

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session – Fifteenth Legislature
6th day

Tuesday, February 15, 1966

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

STATEMENT RE CANADA'S FLAG

Mr. W.E. Smishek (Regina East): — I would like to draw to the attention of the house that we are celebrating today an important birthday. It is one year today that Canada officially unveiled the new flag, and since that day the new Canadian flag has been flown throughout the length and breadth of this country, and in other nations. It is designated as the red flag of the proportion, two by length and one by width, containing in its centre a white square, the width of the flag, bearing the single red maple leaf.

Mr. Speaker, we on this side of the house take some pride in that flag, particularly since it was our party that first started to advocate a distinct Canadian flag. Mr. Speaker, may I also say that in the designing of the flag, we made a particular contribution in that we suggested it be a single Maple Leaf flag. Mr. Speaker, last year I made my maiden speech at the time of the unveiling of the flag. I called on this assembly and the governments throughout Canada to dedicate this new flag as a symbol of Canada's dedication to the cause of bread, peace and freedom. I think it is still a good dedication.

WELCOME TO STUDENTS

Mrs. S. Merchant (Saskatoon City): — Mr. Speaker, before the Orders of the Day, I would like very much to welcome a group of students from Buena Vista school along with their teacher, Mr. Wright. I take this opportunity of welcoming him to the province as well as to the legislature. He is an exchange teacher from Woodstock, here today with his charges from Buena Vista. We welcome them here and I know that the members will join me in wishing them a very happy and a very profitable day.

ADDRESS IN REPLY

The assembly resumed the adjourned debate on the proposed motion by Mr. C. P. MacDonald for the Address in Reply and the amendment thereto by Mr. Lloyd (Leader of the Opposition).

Hon. D. Boldt (Minister of Social Welfare): — Mr. Speaker, I said yesterday that the hon. member for Hanley (Mr. Walker) had wasted about two hours of our time in this legislature in one of the most ill-conceived and ill-prepared speeches that I had heard since I became a member of the legislature. I would like to briefly just recap what I said yesterday and then continue on.

I am sorry that the hon. member from Hanley (Mr. Walker) is not here, I just wonder whether he is out in Bengough, or where we could locate him. I told the assembly here yesterday that, when I was appointed minister in charge of S.G.I.O., it became evident that if I was to get things done some changes were necessary.

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My first move then was to make certain changes in the administration, which was set up in the corporation, and I said yesterday that to my surprise the Leader of the Opposition (Mr. Lloyd) and the member from Hanley (Mr. Walker) had not mentioned the sale of the S.G. & F., in any great detail, so I came to the conclusion that certain things which there are certain things they are afraid to hear about.

However, I am glad that the lawyer member from Regina is in his seat today, because he, too, at one time was manager of the S.G.I.O., and I told the house yesterday that one of the first steps was to reduce the car fleet by more than 25 per cent. As I said the Socialists believe in treating their fellow workers well, they pay them a good salary and they buy then a new car. Many of these cars had less than 3,000 miles a year on corporation business. Many of these people were living in Regina and drove from their residence to the office. The net result was that S.G.I.O. had to purchase a parking lot to park all these cars. Then we also made some changes in the administration, which were necessary in order to carry out these instructions that the Board of Directors and myself gave.

Furthermore, I told the house that S.G.I.O. was a haven for the Socialists, and I heard the Leader of the Opposition say "Well can you prove it"? I certainly can prove it, and I would like to read just one application for you, to prove my case. I know that there are dozens and dozens of others. This one is related to one of the persons employed as a key member in the S.G.I.O., and this is what a certain fellow wrote about him. He comes from Edmonton, the former government did not believe in employing people from Saskatchewan. They went and got all the Socialists that they could find throughout the nation, and so here is one from Edmonton, the writer wrote:

Dear Tommy:

Enclosed with this note is an application by a trustworthy friend of mine, whose father and himself are know to be devoted champions of our ideals and our cause. As well be obvious from the application he is a likely candidate for service in your government insurance department.

No doubt in your mind, Mr. Speaker, that this gentleman was hired; and I could prove over and over again that this was the haven for the Socialists, for political heelers. I said yesterday that S.G.I.O. would discontinue being a haven for political heelers. Fellows like George Bothwell, Helmer Benson, a former manager of Saskatoon branch of the S.G.I.O., and a defeated candidate in both the federal and provincial field, found haven in the S.G.I.O. Then this chap by the name of Leonard James, a defeated labor candidate from Britain, who came to Saskatchewan on the advice and recommendation of M.J. Coldwell, and George Bothwell. They no longer find this province a Socialist Utopia in which to hide their failures. I could go on and on; politics were the order of the day.

Yesterday, the member from Hanley (Mr. Walker) devoted all his time about one single employee that apparently was fired. They say he was fired from the Saskatchewan Power Corporation. They left the impression that we were only the bad ones; they didn't do any such thing. But I want to read to you what they did about S.G.I.O. agencies, and I have one here from my own constituency, from Dalmeny. This is what he writes:

One morning I received a letter from the Treasury Department advising that so and so would come to pick up the plates that I had on hand, as well as all supplies. Not long after I received a letter from the insurance office that so and so would come to pick up all insurance supplies, and my contract had been cancelled.

This happened under the former government, and the only reasons why this was done, I believe in 1956, was that this chap, Mr. Warkenten, whom I know very well, was doing a little bit of campaigning on behalf of Mr. Walter Tucker. This was just too much for the former government, so he lost his agency. This is worse than having fired a government employee, if you want to call it this, for not moving from Swift Current to Saskatoon.

Now, Mr. Speaker, to carry on from where I left off yesterday, I want to say as a newcomer to the insurance industry, I just wondered what was going on. The hon. member for Hanley (Mr. Walker) who was the last minister in charge of SGIO, under the previous Socialist administration, said that the rates were at a break-even point, and it was not the policy of the Socialists to make large profits on schools, hospitals and crown corporations.

The hon. member from Hanley (Mr. Walker) also said that if this business were thrown open to competition, costs would have to go up because we would have to pay commissions to the agents. This argument made sense to me, Mr. Speaker, and I wanted to find out what was going on because the same underwriters were employed by SGIO during the CCF-NDP regime as since Section 15 was abolished. I was astounded to find out that the loss ratio on schools during the past 20 years was 36.7 per cent; the loss ratio on hospitals during the past 20 years was 10 per cent; the loss ratio on crown corporations during the past 17 years was 33 per cent. This is what the hon. member from Hanley (Mr. Walker) called a break-even premium. This is an extremely profitable market for SGIO, especially when you take into consideration the fact that this business was put on the books at no commission and a large percentage reinsured with a commission rate of 40 per cent. Let us not forget, Mr. Speaker, that we are talking about millions of dollars.

I had to have more answers as to just why it was necessary for SGIO to keep their rates at such a high level. Didn't they review their experience in this class of business year by year, as any competing company would be compelled to do? Were they using these excessive profits to subsidize their other general business, or were they covering up for losses in other fields?

I was absolutely astounded, especially after the hon. member for Hanley (Mr. Walker), the former minister in charge, had made the statement that not one red cent has left Saskatchewan, to learn that profits the SGIO derived from its Saskatchewan operations were being handed over to another crown corporation, the Saskatchewan Guarantee and Fidelity Company, to cover losses of \$3,500,000 incurred in its ill-advised venture into foreign insurance fields!

The hon. members across the floor have said a lot about "deals" this government is supposed to have made with private insurance companies. I just wonder how many "deals" our friend Mr. Fines made while he was in this legislature. I understand that when he came in here 20 years ago he had a patch on the seat of his pants and he went out of here a multi-millionaire.

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As recently as January 31st, the hon. member for Hanley (Mr. Walker) was quoted by the Saskatoon Star Phoenix as saying:

There are pretty clear indications of a “deal” between the Liberal government and the private insurance industry to dismember your automobile insurance.

I have the clipping here. I am sure if the hon. member was here he would deny it.

I challenge the hon. member across to produce proof of such a “deal”. However, he should be familiar with under-the-table deals and sabotage, in the light of the Socialist scheming to shore up the collapsing Saskatchewan Guarantee and Fidelity Company Limited another Socialist scheme that went sour. The S.G. & F., unlike its companion insurance company, the SGIO did not have the guaranteed backing of the government should it run into financial trouble. So what did they do? In 1952 the Socialists solved that problem by writing a financial Guarantee Bond with no claim limit, at a charge of \$100 per year. What a “deal”. For those who do not recognize this type of bond, it in effect made the SGIO guarantor for any loss or legitimate debts of S.F. & F., and the sky was the limit. However, an investing group was unable to satisfy itself as to the need or the reason for the writing of Financial Guarantee Bond \$707,663, unless its purpose was to indirectly place the resources of the province in support of the company under Section 21 of the Saskatchewan Government Insurance Act. The application of the provisions of this bond, in the event of a claim being made upon it, would have required a full and complete disclosure in its annual statements of the loss position of the company, and any offsetting income under the terms of the bond would have to have been shown as an item received and set out so as to reduce the reported loss of the company.

This is what they certainly didn't want to do, Mr. Speaker. So, what else did they do? They went in for the loss-equalization agreement, this problem was solved by adding another financial back-stop to S.G. & F., a loss-equalization agreement with the Saskatchewan Government Insurance Office. The application of the loss-equalization agreement, Mr. Speaker, made it possible for the same funds to be injected into the company with both the office and the company enabled to include them in their annual statements of underwriting operations.

I shall spell out very shortly exactly what effect this letter arrangement had in dollars and cents, but I would first like to point out a further “deal” which is even more indefensible than the two already mentioned. Thorough investigation and inquiry have revealed that for at least five years the provincial auditor has pointed out that the division of expenses and investment income between the Automobile Accident Insurance Fund and the SGIO is weighted against the fund. It now appears that thousands of dollars a year, legitimately belonging to the fund, may have gone to SGIO. The flow of funds by juggling book figures from the fund to SGIO and then to S.G. & F., shows that apparently the Saskatchewan motoring public paid the biggest price for the Socialist folly in operating S.G. & F.

Since I made public some of this information at a press conference, the hon. member for Hanley (Mr. Walker) has asked by someone does not ask me where the money went, the implication being that the juggling of figures was not hiding lost money but merely re-aligning profit between companies. Well, I will tell you where that money went.

The object of acquiring the company (Saskatchewan Guarantee and fidelity Company Limited) was explained in a public statement of policy made in December of 1949, in which it was said that the basis for acquisition was to enable the expansion of the government's insurance business into other jurisdictions where the office could not operate, as it was not organized on a joint stock basis.

The Chairman of the Board in his annual report covering the year ending December 31, 1950 stated:

Applications meeting all the requirements for the transaction of all classes of general insurance were made to the governments of the provinces of Ontario, Manitoba, Alberta and British Columbia. All applications were refused for a common reason, namely, that a company owned and operated by the government of one province should not do business in another. The refusals from Alberta and British Columbia were received as early as March 1st of that year, and it appears, therefore, that the expressed objects for which the company was acquired were known to have been defeated, early in 1950.

In 1953, application was made to and approval received from the State of Montana to write certain direct lines of insurance in that state.

During the years 1949 to 1955, premium income increased from \$49,000 to \$2,900,000. Of this latter amount, \$1,728,000 were reinsurance premiums outside Saskatchewan and \$330,000 was accounted for on direct agency sales in Montana. In 1956, a loss of \$103,000 was suffered on the company's total operation. This was followed in 1957 by another loss of \$94,000, before the equalization payment was received in the amount of \$176,000.

It appears that during the years 1949 to 1955, Mr. Speaker, every effort was made to build up premium income, but that this was done only by accepting high risk reinsurance outside Saskatchewan which was unattractive to others, and by direct writings in the State of Montana. The loss ratio on this business was very high.

An example of the type of deficit the Socialists had to hide is the loss incurred on their Montana operations, which amounted to \$1,063,000, or the loss ration on ocean marine business, such as shrimp boats in the Gulf of Mexico, which, at the lowest point, was 90 per cent of premium and ranged as high as 401 per cent of premium. The money involved in this line was almost \$2,000,000 in premiums and \$2,850,000 in claims. Now what did they write insurance on? Well, they went and insured the British Columbia fruit growers, Mutual Hail, the premiums of \$8,600 the loss \$57,000. That is where the money went, Saskatchewan people's money.

The Anglo-Canada Fire and General Insurance co., the premiums were \$240,000, the losses \$361,000. Good business. The Aegis Casualty, Denver — this is an auto insurance, high risk insurance, the premiums were \$30,000, the losses were \$78,000.

Then they had to buy some Venezuela bonds. I don't know whether there was a Socialist government in Venezuela at the time but anyhow they went and bought some bonds in Venezuela. The premium they paid on these bonds was \$180,000 and they lost \$372,000. Good business.

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L.H. Clark, Accident Treaty, the premiums \$78,000, premium income losses - \$157,000. Well, that wasn't enough. So they went over to Europe, and they insured French automobiles, premium income \$785,000 and the losses \$1,015,000. Saskatchewan government people's money. The Socialists will tell you that the government owned both companies. "There is really nothing wrong with taking money out of one pocket and putting it into another" said the member from Hanley (Mr. Walker). But, Mr. Speaker, surely every fool knows, except the member from Hanley that nobody puts money into a pocket with a hole in it.

Some Hon. Members: — Hear, Hear!

Mr. Boldt: — In the S.G. & F., we had a company that was bankrupt for years and the public was never advised of it.

Ladies and Gentlemen, I am in charge of the Saskatchewan Provincial Correctional Institutions, and there are people in jail there that I would think have committed a lesser crime than these fellows across the way.

Some Hon. Members: — Hear, Hear!

Mr. Boldt: — Nor can the Socialists claim that they were themselves deceived by management of the company into believing the company was sound. On March 29, 1960, the then Manager, Mr. H.L. Hammond, in a special report to the Board of Directors on the financial status of the S.G. & F., had it operated without the equalization payments, said this:

It is a reasonable assumption, however, that the entire surplus of the company would have been lost and possibly the capital impaired as well. The objectives for going into business outside the province of Saskatchewan have not been achieved.

This is what the manager then said. This was his assessment of the company, had it not been shored up by the previously mentioned financial agreements.

The Provincial Auditor, Mr. C.H. Smith, F.C.A., in his audit reports to the Chairman and members of the board of the office, pointed out in each year during the existence of the equalization agreement the actual profit and loss position of the company. The information given in these reports is confirmed independently and without reference to the auditor's reports. And I have seen these auditor's reports, Mr. Speaker, and the loss is in the "red". But those people across the way don't know red from black. Evidence indicates that the circulation of these auditor's annual reports was restricted to the members of the board and the general manager.

The obvious inference is that the significance of information and observations contained in and apparent from reports of the Provincial Auditor and the General Manager upon the operations of the office and the company in the area of loss equalization was not apparent to the board.

For the record, let's find out how the Socialists dipped into the funds of SGIO and bailed out the S.G. & F. The S.G. & F. started to run into trouble very soon after it was purchased, almost immediately. And in 1957 it was evident that our Socialist friends would have to face the legislature with the fact that we had another losing crown corporation on our hands and try some financial maneuvering to make it appear profitable. So they came out with the loss-equalization agreement. They will tell you that they reported this fact in the assembly, clearly and fully. I want to read to you just what the report said, and I'm reading from the Annual Report, 1957. This is what they said:

The Saskatchewan Government Insurance Office and the Saskatchewan Guarantee and Fidelity Company have during the year entered into a reciprocal loss-equalization agreement which has the effect of reinsuring each other and this automatically leveling out losses in the various classes of business written by each company.

Well, that's a falsehood. Absolutely. It was only there to bail out S.G. and F., not SGIO.

Heretofore these companies reinstated specific risks under an inter-officer arrangement. The loss-equalization effects a saving in the administrative costs involved. It is a common practice for insurance companies under the same management group to enter into such loss leveling agreements.

This was a one-way street agreement, I want to assure the members of the house.

You know, Mr. Speaker, we should have been aware that there was something behind this form of double talk, but perhaps we as the opposition were too trusting. The fact is, however, that this report was, according to the Socialists, their license to drain the SGIO of over \$3,000,000. Yes, that is the amount that was paid over by the SGIO to the S.G. & F., to cover their losses in foreign operations; and if you are interested to know the amounts paid over year by year, I will put them to you:

In 1957, under the equalization agreement SGIO paid for their ventures in foreign fields, \$176,000 in round figures. The following year, \$107,000; in 1959, \$416,000; and things began to get worse. In 1960, \$778,000 of the people's money from Saskatchewan went for this ill-advised crown corporation. In 1961 they bailed it out to the tune of \$706,000; in 1962, \$489,000; in 1963, \$376,000, for a total of \$3,051,674 of the people's money.

Some Hon. Members: — Hear, Hear!

Mr. Boldt: — Why, even, Mr. Speaker, this was not enough. Other means had to be found to bail out the floundering S.G. & F., so the two corporations entered into a reinsurance agreement, which has to go down in history as one of the most one-sided agreements. By this agreement the SGIO gave to the S.G. & F., \$500,000 in premiums a year of school, hospital and crown corporations business at no commission charge to the S.G. & F.

Mr. K.G. Romuld (Canora): — Rob the poor and give to the rich.

Mr. Boldt: — That this business was extremely profitable is shown by the fact that the loss ratio of this treaty, no. 505, and its renewal series, was only 19 per cent over the years. This business they would give to S.G. & F. The S. G. & F. in turn reinsured a large portion of this business at up to 40 per cent commission. In this manner the S.G. & F. gained a profit which a most conservative estimate would place at \$475,000 in commissions plus the underwriting profit on this choice, highly-rated business.

But still that was not enough, Mr. Speaker. Yes, there is some more. The SGIO then entered into another one-way-street agreement, giving S.G. & F at cost \$500,000 a year of its best reinsurance business. We are still trying to calculate the profit made on this. Small wonder we decided to rid ourselves of this drain on the SGIO by selling to private interests the S.G. & F. I understand the new owners have an entirely different view than our Socialist friends as how to operate a company. They have withdrawn from the fields in which the Socialists lost money. We wish them well.

To summarize, Mr. Speaker, it appears evident that the risk business was acquired by the company to build up premium income. Acquisition of this type of business is apparent in 1956 when a loss of \$103,000 was reported. Losses were incurred in each subsequent year and as mentioned above, but for the operation of the loss-equalization agreement and treaties 400 and 505 series, the company would have become insolvent in 1959. It is apparent that management, recognizing the high risk position to which the company had become exposed, made an effort to retreat but was prevented from doing so entirely by the fact that a portion of this high risk business was in the form of non-cancelable contracts. In the meantime, application of the loss-equalization agreement and treaties 400 and 505 series did not permit a true picture to be painted of the deterioration of the company's financial position.

The Saskatchewan Guarantee and Fidelity Company, Mr. Speaker, was not the only self-help program in which the SGIO was involved. On April 16, 1947, the Board of Directors of SGIO approved action under Order in Council 569 which allowed the office to make advances or loans from their current funds to the Saskatchewan Co-operative Credit Society. This loan started out at a fairly nominal amount of only \$100,000, but since then has grown until in 1958 the maximum loan allowed had reached the \$2,000,000 mark.

In effect, a crown corporation was allowed to invest in the co-op movement, and in an area which tended to undercut other lending institutions. This is what was wrong. Had this lending of money to the Credit Society been at current interest rates this could have been viewed as legitimate investment of SGIO funds. However, these funds were loaned at the rate of only 2 per cent interest and this ridiculous rate was held until 1954.

Some upward revision has taken place since then, but even now there are similar funds on deposit at rates which are at least one per cent below similar investments in chartered banks and other lending institutions. This government, through Government Insurance, has been subsidizing one group of its citizens in competition with other sectors of the provincial economy. This unfair practice

has also hurt the investment income of SGIO. Mr. Speaker, this house may rest assured that there will be an end to such unfair and discriminatory practices in the very near future.

Mr. Speaker, this is really not the end of the SGIO story. There is more to tell but it will come out in due course. Suffice to say it is no wonder, from what you have heard, that the Socialists are trying to becloud the issue by howling that we intend to sell the SGIO or in other ways shackle the corporation.

An Hon. Member: — We do . . .

Mr. Boldt: — That's what you are saying. We are not going to sell SGIO. You would hope that under the Liberals it would go bankrupt but it won't. We are doing better business today than we have ever done before, and the schools and the hospitals are getting cheaper rates because it is thrown open to competition.

Mr. Lloyd: — The Premier said that . . .

Mr. Boldt: — We are going to operate Government Insurance for the benefit of the citizens of this province, not for political lackeys.

Some Hon. Members: — Hear, Hear!

Mr. Boldt: — It must run as any other business without a captive market to which it can charge exorbitant rates. There will be no covering up of failures. There will be no loss-equalization agreements. Gone forever will be the one-sided inter-corporation reinsurance agreements. In short, Mr. Speaker, the corporation will stand on its own feet.

While I am on my feet, Mr. Speaker, I want to table a report of an investigating committee which will be very, very revealing to the members opposite and also to the press, and in it you will find certain things that happened with SGIO and I just want to report a few things before I sit down.

I see a financial guarantee bond for a chap by the name of Abram. J. Dick, Rosthern. He is the potato-chipper man. The people of Rosthern wouldn't lend him a five cent piece but the government guaranteed two financial bonds for him, one at \$10,000 and one at \$6,500. You can go right down the list. This is the information that was obtained through the investigating committee. Then I will go on a little further and I would like to report for the records of this house — you will find as first mortgage a certain man by the name of Phillip Bodnoff, theatre operator, \$75,000.

Mr. A.E. Blakeney (Regina West): — How much was lost on that one?

Mr. Boldt: — Then Theatre Under the Stars, another one, \$35,750. If your friends across the way didn't have any credit, then the people of Saskatchewan backed them. You go down the list and most of them, most of them are Socialists that the banks and nobody else would lend a nickel. And you people set them up . . .

Mr. Blakeney: — Now we get some new recruits.

Mr. Boldt: — This is the report given to me by a committee that

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investigated S.G. & F., and it is there for the members to see. Some of the things that are reported in this report are of such astounding magnitude I'm sure that if the backbenchers of the members of the opposition will take time and read it, they will have second thoughts on the operation of the former government in the field of insurance.

Mr. Speaker, I will not support the amendment but I will support the motion.

Some Hon. Members: — Hear, Hear!

Mr. G.T. Snyder (Moose Jaw City): — I also want to say a few words in connection with the document that is under discussion at the moment.

I am reminded as was the case a year ago, that it is somewhat more difficult to comment objectively on a document which my colleagues and I have not had a part in shaping. We on this side of the house are trustful, Mr. Speaker, that that is a situation which will change following the next provincial election or perhaps even before, by a series of by-elections. But in the meantime, Mr. Speaker, it will be our responsibility and our duty to criticize the government in a constructive manner, offering the members who sit on your right, Mr. Speaker, the benefit of the experience and wisdom of those who sit on your left.

Hon. G. Grant (Minister of Industry): — Lot of wisdom!

Mr. Snyder: — Before I continue further, Mr. Speaker, allow me to take this opportunity to offer my congratulations to the hon. member for Moosomin (Mr. E. Gardner) on his victory in the by-election of last June. It is our wish that his stay will be enjoyable and that his contribution to debate and to the committee work of this house will be worthwhile. However, there are many of us who are inclined to believe that one Gardiner in the Saskatchewan legislature is sufficient and perhaps two is more than the people of Saskatchewan really deserve.

Some Hon. Members: — Hear, Hear!

Mr. Snyder: — I would like also, Mr. Speaker, to congratulate the hon. member for Wilkie on his elevation to the cabinet which was made possible by the resignation and the subsequent appointment of the former Minister of Agriculture (Mr. A.H. McDonald) to the Senate. I join with all members who wish the minister success in the Municipal Affairs portfolio.

Some Hon. Members: — Hear, Hear!

Mr. Snyder: — I want to take a brief moment also, Mr. Speaker, to commend the government for the effort which was put forth in connection with the hearing before the Board of Transport Commissioners in connection with the removal or the discontinuance of the trans-continental passenger train no.3 and 4, the Dominion. The silence and the inactivity of the government at an earlier stage was cause for concern for some time. However, the presentation before the Board of Transport Commissioners by the government's counsel was effectively handled and while the decision of the board was a disappointment and a surprise to a good many people, I would hasten to suggest, Mr. Speaker, that the contribution made by the government is hereby acknowledged. I would add also, Mr. Speaker, that

little was heard from them since that time, so I would hasten to add also that the fight to have the Canadian Pacific Railway recognize an obligation, which it has to Saskatchewan and indeed to all Canadian people, is not yet over. I would remind all members of the interest which has been shown by the eight prairie cities between Winnipeg and Calgary in this particular connection. Support has been given also by at least one prairie premier and I suggest that the efforts of these people deserve the support of all members of this legislature regardless of their political complexion.

Well, Mr. Speaker, during the pass 22 months we have witnessed in this province a number of changes. We have seen a shift in emphasis with respect to government responsibilities. Many of the changes that have taken place since the change of government have been cause for concern in a variety of quarters. People who have been inclined to regard government as a sacred institution are inclined to view with alarm the manner in which the members opposite have been unable to shed the cloak of irresponsibility which they wore for so long as opposition members. Now, as members of the government, they have found it beyond them to undergo the necessary metamorphosis to properly fulfil an obligation which they have to the people of Saskatchewan, who either willingly or otherwise are experiencing this peculiar brand of Thatcher-type Liberalism.

As little later on, Mr. Speaker, I want to deal more fully with this irresponsibility which members have carried with them from opposition benches into government circles, but first I want to say something of a more general nature in respect to the apparent wholesale acceptance by the various media of communication of this peculiar brand of Thatcher-type reactionary Liberalism. I suppose it is unnecessary for me to use as a example the Regina Leader Post. Members will recall that, except for a brief period of time during the last federal election when the Leader Post supported the Conservative party editorially, they seem to hold the editorial opinion that the Liberal party or the Liberal government in this province is incapable of wrong doing. I think it should be generally agreed, Mr. Speaker, that the media of communication which have a significant role in the forming of public opinion, have an obligation then to present the facts honestly and without bias. Only then can the people of Saskatchewan, and indeed the people of Canada, be relied upon to make an honest and an objective judgment with respect to matters of public interest. It is only when we are knowledgeable informed that we can perform a useful service in the democratic process. Democracy has been defined as "government by public opinion" and I suggest to you then that public opinion should be rational, it should be subject to the flexibility of discussion and debate. I suggest also that an informed public opinion minimizes emotion and has a tendency to accentuate genuine values.

But instead of being told the facts, Mr. Speaker, the performance of the present administration has been colored and misrepresented. Credit has been taken where credit is not due, in an effort to rally support behind the government, Mr. Speaker, which falls far short of what the people of this province really need. Integrity and responsibility, Mr. Speaker, must be regarded as two of the main prerequisites of any group of people within a political party who join together to form a responsible, democratic government. If that government is to deserve the respect of those whom they govern, then it must prove by its record of performance that it is worthy of that trust.

I want, for just a few minutes this afternoon, Mr. Speaker, to review at least in part the record of the government with

respect to particular words, deeds and errors of omission. I believe, Mr. Speaker, that such an example makes it clear that a friendly, partisan press is vital to the survival of a government which in less than two short years has a record of arrogance, irresponsibility and a dedication to the short-term propaganda advantages, with little regard for the long-term effect on the province, its resources or its people

Mr. Speaker, during the Throne Speech debate a year ago, I drew attention to the document entitled "Government Proposals, Hospital Agreements, 1964-65 negotiations". The Minister of Health at that time objected to my remarks and I suspect that he will enjoy them no more twelve months later. At that time I drew attention to the attempt of the government to have deleted from the collective bargaining agreement a large number of employees who had formerly been within the scope of the agreement. Another government proposal, Mr. Speaker, embraced an innovation with regard to promotions and would effect an innovation with respect to seniority arrangements. I suggested last year and I suggest again this year, Mr. Speaker, that had that proposal been accepted, the stage would have been set for the hiring of civil servants by some political storm trooper as judged by the political allegiance of the applicant.

Another proposal, Mr. Speaker, involved the deletion of T.B. compensation from the collective agreement. I could go on and on, Mr. Speaker, but these and other proposals put forth by the government at that time, relating to conditions of employment, made it obvious that in sum total the proposals put forth by the government could not have been accepted by the employees. Members are well aware of the fact that months of negotiation followed with employees of Saskatchewan Mental institutions finally being placed in the position where they threatened to withdraw their services, a situation, Mr. Speaker, which was fomented by the government. Happily it was settled at long last following the report of the Conciliation Board. But the significant part, Mr. Speaker, of the entire story, is the fact that this is the first time that strike action has ever been contemplated by these institutional employees. The record of these employees, Mr. Speaker, is one of dedication, one of responsibility and their record is one of industrial peace. I think it is a sad state of affairs that inside of the first 22 months of the coming into power of a new government this kind of situation should have been fomented by those who sit opposite.

Now, while Saskatchewan's Mental institutions are under discussion, Mr. Speaker, I want also to make brief reference to another matter which also relates back to a matter of some 12 months. During the Public Accounts Committee meeting a year ago, the Minister of Health replied to a question asked by myself, stating that "trial leave" and "boarding out" programs were being used extensively in the case of the Weyburn Mental Institution. It was revealed at that time that the patient population had been reduced from a maximum figure of about 1,500 to what I understand is now somewhere around the 600 figure. The minister also pointed out at that time, and rightfully so, that this was not a new program, but it was a program which had been used by the previous administration. And as I said, Mr. Speaker, this is true and it is not my intention to argue with respect to value of "trial leave" or "boarding out" programs. There are other more learned than myself that make decisions on these matters. But the matter that concerns me, Mr. Speaker, is the manner in which the policy is being applied, apparently without regard for the hardship which has resulted in a good number of cases to the family and to the

individual. I want to give two examples only, Mr. Speaker. There are many more which could be given. Let me tell you about the case of an elderly Moose Jaw resident whose wife was confined to the Weyburn Mental Institution for over two decades, well in excess of 20 years, Mr. Speaker. In the process of depopulating the "trial leave" program and her husband, who is in his mid-seventies and has been in retirement for some years, was made responsible for her care. Being the proud and independent person that he is, he returned to his trade in the painting and decorating business at the age of 76 in order to fulfill an obligation that was forced upon him in his twilight years.

One other case, Mr. Speaker, that I would like to draw to the attention of this house involves another more recent incident where a Moose Jaw resident who has been a guest at a private nursing home on the south side of Moose Jaw, I believe an insurance company runs this nursing home; this lady was a guest in this private nursing home and paying \$185 a month for shared accommodation with another lady. Another guest in the nursing home was one of those who had been discharged from the Weyburn Mental Institution. The lady in question that I am referring to, Mr. Speaker, was struck and knocked down by this former patient of the Weyburn Mental Institution. Her hip was fractured and this lady was near death - a lady in her mid eighties, for a good number of days, and she is still in Moose Jaw hospital.

There are other cases I could cite as examples, Mr. Speaker, and I know the hon. member from Weyburn (Mr. Pepper) is aware of many cases in his own constituency. There are others on this side of the house that have told me of similar problems that have risen in their constituencies, and I am sure that the situation exists in the constituencies of members opposite. It is my sincere wish that the Minister of Health (Mr. Steuart) use his influence, Mr. Speaker, and instruct the responsible people in his department to apply these "trial leave" policies in a more prudent manner in order that sever hardship does not result to the individual, to the family, or to the community where these people are to live after their discharge.

I regret, Mr. Speaker, spending as much time as I have on the Minister of Public Health (Mr. Steuart) but his responsibility for the Saskatchewan Power Corporation obliges me to remark briefly in connection with the attempted intimidation of civil servants, who apparently, if the minister's ultimatum is to be recognized, are to retain only their right to vote on voting day. The minister seems to indicate by his action that he is prepared to decide for civil servants where they shall go, with whom they shall keep company, what thoughts they shall think and what words they shall speak. The minister has indicated that political activity either on or off the job will place the employment of the civil servant in jeopardy. By the great majority of Saskatchewan people, Mr. Speaker, and by civil servants in particular, I think the attitude of the minister will be resented deeply and be regarded as the essence of authoritarian dictatorship. The people of Saskatchewan, civil servants in particular, remember full well that the Premier on the 22nd of May, last, had this to say and I quote him.

Civil servants have nothing to fear from the new government/ their jobs will be secure, their political independence will be respected. I believe that the political views of the civil servant are his or her own personal affair so long as these politics are conducted on their own time.

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So said the Premier less than two years ago and we on this side of the house favored the statement made by him, but it appears that the member for Prince Albert has taken on the added responsibility as chief Liberal hatchet man and designer of other people's lives. To add further to his reputation, Mr. Speaker, the minister since this house last met, by virtue of some hidden administrative genius, separated the gas utility from the electrical part of the operation. He informed us through the press that this was a harmless, administrative move to further improve the service and the administration of this crown owned utility. I hope that this is true, Mr. Speaker, but members on this side of the house and the people of Saskatchewan, I think, may be forgiven if they are somewhat apprehensive of the separation of the gas utility from the main body of the corporation. The members on this side of the house are fully conscious and we remember that this utility was the perennial target of Liberals when they sat in the opposition. Members on this side of the house are equally aware, Mr. Speaker, of the desire of private industry to corner the distribution of natural gas to a captive prairie market. I believe people who have seen Liberals in operation are perhaps justified in their fears that a deal may have already been made to sell the utility to one of the Liberals' benefactors, in the event that this government survives at the next provincial election.

Well, Mr. Speaker, it appears that irresponsibility is not regarded as a handicap for a minister of the crown; instead it would almost appear to be a requirement. The Premier, himself, has shown the way, and I think the way the Heavy Water deal was bumbled and fumbled over a period of ten months is a most eloquent example. I suppose it would be an interesting exercise, Mr. Speaker, to calculate the amount of newsprint that was used to publicize an event that just never materialized. An industry, Mr. Speaker, which would have meant such a good deal to the economy of south-eastern Saskatchewan and, indeed, for the province as a whole, was allowed to slip through the fingers of this government, in spite of the fact that the very nature of the venture indicated its stability as a crown corporation. The bias and the prejudice of these champions of free enterprise prevented the location of the plant in our province with the subsequent loss of economic activity which would have resulted, and the jobs which would have been created as a result of this plant.

In a recent television program over CHAB, entitled "Probe", the Premier added further to his reputation and he stated at that time, and he repeated in the house on Thursday last, with a straight face, that there has been more economic development in the province of Saskatchewan over the past 20 months than there had been in the previous 20 years. Well, Mr. Speaker, the remark is so absurd that it hardly justifies a reply. The Premier, as Provincial Treasurer, has the facts available to him and he knows, or he should know, that the year 1963, the last complete year under the CCF, was in many ways a superior year to the year 1965, the first complete year under the Liberals. He knows these facts so well, he knows that the year 1963 showed an investment in manufacturing of \$26,000,000 – the first year under the Liberals, the year 1965 – the figure had dropped to \$21,000,000. The Premier and Provincial Treasurer is aware of the fact that in 1963 the investment per capita was 23 per cent above the national average. By 1965, under his stewardship it dropped from 23 per cent to 11 per cent. I think, Mr. Speaker, it is well recognized that the most outstanding development in Saskatchewan's industrial complex involves the potash industry. It began under the CCF government, it has been doing well ever since; the concessions which were

offered, and the agreements which were entered into at that time were sufficient to spur the industry at a rapid pace.

I think members will be aware also that the building of the South Saskatchewan Dam and the building of the Squaw Rapids Dam are two of the most important events with respect to the continued development of the potash industry because of the water, and because of the power that will be provided in this way. What was it the Premier said the other day with respect to the importance of water and power to the potash industry? He referred to the magnitude of the demand for water, and he went on a little later to say something about the areas around the South Saskatchewan River Dam as being the future industrial centre of the prairies. Well, Mr. Speaker, I think the Premier and his Liberal colleagues when the attempt to take credit for the development of potash in this province, need not be surprised then when we remind them of the South Saskatchewan River Dam on every conceivable occasion consistently over the years, and that they, Mr. Speaker, the provincial Liberals in opposition, resisted bitterly the capital borrowings which made the Squaw Rapids Dam possible. Well, Mr. Speaker, I think the record speaks for itself.

I think, Mr. Speaker, I want at this moment to turn to one of the most outstanding errors of omission with respect to the performance of the present government. This is in the field of Vocational and Trades training. During its term in office this government, Mr. Speaker, has made public announcements with respect to Vocational Schools at North Battleford, at Melfort, at Yorkton, at Lloydminster, at Swift Current, and Regina. It has also, I understand, committed itself to extensions in the city of Saskatoon, as well as an extension to the existing facilities in my own constituency of Moose Jaw. However, Mr. Speaker, members in this house are also fully aware of the fact that since this government took office no tenders have been let and no money has been spent for this purpose. The members recall full well that \$2,000,000 was taken from the 1964–65 budget, the last CCF budget, money which had been earmarked for this kind of vital service. The present Liberal administration effected a saving by taking out this \$2,000,000.

Inactivity in the field of vocation training, Mr. Speaker, I think especially at this stage in our development is indeed cause for alarm. Even the Premier has become aware of the shortage of skilled tradesmen in a variety of trades. Perhaps some members will recall, much to the amusement of Liberal members in this house, that the Hon. Russ Brown during the 1963 session, I believe it was, pointed out that efforts must be made to turn out an increasing number of skilled tradesmen or face the shortage of skilled laborers in a variety of fields. This was very amusing to the Liberals opposite when they sat in the opposition. But this, Mr. Speaker, has come to pass, and it has found the present Liberal administration sitting on its hands and issuing press releases while ignoring their responsibility to the people of Saskatchewan, and to the youth of Saskatchewan in particular – the youth of Saskatchewan, Mr. Speaker, to whom the present administration likes to pay lip service from time to time. I wish the hon. member for Milestone (Mr. MacDonald) were in his seat, because in moving the Address in Reply, I think it was significant that we heard nothing from him, not a peep from him, with respect to the Department of Youth, for which I understand he has some small responsibility. Members on his side of the house are going to want to hear from him in this respect. We would like to hear from the hon. member about \$2,000 worth, Mr. Speaker.

I think by this time the people of Saskatchewan have become

somewhat accustomed to this kind of Liberal irresponsibility. The desire of the premier to tear out the 29th parallel and be assimilated by our American neighbors is remembered with regret by all Saskatchewan people I am sure, and many Canadians in addition. The absence of Embury House is still and open wound to many who recognized the vital service that was offered to the mentally disturbed. The closing of the Public Works Garage and the decision of the government to withdraw progressively from highway construction, leave the door open for free enterprise to charge what the traffic will bear and leave the government without an effective yardstick to measure the value of services received. Saskatchewan, Mr. Speaker, may lay claim to many records, but the record of the present Liberal regime with regard to irresponsibility and their abrogation of their duty to Saskatchewan people is one which will be remembered from many years to come.

I want to say a few brief words, Mr. Speaker, with respect to the remarks made by the Minister of Social Welfare (Mr. Boldt) concerning the division on services for the aged, which was discontinued by the present Liberal administration during the year 1964 when they took office. Now this division of services for the aged, Mr. Speaker, grew out of the recommendation of the Survey committee on the "Aged and Long-Term Illness" of 17 members, among other, such experienced and notable people in this field as Dr. Fred Heal of Moose Jaw, the Right Rev. P.S. Kinlin of Regina, Nathan Medd, the President of the Old Age Pensioner's Association, Everett Murphy, who is now President of the SARM, Joe Wilkie, Regina City Alderman, representing SUMA, Mrs. Trew, the woman's section of the Saskatchewan Farmers' Union, E.J. Goos of Prince Albert, Dr. Mathew, who is now Director of Social Medicine at the University Hospital, Dr. Roth, who was then Deputy Minister of Public Health and now head of the Department of Hospital Administration in the University of Toronto. Mr. Speaker, the report of this survey was hailed in many parts of Canada as the finest study of its particular kind. One significant statement that the committee reported on reads like this, I want to quote briefly:

Even the immediate needs clearly involve an early and significant increase in public expenditure on behalf of the aged and long-term ill.

Now, Mr. Speaker, the answer that the Liberal government gave was to decrease, Mr. Speaker, the expenditure in this respect. They wiped out the division on services for the aged; they wiped out this, Mr. Speaker, for the purpose of saving dollars. By this process they saved \$54,810 which had been budgeted for the year 1964-65. This the Liberals stopped by stopping plans to provide for improving care for the aged and the long-term ill. To make sure of the saving, Mr. Speaker, they budgeted nothing for this purpose in the year 1965. They reduced staff, also, Mr. Speaker, not only by annihilating the division but also by reducing staff in Geriatric Centers – one less in Regina, three less in Swift current, according to estimates. They reduced the grant to Welfare Agencies by some \$5,000; some of the work of this agency, of course, revolved around the work with the aged. The reduced construction grants for housing for the aged and infirm by some \$200,000, another saving by this charitable Liberal administration opposite, Mr. Speaker.

Another statement from the committee, and I want to quote briefly from page 304 is as follows:

Our major concern is to keep aged people active and independent. To accomplish this goal, problems must be attacked on a broad front with emphasis upon the development of community ancillary programs and services such as

organized home care, homemaker services, day centers, meals-on-wheels programs and volunteer visiting.

Now, Mr. Speaker, this was to be the main responsibility of the division established in 1964 via the CCF and abolished the same year by the Liberals. Later on the committee said and I want to quote briefly again:

The other urgent priority is for the development of the Institute of Ageing. It seems to us that there will be an immediate need for a central agency assigned responsibility to provide consultation, education, information, and co-ordination of activities. Agencies and organizations both official and voluntary, as well as communities are going to need help in the establishment of priorities for development as well as guidance and advice in the setting up of programs and services.

Now, Mr. Speaker, the development of and assistance to, and encouragement of this type of activity were to be the main concern of the division, established, as I said before, by the CCF and done away with by the Liberals in the same year.

There are some reasons why it is accurate to say that the Liberals in abolishing this division sold out the hopes of a large number of aged people for a life more free from fear and more full of opportunities. Yesterday we heard from the hon. member for Rosthern (Mr. Boldt) with respect to some of the apparent reasons for the discontinuance of this division. If I understood what he said, or if I followed what he said, which was difficult, he seems to have been suspected and no one will properly know why, that the appointed director was a supporter of the previous administration. This was the interference that was made. I think, Mr. Speaker, that the minister, the member for Rosthern, (Mr. Boldt) hit a new low in mud-slinging and when he suggested that the only reason for creating the division was to provide a job for Miss Lola Wilson, a salary and an automobile. One would have thought, Mr. Speaker, that even he would have hesitated before reaching into such slimy depths in an attempt to find justification for doing away with the division which I think is regarded by most people as a misguided decision. On the contrary, Mr. Speaker, this kind of accusation rolled off his tongue with the greatest ease. We on this side of the house don't expect an apology from him because it would be meaningless from a person of this sort.

I just want to read to you, Mr. Speaker, some of the qualifications of the lady whom the Minister of Social Welfare (Mr. Boldt) maligned yesterday. Miss Lola Wilson graduated from the School of Nursing, University of Toronto, 1943. She received her certificate in School of Nursing Administration, University of Alberta in 1947. She was Nursing Arts Instructor and Clinical Supervisor at Dauphin, Manitoba. She was Superintendent and Health Director of the Jewish Children's Home and Aid Society for Western Canada in Winnipeg. She was Assistant Registrar of the Saskatchewan Registered Nurses Association in 1949. She was Registrar, Secretary Treasurer, Saskatchewan Registered Nurses Association from 1950 to 1957. She conducted the cost study of Basic Nursing Education Program in Saskatchewan for Centralized Teaching Programs from the year 1957 to 1958. She directed the study of the ageing and long-term illness committee. She was the Director of Division of Services for the Ageing, from which she was dismissed by the present Liberal administration. I believe, Mr. Speaker, that it is recognized that she is a person that had the best qualification of any person in Canada in her chosen field. She was a dedicated person, Mr. Speaker,

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who was familiar with the problems of our senior citizens. Certainly, Mr. Speaker, her qualifications must speak for themselves because they were sufficiently impressive for her to qualify for a responsible position with the federal government in Ottawa.

Well, I think, Mr. Speaker, in terms of irresponsible behavior that the Minister of Social Welfare (Mr. Boldt) probably qualifies for championship honors. His performance yesterday and again today revived the old question which has haunted many of us since the year 1964, and in spite of the Premier's reputation for being somewhat unpredictable the question remains unanswered as to how such a man, so completely devoid of tact, of talent, charm or ability, could possibly have been appointed to the Social Welfare portfolio. More than any other department of government, the Social Welfare portfolio needs the kind of warmth and feeling and sensitivity that the member for Rosthern could never acquire if he lived until he was as old as Methuselah.

Some Hon. Members: — Hear, Hear!

Mr. Snyder: — His appointment, Mr. Speaker, could only have been for reasons of geography, or some equally obscure reason I am sure. But I suppose instead of being critical I should possibly be grateful for the opportunity of following the hon. minister in this debate. It is a rather well established theory on this side of the house that if you have the privilege to follow Boldt, by comparison it is almost impossible to look bad in debate.

Some Hon. Members: — Hear, Hear!

Mr. Snyder: —Well, I just want to make a few brief remarks, Mr. Speaker, with respect so some of the things said by the hon. minister in respect to Saskatchewan Government Insurance Office. In his remarks he sought to leave the impression of great wisdom and soulful sincerity, regarding insurance. Well, Mr. Speaker, it's scarcely a few weeks before the 1966 license plate insurance is due. It is payable in a matter of very few weeks, Mr. Speaker. These rates in Saskatchewan were increased last year and the increases of Saskatchewan rates have already been announced in the Toronto newspaper for 1966, showing flat increases of some ten per cent across the board plus extras. Well, these increases, Mr. Speaker, I am sure must be somehow printed in booklets at this present time. He has been asked to take the legislature and the people into his confidence and let us know something about these increases. I think it is a fair question, Mr. Speaker, to ask why he is deliberately withholding information about the 1966 car insurance rates.

Mr. W. S. Lloyd (Leader of the Opposition): — How about that?

Mr. Snyder: —Mr. Speaker, to a question in the legislature he replied that it is a matter of government policy. The only government policy which is involved, Mr. Speaker, is their political practice of attempting to deceive the people of Saskatchewan.

Some Hon. Members: — Hear, Hear!

Mr. Snyder: —They are afraid, Mr. Speaker, to give the people of Saskatchewan the facts at this time. They are afraid because of

tomorrow's by-election at Bengough. They are not willing to trust the people of Saskatchewan.

Well, Mr. Speaker, I want to say another few brief words regarding the insurance business which was lost by Saskatchewan Government Insurance to a private company, known as Eagle Star Insurance. This wasn't mentioned by the member for Rosthern (Mr. Boldt) a short while ago in his learned remarks. But according to press reports the successful bidder tendered \$11,707 while the Saskatchewan Government Insurant bid \$41,642, Mr. Speaker. Well, the difference in these two bids appears to be so great that it would appear that something outside the realm of ordinary business practice entered into the picture. Over the years, Mr. Speaker, it has been generally recognized that the cost of administration of the Saskatchewan Government Insurance has been somewhat less than for private insurance companies. I think, therefore, it seems clear that if the management of SGIO did not deliberately bid themselves out of this contract, then the private company, Eagle Star Insurance, secured the contract at a figure far below that at which they can successfully operate their insurance business. I think, Mr. Speaker, that people with an inquiring mind are going to be asking the reason why.

Well, the minister in charge of Saskatchewan Government Insurance is full of all these answers and he is reported to have stated that these "bargain rates" that we have been getting have been as a result of a decision of this Liberal government to open crown corporation bids to competition. This is his pat answer. But I think, Mr. Speaker, that a slightly different way of expressing this would be to say that if the government had not been in the insurance business at all, then it is unlikely that any private company would have been offering any "bargain rates". There would have been no reason to offer any special inducement to "walk into their parlor". Transactions of this kind, Mr. Speaker, I think it is agreed, require close observation. In view of the record of the government and their professions of faith, there seems to be good reason to believe that these weird transactions are intended to condition the general public for the day when the government will abdicate the insurance field in favor of some of these Liberal benefactors from whom we are supposed to be getting these "bargains". I suppose at the same time the Premier might add to his laurels as "Salesman of the Year". A transaction of this kind, Mr. Speaker, by a Liberal government would hardly represent a departure from traditional attitudes. The members will all recall that a former Liberal administration set up a Power Commission in the year 1929 and at the end of 15 long years they had placed power on 137 farms, leaving the field completely open to private enterprise.

I want also before I conclude my remarks, Mr. Speaker, to draw attention to some of the discoveries which have been made by members opposite since they moved over to your right hand. Members will recall the cries of doom that arose from opposition on benches when the CCF government was charged with the responsibility for the loss of farm population, although at the same time members will recall we had two of the fastest growing cities in the whole of Canada in the city of Regina and Saskatoon. After becoming Minister of Agriculture, the Hon. A.H. McDonald, apparently undertook to diagnose this particular case and he seemed to feel that he had got to the root of the trouble. When addressing the Agriculture Conservation and Improvement District no. 8 as reported in the December 9th, 1964 issue of the Leader Post, Mr. McDonald stated and I quote him:

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The greatest problem facing agriculture in this province today is the exodus of farm families and there is no indication of the trend slackening off.

Well, he went on to say a little later, Mr. Speaker, and he is reported in the Leader Post as having said:

Saskatchewan farmers are not good farmers but land miners trying to make a living with as little effort as possible.

I think it is interesting, Mr. Speaker, to make note of the official Liberal opinion of Saskatchewan farmer. Mr. McDonald went on to explain to his audience how they could again become good farmer by working hard and raising between 450,000 and 475,000 hogs a year, and he said that he hoped there would be a minimum of 1,000,000 hogs raised by the year 1970. Well, I think it is most interesting, Mr. Speaker, to see here before us the panacea for all of the problems of agriculture as described by a former minister of this house.

Having considered then, Mr. Speaker, the official Liberal opinion of Saskatchewan farmers, it might be worthwhile to look for a moment at the official Liberal opinion of Saskatchewan labor. The member for Prince Albert (Mr. Steuart) on January 6th of this year provided further evidence of his irresponsibility, as quoted in the Times-Herald when he said and I quote him:

The NDP and the labor boys have taken over control of the old CCF lock, stock and barrel; these union organizers will tell you anything – lies, half-truths; they will twist and turn the facts any way to suit themselves. I warn you not to believe them, even if they are saying the Lord's Prayer.

Well, Mr. Speaker, thus spoke an hon. minister of the crown, the Deputy Premier of the province of Saskatchewan, at the Bengough Liberal nominating convention, a short while ago. I am wondering, Mr. Speaker, if this is what is regarded as conducting a campaign, in Liberal circles, on a high intellectual level. I expect, Mr. Speaker, that his may be considered to be a clever pitch to a predominantly rural audience, but I expect also, Mr. Speaker, that this gutter style of politicking will be as offensive to informed Conservatives and informed Liberals as it is to those of us who represent the CCF-NDP party in this house.

Members of this house and the people of Saskatchewan are very much aware of the fact that our political party is controlled by the membership by means of annual conventions where policy decisions are made in a democratic manner by elected delegates. Perhaps, Mr. Speaker, at some future date, when the Liberal party has had the good fortune of shedding itself, or divorcing itself from influence of pressure groups and from the influence of such notables as Lucien Rivard and Hal Banks, then it may at some time lay claim to some semblance of democracy within the party. In the meantime, Mr. Speaker, I think the people of Saskatchewan will regard with scorn the kind of shoddy political maneuvering entered into by the member from Prince Albert.

I think it might be fitting also to remind the hon. Minister of Public Health that his own marginal victory in Prince Albert in 1964 may indeed be attributed to the fact that at last count he probably enjoyed some support from the trade union members in that city. His contempt for those who work for wages and bargain collectively with their employer will not go unnoticed.

Mr. Speaker, it would appear that everyone outside of this government is out of step, something like the old lady watching the parade and deciding that everyone except her son John was out of step. We have been told what the government thinks is wrong with the Saskatchewan farmer. We have had the official Liberal opinion as to what this government thinks is wrong with labor. If we now turn to an editorial in the December 11th issue of the Leader Post when the Leader Post was supporting the Conservatives, we find an editorial called "The Public Perplexed" and there we find what this government considers is wrong with their federal Liberal colleagues. The editorial states:

The general public cannot be other than bemused over the postmortems at the Liberal provincial convention into the poor showing of the party's candidates in the November 8th election. 'Our organization was deplorable' the Premier declared.

Well, the editorial also, Mr. Speaker, quoted Senator A.H. McDonald as uttering the amazing declaration "that if you want to win you'd better have \$250,000 or \$500,000 to spend or you won't elect anyone". The Premier and Senator McDonald have both been quoted as accusing the federal Liberals of not living up to their promises. I think many people will wonder where these two gentlemen have been all these years if they have not learned that the Liberal party has a record for not living up to their promises. The promise of \$2 wheat was just another item to be taken with large quantities of salt.

Former Agriculture Minister, Harry Hayes, speaking to the Alberta Farmers' Union told that group that the promise of \$2 wheat was "just a silly promise dreamed up by Hazen Argue and that it was not in their best interests". The editorial agreed that the Liberal organization was deplorable as stated by the Premier and it went on to ask "who is to blame?" Immediately the election writs were issued, statements by provincial Liberals indicated that Mr. Thatcher and his organization had entered the fray in support of the federal Liberals. Well, Mr. Speaker, it may be that the Premier's entry into the federal election campaign may have been the kiss of death to the Liberal party.

I think the November issue of the commentator carries an exceptionally interesting pre-election survey of Saskatchewan by Donald Gordon, in which it states:

Machinations by the power-hungry Liberal Premier, Ross Thatcher are blamed for the loss of at least two sure Liberal seats in the province. By interfering with the selection of candidates, say party insiders, Thatcher blocked men with enough personal appeal to unseat reigning Tories. Lacking topdrawer candidates now, the Federal Liberal organization is said to have virtually written off the province.

Now, Mr. Speaker, I want to address a few concluding remarks to the top drawer members of this government. Before a doctor can hope to successfully treat a patient, he must first be able to diagnose the case. If members opposite believe what they say, then they do not understand the farmer or the farmer's problems. If they believe what they say, then they do not understand labor or labor's problems. They apparently do not understand nor do they agree with their colleagues in the federal Liberal party. Finally, if they believe that they can put publicly owned industries, which have been providing a service at cost for the people of Saskatchewan, on the auction block for the benefit of their

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free enterprise friends, then they have yet to learn, Mr. Speaker, that they do not understand the people of Saskatchewan. For the reasons I have outlined, Mr. Speaker, it will be my obligation to vote against the motion. I will be supporting the amendment.

Some Hon. Members: — Hear, Hear!

Mr. A.R. Guy (Athabasca): — On rising to participate in the Throne Speech debate, I wish first of all to welcome our colleague from Moosomin. His victory was another nail in the Socialist coffin. I would like to congratulate the member from Wilkie on his appointment to the cabinet since we last met in this assembly. He strengthens an already strong group of men dedicated to the eradication of socialism.

To the mover and seconder one can only say congratulations on a job well done. Their speeches were a fine complement to a Throne speech that omitted the pompous verbiage of Socialist speeches and breathed freedom and action for the people of Saskatchewan. If it is true what they say on the other side of the house, that if you follow the Minister of Social Welfare (Mr. Boldt) you can't look bad and the member from Moose Jaw (Mr. Snyder) who just took his seat, certainly proved the fallacy of that today. No one has ever looked worse in this house. He gave his usual typical speech, anti-American, great concern for the union members who are not being allowed to politic on the job, but no great concern for the union member who is forced to pay political dues to the NDP part when they are not of the NDP persuasion. If they refuse to do that they lose their jobs. He didn't say anything else worth commenting on today, so we will leave him for some of our other members to tear apart. It won't be hard.

I'm sorry that our lone Tory member isn't with us this afternoon, but I suppose he is down putting the finishing touches to his campaign in Bengough. But I wanted to congratulate him on getting off to a better start this year than he did last year. In fact, I hesitate, in view of his expressed statement and admiration for the Liberal record and their legislative proposals, to criticize him for anything he said that was not according to the facts.

He thanked the NDP for giving him 15 minutes of radio time. We wish to thank them also. In fact we regret they didn't give him 30 minutes so he could have helped us twice as much. His recommendation for a government mutual fund certainly shows his great faith in our Liberal administration of this province. He must remember, however, as must other members on that side of the house, that such a fund would only be successful as long as there is a Liberal government. Perhaps that is why he is out helping us in Bengough at this time. I had an interesting experience Saturday when I happened to be in Bengough. I had the task of visiting the few misguided Tory voters who had supported the Conservatives in 1964. I was pleased to hear how glad they were with the Liberal government that had taken over from the Socialists and were doing such a good job, and they were certainly going to support this government at this time. There was only one hesitation. While they were pleased that we had actually got a pulp mill, particularly on our first announcement, they showed some concern over the fact that we made a substantial guarantee to the company. They admitted that Alvin Hamilton had visited them and told them this wasn't too good. So I asked them if they thought that Alvin knew more than their provincial leader. Now, this was an embarrassing question, I could see, because they had some doubts about both of them. But they rose to the occasion and said, "I think Martin

should know more about province politics than Alvin”.

I agreed with them and showed them Saturday’s newspaper where it is reported how their leader had criticized our Premier for accusing a former Socialist government of guaranteeing loans to industry when he was now doing it himself. But the hon. member for Arm River ended it up by saying his own stand hadn’t changed. He supported the government of the day on each occasion.

As soon as the people we were talking to saw that their own province leader was in support, they said they had no other doubts about supporting the Liberal party in the Bengough election. In fact one of them rushed to the phone and phoned the candidate to let him know that Alvin and the other Tories down there from Ottawa were wrong and that the Liberal party and Ross Thatcher were right.

Now the member from Hanley (Mr. Walker) was his usual verbose self, and I’m sorry that he is not in his seat. Although after his speech of the other day, we wouldn’t miss him much if he never showed up again in this house. He started off in his usual way attacking the press for giving more space to the Premier than to the Leader of the Opposition (Mr. Lloyd) on what he called an opposition day. (Whatever that might be). But I can only congratulate the press for their astuteness in recognizing that the Premier said more in 15 minutes than the Leader of the Opposition said in an hour and a half and wrote accordingly. As I wondered if this was a general practice of the press to write copy in accordance with the importance of what is said, I looked up Saturday’s final edition of the Leader Post to see what was written about the 35 minute speech of the hon. member from Hanley that we listened to on Friday afternoon. It wasn’t even mentioned, so again I must congratulate the press for their astuteness.

After suffering through another two hours yesterday, I realized that the worst malady that could ever happen to the member from Hanley would be to lose his hearing so that he wouldn’t be able to hear himself talk. Our pompous self-centered member from Hanley went on to lecture us on the democratic rights of the legislature. It sounded rather strange coming from a member whose observance of legislative protocol has been the worse of any member on that side of the house. And it was particularly strange when only a few weeks ago his federal leader suggested that elections were no longer needed if the government should happen to be defeated. Certainly this is not in keeping with democratic tradition on which our heritage is based, and shows only what would happen to the democratic process should an NDP government ever be elected to Ottawa. It would be the end of free elections as has happened in all Communist countries.

It appears our member for Hanley is still reveling in his by-election victory. Although he was re-elected in the by-election, he should be thankful that the NDP party were not returned to office, for had they been elected in 1964, one Attorney General would have disappeared into oblivion. His survival, as was well known, depended on his handling of a very important case which he started in direct opposition to the wishes of the former Premier, T.C. Douglas. His fumbling and bumbling of this case which cost the taxpayers of this province thousands of dollars would have ended his career of Attorney General had the NDP been re-elected. So his appearance here today is only because the Liberals formed the government.

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I would think too that he would not wish to discuss election irregularities and by-elections since he was the minister responsible for an unworkable Election Act that the NDP used continually for their own benefit. Thank Heavens we will never have the same situation occurring under a Liberal government as occurred after the last province election.

I have been amazed over the past year at some of the speeches that have been made across the province by members opposite. Most of which were repeated by their leader the other day in a dreary and long attempt to take the edge off a brilliant Liberal platform for the future as was outlined in the Throne Speech. Their bitterness over their defeat is still evident, and envy and jealousy permeate their speeches to the extent that they quite often let these feelings overcome their better judgment. When the Socialist bubble burst they were saturated by the dregs of a system that had failed miserably. They are now making feeble attempts to recreate a Socialist plan for Saskatchewan. Fortunately for us, they are building it on the same base from which they tumbled, with the same doctrines, same promises that we heard voiced for the 20 years they were in power.

They are already starting to assume that the people in Saskatchewan have forgotten their failures, their bureaucratic actions and practices which often bordered on the edge of propriety. So as they criticize, they are now suggesting that everything they did was right and everything we do is wrong. Therefore, I think it would be wise, in view of the fact that people do tend to have short memories, to remind them of the Socialist method of doing things and how this method was responsible for ruination of our province and the wasting of 20 years of our heritage. So I propose to use a few comparisons only of how the Socialists carried out their plans and how the new Liberal government is carrying out theirs. I hope the new members on the opposition side will pay attention as it is probably true that they are not even aware of the manner that their former colleagues operated. This could be quite a revelation to them.

First of all the Liberal government is dedicated to a system that is known the world over and has brought the highest standard of living of any system that has ever been tried, the system of free responsible enterprise, a system that can only be operated in a democracy where individual action is encouraged.

The Socialists still are enslaved by a system which started out as Marxian Socialism but was gradually changed in this province to Douglas Socialism, which was nothing more than whatever was good for Douglas and his colleagues must be good for Saskatchewan. The provision of services, employment practices, and budgeting were in direct proportion to a person's loyalty to the party, and the political mileage that could be obtained. Political gain always overshadowed the public good.

With the departure of Douglas, his system collapsed because there was no leader available with the qualities to hold together a system built on patronage, bureaucratic control and compulsion. Tommy's main attribute was to say one thing and do the opposite while still keeping a smile on his face. He appears to have taken this habit to Ottawa with him for the newspaper report appeared in the Leader Post on November 18th, where it said, "T.C. won't rush to unseat government". It continued:

The New Democratic Party has no intention of trying to promote an early election or an early defeat of the

minority Liberal government. We will take a position that will give the Liberal government enough time to present its program.

What party first introduced a non-confidence motion in the government? It was the New Democratic Party under their leader T.C. Douglas. He couldn't be trusted in Saskatchewan and he can't be trusted down there in Ottawa. Unfortunately for the NDP their leaders no longer smile. Probably due to the fact they have nothing to smile about. After all, no one likes to be left holding a bubble about to burst.

I do not wish to repeat what has already been said about taxes. It is obvious that the Liberal government have kept their promises and will continue to do so while the NDP, when in office, did just the opposite. They promised to remove the sales tax but instead it was increased from two to five per cent. They promised to provide free hospitalization, but it was increased steadily from \$5 to \$24 per individual although it would fluctuate before and after elections. They seem to take great delight in reminding the people of Saskatchewan that the Liberal government returned the medicare tax to what it was under the NDP. What they failed to add, of course, is that when we did this, we reduced the sales tax and made several other tax reductions. I can remember well when the NDP raised the tax in 1962 to what it is today, they also raised the income tax six per cent and the sales tax by one per cent.

Now, we would have thought after the miserable failures of Socialist crown corporations that this was one dead horse they wouldn't want to revive, but every so often one of the members opposite gets carried away and suggests that some aspect of our industrial expansion should be done by a crown corporation. Their record in this regard is clear and I have no intention of repeating it. The sooner the people of this province are allowed to forget the thousands of dollars of public money wasted in the fuzzy-headed dreams of woolen mills, shoe factories and tanneries the better it will be. About the only successful enterprise the former Premier Douglas started was a little enterprise called Theatre Under the Stars which was mentioned earlier this afternoon. This flourished for a time with considerable government assistance; but since it shoed a profit, a few of his friends kept it for themselves, although it became so embarrassing that Douglas and Fines had to transfer their shares to a not so prominent individual. It just goes to show that even a smart Socialist can succeed in Canada's free enterprise system.

Now, we have heard a great deal from members opposite about the give-away of natural and mineral resources. The MLA from Weyburn, the MLA from Regina West, both down in the Bengough election, made substantial speeches about our government giving away our natural resources. The member from Regina West said that "The first example of giveaways was oil". I am surprised, Mr. Speaker, that the member opposite had the audacity to even mention the word oil at all on a political platform, in view of their record. Who did the Liberal government sell their oil to? They sold it to reputable oil companies who are prepared to spend millions of dollars bringing new fields into production for the benefit of Saskatchewan people.

But to go back a few years. Who did the Socialists sell their oil to? They sold it in under-the-table deals to companies like Gulf Securities set up by CCF friends of the government who received large tracts of land for less than a penny an acre, turned a quick buck and disappeared just ahead of the law with no benefit to anyone. To the credit of our Liberal government all sales are

negotiated above the table and there is none of the odor of CCF scandals and under-the-table dealing to be detected.

Some Hon. Members: — Hear, Hear!

Mr. Guy: — Speaking of odors, one strong NDP supporter in Prince Albert, when he could think of no legitimate reason for opposing the pulp mill, finally said, “We don’t want it because the smell from the factory will pollute the air”. I had to remind him that the smell from this \$65,000,000 project will be a fragrance sweet compared to the smell that remains from the pulp mills the NDP announced at regular intervals but never came.

I do not intend to go into any further comments regarding the details of this massive achievement of the Liberal government. The Premier did a good job when he spoke the other day and the Minister of Natural Resources will no doubt be commenting on it also. But I do remember, however, that the member for Kelsey last year made a brave statement when he said “I know why they are not getting a pulp mill”. So, I hope in his remarks this year that he will know a little more than he did last, and his knowledge of future happenings will be just as correct. I also want to go on record as saying that I am 100 per cent in favor of this pulp mill as it will be of tremendous benefit to the people of my constituency. For that reason I am amazed at the member from Cumberland (Mr. Berezowsky) and the member from North Battleford (Mr. Kramer) opposing such a development. I am sure they are not speaking on behalf of their constituents, but are speaking out of frustration and envy of our success and their repeated failures. I am not surprised at the erroneous statements being made by the member for the Battlefords (Mr. Kramer) for when he was Minister of Natural Resources he was always negotiating for a mill but never getting anywhere. This was due mainly, I suppose, because he never spent enough time in the legislature or his office to find out what was really going on, and his record here so far this session, is even worse than it was before. I want to comment at this time, Mr. Speaker, on the fact that the hon. Mayor of Regina, (Mr. Baker) is certainly making a great attempt to put in a little better appearance this year than he did last year and I think that he should be commended on it.

Hon. D. Steuart (Minister of Health): — He’s more comfortable here, he’s having a bad time at City Hall.

Some Hon. Members: — Hear, Hear!

Mr. Guy: — Now, the member from Cumberland (Mr. Berezowsky) is his usual entertaining and amusing self. His Socialist instinct, of course, opposes a free enterprise industry, but his desire for political survival places him in an embarrassing position. The result was shown in his address to the Cumberland Executive as reported in the Prince Albert Herald of December 13th. He starts out addressing his executive and he refers to the “all-out-give-away of timer resources”. But then in the next paragraph he goes on, he said:

But I am pleased that the private enterprise Liberals are using public credit to the extent of \$50,000,000 to establish this urgent industry. However, it is tragic, that Thatcher deal is of give-away.

Then he went on, and he charged that this deal is nearly as odorous

as the sale of public assets of Saskair to NorCanAir. Then he goes on and he says "Only the urgency of trying . . .

Mr. W.J. Berezowsky (Cumberland) — On a point of privilege. I would like to know where the hon. member is quoting from.

Mr. Guy: — Mr. Speaker, I am quoting from a press clipping that appeared in the Prince Albert Herald, December 13, 1965.

Mr. Steuart: — Are you ashamed of it?

Mr. Berezowsky: — No.

Mr. Guy: — . . . only the urgency of trying to win an election could have induced the Thatcher Liberal government to invest such insidious gimmicks at such great cost to the taxpayers.

And then his concluding little message to his executive was:

I hope the mill is built forthwith because reports indicate all over supply of pulp wood at present.

Clearly between the devil and the deep blue sea, his own Socialist thinking and his own political survival. It is unfortunate, however, that the member's colleagues do not agree with his pleasure over our extension of credit to the company even though they would have done the same. However, here again the NDP have short memories. While we are guaranteeing 70 per cent of the total cost, the NDP government guaranteed 90 per cent when they guaranteed \$14,500,000 of the \$16,000,000 investment of Interprovincial Steel and Pipe. But they also forget another aspect of that deal which left a rather strong odor across this province. Today they say they are concerned about the public of Saskatchewan being short-changed but they showed no concern when hundreds of Saskatchewan residents bought shares of Interprovincial Steel and Pipe for \$5.40 and saw them fall rapidly to \$1.50. And it was only the result of the new industrial climate of Saskatchewan that the shares today have reached their original level.

Some Hon. Members: — Hear, Hear!

Mr. Guy: — Nor did they show any concern when friends and relatives of former cabinet ministers bought these same shares at \$0.60 while the public were paying \$5.40 for them. These were the scandals that the former government could never adequately explain. I can assure the public of the province that the Liberal government had no deals like this with the pulp company.

Mr. J.H. Brockelbank (Kelsey): — Mr. Speaker, on a point of order. If the hon. member has any charges to make, let him make them. He didn't make any charges, he just shoveled a little stuff around, but if he has any charges to make about any wrongdoing in regard to IPSCO, let him make them. Otherwise, let him keep quiet, because it is quite improper to insinuate in regard to the character of members of this house.

Mr. Guy: — It is quite obvious, Mr. Speaker, that the member from Kelsey, (Mr. Brockelbank) does not know the difference

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between legal right and moral right because I don't suppose he has any morals . . .

Mr. Brockelbank (Kelsey): — Mr. Speaker, I would ask that the hon. member withdraw that remark.

Mr. Speaker: — Will you withdraw that statement?

Mr. Guy: — All right, I will withdraw it if it will make the elderly gentleman happy.

Mr. Brockelbank (Kelsey): — It isn't to make me happy, Mr. Speaker, it is because it is improper.

Mr. Guy: — The truth, Mr. Speaker, is that members of the government and their friends purchased shares of Interprovincial Steel and Pipe at \$0.60.

Mr. Brockelbank (Kelsey): — Mr. Speaker, I must rise again on a point of privilege. This is not the truth. He is wrong, he has no proof of this whatsoever.

Mr. Guy: — Mr. Speaker, this is the truth, these were available for friends of the government, and the public paid \$5.40 . . .

Mr. A.M. Nicholson (Saskatoon City): — Mr. Speaker, I rise on a point of privilege. The hon. member has made charges which he must either prove or withdraw and I submit that you offer a ruling on this, Mr. Speaker.

Mr. Brockelbank (Kelsey): — Mr. Speaker, this is completely out of order. When the member states that these things have been done in this fashion, and to deny that he has no proof of this at all, no evidence, I would suggest that the member had best withdraw the remark.

Mr. Speaker: — My understanding of the situation is that the member must not make any personal imputations, and if I heard correctly, the remarks that were made were general remarks.

Mr. Lloyd: — Mr. Speaker, on the ruling. When he says members of the government he refers personally to a large number of us over here, I, as one member of that government, say that the statement is untrue. If it is directed in any way against myself, then my other colleagues can make the same statement, the statement is false and is a personal statement.

Mr. I.C. Nollet (Cut Knife): — Mr. Speaker, I want to register an objection and ask the hon. member, because we are involved and under a cloud, to give us the names of the government members who bought shares in order that my name may be cleared, Mr. Speaker.

Mr. Guy: — Mr. Speaker, if the hon. member for Cut Knife (Mr. Nollet) and the hon. member for Biggar (Mr. Lloyd) were unsuccessful in

getting into this little game that was being played . . .

Mr. Lloyd: — Mr. Speaker, on a point of privilege, some of the hon. members over there find this greatly hilarious. I am surprised at some of them. On a point of privilege, may I say that this kind of a snide statement is by no means satisfactory to the rules of this house, or to me personally.

Mr. Speaker: — Again I say that if the hon. member was accusing any individual, or members personally, if he did this then he has to withdraw the statement. If he made a general statement, then he has the liberty to do that and other members have the privilege of denying a general statement just as they have anything else.

Mr. A.M. Nicholson (Saskatoon City): — Mr. Speaker, with due respect, I must challenge the ruling that you have now given, because in parliamentary procedure, a charge such as the hon. member for Athabasca (Mr. Guy) has made, places all members of a former cabinet under a cloud. It is quite out of order, and must be withdrawn according to my understanding of parliamentary rules.

Mr. Speaker: — I will have to ask the hon. member to clarify the charge, that is the statement as he thought the member said it, or else I will have to have time to peruse the transcript in order to see what was actually said, one way or the other.

Mr. Guy: — Mr. Speaker, in order to facilitate the work of this house, I will withdraw any imputation against any of the members opposite. I did make a general statement, and I will continue to make it, that there were shares available to \$0.60 which the general public did not have the opportunity to purchase and that to my knowledge these were being purchased by friends and relatives of the government.

Mr. Nollet: — Prove your statement. Again the hon. member has made a charge, vague as he has tried to make it be. He has nevertheless made a charge which is a reflection on every one of us and he should either back up that statement in an unqualified manner or withdraw it completely.

Hon. D.V. Heald (Attorney General): — Mr. Speaker, on a point of order, with every deference to my friend, the member for Cut Knife (Mr. Nollet) he has said friends and relatives of members of the government. He has not clarified the position, he is not making any charges against those of you who are members of the former government. He is talking about the friends and relatives of the members of the former government.

Mr. Brockelbank (Kelsey): — There were no shares available to friends and relatives and so forth, of the government, at \$0.60 a share, anything like that. This is completely untrue, a complete fabrication that the member is giving us. The only people who got this were the promoters of the company, which was Sharp and so on.

Mr. Guy: — They were no friends . . .

Mr. Brockelbank (Kelsey): — No, they were people from outside, we never say them before, they came in to do this. But that isn't the point at all, to say they were friends, it is degrading, very much Sir, of the legislature in this day and age to have this kind of stuff thrown about.

Mr. A.E. Blakeney (Regina West): — Mr. Speaker, the difficulty with this sort of allegation by the member for Athabasca (Mr. Guy) is that, of course, people may well have got shares for \$0.60, and, of course, they may, in fact, be friends of some sort of the members of the government, for all I know, of the opposition, for all I know, Mr. Turby, or Mr. Sharp, or any other sponsors of the project got share for \$0.60. I am not saying that these people were enemies of the people opposite. They were acquaintances and one might well say they were friends in one sense of the word. But when you couple it with relatives and then suggest that somehow some member got directly, or indirectly, some profit from it, then this is the statement to which we take objection. If the member from Athabasca (Mr. Guy) will assure this house that he was not imputing any member of the government got any profit, direct, or indirect, from the purchase of these shares, then fine, anybody may have gotten them for any price. But if by this imputation he is suggesting that some member of the government, directly or indirectly, got some benefit improperly, then I suggest he ought to withdraw.

Mr. Guy: — Mr. Speaker, that was not my intention to suggest that any member of the government made any profit, or not, except that all I am saying, I made my point, I believe, that when they handled their large industrial projects they are always talking about, there were some questions as to the propriety as to the manner in which they did it. I think that the people of Saskatchewan know, particularly those who bought the shares at \$5.40, and saw the others getting them at \$0.60.

Mr. Nollet: — Mr. Speaker, on a point of order.

Mr. Guy: — Oh, sit down.

Mr. Nollet: — Again, I am saying the hon. member has not withdrawn his original imputation. He is trying to talk around it, but he has not withdrawn it.

Mr. Guy: — I withdraw it to the extent that the hon. member from Regina West requested. Now if you want to go and hold a caucus, let us know but get together on it.

Mr. Nicholson: — Mr. Speaker, I ask again for your ruling, as to whether it is correct for an hon. member to accuse members of a former cabinet of the charges made initially by the member for Athabasca.

Mr. Guy: — The hon. member from Saskatoon (Mr. Nicholson) should sit down and wake up, I withdrew those remarks fifteen minutes ago. Now I can't help wondering . . .

Mr. Lloyd: — Mr. Speaker, on a point of order, again, I am not at all clear . . .

Some Hon. Members: — Hear, Hear!

Mr. Lloyd: — Well, of course one doesn't have to be very clear to catch what is being meant over there. But I am not at all clear in my mind that the member has withdrawn the deliberate imputation that somehow members of the previous cabinet got in an improper way some kind of gain out of this transaction. It seems to me that the member has hedged his withdrawal in too many ways to be satisfactory either to the rules of this legislature, or to those of us who were personally involved in government at that time.

Mr. Speaker: — I thank the hon. Leader of the Opposition (Mr. Lloyd) for his statement that he is not quite clear. I have to agree that I am not quite clear on it either, and I would ask the indulgence of the house to send for the transcript in order to see what has been said. When I see the transcript and read what has been said, I will take it up from there, on the basis of exactly what is in the transcript.

Mr. Guy: — I can't help wondering what the member for Cumberland (Mr. Berezowsky) calls a deal when shares fell from \$5.40 to \$1.50, when he called Anglo Rouyn's development a promotion to fleece the public when their shares climbed from \$0.14 to \$1.70. In fact I looked up his exact statement in this regard when he said on page 244, volume I last year's Debates and Proceedings . . .

Mr. Berezowsky — Tell us about the assets.

Mr. Guy: —

Now you can't tell me that if I invest \$1.70 as the shares are now, I would get my money back. My people are going to lose their shirts.

Of course, he was partly right, Mr. Speaker. If they were to sell their shares today they wouldn't get \$1.70 back, they would get \$2.80. A nice way to lose your shirt. I am afraid, Mr. Speaker, that members opposite in their envy and jealousy of our success allow their hopes to superimpose their better judgment with the result they are only making fools of themselves. It appears that Stanley Knowles has a perfect understanding of the people in his party. It appears more and more each day that the NDP is a double policy party. Policy for opposition, policy for government. Policy for government was to increase taxes and reduce services. As the former Premier said, it should be a privilege and a pleasure to pay taxes to a Socialist government.

Now, Mr. Speaker, I would like to turn to something else. You will recall during the last session the Indian and Metis Branch was set up. At the time the people sitting across the way, while they did not dare oppose it openly, talked against it, but when it came to standing up and voting for it they knew they had no choice. Now during the Budget Debate I wish to comment more fully on the accomplishments of this branch. Today I only wish to say that we have accomplished a great deal when you consider the amount of opposition that has come from our friends across the way in trying to destroy the work of this branch. You will recall during the last session when the legislation was before this house to establish the Indian and Metis Branch, the members opposite talked against it but supported it. On the same day that the bill was approved in principle, an announcement appeared in the daily

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press that students from Canadian universities were coming to live on Saskatchewan reserves and in Metis communities during the summer. At that time no one could find out who was initiating this project, but the report from Toronto had come from the Student Union for Peace Action which was formerly the Canadian University Campaign for Nuclear disarmament, which was nothing but a communist front organization. I can't help but notice that our MLA for Hanley (Mr. Walker) and others are not wearing their Nuclear Disarmament buttons this session. In spite of a negative reaction from Saskatchewan Indian and Metis communities, they continued their plans to invade the reserves during the summer months.

The questions that needed answers at that time were:

Who in Saskatchewan were supporting this project?

Why were Toronto students coming to Saskatchewan when so many Indian and Metis communities had similar conditions in Ontario?

Why were they coming just when the new Liberal government was taking positive steps to relieve the distress of these people?

Why did they not come earlier during the Socialist regime when their problems were being ignored?

What were the motives behind this project?

Well, it took some time to find the answers but eventually the picture clarified. The answers were found in a report put out by the students who formed the Student Neestow Partnership Project. A few quotations from this report will prove quite illuminating. The answer to who in Saskatchewan was supporting the project appeared on the first page of this report. It mentions that from February 22nd to 25th, 1965, The Canadian Union of Students on Saskatoon Campus sponsored a study week on the status of the Indian and Metis in Canada. Some students and non-students had talked for sometime of setting up a project. During the last two days of the C.U.S. week, mainly at the initiation of John Conway and Jim Harding, such an idea was thrown open for discussion. Now, who is Jim Harding? According to the Leader Post of February 5th last he was the president of a group planning a march on Ottawa to protest the war in Viet Nam, the group being the New Democratic Youth of Saskatchewan, the youth arm of the NDP. Now checking further we find also that Jim Harding was a defeated NDP candidate in Saskatoon and a former organizer of the Nuclear Disarmament Club. Who is John Conway? He was the leader of the campus NDP party and the unsuccessful candidate to succeed Jim Harding as president of the New Democratic Youth. Another name was mentioned that should mean something in this house. It said the project was tentatively organized mainly with the help of Jack Ems. Now this should be answer enough as to why the project was started and the relationship with the NDP opposition in this legislature. The report goes on to show that Jim Harding went down to Toronto to talk to his friends about this project, and I suppose it was coincidental that his visit to Toronto coincided with a student demonstration in front of the American Consulate about Selma.

After he came back he spent a few days in May with an Orientation Conference to indoctrinate the five students from Toronto and the five from Saskatchewan who were selected for this project, the indoctrination being the best way to embarrass the Liberal government of this province. From this conference they moved into their positions on reserves and in Metis communities throughout Saskatchewan. During the summer they gathered several times to discuss their progress. At one of these meetings the motive behind the project began to evolve when one of the students who participated at one of the evaluation meetings said some project people are this beginning to think in terms of political and social change, not in the conventional political way, but in the direct

action way that has been developing throughout North America notably in the Civil Right Movement. They see the need for independent political action. The fact that the majority of these students who are from outside the province had former experience in participating in, and organizing civil rights marches throughout Mississippi and the southern states, shows why the motive for this group was one of political action and agitation. As mentioned by one member of the group after an evaluation meeting, he went back to the field excited and ready to approach as an agitator. Another student wrote about a freedom school where political power and civil rights would be discussed. A final student spoke of being preoccupied with the politics surrounding the project.

By fall most of the students had left their areas, after being either kicked off by the Indian bands, or leaving on their own accord when they knew they were not welcome. Unfortunately, however, the community of Green Lake being a Metis community could not force them out, unwanted as they are. They have spent the summer and the winter sponging off the meager resources of the people living there, while urging them to oppose any government action for their improvement. This is too bad, for only the people of Green Lake will suffer; and when the agitation is over, these parasites will return to the good life from which they came. It must be made quite clear to the people of Green Lake and to other communities who might get involved with these students that, as a government, we cannot work together with a group supported and indoctrinated by Jim Harding and our friends opposite who are dedicated to our down fall. Sp until the people of Green Lake and other communities kick out these Communist interlopers who for the most part are ignorant of Indian problems and filled with one aim of creating dissension and unhappiness among underprivileged groups, we can do little to help them. The relation of our friends opposite to this project is obvious and will be held to their everlasting shame.

Mrs. M. Cooper (Regina West): — On a point of privilege, Mr. Speaker, I don't think this speaker has any right to speak of people as Communist agitators until he can prove it. I would suggest that he better withdraw.

Mr. Heald: — On a point of order, we listened for two hours yesterday to the member for Hanley (Mr. Walker) who is not in his seat, deliver a vicious and unprincipled attack on one of the leading lawyers of this province, the past president of the Law Society of Saskatchewan. He want' here to defend himself either but I think when you get to a point of privilege, that is an allegation against someone who is not in the house, it is not irrelevant to the proceedings to complain about something that is said about somebody who is not here. The hon. member from Hanley (Mr. Walker) talked for one hour and a half yesterday, attacking in a most vicious manner the former President of the Lay Society, attacking his integrity and nobody over there stood up to defend him.

Mr. W.G. Davies (Moose Jaw City): — I would like to point out that the Attorney General (Mr. Heald) sat in his seat and made no remarks yesterday when the member for Hanley (Mr. Walker) was making his speech. That was the time for him to say something about it.

Mr. Heald: — The point is that it wasn't the time.

Mr. Speaker: — ORDER, ORDER! The member from Hanley (Mr. Walker) has

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made his speech, that's not under discussion. The point of order was raised by the lady member for Regina west (Mrs. Cooper) in regard to a statement made by the member from Athabasca (Mr. Guy). If the member from Athabasca makes statements of this kind he has just made he makes them on his own responsibility and he has to take the responsibility therefore. I presume he is willing to do so.

Mr. Guy: — Mr. Speaker, I have just one other matter that I wish to mention before concluding. I was surprised when I picked up the Leader Post of January 14th to see that one of Saskatchewan's leading labor bosses in a press release said that an increase by the federal government from \$7,000,000 to \$27,000,000 in allowances for adults taking vocational training was not sufficient. Now a reasonable person would think that an increase of \$20,000,000, or 400 per cent for any given year for any given program was quite substantial. But like all labor leaders, their greed can never be satiated. However, the most pertinent remark appeared in the last paragraph when our labor lord claimed, as it was reported in the Leader Post, January 14th:

Mr. W.G. Davis, Program Director of the SFL, claimed that a critical lack in Saskatchewan lies in the fact that about 120,000 people in the labor force have Grade VIII or less schooling.

Hon. J.W. Gardiner (Minister of Public Works): — After 20 years of Socialism.

Mr. Guy: — What a condemnation of the former government! Why are 120,000 people without Grade VIII? Because for 20 years the Socialists refused to educate them. This more than anything else shows the complete failure of the NDP government to prepare for the technological revolution which is upon us. It also shows the failure of the present Leader of the Opposition (Mr. Lloyd) who was Minister of Education for so long and did so little. Mr. Speaker, it is obvious from my remarks that I cannot support the amendment of a party that failed miserably for 20 years and now that they are in opposition are recommending policies to us which they refused to carry out. But I will support the motion which continues policies which will carry us out of the black age of Socialism.

Some Hon. Members: — Hear, Hear!

Mr. E. Whelan (Regina North): — Mr. Speaker, although it was a drastically reduced majority, and I feel that the member was very lucky to win, I must congratulate the hon. member for Moosomin (Mr. E. Gardner) on his election to this legislature.

Mr. Speaker, last year it was my privilege to work with the hon. member for Wilkie (Mr. McIsaac) when he was the government whip. I found him obliging and co-operative in his efforts to make the house operate as a democratic institution. I enjoyed working with him as the government whip and I congratulate him, Mr. Speaker, on his appointment as Minister of Municipal Affairs. Mr. Speaker, I want to join other members who moved and seconded the Address in Reply. The hon. members who moved and seconded the Speech from the Throne reminded me of a lawyer who once said:

When you are in court before a judge and jury if the facts are on your side, you plead with the jury. If legal logic is on your side you appeal to the judge. If neither the facts nor the logic are on your side you just stand up and yell like hell.

Mr. Speaker, when the hon. member from Milestone (Mr. MacDonald) used superlatives to describe the industrial activities of his party I couldn't imagine what he was driving at. I said to myself, "Surely not again, surely this is not the build-up for another heavy water plant".

We all recall when the Premier, the hon. member from Morse, stood on the floor of this house last year and in the most expansive fashion announced the acquisition of a heavy water plant. The hon. Premier said that they didn't need a contract. Business people said an electrical subsidy from the people of the province might be necessary. Others hinted that the process to be used might be obsolete. In spite of these: no contract, obsolete process, the need for electrical subsidy, with all the drum-beating that could be produced by the premier's press officers, the announcement of the heavy water plant was made and we were told that there was a guarantee. I regret that the plant failed to materialize but I suggest that even the Premier's own supporters, not only in the legislature but in the country, Mr. Speaker, must have been disillusioned.

Mr. Speaker, when those opposite deny in the most emphatic terms that they are not giving away the province's natural resources and selling crown corporation at fire sale prices, I wonder why they don't produce the evidence. Mr. Speaker, the people of Saskatchewan have every right to be suspicious of their intentions and of the deals the government has made. To members opposite who have spoken and who will speak in this debate, I contend that you are giving away our natural resources and that you are selling crown corporation assets for peanuts, unless there are tabled in this house the contracts that have been signed. If there are contracts for:

- (a) The sale of Saskair;
- (b) The sale of timber rights to the Primrose people;
- (c) The sale of forest resources to the Simpson Lumber Company;
- (d) The proposed contract regarding the pulp and paper mill'
- (e) The sale of Guarantee and Fidelity company;
- (f) The contract for the sale of the Wizewood plant;
- (g) The sale of the sodium sulphate minerals for proposed new plant.

Mr. Speaker, unless these contract, unless these arrangements which re made on behalf of the people of Saskatchewan, made with the assets which belong to the people of Saskatchewan, unless these contracts are tabled in this house, as members of Her Majesty's Opposition, we have every right to suspect, we have every right to accuse the government of fire-sales and give-aways. Mr. Speaker, if there is nothing to hide, and if these contracts are in the best interests of the people of Saskatchewan, I say to the hon. members opposite, "Table them".

Mr. Speaker, the non-co-operative attitude and refusal to give the people of Saskatchewan details of their own business transactions are contrary to democratic practice. Mr. Speaker, I suggest to all members of this house if these deals that could be scrutinized, and if there are deals made in the best interests of us, I feel confident that not only would government members have tabled

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them but they would have given the full story to every newspaper in Canada before they tabled them. So I say to the mover and seconder, to the hon. Premier, to those who have spoken, I challenge you to table these contracts.

Mr. Speaker, along the same line, on of the things that has disturbed me most, and if there were no other reason, this particular instance would impel me to vote against the Throne Speech of this government, and that is the government's attitude toward the people of Saskatchewan in regard to the discharge of certain responsibilities. I make specific reference to the government's refusal to give information to the house which is and must be readily available. If we are to observe our obligation as members to scrutinize and criticize the management of our affairs then we must have information regarding the province's business.

The other day, Mr. Speaker, a return came down in answer to a request for the agreement when Saskair was sold. According to the return, which asked for copies of any agreement or agreements providing for or relative to the sale of Saskair – this is return no. 117, the answer given in the return in reply to an order by the hon. member for Kelsey (Mr. Brockelbank) as the last legislature on March 25th, was “nil”. Mr. Speaker, this return was signed by the on. Attorney General (Mr. Heald). The information I presume was provided by the hon. Minister of Natural Resources (Mr. Cameron) and what they are saying in the return is that there is no contract . . .

Mr. Heald: — That was March 25th.

Mr. Whelan: — Yet on March 22nd, 1965, on page 1,255 of the official reports of the debates of this assembly – I quote:

Announcement is being made by the hon. Minister of Mineral Resources (Mr. Cameron):

A contract for the sale of a corporation has been entered into with North Canadian Air Limited . . . The contract is being submitted to the Board for approval.

He is talking about the Air Transport. Another paragraph on the same page:

I should like, however, to name the basic terms of the sale agreement.

And her goes on to outline what is in the agreement.

Under provisions of the sale agreement . . .

and on and on and on again, the contract and the sale agreement is repeated.

The hon. member for Kelsey (the acting Leader of the Opposition interrupted:

Mr. Speaker, could I ask the hon. minister a question? Is this agreement a verbal agreement or a written contract? I am serious about this.

And the reply:

You do not send verbal agreements to the Air Transport.

Again Mr. Brockelbank (Kelsey):

Then, I take it, it is a written agreement.

Mr. Cameron:

Yes.

The hon. member for Kinistino, (Mr. Thibault) asked:

Could we have copies of the agreement?

I am not going to read the full paragraph in the reference, the hon. member for Maple Creek said:

This is the outline of the basic terms and conditions of the contract.

Obviously there is a contract and obviously there is an agreement. Again when Mr. Brockelbank (Kelsey) raises the question about whether it is written, Mr. Cameron replied:

There are many details yet to be woven into the final contract before it is finished and signed.

Then again Mr. Brockelbank (Kelsey) asks the question:

Then I take it, it is not finished and signed yet?

Mr. Cameron, the hon. member for Maple Creek said:

The contract is finished and signed.

Now, Mr. Speaker, it is a sorry day in this legislature and a sad day for Saskatchewan, and it causes a question mark to hang over the integrity of all of us, when two ministers of the crown appear to have collaborated in a denial of a contract that obviously exists. If the hon. Attorney General (Mr. Heald) suggests, Mr. Speaker, that he knew nothing about a contract, I refer to what he said when the hon. member for Kelsey (Mr. Brockelbank) pressed for details regarding the transaction. The hon. Attorney General came to the aid and assistance of the hon. member for Maple Creek saying:

What the minister said was that the closing date in the contract which was signed, the closing date is a month or six weeks hence, and after the closing date when it is all finalized then the question of availability of the contract will be considered. But there is a closing date and all these odds and ends have to be tied up between now and the closing date.

Mr. Speaker, it is evident from the statements made by both of the hon. ministers that there was a contract at that time.

Mr. Heald: — Mr. Speaker, on a question of privilege. There was not a contract in writing on the 25th of March, the date of the return and that is why the return is a nil return.

Mr. Whelan: — Well, Mr. Speaker, this Hansard, Mr. Speaker, is March 22nd.

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Mr. Heald: — About a return.

Mr. Whelan: — It is dated March 22nd and the request came after this date so obviously from the contents of Hansard, there was a contract at that time.

Mr. Heald: — I said and I say again that there was not a contract in writing, completely executed on the 25th day of March, the date of the return.

Mr. Whelan: — Well, in view of what I have read from Hansard this seems to be a strange conclusion to come to, because obviously the hon. Minister of Mineral Resources referred over and over and over again to a contract, to a sale agreement which had been completed and which was going to be submitted to the Air Transport Board.

Mr. Heald: — Not completely executed.

Mr. Whelan: — . . . and this request for the contract came afterwards. Now Mr. Speaker, I had thought that in speaking to constituents who sought an explanation I might be able to say to the hon. Attorney General (Mr. Heald) that he had no knowledge of the contract. That I might have been able to say to them that he was deaf and did not hear the discussion or that he was absent from the house. But on pages 1,255 and 1,256 of Hansard on March 22nd, 1965 he makes a statement regarding the contract. A contract that obviously did exist.

Mr. Heald: — It wasn't signed.

Mr. Whelan: — Well, Mr. Speaker, all that the order for return asked for was a copy of any agreement or agreements providing for or relative to the announced sale of Saskair and here is the hon. Minister of Mineral Resources (Mr. Cameron) giving the details, setting them out . . .

Mr. Heald: — That's right. It's not a contract until it's signed though.

Mr. Whelan: — Mr. Speaker, the hon. member for Maple Creek (Mr. Cameron) has been in this house since 1948. He must know by now the responsibility that rests on a minister of the crown to answer truthfully and without hesitation, questions that concern the people of this province. This is obviously . . .

Hon. A.C. Cameron (Minister of Mineral Resources): — On a point of privilege. I tried not to interfere with the hon. member. The Premier asked me the other day for the story of Saskair. My first opportunity and I hope it will be very shortly, I will give you the full and complete story of Saskair, something of which you may not like to hear, and the full and complete contract now executed will be table then forthwith.

An Hon. Member: — Forthwith?

An Hon. Member: — One year?

Mr. Whelan: — Even, Mr. Speaker, if I were to accept the hon. member for Maple Creek's (Mr. Cameron) explanation, I point out that this is a year later and he was telling this house in detail. And still we do not have the contract . . .

Mr. Gardiner: — We waited for a pulp mill for eight years.

Mr. Whelan: — This is obviously a denial of the facts, a denial to this legislature of information, a deliberate attempt to refuse information.

Some Hon. Members: — Hear, Hear!

Mr. Whelan: — The hon. member from Maple Creek (Mr. Cameron) I hope, will table this contract at the earliest possible date. We have waited a year for it.

Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 5.29 o'clock p.m.