

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Fifteenth Legislature
17th Day

Tuesday, March 2, 1966

The Assembly met at 2.30 o'clock p.m.
on the Orders of the Day

WELCOME TO OMBUDSMAN OF NEW ZEALAND

Hon. D.V. Heald (Attorney General): — Mr. Speaker, it is my pleasure to draw your attention, Sir, and the attention of all hon. Members, that seated in the Speaker's Gallery today is the Ombudsman of New Zealand, Sir Guy Powles. I am sure that all hon. members will agree that we are indeed honored by the presence of Sir Guy and his visit to the legislature and the province of Saskatchewan. Sir Guy has a long career as one of New Zealand's outstanding public servants; he was one of New Zealand's outstanding barristers. He had an outstanding career in the armed forces during World War II, and as his country's High Commissioner to West Samoa, and also as High Commissioner to India. Sir Guy was appointed Ombudsman in 1964. He is, of course, a servant of the New Zealand legislature. Accompanying Sir Guy today is Mr. G.G.E. Steele, Under Secretary of State for Canada. I am sure that we are all delighted and honored by the presence of Sir Guy and also Mr. Steele in the legislature today. I wonder if Sir Guy and Mr. Steele would stand, please.

Hon. Members: — Hear, hear!

WELCOME TO STUDENTS

Mr. E. Whelan (Regina North): — It is my pleasant task to introduce to the assembly this afternoon, 55 grade six and seven students, in the east gallery. They are from McNab School in north-west Regina, their principal, Bill Oliver and another teacher, Charles Wilson, accompany them.

I am sure, Mr. Speaker, all members join me in expressing a desire that their stay with us will be educational and memorable.

Hon. Members: — Hear, hear!

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Mr. J.B. Hooker (Notukeu-Willowbunch): — Mr. Speaker, before the Orders of the Day, I would like to take this opportunity to introduce to you, and through you to the members of this assembly, a fine group of grade 12 students seated in the Speaker's Gallery. These students are from the Glentworth High School. I know you would want to join with me in wishing them an enjoyable stay with us and a safe journey home.

Accompanying these students is one of their teachers, a person who I know needs no introduction to you, or to a member in this assembly, Mr. Carl Klein, former MLA of Notukeu-Willowbunch. I would like to ask Carl to come down and take his seat with us on the floor of the assembly.

Hon. Members: — Hear, hear!

Mr. M. Breker (Humboldt): — Mr. Speaker, before the Orders of the Day, I wish to bring to the attention of the house a group of students in the Speaker's Gallery from the Laurier School of Anaheim. Anaheim is in the constituency of Humboldt, and is the home of the Detkker Harrow Draw Bar and the Detkker Rod Weeder. The students are accompanied by Miss Teddy Schreiner, Sister Dolores, Tony Holbrook and Simon Lesais, and the bus drivers, Mr. Francis A. Hall, and Mr. Ted Kuntz. I am sure that both sides of the house wish these students a pleasant and an informative day and a safe journey home.

Hon. Members: — Hear, hear!

Mr. A.E. Blakeney (Regina West): — Mr. Speaker, I would first like to associate the members on this side of the house with the remarks of the Attorney General in expressing a welcome to Sir Guy Powles, the New Zealand Ombudsman. I am sure that all of us who are interested in the office of Ombudsman — and I am sure that this includes all members of the house — and what it may have to offer for legislatures which are fashioned on the British model. I am very interested in hearing what Sir Guy will have to say. I am advised that he is speaking tonight in the auditorium of the Museum of Natural History to the Institute of Public Administration of Canada, and I know that he is scheduled to meet with the Regina Bar Association tomorrow at the dinner hour.

Mr. Speaker, while I am on my feet I would like to extend a welcome to a school group from St. James Separate School in Regina. I am advised that there are 28 students from the school present, accompanied by their teacher, Mr. Kleisinger. I am sure that all members of the house would wish to extend a warm welcome to them and to offer the hope that their stay with us will be educational and pleasant.

Hon. Members: — Hear, hear!

Mr. G.T. Snyder (Moose Jaw City): — Mr. Speaker, I feel there has been a bit of an oversight in connection with another group of school students that are with us in the Speaker's Gallery today. It is a group of students from a constituency other than my own. I notified the office of the Premier on Monday last to the effect that a group of students would be arriving on Wednesday from the public school

at Keeler. I believe there are some 25 or 26 students accompanied by their teacher, Mrs. Everett Craig, and I am sure that all members would want to join with me in wishing them welcome and expressing the wish that their stay here will be pleasant and their return home will be a safe one.

Hon. W. Ross Thatcher (Premier): — I hope the day will never come when I need instruction in manners by my hon. friend from Moose Jaw (Mr. Snyder). I have already had these young children in my office, shown them through the building, warned them of the iniquities of Socialism in the process
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Hon. Members: — Hear, hear!

STATEMENT BY MR. SPEAKER

Mr. Speaker: — At question time yesterday, hon. members raised two points: first, whether the series of questions tabled by the hon. member for Saskatoon City asking for dates of incorporation of registration of various companies was in order; and secondly, whether the government is expected to answer questions within a given period.

On the first point, when the hon. member tabled his series of 32 questions, I considered whether this was in the words of Beauséne, Citation 148 (5),

A series of questions which should be moved for (as) an Address or Order

I decided that as each of these questions was on a different subject, it was appropriate that they should go forward as separate questions. In our rules we do not limit — as do some other legislatures — the number of questions that an individual member can table. This is a matter for his discretion, and I find that the hon. member's questions are in order.

May I suggest that if a similar situation should recur, a minister responsible might, in order to save the time of the house; and if he is prepared to do so, ask the leave of the house, to table the answers to the whole of a series of questions, upon the first question of the series being asked?

On the second point, whether the government can be expected to answer questions within a stated period, it is the general practice for questions to be answered after due notice has been given. It is also open to a minister either to ask that the question stand, or under the Standing Order no. 31, to state that he has no objection to laying the answer in the form of a return, or to ask that a question stand as a notice of motion.

The procedural authorities express themselves clearly on the powers of a minister in regard to a question. According to Beauséne, Citation 181 (3),

A minister may decline to answer a question without stating the reason for his refusal, and insistence on an answer is out of order, no debate being allowed. A refusal to answer cannot be raised as a question of privilege, nor is it regular to comment on such refusal. A member can put a question, but has no right to insist upon an answer.

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Erskine May similarly states: (L7th Edition p. 351)

An answer to a question cannot be insisted upon, if the answer be refused by a minister.

I give the house this reminder of the proprieties and rules at question-time, and I ask for their future observance in the interests of orderly procedure.

BUDGET DEBATE

The assembly resumed the adjourned debate on the proposed motion of Mr. Thatcher (Provincial Treasurer), that Mr. Speaker do now leave the chair, and the amendment thereto, moved by Mr. A.E. Blakeney.

Mr. D.W. Michayluk (Redberry): — Mr. Speaker, When the house rose last night I had expressed my concern about the fact that the legislative broadcasts from this assembly had been rearranged and are not broadcast consecutively as was the custom in the past years.

I also made reference, Sir, to the fact that the Premier of this province on assuming office had given assurance to the Civil Service with regard to their job security, and that their political independence would be unimpaired during the era of a Liberal government. Several months later, the ex-Minister of Information, Mr. Herb Pinder, and the now Minister of Public Health, the hon. D. Steuart, issued orders to the employees of crown corporations, and threatened them with dismissal if they participated in politics on or off their job. It is odd, Mr. Speaker, that the Premier on assuming office, spoke to a Civil Service Association and assured this group that their political independence and the normal civil liberties which we in this nation and country have learned to enjoy, would not be impaired or jeopardized. Later two ministers of the crown had gone to opposite extremes to warn the employees that they are not to participate in politics on or off the job.

May I too, at this time, Mr. Speaker, express my appreciation to my constituents for affording me the privilege and the opportunity to represent them for the second term in this legislature. I am doing so at this time, Sir, as this is the first time that I have had an opportunity of speaking over the air since the 1964 election.

You will recall, Sir, that during the course of my remarks yesterday I had made specific reference to taxes and tax reductions. To me this is very vital and important. I represent the rural constituency, and I feel that I should, for this reason, make reference to this fact his afternoon. The taxpayers are beginning to realize, Mr. Speaker, that they are paying more taxes for services now than they did under the CCF, and that many of the services have been cut. Each tax decrease the government has made has been offset by an increase somewhere else. To begin with, medicare and hospital premiums have increased \$20 per family; grazing lease fees have doubled what they were under the CCF; insufficient increase in school and municipal grants have raised the property tax to as high as 7 mills in some instances. I doubt, Mr. Speaker, that the incentive grants that are being proposed by the Department of Education will aid in holding down the taxes. Fees for marriage, divorce, birth and death certificates have more than doubled. All smokers in

Saskatchewan will recall that the sales tax on tobacco had doubled from five to 10 per cent. Government insurance rates have been increased, with a further increase of over 30 per cent on all dwellings to go into effect on April 1st of this year. I will deal with this later in my remarks, Mr. Speaker.

Automobile drivers will have to pay more for their 1966 car licenses. For the late model cars the increase is over 10 per cent. Red and blue license holders will pay double for their licenses. The 16 to 24 age groups will pay an additional \$2 for their operator's license. Lo and behold at a time when the revenues of the province are in a healthy state of buoyance, at a time when the Provincial Treasurer is promising rebates to a maximum of \$50 to homeowners, the farmers who only a year ago were allowed to use purple gas in farm trucks, are now being asked to make up for this concession by paying another extra one cent tax per gallon for gasoline to be used in their automobiles.

Mr. Speaker, this hide-and-peek game of give-away, take-away that the Premier and Provincial Treasurer is playing with the Saskatchewan taxpayers is catching up to him. Even his remarks of "more to come" is not very inciting or tempting.

Oh yes, but he has become generous, he has exempt turkey saddles, whatever they are, and harness for horses from the four per cent sales tax. Lucky Saskatchewan farmers and the agricultural industry. I very much suspect that these exemptions were made under great pressure from the present Minister of Agriculture (Mr. McFarlane). Horse harnesses are exempt but, I am sure all members are aware of this fact, have become obsolete as the steam engine and the Red River Cart of the early nineties.

Would the Minister of Agriculture please take note, that there will now be peace in the family. Daddy will not pay harness tax, but mama, boy oh boy! did she get a break! Everyday kitchen and household necessities are subject to a four per cent sales tax. Can you conceive, Sir, how pleased and delighted the housewives will be when they discover that the Provincial Treasurer and Premier, who has been promising tax concessions and tax relief, has an additional four per cent sales tax on these household commodities that are a necessity in every household and every kitchen in this province. They are, Mr. Speaker, toilet and laundry soap, flakes and powders, lye and laundry starch, cleaning powders, chloride of lime, blueing, bleaches including ammonia. This, Mr. Speaker, to use Anthony's words from Shakespeare was "the most unkindest cut of all". A Provincial Treasurer and a government that would on the one hand give tax concessions to oil companies by exempting oil royalties for oil companies until 1970, if oil is discovered in and below the Devonian layer, are now going to sniff into the kitchens of Saskatchewan housewives to extract an additional \$100,000 by taxing commodities which are necessary for the best sanitation, cleanliness, and in many cases the health of our people of the province. This is ample evidence where this government places emphasis on need. Tax the housewife, give relief to the oil company.

I was pleased, Mr. Speaker, but later disappointed, when the Minister of Social Welfare (Mr. Boldt), who is also Minister in charge of Saskatchewan Government Insurance Office made an announcement that the earnings of the SGIO were the largest in its history since its inception in 1945. I would have expected at that time to hear the minister announce rate reductions in respect to insurance in this province, but I will come to that

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a little later in my remarks, Mr. Speaker.

However, at this time I want to make reference to another article, appearing in Monetary Times of 1965, with specific reference to car insurance in Saskatchewan. The title, Sir, is "Saskatchewan Insurance" and in part I quote:

Like auto insurance rates everywhere, Saskatchewan's have recently been boosted and the private companies are still looking in from the outside waiting for the government to make good on an election promise. Private insurance companies aren't getting a crack at \$12,000,000 in annual premiums paid by Saskatchewan motorists for compulsory government auto insurance, at least for a year. The new Thatcher government is carrying on with the scheme except for raising rates for the 1965 motor license year. Premier Ross Thatcher hasn't forgotten his pre-election promise to retain compulsory insurance while drivers are freed to buy their coverage either from the government or private companies. At least this is what he says. The government didn't have time to work out its plan. Also he noted there wasn't time to pass the necessary legislation to bring the new plan into effect on March 15th, the date on which the new license plate went on sale. Some private companies feel the new government is dragging its feet, fearful to make a fast move lest it alienate motorists among whom the compulsory scheme is popular.

The Premier, Mr. Speaker, speaking to the Insurance Agents Association of Saskatchewan in Saskatoon as reported in "The Spotlight" a publication of the Saskatchewan Government Insurance of October-November issue of 1965, made this statement and I quote:

The Premier added that the provincial government is examining the feasibility of throwing the auto insurance field open to competition. Insurance would remain compulsory and SGIO would be required to stand on its own feet and compete with private industry.

For many years, Mr. Speaker, the Saskatchewan people collectively and co-operatively provided for themselves insurance to cover automobile, accident, and fire insurance. As reported in the Monetary Times the private companies are still looking in from the outside. It appears that the Premier wants to make good his election promise, by allowing private companies to sell compulsory automobile insurance to the drivers in Saskatchewan. This is like throwing a wolf in among a herd of sheep. Hon. members of this house will recall that since the inception of the SGIO, rates in this province have been reduced on many occasions so that the residents of the province, whether they insured with the SGIO or with private companies, had the benefit of the cheapest insurance to be found anywhere on the North American continent.

Mr. Speaker, the Premier's stand with respect to crown corporations and SGIO was made clear when he was a member of the House of Commons, and again when he was chosen leader of the Liberal party in 1959. Mr. Speaker, I want to make reference to some of the rates that will be going into effect in all urban centres in the in the province on April 1st of this year. The province,

Mr. Speaker, is zoned into five zones, and I will give you in the time I have at my disposal, only a few of the increases which will be made in the rates for these zones. Zone no. 1, covering all our major cities, old rate 25 cents per hundred for three years, new rate for three years, as proposed 35 cents, and increase of 40 per cent. Zone no. 4, old rate 40 cents per hundred for 3 years, new rate 55 cents, an increase of 37 1/2 per cent, so that, Mr. Speaker, the increases in the five zones range anywhere from 22 to 40 per cent. The Underwriters of western Canada and the private insurance companies will be very, very happy with these increases, because the SGIO, in the last figure I had, carried 30 per cent of the insurance in the province of Saskatchewan. The total premium for the year for which I have statistics, was \$60,000,000, 30 per cent of \$60,000,000 is approximately \$18,000,000 carried by government insurance, the balance by private insurance companies. If you take an increase of 40 or 30 per cent on the balance it will give the private insurance companies anywhere above \$15,000,000 in extra premiums for insurance.

Mr. Speaker, I said at the offset that I am sure that the private companies will be glad to learn that the rates of the government insurance have gone up, because their rates will automatically go up to these rates. In the past private companies selling insurance in the province of Manitoba and the province of Alberta have had different rates for the two provinces on the east and the west. Their rates for the province of Saskatchewan were approximately 30 cents per hundred lower for three years. Now they will be practically on par to going rates in the neighboring provinces.

Mr. Speaker, there is a lot that I would have liked to say, however, I see that my radio time is up. In fairness to the people whom I have the honor and the pleasure to represent, and in justice and fairness to my conscience, I will not support the budget, but I will support the amendment.

Some Hon. Members: — Hear, hear!

Mr. E.I. Wood (Swift Current): — Mr. Speaker, in rising to take part in this Budget Debate, I would first like to congratulate the new members in the house from Moosomin (Mr. Gardner) and Bengough (Mr. Mitchell) upon their election. We trust that their stay in this house will be a profitable one, that they may learn a good deal and that it may be quite short.

I would also like to congratulate the hon. member from Wilkie (Mr. McIsaac) upon his appointment to the Department of Municipal Affairs as Minister. I want to assure him from my past experience in that department that he has taken over one of the best and most interesting departments in the government. I am sure that he will find the staff efficient, helpful and loyal.

Now, Mr. Speaker I would like to say a few words about some of the things that were said in this debate yesterday by the hon. Minister for Public Works (Mr. Gardiner). He chastised us verbally for not refusing to pay interest on the public debt of the province when we came to power in 1944. We didn't refuse to pay the interest on the debt, but over the period of years we have certainly been able to stop paying it. When we came to office in 1944 they were still paying interest of some \$5,858,000 a year. From this amount must be deducted the interest that was

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received from various funds in the province of come \$2,874,000. This left a net payment of \$2,948,000, nearly \$3,000,000 of interest that had to be paid on the public debt each year when we came to office. You must remember, Mr. Speaker, that this was taken from a total budget of some \$34,000,000. In other words we were paying very nearly nine per cent of our budget for interest on the public debt when we came to office.

Now, many will say that this was an aftermath of the depression, the hard times. Well probably this is somewhat true, but you have to remember that insofar as I am concerned the depression itself was brought about by private enterprise policies, and for this we don't hold ourselves responsible.

I would also like to point out that at that time we were still paying interest on the public debt on this building in which we are now speaking, Mr. Speaker. Even after all the years of comparative prosperity by the Liberal government since this house was built in 1911 they have not been able to retire any appreciable amount of the debt of this building. This was among the other things that we had to pay off.

I would also like to say, Mr. Speaker, that the last year that we were in office we paid interest on the public debt of some \$1,858,000, but against this had been credited interest received from revenue of sums that we had at our disposal of some \$2,662,000. In other words we were not paying any interest on the public debt but we were receiving some \$800,000 in interest received from assets we had over and above that which we owed. Now this I think is a pretty fair record of paying off the public debt and of not having to pay interest on the public debt, something of which we are very proud. It makes the Liberal record in this regard in the past look very shabby indeed.

Another thing that the Minister of Public Works (Mr. Gardiner) raised yesterday was that he said when we were coming into office we had promised that we would raise money from the Department of Natural Resources but all we had done was to chase out those who paid. Now, Mr. Speaker, I would like to ask just who it was that brought the oil companies into this province, and who it was that brought the potash companies into this province. Mr. Speaker, especially in regard to the potash companies they have had a very difficult time developing their process of obtaining the potash from the ground. It took a hard struggle for them to achieve this but they did achieve this at the expense of many millions of dollars. They did achieve it, and they were able to put the potash industry on a paying basis during the time the CCF was in office. Since that time, Mr. Speaker, even the inept business policies of those members who sit on your right, Mr. Speaker, were not able to keep the potash people out. I do maintain that the CCF government brought these developments into the province and not our Liberal friends.

Now I don't want to spend too much time talking about the hon. Minister of Public Works (Mr. Gardiner) but he did say things that I thought need a little answering. He spoke about the tax reductions that the Liberal government has made since it came to office. He claimed in his speech yesterday that the difference between the tax reductions that have been made and the tax increases that have been made totalled up to some \$20,000,000 of net tax reductions. Now the hon. member from Redberry (Mr. Michayluk) I think has answered this very well in his speech today but I have been able to tabulate some of the figures in this

regard and with your consent, Mr. Speaker, I would like to put them in the record. In the 1965 session the instalment of tax reductions claimed by the Liberal party include education, health tax reductions of some \$9,600,000, increased exemptions under this education and health tax some \$90,000; exemptions for married couples some \$300,000; mineral taxes abolished \$250,000; the use of purple gas in farm trucks \$3,900,000; and other reductions \$160,000, a total of \$14,300,000. But look at the tax increases, Mr. Speaker. Tobacco taxes increased revenue \$2,250,000, the medicare premium increase \$5,500,000, school costs up to \$97,600,000 and are increased by \$10,000,000. Grants were up by \$3,300,000, making a net increase of \$6,700,000 for school costs. General municipal tax increase some \$2,000,000. Auto licenses up some \$300,000. Car insurance up some \$800,000. Grazing leases approximately \$350,000. Vital statistic fees \$30,000. So we have the tax increases of some \$17,930,000. On their first year of operation a net increase in taxes in the province of Saskatchewan \$3,630,000.

Now looking at our 1966 instalment that has been presented to us in the budget recently, the tax reduction of the education and health tax exemptions, the Premier chuckled to himself while he read these out to us, yet he didn't even consider their value worth putting down in the budget, he did not have any figure on this. The income tax reductions are valued at \$1,100,000 and the Home-owner grant at some \$8,000,000, making a total of some \$9,100,000. The tax increases on the other hand, Mr. Speaker, the education and health tax on soap, after deducting the new exemptions which he speaks of according to the Premier's figures, amounted to some \$100,000. Gasoline tax \$2,200,000. We also have an increase in school costs of \$10,800,000 against which there will be \$5,000,000 increased grants, leaving a net increase of school costs of \$5,800,000. Estimate increase in general municipal taxes the same as for 1965, some \$2,000,000 and I see no reason why they should not be. Increase in car insurance rates \$1,600,000. Grazing leases a possible increase of \$100,000. This makes a total increase of \$11,800,000 as against the \$9,100,000 tax reduction. This makes a total tax increase this year of some \$2,700,000. A net result of two years of Liberal government is at least \$5,330,000 more in taxes.

Now looking at the budget further, Mr. Speaker, I would like to say that I find that this is a large budget. There seems to be money to increase practically every estimate in the book. This is a large budget. I think that is due to several factors, one of which is the inflationary influences in Canada. It will necessarily take more money to do the same things that it did last year or two years ago. Another thing that has tended to help the financial situation is that Saskatchewan is now participating in Canada's wide prosperity. We have had a series of good grain crops with the expectation of income this year from a large portion of the grain that was grown last year. We also have a growing demand for Saskatchewan crude oil. This has given impetus to expanded oil exploration in the province. We have an expanding potash industry, a healthy economy and a surplus situation left by the former CCF government. We have assistance from the federal government that has been growing year by year. This year from the receipts from the federal-provincial tax-sharing agreement and from assistance that was given in regard to the shared cost programs we will receive from the federal government some \$31,000,000 more than what was received last year. All these things, Mr. Speaker, tend to give us a large and affluent budget. But I want to point out that none of these things are due to the policy or action of the

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Liberal government, insofar as the potash industry is concerned and these others I have already spoken of. But we still are going to have a large budget and I maintain, Mr. Speaker, that it is not because of the Liberal government but in spite of them.

We are going to have a large budget and the money to run our province because of the things that I have pointed out but this is not to say that the province is what it should be. The member for Regina West (Mr. Blakeney) speaking on Monday gave figures that showed that while not actually slowing up, the economy of the province is not increasing as rapidly as it was under the CCF. He has shown that the average personal income is down from the highest or next to the highest to a little above the national average. Our oil production is down as compared with last year and the year before, and our investment in this province per capita is also down. Another thing, even the population increase is down to what it has been in former years. I think that this Liberal government has little to brag about in the big budget that they have brought in.

I am happy about some things in the budget, Mr. Speaker. I had intended to compliment the government upon their setting up of the Surface Rights Commission, but I discussed this with you, Mr. Speaker, and you persuaded me that it would not be quite in order. I am pleased also in the budget to note the increased grants to the Municipal Road Assistance Authority. I think that this is a good thing, I feel that good municipal roads are one of the most desirable items that we can have and that we should spend money upon. This province of ours is an agricultural province. If our agricultural industry is not properly serviced our economy is going to suffer. We say and talk a great deal about the family farm, Mr. Speaker, but if our family farm is not made acceptable and desirable to the people in the country they will not long endure. In order to do these things we have to have roads and good roads throughout the rural part of our province.

I would like to point out, however, in this regard that while we are considering this large budget that of the increases that are spent on roads and highways, the increases in the amounts that are spend on roads and highways only 13 per cent of this increase goes to rural roads. Now we all like four lane highways and grade separation at intersections but I think that we are getting a little carried away by our highway expenditures at the expense of our rural people. We should be worrying more about getting the school children out from the country into a school or getting the sick child to the doctor than we should be worrying about the ease with which we can speed on our highways and how quick we can get to our summer resorts. I think that this expenditure of only 13 per cent of the increase in road expenditures for the benefit of rural municipalities is not quite a fair division, and I think the rural people of this province deserve something a little better in this regard.

While I am speaking along this matter I would like to bring up another point. The Premier in bringing down the budget the other day said that we have an increase of some \$48,800,000 in this year's estimates as compared with last year's. Of this increase, the grants for rural roads have been increased by some \$2,632,000 over last year's expenditures. Now it seems to me, in view of this large increase in the amounts of money the government has available, \$2,600,000 a comparatively small amount

for the increase on grants to rural roads.

I would like to inquire as to why we should have to have a gasoline tax increase and, if we are going to have a gasoline increase, why should it be charged against the rural municipalities. I am afraid the Premier just won't be able to make this stick, as when people are buying gas at the pumps and have to pay extra in regard to the tax that has been put on it, they are going to blame him and not the rural municipalities or the SARM. I think that he might as well be straight forward about it and say that instead of blaming this on the municipality for the increase in tax, he must admit that this increase on this tax and the soap tax are to enable him to make a bigger showing in regard to his vaunted tax reductions elsewhere, especially in regard to the income tax.

Another thing I would like to point out, Mr. Speaker, or looking at the budget of the Municipal Road Assistance Authority, is that while we have an affluent budget and expenditures are going up across the board, that the expenditure in this budget for an item known as the Markets Roads and Local Improvement Districts remains the same. No increase whatsoever. I think that if there is any part of the province that does deserve and need extra help in regards to roads it is the outlying Local Improvement Districts. I think this is an oversight, this is something that should be corrected. When there is more money being spent on nearly everything, I think there should be more money spent on the item of Market Roads and Local Improvement Districts.

If you think, Mr. Speaker, that the picture is not quite what it should be in regard to the rural municipalities it is very much worst in regard to the urban municipalities. The urban municipalities are promised by way of increased assistance something less than a half million dollars for paving collector streets to main highways. You'll notice that it doesn't say that they will be given half a million dollars but they will be given some indefinite sum not exceeding half a million dollars, but it isn't a very large increase in assistance to the cities and towns of this province. Nothing is said about any snow removal grants for urbans, no equalization grants, no maintenance grants. Our cities, as the hon. member from Regina West (Mr. Blakeney) pointed out the other day are practically left out of this budget. It is time we realized that city people are citizens of Saskatchewan just as well as country people are.

Speaking of cities, Mr. Speaker, I have the honor to represent the city of Swift Current which is the best little city in the west. It's not really so little either. Mr. Speaker, I would like to point out it is somewhat larger than such struggling centres as North Battleford, Weyburn or Yorkton. This is according to the 1961 census. I noticed in the 1961 census also that some 39 1/2 per cent of the residents of the city of Swift Current are living in rented accommodation. This is somewhat higher than the provincial average of some 32 per cent of the residents of the cities living in rented accommodation. This means, Mr. Speaker, that while paying their share of taxes, including property taxes, and it is only sophistry to say that renters are not paying taxes, (they are indeed paying taxes and they are also paying a profit to the landlord). In spite of the fact that they are paying taxes, nearly 47 per cent of the people of Swift Current will not participate in the \$8,000,000 that is in this budget for Home-owner grants. This, Mr. Speaker, is besides those people in the smaller centres throughout the province

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and in the rural areas who are also not owners of the land or the house in which they live. I protest this peculiar arrangement and I think that something should be worked so that all the people of the province could participate in this beneficence.

But the smaller urbans of the province are even handled more casually in this budget than the cities are. All they get instead of an increase of any kind from what I must say is an affluent budget, instead of being given any increase of any kind, they have a reduction of \$100,000 in an amount that is being given them under the Municipal Water Assistance Act, to assist them in installation of water and sewage in their towns. Now last year there was \$500,000, this year it is down to \$400,000. This is in comparison with some \$1,290,000 in the last year in which the CCF were in office.

Now, Mr. Speaker, in this regard I would like to look at a news item from the Regina Leader Post of June 19th, 1965. This is a report from Broadview quoting the hon. Minister of Municipal Affairs, the then hon. Minister of Municipal Affairs in his speech in Broadview. Quoting him it says:

He said that the previous NDP administration had not provided sufficient funds in its 1964 budget for an adequate sewer and water program. The Liberal government had added \$400,000 in the budget last year bringing total spending in 1964 on sewer and water to \$1,000,000.

Well now I think this is rather a poor picture of the true state of affairs. The CCF government had put \$600,000 in the budget but they had been able to raise it by the increase of funds coming in to another \$400,000, making it \$1,000,000 being spent on sewage and water grants in the small urbans. He said nothing whatsoever about the fact that the year previously the CCF government had in the same manner given over \$1,200,000 in this regard. Then when you look up their record since it becomes even more pitiful. I put a question on the order paper the other day, I believe it was on February 22nd, asking what were the total grants to municipalities under the Municipal Water Assistance Act in each of the fiscal years 1963-64, 64-65, and 65-66, to date. Now, Mr. Speaker, the government seems to have no difficulty in spending pages and pages on answering questions it would suit them to answer, but this one it took a matter of three figures to answer. Yet I find that it was tabled and the answer not given to me. But I really don't need the answer now, Mr. Speaker. When the budget was brought down the other day there was also a statement of supplementary estimates. I find that last year nothing was put through the supplementary estimates in regard to municipal water assistance. In other words the grant of \$500,000 last year was the total that was given. All that the municipalities could expect in this regard last year was \$500,000 and this year this has been cut to \$400,000.

Hon. W. Ross Thatcher (Premier): — No, you're not right.

Mr. Wood: — It is what the figures say in the budget. The Premier doesn't seem to think I am right, but he'll have to look these up in the budget the way he handed it to us. He'll find that the figures there were \$500,000 last year and \$400,000 this year.

Mr. R.A. Walker (Hanley): — The authority . . .

Mr. Wood: — No, no, there is none in the supplementary. I'm sorry I haven't got my book. I hate to waste my time on it but I think it would only take me a very few seconds to show it. Municipal Affairs . . . under Municipal Water Assistance Act this year \$400,000, last year \$500,000. It's here in black and white.

Mr. Thatcher: — It's in the supplementaries.

Mr. Wood: — There is nothing in the supplementaries; they are also here. You look through this book and you will find that there is nothing in the supplementaries, not the Department of Municipal Affairs, it's not mentioned. The only thing is Municipal Road Assistance Authority and they do not give grants to municipalities in regard to sewer and water.

Some Hon. Members: — Hear, hear!

Mr. J.C. McIsaac (Minister of Municipal Affairs): — Point of privilege, Mr. Speaker, on the remarks of the hon. friend from Swift Current, there was a supplementary estimate put through somewhere along the line. Whether it showed up in the blue book or not I am not sure. We have already spent over \$650,000 on this item this year.

Mr. Wood: — Mr. Speaker, I am sorry the hon. Minister has slipped up on this. One thing I must say if he doesn't want to be misunderstood he had better have his questions answered in the house. They are supposed to be. Then I could have had this matter straightened out completely but I am only going on the information that the government opposite has vouchsafed, and I want to say that this is the way it shows in our books.

Mr. Walker: — This isn't the . . .

Mr. Wood: — I would have to say, Mr. Speaker, in regard to this whole setup, that we have been very proud in the past of what we have been able to do in regard to bringing water and sewer systems to the small urbans of this province. We had a very good record indeed during the years of the CCF administration, especially the latter part of them. I think that this is a wonderful thing that these healthful facilities were brought to the smaller urbans but this government apparently is taking an entirely different attitude towards these things. We couple this, Mr. Speaker, with their tax on soap and their disinterest in the installation of such helpful things as sewer and water. Well I believe it was John Wesley that said "Cleanliness is next to godliness". Well, Mr. Speaker, you can draw your own conclusions.

In my opinion, Mr. Speaker, in both this and last year's budget there is a good deal of unfairness. There are thousands of people in this province, both urban and rural, who do not drive a farm truck, do not own the house they live in, have no need for turkey saddles or harness for horses, pay little or no income tax and whose income is spent or largely spent on items that were previously exempt from sales tax. These people, Mr. Speaker, will not benefit by use of tax free purple gasoline, or

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Home-owner grants, or from the decrease in income taxes, and very little from last year's decrease in sales tax, but they will have to pay the increased medicare and hospital premiums, the increased gasoline tax, the soap tax and possibly the tobacco tax. To all these people, Mr. Speaker, and there are thousands of them in this province, to them all this ballyhoo about decreased taxes and increased benefits is a very hollow mockery.

Further along this line, Mr. Speaker, I would like to say something about the Indian and Metis people. Last year the government talked a great deal about its promises for these people and the establishment of the Indian and Metis Branch. We were hopeful of great things and I am still hopeful. I still hope that the provincial government is not going to fall down on this because if any of the people in this province need and deserve a better deal it is the Indian and Metis people. The hon. member from Cumberland (Mr. Berezowsky) has through the years brought their plight before us and he has shown a great deal of interest in them and what they need and what can be done about it. I understand, Mr. Speaker, the housing developments that were promised last year have not progressed as much as has been anticipated. There should be redoubled efforts on the part of the government. I am sorry to see that in the budget the amount for the Indian and Metis Branch has not been increased as the rest of the budget has but has been decreased by some \$35,000. In a greatly expanded budget a \$1,000,000 for income tax reduction and cut of \$35,000 for the Indian and Metis people.

My time has gone, Mr. Speaker. There are many other things I have before me here but I think from what I have said that you have gathered that I will not support this motion but I will support the amendment.

Some Hon. Members: — Hear, hear!

WELCOME TO HOMEMAKERS CLUB FROM GRAND COULEE

Hon. D.V. Heald (Attorney General): — In rising to take part in the Budget Debate, Mr. Speaker, I would first of all like to acknowledge and welcome to the legislature and the proceedings today a number of ladies from the Grand Coulee district in my constituency who are seated in the Speaker's Gallery, who are members of the Homemakers Club at Grand Coulee. I am advised that this is the fourth consecutive year they have attended proceedings of this legislature. I welcome them on behalf of all members and I hope they will have an interesting, instructive afternoon, and I hope that I will not detract from the enjoyment they have in coming here today.

Hon. Members: — Hear, hear!

Mr. Heald: — I am going to make a few comments on the Budget Debate. Thus far, my first remarks must be remarks of congratulation to the Premier and Provincial Treasurer for the excellence of his budget and for the excellence of his presentation of that budget. As I sat and listened to the hon. Provincial Treasurer present his budget, I hearkened back a few years, and was reminded of some of the other Budget Speeches that have been presented in this legislature, many of which I heard while seated in one of the galleries. I remember the hon. Leader of the Opposition when he presented his Budget Speech, the hon. member for Regina West (Mr. Blakeney) when he presented his Budget Speech, and the hon. member for Kelsey (Mr. Brockelbank) when he presented his Budget

Speech. I heard most of those speeches, if not by being personally present, at least on the air. Then, of course, I was reminded of those days when for a good many years the Budget Speech in this province was presented by a gentleman by the name of Clarence M. Fines. We haven't heard much about that gentleman for a number of years in this legislature, but I was reminded about this when I saw in the Saskatoon Star Phoenix, a month or two ago, an interesting little item which I would like to read to the legislature, and it is entitled: "Clarence"

Anyone seen Clarence? This question has been bandied around the Legislative Buildings in Regina, and in political circles for lo these several years, ever since 1960 in fact. Clarence, of course, is the former Provincial Treasurer, the man who guided Saskatchewan's financial destiny from 1944 to 1960. After he left the house he just appeared to disappear, now he has reappeared. A picture sent to the Star Phoenix from sunny Florida shows Clarence still referred to as the hon. Clarence Fines, at a meeting of the Canadian Club, Fort Lauderdale, at the Jolly Roger Hotel. He was greeting guests in his capacity as President of the club, but he was not wearing his famous "Horn of Plenty" tie that he always wore on budget day in the legislature.

And the comment at the end is the piece de resistance, Mr. Speaker. It says and I quote:

Fort Lauderdale, a nice sunny spot, and a good place to be when the Saskatchewan Legislature is in session.

Some Hon. Members: — Hear, hear!

Mr. Heald: — I hope that in the years to come, perhaps, some of Mr. Fines' successors, the Provincial Treasurers, will find the opportunity and the time to bask on the shores of sunny Miami and sunny Fort Lauderdale.

An Hon. Member: — It can't be compared with Nassau, I'll tell you that.

Mr. Heald: — Now, Mr. Speaker, I would like to make a few comments on the remarks made by the hon. member from Swift Current (Mr. Wood). He was complaining about the budget this year and the budget last year, and in an attempt to discredit last year's budget and this year's budget, was comparing chalk with cheese, and apples with oranges. He wasn't comparing last year's budget and this year's budget with budgets during the CCF years, or as many people in this province would call them the wasted years. I would remind the hon. member for Swift Current (Mr. Wood) that when he talks about education costs, and adds education costs to the budget, he and his hon. friends opposite should be the last people in the world to talk about education costs, because this year's budget points out that this year the government will be paying 54 1/2 per cent of the cost of education in this province. The highest the CCF ever paid when they were in power was 49 per cent, in their last year, and their average during their 20 years was in the neighborhood of 40 per cent, so they shouldn't talk too much about education costs. Then they belittle the Home-owners grant, Mr. Speaker. Well, you know, Mr. Speaker, they belittled the purple gas legislation last year. They said "Oh, it is no good, it is dishonest, it is a hoax and a fraud", but not

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very many of them had the courage to vote against it, because they agreed that it is good legislation. They said, "It didn't go far enough, it won't work". Well, Mr. Speaker, we are making it work and the people in Bengough gave the opposition the answer as to whether they like purple gas. Now we have the same performance with respect to the Home-owner grant. You know, Mr. Speaker, after 20 years of CCF-NDP government land and property taxes in this province had increased by 400 per cent, when my hon. friends were in office, so this government felt that top priority should be given to taxpayers in the province. This is why in this budget of 1966 we are introducing the Home-owner grant. Like the Premier I challenge my hon. friends opposite to vote against that piece of legislation when it comes into the legislature.

Some Hon. Members: — Hear, hear!

Mr. Heald: — Now, Mr. Speaker, I would like to deal with some of the items for which in my department I have responsibility. Of course, we have heard a great deal in the last few days about progress, or lack of progress in the province, but I would suggest to you, Mr. Speaker, that by looking at the activities in some of these departments, you will get a better indication than anywhere else as to the health and vigor of the Saskatchewan economy.

I would like to refer, for example, to the revenues in the Land Titles Office. Because of the potash and oil activity in the province, there has been a fairly sharp increase in the Land Titles' fees collected by the Land Titles system. In 1964 the revenue was \$1,400,000, in 1965 it was \$1,600,000 an increase of over \$200,000. The same sort of increase is true of fees for the Registration Office in the Court House in Regina. There has been a sharp increase from \$281,000 in 1964 to \$297,000 in 1965. I suggest that these figures, this type of figure speak more eloquently than anything anybody in this legislature can say about the health of the economy of this province. This is a booming economy, it is going forward, and the government is entitled to at least some of the credit for the health of the economy as it is at the present time in the province of Saskatchewan.

Now, Mr. Speaker, one of the pieces of legislation which was passed by this government at the last session, and which I would like to report to the house on is the Direct Sellers Act which came into force on the first day of July, 1965. The Direct Sellers Act incorporated four main changes in the existing legislation. First of all this act provides that the purchaser of goods sold to him on a door to door basis, as a result of being canvassed at his home or on his farm, has the right to an unconditional rescission or cancellation of the contract within four days of the date of purchase by simply advising the vendor by registered mail. This is known as the "four day cooling off period". That was the change, that was a new provision which was included in the Direct Sellers Act.

Secondly, the seller's bond under the new act became a penal bond in place of what was known before as a security bond. Without going into the legal technicalities the new type of bond is easier to get in the event that the vendor is guilty of misrepresentation. This has been working quite well in the past six months.

The third change, the new act brought some types of door to door selling under the act which were previously exempt. For example, the old act which was known as the Commercial Agents Act, exempted or didn't apply to services, monuments and magazines; the new act brought these under control, provided for bonding and licensing.

The fourth change provided that goods sold must be delivered within 120 days of date of purchase.

Now, Mr. Speaker, this has eliminated many problems in respect to lay-away plans. This was a serious problem because many times before the goods were paid for and delivered, the company which sold these goods had discontinued business. In many cases the headquarters of this company was outside the province, so this was a change which was made and it has been quite effective.

Now, I don't claim for the Direct Sellers Act miracles, but I do say that great progress has been made; this act is working satisfactorily. I indicated sometime ago that over \$40,000 has been repaid to customers in the province of Saskatchewan who had been the victims of misrepresentation by door to door salesmen. This was in the first six months that this act has been in operation.

I would like to repeat some safeguards that I would invite all of the people of Saskatchewan to consider when dealing with door to door salesmen. First of all, I suggest that you ask someone who comes to your door to sell you something, to ask to see his current provincial license under the Direct Sellers Act. If he has this license then you know that he is bonded to sell. If he hasn't got a license he isn't bonded and there isn't any protection to you in the event of misrepresentation. Secondly, I would suggest to members of the public that they assess the value of the item being sold strictly on its merits, not on the basis of extra premiums or gimmicks which may be offered if you buy. Thirdly, I would suggest that you do not make a cheque payable to the salesman, but always to the company name which appears on the face of the license of the seller. Fourthly if the contract calls for financing, I would suggest that you check with your local banker or legal advisor, or credit union, someone in whom you have confidence. Fifthly, if in doubt about a purchase, I invite any and all members of the public to contact the Office of the Deputy Provincial Secretary, Legislative Building, Regina, within four days of the date of purchase, or even later if such is the case. Sixthly, and lastly, I suggest, Mr. Speaker, that members of the public should remember that if a salesman cannot talk intelligently about the product, or services offered, then this is the time to look out and beware.

Mr. Speaker, I am encouraged by the reaction I am getting, that members of my department are getting from members of the public who have been able to take advantage of the provisions of this act. I have here a letter dated February 23rd, 1966, which is typical. It is from the Moose Jaw Branch of the Consumers Association of Canada, written by the convener of consumer problems. It says:

I wish to express our appreciation of your prompt action in the service you have rendered to a certain lady. This lady's purchase of a hearing aid from an unknown salesman at her door representing a certain company in Calgary seems to follow a pattern among old age

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pensioners. This lady asked my advice as a convener of consumer problems. I felt this was a matter for your department. I feel that these trusting elderly people must be protected if possible.

We receive many letters like this, and it is quite rewarding to know that this act is trying to do this job.

Now, Mr. Speaker, I would like to report to the legislature on the present status of negotiations for the RCM Police since 1928, the first contract, the first province to have an RCMP contract. Under this contract the RCMP have been responsible for policing the entire province with the exception of cities, towns and villages over 500 in population. This last contract was entered into in 1963 and was for the usual two year term with provision for it continuing in force unless notice was given by either party. The federal government indicated early in 1964 that it was not prepared to carry on under that contract and gave notice to end it on May 31, 1965. It was indicated by the federal government that it wished to renegotiate the financial terms of the contract and that it had no intention of withdrawing the RCMP on May 31, 1965 if a new contract had not yet been entered into.

Similar notices were sent to the other seven contract provinces in Canada. I attended a conference on the contract at Ottawa on November 2, 1964 at which the federal government proposed a new formula for arriving at the share of the total cost of the RCM Police to be paid by each province. The province of Saskatchewan proposed to the federal government that the RCMP contract should be extended to cover towns and villages up to 1,500 in population. In this connection I pointed out to the federal authorities that smaller towns were finding it increasingly difficult to obtain satisfactory policing due to the fact that they could not afford to pay high enough salaries to attract trained men. The other difficulty is that a town policeman in some places has no prospect of promotion, where he may be a one man police force, and usually the incumbent is expected to carry on other duties in the town. In our discussions at the conference we pointed out that it was essential that policing be extended to cover municipal bylaws in rural municipalities, and in towns and villages up to 1,500 population. It was agreed that the policing would not cover dog licensing bylaws and parking restrictions as it was considered that these towns, villages and municipalities could probably have the services of some untrained employee to do this work.

Saskatchewan also proposed that the RCMP offer municipal contracts, that is separate contracts, to municipalities and cities and towns that had a population between 1,500 to 15, 000. The other provinces also expressed interest in these proposals by Saskatchewan.

The federal government indicated at the conference that if the new formula for the division of costs was accepted the federal government was prepared to extend the contracts with the provinces along the lines suggested by this province. It also agreed to the proposal to offer contracts to towns and cities up to 15,000 in population, and agreed to continue policing any towns now policed which were over that figure in population. The new formula provides for the increases to be phased over a period

of 10 years with the provinces paying 41 per cent of the costs and the federal government paying 59 per cent in the first year. During the 10 year period the amount payable by each province would go up one per cent per year so that at the end of the 10 years the provinces would be paying 50 per cent of the costs arrived at under the new formula. We have had several discussions with the federal government since the 1964 conference. As the terms of the proposed new contract had not been agreed upon by the provinces on May 31, 1965, a new contract on the same terms and conditions as the old contract was entered into for the period expiring March 31, 1966.

On December 3, 1965, I discussed the new contract again with the Solicitor-General, Mr. Pennell, who is now in charge of the RCMP, and I am confident that the remaining details covering the new contract can be settled shortly with the federal government. I am particularly anxious to have included in this agreement the provision for the policing of municipal bylaws in towns up to 1,500, and to have the contract set out the agreement of the federal government to offer contracts to towns over 1,500 in population, as well as the basis on which the towns are to be charged for the services rendered under such contracts.

I was advised recently, Mr. Speaker, that none of the other seven contract provinces having RCMP contracts have signed new contracts as yet. I have advised the federal government that this province is prepared to accept the new formula and complete a contract containing a provision for the policing of municipal bylaws as well as general policing up to 1,500 in population. The present municipal contracts are to be continued at approximately the same cost to the individual municipalities. At the present time the cities of Lloydminster, Melville and Yorkton have contracts as well as 23 towns and Uranium City.

The RCMP advise that they do not know just how soon men will be available for the extension of services under the provincial contract and for new municipal contracts. They have advised me that they expect that 48 additional men, members of the RCMP, will be available for this purpose and for this province in the fiscal year commencing April 1. We do not know just how soon after April 1 the additional men will be available as this will depend on the number of men graduating from the training depots of the RCMP. My department has received a large number of letters from towns and villages in the province indicating interest in having their municipalities policed by the RCMP under the provincial contract.

The proposed extension will not mean that a member of the RCMP will be resident in each town or village under 1,500 population as it would obviously be too costly for the municipalities to have a resident RCMP member. It is proposed that the additional cost of such policing will be paid to the province by the individual municipalities requesting the service. It is felt that satisfactory policing can be carried on in most cases from the present detachments. Until more men are available, it is impossible to advise just where the additional men will be assigned, nor are we yet in a position to advise the individual municipalities as to the probable cost. These details will have to be worked out as soon as sufficient men are available to carry out test projects in particular areas.

On January 21st and 22nd of this year, Mr. Speaker, the RCMP made an additional 10 men available to assist in policing certain areas where problems have become acute. In particular,

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this applies to the potash towns such as Delisle, Allan and Lanigan, Big River and LaRonge, most of which are potash towns which have rather pressing policing problems.

This, Mr. Speaker, is the current situation so far as the RCMP contract is concerned.

Now, Mr. Speaker, there is another matter upon which I would like to report to members of the house. On January 6th and 7th of this year at the invitation of the Solicitor-General of Canada, Mr. Pennell, the provincial Attorney General met in Ottawa to discuss ways of more effectively controlling the spread of organized crime throughout this country. This has already reached critical proportions in the densely populated areas of Ontario, Quebec and British Columbia and is threatening to become a problem throughout the rest of the country.

Because the conference gained considerable national publicity and the decisions arrived at during the conference are fairly well known, I do not intend to spend much time on the conference itself as I am certain members of this house followed the proceedings in the press. Primarily, the conference was concerned with organized crime, but the agenda was broadened to include other matters less directly concerned with organized crime. I intend to say a few words on these other matters later, but I would like to say now that the decisions reached at this conference will have effect on all law enforcement activities, whether concerned with organized crime or not.

It is difficult, Mr. Speaker, to define organized crime in a few words. It denotes a continuing subsisting conspiracy between individuals each having a special function to perform and each co-operating with the other as interdependent parts in such a way that together they constitute a system. Their purposes or objects are, of course, criminal. It is usually defined in such a way that it does not include syndicated crime which is really a monopoly that has exclusive control of crime over a given area. Syndicated crime is really organized crime carried to a high degree of organization so that the principles agreed upon at the conference will apply to syndicated crime as well. There is, unfortunately, at this time signs that crime syndicates are now extending their operation into Canada. Organized crime knows no national or international boundaries and criminal activities operate in nearly all fields of lucrative crime. Organized crime is to be found in extortion rackets, stock frauds, gambling, narcotics, counterfeiting, bankruptcy frauds, illicit spirits, arson, fraud, business manipulation, stolen cars and other rackets. Over the years in Canada these criminal groups have developed an efficient and well-organized administrative system with the leaders posing as accepted members of the business world, many of whom have never been charged with any criminal offence whatsoever. They usually pose behind legitimate business fronts thereby jeopardizing legitimate business. The high financial returns from lucrative crime allow the group to buy, compromise or blackmail their way into the legitimate business field. They have no intention of competing with legitimate enterprises, but rather they set out to eliminate any competition either by undercutting prices or by violence, intimidation, blackmail and extortion. When the legitimate competition is eliminated they can bilk the general public through exorbitant prices, unethical business operations, bankruptcies and frauds. At the same time the leaders will operate other businesses legitimately as a safe investment for the profits gained through their criminal operations. Such operations also help them to continue to pose as legitimate business men.

We in Saskatchewan are fortunate that at this time organized crime is not as serious a problem as in other parts of Canada. I think this is true for the three prairie provinces and it is probably due to the sparseness of our population. We have had some organized gambling, but generally we have been free from extortion rackets and the like. How long this situation will remain, Mr. Speaker, depends I am sure on how successful our national efforts are to eradicate the already established racketeers.

We may be seeing the beginning of organized crime on a fairly large scale in this province in certain security frauds and in some direct sales campaigns that are now and have been in the past victimizing the people of this province. The type of operation and the fact many of the individuals carrying out these frauds appear and reappear in such various businesses lead us to strongly suspect there is a subsisting conspiracy to defraud the public. Our provincial legislation such as the Direct Sellers Act has been effective to control this situation thus far, but unfortunately some of these frauds are perpetrated over the long distance telephone with the criminal never physically entering into the jurisdiction of the province of Saskatchewan. In other instances, if he does enter the province he fails to comply with provincial registration requirements. This does, of course, make enforcement difficult and we are presently considering ways of getting at these individuals who hide beyond the legal limits of this province.

To prevent the spread of organized crime it is therefore necessary to have tougher laws and to develop improved techniques in police work, because the best weapon to stop criminal acts is the certainty of detection. The areas of legislative concern are fairly well defined and known and immediate action is necessary and is presently being contemplated, including legislation at the federal level to tighten up our laws. For example, we are all concerned with securities legislation and the swindles occurring in this area. I am pleased to announce to the house that a conference is being convened by the federal government in the near future bringing together officials involved in the securities field from all the provinces.

Some Hon. Members: — Hear, hear!

Mr. Heald: — They will discuss their mutual problems and try to arrive at ways of solving them.

These matters of legislative concern were generally discussed at the Ottawa conference on organized crime. The matter of securities legislation was but one issue discussed. We turned our attention to other matters such as bankruptcy legislation which as we all know is becoming a major concern to our economy.

In the main, however, the conference was concerned with improving criminal detection techniques. I am certain that most of the members of the house are aware that eight of the 10 provinces in Canada now enjoy the services of the RCMP, as I said earlier. Only Ontario and Quebec maintain a provincial force of their own. In addition, the national police force of Canada is the RCMP. The Mounted Police maintain a complete system of criminal detection and criminal intelligence and we have, in this matter, the services of the RCMP which, of course, are available to the municipal forces in various cities of Canada. And with the RCMP and the municipal police forces of the various cities

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we have a fairly complete police network system. It is felt however, that there could be improved liaison between the various police forces in Canada; that is, the larger municipal forces such as the cities of Toronto, Montreal, Vancouver, Regina, Saskatoon, and so on. These, the larger municipal forces, are not necessarily at this time completely co-ordinated into the general police system.

The federal government proposes to expand the RCMP training courses on identification work, to establish a national stolen automobile bureau and to expand existing telex facilities . . .

Some Hon. Members: — Hear, hear!

Mr. Heald: — . . . and to introduce wire photo services in major RCMP offices across Canada with available links to provincial and larger municipal police forces. With the mobility of today's criminal a complete network of police communication from one end of the country to the other is absolutely necessary.

I suggest, Mr. Speaker, that we are going to see an updating of police equipment throughout Canada with closer liaison and co-ordination to alert police forces to developments in their areas.

It was recognized also that a police officer must be better trained due to the complexity of our society and the involved techniques of criminal detection. The Solicitor-General announced the establishment by the federal government of a Police College to be administered by the RCMP which would be available for the training of senior federal, provincial and municipal law enforcement officers. This, to my mind, Mr. Speaker, is a considerable step forward and is one that is long overdue. Most of the provinces recognize that such a college has been desirable for some time, although financial considerations have probably prevented the formation of this college in their own jurisdiction.

One of the major decisions, in my opinion, of the conference was the establishment of a national criminal intelligence unit. The RCMP have had for some time such a bureau in operation, although it has not served completely the functions now being contemplated. What will occur now is an expansion of the intelligence bureau to provide even more information to various police forces. This proposal that the RCMP operate such an intelligence bureau has met with some opposition from the provinces of Quebec and Ontario who wish to have representatives of their provincial forces involved in the administration of such a bureau. It is hoped that the details of this bureau can be worked out in the near future. Indeed a committee was established as a result of our conference, that included the Commissioner of the RCMP and the Directors of the Quebec and Ontario Provincial Police Force to investigate the best way in which this bureau can be constituted.

Furthermore, the federal government have agreed to extend the RCMP criminal intelligence units into major cities throughout Canada with particular attention being given to close liaison at the local level with responsible provincial and municipal enforcement bodies wherever problems of organized crime exist.

This province, Mr. Speaker, was, and is, of the opinion that the RCMP is the most logical force to undertake this duty of

central intelligence because it serves eight of the 10 provinces already and thereby eliminates a need for additional channels of communication.

The conference was also told by the RCMP that many of the individuals active in organized crime were immigrants. The RCMP, recognizing this, feel that such a central intelligence bureau with its lines of communication to the police forces of other countries could better guard against the entry of these persons into Canada. The Minister of Citizenship and Immigration informed our conference of the expansion within his department of a special investigative branch to assist in preventing admission of alien criminals into Canada.

These, then, generally, Mr. Speaker, were the decisions reached at the conference with respect to organized crime. In addition, aside from the matter of securities and bankruptcy legislation that I mentioned earlier, the conference discussed amendments to the Criminal Code in areas such as firearms, contempt of court, lotteries, wire-tapping, impaired driving and the sentencing of certain classes of offenders, together with parole considerations. The Government of Canada undertook to consider all amendments to the Criminal Code suggested at the conference. On the question of lotteries, Mr. Speaker, the conference did propose that a review be made of the provisions in the Criminal Code towards a more realistic attitude in this field. No specific recommendations were put forward and the Minister of Justice promised to give this matter his immediate attention.

I have gone on record personally, and I so indicated in Ottawa, as being opposed to the introduction of government lotteries in any of the provinces of Canada or by the Dominion government.

The Attorney General for Quebec, the Honorable Claude Wagner, in a press release shortly after the conference stated that Quebec and Ontario were the only provinces which presented concrete proposals at the conference and referred to certain proposals made by himself. He indicated that the proposals did not receive sufficient consideration by the federal government.

Now, Mr. Speaker, I wish to state that this province also made proposals for amendments to the Criminal Code at the conference. In particular, this province suggested that amendments be made to the Criminal Code covering wire-tapping and drinking and driving. I also suggested that the Department of Justice enact the various amendments which have been suggested to the Department of Justice by the Criminal Law Section of the of the Commissioners on Uniformity of Legislation, on which the Deputy Attorneys General of all the provinces are represented.

Mr. Cardin, the Minister of Justice, advised the conference that the federal government had been unable to deal with the numerous amendments to the Criminal Code suggested by the Commissioners but that he hoped to be able to proceed with most of the amendments at an early date. In my opinion the federal government representatives could not be expected to agree to do more than undertake to consider the amendments suggested by the Attorney General for Quebec as the suggestions themselves were not made in the form of actual amendments. We learned about the amendments a day or two before the conference on televisions and through the press. So I think that the attitude of the federal government, insofar as the amendments proposed by the Attorney

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General of Quebec was a reasonable attitude and I hope that some action can be taken at the next conference of Attorneys General which will be held likely this fall.

Mr. Speaker, I have spoken at some length with regard to various facets of the operations of my department in the last year because this was my first opportunity to . . .

Mr. R.A. Walker (Hanley): — Mr. Speaker, before the hon. member sits down and leaves the question of the police contract, could he tell us what the present numerical strength of the RCMP in Saskatchewan is?

Mr. Heald: — Mr. Speaker, I can come close. I would be glad to give the hon. member the exact figure when I return to my office. It's in the neighborhood of 530 or something like that. It's in that . . . I'm guessing but I think I'm in the ball park but I would be glad to give you the exact figure.

Mr. Speaker, in concluding my remarks I would say that in the Department of the Attorney General for the upcoming fiscal year, because of the increase in the police force, because of the increased activity in the province which I suggest is due in no small measure to the expansion of the economy of the province, we are promised an exciting and challenging year for my department and for the officials of my department. I think a great deal of the credit for the expanding activity of my department as far as land titles increase in fees are concerned, as I pointed out, are due to the wise policies of the government and the wise budgetary policies followed by the Provincial Treasurer and Premier. For this reason I will, of course, be supporting the motion and I will be voting against the amendment.

Some Hon. Members: — Hear, hear!

Mr. F. Larochelle (Shaunavon): — I must congratulate you first, on a job well done, Mr. Speaker. You have been fair and just in your decisions and you have done well in keeping the dignity of this house. May you have many more years in the Speaker's Chair. I would also welcome Mr. Bradshaw to this legislature in his capacity as Clerk of the Legislative Assembly. I would like to welcome the member for Moosomin (Mr. Gardner). As I listened to him the other day in his first address to this house, it was easy to see why the people of Moosomin have made him their choice. He certainly can make a good contribution in the deliberations of this house. I would also like to welcome the very new member from Bengough (Mr. Mitchell); he worked hard and deserved to win the Bengough seat. Once again, this goes to prove that the people of this province approve the Liberal free enterprise system.

Some Hon. Members: — Hear, hear!

Mr. Larochelle: — Mr. Speaker, I would like to congratulate our Premier for the fine and hard work which he has done during our first full year of office to improve the economy of the province and in accelerating the pace and development of our resources and industries of the province. He did much last year to let the people of the world know that we in Saskatchewan have much to offer in natural resources to different industries.

I would also like at this time to thank the Minister of

Natural Resources (Mr. Cuelenaere) for working hard last year to bring us our first pulp mill in Saskatchewan, something the Socialists could never do due to their policies.

Now, Mr. Speaker, I am sorry that the member from Kelsey (Mr. Brockelbank), the senior member for this house is not in his seat because I would like to quote the member for Kelsey last year when he said and I quote:

Now what is the matter with these chaps, Mr. Speaker, because these are the people that knew how to get pulp mills?

Now, Mr. Speaker, again it is the same old saying, the Socialists talk and the Liberals act. By the time the snow is gone a new pulp mill will be under construction in Prince Albert. Mr. Speaker, this pulp mill should give work to about 4,000 of our northern people. This is how the Liberals act.

Some Hon. Members: — Hear, hear!

Mr. Larochelle: — Mr. Speaker, the Shaunavon constituency which I have the privilege to represent is one of the largest in the province. While it is not largely populated, these people contribute in a large way to the economy of this province in the production of large quantities of wheat which is known as the richest in protein on this continent. The Dollard oil fields produce large quantities of crude oil. Eastend exports large quantities of white mud clay to Alberta for the production of pottery. The cattle industry is a very large one.

Mr. Speaker, the people of the Shaunavon constituency are industrious and work hard towards the economy of Saskatchewan. Mr. Speaker, Shaunavon constituency being a large one constitutes a financial problem, especially in the low assessed LID areas, and we need help to develop this grid road system

I was glad to hear in the Budget Speech the other day that over \$3,500,000 will be spent this year in municipal road assistance. This is a step in the right direction to help this municipal taxload. Turning to the highways system, no. 46 highway has been very badly neglected by the previous administration; this road is in a deplorable condition. Any grid road is in better condition than no. 46 highway. Therefore, I ask that some consideration be given to this piece of road.

As for no. 13 highway which is the main highway crossing the south part of the province, a good start was made to improve this road in 1965. I am told more work will be done this year and I do hope that improvement will continue on this highway. This no. 13 highway can do much to alleviate the load of traffic on no. 1 highway which is becoming overloaded to a dangerous degree. At present it seems that all roads are built to channel into our Trans Canada highway. This increase is a traffic problem and the cause of many accidents.

I do believe that for safety's sake we should start diverting traffic from the Trans Canada. This can be done by improving east and west roads and keep the traffic away that actually has no reason to travel no. 1 except that it is a paved road. At the same time these other east and west roads would save many miles of travel to a large group of people and serve them well

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in the south half of this province.

Mr. Speaker, I want at this time to refer to a matter which I first raised in this house about a year ago. I made reference to the matter of rail abandonment, which the members from across the floor seem to think we are not concerned on. We are aware, of course, that not a great deal has been heard in past months about this, and because of the hoist given it by the Board of Transport commissioners, and the undertaking by our federal government that a rail rationalization body would be established to study the whole question. But the fact that there has been no apparent renewed pressure by the railroads to abandon those thousands of miles of rail line here in this province should not lull us into thinking that the things we feared have gone away, never to return. No, Mr. Speaker, I, for one, and I'm sure my views are shared by others in this house, feel that we would be very remiss, did we not at least show that we haven't forgotten the threat that we are more concerned than ever that no miles of track should be torn up, without serious and searching enquiry into the economic results of that rip-up.

As I said a year ago let's be concerned with more than dividends when we decide this issue. As I say, Mr. Speaker, we have heard little about this in past months, but I wonder if we haven't been missing the lesson to be learned from the recent furore created by the dropping by the CPR of the Dominion passenger service. Isn't there a pattern developing here maybe? Persons who had occasion to ride the Dominion have attested to the fact that service on that train deteriorated to the point where people avoided it if possible. Apparently no attempt was made to meet public demand for service, no one worried if you got poor service. All in all things were made about as tough as they could be for anyone who had to use that facility.

I am wondering if this isn't all part of a sort of grand strategy. More than one national group has pressed the federal government to take over the CPR passenger service and operate it themselves. Surely this wouldn't be the answer, it might be playing right into the hands of CPR management. If you stop and consider for a moment, the CPR has divested the rail operation of everything else. That company has been stripped of all its real estate assets, other than the right of way. Its natural resources, its industrial development and its airlines are separate operations. If the public resentment which has been stirred by the Dominion incident continues to mount there may be nothing left to do but take over the operation.

Thank God I'm not a Socialist, Mr. Speaker, but even if I were I'm sure I'd be leery of that proposition. Why make it easy for the CPR to slough off a portion of their operation just because that portion is not showing a profit comparable to their other endeavors. And they do have other interests, Mr. Speaker. They came about so simply, for the CPR that is. Their management has made some wise decisions, spread liberally with a lot of luck so that today they are one of the richest corporations in North America. Could I just review what happened in those early years when this west of ours was being settled? Take just a minute.

The CPR came into existence in 1881, February 15th, to be exact. With respect to the western division the act provides that from Winnipeg to Jasper House and I quote:

The grant of land hereby agreed to be made to the

company shall be so made in alternate sections of 640 acres each extending back twenty four miles deep, on each side of the railway, from Winnipeg to Jasper House, insofar as these lands are vested in the government, the company receiving the sections bearing uneven numbers.

Mr. Speaker, this land amounted to 25,000,000 acres, and in most cases the mineral rights went with it. The act went on to elaborate as to how this land shall be part of the subsidy to the CPR in return for the benefits accruing to the country as a result of the completion and operation of the railroad. It goes on further to say:

In consideration of these promises the government agrees to grant to the company a subsidy in money of \$25,000,000 and in land of 25,000,000 acres.

Now then, in 1886, the railway surrendered almost seven million acres of this to the federal government as part payment of a loan used in the construction of the railway. The agreed value on this was \$1.50 per acre. Lands given by the provincial governments or acquired through branch line acquisitions brought the total to 34,500,000 acres. Out of this, 3,500,000 acres unsuitable for settlement were returned or sold to the BC government in 1912 for 60 cents an acre.

From 1881 through to the mid-thirties when land sales virtually ceased the CPR had sold some 23,500,000 acres for an average price of \$6 per acre.

When 1965 closed, capitalization of Canadian Pacific Investments Limited, the repository of all those assets, saving right of way, stripped from the railway company other controlled companies and other investments totalled \$446,000,000 plus. I suggest, Mr. Speaker, that we should spend no time weeping for the losing money aspects of the CPR operation.

As stated earlier, let's not be classed as an Indian giver, and take back the proffered passenger operation. The arrangement of 1881 was historic. It gave to the Canadian Pacific company huge tracts of land, large sums of money, not government money, Mr. Speaker, not government land. These were part of Canada's resources, belonging to the people. I say, when those people, or their descendants, are not now being further served we don't take back what's left of the goose that laid the CPR golden eggs. We want the golden eggs too.

The act granting the company these lands and those millions in cash was for a consideration; they were to build and efficiently operate the railway, not just part of the railway.

I subscribe wholeheartedly, Mr. Speaker, to the policy of this government announced just over a year ago. That policy is opposed to wholesale abandonment without prior thorough weighing of all the social and economic factors involved. It also opposed piecemeal subsidy. That to me means that we don't subsidize part of the operation of the railways just because they've moved the goose. The golden eggs are being deposited in another nest, but in the same chicken house.

Mr. Speaker, if things in the House of Commons proceed along already announced lines, these matters, abandonment, subsidy, etc., in measures first proposed by the MacPherson Royal Commission on Transportation will be argued again. When that happens

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we in Saskatchewan, and throughout the west will again be seized with this problem. We should be ready when that time comes to re-state our case, emphatically re-state it. Our rural people are not to be deprived of their means of transportation simply because the dividends have dwindled.

I've another prime interest in this matter of rail subsidy, Mr. Speaker. I make no bones about it at all. I am in the trucking industry, as you all know, I work at it, make a part of my living at it, along with my family. I'm going to take advantage of this moment, Mr. Speaker, to remind everyone that the highway transport industry of this province, of this Canada of ours, receives no subsidy, never has received one and doesn't seek one now.

Our economy is buoyant, as we all know and appreciate, so the highway boys that move the goods that keep us going are running with boxes and vans and tanks, full of the commerce that makes things tick. We have much to be thankful for, but profits are slim, costs increasing, margins narrowed. We hate to be faced with competition that draws part of its substance from the public weal. How do you compete for traffic when the other fellow holds all jokers? His costs are subsidized, partly by me! His help gets their regular pay increments because of the subsidy. I have to narrow my profits or dip into reserves to grant pay boosts to my help, and they are entitled to it, just as are the railway workers. No, Mr. Speaker, let's not submit to any pressure to take over any part of the CPR, that company can look after itself. It has the money to provide the service it was destined to when it went into business in 1881.

Let's get away from that subsidy too, for any particular operating aspect anyway. If the whole operation needed a boost in the public interest all well and good, but let's examine the whole, not worry too much about the parts. That's rail management's problem. When all this is accomplished then we will really be recognizing the importance of highway transport to our economy. Given the environment, and the headway to make things go, our Saskatchewan truck operators are ready, with sound forward-looking regulations such as we are now getting from this government, to provide even better service to our people. I know, Mr. Speaker, that I speak for each of them when I say they would welcome the opportunity and the challenge.

Mr. Speaker, as I have been listening to the opposition members since the beginning of the week, they do not seem to see anything good in the budget that has just been presented.

Sir, I believe it is a far-reaching budget, and in line with the promises that we made in our 1964 election campaign. I do believe some of the thunder of this budget was decreased by the Bengough election where part of this program was given, but I still say it is one of the best budgets this province has had. While taxes have been decreased, all government programs have been increased. Mr. Speaker, when I look at the Home-owner grant of \$50, which will mean a reduction of \$8,000,000 in municipal taxes in this province, my friends from across the floor call it peanuts. In my area, we are not as fortunate as in many other parts of the province in our economy. Most of our people are in the low income bracket and, therefore, cannot afford high-priced homes. In many cases the \$50 Home-owner grant will pay half of their municipal taxes. I am sure those people will welcome this grant.

Some Hon. Members: — Hear, hear!

Mr. Larochelle: — Also they will also welcome the cut of one per cent in income tax. Why should our rate of income tax be higher than that of the rest of the people in Canada? Another grant that will help our low income people and large families is the start this year of free text books for our grade nine students and the promise to extend this grant further next year. Mr. Speaker, I believe that this budget does a lot to help our low income group in the reduction of taxes, that is Home-owner grants and the large grants that will be made to municipalities and school units, to help them hold the line on taxes and in some cases enable them to reduce the mill rate.

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

Some Hon. Members: — Hear, hear!

Hon. J.C. McIsaac (Minister of Municipal Affairs): — Mr. Speaker, I am very pleased indeed to be able to take part in the Budget Debate. At the beginning I would have to congratulate the Provincial Treasurer for the consideration that he has particularly given to my department and to local government generally in this budget.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — I might say I am also pleased and proud to have been appointed Minister of Municipal Affairs last July. I have always enjoyed my associations with municipal councils. These have been many throughout the years, especially in the course of rural practice. I do want to thank members on both sides of the house for the kind words to me in this regard.

Any minister, new or otherwise, would obviously be pleased with the increases in the estimates forecast for my department in the forthcoming year. In Municipal Affairs, last year's estimate was \$2,700,000 roughly and next year the estimate is \$10,600,000, almost entirely on account of, I will agree, the Home-owner grant. This provision, the Home-owner grant, Mr. Speaker, will bring a real measure of relief to the property taxpayers of this province. For 20 years under the Socialist government that tax burden did nothing but increase by up to 400 per cent. In less than two years this government has seen fit to introduce this one main measure which will reduce that burden and reduce it quite substantially.

The Home-owner grant program is intended to reduce the effect of property tax on the citizens of this province, not the businesses or the industries but the little people. I would like to give you an illustration or two to point this up more clearly. We can take for example, the town of Rosetown. There we have done a rough calculation, I will submit it is only rough but I think it is not too far off, on the amount of money that will be returned through this provision to the property owners of Rosetown, \$25,000 — the amount of \$25,000. If you apply this to the overall mill rate, overall assessment of the town of Rosetown, which is about \$3,900,000 and convert that to the net reduction in mill rate it will work out to over six, almost seven mills. However, we are not applying it to the overall assessment. We

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are applying it only to the homeowners and the property owners. When you look at it this way, to be a little more specific, on the basis of an assessment, let's say, of \$5,000 on a home in Rosetown, and this is above the average, the average, I understand, in the city of Regina for a home is about \$4,000, it is a reduction, direct reduction of 10 mills to that householder, that homeowner.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Even if you want to calculate the Home-owner grants as being paid directly to the municipalities and spread over the entire assessment for the province, when I say the entire assessment I am thinking of cities, towns, LID's, RMs, etc., that figure of \$8,000,000 will work out to 5 1/2 mills. As I say when it is applied to a \$5,000 assessed home it means a net reduction of 10 mills.

In some of these towns, as my hon. friend from Shaunavon (Mr. Larochelle), who just sat down, pointed out, some of them are not assessed that highly. On a \$2,500 assessed home the \$50 Home-owner grant will amount to a 20 mill reduction and I am sure a lot of people will fit in that category. To the pensioners and other people whose holdings are not that large and are not assessed that highly, it will certainly mean a good deal more than an average reduction. These are the people that my Socialist friends opposite have been trying to help for years and they are also the same people that we are trying to help, Mr. Speaker. I submit that this program is positive proof to the people of this province that we are not only concerned about them but that we are doing something about it.

We are convinced that by giving direct grants to the property owners, to the homeowners, that the maximum benefit of tax relief will be going right where it should, to the taxpayer himself. I am very pleased to be the minister in charge of the department that is going to administer this program.

As well as the budget for Municipal Affairs, the budget for the Municipal Road Assistance Authority also shows an increase for this year of \$3,800,000 over last years estimates. I don't know where my friend from Swift Current got his two point something million, but if he subtracts six point something from ten point five he will get \$3,800,000. This represents an increase in last year's grid road budget of over 50 per cent, not the 13 per cent referred to by my friend from Swift Current. The details of the grid road budget, I will have much more to say about later on.

Members will recall that last December a Provincial-Municipal Conference was called by the Premier of this province at which the needs of local governments were presented by representatives of their various associations. There appeared to be general agreement at that time, Mr. Speaker, that more provincial funds were required to be directed to local government authorities to help them contain their rising tax burden and their rising demands for services. Emphasis was given to education whereas municipalities generally felt that they too needed more funds for their municipal operations. The budget presented by this government goes a long way, Mr. Speaker, in meeting manly of the requests made at that conference. The top priority of all three delegations was increased grants to schools and education. Grants to schools this year will total \$59,400,000 as compared with

\$37,400,000 in the last year of the previous administration. Any way you look at it, Mr. Speaker, it is an increase of \$22,000,000 and I will leave my friend, the Minister of Education (Mr. Trapp) to go into details on this.

Now, the top priority of the rural delegates at that convention, the Municipal-Provincial Conference, was that they wished increased equalization grants. We are, this year, Mr. Speaker, increasing the equalization grants by over four times, reaching a figure, an actual figure that will be used for equalization grants of \$1,820,000 as compared to the figure \$420,000 that was paid last year and for the last number of years that my friends in opposition were in power.

In addition to this, as I pointed out, other grants in other areas of the municipal road assistance authority were increased to bring their total increase in the grid road authority to \$3,800,000 this year. Mr. Speaker, I submit that this is a huge sum of money any way you look at it, but it is money that is very well spent and indicates the consideration which has been given to the taxpayer and to local governments by this government.

I would ask the hon. members sitting opposite just how they can move a motion of nonconfidence in a budget such as this.

As well as this we, of course, must not lose sight of the benefits which will be derived through the transfer of welfare services and other measures that will be introduced. I could list a number of other programs contained in the budget that will provide either direct or indirect increased assistance to local government taxpayers but I believe that I have established why I definitely am very pleased with this budget, Mr. Speaker.

Now, I would like to deal at this time with some of the affairs and programs relative to my department. I would like to say a word or two on the Municipal Development and Loan Fund. This is a fund that was established by the federal Liberal government in 1963. The program was intended to be completed by the end of March, 1966. The basic feature of this program which provided a fund of \$20,000,000 for loaning to Saskatchewan Municipal governments was a 25 per cent forgiveness feature on the loans for projects that were approved and completed before the end of March this year. I am sure that all members here on both sides of the house will be interested and happy to know that an announcement was made recently from Ottawa that the time for completion of these projects has now been extended to the end of September, 1966.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — This extension of course applies to the 25 per cent forgiveness feature of the program. The announcement and details were made not long ago and we're only waiting official passage of the amendment before we can officially notify the municipalities involved. This extension of time, incidentally, was supported by myself and by the previous minister in my department. It will result in an initial saving to the municipalities, we estimate of up to \$500,000.

This additional revenue certainly is important, not only

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to major centres such as the city of Regina, where I understand my hon. friend opposite has a project that will be helped somewhat by the fact that this date has been extended, but it will also benefit quite a large number of the smaller urban centres which were unable to undertake perhaps any project due to the weather and other holdups last year.

At the same time, this fund will also reflect a saving to local governments because the interest rate on the balance of the money is a good deal lower than that currently available. It has been a very popular program in the province, Mr. Speaker, and one that I think has seen very many worthwhile municipal projects undertaken as a direct result of this act. Last year I attended a conference of Municipal Affairs Ministers in Quebec City. At that time some of the ministers there from other provinces mentioned that they felt in some cases unnecessary projects were being undertaken by some municipal governments. Certainly I can say that this does not seem to have been the case here in Saskatchewan. Any and all projects are very worthwhile and necessary.

I would like to say a word or two also, Mr. Speaker, on the winter works program administered by my department. I do believe that it has been reasonably successful in levelling out the seasonal rush of some construction projects. But the policy actually I do not feel is flexible enough for Saskatchewan communities to benefit as fully as we would like to see. Because of our severe climate many construction projects such as water line extension, water and sewer works, street paving and curbing, are just completely impractical throughout the period when we are supposed to undertake these projects. Many of the larger urban centres have a wider variety of projects that they can undertake enabling them to take advantage of this program whereas the smaller centres do not have this variety open to them. I would hope that discussions with Ottawa — we are having some now — would lead to a modification of the program to enable this province, in particular the smaller centres, to obtain greater benefits from it. I am also of the opinion that it is possible discussions could lead to some change in the principle of assisting in the direct labor costs.

Now the Municipal Water Assistance Program has been referred to earlier today by my friend from Swift current and I am sorry that he didn't have the proper or correct information on this. This program last year was very successful. This is a policy, I think as most members are probably well aware, that provides for financial grants to the urban centres of the province in installing water and sewer works. One significant difference over the last year's operations relates to the priority given to the various applications received. In the first four years of the program particularly, available funds were considerably below the total amount of grants applied for. I'll agree they spent more money. At the same time they had greater demands on it. For obvious reasons, everybody wanted to get on the band wagon when the program was first announced. And because of this there was a priority rating established and the assistance was rationed. This year I can tell you, Mr. Speaker, there was absolutely no rationing of assistance. No urban centre that applied for a grant and was approved by the local government board failed to get it. Every application we received was handled. Adequate funds were made available by the government to make sure that every application could be looked after. I'm sure my hon. friend will be pleased to know this. Mind you I will agree that the amount spent was down somewhat because the demand has decreased

to that extent.

An Hon. Member: — How do you get it?

Mr. McIsaac: — Also the average grant provided this year was in the neighborhood of \$12,000. Last year I believe the average grant was \$13,000 and in the initial years of the program the average grant was \$37,000. Again because of the fact that the larger centres applied and were looked after first we are now dealing with some of the smaller centres where smaller grants suffice. The formula has not been changed. The rate and amount of assistance have not been changed in any way.

Mr. J.H. Brockelbank (Kelsey): — Very good program.

Mr. McIsaac: — It is a good program, Brock. It's one of the Socialist programs what we have maintained and expanded and we are very happy with it, I can tell you that.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — I would like to take a moment, Mr. Speaker, to explain to the house some of the reasoning behind a move which was made some time ago to dissolve the membership of the Municipal Advisory Commission. At the beginning I would like to express my appreciation of the work performed by members of that commission during its lifetime. I refer particularly to the chairman, Dean Cronkite, and the last two members on the board, Mr. Tom Garland and Mr. McGillivray.

Now, as many of you, I think, knew, this commission was originally set up, and it's well outlined in the act that established it, to carry out research with respect to municipal government and to deal with special problems referred to it by the Minister of Municipal Affairs. However, in the latter few years it is fair to say that almost all of the time of the commission has been devoted to the problems of negotiating locations of grid roads with rural municipalities. Now, the initial ten year program of the grid road has been completed and we are beginning another phase of grid construction, extensions to the previous system. The commission has incidentally been working on this for the last two years. We have a number of grid extensions already approved and not too many yet to go before we have the extension system completely rounded out. But it was our feeling that a new approach should be taken to the determination of these grid road locations, an approach which basically rationalized the route with the traffic count and the traffic demand, rather than spacing and various other factors used by the commission. We felt, therefore, that the Grid Road Authority itself is best equipped with its trained personnel out in the field in the various centres throughout the province to carry out this function. Accordingly the Authority has been assigned this task. The commission's main function of undertaking research in municipal problems, I believe, has definitely been neglected in the past, chiefly perhaps because proper research staff was not available or assigned to it. As a matter of fact, the department itself has not had adequate research staff in my opinion. I am sure most members would agree, Mr. Speaker, that there is no need to duplicate staff, some for the commission and some for the department. It is my opinion that research staff should best be properly located in the department where it can do the most good. The budget, you will notice, has provided funds for this purpose. In my opinion it is money

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very well spent.

It has been mentioned to us by both the Rural Association of Municipalities and the Saskatchewan Association of Urban Municipalities that they would like to see us increase the research in local government activities. It was again mentioned to us at the Provincial-Municipal Conference last December. Mind you we have had the usual difficulties in securing trained staff, trained personnel. We were able to obtain a qualified director last fall and we are continuing our efforts to expand this branch with qualified people. I submit, Mr. Speaker, there is also another reason why a Municipal Advisory Commission is perhaps less important today than it has been in the past. Since this government has taken office my department in particular has kept in very close contact with the two municipal associations of this province. We have had some very frank and truthful discussions in many areas. Of course, our conference of last December was the highlight of such consultations. Close and continuous contact between provincial and municipal levels of government is vital if local government is to continue to function as it must in today's society, Mr. Speaker.

I would like to say a word or two before I adjourn for this evening, Mr. Speaker, on the general question of reorganization. I want to go on record personally along with the government as a whole in stating that we are in favor of any measure that will strengthen local government in this province.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — In some instances, municipal governments would perhaps be strengthened if the administrative units were enlarged somewhat. Some municipalities themselves have decided that they can benefit from amalgamation. Last year there were three such reorganizations effected by the local people. I will again assure the members of the house and the people of the province that no action will be taken on the provincial level on this question of any proposed reorganization until the people directly concerned have had the opportunity to vote on the issue. The fact remains that the existing set-up largely due to the energy of locally elected officials over the years, has served the people of this province well for many years. And we believe in orderly reform and natural evolution rather than in the revolutionary changes in the set-up, Mr. Speaker.

Touching on the subject of reorganization brings me to the question of the local improvement districts. My friend, the member from Swift Current (Mr. Wood) made reference this afternoon to the LIDs. He decried the fact that there was no increase in the grant for market roads in local improvement districts. I see what he means in the Municipal Roads Assistance Authority. There is a \$60,000 vote each year there, and there is no change in that regard, but as he also knows the local improvement district branch is administered by the main department of Municipal Affairs. When he looks over there he will see an increase of almost \$80,000. I can tell him that the most of that is going for local roads in LIDs, a good number of them incidentally for the Hudson Bay LID and I am sure my friend from Kelsey (Mr. Brockelbank) will be interested to know this.

These are areas of the province, Mr. Speaker, the local improvement districts, which are normally less densely populated than other regions and have largely been administered through the Department of Municipal Affairs over the years. Last year committees of local ratepayers, which act in a similar capacity to

councillors, were elected by ballot for the first time in the history of the province. This was an initial step forward in giving these areas greater freedom in the direction of their affairs and a move toward self government. The response from the ratepayers and the work performed by these committees is very gratifying to date.

During this past year representations have been made by ratepayers and members of committees and members of some rural councils from areas of the southern part of Saskatchewan in which there are five LIDs. They were requesting or inquiring that consideration be given to forming rural municipalities or larger districts in that area. I am pleased to announce that we are acting upon these requests. As a matter of fact a good deal of preliminary work has already been done on the suggestions made to us for possible boundary changes involving all of the southern LIDs and some of the adjoining municipalities. We intend to involve the LID committees, the ratepayers and the rural councils as well in the area affected to obtain their opinions and recommendations respecting any new boundaries or any new proposals. The ratepayers affected will again be given the opportunity to vote on the complete proposals and there will be no change made without their full approval of the scheme.

Now, Mr. Speaker, I have a few more remarks I would like to make. To avoid repetition tonight and on tomorrow's radio time, I would like leave to adjourn the debate at this time.

Debate adjourned.

SECOND READINGS

Hon. G.J. Trapp (Minister of Education) moved second reading of **Bill No. 31 — An Act to amend The Teachers' Superannuation Act.**

He said: Mr. Speaker, there are a number of amendments to the act. Section 15 of the present act allows grants as contributions to the superannuation. This change would also allow cash payments. I think it's very necessary in the case of the Canada Pension Plan. I think they have been allowed for many years, cash payments, but this makes it quite feasible for a teacher to remit cash payments as well as deductions from grants. It's really necessary to make it feasible.

Section 24 and 24A. A teacher may count one year of university. If he or she holds a permanent certificate and then goes to university, that one year may count as credit towards superannuation but not more than one year. Now, if a teacher gets sabbatical leave and has already counted a year it would still be only one year to count, the sabbatical leave year but not the other year. The amendment clarifies this.

The federal old age pension will be payable at 69 years this year and next year 68, etc. In 1970 it will be 65 years. A teacher may elect and has been able to elect under our plan for many years to get a higher pension until he or she reaches the age to receive the old age pension. Then he or she would get a lesser pension from the fund but the old age pension would make up the difference. With the old age pension age limit going down to 65, we would like this possible that a teacher may elect to have a higher pension until he or she reaches 65, if he or she receives pensions before 65. Then he or she would drop some of the pension because it would be made up by the old age

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pension. It is really just an extension of what has been there. There is no difference in cost because it is actuarially figured out. That's my advice to make adjustments for the difference in age.

Section 43 would allow a teacher who receives a disability pension to teach a total of 20 days. I think the act now says "consecutive days", but this would mean you could teach 19 days a number of times. I think the real intent to the act was that he or she might teach 20 days in a year. This amendment is to stipulate very clearly that he or she may teach a total of 20 days in a year, that is, a person on disability allowance without any loss of disability allowance. This is the main item I remember.

Section 54, this would allow refund of contributions to the teacher who, for all intents and purposes, taught three years but is credited with something less than three years, maybe a day or just a few days short. Now, you have to make a cut off day somewhere. This would stipulate the cut off at 2.9 years. Then he or she could receive his contributions back. I think this has been done for a number of years but never spelled out in the act.

Section 56 is mostly for convenience to the auditors. This amendment is essential to permit all amounts transferable from annuity account to the service account to be transferred at the time transactions occur instead of being held for a period up to 12 months and in some cases indefinitely.

Section 57, the amendment here is required to restore a provision inadvertently omitted when this section was amended in 1963 and will restore the refund right of the teacher whose contributions were transferred from the annuity account to the service account. This amendment will also permit the restoration of the contributions and interest to a teacher who returns to teaching after being in receipt of a disability allowance.

Section 60A. This amendment will allow for regulations required for integration with the Canada Pension Plan.

Section 67. This amendment is required in order to clarify the calculation and crediting of interest for a teacher's contribution account.

Section 68. Allowances granted on the single life plan ceases on the date of death. Now, if it is on the 15th or the 20th of the month, and the payments have gone out, the practice has been to try and collect this over-payment. I am told that it has cost more money to try and collect than the amount that is paid out. This amendment would make it so that a teacher would receive a full month's pay for that month, and the government wouldn't be trying to collect a portion which he hadn't earned, as it were.

Briefly, Mr. Speaker, this covers the main points in this amendment.

Motion agreed to and bill read a second time.

Hon. G.J. Trapp (Minister of Education) moved second reading of **Bill No. 32 — An Act to amend The Larger School Units Act.**

He said: The amendments here in bill

32 can mean changes of principals, and this section 2, clause d change is necessary because this period of tenure was changed from two to three years. We require some changes because you cannot say alternate years, and this corrects this point. In Section 27 you may post the notice of the annual meeting, you may put it in local papers. There is one new thing added, you may advertise over the radio in the area. I think posting on posts has not been too satisfactory.

Section 4, this provides for the payment of joint boards. We made this change in other acts. Section 5 makes it more flexible to hold sub-unit meetings closer to the date of audit. Section 6, boards had to get permission in the past to sell real estate property. This would also add school buses, plus school property. Section 7, the creation of joint boards and section 8 allows more flexibility in units meeting the re-assessment.

Mr. A.E. Blakeney (Regina West): — Mr. Speaker, before the minister takes his seat, could he advise us whether the Larger School Units Act now provides for a term of three years for a unit board member.

Mr. Trapp: — That is my understanding.

Motion agreed to and bill read a second time.

Hon. G.J. Trapp (Minister of Education) moved second reading of **Bill No. 33, An Act to amend the School Act.**

He said: The main principles or changes in this act, the amendments, are, first to provide for the payment of joint boards established under this act. In cases of alterations of boundaries, it has been necessary to hand each person, personally, a notice; now this would allow it to be sent by registered mail; sometimes transfers are fairly large and many people are to be notified. I think it will be more effective to send them notice by registered mail than to hand it to them personally. Section 4, it is a new definition of ratepayer. It was left out last year when we changed the act throughout. Section 5, you can have elections a week later, it doesn't necessarily have to fall at the time of the annual meeting. The amendment provides a little more flexibility than now, as between two and five o'clock.

Section 6 is correcting an error that was made last year. Section 7, some schools under the present act do not qualify for the name Boards of Education. Some wish to use the term and this would allow some flexibility in boards operating not less than 20 rooms.

Section 8 is just renumbering. Section 9, section 2 of number 9 gives a little more flexibility for expenditure on school libraries. Now they may spend much more than the previous amount of \$10 per room. It also gives a little more flexibility in library purchases.

Section 125, school systems may now have more than one superintendent or director of education, which they have actually had for some time. Section 11, payment of joint boards. Section 244A, promotions under principal with the general supervision of a superintendent instead of a teacher. He is still the principal if it is a one room school anyway. Section 14 would protect teachers' rights under the Board of Education. Section 15, the

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main purpose here is that if a board, an elementary school board, as in Regina, had a vote on extensions to schools, and then moved into a Board of Education at the beginning of a year, they would not require a vote of burgesses again to approve the same buildings twice because it is under a different board. I think this is the main purpose of this act.

Mr. D.W. Michayluk (Redberry): — Mr. Speaker, I would like to ask the minister a question in respect to section 10, or no. 125 as it is given in the explanatory sheets here. In districts where there are over 25 departments in operation, the board may appoint a superintendent for schools, and may assign to him his duties. Am I to infer from this explanation, Mr. Minister, that the School Board may appoint a superintendent from one of the teachers on the staff and that this teacher becomes one of the managerial group and is not subject to the same bargaining rights as are the rest of the teachers in the school or district?

Mr. Trapp: — No, this gives permission for boards to have more than one Superintendent or Director of Education as we have in some of the bigger systems. We haven't changed that at all.

Motion agreed to and bill read a second time.

Hon. J.M. Cuelenaere (Minister of Natural Resources) moved second reading of **Bill No. 34, An Act to amend the Provincial Parks, Protected Areas, Recreation Sites and Antiquities Act.**

He said: This bill provides for three small amendments to the Provincial Parks, Protected Areas, Recreation Sites and Antiquities Act. The purpose of these amendments is to expand the rights of the Department of Natural Resources to acquire land for the preservation of areas of scenic beauty. As the act presently stands the minister could acquire land only for the purposes of provincial parks, protected areas and recreation sites.

One or two instances have arisen where we had an opportunity of acquiring land by gift. It was very difficult to make it fall into one of these categories. This is only to broaden the rights of the minister to acquire land to preserve the scenic beauty of the land. There is also provision for regulations and control of the use of such lands.

There is also an amendment to extend the necessity of a permit to dig on any crown land. As matters now stand permits are required to dig on provincial lands and protected areas. This is extended to any provincially owned crown land. There is also a provision to extend the ownership of objects found on any crown land. As it now stands articles of historical value or interest found on provincial land, provincial parks, and protected areas, belong to the crown. This act will extend the ownership of those objects found on any crown land.

Now with these few words of explanation, Mr. Speaker, I move this bill be read a second time.

Mr. J.H. Brockelbank (Kelsey): — Mr. Speaker, I have gone over this bill and I certainly don't like some of the provisions, especially the point that was mentioned by the minister, the necessity of having a permit to pick anything up on any crown land. Now when you say any crown

land, this takes in an awful lot of territory in the province of Saskatchewan. There is the whole of northern Saskatchewan, a tremendous amount of the south and south-west ranching country. When I think of the people who are "rock hounds" and so forth in Saskatchewan, that go out to collect different kinds of things, different rocks, samples, and so forth, I think this will be a law that it will be impossible to enforce unless — well, no government will enforce it. Being that kind of law, it is a bad law. I am not going to object to the second reading of the bill but certainly when we are in committee I would like to see this narrowed down because I think it is ridiculous to require a permit on all crown lands.

Mr. E. Kramer (The Battlefords): — Mr. Speaker, I certainly want to say that I share some of the same misgivings as the hon. member for Kelsey (Mr. Brockelbank). It is true that a good many people throughout this province and other parts of the country have hobbies that are not only rock hunting, arrowheads, Indian artifacts and so on. Now this would inhibit many of these people in the pursuit of their hobbies. I wonder if the minister has taken this under consideration. I think that before second reading comes up that he certainly ought to have his people take another look at this. I wouldn't be so concerned about this, Mr. Speaker, if it wasn't some of the obvious trends in the Department of Natural Resources where before too long you are going to have a great deal of inexperienced staff, if people keep leaving at the rate they are leaving. We are going to find the public are being hampered and harassed by people who possibly may not even know what the true meaning and interpretation of this act was when the minister brought it into the house.

Mr. W.J. Berezowsky (Cumberland): — I, too, would object to that particular section unless the minister has a definite explanation, I know that I, myself, like to search gravel deposits. People that come in from the south like to pick up objects and rocks and artifacts such as arrowheads. It would be a pity if we were to have a situation where you have a police force to control this activity. You would have to get a permit every time you wanted to pick up a pebble or an arrowhead or some other interesting objects that may be found when people prospect in our northland. I hope it doesn't mean that. If it does then I hope the minister will bring in some kind of an amendment to keep people free to roam, collect and enjoy themselves.

Mr. W.G. Davies (Moose Jaw City): — Mr. Speaker, I would like to add my voice in support of those who have had some misgivings about this section. I know, I think, literally dozens of people who are rock hounds, or amateur collectors of artifacts, or you name it. In general they are pretty good people, I don't mean vandals. They have in their homes amateur collections and I think have facilitated the efforts of the government, generally speaking, in the collection of various articles of interest to the public. I think that, if we so restrict their search and their interest in their enterprise, we will be doing something that won't be in the public interest. Apart from that I think it is an exceedingly hard thing to enforce. As the minister now has it, I don't think anyone could even pick up a buffalo skull and get away with it.

Mr. Cuelenaere: — Mr. Speaker, I certainly want to assure the house that it was not the intention of the department, or my intention, or

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the intention of the act to prevent people from carrying on the pursuits that have been mentioned by the hon. members. I think that this section can be dealt with in committee. It deals only with digging, or exploring for, or excavating for objects of ethnological, archaeological, paleontological and historical interests. Now, however, if this section is somewhat too broad I can assure the house that I am quite prepared to consider narrowing it. This only intended to preserve the objects of the kind which are of real significance and of historical value. It is only to prevent the dissipation of some of our historical monuments on crown lands. I want to assure the house that there was no intention of preventing anybody from going out and picking up the odd rock and exploring for that purpose. I think possibly we can best deal further with it in committee, but I do want to assure the house of these facts.

I might mention the fact that when this was brought to my attention there were one or two instances pointed out where the importance of having such a section was pointed out. On the other hand if it goes too far it can be narrowed down.

Motion agreed to and bill read a second time.

Hon. J.M. Cuelenaere (Minister of Natural Resources) moved second reading of **Bill No. 35, An Act to amend the Forest Act.**

He said: Mr. Speaker, this is only a routine amendment to the Forest Act to provide changes in the boundaries of two or three of our provincial forest reserves.

Mr. J.H. Brockelbank (Kelsey): — Mr. Speaker, I know the bill is just for alteration of boundaries, but it is one terrific job to read that schedule and figure out what the alterations are. I hope the minister can figure out what the alterations are. I hope the minister can have some maps for us in committee so that we can see what the schedule actually does.

Mr. W.J. Berezowsky (Cumberland): — Mr. Speaker, maybe the minister can tell us the number three bid. Is that the area that is proposed for the pulp mill? It has been turned over to the city; is that the area there you intend to take out of the reserve?

Mr. Cuelenaere: — Mr. Speaker, I have maps of each one of these provincial forest reserves. We can deal with them in committee and give you the exact areas that are being removed or added. Most of them have been simply taken out because they are going to be used for agricultural land, and others are being put in which are particularly suited to forestry.

Mr. Brockelbank (Kelsey): — Mr. Speaker, could I ask the minister if he would distribute the maps to us now, so we could have a look.

Motion agreed to and bill read a second time.

Hon. D.G. Steuart (Minister of Public Health) moved second reading of **Bill No. 40, An Act to amend The Tuberculosis Sanitoria and Hospitals Act.**

He said: Mr. Speaker, this bill contains only one amendment, to

provide for the government's patient day grant to The Saskatchewan Anti Tuberculosis League. It has been increased from \$4 to \$5. The government's patient day grant is based on the number of days spent in the Saskatoon and Fort San hospitals by persons other than Indians and war veterans, for whom payment is made by the federal government. Members of the assembly will be pleased to know that the total number of patient days for which the grant is made has been decreasing each year. This has brought about a corresponding reduction in the annual amount of the grant paid to the League by the government. The amendment, therefore, provides that the patient day grant be increased from \$4 to \$5 to compensate the League for the loss of grant that would otherwise be incurred because of the reduced number of patient days.

The government grant has also been increased to ensure that the municipalities will not be required to bear a larger portion of the League's cost of operation this year. With that brief explanation, Mr. Speaker, I move the bill be read a second time.

Motion agreed to and bill read a second time.

On the motion of the Hon. Mr. Heald, the assembly adjourned at 5.27 o'clock p.m.