self-assurance and his confidence in Saskatchewan, he has given to investors from Eastern Canada, from Europe, from the United States the faith that a new era has come into being in Saskatchewan. People all over North America are excited over his achievement. Let me quote the article from the Winnipeg Tribune, the front page, the most fantastic article I have ever seen on any individual in Canada. Its headline:

How a Very Alert Premier Got \$65,000,000

Here is what the editor comments:

For 15 years Manitoba has been attempting to get a major pulp mill for its north. The Campbell government tried, the committee on Manitoba's future made it a major recommendation in 1963, and the Roblin government is still trying. While Manitoba keeps talking the Saskatchewan government has just secured a pulp mill for its northern Prince Albert region.

Some Hon. Members: — Hear, Hear!

Mr. C. MacDonald: — Perhaps the most interesting feature of Saskatchewan today has been the attitude of the NDP. Instead of jubilation over the awakened interest in Saskatchewan's resources has come an attitude of outright hostility. Fearful of lost prestige they have been stumping across the province making childish accusations and claiming personal credit. Examine their comments: we started the oil industry in Saskatchewan; we brought in the first potash mines; potash is here; the demand is great; it has nothing to do with those Liberals or that man, Thatcher. The question is not what they did but how much, not when it was done but how effective, now why it was done but at what speed, not how much was spent but who paid for it.

The Socialists have always refused to use any yardstick but

the depression of the Thirties. They have refused to compare themselves to anyone other than themselves. The only image they looked at was the reflected glory of themselves in their own mirror. For twenty years like the fairy tale they stood in front of the mirror and asked "Mirror, mirror on the wall, who is the fairest of them all?" and with systematic regularity it replied, "Socialism is the fairest in Saskatchewan". But now for the past twenty months the mirror has replied, "There is now one more fair than you".

Here is an example of their inability to face facts. Here is an article written by the Leader of the Opposition (Mr. Lloyd) in the pillar of integrity, the epitome of good reporting, the "Commonwealth".

Hon. W. Ross Thatcher (Premier): — Heaven forbid!

Mr. C. MacDonald: — It is entitled "Shockingly False Claims made by Saskatchewan Liberals" and he goes on to attempt to downgrade the achievements of the past 20 months. In one paragraph I quote:

The Liberal member for Milestone spoke in North Battleford in November. He claimed revenue from oil would increase this year by \$25,000,000. The actual increase was \$5,000,000. His error only 400 per cent".

What are the facts? Taking his figure of \$24,000,000 in 1963, oil revenues in 1964 were \$30,250,000 and in early January of this year had netted \$38,250,000. By the end of the fiscal year to come they will be close to \$42,000,000 by March 31st. Six million dollars plus \$18,000,000 is \$24,000,000. These facts are available to him. Let the Leader of the Opposition (Mr. Lloyd) respond to the following facts:

Why was the Saskatchewan timber industry disintegrating while the rest of Canada was experiencing a major boom?

Why was the increase to 50,000,000 cubic feet, an increase of over 100 per cent, when construction is completed on new companies?

Why in 1963 were there only 10 mining companies and individuals prospecting in our north while today there are 62, an increase of over 500 per cent?

Why in 1963 was only \$300,000 spent on exploration and mining development whereas today there is \$8,000,000 – an increase of 26 times?

Why in 1963 were only 12,500,000 acres of crown land being explored by oil companies whereas today there is over 34,000,000 and increase of over 150 per cent?

Why have there been no major oil discoveries in Saskatchewan since 1956 whereas seven new oil pools have been discovered in 1965?

Why in 1965 are not only eight potash mines committed but 42 additional companies and individuals have taken out exploration and development permits, compared to 19 in 1963?

These facts and others are the questions that demand an answer. The NDP have accused us of selling our resources of oil, timber and potash to the vested interests. What resources? Mr.

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Speaker? Not one barrel of oil has been taken from the ground without paying royalties. More revenue is paid by the potash mines than in 1963. Our new mining companies are Canadian owned, our timber is just beginning to reap benefits. Let me tell our NDP friends opposite. No, we didn't put the potash in the ground, nor the lumber in the forests, nor the copper or the oil under our land, but we are developing them and we are developing them far and faster than Socialism could ever hope to attain.

An Hon. Member: — Hear, Hear!

Mr. Mr. C. MacDonald: — Perhaps they refer to the Guarantee and Fidelity Company of Saskatchewan Government Airways, Wizewood Limited or the removal of the monopoly of Government Insurance on public buildings, all of which cost the Saskatchewan taxpayer millions of dollars. However, despite our progress, Mr. Speaker, here and there we still find detours to yesterday. The most substantial ghost of all is the ghost of high taxation. I read, with interest, the newspaper clipping from the Leader Post dated January 10th. It was the Leader of the Opposition's (Mr. Lloyd) six point program for Bengough. He called for a \$12,000,000 increase in provincial aid to elementary and secondary education. He states that with this aid the school units would be able to reduce property taxes by four or five mills. A noble gesture by the former leader of the government of Saskatchewan for twenty years. The same man who in 1964 with a budget surplus in the neighborhood of \$20,000,000 scorned the idea of tax reduction. The same man, all of us remember his remarks on the subject that a government was better qualified to spend the people's money than the people themselves. I wonder, Mr. Speaker, how the people of Bengough will react to his program of tax reduction. The same man, the same leader, the same party, who for twenty years increased property taxes 400 per cent, levied over 600 new taxes, brought about 600 increases in existing tax . . .

Some Hon. Members: — Hear, Hear!

Mr. C. MacDonald: — . . . when spending the other people's money the Socialists were great self-starters but were always short on brakes. They raised taxes on everything from a baby's rattle to a casket to be buried in. Compare this, Mr. Speaker, with the record of the Liberal government in this field. We in our first budget one year ago took the following steps: permitted the use of purple gas in farm trucks, reduced sales tax from five to four per cent, eliminated the mineral tax on farmers' land, exempted many farm items from sales tax, exempted newly married couples up to a thousand dollars from paying sales tax on furniture and other household goods. When we expressed our concern over the tax burden of our people we were openly opposed by our NDP friends opposite. Some openly voted against purple gas and other tax reforms. We were charged by the sophisticated theorists of socialism of being more interested in people than in money. The program outlined in this Throne Speech proves how basic is the error of their judgment and their thinking. The basic error of the NDP has always been that they put the cart before the horse. When a new service is needed their only solution is to increase taxes. We believe that services are related to productivity and expansion, we believe that government has its hand far too deep in our pockets at present. The results have been startling. The prosperity of Saskatchewan under the Liberal government is the talk of America.

Some Hon. Members: — Hear, Hear!

Mr. C. MacDonald: — The door was open and the invitation obvious; the benefits are far beyond our optimistic expectations. Despite tax reductions services in every area of government action have been expanded, some by startling proportions: in education, in highways, in hospitals, in nursing homes, in employment, in wages, in municipal grants, in grid road assistance, in further tax reductions. Let me point to the most immediate and direct dividend of the expansion of our industrial economy, the Home-owners' grant.

Firmly believing that property owners were paying far too much of the burden of education and other basic services, we are proposing legislation to return directly to the taxpayer a cheque for up to \$50 to bring a reduction in their tax levy. Property today carries an abnormal share of the cost of essential services, services from which in many cases the province and the nation receive the direct benefits. Every effort must be made to spread the cost of these services to the province and to the nation as well as to business and industry. The Home-owners grant is the dividend of our industrial expansion and resource development. It is the royalty from an oil well, a potash or copper mine returned directly to the home owner.

It is important, Mr. Speaker, to remember that these benefits are just beginning to flow. The majority of these new developments are still under construction or just beginning operations. The real dividends are yet to come. Our potential needs in the labor market are also just beginning — the 35,000 men in the potash field, the 3,500 men in the mill and forest operation of the pulp mill, the new base metal mines, the oil boom, the expanded forest operations, the secondary industries, the new business opportunities. The goal of the Liberal government of providing 80,000 new jobs will be practical reality in the next two years.

Some Hon. Members: — Hear, Hear!

Mr. C. MacDonald: — This, Mr. Speaker, was accomplished for one reason. This government recognizes that to bring about full employment demands not only the mobilization of industry, resources, and investment. We now face the task of not finding the job for the man but the man to fill the job. This is the challenge of 1966. For this reason I urge organized labor to re-examine its position and its relationship to the NDP. How can a man serve to masters? Union organizers today are more concerned about their political ambitions than about the ordinary working man.

In the Moosomin by-election the people of that constituency witnessed an invasion of union organizers from all over Western Canada, unfamiliar with our problems, instructing our farmers how to vote, men who did not live in Saskatchewan, did not work in Saskatchewan, did not vote in Saskatchewan, exerting pressure in order to dominate the political life of our province. You saw the picture in the Leader Post. Surely, Mr. Speaker, the record of this government in bringing new industry . . . the ailing member for North Battleford (Mr. Kramer) is ailing again . . . to create new jobs will convince the working man that Socialism has nothing to offer.

In Bengough union organizers again are at work. It is equally strange to see a new breed of organizer in that constituency, federal members of parliament walking the streets of Bengough constituency while being paid \$18,000 a year to look after the nation's business.

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Turn for a moment to highways. Every car driver must have experienced moments of frustration over the past summer. Wherever you drove in Saskatchewan, in the far north, in the heavily populated areas around our cities, in the remote corners of the province, new roads were being built; old highways were being rebuilt; existing highways were being oiled and paved. These were built at a rate never before seen in Saskatchewan. Good highways are vital to Saskatchewan. We have more miles of highway than any other province in Canada. Modern cars and truck make neighbors of every community. We are far behind the rest of Canada in the development of a modern highway system. One year ago this government increased by 50 per cent its budget on capital construction of highways to a record \$35,000,000. It is the intention of this government to make another staggering increase in 1966. This is long overdue, Mr. Speaker, I want to point to Bengough as a leading example. Like most out-of-the-way constituencies it has been a forgotten area in the NDP highway.

An Hon. Member: — Hear, Hear!

Mr. C. MacDonald: — The Leader of the Opposition stated highways would be a major issue in the by-election in that constituency. Well, he was right, it will be a major issue. After twenty years in office NDP had completed nine miles, I repeat nine miles of oiled surface in that constituency. In 20 months we have completed 65 miles. In 1963 the NDP spent a grand total of \$21,000 on capital construction in Bengough. Last year we spent over \$100,000 and the estimated program for 1966 is \$700,000. I repeat \$700,000. I wonder how the people of Bengough, Ogema, Amulet, Assiniboia and the other communities feel as they drive down their newly oiled highways.

The NDP spent in Saskatchewan in 1963 the lowest per capita expenditure on highways, the lowest per vehicle expenditure on highways, the lowest per mile expenditure on highways, of any province in Canada. In a province with the most miles of highways they spent the least.

Let me turn for a moment to education. A few weeks ago the Leader of the Opposition called for a massive increase of \$12,000,000 in education spending. He said he was willing to take the first step to bring in a program to reduce the burden of property taxes. Where has he been, Mr. Speaker,? One year ago this government spent an additional \$11,000,000 on education plus over \$4,500,000 spent in supplementary estimates for a total of \$15,500,000. Compare this with the record of his government.

His first step on behalf of the property owner is both humorous and ridiculous. It comes from a man who was the Minister of Education, Provincial Treasurer, and Premier for over 20 years. The first step - he took many steps on behalf of the property owner but all of them were up and none of them were down.

Another new program to reduce the cost of education was the announcement of the program to cover the cost of high school text books. This year grade IX books will be free, then expanded each year until all high school text books are covered. As a parent I know how much this will save every family with children going to school. It is another plank in the Liberal program that has been completed.

This government recognizes that education is the greatest challenge of the 20th Century. Today we still have people in

Saskatchewan looking for jobs because they do not possess the skill needed in this age of automation. Our future and the future of Canada depend on the harnessing of the energy and vitality of our youth. We intend to respond to this challenge with massive increases in education spending. We must expand university, technical, secondary and elementary education opportunities.

I want to bring to the attention of the house, Mr. Speaker, two other new programs contained in the Throne Speech, two programs that are not only new but revolutionary in Saskatchewan Government Telephones to rural Saskatchewan. All of us are aware that Saskatchewan Government Telephones does not service farm people but only provides the communication links with rural telephone companies. Thousands of farmers live in areas where there is no telephone service. In an age of instant communication many of our citizens cannot contact their neighbors, their community, or essential services in time of emergency. The cost of bringing this service often runs as high as \$800 or \$900, while their friends in town pay nothing but the connection costs and the telephone itself. We believe the telephone is a necessity in 1966, not a luxury. In this session you will be asked to inaugurate a program to bring telephones to these forgotten areas.

The second is the introduction of a new program directed towards the youth of the province. The pressures and demands of youth today are demands to help solve the problems of youth and are staggering. Youth today are no longer content to sit and be taught, modern youth are not content with a passive role. Mr. Speaker, my time has expired, I want to say that we intend to attack the problems of youth head-on, to provide a corps of dedicated human resources to tackle the very difficult and complex solutions.

It is with pride that on behalf of the people of Milestone I move, seconded by the member from Last Mountain (Mr. MacLennan) the motion for an Address-In-Reply.

Mr. Donald G. MacLennan (Last Mountain): — Mr. Speaker, I want to express my congratulations to the hon. member for Moosomin (Mr. E. Gardner) on his election to this house and, Mr. Speaker, to state my appreciation for the long and devoted service to this legislature by the former member from Moosomin, Senator A. H. MacDonald. I wish both these gentlemen long and fruitful careers in their respective rolls as servants of their province and country. I wish, Mr. Speaker, to thank the Premier (Mr. Thatcher) for the honor he has given the people of the constituency of Last Mountain by choosing me for the role I have today.

The Liberal government of this province is a government that is dedicated to the principles of free and private enterprise. The advantages of the free enterprise system over the Socialist system advocated by the former NDP government can be shown and proven to all. The trial period of the Socialist system in this province was 20 years, certainly long enough for anyone or any group to prove a point. This trial period has been over in Saskatchewan for almost two years. The results of this experiment have been recorded and tabulated for all time. What were the findings and recommendations of this extensive trial period? It was found that there was some progress made in Saskatchewan in some fields. The speed of this progress is what must be examined. The speed of progress under the CCF-NDP government could be likened to the

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speed of a snail; where Saskatchewan crawled and crept ahead, the rest of the country raced and leaped forward.

At the end of the Socialist trail there were many signs that the Socialists had been around. One – there were closed-up, defunct crown corporations; two – there were crown corporations floundering in financial chaos; three – there was the exodus of our people to other provinces; four – industrial stagnation was evident everywhere; five – the existence of our local governments was being threatened with over-centralization; six – our people were paying the highest taxes in the country. One could go on and on listing the sad signs of Socialism. The recommendation made after the trial run of Socialism was certainly predictable. The recommendation was that the Socialist system was a failure; the electorate of this province examined the findings of this experiment, studied the recommendation and acted accordingly. They turned the Socialist government out of office on the 22nd day of April, 1964. They turned over the affairs of this province to a free enterprise government. Saskatchewan after almost two years of this government finds itself enjoying economic prosperity never before attained. This is not surprising because we now have a type of government that believes in the economic principles that have given the people of this entire continent the highest standard of living in the world. This philosophy of free enterprise is the form and basis of every government in this nation and in the great and prosperous nation to our south. The wealth that provides this high standard of living is produced by the independent business man, the corporately owned industry. These people, each group of them, depend on one another, working together for the common good.

A government that appreciates their ability to work in this manner, a government that has faith and trust in this most successful system is a government that gains the respect and the co-operation of these people. This type of government is not a Socialist government but a free and private enterprise government. In Saskatchewan today we have such a government, a government that has no desire or tendency to gain absolute control over business, agriculture or industry. We have a government that aids and works with our farmer, our business man and our industrialist, so that they may become stronger and more prosperous in themselves. This government when it took office carefully examined all the problems facing Saskatchewan. This government then established a priority for dealing with these problems and then determined the action to be taken to solve them. In my address this afternoon I will speak of some of these problems and the steps taken to correct them.

Time of day. Time of day has been a great concern to the people of Saskatchewan, not because there was a lack of timepieces in our province but the concern has been the setting of the hour hand on our clocks and watches. The previous administration in this province failed to bring in legislation to provide uniform time zones for Saskatchewan. The time situation in rural Saskatchewan was, and at the moment in some areas still is confusing, ridiculous and intolerable. Some towns and their surrounding districts had and still have three time zones. The town can be on fast time, the rural districts surrounding the town on slow time and the schools can be on half-hour time.

This we all acknowledge to be a ridiculous situation, one that hinders business and commerce by breaking traditional trading patterns, one that has resulted in a situation that has become so emotional that in some areas in this province rural and town friendships have been torn apart. The success of social

Enjoyments such as curling, hockey games, card parties, dances, and other forms of recreation have been hindered. Church services, public meetings have been hampered because the towns are on one time and the farm people on another. This has been the unfortunate position people outside of our major cities have found themselves in, through no fault of their own. I am proud to know that this government will take action in this session to solve this problem for what I hope will be for all time.

The lack of a modern highway system in this province was another problem facing this government when it took office. There were virtually no roads in our north. There were hundreds of miles of highways in the southern part of Saskatchewan that were dangerous to drive on because of dust conditions. I will not deny that roads and highways were built and made dust free by the former government. What I take issue with here is the slow rate at which these roads were built, oiled and paved. Under the former CCF-NDP government we had one of Canada's most retarded highway construction programs. The lack of highway and road development in our north cost Saskatchewan an untold amount of money. With little or no road development there was no development of our almost unlimited resources in our north. This affected all the people of Saskatchewan, not just the northerners. The development of our northern resources means increased revenues and services to all the people of Saskatchewan. This government in its first year of office increased the capital budget in the Department of Highways by more than 50 per cent over the 1964 program. Approximately 600 miles of Saskatchewan highways were made dust free in the past year. Highway construction was going on in four points in our vast north. In the high traffic areas, the construction of four lane highways was commenced and I am pleased to say, as stated in the Speech from the Throne, that the highway program in Saskatchewan will be greatly accelerated in the coming year.

Another problem facing this government was one dealing with an industry that is rapidly becoming more complex – agriculture. To meet the changing conditions in agriculture this government is bent on providing more services to this basic industry.

An example of a new major service available to the Saskatchewan farmer is the establishment of a long overdue soils-testing laboratory. A small soil-testing service has been in existence in the past year; the tests made in former years were not completed on time, however, for any spring programs but throughout the year whenever possible. In 1964, only 1685 tests were made. On a conservative estimate for the future under this new program, with new facilities this laboratory will test 30,000 samples annually when it is completed. This laboratory is located on the campus of the University of Saskatchewan in Saskatoon.

The need of expanded government assistance to local government was another problem facing this government. This government on December 6th, 1965, convened a provincial municipal conference. This was the first provincial municipal conference called in almost 10 years. The changing conditions faced by local governments warranted such a conference. The main burden faced by all forms of local governments has been the increased costs of municipal services.

Municipal government to finance their operations have had to rely primarily on the property tax. This government, being concerned about this tax burden, requested local government to state their priorities for further government assistance so

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that they may directly share in Saskatchewan's new found revenues, gained as a result of our great industrial boom.

This conference was of real value to all who participated in it. It gave the provincial government further understanding of the problems facing local government. The three local government agencies that participated in the conference, namely the Saskatchewan Association of Rural Municipalities, the Saskatchewan Urban Municipal Association and the Saskatchewan School Trustees Association, became more appreciative of each other's problems. A feeling of mutual trust and co-operation between the provincial government and local government has evolved as a direct result of this conference. This feeling is one that has not always existed in this province, and I am sure, the fact that it exists now means much in benefits to the people of our province.

A direct result of this co-operation and understanding is the proposals listed in the Throne Speech where it is the announced intention of this government to:

1. Share the costs of snow clearance on grid roads.
2. Increase equalization grants for the purpose of extending and improving grid roads throughout the province.
3. To begin paying a portion of the costs of maintaining grid roads.
4. To relieve municipalities of the responsibility for medical care of indigents and place it with the provincial government.

The proper utilization of our water resources was another problem facing this government. Water is a commodity that is basic to almost all industry and every livelihood. The importance of water and the use of water are well known to any resident of this province.

To assure the proper use and conservation of water, this government has set up the Water Resources Commission by proclaiming the Water Resources Act 1964. Further to this, this government has created the Saskatchewan Water Supply Board.

The purpose of this board is to construct and administer multi-purpose water supply projects. There are for example 21 municipalities in an area south and east of Saskatoon which have for years been short in supply of suitable water. A multi-purpose scheme administered by this new board will with the coming of industry into this area make available fresh water supply at an economical cost to the people residing in that part of our province.

High taxation was still another problem that this government faced when it took office. The high rate of taxation in this province has had harmful effects on Saskatchewan and her people. It hindered industrial development, and placed hardships on the taxpayer.

This government realizing this took steps in its first legislative sitting to make a start in relieving this burden. Under this government Sales Tax reduced from five to four per cent; mineral tax on farm lands was abolished; tax on gasoline used in farm trucks abolished, thus the use now of purple gas; twenty-four farm items became exempt from the sales tax; for newly married couples there was a sales tax exemption of \$1,000 on the purchase of major household furniture and appliances. This along

with the elimination of many nuisance taxes and fees is the tax reducing record of this administration.

The Speech from the Throne indicates that this government is aware of the fact that additional tax relief is still necessary. It is obvious from this speech that this government will continue to soften the tax load on the Saskatchewan taxpayer.

Efficiency in government was another problem facing this administration when it took office. The ever-increasing cost of government itself came under the study of this administration. The expanding role of government in today's society has caused a tremendous growth in government administration, responsibilities and government personnel. To be certain that modern and efficient methods are being used in government administration, this government set up a Royal Commission on Government Administration. This commission after a thorough study submitted its final report on June 15, 1965. It is hoped that as a result of this report thousands upon thousands of dollars of taxpayers' money will be saved and that the wishes and desires of the electorate will be achieved with the utmost of speed and efficiency.

The most serious problem facing this new government was the lack of wealth producing industry. The most spectacular phase of our industrial development is, of course, in the field of mining, potash mining in particular.

We have witnessed the announcements of five new potash mines since this government took office. One mine has resumed its operation. One mine has announced a major expansion and others are about to do so. Five metal and sodium sulphate mines have been announced. Mining exploration is continuing in this province at a rate which has never been equaled before in our history.

In the past two years we have witnessed a tremendous revival and expansion in the oil and gas industries, with companies once again locating in Saskatchewan. We have witnessed the opening of two major chemical plants, one in each of our two major cities. In the north our forest industry has finally matured with the long awaited announcement of a pulp mill. This announcement along with the announcement of a stud mill, a planing mill and other timber operations will make the forest industry one of Saskatchewan's foremost industries.

There have been many other major announcements concerning the construction industry, the milling industry, the machinery and manufacturing industry, the food and retail industry. What does it all mean to the residents of our province?

- 1.It means thousands of new jobs at better pay.
- 2.It means social progress and betterment for all our people.
- 3.It means a broader tax base with greater government revenues.
- 4.It means and has meant tax reductions.
- 5.It means the direct sharing of this new wealth with our people in such programs as the \$50 Home-owner grants.
- 6.It means that Saskatchewan's economy is even more stable and that her future is even brighter.

New business confidence has once again been established in the people of Saskatchewan. This is a fact because the present government has created a welcome atmosphere for investment in Saskatchewan. Our own people are investing their money in this province, other Canadians are doing the same; British, European and American capital is being invested in Saskatchewan and this capital is welcomed.

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This is taking place because we have a government that is going out in the business world asking and assisting these people to come to Saskatchewan. It is a free enterprise government approaching free enterprise people and this alone is a major reason why capital investment is flowing into our province.

This government in the social sphere faced up to another age-old problem, and that was the hardships of our Indian and Metis people in this province. The hardships of our Indian and Metis people are well known to all of us. Many of these people are living under conditions that would have been labeled disgraceful in the 19th century, let alone that it is a fact that they exist now in the 20th century. This government recognizes that it is not an easy problem to rectify. This administration recognizes the seriousness of their plight and has taken steps to correct this situation. In the past year, as a result of legislation passed by this government, an Indian and Metis branch of government has been set up. This branch endeavors to assist these people in many different ways. It is not the intention of this branch to take over, or assume, any of the responsibilities that the federal government have for the Indian people, but to supplement and expand their efforts. Some of the functions of this branch are – to assist the Indian and Metis people in the improvement of the community and surroundings they live in; to prevent job discrimination against these people; to encourage major employers in the province to hire Indian and Metis people; through its job placement offices to locate specific jobs for them. This is just some of the work that this branch is devoted to, and by doing this it is just a forward step to solving an age-old problem.

These, we feel, are concrete actions taken by a concerned government to help our Indian and Metis people obtain a standard of living that we can all be proud of. No longer, we hope, in Saskatchewan will we have a second-class citizen, or a citizen that could be described as such by some people.

Mr. Speaker, the record of this government, and the Speech from the Throne, indicate that Saskatchewan residents will continue to enjoy benefits that can only accrue from a government that is dedicated to the principles of private and free enterprise.

Mr. Speaker, it is obvious that I take a great deal of pleasure in seconding and supporting the motion.

Some Hon. Members: — Hear, Hear!

Mr. W.S. Lloyd (Leader of the Opposition): — I am sure all of us have enjoyed the address of the mover and the seconder of the Speech from the Throne. It is always a most interesting moment at the beginning of the legislature, when we listen to the expositions about what the government has done, not much reference to what it hasn't done. The two members who have just taken their seat have undoubtedly committed themselves in a way in which their constituents will be proud. I say that they were as fluent in language as they were fluid with facts.

The member from Milestone (Mr. MacDonald) was good enough to say that he was glad to see me back in the chamber, and before he had finished I realized why. He needed an inspiration. I may say that if he had said something about the activity in which he is engaged, has been engaged during the year, the house

would have been enlightened and better informed. I find it somewhat surprising that in the Speech from the Throne, after all the talk we have had about a Youth Program, there should be a couple of lines, and the member who has been chiefly responsible for it, should add about two more lines at this time. It seems to be most regrettable, and also significant. I suggest the reason there hasn't been more said about it is simply there isn't much more that can be said about it. I regret this, because it seemed like some good work was being done and I should have thought we would have had some conclusions placed before us at this particular time.

He had some difference of opinion with myself with respect to comments on figures which he used in the city of North Battleford not long ago. I point out, as I understand him, in attempting to refute what I said, that he compared oil revenue for the 1963 calendar year with oil revenue for the 1965-66 fiscal year, and this, of course, is not quite the way statistics are meant to be used. May I just add one reference, since he introduced it also, to the matter of building roads in a constituency which undoubtedly will achieve some acclaim in these corridors in the next few days, Mr. Speaker. He had reference to a statement which the Liberal party has been using in advertising over the radio and over the television. There are some dust free miles of road in the constituency of Bengough, there are 106 miles of them. Seventy four of these were completed during the period of CCF government, another 21 were included in the program arranged for in 1964 by this legislature and in our budget. That is 93 out of 106, so the Liberals can claim some credit for the remaining 13. They have been going around the constituency and on the radio deliberately trying to leave the impression that there are only 9 miles of dust free roads in that constituency. That represents the level of the campaign to which the people of Bengough have been submitted by my friends opposite.

He made reference also, I note, Mr. Speaker, to the article in the Winnipeg Tribune praising the Premier, and this is an interesting article. It shows the picture of the Premier at his coquettish best, may I say. He looks a bit like Cupid who still has a couple of arrows to shoot. But I thought the most interesting part of this was not mentioned. Speaking of the pulp mill, it refers to the guarantee of a \$50,000,000 loan, and to the manager of the company, I believe, saying, "This enabled us to obtain financing on the New York market, otherwise it would have been difficult to get that kind of money without an assurance that it is a viable project". That seemed like a very strange submission. But the next step is even more interesting. The Premier is speaking of the return which we are going to receive. The government, of course, is putting in some money. He says the province will receive in return 30 percent of the eventual profits but goes on, and I quote, "Mr. Thatcher says he has promised to sell Parsons and Whittemore the province's share at a later date when the operation is well established." In other words it looks as if we are going to get the profits during the period when the company is making a loss and when that is over we are going to sell it back to them.

There will be no doubt about it, this government welcomes these kinds of developments with open arms; sometimes during the embrace they even put money in their pockets.

Some Hon. Members: — Hear, Hear!

Mr. Lloyd: — Let me turn to the matter that is before us, about which I am afraid I didn't learn any more from the two members

who have just sat down. Namely, the Speech from the Throne. Now it would be incorrect, Mr. Speaker, to say that there is nothing that is good and valuable to the people of Saskatchewan in this speech. There are a number of items which will be welcome. There are a number of programs to be continued and some to be extended which will do a good job for Saskatchewan. Having said that, may I add, that it would be incorrect to say also that I was disappointed in the Throne Speech. My disappointment came earlier, it has occurred in stages over the past six months as the Premier and members of the cabinet dropped the Throne Speech paragraph by paragraph, at Liberal meetings across the province. As a result, His Honour had nothing new to say yesterday.

What we heard yesterday was a pasting up of old newspaper clippings, and if it weren't for the paste there would have been nothing to hold the pieces together. You can't make a newspaper by putting pieces of different ones together. Now some of the pieces about which we were told in the Speech from the Throne, were put together in Ottawa with the federal government footing eh bill, pieces such as the Saskatchewan Assistance Plan, such as the Crop Reinsurance agreement, both matters which have been under consideration, and under request, for many years. The re-insurance agreement has been asked of Ottawa since before there was a Crop Insurance Plan. The Saskatchewan Assistance Plan has been requested for at least the last four or five years. In the federal-provincial conference in 1963, the government of Saskatchewan at that time, is on record as having urged and recommended it twice.

Some of the pieces in this speech were lifted almost word for word out of last year's Throne Speech. Take for example, the reference to education, about which the members over the way have waxed somewhat eloquently at times this afternoon. Last year they talked of school grants. What did they say? They said that the government would, I quote "Sharply increase assistance to education". The only item which was sharply increased was the mill rate throughout the province.

Some Hon. Members: — Hear, Hear!

Mr. W.S. Lloyd: — "Sharply" increasing turned out to be increasing by seven per cent in school grants as compared to an increase of 14 per cent the year before. Now this year the promise is for "sharp increase" in assistance to education. We have gone from "sharply increasing" to a "sharp increase" probably with the same results.

Last year the Speech from the Throne promised that the government would provide for extension of technical school facilities. Where are they? No added accommodation for technical school students can be found any place in this province. This year – what is the promise? They promise expansion of technical training facilities. Last year, extension which produced nothing; this year, expansion. We are to have expansion this year of extension of last year, and it still adds up to nothing. Now the government did, in taking bits and pieces of last year's Throne Speech overlook a couple of good bets. For example, it overlooked the proposal to legalize wire-tapping, and the Attorney General was on record in the Financial Post, I believe, in saying that he hoped to introduce this sometime during this session. Interestingly enough, they didn't include any reference from last year's Speech from the Throne about the Fulton-Favreau formula.

Some Hon. Members: — Hear, Hear!

Mr. Lloyd: — Now, there are some other pieces of the Throne speech, these old newspaper clippings, which appear to have been selected more for the size of the hole to be pasted over than for what they had to say. Look, for example, at the magnificent reference to labor. What does it say? We are going to have a “vigorous work-force policy”. That is a beautifully enlightening statement, except that I don’t know what it means, and I suggest they may have difficulty in interpreting it also.

What do they say about automation? They are going to deal with, and I quote, “the consequences of automation, especially through the reclassification of workers”. Now, Mr. Speaker, what courage, what wisdom, what understanding of a problem of automation! What indeed? Here to cope with the whole filed of technological change, to cope with one of the major causes of unemployment and under-employment, one of the major causes of human wastage, one of the major causes of social disruption and personal human concern, one of the major causes employer-employee problems, to take advantage of one of the major hopes for increase production, the government is going to have a “work-force” policy and a policy of “reclassification of workers”. Judged from the Speech from the Throne, Mr. Speaker, this government is without ideas or intent, and even without interest in this major force in the 20th century.

Some Hon. Members: — Hear, Hear!

Mr. W.S. Lloyd: — I expect that the most remarkable characteristic of this formless, shapeless, directionless document of shreds and patches of old newspapers is the spots where the baldness and the bareness show through. Look, for example, at the reference, or the lack of references, to health problems. No mention here of a base hospital to serve southern Saskatchewan, to be located in the city of Regina. This should have been mentioned. No mention here of extension to the University Hospital in Saskatoon. There should have been such mention. There would have been such extension now if the present government had not gone back on the undertaking of the previous government in that regard.

No mention in the Speech from the Throne of a home for the mentally disturbed, promised two years ago when the government destroyed Embury House. There should have been mention here. No mention of drugs as an added benefit to medical care; there should have been such mention. This is one of the most needed services, one of the most equitable ways of assisting people. No mention here of reduction, or abolition of the premiums for hospitalization and medical care. Evidently the Saskatchewan Liberals have no faith in the federal Liberals, or else we would have had mention of reduction, or abolition, this would have been one of the most equitable forms of tax reduction. This is a . . .

Some Hon. Members: — Hear, Hear!

Mr. W.S. Lloyd: — . . . this is a measure which should stand at the head of the line, it doesn’t even qualify for mention from the government which sits opposite.

Add it all up, Mr. Speaker, and you have the great failure of this government revealed now for its second successive session. Its failure to understand the needs of our time; its failure to understand the priorities it must apply if it is to lead Saskatchewan into the future and not bury it firmly entrenched in the

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present, facing backwards. It is these failures, some of these needs and priorities I want to turn my attention this afternoon and tomorrow afternoon.

I propose, Mr. Speaker, tomorrow afternoon, to deal largely with the problems, the possibilities of economic development, and of education. May I turn first of all to the matter this afternoon of public services. I suggest that one of the more malignant results of having the Liberal government we have in Saskatchewan arises because of its negative attitude toward public services generally. Now, it is true, they have added some bits and pieces. They have claimed they are spending more money on education and on health than ever before. It is true. But every government in every province in Canada can have made that same claim every year for at least the last twelve or fifteen years. There have been some other added services here and there, and a number of them good. But by and large, the increases by this government have been minimum increases. Not only that, but judging by their public comments, these increases have been done grudgingly. They scarcely make a reference to these kind of developments without use of adjectives like “threatening”, “frightening”, “stupendous”. This is a government of adjectives rather than of substantives, I am afraid.

They failed to emphasize the productive and the humanizing aspects of services like health and education. They urge “Whoa” when they ought to be shouting “Go” just as their Ottawa colleagues did a few days ago when they rejected motions to increase Old Age Pensions to \$100 a month, and decrease the age to 65.

Some Hon. Members: — Hear, Hear!

Mr. Lloyd: — they regard the production of some of the most civilizing and significant human services, mostly with regret, seldom with approval, never with understanding. When in 1964 they imposed the first of tax increases, increased medical and hospitalization insurance premiums by \$210 a family, an increase of over one-third, they shirked their responsibilities. They shifted costs to the individual with total unconcern for ability to pay. When they maintained that increase in 1964, they continued to shirk and to shift. When they failed this year to do anything about it this shirking and shifting continues. When they refused in 1965 to recognize the problems of education, they had a chance then; they could have done something about what they are talking now, it would have been worthwhile. But they refused to recognize the problem of education, held school grants to a very minimum increase; they closed their eyes to some human and economic facts. They made inevitable an almost general increase in property taxes, they shifted costs to local governments; so that they could claim a tax reduction themselves, they restricted the opportunities of school boards to supply needed services. Then they reduced by over \$100,000 the amount in the estimates for scholarships to students, when they withdrew almost completely as a province from loans to students, they demonstrated a vivid lack of interest and lack of will to invest in the welfare of young people and in Saskatchewan’s economic future as well.

When they reduced staff occupied in the care of those handicapped by mental difficulties they showed a callous disregard for one of Canada’s biggest problems. When they abolished the division for the aged to save money, they emphasized their callous disregard for that group. They made their own war, Mr. Speaker, they made their own war, not on poverty, but on people who live in a degree of poverty. Generalled, field marshalled and

captained by the Minister of Social Welfare (Mr. Boldt) with the Premier sitting in the War Office, they have given Saskatchewan the name of the toughest and roughest province in Canada with regard to people who are in need. All of this and more has been done in the interests of claiming a better balance sheet.

Now, Mr. Speaker, living standards and social standards, quality of living, if you like, are not to be determined just by the quantity and quality of goods on the shelves, or tons of potash, or barrels of oil. These are important. But the quantity and quality of services we provide publicly are an important component, and for many people the most important component, of the living standards they will enjoy. For many people the opportunity to own homes, to keep healthy, to acquire a complete education, to work or not to work if they happen to be ill, to have a reasonable choice to leisure and recreational activities, to be partners in the development of our province, depends on the quantity and quality of public programs. This government views with alarm and foreboding and regret expenditures on these subjects. This government relegates these kinds of programs to second class.

It is because of this that it is certain to fail in helping Saskatchewan people achieve full satisfaction and to meet the challenge of the sixties. Mr. Speaker, I ask this government and this legislature to face this fact. Many of the shabbier features of our society are due to seeing things, as the government opposite does, only in terms of keeping public expenditures to minimum. In looking for answers we too frequently look for dollar signs on just one side of the ledger, we fail to look for a return, human and economic, in the investment in people. As a matter of fact, too frequently we ask the wrong question. The question which should be asked is this: What has to be done to get the public services we need and of which we can be proud? What is the fairest way of raising the money? Certainly the restriction of government programs which merely shifts costs to other governments and to individuals, which denies opportunities, is the most short-sighted kind of activity. It is nevertheless apparently the policy of the government which sits opposite. We, on this side, urge the government to at least add some new dimension to its thinking, to stop looking at costs of public programs as a threatening and necessary evil as minimum and as some kind of malignant character as a maximum. We urge them to admit the value of public programs in helping individuals and communities solve the problems of education, of housing, of transportation, of recreation, of keeping healthy, of ownership of resources, of water supply, and in too many cases of exorbitant interest costs.

I will just add, Mr. Speaker, a quotation which I think is worthwhile all of us looking hard at from a writer who says that:

These kinds of problems will never be handled in the style of a great nation until we rid our minds of the threadbare prejudices about the role of government, value the things we buy with our taxes as highly as those we buy with what is left over after taxes, and distribute our richest treasure, men and women, of intelligence and character, more judiciously among the callings and the professions.

I recommend that to the government to look at.

During this session, we in the CCF, will be advancing a number of suggestions of how responsible government would beat those problems. Some will be included in the remarks I make in this address, some in the addresses of MLA's, some in private members sills and in resolutions.

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I want to turn to one service which failed to receive any recognition whatsoever in the Speech from the Throne which was deserving of a place there. I speak now of rail services provided to the people of Saskatchewan. All of us know that transportation is an essential ingredient of a growing economy. Transportation services are, some of us believe, or ought to be, instruments of national economic policy. The rationale ought to be the needs of the country, not just the balance sheet of the company. Canadian railways unfortunately were built in a largely unplanned fashion. There is no reason why they should be dismembered, why our province should be denuded of railway branch lines and denied passenger service on all lines in the same unplanned fashion. We in Canada have two railways, one of them which we own but haven't paid for, the other one we have paid for but we don't own unfortunately. Let me look a bit at this latter one.

The C.P.R. is a prime example of private enterprise to which much has been given and which has continued to take much. We usually think of the aid to the C.P.R. in terms of the original gifts of 25,000,000 acres of land and \$25,000,000. In fact there is much more, The Dominion Bureau of Statistics has published a report, September, 1965, entitled "The Canadian Pacific Railway Company". In this report we find a table headed "Aid granted the Canadian Pacific Railway company and other companies now comprising the system". This shows that cash expenditures and the expenditures in construction were undertaken in this way: The federal government over \$80,000,000, provincial governments over \$12,000,000, municipal governments over \$5,000,000, a total of over \$106,000,000; land grants – nearly 33,000,000 acres from the federal government, 11,000,000 acres from the provincial governments, nearly 44,000,000 in total. Included were mineral rights, from which sprang oil and mines of various kinds. Included was the opportunity to acquire capital, the continuing reward of land and minerals and investment of capital made possible by gifts of Canada. The C.P.R. was in many instances given valuable local tax concessions, some of which have been regained, some which continue to this day. It has built up a tremendous economic empire, it has been allowed, unfortunately and regrettably, to strip off by formation of other corporations almost everything from the railway company except the rolling stock and the rents, I suggest, Mr. Speaker, the most expensive striptease in the history of Canada.

Its most profitable enterprises were made possible by ownership of resources granted them by Canada and for which they gave a commitment of continuing services. They are now separated from the railway company. The resources we gave for building and operating a railroad are considered by them as their rightful heritage, the commitments they gave have largely gone with the smoke of the coal-fired engines.

I submit there are some reasons other than administrative for this stripping off from the rail company. Undoubtedly there is not much fun in running a railroad these days. Probably they can make more money by investing it in other than the railroad enterprises. They have a vast empire which Canadian gifts made possible. I suggest, Mr. Speaker, that the C.P.R. would like to sell their railway. They would continue to enjoy their gifts of Canada and wash their hands of the commitments. There is only one buyer, the people of Canada, acting through the federal government. I suggest that the Canadian Pacific Railway would like to be nationalized and I suggest that Canada ought to accommodate its interest. When the desire of the C.P.R. happens to coincide with the interests of Canada, let's take advantage of the situation.

Naturally one would expect that the value of the gifts and considerations given would be taken into consideration when bargaining about the price. To acquire such ownership for Canada would be one step in rationalizing our transportation services which are needed in order to move Canadian goods and services in the best interests of Canada. Those in this group continually urge this step, will continue to do so. We invite the Saskatchewan government, Mr. Speaker, to give some leadership, at least if they are not willing to give leadership themselves, to give some encouragement to those organizations and individuals in the province who are giving leadership.

Let me suggest three ways in which they have an immediate opportunity and obligation with regard to rail line abandonment with regard to the discontinuing services on the mainline by the C.P.R., and most important of all, with regard to the unsatisfactory movement of grain which is denying many farmers use of needed cash. Let me just look at a few statistics about this movement of grain, Mr. Speaker, to show the deteriorating situation. Look first of all at farm marketings and elevators in Saskatchewan. From August 1 to January 26, 1963-64, 176,000,000 bushels had been marketed, last year 151,000,000 bushels, this year, same period, 153,000,000 bushels. In other words, 20,000,000 bushels less than two years ago had been marketed at our elevators.

Let's look at wheat in transit in Western Canada. On January 29th, 1964, 21,000,000 bushels, January 27th, 1965, 13,000,000 bushels, January 26th, 1966 only 9,000,000 bushels. Let's look at quotas at delivery points. There are still in Saskatchewan today some 257 delivery points at which the quota is one bushel, or two bushels or three bushels. This is 240 more than was the case last year, 240 more on this restricted base than was the case last year. Now there are more delivery points this year on the four-bushel quota but there are 100 fewer on the five-bushel and there are 350 fewer on the six-bushel quota. So that both ends of the picture are worse so far as the Saskatchewan farmer is concerned. There is some more evidence about deficiencies in transportation for this purpose reported in the Regina Leader Post February 3rd, an article under the title of James Richardson and Sons Company. We read, Mr. Speaker, from that:

The facts are there are nine terminals at the Pacific coast, including six at Vancouver, with a capacity of almost 25,000,000 bushels. As of last Monday there were only about 12,000,000 bushels of grain and oil seeds in store – far below working capacity. To meet the heavy sales commitments from Pacific ports this winter a daily unload of about 550 cars is required and the average daily unload for the month of January was 395 cars.

Later on it says, "Other segments of the trade are also suffering from the transportation slow-down from country points. The case in point is the shorts in January rape seed". It is quite plain, I suggest, Mr. Speaker, that there are very real deficiencies in transportation. Governments must be more interested than they have been in this. Plainly farmers are being denied cash because they can't sell the grain on which they have already paid the cost of production.

We turn to the second of the items I mentioned on which we need some immediate leadership. Note the events since the latest C.P.R. proposal to withdraw still more passenger services. If this withdrawal keeps up we will be sending our children to the Western Development Museum to see a C.P.R. passenger car. The same day that the federal Board of Transportation agreed to this latest

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withdrawal, I, speaking for this group, urged the provincial government to ask the federal government to intervene. The next day the provincial government did so. Since then, now some weeks ago, the provincial government, according to press reports, has been studying the matter. In the meantime, thank goodness, the mayors of Regina, Moose Jaw, Swift Current, have been acting. The Premier of Manitoba has taken a strong stand on it, so has the Premier of Alberta. He urged the three prairie provinces to get together on it. On January 27th, the best our Premier could say about it on the radio was this:

We are certainly going to go along with them. (The Premier has suggested something) he says, we are certainly going to go along with them, and there are merits on both sides.

There are, Mr. Speaker, and it is high time the Liberal government of Saskatchewan decided which side it was on, the side of the people of Saskatchewan or the C.P.R.

Let me ask that your contract this we'll-go-along attitude with that of the CCF government when many branch rail lines were threatened with abandonment. At that time we took the leadership in getting the three prairie provinces together; included in the meeting were representatives of farm, municipal and business organizations. Branch line abandonment was not stopped but certainly it was stayed, and I am sorry to have to add at this point that proposed action by the Liberal government at Ottawa again threatens many branch rail lines. All of us know that Bill C-120 was before parliament more than a year ago; there has been no suggestion that there will be changes other than minimum in that bill. It is going to set up a proposed rationalization authority which again may stay abandonment. It does away with the requirement that there would have to be public hearings; decisions are going to be on the basis of the railway's balance sheet. The rationalization proposed by Bill C-120 means easier branch line abandonment, not even planned abandonment but on a piecemeal basis. I note the comment of the President of the Saskatchewan Wheat Pool, quoted in the October 1st issue, 1965 of the Western Producer, when he said that

If the bill is passed in its present form the way will be open for the railway companies to tear up the tracks from all but a few branch lines in western Canada during the next fifteen years.

The resulting action from this can affect one-third of the agriculture acreage of Saskatchewan, can affect millions of bushels of storage capacity, can affect hundreds of communities, can add to road construction and maintenance costs per province and municipality, can increase production costs for farmers because they will have to move goods more miles and they will need larger and more expensive trucks.

It must be opposed at the level of the provincial government, it ought to be opposed at the level of this provincial government. If it is passed in the form proposed, it should be opposed in every community in Saskatchewan. We need leadership we are not getting, I suggest, from the government opposite. It is the most pressing agricultural problem which didn't even get mentioned in the Speech from the Throne. The Speech from the Throne is vocal about more liquor outlets; it is quietly quiescent about fewer train services.

Let me just say a bit about this matter of liquor outlets as proposed in the Speech from the Throne. We are told that the demand exceeds the supply in regard to liquor outlets. Now here is a profound statement to be included in the dialogue of this kind. And so the government proposes to transfer more of the handling, the sale and control of liquor from public to private authority. The Speech from the Throne says this: "We, the government will continue the policy of closing some stores in small villages where the population does not justify a regular type of store". Now, Mr. Speaker, the question which must be asked is while this is what the Speech from the Throne says, is this what the policy of the government has been? Has the policy been to add private outlets only in "small villages where the population does not justify a regular store". This we were led to believe was to be the policy last year, this we are led again this year to be the policy.

Let's look at some examples, let's look for example at the community of Churchbridge. The liquor store was closed there and a private outlet opened. The liquor store, incidentally, was moved from Churchbridge to Langenburg. The population of Churchbridge 778, Langenburg a little bit bigger 1,126. It is interesting to note that Churchbridge has grown in the last four years by 124 per cent, whereas Langenburg grew only 49 per cent. I submit one of the criticisms of this policy, Mr. Speaker, is that it lends itself to political manipulation – that's what certainly happened in this case, a policy based not on population but on the politics of the voters. Now if the policy is that small stores are to be closed, then private outlets established in small villages, let's look. Oxbow – population 1,750, is Oxbow a small village by Saskatchewan definition, was there a liquor store in Oxbow to be closed? The answer I submit is not, but there is a private outlet there now. Take Redvers – population 1,160, not a small village by Saskatchewan standards. I think no liquor board store was operating there before but there is a private outlet there now. Take Whitewood — population over 1,000, not a small village by Saskatchewan standards. No store there to be closed but a private outlet there now. Mr. Speaker, the point is the actions of the government have not been the policy spelled out in the Speech from the Throne, last year or this year, and this house is entitled to know why not. How many more private outlets next year and the year after next? How long until a very large amount of the handling and sale of liquor in this province has been turned over from the public to private interests.

I was surprised, Mr. Speaker, that neither the mover or the seconder spoke of a supposed distinction which has come to Saskatchewan this year when our Premier was named the first salesman of Saskatchewan or something like that. Incidentally, it was a title which shouldn't have surprised anyone. There are a great many people in the province who had given it to the government long before it was officially expressed. Let me just take a few minutes to examine what the Liberal government has sold in the period of 20 months. Well they sold Saskair and boast about it. The real price and the public cost we don't know. They sold the investment in Wizewood for about sixty cents on the dollar. They had millions of dollars to put into, or to guarantee for a heavy water plant at Estevan without an agreement on a process that was unproven, but they didn't have a penny to try to save and keep the ownership of Wizewood in Saskatchewan hands. They sold oil belonging to Saskatchewan people if it is discovered in deep wells for no royalty at all until after 1970. They have sold potash at rates already too low for an extended period of time to a number of companies.

Hon. D. G. Steuart (Minister of Health): — You sold us out . . .

Mr. Lloyd: — You extended it to more people to get in on a price which was given to companies who had done a lot, risked a lot and succeeded in starting the industry long before the Liberals took office. They have sold vast tracts of forests to the Simpson Lumber Company at a price we don't yet know. They gave away taxes, not of the province, but of local government by an unnecessary, unwarranted, unproductive cut to Canada Cement when it extended a plant near Saskatoon. It is prepared to sell out the protection and the savings which Saskatchewan people have enjoyed by owning and operating their own insurance company. Let me refer to a statement made by the Premier on CKRM radio on January 27th. According to him the private companies were not in a position to handle license plate insurance on automobiles this year and so the Premier's words "for at least another year we have continued the automobile insurance". Then to further describe Liberal policy he added this: "We've sold four of the crown corporations now", (It was boasted about this afternoon) "but the insurance company is one which we do not propose to sell, certainly not in the near future". I would like to know what his definition of near future is. After the Bengough by-election, after the Canora by-election, when the private companies are ready to make a deal? This province needs some assurance about this. So far as this side of the house is concerned we are prepared to insist to the full extent of our ability that the Saskatchewan Government Insurance Office be not sold either after Bengough or after Canora.

They sold out Saskatchewan farmers by discontinuing the agricultural machinery testing program. They sold out a group of unfortunate Saskatchewan children and their parents when they closed down Embury House. They have sold, as I have just said, some of the control which the people had over the sale of alcoholic beverages. Advertising has been encouraged, beer salesmen have been encouraged, sponsorship of events by breweries, increased hours of sale. They have taken some action and they have more proposals to make to turn more of the sale of alcoholic beverages over to private industry. The compensation not yet known but some of it here. They have sold educational opportunities at a higher price by restricting school grants and forcing taxes up. They have sold opportunities for Saskatchewan people because of their procrastination in extending technical school facilities. They have sold out the hope for many of Saskatchewan's older people when they dismantled last year the division of services for the aged and dismissed the competent director, Miss Lola Wilson.

Mr. Speaker, there are other comments which I want to make tomorrow. Before I take my seat and ask for adjournment, I would like to turn to one or two more pleasant and less controversial topics. I want to join with those who have welcomed the newly elected member for Moosomin (Mr. E. Gardner). There are a number of us who did everything we could to prevent him from having the problems of people who sit in this house, but since he was unwilling to act according to that direction, we welcome him here. We hope he finds his experience and his association pleasant in every way.

I want also, Mr. Speaker, to associate myself with your words yesterday on behalf of this group in welcoming our Clerk who is visiting with us this year. We have a great respect for Mr. Koester and we are happy to see that he has the opportunity to advance his education. We are happy that he goes away for that reason and we

feel confident since he is away we are going to be very well served indeed by our present Clerk (Mr. Bradshaw). I endorse what you said yesterday about the value of exchanges of this kind and further exchange which I hope, Sir, you along with others, will attempt to arrange.

I welcome also, Mr. Speaker, the new Sergeant at Arms. He was for many years an employee in the Department of Education, a department over which I presided so badly for so many years, according to the member from Milestone (Mr. MacDonald) earlier this afternoon. He was a good employee of that department and I am sure he will serve this assembly well. I regret to say that I have many regrets in regard to the way in which the path was opened for him to come here. So far as he, himself, is concerned I can assure him every co-operation, we will try to only have a minimum number of candidates for him to remove from the house in any one day. Having said that I would ask leave to adjourn the debate.

Debate Adjourned.

The Assembly adjourned at 4:29 p.m.