

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Fifteenth Legislature
13th Day

Tuesday, February 21, 1967.

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

WELCOME TO STUDENTS

Mr. A. Thibault (Kinistino): — Before the Orders of the Day I would like the House to join with me I welcoming a fine group of students from Crystal Springs high School. They are led here by their teachers, Miss Lily Orton, Mr. Ike Gillard and one of the parents, Mrs. Ted Sjostrom. The bus drivers are Herbert LaRoche and Nick Hawreschuk. They drove in 200 miles this morning to tour the fine city of Regina and I'm sure their trip here today will be educational and a very pleasant one. I also want to wish them a safe journey home.

Some Hon. Members: — Hear, hear!

Mr. M.P. Pederson (Arm River): — I would like to join with the Member from Kinistino and all Hon. Members in welcoming the group from Crystal Springs as well, and particularly because my sister and niece happen to be in this group. I have had many years of acquaintanceship with this general area that these young people come from, and like the Hon. Member and all Members hope they have a very pleasant visit with us this afternoon.

Mrs. Sally Merchant (Saskatoon City): — Mr. Speaker, I would like to draw your attention to the fact that there is in the west gallery, two groups of students from the city of Saskatoon, one from the Alvin S. Buckwold School and the other from Buena Vista and I know that Members will want to join with me in welcoming them to Regina and to the Legislature.

Some Hon. Members: — Hear, hear!

Mr. J.A. Pepper (Weyburn): — Mr. Speaker, I would again like today to welcome and introduce to you, and through you to Members of the Assembly, another group of students. I believe they are sitting in the west gallery; there are 42 in number and they are, as I said yesterday, another portion of the Grade 8 class from the Junior High School in Weyburn which has a total of some 200 in its class. Today this group is accompanied by their two teachers, Mrs. McLeod and Mr. Fletcher, and again their bus driver, Mr. Reg. Tait. I know that all Members will join with me in expressing our desire that their visit with us proves pleasant and profitable and continues throughout their journey home.

Some Hon. Members: — Hear, hear!

Mr. T.M. Weatherald (Cannington): — Mr. Speaker, I would like to welcome to this Assembly a group of students from Lampman High School and the Lampman United Nations Club. These students have come some 130 miles

to Regina and have seen the Legislative Buildings and the City and I'm sure they are having a very educational tour. They are accompanied by their bus driver and their teacher. I'm sure that everyone in this Assembly wishes them well.

Some Hon. Members: — Hear, hear!

Mr. G.T. Snyder (Moose Jaw City): — Mr. Speaker, before the Orders of the Day are proceeded with I would like to welcome on your behalf and on behalf of the other Members in this House, a group of approximately 120 students from the A.E. Peacock High School in Moose Jaw. They are accompanied by their teacher, Mr. Walkerchuk, and I want to extend a particular welcome to them because the Peacock High School is situated within about 2 blocks of my home. I had the good fortune to attend the Peacock High School a number of years ago, and my oldest son will be attending the Peacock High School next year. I know that all Members will want to join with me in wishing them a very rewarding day and that they will have a pleasant trip back home.

Some Hon. Members: — Hear, hear!

QUESTION RE: WHITE PAPER ON CITIZEN'S PROTECTION

Hon. W.S. Lloyd (Leader of the Opposition): — Before the Orders of the Day, may I direct a question to the Attorney General (Mr. Heald). Is the Government making available in unlimited quantities without cost copies of the White Paper on Citizen's Protection?

Hon. D.V. Heald: — No, the Government printed 5,000 copies which are being distributed to various organizations in the province, municipalities and so on, various consumer groups who are setting up a distribution list. I personally arranged and paid for copies of the Citizen's Protection Code to go to every member of my own constituency, but I paid for the cost of it myself. I would like to table a bill, the bill received from the Printer in the sum of \$247.86 so these aren't the Government's. But if the Hon. Leader of the Opposition would like to suggest to me that other groups be put on the list, this would be fine. We're in the process of mailing them out.

Mr. Lloyd: — I would much rather distribute something else free of charge or otherwise. Does this explain perhaps why the White Paper considers that the history of Saskatchewan starts in 1964, if it is going to use this thing?

Mr. Heald: — No, Mr. Speaker, I noticed the other day the Leader of the Opposition was speaking in Saskatoon. He said the White Paper was printed on blue paper and he thought it was a red herring. I think the only thing that will be red after a while is his face when we put this through the House.

QUESTION RE: ORDER FOR RETURN NO. 6

Mr. J.H. Brockelbank (Kelsey): — Mr. Speaker, I'm glad to see that the Government is smartening up because I want to ask them a question. Just about at

the beginning of the session I asked a written question in the House. I asked for the returns up to the end of January, I think it was, of all the different kinds of taxation and I'm sure the Hon. Premier and Provincial Treasurer (Mr. Thatcher) wouldn't miss that. When it came up it was changed into an Order for Return. Now I know the Treasury Department has the accounts right up to date on all their receipts, and I would like to know why the delay in not getting that information.

Hon. W. Ross Thatcher (Premier): — Well, I suppose it has to go around to all the Departments. I don't even recall the question but I'll assure the Member he will get it before the end of the session.

QUESTION RE: FEDERAL GOVERNMENT AND TECHNICAL TRAINING

Mr. W.E. Smishek (Regina East): — Mr. Speaker, before the Orders of the Day I would like to ask the Minister of Education (Mr. Trapp) a question of whether the Government has entered into an agreement with the Federal Government in respect of vocational and technical training and also in respect of apprenticeship.

Hon. G.J. Trapp (Minister of Education): — No new agreement has been signed to date.

QUESTION RE: FUTURE PLANS FOR SASKATCHEWAN HOUSE

Mr. E. Whalen (Regina North): — Mr. Speaker, before the Orders of the Day I would like to direct a question to the Minister of Public Works (Mr. Gardiner). In view of the current rumours regarding its sale, can the Minister advise the House of future plans for Saskatchewan House?

Hon. J.W. Gardiner (Minister of Public Works): — I must say I haven't heard any rumours.

ADJOURNED DEBATES

BUDGET DEBATE

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Thatcher (Provincial Treasurer) that Mr. Speaker do now leave the Chair, and the amendment thereto by Mr. Blakeney (Regina West).

Mr. B.D. Gallagher (Yorkton): — Mr. Speaker, my first remark this afternoon must be addressed to the schoolboys and girls in the gallery. I want to associate myself with the Members who have welcomed these groups this afternoon. I certainly hope that their stay will be a welcome one and that it will be an educational one. If there is anything that I say in my remarks this afternoon that they might think is rather uncomplimentary about the people who sit to your left, Mr. Speaker, I hope that my friends in the gallery will realize that this is my duty as an elected Member of this Government, and further, Mr. Speaker, if my friends in the gallery, these young boys and girls, have any political ambitions I wouldn't want them to...

Mr. I.C. Nollet (Cutknife): — On a point of Order, is the

Hon. Member addressing this House or addressing the gallery.

Mr. Gallagher: — Yes, I am, Mr. Member from Cutknife. Mr. Speaker, the Member for Regina West, (Mr. Blakeney) yesterday afternoon addressed most of his address to his air audience and I'm only addressing the first 20 or 30 seconds of my address this afternoon to the students in the galleries. It is not very often that these students get a chance to come in here. I hope that they enjoy the proceedings and, as I said a moment ago, I hope that if I say anything uncomplimentary about my friends to your left that they will realize that this is my duty as a Member of the Legislature. On the other hand if they hear some uncomplimentary remarks made from the Members on the left, they will take it for what it is worth coming from that side of the House, Mr. Speaker,.

Some Hon. Members: — Hear, hear!

Mr. Gallagher: — When I adjourned the Debate yesterday afternoon, Mr. Speaker, I had commented on some statements that had been made by the financial critic, (A.E. Blakeney) the Member for Regina West, in his remarks Friday afternoon or yesterday afternoon. And in the few minutes left to me this afternoon, I want to deal further with some more of the remarks that he made while he was speaking on this Debate. I want also to refer to some of the things that the Budget that was brought down the other day by the Provincial Treasurer (Mr. Thatcher) promises to the people of Saskatchewan. It was quite noticeable, Mr. Speaker, from the remarks made by the financial critic yesterday when he had all the air time that was allotted in this House, one hour and fifteen minutes I believe, and all the other time that he wanted to speak that he didn't speak too much about the Budget. This afternoon, Mr. Speaker, I do intend, in the few minutes that I have on the radio time and in this Debate after some 30 minutes yesterday, to say something about what this Budget has to offer. For example, after talking at some length on education, on school grants, the University, technical and vocational training, there was one small but quite noticeable omission in the remarks of my friend from Regina West. He forgot to tell this audience — his air audience and this House — that this year this Government will be spending \$101,282,000 on education, that after subtracting the Federal reimbursements, this year this Government will be spending over \$90,000,000 on education, Mr. Speaker, just about double the \$45,000,000 our NDP friends spent on education five years ago. Mr. Speaker, almost double the \$49,000,000 that our NDP friends spent their last year in office in 1964. He talked about the Liberal Government reneging on our promise of setting education as a top priority. He didn't tell his listeners that when his party spent the \$45,000,000 it represented just under 26 per cent of the total budget, that the Government spent in that particular year, and that this year with a much larger Budget, Mr. Speaker, that this Government is spending 30 per cent of its total budget in the Department of Education.

Some Hon. Members: — Hear, hear!

Mr. Gallagher: — And Mr. Speaker, I'm sure this was most interesting to his air audience, but it would have been much more interesting if the little act had been televised when he put on this little bit of a dialogue between George and Ross and Ross and George and George and Ross and Ross and George. Well, Mr.

Speaker, he was trying to make the point that the Minister of Education had a terrible time with the Provincial Treasurer when he was bargaining for more money for school grants. Well, despite all the things that he said yesterday, Mr. Speaker, he still didn't prove anything because after we look at the actual figures on the school grants, even if we take the figures that were presented by my friend from Regina West after he said that the school grants estimate had been padded, if we used those figures, Mr. Speaker, it still amounts to about \$62,00,000 for school grants. If we use his figures which were wrong, but even if we use his figures, Mr. Speaker, the last full year of the CCF Socialist Government in this province, they spent \$37,634,000 in school grants. I don't know if it was Johnny Burton or which one of his experts it was that found the percentages or arrived at the percentages that he used on one occasion in his remarks yesterday afternoon, Mr. Speaker, but the fact of the matter is this, that in their last year of office with a smaller budget, when the cost of education was smaller than it is today, they actually paid for 44 percent of the total cost of education. In 1967 and 68 we will be paying almost 50 percent of the total cost of education when education costs have risen considerably since they were in office.

Some Hon. Members: — Hear, hear!

Mr. Gallagher: — Mr. Speaker, no matter what way he tried to put it the fact remains that in their last year of office which was their best year in respect to grants to schools and help in the field of education, they paid on an average of \$166 per pupil in this province in school grants. This year, Mr. Speaker, we will be paying \$66 more or \$230, an increase of 40 percent in our first three years in office over the best year that the NDP had in the field of education.

Now, Mr. Speaker, what did the Member say about university grants? I believe, if I quote him right, he said something like this, "That the previous Government had two cardinal principles that it adhered to in dealing with the University." the first one was the autonomy of the University, that his Government never interfered with the operation of the University and the second cardinal principle was that the Government provided the money. Now, Mr. Speaker, this is a very statesman-like statement, particularly coming from my lawyer friend from Regina West. But let's just check the record, Mr. Speaker, for the accuracy of this statement. In the best year, the last year the Socialists were in office they provided \$10,600,000 to the University of Saskatchewan. I am not even going to bother to refer back to the average of what they gave in all the years that they were in office. It is too pitiful to even repeat. Mr. Speaker, this year we will be giving the University of Saskatchewan \$28,000,000. He was only out, Mr. Speaker, the gentleman from Regina West and the financial critic was only our 180 per cent in this particular case.

And then he talked about technical schools and technical and vocational education. This, Mr. Speaker, is where he suggested that the Liberal Government had hit a new low. He painted a picture of boys and girls trying to get into technical and vocational institutions and the doors were closed because this Government had decided they weren't going to bother looking after the boys and girls who needed technical or vocations education. I made mention yesterday afternoon in my remarks what the record of this Government was in this respect,

only in the statistics that I gave of the number of students that attended two vocational schools that were in operation when the NDP were the Government of this Province. And that, Mr. Speaker, was a pretty good comparison. It was 2,303 in the best year of a Socialist Government compared to 3,310 last year, or an increase of 50 percent over the best year that the socialists were in office. And this, Mr. Speaker, is without saying anything about the new Technical and Vocational School in Weyburn that was opened or the Comprehensive School that was opened in Yorkton and will be operating on a vocational and technical basis very shortly and the other vocational and technical comprehensive schools that will be opened in this province in the not too distant future.

In opening his remarks, mps the Member from Regina West (Mr. Blakeney) opposed the Budget on three counts. First of all he said taxes were too high. Secondly he said not enough was being spent on services to our people, and third, he said the Government had started deficit financing. I have a copy of the Saskatoon Star Phoenix and I forget just how it is that he has described this, but it is rather a deplorable act. He called it short-term opportunism and long-term folly, and I think that he suggested that we were getting back to the days of the Liberal 30's.

Well, Mr. Speaker, I'm going to review these points just for a moment or two. As far as taxes are concerned, I mentioned something yesterday afternoon about the Hospital Revenue Tax and I don't intend to repeat myself on that this afternoon. I would like to repeat just one or two things, particularly in respect to the medical care and hospital premium, and I mentioned this yesterday afternoon. The medical care and hospital premium is something that my friends on the other side of the House take great exception to. As for the Lady Member for Regina West (Mrs. Hunt), I remember her when we were sitting in the Opposition standing on this side of the House and asking that the Government not have a medical care and insurance head tax at all; and I remember her Leader at that time, the former Premier of this Province, (Mr. Douglas), saying that we should have a medical care head tax, but it should bear a small relation to the total cost of medical care and hospitalisation in this province. And in 1962 when my friends, the former Government of this Province, set the tax at \$72, Mr. Speaker, it covered about 33 percent of the total cost of medical care and hospitalisation. They think that it's too high today, but Mr. Douglas, in whom I'm sure none of them have any question of confidence, said that it should bear a small percentage of the total cost of hospitalisation. Today, it only bears 20 percent of the total cost of hospitalisation and medical care. That \$72 that we pay today which we paid five years ago under a Socialist Government covers 20 percent of the total cost. Five years ago it covered 33 percent or a little more than 33 percent of the total cost of hospitalisation. But, Mr. Speaker, I want to repeat what I said yesterday afternoon about hospitalisation and the hospitalisation tax. We know the record of our friends who sit to the left. In every election after the hospital plan was introduced in this House they lowered the rate, the head tax before an election and they raised it after an election. They did it in 1963 and no doubt they intended to put it back up where it should have been in 1964. They didn't get the opportunity to do it and they've been crying ever since.

I said something the other day about the liquor and tobacco tax and all I'm going to say at this time about the liquor

and tobacco tax my friend from Regina West was crying about the elderly gentleman who was retired, who couldn't afford to buy tobacco for his pipe – Mr. Speaker, that tobacco and liquor in my books are luxuries and anybody that can afford to use them can well afford to pay taxes. I think that if there's one thing that should be taxed and taxed well it's luxuries and surely tobacco and liquor are luxuries in this country.

And he talked about the gasoline tax and the motor licence tax. I don't want to repeat everything that I said yesterday afternoon, Mr. Speaker, in respect to the gasoline tax and the motor licence tax, but I do want to say this, that in the last year of a CCF Government they spent just two thirds as much on highways in this province as they collected in gasoline and diesel tax and motor licences. We increased the gasoline tax one cent per gallon last year and paid double this amount in increased grants to the rural municipalities of this province.

Some Hon. Members: — Hear, hear!

Mr. Gallagher: — Further to that, Mr. Speaker, we spent millions of dollars more on our highways system than we collected in motor vehicle licence and gasoline tax.

Mr. Speaker, my friends have had a lot to say about some of the other taxes; no doubt more of them will have more to say about the over-all taxes in this province since we became the Government. I want to say at this time that there hasn't been a year since 1944 that the revenues of this Province haven't been higher than the year before, and as long as this province grows and prospers and the gross national product rises there will be more increases in revenues derived from taxes. But in the 20 years that my socialist friends were the Government of this Province, not only did they raise more money from taxes, they increased the rate of taxation and, Mr. Speaker, this is something that this Government has put in reverse. For the first time, Mr. Speaker, since 1940 people are paying a smaller rate of taxation than they were in the past. You know, just in one instance of the 20 percent reduction of the sales tax it is going to amount to \$12,000,000 in this particular Budget.

Now my friend from Regina West (Mr. Blakeney) talked something about a cut in services. I have already dealt with education. this is one that he spent a great deal of time on. He didn't say anything about health. The last full year of a CCF Government that Government budgeted \$48,000,000 for health.

This year we are spending \$66,800,000 on health services in this province, an increase of \$18,000,000 or over 30 per cent. In highways, he didn't say too much about that. I wish I had more time, Mr. Speaker, but I see my radio time is about gone. But he didn't say anything about the \$22,800,000 they spent in their last full year of office as compared to \$49,500,000 that we will be spending this year. I know that there have been statements made from people on the opposite side of this House in the debates last year and out in the country and no doubt they will be made again that this Government is just taking the money in bucketfuls and handing it to the contractors in this province. Well, Mr. Speaker, I got some information this morning from the Department of Highways that puts the lie to that statement and I'm not going to have time to use it this afternoon, but I can assure you that I am going to give it to somebody to use at some later date in this Debate. Last year, Mr. Speaker, this

Government moved almost three times as many cubic yards of dirt as our Socialist friends moved in their best year when they were the Government of this Province.

Some Hon. Members: — Hear, hear!

Mr. Gallagher: — What about equalization grants? Now this is a service to the people of this province and if services were cut, then this must be a service that was cut. What's the record of the Liberal Government in respect to equalization grants to the municipalities of this province? Mr. Speaker, this is a rather laughable one. You know the way the former Government used to use the municipalities? Well, there used to be the odd \$300 or \$500 or \$700 special grant provided the majority of the council were of the right political stripe. They took a blood test first, Mr. Speaker, I saw that in my own constituency. Mr. Speaker, even some of their CCF councillor friends appreciate the way this Government treats the rural municipal people of this province. This year, Mr. Speaker, from a paltry \$600,000 that my Socialist friends gave in equalization grants in their last year in office we have increased this to \$24,000,000 or a net increase of 400 per cent. My friend from Regina West was only out 400 per cent in this particular field, Mr. Speaker.

What about Natural Resources? Well in Natural Resources, Mr. Speaker, - and this is surely a service to the people of this province - in their best year they spent \$5,965,000. This year \$9,000,000 an increase of about 50 per cent. There is one more point I would like to cover - I will have to cover it very quickly for I am already infringing on the air time of the Minister of Municipal Affairs - and that is the last point that the Member tried to make in respect to deficit finance. Mr. Speaker, I covered this quite thoroughly yesterday.

He mourned the fact that this Government had seen fit to amortize part of the Budget, \$6,500,000 in highway spending. Well I went to the trouble, Mr. Speaker, of reading the financial statements for the fiscal years ended March 31, 1965, and I find out that on 11 occasions after 1948 that my friends, who deplore this action, did it 11 times from 1948 until 1964. That was in respect to highway building, Mr. Speaker, but they didn't have a four-lane program and on two more occasions they did it for public buildings, Mr. Speaker. Mr. Speaker, the Leader Post reported me this morning - and I'm not accusing them of reporting me wrongly, but there were so many items in here that they reported - that I said that in 1961 there was \$5,000,000 amortized. In 1961 there was actually \$10,000,000 amortized. They sold debentures in two different issues. In fact they amortized just about half of their highway budget that year, Mr. Speaker. And my friend from Regina West deplores the fact that we have started deficit financing by trying to cover up our capital highway spending. We are doing this with a small proportion of our total highway budget, Mr. Speaker, and that is to be used in four-laning. Surely, Mr. Speaker, that puts the lie to most of what the Member from Regina West said yesterday afternoon. Mr. Speaker, he tried to oppose this Budget on three counts. Tax increases, reduction in services, deficit financing. He struck out completely on the first two, Mr. Speaker. No, he made a fly ball to first base and the first baseman caught it and he ran hard to get to first base and he fell flat on his face, and he looked worse after he got up than if he would have struck out on the third count. Mr. Speaker, this Budget gives to the people of this province what this Government said this Government would

do back in 1964 before the election. I can tell the Members of this House and the people of Saskatchewan that this Government is not going to be judged by the remarks that are made by my friends from the other side of this House; by irresponsible statements like those made by the Member for Regina West. I am certain that this Government will be judged on its record of performance. Mr. Speaker, I am happy to support this Budget and I will oppose the amendment.

Some Hon. Members: — Hear, hear!

Hon. J.C. McIsaac (Wilkie): — Mr. Speaker, it is a pleasure for Member as Minister of Municipal Affairs, to speak in this Budget Debate. It is the third time that the Provincial Treasurer has brought down a budget that reflects major increases for most municipal programs. This Budget demonstrates, again, the firm desire of this Government to substantially increase our assistance to local governments in the province. Not only has our Provincial Treasurer succeeded in balancing the Budget for the coming year, but he has done it in the face of real difficulties, increasing public health costs, increasing education costs, reduced funds from Ottawa. And yet he has done it without bringing in any tax increases.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Now the combined figure for the Budget in Municipal affairs and the Municipal Road Authority this year adds up to \$23,354,230.00. The best year that the Opposition had for the combined budget figures is pretty paltry by comparison, Mr. Speaker. It adds up to \$10,295,791.00.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Even if we take out the \$8.5 million dollar vote for the homeowner grants program, we are still ahead by close to \$5 million dollars over the best efforts that they could produce in their years of office.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Yesterday, the Honourable m from Regina West (Mr. Blakeney) drew my attention to the fact that something over 200 of our smaller villages in the province were getting smaller every year. I think this statement, Mr. Speaker, clearly shows what we on this side have said for many times over that they are only now beginning to get their heads out of the sand and look around. Where has he been all these years?

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Out in the country we have known for years that the smaller centres were growing smaller. Only today, though, or yesterday, has he begun to express concern about this! After they have initiated and encouraged school centralization and other services, after that same party chose to try and implement the country system and jam it down the throats of the people, after that same party, (when he was Minister of Public Health),

tried to introduce a plan to close down the small hospitals, now he issues a solemn warning to this Government that we had better watch out for our small hamlets and our small centres which are withering away.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Now it is true that some of the smaller centres are growing smaller, but it is also true that most people in those areas and other areas in the province, recognize and accept this trend in the present growth pattern of the province. Towns of 1,000 and over on the other hand are growing as never before and we are certainly helping these communities with some of their problems. Just for an example, the Government last year assisted in paying part of the cost of paving main streets in a total of 10 cities, 39 towns, and 11 villages in this province. Five million dollars were expended in this program last year.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Now, 54 communities in the province have been given financial aid last year to install water and sewer systems. Most of these communities, I remind my honourable friend, were the smaller communities, the villages and smaller towns. This year we will begin a policy of providing direct financial assistance to those smaller communities who wish to install a plastic sewer system. We also brought in a policy in 1964 when the now Senator A.H. McDonald was Minister of Agriculture, to provide technical assistance and materials at cost to those hamlets to install water systems. And yet, as I say, my honourable friends opposite are still asking what we are doing for the smaller centres. Now, his other remarks were somewhat similar, equally invalid, and I will not refer to too many of them.

One of the most important factors, Mr. Speaker, why the Provincial Treasurer has been able to give us a balanced budget this year, and at the same time increase expenditures, has been the increased business and industrial activity that is taking place in this province.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — This is due, very largely, to the efforts of this Government and to the efforts of the Premier, in particular.

The assessment information for 1966 provides a real indication of this growth that is taking place in our province. We'll take mining assessment, as an example. Outside of the Northern Administration District, mining assessment increased last year by eight million dollars, an increase of 13.5 per cent in one year. And if you will apply an average mill rate to that, it means another half million dollars in local taxes to our local governments from this one increase alone. Next year we predict the increase to be even greater, as more of these mining developments come into operation.

And of course, mining is only one segment of the total industrial economy of the province. The rapid development in other sectors is clearly shown by another fact from the assessment figures. Total assessment in the cities of the province

last year increased by almost 52 million dollars. I suppose it is fair to say that some of this is due to the trend toward more and more urbanization. The fact remains, however, that this added industrial assessment is coming to the province and is resulting in a broader tax base, not only for the Provincial Government, but for municipal governments as well.

The workload of the Community Planning Branch in my department last year is ample testimony to the fact that our urban centres are growing, and growing rapidly. Despite continuing difficulty in securing professional staff we had a very busy and productive year. Among the major items that were handled were development plans for Estevan, Esterhazy, the Battlefords and Moose Jaw, as well as a housing study in Prince Albert.

Now I'd like to turn for a few moments, Mr. Speaker, to a subject of importance to all of us. One that was referred to by my Opposition friend (Mr. Blakeney) yesterday, mainly the general subject of housing in this province.

Many statistics can be cited to show that housing starts were definitely down last year in Saskatchewan. It is true that tight money has had a severe effect on the housing sector of the entire construction industry, not only in Saskatchewan, but all across Canada and the United States as well.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — C.M.H.C figures show a 28 per cent decline in starts in Saskatchewan last year. However, when you look at those figures they apply only to urban centres of five thousand and over. It was due largely to a drop in starts on apartment units in the cities, and there was also severe drops in housing starts in the city of Regina. And as the m of Regina West (Mr. Blakeney) said yesterday, there is still no shortage of single-family dwellings in the city of Regina. Now, at the same time, C.M.H.C. has other statistics available that show that dwelling completion in the rural areas and small urban centres below five thousand last year in Saskatchewan, were up by 14 per cent from the year before...

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — ...as contrasted to Manitoba and Alberta, who were down quite considerably. Also dwelling starts in our rural areas and smaller centres last year were on a particularly with 1965. Probably our greatest need in housing today in this province is more apartment type units for the growing number of people who wish to live in apartments, and more units to accommodate the people of lower income.

Now last year, Mr. Speaker, Members will recall that we passed The Housing and urban Renewal Act in this Legislature. Basically it gives us the authority to enter into agreements with municipal governments and the Federal Government to do a number of things: to create low rental housing, either subsidized, or economic rental; also to create housing on our own; to enter into urban renewal agreements and to enter into so-called land assembly projects. So you might well ask, what has happened as a result of us passing that Act? I would like to refer first of all to the Land Assembly Program. Now this is a program that

provides for the purchasing of land and the pre-servicing of lots, building lots, in urban communities. these are paid for at the time, on a cost-sharing basis – seventy-five per cent, Ottawa; twenty, the Province; five, the local municipalities. and of course these costs are repaid when the lots are sold. Now there is another obvious advantage to this program, in that the local communities involved here do not have to issue debentures to provide for the servicing of lots in their community. We have 165 such lots now being developed in the town of Unity and the town of Shaunavon. We have another twelve to thirteen hundred in twenty-two more communities throughout the province under negotiation for development later this year. It's a long lists: Allan, Canora, Delisle, Humboldt, Indian Head, Lanigan, Nipawin, Redvers, Saskatoon, Shellbrook, Viscount, Watson, Birch Hills. Carrot River, Foam Lake, Hudson Bay, Langenburg, Lloydminster, Prince Albert, Rosetown, Watrous, Wynyard, a real long list of communities that are taking advantage of the program initiated last year and emphasized by this Administration. And I suggest, Mr. Speaker, that this program alone will substantially assist in increasing housing starts next year in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — This is a program, incidentally, that was available to the province for many years prior, and only one or two communities ever took advantage of it under the administration of our Socialist friends opposite.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Now as well as in the field of land assembly, we have been involved in creating housing in certain areas of the province, primarily in the resource communities. Last year we constructed, or have under construction at the moment, about thirty homes in the town of Esterhazy. We have built twelve more for Government employees throughout the province. We have thirteen houses underway in the Green Lake area, three of them for the enlarged farms that were established in that district. Over forty units were constructed by the Department of Natural Resources in the Northern Administration District for, Métis people. This year we will continue our program for the Métis in the northern parts of the province. We will also be prepared to create another seventy-five or more houses throughout the province with emphasis on the resource communities. I am thinking of such towns as Lanigan, Outlook, and any other centre where the need becomes apparent. But, broadly speaking, Mr. Speaker, we believe that the creation of housing units for the general public should be left to the private enterprise sector of the economy. Now, with the recent announcement that C.M.H.C. will make loans available, speculative loans, to builders, early in April and with the proposed changes in the Bank Act, we think that private enterprise will meet this need next year, in this province. On the other hand housing for resource communities, housing for northern areas, housing for the lower income people, will receive the greatest emphasis from this Government.

Now what about public housing, Mr. Speaker? We have heard a lot about it from our friends opposite. It is not a program again that's new to this province. Presently we have 595 units of public housing, either subsidized or economic rental. We are also working in conjunction or in connection with another twelve

or thirteen such projects throughout the province in another variety of centres. We have twenty units under way in Prince Albert, eighteen in Melville, and a total of 246 further units under negotiation to be built later this year, we hope. We intend to go to at least 300 of such units this year, which marks a 50 per cent increase in the initiation of such units in the province. I should point out that when our Socialist friends opposite left office, there were 414 such units in Saskatchewan, and yet they have been crying, of course, that our public housing program is insufficient and insignificant. Now, the problem of housing for people of low income is certainly not a new issue, Mr. Speaker. It was here when they left office.

With the plans I have outlined here to you today, I think you can easily see that this Government has not been idle in the general field of housing. While our friends opposite have been crying, we have been quietly taking step after step to help the situation.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Now, Mr. Speaker, I would like to turn the next portion of my remarks to the Municipal Road Assistance Authority and the Budget in this department for the forthcoming year. We have a total of over eleven and a half million dollars in this Budget this year, the largest amount ever voted by any Government for rural road assistance.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — A total of five and a half million dollars for grid road construction is the highest that has ever been recorded in this program before. And you might be interested to know, Sir, that in the current year we provided assistance on the construction of eleven hundred and some miles of grid road, oilfield access and resort road, constructed in the province by municipalities, towns, villages and L.I.D.'s. The total constructed network of grid roads today, adds up to something over thirteen thousand miles. As well as this, we have approved over 3,500 miles of extensions to that system throughout the province. However, for all intents and purposes, all of the roads that will go to make up that system, have now been designated and allocated as such.

Now, this brings me to an announcement of the Premier in his Budget address, namely, that the Government will be prepared in future to assist municipalities in another very important category of municipal roads, namely main collector roads or so-called feeder roads.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — At the Provincial-Municipal Conference that was called here in 1965, this request was made to the Government at that time. When the executive of the S.A.R.M. approached the Cabinet earlier this year to discuss their resolutions with us, this again was one of their priorities at that time. It is just another request, Mr. Speaker, that was made at that Conference and has been renewed since, that this Liberal Government has granted.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — We granted it because far too many of our rural people are still without the service of an all-weather road to enable them to get out to a highway or to the grid road, whatever the case may be. This announcement will commit the Province to assist on a program that will definitely help to rectify this situation in the years to come. It assures the rural municipalities that the Province will continue to provide assistance on municipal road construction for many years to come. And it comes at a time also, when many of them are finishing their grid road program. Not only that, it will enable the municipalities to better plan the future road work in their municipality, with the knowledge that these main collector roads will be eligible for construction assistance. This year to get the program underway, it will be available to those municipalities who have finished their grid road construction, and who have conducted a traffic study to map out the roads that will be eligible. The standards and criteria will be announced later on. But, generally speaking, the program will be much similar to the grid program policies now in effect.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — For years, Mr. Speaker, our Socialist friends opposite sat by while the school system of this province and many more services became more and more centralized. They did not at any time pay sufficient attention to providing the necessary assistance, necessary financial help, to our municipalities to enable our rural residents to get a decent road out to get their children to school, or to get to town themselves.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — With the assurance now that the Province will assist in these collector roads and the main school bus routes in the province, municipalities now will be able to put greater emphasis on roads to individual resident ratepayers. And it certainly is this Government's objective to hasten the day when all rural residents can travel to their farm homes on all-weather roads.

As another step in our desire to improve road services to the people of the province, we will continue to assist in represented-construction of some of the early grid roads built in the province.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — At the beginning of the program, the first roads built were frequently adjacent to, and often those roads that ran through, a small urban centre and continued on out to the highway. Today, more than ever before, it is vital that these connecting roads be up to good standards, because practically all of the services to these small centres is now provided by various trucking lines. This year the Government will allow an increase of 15 per cent in our share of the cost of reconstructing these roads, over and above the normal share provided. In no case, however, will the Province's share exceed 80 per cent but in most cases it will run up to and very close to it.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — This additional assistance will be confined to the represented-building of municipal roads which are not over five miles in length and which link communities of at least 300 or more in population, to an existing highway. Traffic on most of these roads indicates that they should be rebuilt to 28 feet in order to allow for eventual oiling and dust proofing. Now on the subject of resurfacing and dust-proofing, Mr. Speaker, last year we assisted ten rural municipalities with a total of just over 50 miles of dust-proofing and resurfacing. We assisted in many ways: by helping them to draw up the contract, by providing technical advice and by providing an additional 15 per cent on the cost of these programs.

Salt stabilization was the main form of surfacing used with a couple of stretches of oiled road and lime stabilization as well. It is still a little bit too early to measure the results, as to the longevity or the durability of this program, but results and comments are encouraging to date.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Last year, for the first time, this Government also assisted municipalities in snow removal, and this year the budget for this program has been increased from two hundred and fifty to three hundred thousand dollars. This again will be available on a shared basis up to our maximum of roughly \$6.00 per mile, on all grid roads and school bus mileage in the province.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Last year, also for the first time, Mr. Speaker, this Province assisted municipalities in maintaining the grid roads. The great majority of our municipalities took advantage of that assistance. Funds here were provided on a matching basis up to a ceiling of \$85.00 per mile. This year assistance will be continued at the same level as last year. And I think the result of this program is obvious to almost anyone who drives in any of the rural areas of the province. The grid roads are looking better, they have looked better all summer in almost all cases. And municipal men are telling me that this winter they are only now coming to appreciate the advantages of this policy, with the shape they have the roads in for the winter. One more example, Mr. Speaker, of Liberal action.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Perhaps, the most successful of all municipal programs that we have introduced and expanded, has been the major increase in equalization grants referred to earlier by my colleague from Yorkton (Mr. Gallagher). I would just like to give you two or three examples to demonstrate what this means to the municipalities of the province. And of the three that I chose, one is in my own side of the province. It happened to be the municipality of Biggar, constituency of the Hon. Leader of the Opposition (Mr. Lloyd). This municipality, R.M. #347, received a cheque for ten thousand, five hundred and some dollars, no strings attached, in the early part of the year, which is in itself the equivalent of four mills in tax saving to the people of that municipality. If you add this to what they had available on snow removal and grid maintenance grants, it brings the

total of new money available to that municipality of over 13,000 dollars this year. What did they have before? \$3,792.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — In the north, there is another example. I have chosen the R.M. of Shellbrook, #493. This year that municipality received a cheque for eleven thousand, five hundred and some dollars; direct cheque, which represents to them a mill-rate saving on their assessment of about seven mills, Mr. Speaker. Now previously, they received a mere \$1,849. One final example from the constituency of Wadena, on the eastern side of the province, R.M. #367. This year by direct cheque in equalization grant, this municipality received \$9,246.00, and the other two programs to them, grid maintenance and snow removal, brought the total new money available to them up to almost fifteen thousand dollars. Now what did they get in previous years, Mr. Speaker? \$880.00...

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Better examples could be found, but these are typical of the general picture. I am very pleased again to see these grants increased this year from two million to 2.4 million dollars, a major increase of 20 per cent.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Just another demonstration that the Province Treasurer did not lose sight of his priorities when he was preparing his Budget. These grants were distributed on a new formula and further refinements will likely be made this year.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — I would like to spend a moment or two on the assistance that is available to the urban communities of the province. The Hon. Member from Regina West (Mr. Blakeney) indicated yesterday that we are doing very little for the urban communities and would like to see us do more for Regina, in particular. I would just like to reiterate here that the urban centres have not been forgotten. We've spent five million dollars in this program of paying part of the cost of paving main streets last year, as compared to one million dollars in their last year of office. So I would suggest to the m from Regina West, if he wants more money from Regina, he should be talking to his friend for Regina East, the Mayor, (Mr. Baker).

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — The city of Regina can obtain 50 percent of the cost of the Pasqua Street ring road development if they wish to ask the Government for it. They have been promised financial assistance from this Government for the Tuxedo Park urban renewal scheme and it is there any time they want to proceed. Our share of the auditorium is there for them too, if they want to get on with the job and make up their minds.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — I would almost suggest to my friend opposite, The Mayor, that he add another point to his ten-point program...

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — ...or is it a seven-point program this year, I just forget. Namely that he take more advantage of the program this Government has for him.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — We were criticized yesterday for not establishing a municipal debenture fund, by the same party that flatly refused to do it when they were in office, a few years ago.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — Mr. Speaker, this Government last year did purchase 5.6 million dollars in local debentures, the highest amount ever purchased by the Province in any one year.

Some Hon. Members: — Hear, hear!

Mr. McIsaac: — And there is more I could say on this subject, but I will leave it for a later debate. Now I have a few other remarks that I would like to make, Mr. Speaker, but I see that my time is short. I would like to comment on the homeowner grants. However, I will leave that to one of my colleagues, later in this debate. Obviously, Mr. Speaker, I will be supporting the motion.

Some Hon. Members: — Hear, hear!

Mr. A. Thibault (Kinistino): — Mr. Speaker, in rising to speak in this debate, I would like to first comment on the fine statesmanlike manner in which Mr. Woodrow Lloyd (Biggar), has conducted himself. He makes us proud to be Canadians. His sincerity and ability will again make him Premier of this fine province, some day.

Some Hon. Members: — Hear, hear!

Mr. Thibault: — I also want to congratulate the m for Regina West (Mr. Blakeney) for the wonderful job he did yesterday, as financial critic.

Some Hon. Members: — Hear, hear!

Mr. Thibault: — Mr. Speaker, I also want to thank the people of my constituency for placing their confidence in me to be the standard bearer for the next Province election. I can assure the people of my constituency that I will treat them all with the same degree of fairness.

Some Hon. Members: — Hear, hear!

Mr. Thibault: — Mr. Speaker, I ant to congratulate the high schools of my constituency for the large number of students that visited the Legislature while the House is in session. It certainly is a fine gesture on their part and is certainly appreciated by myself. Mr. Speaker, I want to bring to the attention of the House, that this year we have had a fine ski resort, that had its official opening this year, the Minatinas Ski Resort, one of the finest in the province. A little more money spent up there by the Province Government would certainly be well appreciated.

Some Hon. Members: — Hear, hear!

Mr. Thibault: — At this time I would like to make a few comments about the Department of Highways. I want to thank the Minister of Highways, (Mr. Boldt) for continuing the work on No. 3 from Melfort to Birch Hills. This project was started under the CCF Government and is proceeding very slowly, but I think eventually it will get there. I hope it will continue until it is finished. The recapping of a section of Birch Hills to St. Louis last year was well appreciated I must say, but only because of two years of bad neglect, something had to be done. Now in regards to No. 20 from Humboldt to Domremy, under the CCF Government we had two patrols doing a good job of maintenance. When the Liberals took over they were going to save some money, so they took one patrol off. This highway got so badly neglected that in the fall of 1966 the present Government saw fit to replace the patrol on this stretch of road, only after serious damage had been done to the grades, Mr. Speaker, and a serious loss of money to the taxpayers and a rough road to drive on.

On the question of the Wakaw cut-off to Saskatoon, I know that a lot of people in my constituency are interested in this stretch of road. I want to read the question that was placed on the paper by myself. I asked the following question of Mr. Boldt (Minister of Highways): “Was the field work done in 1966 on the location of the so-called Wakaw cut-off from No. 5 Highway east to Saskatoon to No. 2 Highway?” The answer is “no”. So I want to say that when the Government wants to proceed with this project that it’s going to have my whole-hearted support.

Now speaking about education I think I can better make my feelings known by reading a letter that appeared in one of our local papers. Now, Mr. Speaker, I want to read this letter from my local paper, The Wakaw Recorder, Feb. 2, 1967.

Dear Sir

The citizens of the St. Isidore School District were shocked by Mr. Steuart’s speech given over television a few days ago, boasting that the Department of Education had spent seventy million dollars in the past years for auditoriums and other recreational activities. We were shown children playing ping-pong, basketball, etc.

Yet, here in St. Isidore, we have 250 pupils and ten classrooms, one of those being an old schoolroom 100 feet away from the main building, with no toilet facilities or water. Another class had to find refuge in a small 22’ x 10 ½’ typing room.

The local board wrote to the department asking for the

construction of two classrooms. The request was denied on the grounds that there was no money.

Would things be redressed if we made this a political issue?

Jean Gaudet,
Bellevue, Sask.

Mr. Speaker, I think this letter speaks very well of how the Government is spending its money. I haven't got anything against auditoriums, but I certainly think that the children of Bellevue should be accommodated at least with decent classrooms. There again I want to point out that what this Government is working on is on well-planned news releases, TV programs, a lot of bragging, no action and using veto power to control expense. Now, Mr. Speaker, I want to say a few words about the Legislative Committee for driver safety.

A lot of work has been done and I want to say it is the kind of work that I appreciate a great deal. A lot of work has been done and a lot remains to be done. As I said a moment ago, I am a strong believer in Legislative Committees as long as the Government will pay attention to them. One finding of the Committee is that alcohol is involved in the vast majority of accidents. So, let us look at what this Government has done since it came to office. Bearing in mind that we in this province collect over \$19,000,000 of liquor profits and less than one cent out of every dollar of liquor profits is spent for the Bureau of Alcoholism. This year we had all kinds of accidents. This year we had a compulsory arbitration running into an aeroplane. Mr. Speaker, I was never able to find out whether the aeroplane was on the ground or in the air when it happened.

Some Hon. Members: — Hear, hear!

Mr. Thibault: — Accidents are on the increase and first of all I want to point out what this Government has done since it took office. The first year of office, it reduced the money per student for driver training. Then it reduced the money for alcohol education. And then it put on a program of pushing liquor. Fourthly, it slapped on a penalty for being under the age of 25, which created a lot of resentment amongst many good drivers. Well, let me tell you what should be done since the Government is bent on a program of pushing liquor. I am not quarrelling about liquor outlets, but we should have a better program of alcohol education to help the victims of alcohol. When we look at the liquor profits of \$19,000,000 a year and an alcohol education program of less than one cent for every dollar of liquor profits, it's a dirty shame.

Some Hon. Members: — Hear, hear!

Mr. Thibault: — Now, Mr. Speaker, when we look at the sales of liquor, \$52,000,000 a year, one million dollars a week, \$143,000 a day or \$6,000 an hour and if they want it down to a minute, it's \$100 a minute. I think we should provide a better program to help those who need help. I am against punishing the drivers that are under the age of 25 just on account of their age. I have nothing against dealing with the offender, one way or the other, but I am opposed to punishing young drivers who are trying their best, regardless of their age. Last year the record

of this Government and through its programs of cutting education in the first years we had the results – 279 people killed, 56 more than in 1965. I hope that the Government will have a close look at what it has done in the past. When the Minister of Education (Mr. Trapp) gets on television and makes a very pious report that it is going to do something about helping the alcohol education and driver education, I hope that it's a sincere effort. Now the provincial increase in accidents is about 11 per cent higher than last year. The national average has not changed very much, so there's your record, Mr. Speaker.

Now, talking about the population of this province, I'm sure that this House has heard a lot about it, but I want to point out a few facts as it relates to my constituency. For example, the RM of Kinistino for the years 1961-66 had a drop of 453 persons. The RM of Invergordon according to the municipal report had a drop of 425 persons from the year 1964 to 1966, in two years. Young people are not only leaving the farms, but they are leaving the province faster than we have ever seen in the past 10 years. The cost-price squeeze is squeezing them out. I maintain that our young people are unable to start financing farming and unless they inherit a farm, they cannot get established. This is a go responsibility at both the Provincial and Federal level. Considering that most farmers today are over the age of 50, this is a serious situation, Mr. Speaker, and something should be done without delay.

Mr. Speaker, I want to give you another good example here of prices out of control. I've got two bills here for machinery parts. They were bought in Saskatoon, one was bought on October 27 and one on August 19. For a GK2676, a chain - \$13.55 in one place, and in the other place was GK2676, the same number - \$19.17, a difference of \$5.66 on one chain alone. Now this is a good example of price out of control. I maintain that we need a Price Review Board to lay the blame where it belongs. The big crop that we had last year is being gobbled up by the unbridled rising cost of farm machinery, farm supplies, high interest rates, high power bills, higher telephone bills and higher taxes.

Another situation that is developing in this province is the farmland being purchased by people who do not reside in Canada. This should be investigated without delay and steps be taken to protect our young prospective farmers.

Mr. W.A. Robbins (Saskatoon City): — Heavy Water MacDougall.

Mr. Thibault: — We'll keep you for another day. This session is like many other sessions. I've heard, we can hear the Government promoting hatred between farmer and labourer. But I want to warn the farmer and labourer that they should not be fooled. It's an old Liberal trick to divide and rule. It's a very typical one. And I want to refer to the Saskatchewan Economic Review and point out to you from this report – the last one put out by the Government. It's the statistics for 1963 and it showed the difference between the farmer and the labourer as far as wages are concerned. In 1963, out of 36,553 returns, the average farmer netted \$4,789. As compared with the employees, out of 136,907 returns the wages averaged \$4,069, about \$600 less for the employees than for the farmers. Now that is of those who have filed returns. We have other professionals here, doctors and surgeons; out of 596 returns their average income was \$23,673 and yet the Premier the other day said they are asking for more money and he feels maybe they've got a case. Well I'll tell

you the farmers and the labourer have a case and it is not by trying to split them and trying to fight amongst each other that they are going to buy this thing much longer.

I can recall the Vancouver strike. The Government at Ottawa let the problem fester as long as it could but when the Farmers Union and the Labour Union started to get together, what did the Federal Government do? They flew to Vancouver, they couldn't get there soon enough because here were farmers and labourers getting together, and when they do get together, believe you and me it is going to be serious for these boys across the way.

Some Hon. Members: — Hear, hear!

Mr. Thibault: — The boys and the girls that are in the labour force are our sons and daughters. Why should we teach them to hate? But it pays off on the other side and that's what they like to promote. I want to tell you that in this House they say they are well represented by farmers. On this side we, the CCF, have 11 farmers and on the other side there are 10 Liberal farmers, according to how they are registered with the Clerk of the Assembly.

Now I would like to say a few words about Medicare. My time is moving on pretty fast. I want to say that I heard the Premier complain about Medicare on several occasions. Mr. Speaker, in my opinion, the Premier has never accepted Medicare. Deep down inside he's still kicking in the doors of the Legislature.

Some Hon. Members: — Hear, hear!

Mr. Thibault: — This plan will not be accepted and successfully operated by people who work so hard against it. The sooner Medicare is back into the hands of the people who brought it into this province, the better off it's going to be.

Now there is another thing that I want to mention and I don't want to run overtime, I want to congratulate the former speaker for being right on the nose. I want to say that as far as the Natural Gas Program, we are opposed to higher prices, but the village of Hagen would take gas if the Government wants to give it to them, as soon as they sign for it and even at the higher price. When we form the Government again, we will square the thing up with them.

Now I want to bring to your attention the problem of the Saskatchewan River, the problem that was created by the control of the water of the Saskatchewan River Dam. There's a letter here that was sent to the Hon. Dave Boldt and, as my time is too short, I cannot read the entire letter. But I hope that the Minister of Highways (Mr. Boldt) will consider the problem that it has created in winter and in summer for the people living along that river, the people who have land on both sides — the ferries are not operating successfully in the summer time and in the winter time the ice is flooded with water — and they are unable to cross it. I hope that they will have a look into this matter and see that these people who live along the Saskatchewan River on both sides will be properly accommodated. The Government should get in touch with the municipalities involved and make sure that this matter is dealt with.

Now, Mr. Speaker, I want to say a few words about the grid roads program. There are two roads in my constituency where the magic words were pronounced by the Premier “was a grid road, now a highway.” They had a meeting at St. Brieux and they had all the liquid assets of the Liberal Party there. They said “Well, you waited 20 years for this – the road from Muenster going through St. Brieux is now a highway.” You know you can have a lot of highways built that way in such a hurry but the CCF couldn’t do it that easy. I’d say that if you are going to take these roads over, let’s have a realistic program that the Government take them over and look after them and build them up.

Now, how about snow removal, winter maintenance grants and the grants to school bus roads? I’d say it is a step in the right direction. But let’s have a realistic program. At the Local Government Conference, Mr. McIsaac, the Minister of Municipal Affairs said that it would take at least \$200 a mile to look after these roads properly. Well, it came up with a fifty-fifty formula using \$85 which works out at \$170. This is not realistic. Let’s get on with the program. It’ll be supported by the municipalities, but work it out on the same formula as the grid roads were worked out and I’m sure that the municipalities will accept it.

Now my time is up, I have many other things to deal with, but I want to thank you for being so kind as to let me speak as much as you did. I want to tell you that before I sit down. You can see by my remarks that I will not support the motion, I will support the amendment.

Mrs. M.A. Hunt (Regina West): — Mr. Speaker, this Budget I understand is the swan song for the Province Treasurer in that capacity and if the kind of election rumours that are floating around prove true, it could possibly be the swan song of the Premier also.

Some Hon. Members: — Hear, hear!

Mrs. Hunt: — However, I would like to congratulate the Province Treasurer on the energy and the clarity with which he delivered his address. Now, as usual, for the Premier, the Budget was punctuated very freely with political propaganda. I didn’t count how many times the word “Socialist” was heard in that Budget, but it was with great frequency. I am not blaming the Premier for this because whenever he stands up to speak, be it on the hustings or be it in the Legislature, in Saskatchewan or in other parts of Canada or in the United States, be it in a political gathering or a non-political gathering or a convention, there is an automatic gadget in his brain that starts playing the old record, his theme song, “Stagnation and Ruin under the Socialists.” Any similarity, Mr. Speaker, between that record and the true facts is purely coincidental. Now this is a very large Budget, Mr. Speaker, the largest ever introduced in this House. If the ability to spend money is a criterion of a good Budget, then the Province Treasurer gets the Oscar. Of course, Mr. Speaker, this is not the only important measure of a Budget, in fact, it’s not the most important measure. It is how the money is spent and if it is actually going to be spent for the purpose for which it was voted, that’s the real test of a budget.

Members of this Legislature will recall that, when the Pub-

lic Accounts were perused this year, we discovered that many projects that were announced in the previous Budget and announced in the previous Budget and announced with a good deal of fanfare and were printed in the estimates, were not proceeded with.

Some Hon. Members: — Hear, hear!

Mrs. Hunt: — The money wasn't spent. Seventy-five per cent of approximately \$120,000 voted for education, voted but not spent; and as previously pointed out, for every dollar of this money that was not spent, we lost \$3 in Federal funds; and young people had their educational opportunities lost or postponed. Where is that \$100,000 that was budgeted for the base hospital last year in the Budget, but not spent. Eighty-five per cent of the \$11,000 for the Sanatorium in Saskatoon, budgeted, but not spent? The Province Correctional Institute in Regina, \$1,000,000 budgeted — 75 per cent not spent? Northern Housing — over \$100,000 not spent. Recruitment of badly needed health personnel — 70 per cent not spent and I could go on and on. So, Mr. Speaker, we are going to have to wait until the new Public Accounts appear before we will be sure how many of the things announced in this Budget will actually be carried out and it isn't until then that we can pronounce final judgement.

I must also congratulate my colleague (Mr. Blakeney), the financial critic on his magnificent address yesterday.

Some Hon. Members: — Hear, hear!

Mrs. Hunt: — As he proceeded, the further he went, the more downcast the people opposite looked. In fact when he was finished, there wasn't very much left to cheer about. Of course, there were things in this Budget which we welcome and which we certainly will support. But there were also many important things which we hoped to find in the Budget that didn't appear. Now, Mr. Speaker, whatever else can be said about our Premier, no one can fairly criticize him for being an overly modest man. When he was speaking of the performance of other governments, he talked about the deficit in Ontario and Quebec and even oil-rich Alberta and the sales tax in Manitoba. As I listened to him, I was reminded of the Pharisees in the olden days who instead of praying "Father forgive me a miserable sinner," stood up in his place and prayed, "I thank thee Lord that I am not as other men are."

Some Hon. Members: — Hear, hear!

Mrs. Hunt: — Now if the Provincial Treasurer had raised the sales tax to five per cent and turned the additional revenue over to the municipalities to reduce the burden of the property tax, the total tax bill — and that is what really counts — would have been no more and perhaps less than under the present circumstances, as the influx of tourists which we expect during the Centennial Year would have helped to pay part of that shot/ of course I realize it is very much nicer for the Government when they can place the blame on someone else for raising taxes. When we were the Government, Mr. Speaker, the Hon. Premier was always accusing us of crying to Ottawa, "Why don't you do it yourself?" You would hear that from over there time and again. Well, Mr. Speaker, who's crying to Ottawa now?

Some Hon. Members: — Hear, hear!

Mrs. Hunt: — This Budget is just full of loud wails to Ottawa and copious tears are shed all over its pages about the shabby treatment Ottawa has given us. Now, I admit there is some reason for complaint, but I do wish that the Premier would quit saying that the loss of equalization payments was due to a change from a have not province to a have province. He likes to pretend that since the Liberal Government came to power, this province has changed from a poor relation suddenly to being a rich uncle. Well of course, our financial critic certainly punctured that balloon and left it pretty flat. As pointed out to the Premier, time and time again this reduction in our equalization payment was entirely due to a change in formula and not related at all to a have or have not province. There is one thing I should congratulate the Hon. Premier on and that's the clever psychological technique he uses regarding taxes. long before the Budget was introduced, he hinted broadly across the province and in the throne Speech as well that increased taxes were in store for us. Then when the Budget forecast no general increase, he hoped to hear a sigh of relief and get an extra pat on the back. There were ominous hints in that budget, Mr. Speaker, that further tax increases will be necessary soon. Would it be possible, Mr. Speaker, that the Premier is waiting until after the election to increase taxes; that is, if he should by any change get in again? Surely he wouldn't do a thing like that.

There were some peculiar things in this Budget. It was hailed by the Provincial Treasurer as a balanced budget but it appears that this was a misnomer. as our financial critic pointed out in his excellent address — I must again congratulate him — this is in reality once more a deficit Budget. Certain shenanigans and new accounting methods were used to make it appear balanced, and the financial critic explained those very carefully. When you borrow from other sources, borrow from Peter to pay Paul as he did to balance the Budget, you cannot fairly say that it is a balanced Budget. Mr. Speaker, I was reminded of certain TV commercials by finance companies, telling people who were in financial difficulties “Borrow money from us — borrow more money from us and get out of debt. We'll consolidate your debts and get you out of trouble.” this of course is exactly what the Hon. Premier did. But when finance companies advertise, like the Premier, they neglect to state what the extra cost would be by using this method. And in the long run you find yourself in a worse position than before. This statement appears in the Budget, Mr. Speaker: “In preparing the 1967 Budget, I have kept several factors in mind” and listed first is this one, “The promises made by the Liberal party in the last election.”

Well, Mr. Speaker, how about the promise to include prescribed drugs under the Medical Care Plan? I can find no suggestion of this in the Budget. I didn't expect the Government to introduce a full-scale drug program at this session, but I had hoped that at least it might make a modest start in this direction. In the light of its solemn promise, it should have at least included the necessary and the pain saving drugs for terminal cancer patients who leave the hospital to spend what may prove to be their last days at home with their families. While they are in the hospital, as you know, the drugs are covered and when they leave, these necessary drugs may run into a staggering bill. And then there are others with long-term illnesses requiring expensive drugs where the cost involved becomes actually catastro-

phic. We could have expected that at least these two categories would have been covered. They weren't. What about the geriatric centre that was to be built in Regina? What about the fact that they were going to pay fifty per cent of the education tax in Regina? Not done. What about their promise to exempt children's clothing from the sales tax? Didn't happen, did it?

It didn't happen, did it: I am afraid, Mr. Speaker, that the Provincial Treasurer forgot to read over that list of Liberal election promises when he said a paramount consideration in preparing his Budget was election promises made in 1964.

I want to say another work about the base hospital in Regina. You've heard a lot about it over the years. This was an election promise of the CCF Party as well as of the Liberals, to build it at Provincial expense. I want to remind the Members opposite that it was a CCF Government that was responsible for appointing Drs. Agnew and Hartman to study the hospital needs in Regina and the vicinity, both present and future needs. Before that election the final report was almost ready and we were prepared as soon as it was ready to go ahead. If a CCF Government had been in office, that base hospital would have been completed or nearing completion by now. In the meantime three years have been wasted by the Liberals, while the shortage of hospital beds has become increasingly acute. Every year, Mr. Speaker, we've asked questions in this House about the hospital and were given the impression that plans were underway. I have noticed, Mr. Speaker, though, that whenever this hospital was mentioned, the previous Health Minister (Mr. Steuart) began to get uneasy, to squirm in his seat, and start a process of loud heckling to divert attention. I know now the reason why. Although we were assured that the project was going ahead and actually \$100,000 was in the Budget for it last year, it seems that there has been no decision made to build that hospital at all.

When the Premier announced the base hospital the other day, I was amazed when he said, and I'm quoting, "This morning, remember, this morning, the Executive Council decided to build a base hospital in Regina at Province expense." Now what do you think of that?

You know, Mr. Speaker, whenever we make a suggestion on this side of the House that calls for action, I heard it from the Hon. Premier again today, the stock answer from the Government side of the House is that old cry, "20 years." "You had 20 years to do it and why expect us, why ask us?"

What they are saying in effect, Mr. Speaker, is that anything the CCF failed to do when they were in office just isn't worth doing. Now that's a very backhanded compliment I admit, but it's no valid answer for lack of action.

May I remind the Government that it has been in office for almost three years. Many changes have happened since then and many new and pressing needs have arisen in that time, so that it's a very poor answer to cry, "You didn't do it. Why should we?"

The Premier states in this House again and again that he goes neither right nor left. He drives right down the middle of the road. Well, Mr. Speaker, it's time he quit blocking the highway. People who insist on driving in the middle of the road are a real traffic hazard.

There was a substantial decrease in social aid costs in 1966. This is because of the high rate of employment all across Canada and also including Saskatchewan and of course this was to be expected.

We, on this side of the House, contrary to suggestions from cross the way, have always believed and insisted that able-bodied people should work if jobs are available, rather than being on social aid and we're glad to see that unemployment is at a low figure.

But in relationship to escalating costs, Mr. Speaker, I feel that for people who are unemployed because of physical or mental incapacity or other reasons that are adequate, their social aid payments should have been raised more than they were. I don't think that this class of people should have to suffer great hardships during an inflationary period.

Now, Mr. Speaker, I want to turn to the question of housing which is something that has interested me very greatly for a long time. I was very interested in the remarks of the Minister of Municipal Affairs (Mr. McIsaac) on housing, and I congratulate him on the fact that he is looking at this problem and he is trying to make some advances along the line of housing. I would tell him that a great many of advances were made prior to his coming into office, which he didn't mention. Nevertheless I want to say that I am pleased that he is interested in this field.

One of the greatest areas of unmet need, Mr. Speaker, in Canada and in Saskatchewan is the provision of housing for lower and even moderate-income groups. And when we are speaking of consumer protection and the rapidly escalating cost-of-living, there is no area that needs more investigation than that of housing. Buying a home, or perhaps renting a home, is for most people, the largest single investment they'll ever make in their lives. And when you consider the cost of building material, the tremendous increase in the cost of privately owned lots, the 11 per cent tax on building materials and the increased cost of interest on mortgages, you find that the average family is pretty well priced out of the market for housing altogether.

Now, Mr. Speaker, I was simply appalled when the Federal Government announced that interest rates on National Housing mortgages were raised from 6 $\frac{3}{4}$ to 7 $\frac{1}{4}$ per cent. This was inexcusable, indefensible and certainly inflationary. I know the explanation that was given at the time, Mr. Speaker, but it certainly was not convincing to me and it was not convincing to the Economic Council of Canada, because this action flew directly in the face of the advice of the Economic Council of Canada. They stated, "The Federal Government in the face of increasing shortages of housing in Canada is over-using the provision of housing as an economic regulator."

When the economy needed slowing down, the first thing the Government has done is to take measures to restrict home building; but, as the Economic Council pointed out, "This does not solve the basic economic problem as the resources that go into homebuilding are not necessarily those which could relieve pressure in other parts of the country."

Mr. Speaker, this off again, on again, supply of money available for housing makes for lack of stability in the housing industry. It means that qualified and skilled personnel, who

are all too few, goodness only knows, turn in discouragement and frustration to other fields of employment, and that fewer and fewer people want to train as electricians and plumbers, carpenters, people that we need so badly in this field. And this action has been taken in spite of the crying need of homes for Canadians.

Let's look for a moment at the housing situation in Canada today and in our own province as well. Mr. Nicholson, the Minister in charge of Housing stated that there are 100,000 families living in housing conditions that are simply appalling. This, Mr. Speaker, is an understatement. I think it's inexcusable that this should be the case in one of the richest countries in the world. He admits that N.H.A. has failed dismally in providing homes for low and even moderate-income families. He said this a year ago, and the situation is even worse now.

Housing starts were down across Canada 23 per cent in 1966, Regina was one of the worst – 42 per cent. and it was down at a time when it should have been up considerably to keep abreast of the backlog.

Michael Wheeler, President of the Canadian Welfare Council, states that there is a present shortage of 300,000 homes in Canada and during the next five years, Canadians will need 180,000 homes, just to take care of the backlog, to say nothing of new requests. Yet during 1966, the money for housing dried up and was diverted to other channels. He states, "As long as housing depends on the conventional market for funds, it will be impossible to match the building to the needs, "because in times of greatest need, money will desert the housing field and gravitate to areas of more profitable returns. This, of course, has certainly been borne out in 1966.

I stated, Mr. Speaker, that low and even moderate-income families have been priced out of the market. C.M.H.A. figures support this claim. The average borrower from N.H.A. had a qualifying salary of \$6,800. Last year 85 per cent of N.H.A. loans went to people with incomes of \$10,000 and over \$10,000. I was very shocked at the average rise in the cost of N.H.A. homes, from \$16,478 a year to \$17,402. It seems a very high average cost for N.H.A. homes. I don't think it's that high here.

But compare the figures I have just given you with D.B.S. figures showing that 60 per cent of the people in Canada earn incomes of \$6,000 or less than \$6,000 a year. A very small amount, less than five per cent, has gone into homes for lower income people. Now without the increase in interest rates, it's obvious that the lower and even the middle-income group were priced out of the market. The annual increment or increase in housing is caused now by marriages of people between the ages of 20 and 24. They are the fastest growing group in our population and for the most part, they are in the lower or middle-income groups. At this age, of course, they are very highly mobile. New jobs come up, automation makes homes. And they are almost non-existent, in Saskatchewan, and most of Canada. Moderate and low rental homes is a most pressing need at this time.

Mr. Speaker, the biggest factor in the cost of a home is interest payments. Let's look at the dollar and cents cost of interest for a moment. Even at 6 ¼ per cent the interest on a \$15,000 mortgage brings the total cost of the principal and in-

terest to \$29,500, almost the original cost of the cost of the home. But on a \$15,000 home at 7 ¼ per cent and a 25-year mortgage, the interest alone is \$21,000. To increase that interest up to 7 ¼ per cent means an added cost of \$3,000 to \$5,000 on a home. And the Home Builders' Association puts the increased cost very much higher than that. But on the \$15,000 home with a 30-year mortgage, the interest alone comes to \$21,800 and I think that's fantastic!

When you consider that N.H.A. loans are insured and the lending agency runs no risk, if there is a loss the loss is born by the Government, not by the lending agency, then I say a 7 ¼ per cent interest rate is not interest, Mr. Speaker, it is usury.

Only those with high enough incomes can qualify for N.H.A. loans. If they have to depend on other sources interest rate may run from 7 ¾ per cent to 8 ¾ per cent. And this was when N.H.A. loans were at 6 ¾ per cent. Real estate experts believe that the raising of the N.H.A. rate will force conventional loan rates even higher. Now the reason given by the Federal authorities for increased interest rate is that there is a virtual withdrawal of private long-term investment funds from the residential mortgage sector. They blamed this situation on the fact that lending agencies could get higher interest rates elsewhere.

There is no guarantee, Mr. Speaker, that raising the rate to 7 ¼ per cent will make more money available. Banks resist long-term loans and lending institutions can get more than 7 ¼ per cent. This action may only serve to force conventional interest rates even higher. Remember the purchasers of the home must not only pay interest and principal but also the cost of utilities, ever increasing municipal taxes, insurance, repairs, and so on. So who can afford to pay 7 ¼ per cent interest and buy a home? Is Mr. Sharp's idea actually meant to increase money for housing, or is it an extension of his tight money policy to restrict rather than to expand housing.

If the Federal Government is unwilling or unable to direct a fair share of mortgage money into the housing field and at reasonable rates, then, Mr. Speaker, instead of penalizing home buyers by 7 ¼ per cent mortgages, C.M.H.C. should make money available directly to the prospective purchasers at lower interest rates, even if some subsidy is involved. C.M.H.C. can obtain money at much lower rates and thus bring down the cost. Otherwise the backlog of housing, together with new demands is going to become a national catastrophe.

Already, Mr. Speaker, the Immigration Department is warning immigrants coming to Canada with 4 or more children and without an assured income of \$7,500 or over to stay away from Toronto, Hamilton, Windsor, London and Vancouver because of the acute housing shortage in those cities.

Of course, as housing becomes scarcer, rents go up. And all of this adds substantially to the high cost of living. A good home, Mr. Speaker, is an investment in health and stability for the most important unit in society and that is our families. Inadequate and slum housing is a cancer in our society. Are we going to perpetuate this by ineffective action on housing on all levels of government? That is the case at present.

Another matter which I have raised before in this Legislature is the skyrocketing cost of building lots in our cities.

Land speculators are increasing the cost of housing by many thousand of dollars. The president of the social Planning Council of Toronto stated that the price of land is rising even faster than building costs and labour costs and faster than any other item in our civilization, and that lack of planning and restrictions is an open invitation to land speculators.

Mr. Speaker, and I ask the Minister of Municipal Affairs (Mr. McIsaac) to listen particularly, this is an area where Province responsibility is involved. I cited instances in this House last year where city-owned lots in Regina had sold for around \$500 and privately owned lots in the same area are now selling for around \$4,000 or more. I am told that in Toronto it is difficult to find a lot for less than \$10,000. This is highway robbery and it should be stopped.

I suggest again to the Government and I do hope that it will listen this time, I suggest that it should buy up land on the periphery of our cities and resell it at cost as new housing areas are developed. Our cities are expanding rapidly. Land is expensive now, but it's going to be a great deal more expensive a few years hence, as many other cities have found much to their sorrow. Cities haven't the borrowing power to do this, Mr. Minister. Already the Local Government Board is refusing much-needed projects because the borrowing power of our cities is strained.

Remember, this action would help not only the homebuyer, but the taxpayers generally. In any new housing development, land must be set aside for schools, parks, and playgrounds, fire halls and so on. Substantial funds could be saved if action is taken now. I do urge such action.

I would ask the Government to make a vigorous protest to Ottawa about the protest to Ottawa about the increased interest rate on N.H.A. mortgages and ask it to make a large sum of money available through C.M.H.C. at lower interest rates at present. I notice that, the Hon. Mr. Sharp has said that he's going to review these interest rates in March. Now is the time to protest before it's too late and before we may hear of another interest rise.

Housing, Mr. Speaker, is primarily a matter for Provincial jurisdiction. Although much of the financing can be done by Ottawa, I am urging our Provincial Government to promote an educational campaign to stimulate more interest all across this province in the housing problem that exists in Saskatchewan. I would urge it to take even more advantage of Federal legislation and to promote housing construction. I would ask that it try to meet with some contractors and try to encourage some more limited dividend housing projects in this province, and make a lot of money available for that. It makes for moderate rents and this is important. They should spur municipal authorities to construct more subsidized housing units. they need a little pushing here for the lowest income groups.

I am pleased to see that the Government is planning to build some rental housing. This program should be accelerated because the need is so great. I suggest that it could give greater encouragement to compulsory-operatives to enter this field. It should also, Mr. Speaker, take a look at the neglected field of rural housing. A vigorous housing policy would do much to create jobs in this province and would stimulate industry to locate here, because adequate housing at reasonable rates is one of the

things that people look at. It is an incentive to locate industry, if adequate housing is available at reasonable rates.

And again may I say, Mr. Speaker, it is not only in the urban centres that we need help with housing. I have here the Munger report. It's a voluminous document; it's very detailed; I couldn't begin to discuss all the details; I'm sure the Minister has seen this report and has studied it. It's well worth studying. According to that report, as they point out, rural areas and small towns are in a worse plight for housing than even city areas and that there's less financial assistance available to them.

They state that the greatest unmet needs in housing and in public services in Saskatchewan are in rural areas. They suggest that the National Housing Act could be changed to reflect more adequately rural and urban differences with respect to site, design, and cost and financing.

And they state that low income families who would qualify for subsidized housing, if they lived in the city, should be given a comparable subsidy so that it would permit them to occupy better homes in their own community.

They point out that the tendency of ongoing programs is to stop just short of reaching rural people in the greatest need for housing and that this much be recognized and remedied before public housing can accomplish what it's intended to accomplish in the housing field.

New programs are needed. I recognize some of the problems about rural areas, the fact of the movement into towns and cities the fact of declining towns. But that doesn't mean that there aren't many areas where a bigger program of housing could be undertaken in rural areas. The report finishes by saying that a significant number of rural people are now living in the environment of poverty and squalor and this provides justification for new lines of public action.

There's plenty of information in this report which I know calls for vigorous action on the part of the Government. In conclusion, Mr. Speaker, may I say this. During the years the CCF Government was in power, huge capital expenditures were made to bring services and facilities to our people. Generating capacity was quadrupled. Power stations were built at Estevan, Saskatoon and Squaw Rapids at very great expense. Electrical power was brought o all towns and villages and a vast program of rural electrification was carried out.

Great pipelines were constructed and natural gas was delivered to all major cities and towns. Our worn-out highway system was practically entirely rebuilt. A grid-road program was instituted and millions of dollars were spent on grid-road assistance. Telephone service was greatly extended and a microwave system built across the Province.

Sewer and water programs for towns and hundreds of farms were instituted and assisted financially by the Government. Millions of dollars were spent on building grants for replacing worn out schools that had been badly neglected during the lean years.

The University Hospital was built at a cost of 20 million

dollars and our per capital hospital bed capacity was increased until we had the highest rate in Canada.

Geriatric centres were built and municipalities and charitable organizations were given large grants to construct and to help maintain senior citizens' homes. Government grants were provided for subsidized housing in several areas. And of course, the small hospital at Yorkton was nearly completed.

On top of this big program the staggering load of debt that hung over the Province when we took office in 1944 was virtually wiped out by the CCF Government.

I state these things for one purpose. I want to remind you that many of these large capital expenditures will not have to be repeated for some years to come. And as a result of these tremendous advances, made under the CCF, money should now be available for the equally important field of housing, especially increased housing for senior citizens and active participation in public housing programs.

Legislation was passed, as the Minister mentioned, last year to permit the Government to enter the housing field directly. We asked for this legislation for years and it didn't come until last year. It provides for a wide scope of action as well as major financial assistance from the Federal Government. There is a challenge here, Mr. Speaker, a challenge for our Provincial Government and it's a challenge that should be met. And there could be no more worthy Centennial project than a vigorous housing program for the people of Saskatchewan.

Mr. Speaker, for reasons I have stated and for reasons so well outlined by our financial critic I will support the amendment but not the Budget.

Mr. Whelan (Regina North): — Mr. Speaker, I must congratulate the Premier and Provincial Treasurer (Mr. Thatcher) on the manner in which he delivered his Budget address. Our financial critic, my colleague from Regina West as usual gave a debating exhibition second to none. His effectiveness was evident on the faces of Members opposite.

Mr. Speaker, I'm proud to be associated with the Hon. Lady Member (Mrs. Hunt) who has just taken her seat.

Some Hon. Members: — Hear, hear!

Mr. Whelan: — She is a credit to our party, to Saskatchewan, to Regina, to all people in public life. I regret very much that she has decided not to contest the next election. She certainly has served the people of Saskatchewan very well.

Mr. Speaker, this Budget will not solve the problems or meet the needs of the people whom I represent. My riding, Regina North, which I am proud to represent, is a typical cross-section of an expanding Saskatchewan city. No one within its boundaries is considered wealthy; they are either in the middle or low-income group.

They vary from newly married couples to senior citizens. Their problems and their needs call for legislation and Govern-

ment action to combat the cost of living, to do something about the cost of insurance, to promote traffic safety, to increase the income of hospital works, and to provide educational facilities for secondary school students. The cost of living has destroyed the pay cheque to some degree and forced those on limited incomes to eat less expensive foods in order to exist. Little money is spent on entertainment and clothing is made to do by patching and remodelling. Often the only source of money to pay debts has been the high-pressure finance companies who have been allowed to operate unimpeded during the past year. This has been the case for a long time but there is hardly any explanation that I can make to my constituents, on behalf of the present Government, to those who have borrowed during the past years and who have been forced to pay 20 per cent, 23 per cent, 25 per cent interest rates, when the party on this side of the House introduced a Bill one year ago for the disclosure of interest rates but that Bill was headed off and boarded by helpful Members opposite.

Some Hon. Members: — Hear, hear!

Mr. Whelan: — Small luxuries, like an odd glass of beer, or the use of a telephone, economies that a low-income person can hardly afford, will disappear under the Liberals. The price of beer, the price of a telephone, the failure to disclose interest rates condemn this Government. In no way can I, as an objective representative, interpret policies of the Government as in the best interests of my constituents.

However, there is no more obvious neglect of the consumer than the unjustified increase in the cost of living due to the increase in insurance rates in the city of Regina. We are told that there is competition in the insurance business, but where is it? There is such tremendous competition among the insurance companies that the rates are all the same, the coverage is all the same, the deductibles are all the same. When the Government opposite was elected, one paid 25 cents per \$100 for three years for fire and extended coverage insurance in Regina. You now pay 35 cents per \$100 for three years. The policy you bought before was a \$25 deductible policy, now it is a \$50 deductible, except for fire, lightning and smoke. If a door is blown off by wind and it costs \$52 to repair, the insurance company pays \$2 and the consumer now pays \$50. Before, you could delete the \$25 deductible on a policy for a \$10 flat fee. No longer is this possible unless you pay a very high rate under a different type of policy. We believe in competition. We're so strong for competition, they say, that we now write exactly the same policies as everyone else, to the detriment of the consumer in the city of Regina.

Last year in this House I said that in some areas insurance rates would be increased 50 per cent. "Socialist arithmetic", I was told. All you have to do is buy a policy. I suggest to any Member of this House who wishes to, that he buy a personal property floater policy in the city of Regina. The standard rate for that policy, prior to the competitive, moneymaking attitude of Members opposite, when protection was the motive, the price was \$40 for \$6,000 coverage. In a single family dwelling \$6,000 is an approximate average for personal property coverage. Six thousand dollars will cover the average household furniture, appliances, clothing, books, tools, jewellery, fur costs for an average family. This cost under the previous Government, \$40, was

arrived at as follows: \$7.50 per \$1,000 for the first \$4,000, or \$30; \$5.00 per \$1,000 for the next \$2,000. This came to \$10 for a total of \$40 for three years coverage.

What is the rate now? The rate now, Mr. Speaker, is \$11 per \$1,000 for the first \$5,000 for a total of \$55, and \$6 per \$1,000 after that. So for the average \$6,000 coverage, the cost is \$61. This increase from \$40 to \$61 for \$6,000 worth of coverage is an increase of 52 ½ per cent. And if you apply the rate to a \$5,000 policy, the cost is \$55; before it was \$35. This represents an increase of 57 per cent.

Mr. C.G. Willis (Melfort-Tisdale): — Shame, shame.

Mr. Whelan: — If you rent a house in Regina and want coverage on a single unit dwelling and you want the coverage for personal property, this is the coverage that you buy. If you live in your own home and you want your belongings completely covered, you buy a personal property floater. This is an increase of 52 ½ per cent or 57 per cent in the cost of all personal property floater policies in the five and six thousand dollar bracket in Regina City. There are thousands of them.

This is what the Government opposite, is doing about the cost of living for consumers, but the people who are paying 52 ½ per cent more or 57 per cent more for their policy are in for a real shock if they have a claim. The deductible before was \$15 and this applied to such a claim as mysterious disappearance. The deductible has been raised to \$25. If you lose an overcoat for instance, well, \$25 that's about what a used overcoat would be worth. This protection is extremely limited, as you can see, and makes the difference often times between having a claim and not having a claim. It applies to such items as bicycles; it applies to radios left in cars. A great number of claims are in this area, and in this area the deductible has been increased 66 2/3 per cent from \$15 to \$25 thereby reducing the coverage.

But the worst and most unbelievable blank in the personal property floater – and this is a coverage that has sold thousands of policies particularly in the Hillsdale and Whitmore Park areas of Regina – was the section in the old policy that protected the insured from a flood caused by a back-up of the drainage system. Anyone who lives in Regina is well aware of the flash floods which cause back-ups. Government Insurance built a reputation and gave to people in Hillsdale and Whitmore Park particularly protection from this possible hazard. This clause has been struck out completely, and in policies written during the past year, it was left out. So, if someone comes home from a holiday and finds their furniture floating around in the rumpus room – and this can happen as I am sure the Hon. Member for Regina South is well aware – there is no insurance under this competitive new personal property floater. But the price is up, the deductible has been increased by 66 2/3 per cent, the sewer back-up clause has been completely removed. The price has been increased 52 ½ per cent, and they are making money. And if the unprotected consumers of Regina south have a flash flood between now and the election date, and they have these policies covering their personal property, I predict that there will be a new Member for Regina South.

Some Hon. Members: — Hear, hear!

Mr. Whelan: — There is a rumour among the insurance people all over Regina that the Government has realized that it is politically vulnerable in this area, and they are thinking in terms of putting the sewer back-up clause in the contract again, to protect the constituents who might possibly have flooded basements, for an added 10 cents per \$100. Therefore, on a \$6,000 personal property floater policy, if they put this clause back, you will pay an additional 10 cents per \$100 and your personal property floater policy will cost you a total of \$67 and there is the higher deductible than in the old policy of \$40 which you bought back in 1964. The personal property floater policy with this new clause in it, with the clause for the extra 10 cents, would now cost you \$67 for \$6,000 coverage, or \$60 for \$5,000 coverage with less protection. A 67 ½ per cent increase in the price for \$6,000 or 71 per cent increase for \$5,000 coverage in the price and a higher deductible.

The agents themselves are not hurting the consumers because the commission, Mr. Speaker, for a jubilee policy has been reduced from 30 per cent to 25 per cent, so the consumers who are buying the protection can't blame the agents.

One farmer after another has told me of the fantastic increase in his farm home policy. People who have cottages have repeated to me the increase in their rates and the lack of coverage. With limited coverage and a 52 ½ per cent or 57 per cent increase in cost for a personal property floater, it is no wonder, Mr. Speaker, that the Saskatchewan Government Insurance Office is making money. But, Mr. Speaker, the consumer is being ignored, as a matter of fact he is being punch in the teeth. Every customer in this city who buys insurance is being charged unduly for his insurance. The minute the party on this side of the House is elected, the insurance rates charged by SGIO will be established by the people of the Province of Saskatchewan in accordance with the loss record.

Some Hon. Members: — Hear, hear!

Mr. Whelan: — Rates and policies will be written by the people of Saskatchewan and not by the free enterprise insurance buddies of the Members opposite.

Some Hon. Members: — Hear, hear!

Mr. Whelan: — Mr. Speaker, I'd like to turn for a moment to traffic safety. Time after time, Government officials have appeared on television lamenting the fact that two million dollars per month has been spent on highway traffic accidents and death benefits and injuries. We are told that drivers themselves are to blame, but pouring millions into highway traffic accidents without considering a fraction of the expenditure for prevention, is as illogical as trying to bale out a bath tub without turning off the tap.

Something has to be done to prevent accidents. The record of Saskatchewan for traffic accidents last year was the worst that it has ever been. None of us can be proud of the fact that 226 people died in 1965, and according to the latest statistics, 282 died as a result of traffic accidents in 1966. The people who died weren't ready to die; a few were elderly people, some

of them were young housewives, some were young children, some not old enough to have completed elementary school; some had University degrees, some were farmers, many were fathers with children. I have interviewed some of those who lost a member of their family in a traffic accident. There are 58 Members in this Legislature. Almost five times our number were killed on the highways of Saskatchewan last year, and the increase over 1965 was almost the total number of those seated in this Assembly.

What do we get? What sort of answers are we getting? We have Cabinet Ministers appearing on TV twisting their hands and talking about two million dollars per month paid out for damage in traffic accidents. There are a number of programs I suggest that we might try. first, we have to have research facilities, properly staffed and financed, and when I say properly staffed, I mean spending an infinitesimal amount compared to the losses due to traffic deaths and injuries. But properly staffed to find out: was it the driver? was it the vehicle? was it the highway? was the driver drinking? was he asleep? Present research facilities that are available are not satisfactory, they are inadequate and inconclusive. To talk about prevention deaths on our highway without adequate research is like blindly prescribing soda and water without examining the patient.

Last year SGIO Automobile Accident Fund paid \$140,000, or thereabouts, according to their statement for driver training. That was in the year 1965. We are told in the press and on TV by the Minister of Education (Mr. Trapp) that \$200,000 will be spent this year. Since the \$140,000 will probably not be made available for driver training, this means an increase of \$60,000 for driver training, if what the Minister of Education has been saying on television is correct. We are going to be taxed to the tune of \$200,000 or more, but we are going to spend only \$60,000 more on driver training.

Statistics show that 17,000 young people in our schools become 16 and are eligible for driver training each year. Others who should take driver training, who are outside the schools, older than 16, would probably run the total to 20,000. We are going to train them for \$10 each – this means 20 hours in the classroom and hours behind the wheel of a compulsory arbitration. If the figure quoted is correct, \$10 isn't adequate - \$20 isn't adequate, as a matter of fact the students themselves are questioning the proposal. It is unreasonable and not the least bit feasible to suggest that a driver-training program can be undertaken for the figure that is being quoted. There are those who will present facts and figures to show that the minimum amount to cover the program would be \$40 per student. At the present time it is obvious that the parents will have to foot the bill and that those for whom driver training is most essential, will not necessarily receive instruction.

Driver training should be made compulsory. The reason for this is quite evident. At the present time those who take training have fewer accidents and fewer violations. Those who don't take training on a voluntary basis are the violators. Although they think they are good drivers, their record proves they need the training.

Anxious to explain away feeble efforts to prevent highway deaths, there are those who try to hide behind the platitude of more cars and more miles. We should not forget that roads are supposed to be built better, that vehicles are supposed to be better and that we could train the driver.

Let us look for a moment at the more-cars-more-roads excuse. If we can't do anything because there are more miles driven by more cars, then following this reasoning, the cure would be to prevent people from driving and limit the miles they drive. Anyone knows that this is impractical, unreasonable and not feasible. The Government has to face up to the fact that there are more cars. That we do travel more miles, and starting with these facts, we have to work on programs that will prevent accidents, injuries and deaths on the highways. Driver testing, driver improvement clinic and vehicle testing are all programs that will help save lives.

In the Province of British Columbia, outside the city of Vancouver, 10 per cent of accidents are caused by vehicle defects such as bad brakes, defective steering, etc. In the city of Vancouver, where vehicle inspection every six months is compulsory, four per cent of the accidents are caused by vehicle defects. This six per cent reduction represents lives saved.

There is a need to provide bursaries also for the study of safety engineering of cars and farm tractors. These funds should be made available in order to put to work these young people in our universities who are engineers in order that we may have them study these problems. In the area of tires, automobile tires alone, there is a need for safety standards. There are no research facilities to provide the information, no one knows how many deaths have been caused because automobile tires were defective. The entire vehicle itself has to be engineered from a safety point of view. Our Government in purchasing vehicles can insist on minimum safety standards.

But there is one area that must have immediate and special attention and that is the area of the drinking driver. In many countries it is considered a social error to offer anyone driving an automobile a drink of liquor. In the Scandinavian countries, anyone driving a vehicle can have no more than .05 per cent reading of alcohol in the blood stream. Research and public acceptance may eventually lead us to exactly the same percentage that a large percentage of our accidents are caused by the use of alcohol. It is imperative that we do something, immediately, to prevent anyone with .08 per cent alcohol in their blood stream driving a vehicle in the Province of Saskatchewan. I am well aware of the fact that enforcement of this has some legal complications. There are some people who would wait until the Federal Government acts. My confidence in the Federal Government's ability to act promptly has long since been shattered. As a matter of fact, hundreds of people could be killed on the highways while we wait for Federal legislation in this field. It is, therefore, my firm conviction, and I have good legal company in this respect, that there are legal methods and legislation that can be brought into play on a province basis that will prevent someone driving who has .08 per cent alcohol in his blood. The person who drives in this condition is a danger to everyone on the highway, and a hazard to himself. Strict enforcement in this area, together with driver training, vehicle testing, and driver testing, could cut down the tragic deaths, and reduce the two million dollar expenditure every month that we have heard about so continuously and so often.

Mr. Speaker, the public is out of patience with a Government that continually gripes about traffic accidents and continually presents increases in traffic deaths but sits idly by and only wrings its hands. Unless this Budget has written into it

substantial figures for research, driver training, and control of impaired driver, then I say the Government opposite is shirking its duty and is failing to protect citizens who drive an automobile on our highways. One dollar spent on traffic safety may save \$10 in vehicle repairs, \$50 in wages and it may save a life. A compulsory arbitration can be replaced, injuries can heal, but if a life is lost, it cannot be replaced. Saskatchewan needs a highway safety program complete in every detail. This is not an unnecessary expenditure, it is a financial investment; it is a life and death matter, a matter of 282 deaths in 1966 – an increase of 55 over the number of deaths in the previous year.

There are certain people in my constituency, Mr. Speaker, who cannot meet the cost of living, whether it is because of increased telephone rates, increased prices for food, clothing or rent. These are the people who have had the lid put on them, and I mean the legislative lid put on them. They are the people who work for the Saskatchewan Power Corporation, members of the Oil, Chemical and Atomic Workers union; they are the people who work in the hospitals. Everyone knows it is difficult to get hospital staff, everyone knows that hospitals are short-staffed and as a matter of fact some wings of our hospitals have been closed because of such a shortage and a shortage of money to pay the staff adequately. but now the lid has been put on these people and while the manufacturer and the owner of the corporations who manufacture foodstuffs can raise his price at will, these people are being coerced and subjugated by legislation, vicious legislation which forbids them the right to bargain collectively. Suddenly we will find that our hospitals cannot operate because there is no staff, because the staff will not stand for the second-rate position to which they have been relegated. They will quietly leave and when that happens, full credit and full blame should be laid at the doorsteps of the Members opposite.

The homeowner in my riding has other problems as well. If his children want to attend a technical institute and the young people in the secondary schools in Regina North have indicated that two-thirds of those who do not plan to go to university would like to attend a technical institute, there is no technical institute for them in Regina and no space available for them in Moose Jaw. The Regina Chamber of Commerce has recommended a technical institute for Regina and set its reasons in a letter dated April 19, 1966, to the Premier. I quote some of them:

Industrial expansion is contingent upon a number of factors of which the availability of skilled personnel is a major consideration.

Another,

The present facilities in Regina consisting of technical high schools and the evening classes do not adequately fill the needs.

Another reason,

Residents of Regina, seeking pre-employment training or up-grading their skills, are considerably inconvenienced by being obliged to travel to other cities in the province for their training. This geographical block can result in many persons not undertaking training. A technical and vocational training institute in Regina could provide trade training in addition to courses in a var-

ity of vocations, vocations which are not now sufficiently available in the province.

But the Government opposite, Mr. Speaker, has fiddled and fooled with the educational opportunities of young men and young women who live in the homes in my riding. If they want to go to university, grants in this area have not kept pace with university grants in other parts of Canada. Tuition fees have been raised. In my riding the possibility of secondary school graduates attending university is becoming more remote each year the Liberal Government is in power.

In the Budget Speech the Premier brags about cutting down on social aid and social welfare expenditures. Well, Mr. Speaker, recipients of social aid and social welfare are still here. Elderly people still need attention, still need care and nursing homes, but where the former Government paid for this, now assets are seized, investigations are made and relatives are forced to sign. It is no wonder there is a reduction in the payment being made for social aid. Foster mothers are forced to compete with the tremendous rise in the cost of living and are inadequately compensated. There is a desperate need for an increase in the payments for the care of foster children. Increases because of the rise in the cost of living have been made in other provinces, but, Mr. Speaker, the Saskatchewan Government does not have these humanitarian instincts.

Finally, Mr. Speaker, it has been a long, long time in Saskatchewan history since people who needed an elementary school were denied such a school. But this has happened in Regina. The School Board agreed that this building should be built, the people were prepared to put out the money, but six, seven and eight year old children were denied an elementary four-room school in the city of Regina.

Mr. Speaker, in spite of the fact that Regina residents are putting up approximately \$35 per capita in gasoline tax – this totals approximately \$4.5 million – the main arteries used through the city, such as Pasqua Street are a desperate hazard, and the over-taxed people of Regina are asked to put up 50 per cent of the cost to build connector roads between Highway No. 11 and Highway No. 1, in spite of the fact that they put up \$4,500,000 in gasoline tax. Now, Mr. Speaker, apparently it is all right to build a four-lane highway aimed at a cattle ranch west of Moose Jaw, but the desperately over-loaded, dangerously narrow artery which is Pasqua Street in Regina, is completely ignored. The combination of its narrowness and the railway crossings adds up to a serious traffic condition. when you consider the contribution in gasoline tax made by Regina Citizens, this is outright discrimination and callous indifference. The situation was bad in 1964, the traffic on this artery has doubled since then, and the population in the area Pasqua Street serves has increased rapidly, and yet the problem is completely ignored.

Mr. Speaker, to ask me to vote for this Budget would be asking me to vote for an outrageous increase, an unjustified increase in insurance rates, an unwarranted increase in telephone rates, and unjustifiable increase in the cost of living. It would mean endorsing a sit-tight, do-nothing traffic safety program, endorsing an Education Department that refuses a technical institute, that raises university fees and a Local Government Board that vetoes construction of elementary schools. Mr. Speaker, it would be a vote to endorse payment by relatives for

senior citizens who are unable to look after themselves, and confiscation of their estate if they are mentally ill. It would be failure on my part to represent the hundreds of young people, senior citizens and residents of my constituency whose family needs have been ignored by the Government opposite.

Mr. Speaker, I am opposed to the motion; I shall support the amendment.

Mr. J.E. Brockelbank (Saskatoon City): — Mr. Speaker, in rising to take part in this Debate, I find myself in a rather awkward position. In gauging my time to enter debate at the beginning of the session on Wednesday, I find a peculiar pattern developing. I find that the people in the Opposition are challenging the Government on this Budget and the people in the Government are not responding to the challenge. Now this could lead me to some speculation in a couple of areas. One, the Government Members are not answering the challenge because they are interested in getting out of the House. Now for what reason I don't know. the other would be that they can't support the Budget. They can't put themselves in the position of supporting the Budget and I'm talking about the backbenchers and not talking about the Executive Council. Now such a magnificent Budget as put forward by the Provincial Treasurer should have provoked enthusiastic support from the backbenchers and judging by the dispirited attack put forward today by the Honourable Member from Yorkton (Mr. Gallagher) it's evident from his remarks and others on that side of the House that our debaters are striking at the very faults of this Budget and I think they are doing a very good job. I must congratulate the Honourable Lady Member from Regina (Mrs. Hunt) for her brilliant and well-brought-out and well-delivered address this afternoon.

Some Hon. Members: — Hear, hear!

Mr. Brockelbank (Saskatoon City): — I cannot let this opportunity go by without saying something about the Hon. Member for Regina West (Mr. Blakeney) who acted as the financial critic. I think he did a magnificent job and I'll be looking forward to hearing him in further debates. Mr. Speaker, as I said, I was gauging my time to speak tomorrow about the beginning of the session and for that reason I would be leave to adjourn the debate.

Debate adjourned.

RESOLUTION NO. 1 RE: MUNICIPAL LOAN AND DEVELOPMENT FUND

Mr. T.M. Weatherald (Cannington) moved, seconded by Mrs. Sally Merchant (Saskatoon City):

That this Legislature recognizes the difficulties being experienced by local governments in the sale of municipal debentures and urges the Government of Saskatchewan to investigate the feasibility of establishing a Municipal Loan and Development Fund to assist with the purchase of municipal debentures.

He said: Mr. Speaker, for several months now local governments have been experiencing difficulty in obtaining the necessary credit and this is the reason that I have presented this Resolution on the order paper because I feel that it is a problem which needs

attention and which this Government is ready to take action upon. In many cases projects have been built but the local government now finds itself unable to sell the debenture issue in order to refinance temporary credit at banks and through credit unions and so forth. Mr. Speaker, in many cases local governments have gone ahead with local public works, approval granted from the Local Government Board. The program was usually financed for a short term at the bank. Now, we find, Mr. Speaker, months later in many cases when the debentures are printed and offered for sale that the Local Government Board is unable to attract buyers. However, Mr. Speaker, this is a situation which not only prevails in this province but occurs across Canada. A substantial list could be made of projects which have been deferred due to the lack of ability to obtain the necessary funds by financing.

The problem of inflation and the rising cost of living in the past year has been an acute one. This situation of course calls for action to reduce spending in the areas where these rising costs are most prevalent. This, Mr. Speaker, obviously in the past year has been the construction sector of the economy. The result is that action must be taken to spread this construction over a greater period of time. The most effective way to do this of course is the use of higher interest rates and therefore a reduction of credit available. This involves a monetary policy of the Central Bank and our friends opposite, the NDP would like to make us think that there is some way that you can have easy credit and not have inflation at a time when we hit full employment. This of course, Mr. Speaker, is absolute nonsense because no one has yet devised a method of checking inflation and having easy credit at the same time. Mr. Speaker, I would like to emphasize in speaking to this Resolution that the Local Government Board has been doing a good job under the circumstances.

However, I have presented this Resolution because I feel that now is the time for a new type of action to be taken that would, Mr. Speaker, help improve the method in which local government finances are made available. Such a plan, I am convinced involves three objectives. The first is funds must be available at a reasonable rate of interest, the second is that funds are available and must be available on a continuous basis, and the third is that credit cannot be over-extended beyond what can safely be repaid by the local government that has borrowed the money. The previous Government, Mr. Speaker, has talked long and loud about this matter, but when they were in office during their years previous to this Government they did absolutely nothing to improve the situation.

I would like for a few moments to review the functions of the Local Government Board because as a group they have been coming in for some very undue criticism. The Board is constituted as an independent three-man Board appointed by Order-in-Council for two years and is eligible for reappointed-appointment. It has been doing a good job with the facilities it has to operate with, but in this respect there is room for improvement to add to the staff and the facilities which they now have. I'd like to emphasize mps that the Board develops its own policy and in general accepts responsibility for it. In this respect it is the Board which develops the policies and it is not the Province Government. The Opposition had time after time attempted to confuse the thinking on this question and has attempted to place the policy decisions at the level of the Government and this of course, Mr. Speaker, is untrue. I would again like to emphasize

it is the Local Government Board that has been determining the policy in regard to credit in this province over the past number of years.

Now, Mr. Speaker, I would like to elaborate for a moment on what the Board's policies are, and how a new plan may be of some assistance to the municipalities that need credit so badly. The new plan would not alter to a very great degree the purposes of supervising credit for which the Board was set up. For a period of time now, money for various projects has been difficult to get and this is admitted by everyone. But first, Mr. Speaker, one of the reasons that this money is being difficult to get is that the cost of money is high. And the cost of money is high because there has been a need to check the inflationary pressures that have been quite prevalent, particularly in the construction industry. The second reason, Mr. Speaker, for the Board's present policy is that there are some areas in Saskatchewan where debt has been rising at a tremendous pace and there is a need for levelling off borrowing and a very great need of caution. The third reason for the present Board's policies, Mr. Speaker, is that there has been a tremendous backlog of debentures built up. This at the very minimum was 25 to 30 million dollars and in actual fact was higher. During the present period which may be called a period of caution which started last summer, the backlog has been reduced substantially. It is the feeling of the Board that interest rates were too high for any further borrowing and therefore any projects other than those of an urgent nature should be postponed. The Board now feels that this is a temporary situation and it looks forward to the future with optimism. A sign of improvement is that the Government of Canada bond interest rates are now lower.

Now, Mr. Speaker, the foregoing that I have mentioned illustrate some of the problems that the Local Government Board must face. They also indeed illustrate the need of some type of municipal financing which will ensure a supply of credit at reasonable rates for developing municipal projects. While there is a drastic need for such a plan, it would have to be of considerable magnitude to supply the required funds. Borrowing I am told would be estimated at approximately \$50,000,000 per year. Saskatchewan municipalities now have approximately \$240,000,000 borrowed and this is expected to rise to probably in the neighbourhood of \$500,000,000 over the next ten years or so. It has been suggested that if the Province – and this is suggested in many quarters – borrowed all of the required money on behalf of the municipalities that a lower rate of interest could be obtained. This, however, would only involve the Province accepting the responsibility of the debt instead of the municipalities. The result would be that the Province's credit rating would be jeopardized to a certain extent. In effect, Mr. Speaker, what this would do would be a load on the Province's credit rating rather on the credit rating of the municipalities.

I'd suggest, Mr. Speaker, that one of the best ways that a fund may be set up is that the Canada Pension Plan funds be used for this purpose. At present, Canada Pension Plan funds are being used in the Saskatchewan Power Corporation and in Government Telephones. However, the use of Canada Pension Plan funds, while it would impose an obligation on the province to repay it, would be a different type of obligation than would credit borrowed by the Province from individual investors. I say this because the funds that would be necessarily repaid to the Federal Government would, Mr. Speaker, in the case of a catastrophe to the

Province or a situation developing in which repayment is difficult, probably be renegotiable over a period of years. This would in effect place a lower burden on the Province's credit rating, because I sincerely believe that the Province's ability to repay over the longer term is very good. On the other hand, the Province if it borrows the necessary funds from private investors, when these funds become due the Province must meet the obligation on that specific date. Therefore, I think the use of Canada Pension Plan funds has a great advantage that it would place less burden on the Province's credit rating because there would be a better opportunity for renegotiation of repayment, if such was necessary.

Today, Mr. Speaker, our society has been placing increased emphasis on the use of credit. Governments have set up all sorts of types of credit; for example, the Provincial Government has a policy in Saskatchewan Economic Development Corporation, the Farm Credit Corporation, the Federal Agency set up to develop credit and there are certainly many, many other instances in which credit is made available for all sorts of business, for farming and for practically any type of operation. Then, surely, Mr. Speaker, it follows that the Government should develop a plan that would supply a continuous flow of credit at reasonable rates of interest to our local government. And in developing such a policy, I would suggest that this policy still involves the local people to the greatest degree. We should still develop the local bond market as much as we can because I'm sure that we all are convinced that we must involve as much local participation as possible and that it is very important that we sell as many bonds on the local market as possible, because this is one source of funds that, by encouraging Canadians to invest in their own province and in their own country, we help to retain our resources under Canadian control to the greatest degree. It is also necessary that a good deal of this money still be raised at the local level simply because this is a source of funds within the province which should be tapped and which would be difficult to secure elsewhere. I suggest, therefore, Mr. Speaker, that this type of a plan still ensure that the local government, that is requiring the source of credit, still be required to sell a certain portion of the bond issue. This of course is presently done and should be continued. This year the Provincial Government did materially assist local governments. As the Minister of Municipal Affairs (Mr. McIsaac) said this afternoon the Provincial Treasurer bought approximately 5.6 million dollars worth of local bonds. This of course was the greatest amount ever. Therefore, Mr. Speaker, I suggest that this Resolution is before this Assembly because there is a critical need for a type of plan that will involve credit at a stable interest rate over a period of time so that local government projects can be planned in advance and can be ensured that they will not be partly constructed or partly developed and then find them in a situation with no money. Today our local governments are providing many of the important services that are provided by governments. In the fields of health, education, recreation and the general servicing of property, water and sewer, streets, sidewalks and so on, it is the local government that is still supplying the service to the people of this province and this country. Therefore, I urge that the Government at the very most opportune time develop a plan that will ensure that the supply of funds to local governments be on a continuous basis at a reasonable rate of interest so that all projects that are so important to everyone in the field of services provided by local governments would continue.

Some Hon. Members: — Hear, hear!

Mrs. Sally Merchant (Saskatoon City): — Mr. Speaker, as the seconder of the motion I would be very happy to speak on our particular case in the city of Saskatoon that we are greatly in need of some measure like this considering the vast expansion and the necessity for services up there, but I would prefer to speak at another time, Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

RESOLUTION NO. 2 RE: RAIL LINE ABANDONMENT

Mr. G.G. Leith (Elrose) moved, seconded by Mr. J.B. Hooker (Notukeu-Willowbunch):

That this Assembly urge the Government of Saskatchewan to maintain through appropriate means a liaison with the new Canadian Transportation Commission to ensure that the effects of rail abandonment on Saskatchewan communities are minimized, and that the transportation network that evolves will meet the long-term requirements of Saskatchewan's changing and expanding economy; and to make available the services of such province government agencies as the department of Municipal Affairs and the department of highways to attempt to provide adequate alternative transportation and communication facilities to local communities that lose rail service.

He said: Mr. Speaker, the issue of rail rationalization or rail abandonment continues to be of concern to the citizens of many areas in this province. In 1965 and again last year we debated Resolutions in this House that urged the Government of Canada to permit no abandonment of rail lines that are essential to the communities that they serve, and further that the power of the branch rationalization authority be broadened to include mandatory public representation. The Bill C120 about which we were concerned at that time has been replaced by Bill C231 which has been dealt with by the Government of Canada and has become law. The original Bill C120 was found to be entirely unsatisfactory. The Bill failed to emphasize the rationalization approach to the problem and ignored the social and economic consequences that would follow abandonment. The only criteria for abandonment were railway operating costs. The responsibilities of the Rationalization Authority were limited to a determination of the timing of abandonment of any line. The people of Saskatchewan and the people in the west generally disagreed with this approach. Representations by this Province and other Provinces, mainly the western Provinces and the Maritimes were made to Ottawa voicing disapproval of the branch land legislation in Bill C120. Objections to the legislation were also set out in Saskatchewan's policy statement which was made public in February 1965. Mr. Speaker, I'm going to table the policy statement of the Government of Saskatchewan on Bill C120 which is dated February 3, 1965. As a consequence of these several representations, the Federal Government introduced Bill C231.

The legislation contained in Bill C231 in so far as branch line abandonment is concerned is a vast improvement over the terms of the previous Bill. The new Bill provides the means for orderly abandonment of uneconomic branch lines in the province.

Mr. Speaker, this is a start toward allowing the railways to improve overall operating efficiencies. It is also a start toward reduction of costs which will lead to the final elimination of the \$110,000,000 subsidy which is now being paid to the railways. In general, Bill C231 emphasizes the concept of rationalization in the whole question of uneconomic branch lines. Also, the area approach method of studying rail lines is introduced. As an example of the area study, I would imagine that the whole area lying west of Saskatoon between the North and South Saskatchewan Rivers might be used in such a study. My understanding is that all transportation media in that area will be reviewed in order to determine the economic effects of abandonment of one or more of the branch lines in that area. A third important provision of the new Bill C231 is to provide opportunity for everyone concerned to be heard. Our Resolutions of 1965 and 1966 and our Government's subsequent action in this regard have borne fruit. I wish at this time to table a submission by the Government of the Province of Saskatchewan to the House of Commons Standing Committee on Transport and Communications, dated November 1, 1966. The latter submission, which I have tabled and which is public information, provides ample proof of this Government's concern with this legislation.

This submission which has been referred to by our good friends Opposite as being anaemic, perhaps requires some explanation. Prior to the preparation of the November 1 submission, the Government of Saskatchewan met and consulted with the major Saskatchewan organizations of the Saskatchewan Urban Municipal Association, the Saskatchewan Association of Rural Municipalities, the Saskatchewan Federation of Agriculture. Now, it may be understandable that Members opposite would think that anything this Government might do in this regard would be called anaemic, but it is hard for me to understand that they would consider that anything that three above organizations have considered and have approved would be called anaemic. The presentation of the Saskatchewan submission was made by the Saskatchewan Counsel in Ottawa, referred to by the Leader of the Opposition as an Ottawa lawyer. This man ably represents Saskatchewan's interests in Ottawa. He's a product of Saskatchewan and he is as well-informed on the question of transport legislation as anyone else in the country. What pleases me particularly, Sir, is that this man that they refer to as that Ottawa lawyer is the same man that the Members opposite when they were Government had as their representative in Ottawa dealing with transport legislation.

At any rate the proposed abandonment of uneconomic branch lines has created the feeling of uncertainty in many quarters of the province. We are concerned about future developments and the long-range planning of communities, elevator groups, government agencies and especially of the economic impact on our farmers. To try to counteract this uncertainty, the Federal authorities have submitted a plan whereby the prairie rail network is grouped into protected and unprotected lines. The protected lines are guaranteed to 1975. As an example of this I want to quote the Elrose sub of the CN. This was formerly proposed for abandonment by the CN but it is now on the protected list. There are unprotected lines, in fact over one thousand miles of them. These are lines which the railways may seek to abandon by the approval only of the Commission. As an example of unprotected lines, the Mildren-McMorran and the Gunnworth-Matador subs of the CP were not proposed for abandonment earlier but are now on the unprotected list. The basic criteria for placing these lines on

the unprotected list or on the unprotected list have been traffic and volume. Lines which have heavy traffic and for which there were either inadequate alternative rail facilities or where there were major readjustment problems were included in the protected network guaranteed to 1975. It's my opinion that the declaration of intent to guarantee and protect our major rail network is going to relieve anxiety in many quarters. I believe that an examination of the present rail network as it exists today reveals duplication of services leading to rail operation inefficiencies in some areas. I believe that we must accept the fact that some of our uneconomic branch lines are going to have to be abandoned in the interests of more efficient transportation of our grain to export markets. However, we cannot accept indiscriminate abandonment by the railways of whole large areas of our province. We must be concerned with the communities that may be isolated from rail connections.

Mr. Speaker, even though Bill C231 embodies principles which we have advocated, there are still areas of concern. As Members know, Saskatchewan has over 1,000 miles of branch lines on the unprotected list. I believe that the Government of Saskatchewan agrees that the Commission establish before hand a uniform system of railway costing procedures and if necessary, the Government ought to be willing to participate in any hearing that may be held. One of our difficulties in the past in arguing about whether a branch line is economic or uneconomic has been the difficulty of arriving at a true railway cost figure for that line.

Also the Government of Saskatchewan believes that a standard set of criteria ought to be established at the outset, to be applied by the Commission when investigating individual abandonment proposals. Now, these criteria have reference to the total sum of the factors that will affect communities that are going to lose or may lose their local rail services. We believe that we have staff in our Province Government Departments who are familiar with the problems and who will certainly be able to advise the Commission about the criteria relevant to assessing economic effects that will accrue to a community losing local rail service. I'm not suggesting that the Government of Saskatchewan should actively participate at the local level in abandonment proposals. What I do suggest is that a uniform set of ground rules, especially in regard to railway-costing practices and techniques, be established at the outset and that a uniform procedure be established for assessing the effect of loss of rail service at the local community level. In areas where abandonment may be necessary, I believe that departments of our Provincial Government will have a responsibility to attempt to minimize the effects as far as possible of abandonment by cooperating with the RM's to provide alternatives to the rails for moving the farmer's grain. Bill C231, section 314D states

“In the exercise of its duties under section 314C the Commission may recommend to the railway companies the exchange of branch lines between companies by a lease, purchase or otherwise, the giving or exchanging between the companies of operating rights or running rights over branch lines or other lines of railway, the connecting of branch lines thereof with other lines of another company, and the abandonment of operation of branch lines in respect of which no applications for abandonment have been filed with the Commission.”

We have a particular problem in the Elrose constituency.

I want to speak to you for a moment about the village of Kyle. This is second from the last station on the Gunnworth to Matador sub. This is a town of about 450 people that will be hard hit if the rail services are taken out of there. But the new Act makes possible several alternatives. For instance it could be the building of a connector line from the CN at Whitebear to Tuberosa which would be a distance of seven miles which would pick up the stub end of that CP line. Another alternative would be to tie the CP line to the Elrose sub of the CN at Wartime, and all this would mean would be the building of a Y. What I'm trying to say, Mr. Speaker, and I think I have explained it, is that the new Act does make provision for several different alternatives in areas which may lose their rail service. I think that we are going to have to look at each one as it comes along.

In summary, the Government of Saskatchewan is of the opinion that the principle of grouping the rail network into the two categories is logical in so far as the lines of lesser economic importance in the province are being considered first. This is not to say that these lines are not important to local users or that all unprotected lines will necessarily be abandoned. If proper procedures however are followed in assessing relevant factors, resulting social upheavals during the transitional period will be minimal. From time to time rumours will develop locally on the question of abandoning rail facilities; some of these rumours will have no foundation in fact at all; others will unfortunately be the result of improper untimely dissemination of information and due to local fears will quite probably be exaggerated out of all proportion to the actual fact. It is my hope that all parties concerned with this problem will exercise maximum restraint and diplomacy. I think that all Members must know that it is inevitable that certain rail lines are going to have to be abandoned and it is only through an unemotional and sincere approach to this problem by all parties concerned that maximum benefits will accrue to the province as a whole at minimum cost to the public during the transitional period. I believe that this Government's first responsibility is to make sure that the transportation needs of the province as a whole are met in as efficient a way as possible. The Provincial Government, I believe, has also a responsibility to the areas which may lose their railway services.

Mr. J.B. Hooker (Notukeu-Willowbunch): — Mr. Speaker, I beg leave to adjourn the Debate.

Debate adjourned.

STATEMENT BY MR. SPEAKER

Mr. Speaker: — Members will have noted that Resolution No. 3 standing in the name of the Member for Regina West is substantially the same as that of the Member for Cannington (Resolution No. 1) which has already been moved, and on which debate has been adjourned.

I would draw the attention of the Assembly to May's Parliamentary Practice, 17th Edition, page 399, wherein it is stated:

“A motion must not anticipate a matter already appointed for consideration by the House, whether it be a bill or an adjourned debate on a motion.”

I must, therefore, rule Resolution No. 3 out of order since the House, by adjourning debate on Resolution No. 1, has already appointed the substance of Resolution No. 3 for consideration at a later sitting.

Nor is any Member deprived of the right of free speech hereby, because the identical subject matter of Resolution No. 3 is already under debate in Resolution No. 1 and any Member who wishes may speak to it providing, of course, that he has not already done so.

Mr. A.E. Blakeney: (Regina West): — Mr. Speaker, I thank you for your ruling and I assume that the Members opposite will contribute to the effect of the implementation of that ruling by not holding Resolution No. 1 on the Order Paper unduly.

RESOLUTION NO. 4 RE: NEW TRANS-CANADA PIPELINE

Mr. H.D. Link (Saskatoon City) moved, seconded by Mr. W.A. Robbins (Saskatoon city):

That this Assembly, believing that it is not in the interests of the people of Canada to have any part of the proposed new Trans-Canada pipeline constructed outside of the territory of Canada, request the Federal Government to act so that the whole of the pipeline is located within Canada.

He said: Mr. Speaker, in moving this Resolution I am motivated by urgency of its contents. That this urgency exists is well known to many Canadians. I suggest to this Assembly that if the Federal Government at Ottawa carries out its intention of constructing this proposed Trans-Canada pipeline partly on American territory that they have once again sold out the people of Canada. For the benefit of the Liberals in this House let me for just a moment deal with the establishment of Trans-Canada Pipelines Ltd. Trans-Canada Pipelines was created by a special Act of Parliament in 1951. That Act in Section No. 6A provides that the Company may within or outside Canada construct pipelines provided that the pipeline or lines shall be located entirely within Canada. This latter phrase was not in the original Bill submitted to Parliament but was inserted by the House of Commons to ensure that any major pipeline built by the Company would be an all-Canadian route. In 1956 when the Company was building an all-Canadian natural gas pipeline it ran into difficulty in financing. To get the pipeline built in that year the Liberal Government of the day agreed to lend to Trans-Canada Pipelines Ltd. \$80,000,000 for the building of the western section of the line and agreed to build the line through Northern Ontario itself, through the device of a Crown Corporation which it later sold to Trans-Canada Pipelines. In the first paragraph of the Agreement between the Government and Trans-Canada Pipelines is a phrase: "and whereas in the public interest that the western section of the all-Canadian pipeline should be construction in 1956." The Government of the day clearly thought that it was a matter of public interest to have the all-Canadian line. The Bill authorizing this Agreement precipitated the infamous "Pipeline Debate": in 1956. The main backer of Trans-Canada at that time was the late Rt. Hon. C.D. Howe, then the Minister of Trade and Commerce. One of the most interesting paragraphs in the Debate was spoken by Mr. Howe in defence of

the Bill.

I admitted that it would be more costly than alternative plans but I said the added cost is one of the penalties that we must accept for Canadian nationhood. I remember my words: I said, 'There is a price on Canadian nationhood.' If we always look for the cheapest way of doing things here in Canada, there might have been another state in the United States, but there very likely would have been no Canada. From confederation the people of Canada have been very jealous about accepting any monetary advantage that would in any way jeopardize the control by Canada over her own resources.

It is obvious, Mr. Speaker, that lately the Liberal Party has reversed its position on the control of our resources. The immediate issue before the Canadian people in the present pipeline controversy is whether or not Trans-Canada Pipelines Ltd. should construct a second natural gas pipeline from Western Canada to the United States. The proposed line would run south from Winnipeg crossing the United States border near Emerson, Manitoba, and represented-enter Canada just south of Sarnia, Ontario. The U.S. line, known as the "Great lakes Project" would proceed south of Lake Superior and Lake Huron through the States of Minnesota, Wisconsin and Michigan. There would be provision for some of the gas entering this line at Emerson to be sold in the United States. The Federal Cabinet turned down the proposal on August 25, 1966. In doing so, the Prime Minister, in a press release on that date gave for some of its reasons, the following: He is quoted as saying:

The basic point, however, is that once a 36 inch pipeline through the United States was established, it would almost inevitably become the main line. Additions to that system would be more economic than additions to the 30 inch system through Northern Ontario and the Canadian line would increasingly assume a secondary position as a line to serve the markets along its route.

He went on to say:

The Government does not believe it to be in Canada's best interest that the future development of the facilities for bringing Western Canadian gas to the Eastern Canadian market should be located outside Canadian jurisdiction and subject to detailed regulations under laws of the United States which are naturally designed to protect the interests of the United States citizens.

The Prime Minister went on to say:

This has been a difficult decision in a very complex matter. However, the gas transmission industry is a public utility on a vast scale and is important to Canadian national well-being. The development of its main line between West and East should, we believe, remain wholly under Canadian jurisdiction.

Mr. Speaker, I agree with the sentiments expressed by Mr. Pearson. I'm equally certain that the people of Saskatchewan agree with these sentiments. Why the, some five weeks later, on

October 4 did the Federal Government perform a complete about-face? Well, Mr. Speaker, one of the reasons given by the critics of an all-Canadian route is that it would be quicker and cheaper to build the line through the United States. Trans-Canada Pipeline claims that the United States route would result in a \$75,000,000 saving in distribution costs over a 10-year period. However, what they have failed to tell us is that the National Energy Board has calculated that an all-Canadian route would, within the same period, create an income to this country of \$700,000,000 to \$1,000,000,000. Mr. Speaker, it would appear that the about-face of the Liberal Government on the pipeline case is just another manifestation of the Liberal party's policy of continentalism. Continentalism means the policy of working for complete integration of the Canadian and American economy.

Continentalism is supposed to bring to Canada a higher standard of living, making us economically at least a part of the United States. However, there are no real grounds for believing that continentalism would do this. I suggest, Mr. Speaker, that we would remain merely an under-developed region within a larger area. There is no guarantee that integration would bring us more industry, more employment or higher incomes. Indeed, the opposite may be the effect. There are as you know already within the United States under-developed regions. I suggest to you, Mr. Speaker, that Canada would become just another one of these. I believe in a policy of national independence. I am not an isolationist. I believe in as free an international trade as possible, and I believe in international compulsory-operation. But, Mr. Speaker, I also believe that continentalism will work against these policies. Continentalism by making us completely subservient to the United States will silence any chance for an independent voice in world affairs. The pipeline deal is a case where we are not working for true international compulsory-operation in any sense; we are merely integrating our economy with that of our neighbour to the south. In fact we are giving the United States Government through its agency, the Federal Power Commission, control over the transmission of natural gas between Canadian points. This I suggest, Mr. Speaker, is not compulsory-operation; it is really a potential source of conflict, and if there is a conflict it will be Canada who suffers.

Mr. Speaker, in an article which appeared in the Saskatoon Star Phoenix dated January 27 of this year, I find that the United States Federal Power Commission has scheduled new hearings on Trans-Canada's bid for lines south of the Great Lakes. The article goes on to say that a final decision is not expected until late this year. Mr. Speaker, this delay simply is not justified. Why should our country wait for a decision of a foreign country before it can transport Canadian gas from Western Canada to Eastern Canada. Mr. Speaker, I suggest that this Assembly tell the Federal Government that we are not satisfied with this arrangement. We should make it perfectly clear to the Prime Minister that we believe that Canadian gas should be transported through a Canadian pipeline on Canadian soil.

Some Hon. Members: — Hear, hear!

In closing my remarks, Mr. Speaker, allow me to quote from an editorial which appeared in the Toronto Daily Star on October 6, 1966:

When Prime Minister Pearson rejected in August a proposal by Trans-Canada Pipelines Limited, to build a natural gas pipeline from Manitoba to Ontario through

The United States, it appeared that at last Ottawa was to assert the national interest in the development of our resources. The Government has now reversed its decision. Trans-Canada Pipelines is the big winner; Canada is the loser. Long-term national interests have been subordinated to immediate economic advantage.

Mr. Speaker, I agree with this editorial. I see no reason why, if we in this Legislature are really interested in the welfare of our country, we cannot all support this Resolution.

Some Hon. Members: — Hear, hear!

Mr. W.A. Robbins (Saskatoon City): — I beg leave to adjourn the debate.

Debate adjourned.

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