

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Seventeenth Legislature
15th Day

March 15, 1972

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

WELCOME TO STUDENTS

Hon. W.E. Smishek (Regina North East): — Mr. Speaker, permit me to introduce to you and to the Members of the Legislature a group of 28 students from the St. Catherines School located in Regina North East. They are Grade Seven and Eight students. They are seated in the Speaker's Gallery. On behalf of the Members of the Legislature, let me extend to them a warm welcome and express the hope that their stay with us this afternoon will be informative and educational and at the same time that it will assist them in their social studies.

Mr. Speaker, while I am on my feet I should also like to introduce to the Members of the Legislature a class from the Albert School. I welcome them on behalf of the Premier who is not with us at the moment. He asked me on his behalf to express a welcome to the students. I think the group consists of 52 students. They are accompanied by their teachers Mr. Sadness and Mr. Berg. Welcome to the Legislature and also may your experience here this afternoon be worthwhile, educational and of value to you in your future life.

Hon. Members: — Hear, hear!

Mr. J. Wiebe (Morse): — Mr. Speaker, I should like to introduce to you and also to the Members of this House, 60 students from the Caronport High School. They represent the Grade Twelve class at Caronport and are accompanied by their teacher Mr. John Hepfner. They are situated in the East Gallery. They arrived shortly before the House met and I'm sorry that I did not have an opportunity to welcome them to the House personally and I should like to do at this time. I'm doubly pleased that they are here as this is the second group of Grade Twelve students from my constituency who have come in to the Legislature since it began last in February. I know that their afternoon will be entertaining. I do hope that it will be educational as well and that they will derive some benefit out of it and I wish them a pleasant journey home.

Hon. Members: — Hear, hear!

Mr. E. Kaeding (Saltcoats): — Mr. Speaker, it is a pleasure for me to introduce to you and to the Members of the Legislature a group of 50 Grade Six, Seven and Eight students from St. Joseph's Elementary School at Stockholm. They are seated in the West Gallery and are accompanied today by their Teachers Miss Antalpi and Sister Ernestine. We sincerely hope this day will be an enjoyable one and that they will have learned something of our democratic process in this Legislature. I am sure that we all welcome them and wish them a safe journey home.

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Hon. Members: — Hear, hear!

Mr. H.H.P. Baker (Regina Wascana): — Mr. Speaker, I too want to extend a very warm welcome to a group of students from the Strathcona Elementary School, some 40 in number, I believe they are in Grade Eight. They are accompanied here by Mr. Keller, their teacher, and they are located in the West Gallery, the East Gallery and some are even sprinkled throughout the Speaker's Gallery, I am told. I want to welcome them most sincerely. This school has been in my constituency since I have had the privilege of being elected in 1964. It somehow had missed some of the gerrymandering a few years ago and I am very proud that they have been with me all of this time. I do want to wish them a very pleasant and educational stay here this afternoon.

Hon. Members: — Hear, hear!

Mr. T.M. Weatherald (Cannington): — Mr. Speaker, I should like to take this opportunity to introduced to you a group of students from Lampman School in my constituency accompanied by their teacher. A number of the students have been here in the past year, Mr. Speaker, and I think they found the Session very interesting. Mr. Speaker, Estevan has often had the name of "Oil Capital of Saskatchewan". Lampman is much smaller than Estevan but in the heart of the oil country in this province and in a small way lays a claim to at least part of that title.

Hon. Members: — Hear, hear!

Mr. K. Thorson (Souris-Estevan): — Mr. Speaker, I want to join with the Member for Cannington in welcoming the students who are here and who attend the Lampman School. Although Lampman itself is in the Cannington constituency, many of the students actually have their residence in Souris-Estevan. I hope they have a very pleasant stay. I welcome them and their teacher, Mr. Agerman and wish them a safe journey home.

QUESTIONS

WHAT STEPS HAVE BEEN TAKEN BY THE MINISTER OF EDUCATION IN TEACHER-TRUSTEE RELATIONS

Mr. C.P. MacDonald (Milestone): — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Minister of Education (Mr. MacMurchy). Before the election on June 23rd, the election of an NDP Government was supposed to be a panacea for all trustee-teacher relations in the future. In the last two or three weeks, Mr. Speaker, we have watched the steady deterioration of...

Mr. Speaker: — Order! I would ask the Member to phrase his question and not too much preface.

Mr. MacDonald: — Mr. Speaker, I will be as brief as I can. Mr. Speaker, there has been a steady deterioration of trustee-teacher relations at the expense of students. We now have a complete withdrawal of services in Area 4.

Mr. Romanow: — On a Point of Order, Mr. Speaker. On a Point of Order. Mr. Speaker, my Point of Order is that the Hon. Member is not asking a question but making a speech. We would be pleased to answer any question if he would only ask the question and refrain from making political speeches in this House.

Mr. Speaker: — I think the ruling on questions is fairly plain. The questions should seek information and not seek to give information. I hope any Members asking questions will try to confine himself to the meat of the question and ask just the question.

Mr. MacDonald: — Mr. Speaker, I was just trying to give the background before I posed the question. And of all the Members in the Legislature to bring that subject up the Attorney General is the wrong one. What positive steps has the Minister of Education taken in the past few weeks to carry out his responsibility to see that trustee-teacher relations improve and that the students' right to instruction and to classroom activity will continue?

Mr. G. MacMurchy (Minister of Education): — Mr. Speaker, in reply to the very lengthy question from the Member from Milestone, I think we have done a number of things over the recent weeks and over the long term since coming into office on June 30th. We have met a total of five times with the executives of the teachers and the trustees in an attempt to come up with a solution to the difficulties surrounding area bargaining. The meetings were not fruitful in moving each side from the definite position that they have taken. Those meetings have been called off. We have removed from The Teacher Salary Agreements Act one of the outs that is available to the negotiating teams with the removal of the compulsory arbitration clause. I have said many times that this Government is committed to the process of free collective bargaining and if applied in the situation that we are in today we would, in fact, have settlements. It is proven that settlements can come and did come in Area 13. I have also announced a committee to look at the whole broad area of negotiations, of teacher salary agreements, etc. and they will be reporting back by midsummer. There is action. We have come out from behind the desk. We were always out from behind the desk.

Mr. MacDonald: — A supplementary question, Mr. Speaker, after that very short and brief reply. The Saskatchewan trustees have stated that one of the reasons that there is a difficulty in reaching a settlement is because of the limited funds provided by the NDP in education grants. They stated that if they settle with the teacher demands now, it will take all the grant that have been provided and that what will happen...

Mr. Speaker: — Order, order! I think you are getting away from a supplementary question. I don't think you should preface it too much.

Mr. MacDonald: — Yes, Mr. Speaker, The question is this. Can the

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Minister assure the trustees that if they come up with a reasonable settlement, they will provide additional funds for all additional escalation costs and it will not cause mill rates in education to rise like municipal mill rates are now rising in the province?

Mr. MacMurchy: — Mr. Speaker, in reply to his second lengthy question, the grants are adequate. If I may just read a very brief comment from a news release coming from the Saskatoon School Trustees' Association which reads as follows:

The Government is to be commended for providing the largest grants increase ever to school boards.

Those came from a trustee, Don Leir of the separate system in Saskatoon. Yes, yes, the grants are adequate for any salary increases that might come forward in this coming year. One of our problems in this whole area is that you, as a Government, left behind some very difficult situations. You have left behind some difficult legislation. It is going to take some time to clear up the problems that have come about as a result of that legislation.

ANNOUNCEMENTS

SALE OF MINERAL CROWN LANDS FOR PETROLEUM EXPLORATION AND DEVELOPMENT; COMMENCEMENT OF NEW COAL MINE AT ESTEVAN

Hon. K. Thorson (Minister of Industry and Commerce): — Mr. Speaker, before the Orders of the Day, I should like to announce to the House two matters which have to do with the mineral development in our province. Yesterday, March 14th, was a day for the sale of mineral Crown lands for petroleum exploration and development. The net yield to the Province from these sales which closed yesterday will be \$940,000. Members will be interested in knowing that we have not had such a large yield in dollar value from the sale of Crown mineral lands since August of 1969. In fact, we have not had one over \$900,000 since August of 1969.

Mr. Speaker, may I also make an announcement with respect to a new coal mine at Estevan. It is to be located south of the city of Estevan just east of Boundary Dam and the Boundary Dam Lake and the Boundary Dam Power Plant. It is the result of two years of negotiation and working between the Manitoba and Saskatchewan Coal Company and the Saskatchewan Power Corporation. Under the contract which will last 15 years the M and S Coal Company will be mining coal for the Saskatchewan Power Corporation. The first sales are to start in January of 1974. Coal will be stockpiled in 1973. This year construction will begin. Yesterday I was in Estevan and the first tangible evidence of this resulted just this week with the movement of some equipment to the site. Construction will begin on the buildings, on the electrical distribution system and this year there will also be a reconstruction of a spillway to accommodate the 60 ton coal haulers between the mine and the power plant. Eventually M and S Coal Company expects to employ some 135 people in the Estevan area. Mr. Speaker, there are now three coal mines in Estevan in Saskatchewan and this will be the fourth one. It emphasizes the importance of coal in the province as a source of energy and as a catalyst for all of the provincial economy.

Mr. C.P. MacDonald (Milestone): — Mr. Speaker, I'd like to make a comment. First of all I want to tell the minister that we welcome any signs that the oil industry hasn't completely evacuated the Province of Saskatchewan. I should also like to point out that we are certainly pleased that it has brought a little more return than the last land sale where some 25 out of 80 leases were not even taken up by the oil industry. I shall be most interested in finding out exactly where those leases were located in the province because very often the dollar figure directly relates to the land itself and whether or not it is a proven field. We hope that this won't be the last and that the NDP Government will realize and appreciate the contribution that the oil industry has made to the revenues of the Province of Saskatchewan and also what contribution they can make in the future. As far as the coalmine is concerned, we certainly welcome this development of an already proven field in an already proven area.

Hon. K. Thorson (Minister of Industry and Commerce): — Mr. Speaker, I have a Point of Privilege that I would like to raise. I don't want to take any radio time and I hope our people will give the one-minute or what it will take of our time to the Government Members. I said yesterday in my remarks that Industry and Commerce will have 49 more people added to its staff. This is my error. I take full responsibility for it. I should have said seven. The 49 apply to the Department of Labour. I should like to apologize to the House for giving them the wrong information.

ADJOURNED DEBATES

BUDGET DEBATE

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Blakeney (Provincial Treasurer) that this Assembly do not resolve itself into the Committee of Finance; and the proposed amendment thereto, moved by Mr. Boldt.

Mr. A.W. Engel (Notukeu-Willowbunch): — Mr. Speaker, before I go into my prepared information here on the Budget Speech, I too should like to extend a word of welcome to the Grade Twelve students from Caronport. I feel this is part of my responsibility to extend this welcome being an alumnus from that school. I hope they enjoy their stay here and learn something.

Hon. Members: — Hear, hear!

Mr. Engel: — At the outset, Mr. Speaker, I should like to describe some of the local conditions in Notukeu-Willowbunch and how this Budget will affect the people I represent. There are actually three divisions in my constituency. Most of the area along the northern part of the constituency is fairly good farmland. Almost all of this land is under cultivation. Not all farmers have confined their operations to the growing of grain. A few farmers have tried to diversify and grow cash crops. Some mustard, sunflower, flax and even safflower crops have been grown with reasonable success. One observation that I could make about the farmers in this area, Mr. Speaker, is that almost half of these people are suitcase farmers. In the wintertime you will find them in some of our small towns, some move

to the cities and there are even some who can afford to seek refuge from our winters outside of the province.

This trend has caused much pain to the rural communities. The curling rink, for example, in my hometown, a one-time centre of so many good times, didn't even get flooded this winter.

The centre portion of the constituency follows a range of hills from east to west. This halfway country supports some of the most viable farms in Saskatchewan. These farmers have proven that diversification is the solution to many of our problems. They are demonstrating that a family farm will build a healthy society. Their young people accept the responsibility of doing some of the work and these same young people identify themselves with the problems and activities of a rural community at an early age.

The third area and this is the area I want to talk a little more about, Mr. Speaker, is unique from any other place that I have visited in Saskatchewan. You could take a highway map of this area and place your hand on any portion of it and not touch any writing. This area has remained unpenetrated from the onslaught of man's urge to develop. Nature has graced these rolling hills with some of the most beautiful attractions in the world. You will find unnatural phenomenon in this area, the badlands and the sinking hill, just to mention two. They are wonders to anybody's imagination. The big valley country is rich in natural foliage. It is watered by many springs. Some of the hills, naturalists tell me, support rare types of grass and flowers that you couldn't find anywhere else in North America. Mr. Speaker, this kind of country, a place that has never been scarred by plough or scraper needs to be preserved.

This whole question of preservation was one of the key issues during the last campaign. The ranchers became aware of what was going on behind closed doors between the Provincial and Federal Liberals. CBC came down with a camera crew. Survey crews were looking over the area. And the ranchers in that area began to ask and demand answers. Mr. Speaker, I am happy to say that our Party took a stand on this question. We were asked, what about a park? And the answer always was the same. There will not be a park without a consultation with the ranchers.

Some Hon. Members: — Hear, hear!

Mr. Engel: — We would provide alternative pastures to make satisfactory settlement where displacement would result. We also took the stand that this rich grassland has to be grazed to maintain proper ecological balance. In other words, Mr. Speaker, we promised to negotiate a new deal with these ranchers' interests in mind.

Mr. Speaker, this helps one to appreciate the problem if you know that the ranchers and farmers involved have a growing problem on their hands. The more that his area is advertised the more the public is pressing to see the sights. People from all over are asking to see the area and hot to get to the various points of interest. One rancher told me that during the summer months he spends as much time showing people these areas as he does running his ranch. He has quite a spread. If he would not

supervise and go along with these visitors, gates would be left open, cattle would roam from one pasture to another, picnic fires could result, the area would be unsupervised, littler would be left behind and most important, very valuable tourist attractions would be carried away and history would suffer. These ranchers are some of the most highly qualified, sensitive to nature guides, working at the expense of their own operations trying to preserve a natural heritage.

Mr. Speaker, I maintain that these people need some help and some protection. The tension and uneasy feeling that prevails in this south country is hard to describe. There were farmers who had plans to expand and develop their operations. They suspended these plans, Mr. Speaker, because of the rumours that were going around. One farmer had purchased a steel quonset. He was unable to get it assembled right away and when he heard about the rumours of a Federal park being established in his area he left the steel lying in his yard.

I should like to take this opportunity to inform this House that this question of a park has been talked about in Ottawa for the past nine or ten years. The question came to a head during the campaign. And why did this come to a head at that time? The Provincial Liberals during the campaign were saying, "We will protect you if you vote Liberal – no park." I stand here as a testimony, Mr. Speaker, that that was not the right answer.

Some Hon. Members: — Hear, hear!

Mr. Engel: — When asked what we will do about a park, the answer was the same. We took the position that this area does warrant a Federal park. There is a life style here worth preserving. No other wilderness park complete with cowboys, the real thing, is located anywhere else in North America. We said that there would not be any deals behind closed doors. The ranchers involved would be consulted. Alternative pasture and relocation would be negotiated. We promised a New Deal with the residents and their interest in mind.

Mr. Speaker, I'm also pleased to inform this House that after the appointment of the Minister of Natural Resources (Mr. Kramer), that he came out with some of his officials to talk to the ranchers. A meeting was held during harvest in a natural theatre. We were out on a hillside under the trees and almost 100 ranchers showed up for the meeting. For the first time, Mr. Speaker, the ranchers got a chance to look at some of the plans and maps that was the proposed Federal park site. There was an agreement reached between our minister and the ranchers. Terms were spelled out, the farmers went home feeling secure such as they hadn't for a long time.

You ask why I am raising this question and dealing with it now if it was settled at that time? Well, just this past week the question about a park was raised in Ottawa and our Minister denied these statements publicly. I have a press release here that our Minister made in the House of Commons on Thursday, Mr. Sulatycky, the Parliamentary Secretary to the Minister of Northern Development, said that the Province is in the process of buying land from its present owners.

This statement is entirely incorrect said Mr. Kramer and no decision or actions will be made without first consulting the local farmers and ranchers.

He did go on to say that everyone agrees on the need to preserve a unique part of Saskatchewan's natural history. Federal Government policy allows for a single use of such an area and the ranchers feel that a compromise should be reached whereby ranching and parkland could exist in harmony.

I agree with our Minister's statement, I am glad he took this kind of a stand because I was getting some feedback from the area — whom are we making deals with and where do these deals start? This is a false statement and I am glad it has been corrected.

Mr. Speaker, as an elected Member for the people concerned, I feel that it is my duty to speak out on this question of a park. To speak out on how big it should be and where it should be. If the Federal Government, Mr. Speaker, refuses to negotiate, if they continue to have a one-track mind on the park, if they have no intentions of entertaining the idea of the ranchers' involvement, then I would suggest that the Provincial Government accept the challenge that is before us. That we put up a provincial wilderness park in that area, where we can preserve the rights of the farmers and yet provide access where interested people can go and enjoy the wonders of it all, as God created it.

Another area that I mentioned earlier, Mr. Speaker, is the northern portion of the constituency where the farmers in the main are dependent on their crops for a living. I was pleased with the announcement in the Budget of some \$692,000 for crop insurance. In the past, crop insurance was not available in my constituency. 20,000 contracts for one year is a very ambitious undertaking for this province. The legislative committee on agriculture that was struck at the special session last July and in which I had the pleasure of being a member, had eight hearings in country points throughout Saskatchewan on crop insurance. In many areas farmers were purchasing this insurance as an out to avoid PFAA. They gave us recommendations on how to improve the program. Because of the presence of board members at most of our meetings, many of the suggestions have already been incorporated in this year's plan. And I congratulate the board on their decisions to improve the plan. I am pleased that extra money is being made available by this Budget so that this program would not be limited and would be made available to any farmer that wishes to buy it.

Two salesmen from my area were in at the SARM convention last week and we discussed how sales were going. One told me that out of 30 farmers whom he had visited in one week, 28 signed contracts. The other councillor had already signed up 58 new contracts in the same area. I congratulate these men for a job well done. Crop insurance is going to provide the type of a guarantee, that level of protection, Mr. Speaker, that the farmer needs when conditions are as unstable as they are in this area.

Some Hon. Members: — Hear, hear!

Mr. Engel: — In the area of provincial incentives, this Budget

provides \$6.9 million in low cost loans to local government bodies. 75 per cent of this is forgivable through onsite labour costs.

When this program was first announced, Mr. Speaker, I tried to help as many of the communities in my constituency as possible to get on with the program when they were first announced. Mr. Speaker, it would have been a tremendous program if the Federal people would have given a reasonable time to plan the program. I could cite many examples of how impossible it was to try and initiate a new project in such a short time. Some of the projects that are providing work for the people in my constituency are, number one, that Mr. Premier mentioned in his Budget speech, the town of Kincaid. There is a \$9,900 grant there for a new hall and let me emphasize this is a Provincial grant, this was not a Federal project. The Federal Government refused them. The town of LaFleche is building a new skating rink, Rockglen is building sidewalks and a retaining wall, the RM of Poplar Valley is doing roadside improvements, Wood River School Unit is moving and renovating a building for \$11,725 worth of grants and in Mankota, the project there is the upgrading of the hospital facilities, 43 new jobs. And Mr. Boldt wants to recommend an amendment that this Budget isn't providing new jobs.

I should just like to make a few remarks about the upgrading facilities in Mankota. The members of the hospital board told me of the concerns they had before the election, during the reign of the members opposite. Let me tell this House, I see the Member opposite is present, the former Minister of Health, he'd like to go to Winnipeg to solve some problems there, I saw on TV the other night. I want to assure him that the people there have the same philosophy as we have here. They are no more willing to be held on a tight rein than were the people of Mankota. Down there they saved up some money, Mr. Speaker, in their capital account and were very anxious to improve their facilities.

Mr. Speaker, those Members are sitting opposite today because the people of Saskatchewan are seeking to be masters of their own destiny.

Some Hon. Members: — Hear, hear!

Mr. Engel: — They don't like having deals made behind closed doors, whether it be to give away their ranch or whether they have their hospital closed. The present Department of Health under its New Deal gave them approval in principle to go ahead with the renovation after the very first meeting with them.

The continuation of the House Builder's Grant along with the new features that our minister will be announcing will create many additional jobs in rural Saskatchewan.

This Budget is the tool that rural Saskatchewan needs to add the incentives to provide that necessary push it takes to get Saskatchewan moving again.

Some Hon. Members: — Hear, hear!

Mr. Engel: — The new formula for property improvement is generating

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a lot of interest among many people back home. This is a kind of program that has rhyme and reason. This is a welcome grant to relieve the tax burdens with special emphasis on helping those that need it most.

We promised to reduce the mill rate to 25 mills. This 13-mill reduction will do just that in many cases. Most of the farmers in my area will be receiving the full \$195 discount that this provides on \$15,000 worth of assessment. A small businessman will get his \$70 Homeowner Grant or as an improvement grant on his house as well as an additional \$130 if assessment of his place of business is worth \$10 million.

Some Hon. Members: — Ten thousand...

Mr. Engel: — Ten thousand, that's right. We have added more to this program than the previous total that the members opposite were doing so much bragging about.

In conclusion, Mr. Speaker, let me say how happy I am to support this Budget. The people in my area are happy because they have had a chance to participate in decision-making, how and where to spend the money. We are happy because of the extension of crop insurance to all the farmers who wish to buy it. We are pleased that the Provincial Initiatives Program helped us start so many projects that would have otherwise remained untouched, only talked about. The house builder program will put many of my constituents in new and improve housing conditions. The easing of the tax burden on municipal tax goes far in the direction of amore equitable financing of our educational program.

Mr. Speaker, this is the best Budget ever. I am happy to support it. I will not support the amendment.

Some Hon. Members: — Hear, hear!

Mr. H. Owens (Elrose): — Mr. Speaker, may I first congratulate the Premier and provincial Treasurer for his presentation of the first Budget of our government. The forceful, forthright manner of the presentation tells the people of Saskatchewan that our Premier is prepared to institute the New Deal for People with plans and proposals clearly mapped for putting Saskatchewan back on the road to prosperity. Taking it out of the ranks of the have-not provinces and putting it at the top of the ladder in foresight and leadership.

Mr. Speaker, at this time I should like to thank the voters of the Elrose constituency for the confidence they have shown in me by electing me to represent them in this Legislature.

Some Hon. Members: — Hear, hear!

Mr. Owens: — A very special thank you to all the people who worked so hard, so diligently, without thought of time or remuneration, serving coffee and acting as scrutineers and driving voters to the polls.

Mr. Speaker, the NDP supporters in Elrose dedicated themselves to the priority task of changing the Government of Saskatchewan by electing an NDP candidate.

Now, Mr. Speaker, I dedicate myself to the constituents of Elrose to carry out my responsibilities as their representative to the best of my capabilities. I hope that my labours will be acceptable to them. Again, I say, Thank You to Elrose supporters.

Mr. Speaker, the budget, the largest in the history of the Province of Saskatchewan, of course, is a follow-up of the Throne Speech, giving in some detail the ways and means of carrying out the program outlined for our future course, specifically informing us as to where the revenues come from collecting and spending of money is of special interest to all people probably because we all feel in our own way that we are quite capable of handling our own financial affairs very prudently. Therefore, financing of the affairs of Government is actually the indirect spending of our own money and we are prepared to police it carefully.

The New Democratic Party's New Deal for People for the Province of Saskatchewan was clearly outlined in the election campaign and this Budget is designed to carry out the first phase of that four-year program.

Some Hon. Members: — Hear, hear!

Mr. Owens: — Priorities were set and this budget has clearly defined them. Priorities were set that had the people clearly in mind. The ordinary people.

Some Hon. Members: — Hear, hear!

Mr. Owens: — The economic slowdown we have experienced in Canada and especially in our own Province did, during 1971, take quite a dramatic upswing. Indications are that this trend will continue for 1972 and hopefully for some time into the future. In the agricultural community the future is much more hopeful.

Some Hon. Members: — Hear, hear!

Mr. Owens: — Grain sales have been increasing for continued increases. Although prices are somewhat lower than desirable, some improvements have been made and there is every hope that we may expect further improvement. The ever increasing trend away from a strictly wheat growing province to many diversified crops such as rapeseed, for example, broadens the base of the grains industry and makes for a more stable grains income with wider market potentials.

The continuing development in the livestock industry is significant. The large numbers now and the assurance of even higher production in the future, assures a stable spot in the fast growing red meat markets of the world.

Retail sales in Saskatchewan have followed the general economic trend, increasing substantially in 1971 compared to

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1970 and indications are the same rising pattern will continue in 1972.

With total estimated expenditures of \$513 million an increase of \$63 million above last year, it is not surprising that education will get the largest share of the Budget.

Some Hon. Members: — Hear, hear!

Mr. Owens: — Slightly less than one-third of the total. The medical and hospital, public health and welfare group approximately one-quarter, highways approximately one-sixth, with the other departments getting lesser amounts.

Mr. Speaker, our basic industry, agriculture, will receive consideration with new and expanded programs.

Some Hon. Members: — Hear, hear!

Mr. Owens: — The most challenging and probably the most controversial will be the Land Bank which this year will be provided with \$10,600,000.

Some Hon. Members: — Hear, hear!

Mr. Owens: — A revitalized and expanded crop insurance program will be available to all crop producing areas of Saskatchewan...

Some Hon. Members: — Hear, hear!

Mr. Owens: — ...with additional crops being insurable, with increased coverage and individual adjustments. This program will require an aggressive sales promotion to acquaint the entire community with the general principles of the plan and the advantages built into it for the producer. The ever present problem of marketing farm products will be studied and new approaches will be explored in developing sales and opportunities and will be aggressively pursued. Mr. Speaker, the first step towards easing the heavy burden of taxes for municipal purposes on real estate and specifically for school operating costs will be taken with the introduction of the Property improvement Grant program.

Some Hon. Members: — Hear, hear!

Mr. Owens: — This new program will not only include homeowners but will be broadened to include small businesses and farms to predetermined maximum assessed values.

Some Hon. Members: — Hear, hear!

Mr. Owens: — Under this program everyone eligible will receive the greater of the present program or an amount based on 13 mills with maximum assessments of up to \$6,000 for homes, \$10,000 for small businesses and \$15,000 for farms. Therefore, the maximum available would be \$78 for a home, \$130 for a business and \$195 for a farm.

Some Hon. Members: — Hear, hear!

Mr. Owens: — This program will be welcomed by all the people of Saskatchewan as it will put purchasing power into our economy, the amount of approximately \$23.4 million, a significant figure. It is also fulfilling the promise of easing the property tax as promised in the New Deal for People.

Mr. Speaker, this Government is continuing to show its concern for people in the department of hospital and medical care by adding a 20 per cent increase to the 1971-72 Budget to further ensure the right of every citizen to health care. Services will be broadened to include chiropractic care, certified homes care program for emotionally disturbed children, an alcohol in-treatment centre, funds for the native alcohol council for the treatment of alcoholism and dental treatment for children in northern Saskatchewan, to mention only a few.

Some Hon. Members: — Hear, hear!

Mr. Owens: — The rapid increase of health service is a profound concern for all levels of government and it is with this concern in mind that the Department of Health is taking a futuristic look at the total program, locally, provincially and federally. New approaches and new methods are being studied with a view of streamlining the provisions of various services with the elimination of duplication wherever possible and using a less costly system of distribution.

One of the good programs started by the New Democratic Party in 1962 and scuttled in some areas by the last Liberal administration was the community clinic program where doctors with necessary qualifications were allowed to perform many out-patient procedures at a fraction of the cost in comparison to the same procedure if done as an in-patient procedure in a hospital, will be reintroduced. The excessive use of acute hospital beds, the most costly area of our health service, on a population per thousand rate is excessively high and will require immediate supervision or policy steps to bring it into line with the desired level. The use of less costly facilities for ambulatory cases, for diagnostic and recuperative periods appears to be an area that warrants more study. The experiment in this respect at the university Hospital at Saskatoon using Ellis Hall is interesting and will be evaluated carefully. It would also seem advisable to provide more Level II and III beds in outpatient facilities where these patients could be adequately cared for and thereby relieve many acute hospital beds. Home care along with supervisory nursing service will also be carefully researched.

Mr. Speaker, the care of the sick is a priority item and I commend the officials of health and social service for the efforts they are using to restructure the complete health services field to provide a broader area of coverage at a cost that is within the capabilities of the people to pay.

Some Hon. Members: — Hear, hear!

Mr. Owens: — Mr. Speaker, education as I mentioned earlier requires more of our taxation dollar than any other department of

government. For 1972-73 an estimated \$166 million. Education needs are continually changing and to lead in this change not just to keep up to change, but to lead in the change, we must continually change our emphasis. A few short years ago students graduating from Grade Eight were adequately educated to step into the world of work and be quite successful. Then a high school diploma became a necessity for employment and even then many had difficulty in finding jobs. With the more affluent society larger and larger numbers crowded our universities which resulted in unprecedented expansion of buildings and services. Coinciding with the extension in university enrolments was the demand for technical training and tremendous expansion was required reaching back into the local high schools. The demands for education are still growing even though the enrolments in our schools are dropping. Demand is coming from those desiring further education. More students are staying in the classrooms for longer periods of time and adults are returning to the classrooms for further training or retraining to be capable and able of finding employment in our rapidly changing technical society. To cope with these demands the Department of Education is reorganizing its administrative structure and is also establishing a new Department of Continuing Education. This would indicate it is opening the way to make education a life long experience.

Some Hon. Members: — Hear, hear!

Mr. Owens: — Mr. Speaker, our Government is providing the funds through the Education Department to broaden and extend our educational system and once again Saskatchewan will lead the way making available to our people the opportunities of education to fill the needs of their life time.

Mr. Speaker, another area in the field of education that has been extended and expanded is that of student assistance. Students qualifying under the Saskatchewan Canada student loan programs will be eligible for non-repayable bursaries ranging from \$50 to \$500. The Legislature will be asked to provide \$900,000 for this purpose for this year which will provide assistance for approximately 2,800 students. The Saskatchewan student loan program will be continued as well. Fees for departmental examinations for Grade Twelve will be removed resulting in savings of \$100,000 for those affected. An average increase of \$35 per month will be allowed for adults who enrol in provincially sponsored training programs. Mr. Speaker, these programs show the concern the Government has for the training of people to the maximum of their capabilities preparing them for a useful and satisfying life.

Mr. Speaker, another area that may be smaller in total but is of great significance to the province are our rural communities. A trend to lesser numbers of small towns is disturbing but is natural as the trend to bigger and fewer farm units continue. Farm life is the backbone of our rural life and rural service centres are essential to serve our farmers. The New Democratic Party is concerned about the future of rural Saskatchewan and are prepared to support programs for the smaller towns that will enhance the quality of life in them. Grants have been available for graveling of streets which will not be extended to aid in the application of dust free surfacing. Grants for installation of sewer and water have made it possible for large numbers of small towns to enjoy

this modern service. These grants will continue.

Grants to assist the improvement of parks and playgrounds and construction of swimming pools and sports facilities will continue to be part of our program.

The Premier and Provincial Treasurer has presented a Budget that is realistic and realizable. It holds a challenge for our energy and our ingenuity. It shows a faith in our province and our people. It is concrete evidence that our Government has put Saskatchewan back on the road to recovery where its role of leadership and programs for people will be recognized as it was before 1964. Mr. Speaker, I congratulate the Premier for his dynamic leadership and for the forceful presentation of his Budget designed to implement his Government's New Deal for People. Mr. Speaker, I will support the motion.

Some Hon. Members: — Hear, hear!

Mr. E.F. Gardner (Moosomin): — Mr. Speaker, in the June election the NDP promised to reduce the mill rate for education to 25 mills. Now I am sure everyone in Saskatchewan is well aware of that promise and many of the new NDP Members who made this promise during the campaign were naïve enough to expect that the promise might be kept. We understand now that the NDP Members are having a great battle among themselves over this broken promise. The Premier has apparently made it clear to his members that he has no intention of taking any action and, of course, the battle is on. The Liberal Government introduced the Homeowner Grant, raised it to \$70 and planned to gradually increase it to \$100. The Property Improvement Grants proposed by the NDP appear to be completely ineffective. Homeowners with a very large and expensive house will be \$8 more per year. Every other homeowner in the province gets no increase. Mill rate reductions for land or business will soon be eaten up by increased assessments and increased property taxes. We understand the NDP plan massive increases in assessments next year. We note from the Estimates, for example, that they have provided over \$100,000 to hire more assessors. Increases in assessments are coming and increased mill rates are coming.

In the past few days, for example, both Regina and Moose Jaw have been talking about tax increases of five to six mills simply because the NDP are not providing enough grants to keep the mill rate down. The meagre increases in grants to school boards will not meet increased costs. The NDP Premier has told them if you want better education you can raise more local taxes and pay for it yourself. A great change from the Liberal policy of recent years which provided enough money to local boards to keep mill rates down. The Premier left us with the impression that no one would be worse off under the Property Improvement Program and I think this was repeated by the previous speaker. Every homeowner in Regina and Moose Jaw, Mr. Speaker, every homeowner will be worse off. Their Homeowner Grant is the same, their mill rate will be raised by five or six mills. I repeat, Mr. Speaker, no action has been taken by the NDP to implement their well-known promise to reduce the rates for education to 25 mills. Education tax in this province remains at an average of 45 mills.

A look at the NDP Estimates for Municipal Affairs show

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some facts typical of a number of other departments. I wish the Minister (Mr. Wood) was in his seat so I could make these points to him.

Grants to industrial towns, for example, are down to less than one-third of what the Liberals spent last year. Grants to municipalities under The Water Assistance Act are down by \$100,000. Grants to town for police service are down. Grants to towns for snow removal are down. Grants to RMs for grid roads are down over a million dollars and for maintenance to grid roads grants are also down. Therefore, local taxes must rise to provide these services. But the NDP received an extra \$50 million from the Liberal government in Ottawa so how are they spending it? In this department as in others they are spending to hire a horde of NDP supporters at fantastic salaries.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — Every department shows increases in positions of all types, mostly new boards and planning commissions. There are dozens, yes, hundreds of examples. The other day I asked the Government about a Mr. E.B. Shillington, who is a defeated NDP candidate in my constituency of Moosomin. I received the official reply from the Government which said:

Mr. Shillington was hired as an assistant to the Attorney General. His salary is \$18,000 per year and he has received additional money for being on Government boards.

He was not hired through the regular Public Service Commission but was appointed by the NDP Cabinet. The defeated NDP candidate from Cannington was also hired. Albert Park and I don't know how many more. This is where the money is going when it should be spent by the Government to control local taxes.

Mr. Speaker, this NDP Budget provides for \$10 million to allow this Government to begin its program of taking over the farmlands of the province. And in addition about \$600,000 to administer the plan. If continued over the years it will destroy a way of life cherished by rural people. We shall eventually have a situation where the socialist state owns the land and rents it back to the farmers. Rural Saskatchewan will be transferred into land of rent payers where the farmer works all his life for the socialist state and leaves at retirement with nothing. So much has been said about the Land Bank plan that some confusion exists and I should like to review the situation to date. I am pleased that the Minister of Agriculture (Mr. Messer) is here and I hope he will listen carefully.

Last fall the NDP Minister of Agriculture toured the province with a slick propaganda machine, spending thousands of dollars of the taxpayers' money trying to sell the plan to farmers. The Minister published a booklet spelling out in detail the operation of the NDP Land Bank. The basic theme is always the same. The NDP will buy up Saskatchewan farmlands. The NDP will lease but not sell this land back to farmers. This is the basis of the plan and no one opposite has denied this intention. The NDP Minister has desperately tried to convince farmers that renting is better than buying. I quote from the top of page 4 of Mr. Messer's book:

The Land Bank will create an opportunity for young, capable farmers to lease land thus eliminating the necessity to raise large amounts of capital and to make commitments to burdensome principal payments over long periods.

Now this is what Mr. Messer says but is it the truth? The simple truth is that over a long period of years, it costs as much or more to rent than to buy the land. Some farmers went home from Land Bank meetings enthusiastic about the plan but when they sat down to think it over, work out the details, they were quickly disillusioned. They found that payments to the Farm Credit Corporation to buy the land are often less than renting from the NDP Land Bank. We have presented many examples to prove this fact. Not one NDP speaker has denied this or presented any evidence to the contrary. At every meeting Mr. Messer stressed the economic advantages of renting rather than buying. Mr. Messer must have known that this argument was completely false. The farmers now know that his statements were not correct. We can only conclude that he was conducting a deliberate campaign to mislead the farmers and he has now been caught in the act. It is obvious that the Minister of Agriculture has lost the confidence of the rural people in this province and again I say that under the circumstances the only honourable thing for the Minister to do is to resign.

I should like to list a few other undesirable aspects of the Land Bank and any farmer can confirm these facts by reading the booklet published by the Minister of Agriculture. On page 8 it says and I quote:

Leases may specify the use which may be made of given parcels of land.

Now this simply means that some socialist government bureaucrat can tell you when to seed, what to seed, how many cattle you can have. In effect, how you run your farm. By being a renter and not owning any land or any equity in the land a young farmer will have no collateral to borrow money for farming operations. Rents will be cash and may be raised each year by the Land Bank Commission if they so desire. The NDP apparently plan to stationing political commissars around the province to control land Bank proceedings. And again I quote from this booklet on page 9:

Each sub-region will have a Land Bank Officer resident in the area.

Mr. Speaker, political interference in procurement and allocation of land will be inevitable. Independent young farmers who wish to purchase more land to make a decent living will have to compete with the NDP Land Bank that will be grabbing the land. We in the Liberal Party believe that farmers should not spend their life renting from the state. I should like to tell the farmers that we in the Liberal Party will help them fight for realistic changes so that they will be free to own their own land.

Mr. Speaker, we were disappointed to note in the Budget Speech that this NDP Government intends to introduce an estate tax in this province. The Federal Liberal Government and the previous provincial Liberal government completely eliminated the estate tax. There was no estate tax in Saskatchewan at

the beginning of this year. The Liberals opposed the estate tax for several reasons, any estate tax. First, it is largely a tax on widows and children. Surely this NDP Government can find some better means of raising money. Secondly, it is often necessary to break up and sell farms and businesses to pay the tax. Third, it destroys initiative. Why work to build up an estate for your widow and children if it is going to be eventually seized by the socialists. A person pays taxes all his life on the money he makes. For every dollar he makes he pays income and other types of taxes during his productive years. To tax what is left after he dies is simply double taxation and we are opposed to it. If heavy estate tax has to be paid at a time when the husband or father is no longer there it could mean disaster to a farm or business. Families at this time have enough trouble without the burden of estate taxes. For the above reasons the Liberals oppose the estate tax and this is why there were none when we were the Government.

Don't believe, Mr. Speaker, that estate taxes are only for the wealthy. Look very carefully at the NDP estate tax plan. It is much more severe than the other federal plan that it is now replacing. The NDP estate tax in Saskatchewan will certainly apply to medium sized farms and businesses. Such things, for example, as life insurance and a pension plan that a man has built up for his wife are assets for the purpose of this tax and some may be seized by the socialist Government. The estate taxes are dear to the hearts of the socialists and the NDP. They don't like to see a man successful in business and farming. They can hardly wait for him to die so they can seize his assets from his family. This is the reason they are bringing in the estate tax that Premier Blakeney announced in the Budget Speech.

The NDP thus in their first session have introduced two measures that could deal a severe blow to the family farm. First the Land Bank program and everyone by now I am sure in rural Saskatchewan is aware of the dangers of the Land Bank program. Secondly, we have the estate tax. A constituent phoned me the other day, just two days ago. He had heard about the NDP estate tax and wanted to know if he could do anything about it. I said, "Yes, I can give you some advice. Just don't die for the next four years. After that the Liberals will again be the government and we will abolish the estate tax."

Mr. Speaker, I think it is obvious that I will not support the Budget.

Some Hon. Members: — Hear, hear!

Mr. R. Gross (Gravelbourg): — Mr. Speaker, I feel quite privileged to enter this debate, privileged that our Provincial Treasurer brought down a Budget which is one of the most aggressive and dynamic Budgets since the days of Tommy Douglas and Woodrow Lloyd.

Mr. Lane: — Who?

Mr. Gross: — Not only is this Budget aggressive and dynamic but, Mr. Speaker, I think oriented towards the most important need in the Province of Saskatchewan, that need being our people of Saskatchewan. On June 23rd this Government committed itself to the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Gross: — This Government said the people of Saskatchewan need a New Deal. Mr. Speaker, this Budget is a New Deal for the people of Saskatchewan.

Mr. Lane: — From the bottom of the deck!

Mr. Gross: — The total new expenditure in the Budget will be in the magnitude of some \$514 million as compared to a Liberal expenditure of some \$451 million, thus a significant increase of some \$63 million, a rich dividend for the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Gross: — I am sure, Mr. Speaker, the largest single industry of this province is agriculture. What our Provincial Government has done about it as compared to our do-nothing-exploit-the-family-farm Ottawa Government, is this: This Provincial Government is committed to establish a Land Bank, a Land Bank that will see something like \$10 million put forward in funds to purchase land offered voluntarily on the market.

Some Hon. Members: — Hear, hear!

Mr. Gross: — This land will assist young farmers to get into farming and rough calculation could be estimated that approximately 8,000 to 10,000 quarter sections of land could be purchased under this scheme and made available to young farmers.

Some Hon. Members: — Hear, hear!

Mr. Gross: — Mr. Speaker, at this time I should like to make an announcement with respect to my constituency. I received notification the other day from the Minister of Municipal Affairs, the Hon. Everett Wood that a low rental subsidized senior citizens home for the town of Gravelbourg at an approximate cost of some \$270,000 has been approved by this department.

Some Hon. Members: — Hear, hear!

Mr. Gross: — Plans are being shipped off to Ottawa waiting approval of the Federal Government.

Mr. Lane: — Where's the feasibility study?

Mr. Gross: — Mr. Speaker, this home will house some 24 units depending on final arrangements to be made back in the constituency. When I was elected MLA for Gravelbourg I fought many long months in the process of getting this home established and carrying out the feasibility study. I, for one, and my constituents,

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Mr. Speaker, will be looking forward to the final announcement on this project when and if the Federal people decide to approve it.

Some Hon. Members: — They may never do it.

Mr. Gross: — Mr. Speaker, this Budget will assist many areas where our Government has increased spending. I feel this Government has taken a responsible attitude in allocating the planned expenditures in the best interests of the people it serves.

Some Hon. Members: — Hear, hear!

Mr. Gross: — It is also important to note that in the future this Government intends not to be sold down the river as previous administration were with respect to resource and government giveaways. This Government stands firm on a policy where feasible that the resources of this province belong to the people and if any profit is to be derived, that it be derived equitably for all the people in this province. Let us only hope the days of 'Karl Land Digger' are over...

Some Hon. Members: — Hear, hear!

Mr. Gross: — The days when the Government wants to sign away the Province of Saskatchewan only to receive 30 per cent of the share of the profit while tying into 70 per cent of the investment.

Not only are these bad financial deals, but they also demand that we pollute the completely virgin area with industrial waste and pollution.

Mr. Speaker, this Government sees fit that the Province must get out of this bad financial and ecological deal. Some \$6.3 million will be spent to stop this project but let me assure you it will be the best investment this province has made for some time.

Some Hon. Members: — Hear, hear!

Mr. Gross: — I should like to remind Members opposite and Members on this side of the House of what bad planning is all about. In 1964 the former government in all their mighty wisdom saw fit to sell one certain Crown corporation.

An Hon. Member: — Listen to this, Gordon Grant!

Mr. Gross: — Those terrible schemes where the public invests their funds in a public enterprise and the public then shares in the service and the wealth. What terrible programs! The corporation I refer to is that of Sask-Air. Some seven to eight years ago that corporation was dissolved, the rationale used by the former Government was that it was not paying its own way.

Mr. Lane: — How many planes do you own?

Mr. Gross: — First let us examine some rationale the former NDP Government used in establishing this corporation. It recognized the need to have transportation services in the North.

Some Hon. Members: — Hear, hear!

Mr. Gross: — The only answer was by air.

Mr. Speaker: — Order!

Mr. Gross: — Our people in the North truly needed this service for the North was being opened by a few get-rich-quick entrepreneurs. The Orders-in-Council and the legislation that helped to establish this corporation outlined clearly that such a corporation would be set up to provide a service in the North for our Indian and white communities and that this service is to operate on a minimum profit and if necessary be subsidized by the Government so that this service could be met. Let us examine the figures pertaining to Sask-Air with respect to the sale and the operation of the new private company. Did Sask-Air make a profit? How much? The answer is Yes. During its 18 years of service it provided a total profit of \$110,589.79, an average yearly profit of \$6,150 per year.

Some Hon. Members: — Hear, hear!

Mr. Gross: — Not bad, Mr. Speaker, for a company whose function was not necessarily to provide a profit but rather a service for the people of the North. Mr. Speaker, with companies such as Sask-Air making an average profit yearly of \$6,150 per year for 18 years, this Government did not subsidize it. Now let us look at the tricky complicated sales the former Government entered into. The said corporation was supposedly sold for a sum of \$947,000, unfortunately, there were some Liberal adjustments. First the sale was arranged for the purchase of the balance sheet of October 31, 1964. Amazingly enough there was on that balance sheet some \$75,000 in an advance account from the government Finance Office in cash. Businessmen from Prince Albert calling their company Norcanair purchased the airline, not for \$947,000 but rather less \$75,000 for a total of \$842,000. As I stated in the beginning it was a long tricky manoeuvre. It started in October, the sales arrangement, and the agony prolonged until March of the following year. Then the past administration came in with some more compensation. They decided that this deal wasn't good enough for the Norcanair people. Once again they made nice guys with the boys from Prince Albert. The boys from Prince Albert claimed they had lost money over the winter months due to aircraft accidents, etc. This was supposedly the fault of the Government. Our buoyant Provincial Treasurer, in the name of private enterprise, deducted \$101,971 from the purchase price. It is unfortunate that our taxpayers again take a beating. Let us look at the new purchase price, \$947,000 original price, \$75,000 government financed finance office advance, less \$75,000 makes a total of \$872,00 for the purchase price, less the reduction for winter costs \$101,975. Mr. Speaker, I am sure if you look at this sale with a rational mind, you see that the sale price wasn't \$947,000 as once was the understanding. I think it was

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around the order of \$771,025 for an airline. I suggest, comparing to previous balance sheets in 1964 of Sask-Air, that was well worth over \$1 million.

An Hon. Member: — You mean the Liberals did that?

Mr. Gross: — Not a bad subsidy for private enterprise.

Let us continue for even more startling figures with the operation of this private enterprise corporation. In theory, the former administration said it would be more efficient to have a private organization do it; the Government could not do it for less money. Was that the case? No, I am afraid not. The Government entered into an agreement with the new purchasers, Norcanair, on a 10-year contract. The goodies are coming now. \$275,000 is to be guaranteed every year. It is interesting to note that every year Sask-Air received a \$275,000 bill worth of business and it showed a large and substantial profit. For the first five years of a 10-year contract, 75 per cent of all government business over and above the \$275,000 would go to Norcanair up to a gross billing figure of some \$400,000 a year. The remaining five years, the only change in the contract was that the percentage would drop to 65 per cent. If this is not a guaranteed subsidy for private enterprise, I don't know what is.

Let us now look at what has transpired over the seven or eight years and also look at how, if they did at all try to protect the freedom of enterprise in competition with other operators. These figures are returns from the Government Finance Office and I would table them at any time. In 1965-66 Norcanair received government business in the amount of \$283,661. What did other operators receive? \$57,753!

An Hon. Member: — By the Liberals!

Mr. Gross: — In 1966-67 Norcanair receives \$560,000. What did other operators receive? \$171,801. In 1967-68 Norcanair receives \$453,000, other operators receive \$182,000. In 1968-69 Norcanair receives \$402,000, other operators receive \$279,000. In 1969-70 Norcanair receives \$445,000, other operators receive \$182,000. In 1970-71 Norcanair receives \$627,000, other operators receive \$570,000. The last year that we have figures available and that is the year under review, the year 1971, and this is up until April, Norcanair received \$330,000, other operators received \$230,000. With respect to the contract and sale, one might consider the Government of Saskatchewan is paying a subsidy to this company of some \$3.2 million over the last seven or eight years as compared to Sask-Air making a profit of \$6,100 a year. These figures distinctly indicate the monopoly the Liberal Government created in favour of Norcanair making, in most cases, other operations impossible.

Mr. Speaker, did we receive a fair deal for our investment? I would suggest that we did not. In water bombing in 1965, Sask-Air was able to fly for one hour at a cost of \$265 an hour where in 1970-71 that same hour of flying for water bombing cost in the area of \$387.53 to as low as \$357 an hour, plus an added charge of \$103 for water bombing, a total of \$454 to as high as \$494. Mr. Speaker, I am sure I don't have to go on and cite these figures any further but that this has indicated the total

mismanagement on the theory of having private enterprise go into the transportation business. This is by no means an answer.

Mr. Speaker, in closing I am sure it is quite evident that I will be in favour of this motion and I will not support the amendment.

Some Hon. Members: — Hear, hear!

Hon. K. Thorson (Minister of Industry and Commerce): — Mr. Speaker, I am very pleased to have this opportunity to join in the debate on the Budget. I want, before I sit down, to say something about the role of the Provincial Government in economic development and in particular, as it relates to the Department of Industry and Commerce and the Department of Mineral Resources. Those two departments which I have particular responsibility for are, so to speak, in the front line of the Government's efforts in economic development.

Before I go on to do that, may I say, Mr. Speaker, that I should like to extend congratulations to a number of people. I should like to extend congratulations to Members of the Opposition. I know they are only 15 in total. I know that illness has taken away the member for Prince Albert West (Mr. Steuart) and I am sorry that there aren't more in their places in this House this afternoon. I'm sure it is not all due to illness and I hope it isn't because I am speaking.

I want, Mr. Speaker, to congratulate the Premier and our Provincial Treasurer (Mr. Blakeney) on the presentation he made last Friday on the 10th of March in presenting the Budget to the House. I think it is a budget which will commend itself to the people of Saskatchewan and which will be supported by the people of Saskatchewan.

May I also, Mr. Speaker, congratulate you since this is the first opportunity that I have had in a major debate in this House, to acknowledge how much I appreciate your conduct as Speaker, how worthy you are of the office and I think we all are pleased to think that the Dean of our House, as we said before, with 27 years of service is also our Speaker.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — I know that you reflect credit on us, on this Chamber and on the people of your constituency.

I should also very much like to congratulate the Member for Morse (Mr. Wiebe) first of all on his election in the by-election on December 1st and also on his first speech in this Legislature. In doing that I cannot help but feel that all of the new Members of the Legislature are to be congratulated for their performance in the debates. I know that some of them had an opportunity for a little experience last summer in July during the special session when I was not here. But I know also that it is not easy for a Member to speak in the Legislature for the first time. Many men whose calling requires them to speak in the pulpit, courts of law, find that it is still more difficult to enter into a debate in this Chamber or any other legislative body. For those who find fault with the speakers I am sure have no idea of the difficulty and especially

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the difficulty for a new Member, in compressing into an organized and effective way, some thoughts, some points of view, which he wishes to express in the debate.

Mr. Speaker, it is 15 years ago since I first spoke in this Chamber and 12 years since I was last in a major debate. In those years, Mr. Speaker, in the last 1950s there were then some Members of the Legislature in their places who are also Members today, but not very many. One, of course, was Mr. Speaker. The other was the Member for The Battlefords (Mr. Kramer) the Hon. Minister of Natural Resources.

In the year 1956 Mr. Everett Wood from Swift Current, now Minister of Municipal Affairs, and Mr. Frank Meakes, Member for Touchwood were elected to this Assembly and I sat with them in those years.

In 1959, Mr. Thibault, the Member for Kinistino was elected in a by-election and so I had the distinct privilege of sitting with him during the session in the sitting of the House in 1960.

Mr. Speaker, I only mention that because I want to say it is good to be back.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — And certainly good to be back on the right of Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — In the years that intervened between 1960 when I was last in the Legislature and in 1971 when I was elected in the by-election in Souris-Estevan, I have noted that some changes have taken place in this Chamber. Some are good, some are not so good. Let me just mention two changes. First of all, one which is not so good. When I was a freshman Member of the Legislature in Saskatchewan it was thought to be very bad form to refer to a Member by his name and, indeed, in those days in the course of a speech if that were done, it was not uncommon for Mr. Speaker to call such a Member to order. And to emphasize that here we do not deal in personalities but we should deal in issues. I find it regrettable that that custom seems to have slipped away and that there is, in my view, too much reference to people by name and therefore, a great tendency to deal in personalities rather than issues.

One change I note which is, I think, to the credit of this Chamber and that is the provision for a verbal question period before the Orders of the Day. That was not done in the late 1950s when I was first a Member and I think it is a great privilege for the members to be able to ask questions verbally. May I just say that I hope no Member will abuse the privilege but will, indeed, confine himself when seeking information to stating it succinctly and pointedly in the form of a question.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — Mr. Speaker, I said it was good to be back and in doing so I know that not everyone was pleased to welcome me

back. May I just say for the benefit of the member for Rosthern (Mr. Boldt) who did not see fit to welcome me back and for others who may feel as he does, that there is some explanation to be made for the reason that I am here and the reason I was elected in the by-election in Souris-Estevan last December 1st.

The Members will remember what happened, that in Souris-Estevan the New Democratic Party received the endorsement of more than 50 per cent of the electorate in a two-way contest. I want to talk about it, not just what happened, although we had a majority of 777 votes which was approximately 500 votes more than the majority we had in the general election in June of last year.

I want to just say a word or two about why it happened that we increased our vote and why it was that I was elected. Partly it was out of respect for and in tribute to the memory of the last Russ Brown. He lived in our constituency in Souris-Estevan from 1966 until his death at 59 last October. In that period of time he had made many friends, he made a real contribution to the community life in the city of Estevan and in the district around Estevan. Part of the result is due to the good work of Russ Brown. Part of the result is due to the record and the reputation of Premier Blakeney and the Government which was elected on its New Deal for People platform on June 23rd last.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — I know that those were not the only factors in the result in Souris-Estevan on December 1st. In addition to having all of that going for our election campaign, we received a great deal of help. We had help from the Member for Prince Albert West (Mr. Steuart). We had help from Mr. Robert Kohaly who like myself is a lawyer practising in Estevan. And in addition to these two gentlemen, Mr. Speaker, there were all of my friends working in our by-election campaign.

When the by-election was called the members may recall that the Member for Prince Albert West who was then the acting Leader of the Opposition immediately issued a statement to the news media and among other things in the course of complaining about the calling of the election so soon, he indicated that the Liberal Party hadn't even begun to think about a candidate to run in the by-election in Souris-Estevan. Apparently, Mr. Speaker, the acting Leader of the Opposition had forgotten the 11 years of service which Mr. Ian MacDougall had given to our constituency and the Liberal Party as a member of this Legislature. Apparently he had forgotten that he was still available.

Well, notwithstanding the worry of the Member for Prince Albert West, when the Liberal Party in Souris-Estevan called a nominating convention, the Liberal members in the constituency did remember Mr. MacDougall and, of course, nominated him to be their candidate.

Now the day following the Liberal nominating convention in the Legion Hall in Estevan, Mr. MacDougall in company with the member from Prince Albert West attended the office of Mr. Kohaly in Estevan. We don't know what was said or done in the course of that attendance. We do know that it was later

by the Leader-Post that Mr. Kohaly was to deliver the Conservative vote in the constituency of Souris-Estevan.

I think, Mr. Speaker, that it is a fair inference that some kind of deal was made. The question still remains unanswered, what was Mr. Steuart to deliver? Unfortunately, Mr. Speaker, the Member for Prince Albert West apparently lives a long way from Souris-Estevan and whether he received bad advice from Mr. MacDougall or other people in Souris-Estevan I don't know, but obviously if he had known the situation better or had better advice, he would not have made the deal because he would have known that Mr. Kohaly cannot deliver any votes in the constituency of Souris-Estevan.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — Indeed, Mr. Speaker, in those polls in the Souris-Estevan constituency in the extreme south east corner of the province from Gainsborough, Carievale, Carnduff and Glen Ewen where Mr. Kohaly put forth a valiant effort, going from place to place, speaking at a public meeting, it was the New Democrats who had the majority of the votes when the ballots were counted.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — I suggest, Mr. Speaker, it was a bad deal for Mr. Steuart.

We don't know what he is to deliver because of this deal. We can speculate on what he promised because before the by-election campaign was finished, the news media in Estevan inspired from what source I do not know, were speculating that Mr. Robert Kohaly was going to be appointed to the Senate of Canada.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — Now, Mr. Speaker, I find it very difficult indeed to believe that Mr. Steuart undertook to have Mr. Kohaly appointed to the Senate of Canada. I find it even hard to believe that he undertook to use his influence to have Mr. Kohaly considered for an appointment to the Senate of Canada.

May I just leave that subject with a suggestion of my own, Mr. Speaker, that when the Prime Minister is consulting with his colleagues in the Liberal Party in Saskatchewan and seeking out advice about the next appointment from Saskatchewan to the Senate, may I suggest that they give favorable consideration to the name of Ian MacDougall who has as I may say served 11 years in this Legislature, served faithfully the cause of the Liberal Party.

Surely, Mr. Speaker, such an appointment would do more credit to the Liberal Party to reward one of their own for faithful service than to go about in the haste and confusion of a by-election apparently making deals with someone who has nothing to deliver for the benefit of the Liberal Party.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — Mr. Speaker, let me turn to the matter of utmost consideration for all of the people of Saskatchewan and for this Legislature. And that is the question of economic development for Saskatchewan and for Canada in our times.

In the course of what I want to say in the next little while, I think it will become clear what the attitude of our government is and what our approach will be to the many problems we face in developing the economy of our province.

May I suggest, Mr. Speaker, that there is not a serious quarrel between ourselves and the members of the Opposition as to the goals we seek in economic development. I doubt if they would quarrel with us if we say that we seek to improve the quality of life for all Saskatchewan people by affording them better means of making a living and the means to making a better living. We seek good jobs for our able-bodied people, rewarding occupations which provide not only income but more intangible benefits that make life worth living in Saskatchewan. We seek the wealth, the economic capacity to provide for those in our community who are not able-bodied, the very sick, the very old, the very young and the mentally handicapped. And to divorce our economic policy from these goals, to think of them in separate compartments is, Mr. Speaker, I suggest not acceptable to the people of Saskatchewan.

While there may not be a great quarrel about the goals, there certainly is a very distinct difference of opinion about the methods and the approaches which the Provincial Government ought to take in achieving such goals. I want to say on behalf of our government, Mr. Speaker, that we do not intend to be trapped in any doctrinaire approach. We do not see in the statements of the Members of the Opposition any real solutions to our problems. We do not think, for instance, that economic matters can be left entirely to the concern of the businessman nor do we suggest, Mr. Speaker, that economic development is bound to result entirely from government efforts. We seek policies and programs and we intend to enunciate such policies and put into effect such programs which will gain the maximum benefit for the goals of Saskatchewan people and while will afford an opportunity for all Saskatchewan people to work together towards those goals whether those people be businessmen or salaried workers or professional people or any other people in our towns or on our farms.

Mr. Speaker, I know that members of the Liberal Party in Saskatchewan like to simplify things and when I listen to them I gain more insight as to why they like to simplify things. So that they can understand them. They would like people to believe that in this question of the role of the government or the role of the businessmen in economic development, it's all black and it's all white. Well, that's not the way it is in the world in which we live.

I want to point out as I go along some of the things which our friends in the Liberal Party have done to confuse the members of the business community. But before I do that, let me say for the benefit of all people in Saskatchewan who are in business for themselves that we in the Government welcome their efforts towards the goals that I spoke of in our economic life. We expect them to want to be rewarded for their efforts and their contributions and so if I say we expect our businessmen

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to make a profit that that will not be taken as some kind of statement that is inconsistent with the beliefs and the approaches of other members of our Party. Let me say also to the businessmen that while we expect them to want to make a profit we also expect them to play the game according to certain rules so that when he hires people a businessman will pay decent wages, maintain proper labour standards. He should not expect to make a profit by exploiting the people who work for him.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — We expect the modern businessman to be a responsible citizen in another respect, that is that he will not waste our resources or ignore proper conservation practices which result in the pollution of our soil or our water or our air. In return, Mr. Speaker, a businessman in Saskatchewan should be able to expect something from the government. It is our intention that a businessman in Saskatchewan can expect from us full co-operation in all legitimate ways which are open to us to assist him in expanding his business, in developing resources, in providing jobs, in moving us closer toward the goals we spoke of. We do not intend when the circumstances are the same to have one policy for one businessman and another policy for another businessman.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — We want the people in the business community to know what to expect from us. We think the only way to do that is to be frank and to be straightforward, to gain a reputation for fairness in all our dealings, fair policies and fairly applied. We think that a businessman who knows that he can rely on the honesty and the integrity of the Government will find that to be an attractive climate in which to make a profit. And it is this spirit of mutual respect that the Government looks forward to working with private individuals and private corporations in improving our economic life and enhancing the quality of life for all of Saskatchewan's people.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — As a matter of fact, Mr. Speaker, in that respect many businessmen in Saskatchewan know the record of performance for themselves and for their business over the past several years. I said it is 15 years since I spoke in this Legislature. I know that 15 years ago the people in my constituency in Souris-Estevan who are in business were making more money and a greater contribution to the Provincial economy than they ever made in the seven years between 1964 and 1971.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — I have met businessmen in Saskatchewan and outside Saskatchewan who have said quite frankly that at least under the CCF Government they knew where they stood but have never been able to understand what the real policies and programs of the Liberal Party were when they were in office in those seven years from 1964 to 1971.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — I think that what's true in Souris-Estevan is true throughout the Province. The people in business have found a much better climate under governments which believe that the public interest is best served by honesty and integrity than it is by making special deals for special people under special circumstances.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — I want to assure those people who are looking for a haven or tax concessions or opportunities for a fast profit and a quick buck without making a contribution to our economy and to our long-term goals need not come to Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — Let me, Mr. Speaker, give you an example of how confused and how confusing the Liberal Party is when in office. I want to refer to the agreement it made regarding the Choiceland iron deposit on May 13, 1971. The parties to that agreement were, of course, the Government of Saskatchewan which was then under the control and domination of our Liberal friends opposite, Dennison Mines Ltd., Choiceland Iron Mines Ltd. Because that company held a lease on 1,440 acres of Crown land where it is thought the Choiceland Iron deposit exists and I may say that company indicated that it had spent something like \$650,000 in exploration work on those acres, and the fourth party to the agreement was Interprovincial Steel and Pipe Corporation Ltd. Which also holds leases on Crown land, some 720 acres.

Here were the obligations of the Government of Saskatchewan under that agreement made on May 13, 1971 just a few weeks before the election on June 23rd. The Government undertook in that agreement to incorporate a company and to guarantee its expenses in drilling a shaft to the Choiceland iron deposit of up to \$10 million in cost. It undertook to guarantee further financing for the mill and the ancillary equipment that would have to be brought in following the sinking of the shaft provided there was a feasible project. And, of course, the Government undertook to provide transportation facilities to the mine site from No. 6 Highway. It further undertook to transfer some additional Crown land to the new company and to supply electricity and natural gas at least so far as the capital investment was concerned and naturally it undertook to use its best efforts to negotiate better freight rates and to obtain Federal incentive grants for the project.

Dennison Mines had an obligation to supervise the drilling of the shaft or what can better be called the test hole. For that it was to be paid a fee for its service of five per cent of the cost to a maximum of \$500,000, that is, five per cent of the \$10 million dollar limit on the cost of sinking the test hole. After the shaft was sunk, Dennison Mines was to take charge of the cross cutting of ore body and testing of the ore as to its mineability and its qualities for conversion to pellets which could be used in the steel furnaces in the prairie provinces.

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In short, Mr. Speaker, the Government of Saskatchewan under that deal was obliged to spend not just the minimum of \$10 million that the shaft sinking might have cost but all of the other expenses as well. Then, Mr. Speaker, you will note that after the sinking of the test hole, Dennison was to take charge of the testing of the ore and no one knows what the cost might have been because no one knew then and no one knows today the exact extent of the ore body or its quality for pelletizing under modern technology.

Now I must say this, that even our friends opposite were wise enough to provide in this agreement that they signed on May 13th last a little escape hatch, for it was part of the agreement that a consultant would be commissioned to do a study and the report from the consultant was to be in within 60 days and at that time any part to the agreement had the option to get out. Well obviously, Mr. Speaker, when the report came in the Government of Saskatchewan got out because the report and all of the other circumstances which are known about Choiceland Iron raises more questions than we presently have answers for.

Let me just inform the House about some of the unanswered questions about the Choiceland iron deposit. As I have already said no one really knows the extent and the quality of the ore body. There are some indications from previous holes that have been drilled but the exact extent are not entirely reliable and they are of no value in determining the quality of the ore because no metallurgical tests have been done on the Choiceland iron ore. No one really knows what type of pellet can be produced from this ore at an economic cost. But this much we do know, that the furnaces of the steel mills in the prairie provinces use electricity, an arc type, as a source of heat. They are not blast furnaces. They have in the past, especially our IPSCO plant at Regina, relied on scrap iron as a source of its so-called raw material and that's a very high quality of ore and unless the Choiceland iron deposits can be reduced to pellets which have an iron content well in excess of 90 per cent then the ore will be of no value whatever and the pellets will be of no value whatever for our electric arc furnaces in the prairie provinces.

No one can really answer the question yet as to what the costs are in developing the Choiceland iron deposits in terms of capital investment or in terms of the price of the product that could be mined and then reduced to pellets. But obviously if that cost is going to be in excess of the cost for scrap iron then this development of the Choiceland iron ore deposits will not be economical at this time. I may say that when the Government under the Liberals in 1971 signed the agreement just a few weeks before the election they had no idea of the end costs and they had no idea of whether or not there was a market available for the ore body that might be exploited.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — Well, Mr. Speaker, Choiceland Iron has been a source of Liberal speeches but it has also been clear, Mr. Speaker, that in matters of this kind the Liberal Party substitutes speeches for hard thinking and positive action.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — It is of no help to the people of Saskatchewan in finding answers to the questions I have outlined, no help to the people of Saskatchewan in our economic development to have the Liberal speakers going around the province getting on the air and on the television making speeches about free enterprise and socialism, no help whatever to the people of Saskatchewan. And of course, the people of Saskatchewan realized that on June 23rd.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — They could see the cynicism which is so rampant in the Liberal Party as evidenced by its action on the Choiceland iron deposit.

Our approach, Mr. Speaker, is to find first of all what the cost of answering these questions will be. What will it cost us to explore the ore body to find its extent? What will it cost us to do the metallurgical tests in order to determine what kind of pellet can be produced from the raw ore? What can we expect in terms of market and consumption of the product and the cost of servicing such a market. Frankly, Mr. Speaker, we do not know the answers to these questions at this time. We are trying to assess what it will cost to get the answers and when we have a reliable assessment we intend to have another round of negotiations with the original signers of that agreement on May 13th, not because the agreement exists anymore but because we should like to see this development take place if it can be done economically. Of course, those people who hold the leases on the Crown land where the ore is supposed to exist are perfectly free to go ahead on their own if they wish. But, Mr. Speaker, they know, even if members of the Liberal Party do not know, that the cost of answering these questions is going to be formidable and that we are talking about several hundreds of thousands of dollars in testing, in assessing markets, in trying to apply modern technology to the Choiceland iron deposit. When we have made our assessment, when we have had another round of negotiations, we shall be in a much better position, Mr. Speaker, to enter into an agreement if that seems likely to bring about development which is in the interests of all of the Saskatchewan people in the development of our economy. Or we shall be able to assess whether or not we should go alone on this project if indeed we can negotiate with those people who hold the leases.

Mr. Speaker, Members of the Opposition have expressed some concern about the budget for the Department of Industry and Commerce. They try to suggest that somehow or other the government is downgrading its efforts in economic development and the use of the people and the programs under the administration of the Department of Industry and Commerce. Mr. Speaker, they are the last people in the world who ought to raise that subject. Let's just take a look at some of the figures. In the fiscal year 1969-70 the Legislature approved a budgeted figure for the Department of Industry and Commerce of \$889,120, that was in the budget, approved by the Legislature. But the Government only spent in that year, Mr. Speaker, \$744,000 of the approved expenditure. In 1970-71, in that fiscal year the Legislature approved in the Estimates authorization for the expenditure of almost \$1,150,000, Mr. Speaker, but in that year they only spent \$1,055,000. It isn't of course, because the

economy is booming and the efforts of the Department of Industry and Commerce weren't needed, it is just that they apparently like to look good in the Estimates, then try to hold back when it comes to actually doing something. In 1971-72, the last year for which our Liberal friends can take credit for the Estimates, the budget of the Department of Industry and Commerce approved by the Legislature was \$2,890,000. the budget approved, Mr. Speaker, was approximately \$2.9 million and that included, Mr. Speaker, the grants under the Homecoming 71 project. So far in that fiscal year, that is, up to March 1st, although \$2.89 million was approved, the expenditures have been only \$1.8 million to March 1st. I appreciate that a great many things will be done in this year of March 1972 and the expenditures will undoubtedly be larger. This year we are asking for approval of \$2,622,000 in our ordinary expenditures in the Department of Industry and Commerce.

Let me give you an example of why the Liberal Government was not able to spend all the money which the Legislature approved for the personnel and the programs of the Department of Industry and Commerce. I can do that by referring to the salaries which the Liberal Government paid to the civil servants who are employed by the Department of Industry and Commerce. I am not going to refer to anyone by name, although if any Member of the Opposition wants the name, I am quite prepared to give them in private. Let me refer to one employee and let me call him A. In September 1968 his salary in the Department of Industry and Commerce was \$1,147 per month. In October of 1968 this same employee because of the increases in salaries in the government service went up from \$1,147 to \$1,204 per month. In January of 1969 his salary went back down to the previous figure of \$1,147 per month. Now, Mr. Speaker, you may ask how could that be done. Well, I'll tell you how our Liberal Government did it. They simply took that employee out of the regular complement under The Public Service Act, re-appointed him under Order-in-Council and cut his salary. I think this is a very good illustration and example of the attitude of the Liberal Government to the Department of Industry and Commerce, to the one agency of the Government which was particularly concerned with dealing with the business community, co-operating with the business community in developing Saskatchewan's economic life. In short, Mr. Speaker, the attitude of the Government up to June of 1971 was to downgrade the Department of Industry and Commerce, to cut back the salaries of the senior employees and to make it clear to the business community that they would not, that is the Government, would not work with the business community through the medium of the Department of industry and Commerce.

Now, Mr. Speaker, I have some other examples, salaries in September 1968. Employee B was getting \$991 per month in October. In the normal increases he would have been up to \$1,041 per month. But in January of 1969 he was back down to \$991 per month. Here is employee C in September 1968 at \$705 per month, in October \$779 per month, in January cut back to \$742 per month. Here is employee D who was getting \$991 per month in September of 1968, in October of the same year he was up to \$1,041 and in January of 1969 back down to \$991 per month.

Mr. Speaker, I trust that none of the Members opposite will try to pretend that they are great friends of the civil servants after a record like that in one of the important departments of the government.

Mr. Speaker, in contrast to the approach of the former Government we believe it is important to have good personnel, to pay them well. We want the best, we are prepared to pay for it. In contrast to the attitude of the former Government we think it is important to have research people who have readily available to the Government, to assist us in developing policy and programs, proper economic data and to make this available to the business community as well. You can't do the research and you can't have the data available if you don't hire adequate personnel.

In contrast with the attitude of the former Government we think it is important to define realistic economic goals and to develop policies and programs in a planned way to achieve these goals. Let me give you a few examples. There is no one left by the Liberal Government because the Liberal government gave no priority to this. There is no one left in the civil service who really has been studying the assistance that is available from the various department of the Government of Canada for economic development. The Department of Regional Economic Expansion, a Federal agency, the Department of Industry, Trade and Commerce, a Federal agency, have a number of programs. The approach of the former Liberal Government was to take what was quickly offered but not to search out what more could be obtained in the way of assistance from the Federal Government for the development of the Saskatchewan economy.

In contrast with the previous Government, Mr. Speaker, we want to build up the confidence of the businessmen and the people in the business community. In contrast with the previous Government, Mr. Speaker, we believe that in the government in co-operation with businessmen we should work hard, we should be realistic and we should not give way to showmanship and phoney philosophy.

Some Hon. Members: — Hear, hear!

Mr. Thorson: — Mr. Speaker, in the course of this Session, I intend to introduce legislation which will give a new impetus and a new trust to the programs of the Department of Industry and Commerce and an opportunity to develop new programs. In particular we want to develop policies and programs for our tourist industry, for our small businessmen. We want to emphasize the assistance which we can provide to the business people who are already in Saskatchewan. We want to expand on what we have here already. We want to assist them in processing our agricultural products, we want to find ways in which we can develop a manufacturing industry that is suitable to the prairie market. We intend to take full advantage of all of the assistance programs which are available from the Federal Government.

Let me turn for a moment to the matter of mineral resources and the benefits from mineral resources for the people of Saskatchewan. I am sorry to burden this House with so many statistics but it is important that we have at least some basic knowledge of the facts in dollars and cents. In 1971 our mineral production increased in value over 1970 by \$34.3 million, the former total was \$396 million, in 1971 up to \$430.5 million. The only type of mineral in which our production and value was down was in metals, due to work stoppages in the mines. But in industrial minerals, in fuels and structural minerals, all of our production and value was up. The prospect for 1972

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looks even better and we expect an increase, certainly in base metals, but also in potash. Mr. Speaker, in 1971 the value of our potash sales from Saskatchewan was \$146 million, the value from our crude oil production was \$221 million. Those two minerals, potash and oil, make up the bulk of the value of our mineral production. Potash 34 per cent in 1971, crude oil 51 per cent in 1971.

It is interesting to note also, Mr. Speaker, that in 1971 the value of revenues to the Province of Saskatchewan from potash was \$2.8 million which is 1.9 per cent of the \$146 million value of the sales of our potash. In oil and gas the Province received out of the total of \$221 million, \$28.6 million or 12.9 per cent of the value of our petroleum production in 1971. We expect increases not only in the production and in the value from our mineral resources in 1972, but also increases in our Provincial revenues. There will be an opportunity, Mr. Speaker, when I introduce some legislation in that respect for the Members to consider this in more detail.

Let me ask the Members of this Assembly and the people of Saskatchewan, in the field of potash production, to keep these figures in mind. In 1968 with a tonnage production of K20 of around three million tons the dollar value of our potash production was \$65,000. In 1969 with very little increase in the tonnage the dollar value was \$69,000, under \$70,000. May I say, Mr. Speaker, that the introduction in January 1, 1970 of the prorationing scheme by the former Government had a very beneficial effect on the potash industry as far as Saskatchewan is concerned. Because with very little increase in the tonnage, the producers, rose to \$116 million in 1970 and \$146 million in 1971. So there, Mr. Speaker, in 1968 and 1969 we are under \$70 million in potash production, in 1971 we are more than double at \$146 million. I want the Members to keep that in mind when we talk about what the revenues from potash should be for the people of Saskatchewan. Because our total revenues for the province, royalties, producing tax and so on has not had an increase of anything like 100 per cent but the revenues of the producers has been up 100 per cent as a result of the prorationing scheme.

Mr. Speaker, I wanted to say something about the importance in Saskatchewan of processing our mineral resources before they leave the province. I haven't the time, without impinging on other Members who would like to speak, to detail this with some statistics. But I want to make it clear that while our revenue from potash sales for the province are less than two per cent of the total sales and our revenues from oil production are nearly 13 per cent of the total sales, that there is much more labour employed and a great deal of economic benefit in the potash industry that we do not get in the crude oil industry simply because, Mr. Speaker, there are more people employed in the mines for dollar produced and more people employed in the mills for dollar produced than is true in the oil production where the crude oil is shipped out of Saskatchewan.

I dare say, Mr. Speaker, there will be an opportunity before the end of this Session for me to say a good deal about crude oil, oil refining and the problems that the people of Saskatchewan face in this regard.

May I just conclude by mentioning one important matter for the people of Saskatchewan in the field of transportation. I could, Mr. Speaker, of course, deal with railway transportation and I should like to develop the theme at a future occasion that the idea that a railway system has to make money is about as silly as saying that a highway system has to make money. The railway system should serve the national interest just as a highway system should serve the national interest. It should not be isolated from our ultimate objectives and economic goals.

But I want to speak in the field of transportation and resources with a problem related to transportation, that of natural gas. Saskatchewan Power Corporation depends for part of its gas requirements on the purchase of gas from Trans-Canada Pipelines Limited. It also depends on the use of the Trans-Canada facilities for hauling its own gas. Our corporation contracts with Trans-Canada which ordinarily would not terminate until 1977, 1984 and 1991. But, Mr. Speaker, Trans-Canada has applied to the National Energy Board for an increase of rates no matter what the contract says. Saskatchewan takes the position that these rate increases should not be allowed for a number of reasons.

First, we think it is wrong for the regulatory agency in this way to ignore, first of all, the contract between the parties and the reasons for that contract. We think that we are already paying a very high price for the transportation of the gas used by the Saskatchewan Power Corporation. The higher rates which Trans-Canada seeks will make it very inequitable for the people of Saskatchewan because it is bound to result in an increase in the rates for our gas users.

We think that allowing this kind of increase will only distort even further the economic dis-equilibrium of the prairie area compared to Eastern Canada. If Trans-Canada has its way the increases in the rates will cost Saskatchewan people more than \$1 million per year. So it is our intention to make vigorous representation to the National Energy Board to prevent this from happening. We think this is the kind of problem associated with transportation that is important and, indeed, vital to the economic development of the prairie area. We look forward to joining with our sister prairie provinces in this matter of national transportation policy, trying to obtain a better deal for Western Canada.

Mr. Speaker, I shall just summarize the position of our Government by saying that we intend to strengthen all of the Government agencies that have to do with economic development in terms of personnel, research to finding goals and establishing and operating realistic programs. We intend that our businessmen should be helped and dealt with fairly. We are looking for labour intensive forms of processing and manufacturing. We want our mineral development to continue. We should like to see more of it processed before it is sold out of Saskatchewan. We want to make very effort to turn our transportation system to the advantage of Saskatchewan people.

Mr. Speaker, we believe that our efforts will earn the support of Saskatchewan people. I am very pleased, Mr. Speaker, to support the main motion.

Some Hon. Members: — Hear, hear!

Mr. G.B. Grant (Whitmore Park): — Mr. Speaker, when I spoke earlier in this House I believe I was very complimentary to the Member who has just taken his seat (Mr. Thorson) and I would have remained complimentary if he had just omitted about one or two sentences just before he sat down.

I believe he was making reference to it being foolish to consider that a railway should make money, should be a profitable. Well, I maintain, Mr. Speaker, that our highway system in Saskatchewan is very profitable, indeed. Citing only two or three figures it is demonstrated that the revenue from the gasoline tax and from licences alone this year is estimated at \$70 million and the ordinary and capital expenditures for the Department of Highways is \$67 million. So we have a profit of \$3 million.

Now if it wasn't for the highway system there wouldn't be any automobiles sold, we wouldn't have the sales tax and all of the other taxes that are related to the automobile industry. So I am very disappointed, Mr. Speaker, that the Minister of Industry and Commerce (Mr. Thorson) spoiled an otherwise fairly good dissertation on the Government's stand on business promotion.

Now before I become too complimentary of him I want to point out that his opening remarks were composed of high sounding phrases and I guess none of us could disagree with the motherhood references that he was making. He said there was no argument with us as far as the goal was concerned but the main difference was the approach. They were not going to be trapped into a doctrinaire approach to the problem of attracting business to Saskatchewan.

Well I warn him, Mr. Speaker, that the chap sitting behind him, the Hon. Member from Saskatoon-University (Mr. Richards) may trap him. He wants to watch him because I have heard him expound a different approach altogether in this House. And as I indicated the Premier was riding two horses and I believe the Minister is going to have great difficulty in riding the two horses when his turn comes up.

There is no doubt about it that this Member from Souris-Estevan had been given the message I indicated earlier of "put your best foot forward, create a good image for business, indicate that Saskatchewan is a haven for business" other than the shyster type which he referred to and I have no argument about that. But he spoils it all by saying that the Liberals simplified it by saying that everything was black and white and we confused the businessman.

Mr. Speaker, I believe the businessman in Saskatchewan today is far more confused than he was eight months ago. Here he is welcoming business to Saskatchewan and his seatmate right behind him stood up in this House last week and, once again, suggested nationalizing this industry, nationalizing that and hoping that the Government would get on with other planks of the Regina Manifesto of 1933.

The Hon. Minister also always has a little reservation. He says that we welcome business and we recognize that businessmen must make a profit but just remember they must play the

game. They must pay good wages and they mustn't exploit labour. They mustn't waste the resources, they mustn't pollute our province. But to me, Mr. Speaker, this is casting an inference over the business community that they are guilty of doing these over the business community that they are guilty of doing these things. Now I object to this because there are a lot and he will admit it I am sure, of excellent businessmen in Saskatchewan operating excellent businesses in a very responsible way, carrying more than their load of responsibility in their communities and I don't think it is necessary for him to slap the wrist of business by saying that they must be good boys. They must be good citizens because this is just another motherhood speech.

I am glad to hear that he is not going to let them waste the resources or pollute the province. I would suggest that he get busy right now in his own area and make sure that the programs that we started last year, of endeavouring to level off those man-made mountains in the coal fields, is expanded and carried forward because, believe me, the atmosphere, visual at least, has certainly been polluted in that area. I think it is a blight on, not only our government, but a blight on the previous NDP Government that something was not started sooner on this. I hope that the Hon. Member will push strenuously to see that the Saskatchewan Power Corporation and the Government continue this very worthwhile program of reclaiming that land.

He stated that 15 years ago his business supporters made more money than during the past seven years. Well I wouldn't want to say that he is telling an untruth, but I believe I find that very, very difficult to believe and I should be very happy indeed if he would supply me – not the names as I don't expect him to disclose who made the statement – but I would be very interested, and he can give it to me in private, as to the type of business that these men or people are operating.

Let's touch a bit on the Choiceland iron mines. He says that the report of the consultants, or at least the contract, had a clause in it that allowed either party to get out. Well I am glad he recognized this as I think this was a good provision by the previous Government and it indicated that they also had some reservations as to the problems that he has cited here. I don't doubt but that we would have given serious consideration to getting out of that contract through that clause. That is why it was put in there. I commend the Government that if they feel it wasn't a sound venture that they took advantage of that clause and got out of it. But he used these expressions to point out that we had used poor judgement, that we had no knowledge of the extent of the deposit, no knowledge of the quality. We had no knowledge of what it was going to cost to pelletize that ore and what the quality of those pellets would be. No tests have been made.

Well, Mr. Speaker, I suggest that after he does all of these examinations that they are going to ascertain the cost of the shaft, the cost of exploration, the cost of pelletizing, the availability of markets, they won't know the answers yet, even when they have that assessment. Somebody, somehow is going to establish the extent of the deposits., establish the quality of the ore and the quality of resulting pellets. About the only thing they can ascertain are the market potentials and I believe that his had been fairly well

explored. I doubt very much if anything worthwhile can be added to it. The cost of the shaft has been determined as accurately as it can be and I certainly wouldn't call it an exploration hole. That little hole is about 16 feet across. It is a pretty big hole and that is the only way that you will find out the answers to these questions, Mr. Speaker, is to get down at the bottom of that hole and get the ore out.

Now, who is going to develop this mine? The Government alone? The Government plus business or business alone? Well, he has already indicated that the business world can go ahead and explore if they wish. They are quite at liberty. But he knows and I know that business interests are not going to explore that on their own. It is too far below the surface of the ground. The cost of putting that shaft down is too costly and the Government must be involved in it. I can assure you if you are going to have work provided for people in Saskatchewan in the iron mining industry, the Government of Saskatchewan is either going to have to go it alone or put up major guarantees to encourage business to go along with them.

Mr. Speaker, during the last week there have been many pages filled by Members on both sides of the House with their remarks. Those to your right say, "We can do better than you can on the other side of the House. We know what is good for the people." We, to the left maintain that the Government is wrong in its priorities. Which side is right? I think members on each side are sincere in their statements, probably as sincere as politicians will be. The answer to who is right and who is wrong never really surfaces precisely. A rough answer is given in an election result but this is clouded by extraneous issues, by more current issues, by high-pressure advertising campaigns, by promises of a New Deal for People with their own money.

The Budget speech left no doubt in anyone's mind, Mr. Speaker, that the Government is launched on spending more tax dollars on fewer people than ever before.

I went to the trouble of finding out just where we are going with budgets and people here in Saskatchewan. I went back to 1953 when the budget of the Province was \$70 million, the population 861,000 so that the per capita budget was about \$82 per person. At that time the Federal Government paid us \$27 million or \$31 per person. So that the cost of running our own Provincial Government, outside of the Federal participation, was \$51 per person. I looked at the figures for 1971. The Budget was \$450 million, population 928,000, approximately \$486 per person. Federal participation \$93 million or \$100 per person. So the next cost outside of Federal participation was \$386 for every man, woman and child.

Now let's look at the per capital income in Saskatchewan. 1953 - \$1,309 for every man, woman and child. In 1970 - \$2,391. So what happened? Well, during that period the per capita income rose \$1,072 or 80 per cent. Federal participation rose from \$31 per head to \$100 per head or 220 per cent. The total cost of running our province increased by 500 per cent. Mr. Speaker, the message so often directed to politicians is, you are spending too many of our dollars, leave some for us. And I am sure that the Members opposite have run into this because it comes from farmers, workers, small businessmen, the wealthy, everyone seems to agree but it seems that the message just

doesn't get through to the Provincial Treasurer.

The Provincial Treasurer (Mr. Blakeney) work his Saskatchewan tartan tie, 1955 vintage. I presume it is a symbol of the progress since 1955. the red carnations, a very appropriate colour, to announce a day of joy and happiness. Joy and happiness for whom, Mr. Speaker? Joy and happiness for the Members opposite because they are going to be the Government with the biggest budget in the history of Saskatchewan. They are the godfathers of the people of Saskatchewan. They are the godfathers of the people of Saskatchewan and they are going to spend that \$500 for every man, woman and child more wisely than the people themselves can do.

Well, let's look at this progress and joy and happiness through the eyes of the taxpayer. In 1953 the per capita budget \$82, per capita income \$1,319; 1972, \$486 per capita Provincial budget, income \$2,391. Mr. Speaker, the figures quoted indicate that the Saskatchewan people are abdicating their economic responsibilities to big government. For some mysterious reason they seem to be saying governments can spend their money better than they can do. Mr. Speaker, these figures boil down to demonstrate that the per capita income has grown by only some 80 per cent since 1953, whereas the cost of Provincial government has grown 500 per cent, while Federal participation grew by 220 per cent. No wonder the taxpayer is hard-pressed by budgets such as the recent one of \$513 million which will result in an even grimmer picture for this year as compared to 1953.

Governments including our own are trying to do too many things for our hard-pressed taxpayers. I am sure if they are not already saying it they will be doing so shortly. "Mr. Politician, we can't afford all the give-away programs the politicians claim we want. Slow down and leave a little money for us to spend ourselves." I am not convinced, Mr. Speaker, that this escalation of the Provincial budget is by choice of the taxpayer. It may be by default of the taxpayers but I think it is more likely attributable to the arbitrary decision of the politicians. On very rare occasions we, and I am speaking of the people of Saskatchewan, become alarmed at politicians' statements and react as we did after our former Premier, Mr. Lloyd, in a momentary lapse of thinking, indicated that the Government of the day would be more responsible spending the surplus of the day than the people would be if it was given back to them. I am sure the Hon. Mr. Lloyd regretted saying that. But this seems to be the attitude of the present Government. They are more responsible for spending our dollars than we are ourselves.

The Budget Speech went to great lengths painting a picture of overestimating and underestimating in last year's Budget; of overspending and underspending; of revenues up and revenues down. What was the Treasurer's final conclusion? We will end the 1971-72 year with a modest surplus, as the former Provincial Treasurer has forecast.

Mr. Speaker, I would remind this House that the former Liberal Government produced seven surplus budgets. The previous NDP governments, CCF governments, during the 1956-63 period had five out of seven years with surpluses. Time only will tell how the present Government will do. I predict provincial finances will certainly not be as good in 1975 as they are today unless we become more and more of a 'have' province.

Let's take a look at the two largest Crown corporations under the NDP and the Liberals. Well, I think somebody the other day on Crown corporations said that equity didn't mean a thing and that the main thing was how much business you did. It wasn't serious whether you owned the corporations or not. I should like to indicate what has happened in the Saskatchewan Power Corporation, one of our successful Crown corporations. In 1961 the people of Saskatchewan had a measly 5.8 per cent interest in this corporation, a monopoly and yet the government of the day was only able to show a five per cent equity to the people of Saskatchewan. Well, what is it today, 1970, the latest figure I have because Saskatchewan Power won't give me the 1971 figure, I have to wait until I pick it out of them tomorrow in Crown Corporations, but in 1970 the equity was 19.5 per cent. We feel this is pretty important, Mr. Speaker, because this is an indication that the people of Saskatchewan under the previous government had only a 5.8 per cent equity, the Liberals raised it from 9.4 to 19.5 per cent in seven short years.

Now let's look at SaskTel, not much better. In fact they went down hill. In 1961 they weren't too bad, the people of Saskatchewan had an 18.1 per cent equity; in 1962 – 17.4; 1963 – 15.9; 1964 – 14.1; I'll tell you why the equity was going down. Because the government of the day, the former CCF government was taking 100 per cent of the profits of that corporation into general finances of the Province of Saskatchewan. The poor souls couldn't improve their equity because the government was taxing 100 per cent. The highest income tax rate in the Dominion of Canada. So in 1965, Mr. Speaker, the Liberal Government changed that policy and the equity improved the very first year, 14.5 per cent and I am pleased to say as of last year, 24.8 per cent, the people of Saskatchewan owned almost 25 per cent of that corporation and almost 20 per cent of the other one. I hope it will be over 20 per cent when I get the figures.

Mr. Speaker, the proof of your worth or my worth is your equity in your business or your belongings. It makes little difference if you do \$40 million worth of business when you don't improve your equity position. It is amusing to hear the Members opposite criticize the Liberals for paying dividends by the SPC and SaskTel to the Government. They said it was another tax on the people. I believe the Hon. Attorney General (Mr. Romanow) stated this last year. It was a terrible thing to do because it was a tax on the people. Well, first of all, what happened prior to 1964? I have stated what happened. Prior to 1964 they were taking 100 per cent of the profit from SaskTel, they were really bleeding that corporation. How on earth can a business improve its equity position if you take all the profits? You just can't do it. The Minister in Charge of SaskTel, the Hon. Member from Kelvington (Mr. Byers) says even though we made a profit of \$12.7 million we can't reduce telephone rates. At the same time, the Provincial Treasurer taxes SaskTel \$6.3 million as a dividend.

The members to your right accuse us of using Saskatchewan Power as a tax base. Isn't it strange, Mr. Speaker, how the leopard can change its spots. Another look at the Crown corporation. In 1962 Saskatchewan Power figures showed a seven per cent return on sales — seven per cent on sales; 1971 — 18 per cent. I would say that's pretty good management since 1962. Well, let's look on return based on the investment in plant; 1962 under your administration that corporation

made a one per cent return on the plant. Not very good. I am sure the member from Souris-Estevan (Mr. Thorson) wouldn't think that was a fair profit. 1971 — 3.7 per cent, another indication of proper business-like management of that corporation.

Mr. Speaker, how excited were the people of Saskatchewan to hear the Budget Speech? One would think by statements and actions of the Members opposite it would have led to "sold right out" on the front door of these chambers last Friday. The flower people opposite were all smiles to receive the happy people who were going to rush in here to hear the pearls of wisdom from the Provincial Treasurer. Where were they? They must have been invited because the seating was arranged for them. Mr. Speaker, I didn't count the vacant chairs in the House last Friday but I am sure it must have been 50 or more. The largest number of vacant chairs I have ever seen in my memory of the Budget Speech. I am sure that the Hon. Provincial Treasurer (Mr. Blakeney) was very embarrassed. I actually sympathized with him. He knows now how it feels when a clergyman has worked all week to deliver a sermon and speaks to empty pews. Why did the business community not respond as in past years? Mr. Speaker, it was the business community that was missing last Friday. Actually, if the civil servants had not felt it wise to respond to the command appearance it would have looked like a wake. All those rows behind the Government were full of civil servants. I recognized whole rows of them. Over here we had empty chairs on our side. We weren't allowed to invite anybody or by golly we'd have had them filled. We have the Ex-chancellor of the University and the President of the University, two pretty sad looking gentlemen. Boy, they were depressed. I recognized, I think, five businessmen from Regina. Who the rest were I don't know.

Well, I'll tell you why they didn't come. Saskatchewan businessmen knew in advance that the Government opposite would not help them. They couldn't help them with their philosophy. The Government to your right would only add to their restrictions and controls, would only add to their cost of doing business. The Provincial Treasurer says the Saskatchewan economy will continue to be dominated by the farm economy or by agriculture. If he believes this and I think he is sincere, why an increase less than \$2 million in ordinary expenditure and less than \$2 million in capital expenditure in the Department of Agriculture? But wait, wait, Mr. Speaker, let's turn the page, the Attorney General's Department up \$2.7 million, a 30 per cent increase, Agriculture 17 per cent. This shows, Mr. Speaker, how the present government rates priorities. I am sure the farmers of this province must be impressed with these priorities.

Well, let's look at another so-called priority of this Government. I refer to its promise to help the business sector and to create jobs by the promotion of tourism. Great fanfare has been created to the setting up of a loan program for businessmen, a new item in the Budget, of \$2 million. I ask, Mr. Speaker, why did the Government feel it necessary to set up a new branch to handle this pittance. SEDCO, that is Saskatchewan Economic Development Corporation, could have easily handled it without any additional staff, without a new board of directors. All that was required was a minor change in The Industrial Development Act. They could have done it, Mr. Speaker, in the same manner as we did in handling loans to the livestock industry. The previous Government had not provided for SEDCO to make any loans to the livestock industry and we introduced

that and we handled them entirely through SEDCO with no additional staff cost. But no, Mr. Speaker, the flower boys opposite felt they wouldn't create the same impact politically, they had to create a new arm of government.

The Hon. Member from Pelly (Mr. Larson) has said that the Budget indicated where the people of Saskatchewan were going. I agree, it certainly does. They are going to the poor house. Mr. Speaker, small businesses are not going to be helped by \$100,000 in grants, the same amount as it budgeted for the RCMP centennial assistance, nor are they going to be materially helped by the availability of \$2 million in loans. This latter provision may only put an additional yoke on the back of business that can't survive under the Government opposite. Rather than the Government appointing more inspectors and so-called specialists to help small businesses, it would be far better off to make Saskatchewan more attractive to people in business. Government paternalism to business is not the answer.

I am interested in what is going to happen to these business inspectors when they start travelling around the province. These specialists are probably men who have never been in business. It may be like the Government inspector who called on the farmer. He was greeted by the farmer and the visitor produced his card and remarked, "I'm a government inspector and I am entitled to inspect your farm" A little later the farmer heard a scream from his alfalfa patch where the inspector was being chased by the farmer's bull. Leaning over the gate as the inspector hastily drew near, the farmer shouted, "Show him your card, Mr., show him your card." Well, Mr. Speaker, I have a feeling that when these business inspectors and specialist s start calling on some businessmen there will be a hue and a cry and the inspector will have to show their cards to justify their presence there. Mr. Speaker, farmers in the Swift Current area recently responded in numbers totalling some 200 to a farm clinic put on by reputable companies, I believe, companies that are good citizens. It told me two things. The Government is not serving all the needs of the farmers and it shouldn't I think we all agree on that. It demonstrates to me the readiness of these companies to be good citizens. I refer to the Royal Bank, Shell Oil, Allis-Chalmers and Pioneer Grain. I suggest, this storehouse of help for business. Use presently successful companies and individuals rather than expanding the civil service.

I note the Business Assistance Branch is starting with four staff members and a budget of \$83,000. Far too costly, Mr. Speaker, to administer \$100,000 in grants and potential loans of \$2 million which could have been handled by SEDCO.

Mr. Speaker, I note the Government has already started the program of making jobs by promoting tourism, a 20 per cent increase in jobs. This branch of the Government had nine employees last year and eleven are budgeted for this season. The only significant strengthening of this branch is under the heading of other expenses, almost 100 per cent. Very good. I am envious of the Minister. I would have been pleased to have had this increase when I was Minister. I wish him well in his expanded advertising program. I hope it results in an increase in tourism. I am not optimistic that it will result in any significant increase in job opportunities.

Compared to other provinces in Canada we are still poor cousins. Let's take a look at budgets for tourist promotion in other provinces. Manitoba — \$4.5 million; Nova Scotia — \$1.6 million; New Brunswick — \$2.9 million; Prince Edward Island, little old PEI, about the size of Regina — \$1.7 million. The smallest budget of all, outside of Saskatchewan, Newfoundland — \$741,000. Mr. Speaker, you will see from these figures that even the new budget is \$100,000 below that of Newfoundland. In other words, Mr. Speaker, the lowest in Canada. The Members to the right will be quick to point out that we Liberals didn't push tourism enough.

Some Hon. Members: — Hear, hear!

Mr. Grant: — I can't argue with this. But there is a difference. We didn't wave the flag of tourism as a job creating medium and I think this is one that you will fail on. The Provincial Treasurer says tourism promotion will create jobs. Mr. Speaker, \$633,000 is too small to be effective; even if you include items from Natural Resources that are associated with tourism, your budget is still under \$1 million.

Mr. Speaker, in summary I would say the members opposite have produced a pessimistic Budget, a budget that is relying far too heavily on Federal windfalls. They can't rely on a repeat of this if they expect any success in changing Saskatchewan from a 'have not' province to a 'have' province. I am sorry to say I doubt if their programs can turn our economy around. If my conclusion proves correct, we will continue to see pessimistic budgets and windfall budgets.

Mr. Speaker, the Budget is so silent on environment items one wonders where all those noisy NDP voices of previous years are. One would think all the problems had been solved. Even with the transfer of a couple of votes from other departments they have shown a miserly increase of \$80,000. The Minister of Health (Mr. Smishek) recently introduced amendments to The Public Health Act to provide more teeth to force municipalities to provide refuse disposal grounds. However, nothing is provided by way of dollars to help them. We budgeted \$745,000 in 1971 for grants to cities to help improve their environment. 1972 shows a figure in this vote of \$60,000. Big deal! Not enough to eliminate a single odour. It appears the government opposite feel that we did a good job on environmental control or they have abandoned their expressed concern of last year and decided, to heck with our environment. It's okay as it is, only \$80,000 plus two bodies more.

Time does not permit me to comment on the Health Department budget and I regret this. Possibly, I should have put it earlier in my remarks, but I thought I would have time. However, I don't want to impose on the following speaker. Mr. Speaker, I think that I have demonstrated that I cannot support the motion. I will support the amendment because the budget falls far short of doing anything to provide jobs in Saskatchewan or to satisfy the business community that this is a haven for properly run businesses.

Some Hon. Members: — Hear, hear!

March 15, 1972

Mr. M. Feschuk (Prince Albert East): — Mr. Speaker, I am honoured, Sir, to address you as a representative for the constituency of Prince Albert East. I should like to attribute a few words to my predecessor and good friend, Bill Berezowski, and some other points of interest to Prince Albert East. I now call it 5:30. I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 5:25 o'clock p.m.