

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fifth Session — Seventeenth Legislature**  
**9th Day**

**Tuesday, December 10, 1974.**

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

**WELCOME TO STUDENTS**

**Mr. H.H.P. Baker** (Regina Wascana): — Mr. Speaker, I am very pleased through you to introduce a group of 50 Grade Twelve students from Miller High in the city. They are accompanied by their teacher, Mr. Schuett, and are seated in the Speaker's Gallery.

I am very pleased to introduce this fine group from a school which is noted for its teaching in the sciences, together with their fine facilities. The building has won many awards throughout Canada for its unique structure. We are very proud that we have these facilities in our school system.

Miller High is under the Separate School System and it serves this community well and particularly the area where I live. I welcome them this afternoon, I hope they have a pleasant stay and gain much from the proceedings today. A hearty welcome.

**Some Hon. Members:** Hear, hear!

**ANNOUNCEMENTS**

**SPECIAL ANNIVERSARY - BILL 42**

**Mr. C.P. MacDonald** (Milestone): — Mr. Speaker, before the Orders of the Day, I should like to request special consideration of the House to make a very small presentation, if I might. Today is a very, very historic day in the Province of Saskatchewan, it is the anniversary of the passage of Bill 42. Today in Estevan there are special memorial services going on by the Oil and Technical Association in the community, on the radio and in the newspaper. If you notice the cake is shrouded in black to commemorate the burial of the private sector of the oil industry in Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — On the cake it has written "Anniversary of a Tragedy, Bill 42". I would hope that this might remind the Minister of Industry and Commerce, the man who introduced the Bill in the House, destroyed the industry in his own constituency, that perhaps he might reconsider and bring in some provisions that would improve the condition of the oil industry in Saskatchewan.

**Some Hon. Members:** Hear, hear!

## QUESTION

### EXPIRATION OF DCAP

**Mr. C. P. MacDonald** (Milestone): — Mr. Speaker, while I am on my feet, I should like to suggest that even though Bill 42 may have choked the oil industry I hope that cake doesn't choke the NDP.

While I am on my feet, Mr. Speaker, I should like to direct a question to the Minister of Industry and Commerce or the Premier in the absence of the Minister of Mineral Resources.

Is the Minister aware, or is it a fact that the DCAP Program that was introduced in the House a year ago to save Kim Thorson, has a Government commitment that expires on December 31st? Is it the intention of the Government to extend the program beyond the 31st of December deadline?

**Hon. K. Thorson** (Minister of Industry): — Mr. Speaker, when the DCAP Program was launched earlier this year in 1974, it was made clear that it was for the calendar year 1974. That is to say that those people who felt that they were eligible for advances of money under the program should apply. Something like less than 60 per cent I think of the people who applied to get on the eligible list actually took advances. The latest survey we have conducted indicates that nearly all of them are working. The understanding was that we would at the end of the year evaluate their experience by comparing it with the last three years and that they would not suffer financially on the basis of the average of the last three years, if, in fact their net incomes based on the work they were doing, fell below in 1974. As I say, the last survey we conducted indicated that most of these people were employed and were busy in the oil field supply and service industry in Saskatchewan. We want to wait until the end of the year until we can evaluate those results before making a decision about what is going to be done in the future.

**Mr. MacDonald:** — A supplementary question. From what I understand, is the Minister aware or not that the Oil and Technical Association indicates that their position is just as bad now as it was a year ago? Is the Minister also aware that some of these companies are already serving notice or preparing notices for the 15th of December, because the program expires on the 31st of December? The Minister is aware that the DCAP Program is based on the number of employees, the payout and that because it expires on December 31st many of the oil and technical service people in Saskatchewan will be receiving notice, termination of employment just 10 days before Christmas. I would appreciate if the Minister could indicate if he has any plans to meet with the Oil and Technical Association of Saskatchewan to reconsider whether or not this program will be extended or are they going to now leave the Province of Saskatchewan as their original intention was?

**Mr. Thorson:** — Well, Mr. Speaker, let me make it clear that there has been no such request received by myself from the Oil Field Society in the Estevan area at least. Now whether or not they have made a similar request to my colleague, the Minister of

Mineral Resources, I just do not know. But they certainly have not made any such request to me.

I understand that one of the difficulties they have had recently is finding sufficient employees to keep on with all of the jobs that are before them. That situation I think may well have changed when the Turner Budget was brought down. I think all of the producers are now indicating that they have to reconsider whether or not they will continue producing at the same rates as before. Of course people in the oil field supply and service industry have to reassess their position. As I say there have been no direct representations made to me to suggest that these people in the oil field supply and service industry are anticipating any more serious disruption than they have experienced over the last five, six or seven years in the oil fields of Saskatchewan.

### INTERCON EMPLOYEE LAYOFF

**Mr. D.G. Steuart** (Leader of the Opposition): — Mr. Speaker, I should just like to mention something to the Minister of Industry before I ask my question; I notice him sampling the icing. It is made of equal parts icing sugar and ex-lax, we'll do anything to get the Minister of Industry moving.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — I should like to direct a question to the Minister of Agriculture. Is he aware that notice was given to 89 employees of Intercontinental Packers in Regina and to some employees of Burns Foods Limited in Prince Albert and possibly to some employees of Intercontinental in Saskatoon of a lay-off during Christmas week, because the Hog Marketing Commission has agreed with the companies not to buy hogs during that week? These people, as a result, will be laid off and the possibility of them losing their normal pay for the Christmas holiday is very real. Was he informed of this by an employee or employees from the industry and is he prepared, if this is the case, to do any thing about it? This is a pretty sad Christmas present for these people if it's a fact.

**Mr. J.R. Messer** (Minister of Agriculture): — No, I am not aware of any such circumstances.

**Mr. Steuart:** — You're not aware that you have received a phone call, you're not aware that notice has been given to 89 employees here and that the Hog Commission has made a decision not to buy hogs. Well, then I will point it out that this is the situation and I would suggest that you look into it and find out what is happening because if it is fact, then the employees of the packing plants or a great many of them will lose. They tell me that it is a fact that they received their notice.

**The Speaker:** — Order, order! I think the Leader of the Opposition should seek to ask a question and not give information.

**Mr. Steuart:** — I will finish the question,

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Mr. Speaker. I hope that he would inform this House that he will check into the Hog Marketing Commission to see that this is not happening, that these employees are not in jeopardy of losing their Christmas money and their work.

**Mr. Messer:** — Mr. Speaker, the Leader of the Opposition's facts haven't been all too accurate for the last two or three days.

**Some Hon. Members:** Hear, hear!

**Mr. Messer:** — I will take into consideration what he has said and pursue the matter to see whether there is any validity to the accusations that he has made this afternoon.

#### **AVAILABILITY OF COPIES OF FISHING REPORT**

**Mr. J.G. Richards** (Saskatoon University): — Mr. Speaker, this is a relatively minor question in the manner of things but I should like to ask the Minister of Northern Saskatchewan (Mr. Bowerman) if he is willing to make available copies of the Fishing Report which in a press release dated August 6th, said he was going to distribute widely. We have been trying constantly since to get copies of this. I have a letter dated October 15, from Mr. Schweitzer, his Assistant Deputy Minister, saying that copies will be made available to us as soon as they have sufficient supplies. It is now into the middle of December and we have yet to have one. Could I have an undertaking from the Minister that he will supply our office with a copy of this Fishing Report.

**Hon. G.R. Bowerman** (Minister of Northern Saskatchewan): — Mr. Speaker, the study was a joint federal-provincial study and copies have been forwarded to the respective Federal Ministers and I would presume that when they have had an opportunity to review that report and make their comments known that we would then be prepared to release the report. I have no objections to releasing the report. And as soon as the information is received from the Ministers certainly we will look at sending your office a copy.

**Mr. Richards:** — Mr. Speaker, a supplement. This is once again a frustrating run around. Could we have some kind of indication of when that might possibly be, when are we going to get that report that is publicized in mid-August as a great product of the Saskatchewan Government and now in mid-December we are yet to be able to see a copy of it?

#### **ANNOUNCEMENT**

##### **NEW ARRIVAL IN TCHORZEWSKI FAMILY**

**Mr. A. Blakeney** (Premier): — Mr. Speaker, I wonder if I might advise the House of an event. I don't know whether this should be announced by my colleague, the Minister of Health, who handles statistics or by my colleague, the Minister of Co-ops as the result of a successful co-operative endeavour. I wish to announce that my colleague the Hon. Mr. Tchorzewski and his wife Shirley have a

new daughter. She was born this morning and weighs seven pounds six ounces. The family now consists of one boy and three girls. I think all Members of the House will acknowledge that whether or not the Minister is an appropriate Minister of Culture, he certainly is doing his best as the Minister of Youth.

**Hon. Members:** Hear, hear!

**Mr. Blakeney:** — I think it is worth noting that he is also the Minister in charge of the Provincial Government's participation in the International Women's Year which probably accounts for the fact that the child was a female child rather than a male child. He is doing his bit in that regard as well.

**Hon. Members:** Hear, hear!

**Hon. E.L. Tchorzewski** (Minister of Culture & Youth): — Mr. Speaker, I thank the Premier and the Members. The Members on this side already have a collection of cigars in our lounge but I should like to have one of the pages take over this box to the Leader of the Opposition. I know the Member from Milestone enjoys them and I suspect that a number of the others do as well.

This morning I was not really aware that the birth date of our daughter was on such an auspicious day as the passing of Bill 42 but I am particularly proud of that as well.

**Hon. Members:** Hear, hear!

## QUESTIONS

### GAS CONSUMPTION AT KALIUM

**Mr. J.G. Richards:** — Mr. Speaker, the Minister of Industry undertook last week to report to this House at a later time about the question of gas consumption at Kalium, is he at this time prepared to make that submission?

**Hon. K. Thorson** (Minister of Industry & Commerce): — Mr. Speaker, I have an answer but I hesitate to take up the time of the House prior to the resumption of the debate on the Speech from the Throne but I will undertake to do it in the House tomorrow if the Member wishes or I can provide it to him privately.

**Mr. Richards:** — If the Minister could table the information that would be quite satisfactory.

## ADJOURNED DEBATES

### ADDRESS-IN-REPLY

The Assembly resumed the adjourned debate on the proposed motion of Mr. Comer (Nipawin) for an Address-in-Reply.

**Hon. G. MacMurchy** (Minister of Education): —Mr. Speaker, last evening

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before adjourning debate I talked very briefly about the record of this Government in the three and one-half years that we have been in office. I talked to some extent about the accomplishments of the Members opposite when they sat on the Treasury Benches between '64 and '71. In particular, Mr. Speaker, I talked about the latter years of their government.

I suppose that in summing up what I said last night and I said that I would talk extensively this afternoon about education, in summing up what I said last night it could be best put this way. Every citizen of Saskatchewan can take pride in the achievements of the last three years.

**Some Hon. Members:** Hear, hear!

**Mr. MacMurchy:** — Mr. Speaker, in terms of education every parent, every teacher, every trustee, every student can take pride in the achievements in education in the last three years.

In 1971 when we became the Government, the New Democratic Party promised to move education out of the decline and out of the controversy of the Liberal years. We called a halt to the practice of pitting teachers against the public, the old Liberal tactics of divide and rule that brought our school system to its knees in 1970 and 1971.

Let me say first of all, Mr. Speaker, that New Democrats, that this Government believes first of all that education is an investment, it is not an expense and that it is not a frill. In view of this philosophy, Mr. Speaker, we promised to end the starvation diet of low grants, mandatory controls. In doing so, we abolished the teacher-pupil ratio and replaced it with a system of unconditional grants based on actual enrolments. These grants may be spent as the school board sees fit.

We raised the school grants from \$77 million in 1971 to a total of \$120 million — an increase of 55 per cent in only three years. In addition to that, Mr. Speaker, we raised the Property Improvement Grant to \$160 on homes to \$200 on small business to \$300 on farms.

I would remind the Members opposite and the people of Saskatchewan that the most the Liberals ever paid towards school costs was 48 per cent of total school costs. When you add the 55 per cent of total school costs in direct grants to the increase in the Property Improvement Grant, the New Democratic Party Government has raised the grants to 73 per cent of basic school costs today.

Do you know what this means, Mr. Speaker? This means that the proportion of costs carried by the property ratepayer has been cut in half, in only three years.

In addition to examining and bringing up to date the financing of education we have introduced a number of new programs assigned to improve the quality of education.

We have introduced a new kindergarten program. That new kindergarten program has enrolled 80 per cent of the children of eligible age this year. Kindergarten is an option, at the discretion of the school boards, at the discretion of parents and with full grant support, 92 of the 113 jurisdictions have

introduced the program. Kindergarten in Saskatchewan is not merely a downward extension of Grade One, but it is a program built on attitudes toward learning, attitudes toward life.

Mr. Speaker, we have begun a new physical education program which puts new emphasis on personal development instead of competitive athletics. Daily exercise is a basic need, just like food, and this new program aims to teach students good physical health habits, beginning at the earliest grades, in fact we are beginning the program from kindergarten to year six.

Community colleges are another exciting development in Saskatchewan education. The Saskatchewan community college concept is attracting attention right across Canada as a new way of taking education to the adult population, taking education to the adult population where they live and where they want and when they want it. In the first year of operation the four college regions delivered 719 courses to over 10,000 people. Because of the success of our experiments that are pilots in the four college regions, nine new regions are being established and this year will bring this service to all of southern Saskatchewan, including Regina and Saskatoon.

A new program in consumer education, a proposal for a course in family life education is being developed. Introduction of Saskatchewan Studies Agriculture is taking place and this program, an appreciation of agriculture, an appreciation of farming, will be attractive and of interest not only to our rural students, but in addition to our urban students as well. And the exciting features of the new program Saskatchewan Studies Agriculture is the fact that we will have one on the farm component.

Mr. Speaker, we have introduced the Innovative Projects Plan, a plan to encourage teachers and school trustees and to encourage students to experiment in education in the school.

Driver education has been made available at no charge and we have increased the in-classroom time and the in-car time. One of the new emphases in this program is Alcohol and the Driver.

SaskMedia, an educational communications corporation has been established and SaskMedia will begin producing and distributing new materials, new learning materials to our schools and to our community colleges this year.

A special program to train teachers of Indian ancestry has been established in conjunction with the University of Saskatchewan. These teachers will come out of the College of Education with a certificate which will enable them to teach in any school in this province. In addition to that, for another first in Canada, three school trustees have been elected to a fiscally responsible board from Indian reservations in this province. In the Govan School Unit, the reservations of Day Star, Gordon's and Poor Man have each elected a trustee to the fiscally responsible Govan Unit Board.

Saskatchewan's first student bursary program has been set up and provides for up to \$850 in non-repayable grants to students on the basis of need. Over 3,000 students received bursaries this year.

Canada's first free dental care service for children went

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into operation in our elementary schools this fall.

Mr. Speaker, a series of fall conferences was sponsored in 1973 and we held them again in 1974 to discuss issues and to generate interest with teachers, students, trustees and parents in education. I am pleased to report that several thousand people attended each series of conferences and they have been an outstanding success.

Mr. Speaker, this NDP Government has put an end to seven years of bitter controversy over teacher salaries.

**Some Hon. Members:** Hear, hear!

**Mr. MacMurchy:** — We replaced area bargaining with The Teacher Collective Bargaining Act, an act that works so well we were able to reach two provincial contracts in only two months of brass-tacks bargaining.

The contract in 1973 brought parity to teachers in Saskatchewan. The 1974-75 teacher contract provides a built-in cost of living guarantee, retirement at 55 with 50 years of service, pension increases up to 40 per cent, with future increases tied to the Consumer Price Index, a minimum pension of \$8 per month for up to 35 years of service, and several other benefits.

I say in this House, Mr. Speaker, that the contract negotiated for teachers in this province, the 1974-75 contract when it is viewed in total has become the envy of every other employment group in this province.

The Saskatchewan University Commission has been established, commissioned to coordinate and rationalize university education in the University of Saskatchewan and in the University of Regina.

An impressive record, Mr. Speaker, in education in the last three and one-half years. Such an impressive record, Mr. Speaker, that the record in education by this Government is apparently a serious cause for concern in the ranks of the Liberal Party.

I have here a news clipping from the Saskatoon Star Phoenix of last Saturday reporting on the Liberal convention. I am sure the reporting is accurate, it might not be in the Leader Post, Mr. Speaker, but most certainly the reporting will be accurate in the Saskatoon Star-Phoenix. This report has a headline — “Heated Discussion Surrounds Education Paper”. It seems the Liberals are badly split over The Teacher Collective Bargaining Act, which I just talked about, it seems that the Liberal position paper basically endorsed the NDP legislation. Anyway, the Liberal trustees at the convention got into such a fight that one delegate suggested that they debate the problem elsewhere. Another delegate said he was “alarmed at the confrontation”, and said, “the party could lose the next election if agreement was not reached”.

Now, Mr. Speaker, this debate over The Teacher Collective Bargaining Act is really very unusual. It's unusual because the record shows that the Liberal MLAs opposite in this Legislature voted against the new bargaining legislation to a man. However, when they took their stand at their own party

convention, the teachers present refused to back them up and there were some teachers there, I understand, and I'm going to comment on what those teachers are going to do in just a minute. And they now have, obviously, within their ranks, a very serious split over the issue.

Now, Mr. Speaker, this isn't the first time the Liberals have had to hide their true colours cause they are afraid of losing votes.

Mr. Speaker, a few weeks ago the Leader of the Opposition, the Liberal leader (Mr. Steuart) made a speech in the Turtleford constituency and in his speech, Mr. Speaker, he promised a liberal government would tie provincial school grants to programs instead of to enrolment. Now I commented on his proposal when I spoke to the Saskatchewan School Trustee Convention in November. I said in that convention that this is exactly what Mr. Steuart did when he was Provincial Treasurer. When he was Provincial Treasurer he tied grants to the teacher-pupil ratio and he applied budget reviews. We all know what that Liberal policy did to morale in our schools and how it brought cut-backs particularly to our small schools, in our small town schools. It turned out that many school trustees agreed with my comments, as they were later to report to me. Apparently many of the Liberals at the convention agreed with the comments that I made and they remembered the Liberal years under Mr. Steuart's budget review and teacher-pupil ratios.

It's interesting when the grants resolution came up for debate what happened in the convention, Mr. Speaker. In the convention the people ran for cover and what did they produce, they produced a resolution that is little more than a "me-too" of our NDP policy. In this same news report headed "Heated Discussions Surround Education Paper", they report a list of other "me-too's", me-too resolutions, supporting grants for small schools that our NDP Government brought in last spring, the NDP action on consumer education courses, the proposal for four-year teacher training.

Mr. Speaker, I say that the New Democrats are quite pleased, and certainly I am quite pleased, to see Liberals endorsing things that we have already done in this Government. I know many, Mr. Speaker, I predict many educators who once were Liberals, in fact many teachers who attended that convention last weekend will be voting NDP in 1975.

**Some Hon. Members:** Hear, hear!

**Mr. MacMurchy:** — Mr. Speaker, there are two other major issues which this Legislature must deal with. One of them is the Liberal plan to abandon rail lines, remove the freeze on freight rates, promote inland terminals and in particular the plan to eliminate the Crow's Nest Pass agreement.

Now the Liberals say they aren't doing these things, Mr. Speaker, but I say their actions speak louder than their words. They have already announced the end of the freight rate freeze, and the abandonment applications will start coming in on January 1st. Secondly the Liberals have given grants to the inland terminal at Weyburn and thirdly, Otto Lang is promoting abolition of the Crow's Nest rates.

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Now the Members opposite call these federal issues, but let me tell you, Mr. Speaker, when the rural economy in Saskatchewan is under attack, when our rural communities are under attack, that is a provincial issue and the New Democrats will not let the Liberal Party opposite or the Members opposite, or the Liberals in Ottawa ignore it.

Loss of the Crow's Nest freight rates alone could mean an extra 50 cents shipping charge on every bushel of Saskatchewan grain and the cost to Saskatchewan farmers and their trading centres would mean hundreds of millions of dollars.

Let me just give you an example. In the constituency of Last Mountain-Touchwood the average shipment over the last three years was slightly over 20 million bushels a year. That means a cost of \$10 million in the Last Mountain-Touchwood constituency. Let me break it down to one community, the community in which I live and which I farm, Semans. Semans has a shipment of 1.5 million bushels. There are 400 people in the community of Semans. That means a loss of nearly \$2,000 for every man, woman and child in the village of Semans. Where would this money go? Every penny of that money would go directly into the profit margin of the CPR, and according to Otto Lang so they can provide good service. It is interesting, Mr. Speaker, that the Liberals promote this nonsense even though their record clearly shows that the CPR takes its railway profits and invests them in other ventures, such as real estate, trucks, airlines and so on. We all have seen the television ads on the football broadcasts. Abolition of the Crow's Nest rates will not mean better service, it will only mean more profit. It is obvious that this Liberal policy would be disastrous to Saskatchewan.

Liberal resource policy is no less disastrous than their farm policy. The Liberal resource policy is a plain and obvious attempt to force Saskatchewan to drop its oil and potash royalties so that Ottawa and the oil companies can take more. Mr. Speaker, it is a direct challenge to the policy of the New Democratic Party to the policy of this Government to use Saskatchewan resources for Saskatchewan people. This Liberal resource taxation policy has nothing to do with sharing the resources nationally, if Ottawa were truly interested in sharing, why do they tax royalties paid to the province, but not royalties paid to the private companies?

I remind you, Mr. Speaker, that Ottawa already takes \$6 out of every \$11 on a barrel of oil, while Saskatchewan takes between \$2 and \$3.50. The Federal Government already gets the lion's share and they now want to force Saskatchewan out completely. Mr. Speaker, Saskatchewan citizens and I include many Liberals and Conservatives, all Saskatchewan people are asking why the Federal Government is so determined to take western resources, but shows no interest in sharing the industrial development of Ontario and Quebec. Mr. Speaker, many supporters of the Liberal Party wonder why their leader and MLAs who sit opposite support a federal tax that is killing the industry, looting the West of its resource heritage, a tax that is obviously designed to benefit the East at the expense of the West.

Mr. Speaker, it is true, Saskatchewan citizens are familiar with Liberal politics, they know that strange things happen, but even Liberals cannot accept the total lack of any principles that their own leaders are showing. I can tell the Members

opposite these are provincial issues, these are provincial issues because our people are concerned, they are concerned about the lost rail lines and Crow's Nest rates, they are concerned about scarce resources, concerned about the loss of \$40 million in equalization payments that are their rightful due, concerned about paying higher power, higher gas rates to subsidize this federal taxation.

Mr. Speaker, the NDP Government has given sound, it has given reasonable leadership on these vital issues. I am proud to be a member of this Government, I am proud to stand with Allan Blakeney, I will support the motion.

**Some Hon. Members:** Hear, hear!

**Hon. R. Romanow** (Attorney General): — Mr. Speaker, it is my pleasure to enter this Throne Speech debate and to compliment my colleagues, the Member for Nipawin (Mr. Comer) and the Member for Hanley (Mr. Mostoway), for doing an absolutely first-class job in moving and seconding the Speech from the Throne. I believe that they carried out that job as well as any mover and seconder has done in the last number of years.

Mr. Speaker, the Throne Speech debate has once again pointed out to the people of Saskatchewan the absolute inability of Liberals to offer any positive solutions or alternatives to the problems of Saskatchewan as we enter the latter half of the '70s. All that this Speech from the Throne has produced from my friends opposite are the same old tired out clichés and speeches. The Leader of the Opposition had a new wrinkle. He tried to describe the Speech from the Throne as a "sad, sick document". I believe those were his words. I am sure that few in 'Saskatchewan would agree with him. But I can tell him that his reaction to the Throne Speech is nothing compared to how sad and sick the Liberals are going to feel after the next provincial election.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, today I want to deal with the overriding issue of natural resources. The highlight of the recently concluded Liberal convention in Regina was a speech given by the Prime Minister of Canada on this very topic. In fact the one thing that stood out in the Liberal convention was the degree of domination by the Prime Minister and his federal cabinet colleagues of the provincial Liberal Party at the Regina convention. Most of the press coverage referred to the Prime Minister, Mr. Lang and the Federal MPs. Now I am not going to talk about the other obvious conclusion of the convention, namely the almost total lack of policies to meet the challenges of the '70s.

**An Hon. Member:** — Nothing!

**Mr. Romanow:** — One of my colleagues says 'nothing', but that is not quite true. There were some vague generalities of, "shedding a right wing image and becoming centre of the road". Then just to prove it, a resolution to ask machinery companies to provide fully stocked parts depots for farmers was defeated, despite major farm support because, according to the newspaper

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reports, delegates felt such a resolution was right out of the NDP handbook.

Someone should tell Regina Liberals that it wouldn't be the first time that Liberals took something right out of the NDP handbook. It took them a little while to realize the worth of NDP programs, but this is not the first instance of it.

The convention was full of generalities and if it hadn't been for my friends in the Star-Phoenix, with their headlines and editorial sections, the Liberal Convention probably would have gone without notice. Here's a third page story in the December 9th Star-Phoenix, in which the headline has no bearing on the actual substance of the story. Headline says, "Liberals Favor Agricultural Freedom for Saskatchewan."

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — And I notice that the Member for Milestone (Mr. MacDonald) and the Members opposite applaud that.

Take a look at what kind of freedom they are in favour of, Mr. Speaker. According to this newspaper report, they are in favour of the freedom of doing away with the Canadian Wheat Board and marketing agencies. That's the freedom they are for. Oh, the Members look quizzically; well, just take a look at the same newspaper story. It reports that a heated debate took place on the floor of the convention. Here's the quote:

The marketing board debate promoted by a convention decision to allow hog producers a vote on whether they wanted to retain the Hog Marketing Commission featured a verbal clash between a Liberal MLA and a party candidate for the next provincial election. Colin Thatcher, a candidate in Thunder Creek riding, argued that producers should be allowed to opt out of marketing boards if they want. Tom Weatherald, Member for Cannington said the suggestion would require a change in the concept of marketing boards and he was not in favour of it.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Oh but the Member for Morse (Mr. Wiebe) sided with the candidate, Mr. Thatcher. Then Mr. Thatcher, according to the newspaper, said this: (Listen to this, Mr. Speaker, we've been saying it all along, but this comes right from Mr. Thatcher). He said that the marketing boards must have a monopoly.

The idea that marketing boards must have a monopoly in the marketing of products in their area, Mr. Thatcher said, was dispelled last summer when Justice Minister Otto Lang, Minister in charge of the Canadian Wheat Board allowed free market selling of grain on the domestic market.

Mr. Thatcher then said and I quote:

I'm shocked at the arguments put forward by Mr. Weatherald. I thought they were outmoded.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — And then, Mr. Speaker, what do you think the Liberals did? The Liberals passed the resolution which, in effect, has taken away the principle of orderly marketing and put an end to compulsory producer participation in marketing boards. This was the resolution that was passed, and it confirms what we on this side have been saying to the farmers of Saskatchewan — the Liberals in Saskatchewan and in Ottawa are opposed to the Canadian Wheat Board.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — If there's anything that should call the farmers of this province to arms in the next provincial election campaign, it is the desire to make sure that the majority view of Mr. Thatcher and his fellow Liberals is not ever accepted in the Province of Saskatchewan again.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Oh, there was total confusion also in this convention about whether or not governments should be in the oil business. Some said that they should be in the oil business; some said they shouldn't be in the oil business. Those who said they should be in the oil business said that they should because Saskatchewan has a serious problem with declining oil reserves; we have enough for only ten years or so. But in the end, Mr. Speaker, even this notion was rejected by the new look, non-right wing Liberals. It was rejected. Why? On the very sound, logical argument that, and I quote the newspapers, "It's Socialism". That's why it was rejected.

I got a charge out of one resolution in particular which did pass. It called on Liberals to become partners with private enterprise. Government and private enterprises to become partners. I thought to myself, goodness, this is a new look Liberal party. But when I read carefully I saw that the article said the motion passed only after it was amended to read that the government would be allowed to become minority partners.

The Member for Cannington (Mr. Weatherald) says, right. I suppose they mean minority partners like in the Athabasca pulp deal, where the taxpayers put up most of the money and the risk, but were only minority shareholders. I guess that resolution works somehow on the convoluted Liberal logic that a little bit of socialism is all right. It's like a little bit of pregnancy in their thinking, not the same as being the actual mother or actual father.

No, Mr. Speaker, I'm not going to talk of a Liberal Party and a Liberal leadership that is bankrupt of ideas and totally dependent on slick expensive advertising as the sole means to power in Saskatchewan. That's not the important issue.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — What needs to be talked about is the speech of the Prime Minister and that all important issue of resources for the Province of Saskatchewan.

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Mr. Speaker, there are three basic issues, three basic questions that need to be answered. Who has the right to determine how our natural resources are developed? What is the extent of Saskatchewan's obligation to the rest of Canada in respect of our resources? Finally, are these issues provincial election issues? Let me try to deal with these questions.

First, who has the right to determine how natural resources are to be developed in Saskatchewan? Put another way, Mr. Speaker, do Saskatchewan residents have the right to determine for themselves the manner in which Saskatchewan oil, potash and minerals are to be exploited? Now, until the recent Federal Budget, it was generally accepted that the people of a province can decide what taxes should be levied against those who profit by the development of our natural resources. That was above dispute. For example, when the Liberals opposite were in office here in Regina, they decided that little if any taxation of resource development companies should be carried out. Now, in 1971, the people threw that philosophy out and elected this Government to put an end to that program of giveaways to eastern Canadian and multinational corporations. Bill 42 is in keeping with that 1971 mandate from the people, because it says on a fundamental question, that windfall profits on oil must come to the people and not to the corporations. And similarly in the case of potash, our policy says that the benefits of that potash must go primarily to the owners. Again, that the benefits must go to the people of the province and not to the multinational and eastern Canadian corporations.

But when the Liberals were in office these benefits were allowed to go because of their policy of no taxation on resources. There was no Federal Liberal budget attacking their right to tax corporations. There was no attack by the Federal Liberals then, but now all of a sudden once the New Democrats are elected in Saskatchewan, the people of this province begin to witness Federal Liberals' policies which say for the first time to the people of this province that we do not have the right to fix the charge for the use of our own resources.

Last Friday the Prime Minister of Canada and his provincial Liberal leader here in Regina, told the people of this province that we must reduce our royalty charges. According to Liberals, Saskatchewan people are, to quote the Leader of the Opposition (Mr. Steuart), too greedy, and we must accept less for our own resources. We were told that more should go to the corporations and more should go to the Ottawa central government. Ottawa Liberals now tell us that what is in the best interests of this province and our resources will be developed and determined by Ottawa.

Mr. Speaker, just when Saskatchewan resources are in high demand and this province could capitalize on that, Liberals once again have asked Saskatchewan people to take less.

Who has the right to determine how natural resources are developed? Well, I say that in the next election, Liberals will be clearly told by the people of the province that it's the people and their provincial government that have the right to determine who controls resources.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Now, Mr. Speaker, the second

question is, what is the extent of Saskatchewan's obligations to the rest of Canada in respect of our natural resources? Let's be absolutely clear about this. This Government is committed, like all Saskatchewan people, to this great country, Canada. As Saskatchewan citizens many of us look to a strong central government as a vehicle to attain social and economic equality for all people, for all Canadians and for all regions of Canada.

Now with respect to our oil revenues or other natural resource revenues, have the people of this province lived up to those commitments to this country? Well, I say the answer to that is clearly yes. The now famous March agreement between the Prime Minister and our Premier and the nine other Premiers of this country, said that an \$11 barrel of Saskatchewan oil would be divided in this fashion: Four dollars would go to the oil companies, because that was a fair return for them; two dollars and fifty cents thereafter would go to the Province of Saskatchewan in the form of royalties, back to the people of this province; and, everything over \$6.50 would go to the Federal Government to be used to keep the price of oil in eastern Canada at the same level for all Canadians. Put another way, Saskatchewan residents gave up anything from four to six dollars for every barrel of Saskatchewan oil pumped from the ground so that our fellow Canadians in other regions would not be unduly squeezed. That was Saskatchewan's contribution and a generous contribution it was, Mr. Speaker, when you consider this resource has only about ten years to go in this province.

I'm sure that no one in Saskatchewan would accuse this Government of being greedy, to quote the Leader of the Opposition and the Liberals, if we asked from Ottawa for a few concessions in return for Saskatchewan and for our region, western Canada, in return for this price and this loss of revenue. That's what the Premier was doing in January; and that's what he was doing in March, in Ottawa when he was meeting with the Prime Minister. For all the millions in lost Saskatchewan oil revenue to help keep the prices level in other regions of the country, is it wrong, I ask you, Sir, that freight rates should be changed so as to ease the rank discrimination that we suffered over the years? This is what we asked in exchange for the lost millions to eastern Canada. Is it wrong to ask for a comprehensive agricultural stabilization bill to end the economic yo-yo for our farmers? In exchange for the millions lost to eastern Canada is Saskatchewan wrong to ask that there be no change in equalization payments, Mr. Speaker? Well, according to the Prime Minister and his provincial leader in Regina it is wrong for Saskatchewan and the West to get this break. They told us so last Friday at their convention. Last Friday the Prime Minister was here "to set the record straight", to use his words. Not only would we lose everything over \$6.50 a barrel by the agreement in March, but the \$2.50 in royalties which come directly to the province would not be computed and it would now be computed in the equalization fees for the Province of Saskatchewan. We thought they wouldn't be computed, but now they are going to be computed.

The Prime Minister is clearly and unequivocally supported in this position by his provincial Liberal Party. Quite obviously, Mr. Speaker, party loyalty comes first to the Liberals in matters of equity for the West and Saskatchewan.

This country must recognize that ever since Confederation,

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Saskatchewan and the West have more than fairly sacrificed our natural resources and our development, yes, our development, in the interests of central and eastern Canada. No one has complained. We must acknowledge, however, that it is time that the Province of Saskatchewan deserved a better break from confederation. We want our central Government to promote our family farmers, to boost our small towns and villages, to help our small businessmen, not to go on a wild scheme of rail line abandonments. Is it wrong for Saskatchewan to so ask, especially in exchange for our non-renewable resources as the Premier is doing in this resources fight?

Liberals opposite say that it is wrong so to ask. Well, I say to you, Mr. Speaker, people of Saskatchewan will support Premier Blakeney in his contention and will reject the Prime Minister's views on this very important issue.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Now, Mr. Speaker, the third question is, are these issues provincial election issues? Mr. Speaker, we are seeing the spectacle in the last several days of Liberals practically down on their hands and knees pleading with the electorate that these are not provincial election issues. The Liberals say that we want to fight the next provincial campaign on federal matters. Well, that may be so, Mr. Speaker, but the real truth is that the Federal Liberal Party is now preparing to fight in our provincial election by this resource stand.

I remind the Members of the House that even before the Turner Budget, Federal Liberals had started their campaign politically against this Government. Witness some of these headlines: October 7, 1974, Star-Phoenix — “NDP May Thwart Federal Policies — Lang”; October 26, Leader Post, “Federal Ministers Lash NDP”. (You recall, Mr. Speaker, they lashed when they sat down for their \$100 a plate dinner here at the Regina Inn); October 28, Moose Jaw Times Herald, “Federal Ministers Concerned Saskatchewan Won't Co-operate”; and now, of course, the Prime Minister of Canada in Regina last Friday “to set the record straight” for us, Saskatchewan people.

Mr. Speaker, I ask who has made this a provincial election issue if not the Federal Liberals themselves in their haste to try to defeat the Blakeney Government in Regina? But I welcome that, because there can be few more important provincial issues.

Not so, say the Liberals opposite. They want us to fight on so-called provincial matters. Somehow the future of natural resource development is not a provincial issue; somehow the load of millions in equalization is not a provincial issue; somehow increased taxation of power corporation users is not a provincial issue; somehow Liberal resource giveaway to eastern Canadian and multinational corporations, resources that belong to our province and our people, is not a provincial issue; somehow, Mr. Speaker, using resources to get more industry for Saskatchewan and the West is not a provincial issue. Does anybody believe the Leader of the Opposition and the Prime Minister of Canada? It's not the only issue, that's for sure.

I can tell the Leader of the Opposition that our health programs, hearing aid, dental care, removal of premiums— especially when it's contrasted with theirs on deterrent fees and hospital closures — that will also be an issue. I can tell

the Leader of the Opposition that our plans to try to save rural Saskatchewan with Land Bank and FarmStart, especially as contrasted with their do-nothing programs in farming, Operation Lift and rail line abandonment, that too will be a provincial issue.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — I can tell the Leader of the Opposition that our labour legislation as contrasted with the Liberals' Bill 2, that that too will be an issue in the next election campaign.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — And I can tell the Leader of the Opposition that human rights issues as contrasted by the seven years of iron-fisted rule by the Liberals opposite, that too will be an election issue.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — But I also want to tell the Leader of the Opposition that resource development and Liberal policies on resource development, Liberal policies in Regina and in Ottawa will be a major issue in this campaign, make no mistake about that!

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Why did the Prime Minister of Canada, together with his Federal Cabinet colleagues, inject himself directly into provincial politics when he came to speak at the Liberal convention last Friday? Well, I'll tell you the answer because it is simple. Ottawa Liberals want a passive and submissive Liberal Party in power in Regina. The provincial Liberal Leader has already told all of Canada that he will not oppose the Prime Minister on this resource issue. Wouldn't it be terrific for the Prime Minister, wouldn't it be terrific for Mr. Lang, the Minister of Justice, wouldn't it be terrific for the Minister of Energy and the Minister of Transport, to have a provincial government in Saskatchewan headed by the provincial Liberals that would be Ottawa's "little sir echo." In the next few months, Saskatchewan voters will see one of the most concerted efforts by federal Liberals against Premier Blakeney and the New Democrats that this province has ever seen as we approach the election.

The provincial Liberals can't do anything on this; they have no independent stand other than to say, don't debate it. People don't know where they stand on this issue. They have no independent stand from that of their Prime Minister. Their policy is simply one of 'me too'. Is that what Saskatchewan voters want for their province — a party and a government that says, 'me too' to Ottawa and the Liberals? Is that what Saskatchewan and the voters want, a party that says, 'me too' to rail line abandonment? Is that what Saskatchewan voters want, a party in Regina that says, 'me too', to the abandonment of the Canadian Wheat Board as the Liberals passed in resolution? I don't think they do.

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We are on the verge of fantastic new opportunities for this province and for the West, and resources are the key to the development of those new opportunities. But we must manage them wisely and carefully so as not to pollute and not to squander. We must give the best possible returns to our province. This is vital for our future. Is this a provincial election issue? Mr. Speaker, you bet your life it is a provincial election issue, because, as far as I am concerned as a young Canadian living in Saskatchewan, I want to know that this province will realize its great potentials for the first time. And Ottawa Liberals have made this the issue in the campaign. Only the people of Saskatchewan will determine if they want Premier Blakeney to continue his fight, to strengthen the future of Saskatchewan and in the process strengthen this great country, Canada. And I say that they will give him that mandate.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, because the Speech from the Throne points this way, it has my unqualified support.

**Some Hon. Members:** Hear, hear!

**Mr. C.P. Macdonald** (Milestone): — Mr. Speaker, I am delighted to follow the Attorney General and the Minister of Education in this debate.

One of the most interesting parts of both of their remarks was their great concern about the great Liberal convention held in the Regina Inn last weekend. Well over 1,400 Liberals came to Regina from every corner of the province to determine Liberal policy and programs. Contrast that to the NDP convention of a few weeks ago where 750 or 800 were dragged in. You know they were really concerned about the press coverage. You know, Mr. Speaker, the reason there was no press coverage for the NDP was because they closed their panels, in secret consultation. The NDP doesn't want debate or difference, or controversy in their convention and they shut the doors and locked then on the Press. The Liberal Party is open, as always, opened the doors to the Press and the public and welcomed them.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Mr. Speaker, it was really interesting to hear the Attorney General trying to sell, again, to the Canadian public or the people of Saskatchewan the same as the NDP have for 40 years, that those terrible Liberals under Otto Lang are trying to do away with the Wheat Board. You know they tried it in the federal election; they tried it all of April, May, June and July and the people of Saskatchewan gave them an answer. We know the Wheat Board is stronger than ever; we know that it is selling more grain than at any time in history; we know that we are getting higher prices; we know that Otto Lang is going to have elected a democratic board; we know that Otto Lang has strengthened the Wheat Board. They rejected them in the federal election and they will reject that concept right now, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Another thing he said: you know that terrible Prince Albert Pulp Mill and won't it be interesting when the

Saskatchewan Forest Products come up and we ask the public of Saskatchewan how much money they paid of the taxpayers for that 30 per cent share. The NDP say \$1.5 millions and then we say to them, how much money has the Prince Albert Pulp Mill made in the last three or four years? The Minister-in-charge will say \$35 million or \$40 million, or \$50 million, because those are the estimates that we are getting from people in the timber industry. That already for the \$1.5 million investment that Prince Albert Pulp Mill is almost paid for and that percentage of the whole \$65 million and for \$1.5 million the people of Saskatchewan got 30 per cent.

It was rather interesting to listen to the Minister of Education (Mr. MacMurchy). He stood up and he talked about that Liberal convention and he said, "You know the Liberal policy and The Teacher's Salary Act was, me too." Well, I want to tell him that the teachers of Saskatchewan don't think it is "me too".

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — The teachers of Saskatchewan think the present Teachers' Salary Act is a disaster; it is the only group of employees with a mandatory two-year agreement in Saskatchewan; it is the only group of employees that are limited in the scope of bargaining the seven mandatory items unless mutually agreed upon. It is the only one in the Province of Saskatchewan, in one of the most viable issues, education, that is changing every day that will not even let things be discussed on the table. It has caused a walkout in Regina; it has caused the hostility and the anxiety and the frustration of teachers and trustees. They recognized that it was a bad Act. I ask the teachers and trustees to examine those policies that were passed at that one.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — But the most interesting thing, Mr. Speaker, I think where the people of Saskatchewan will be disappointed in the Minister of Education is that he didn't stand up and talk about HRDA (Human Resources Development Agency) and explain to the people of Saskatchewan and the civil servants of Saskatchewan how disgusting it was that he summarily dismissed the entire department because they dared to stand on their feet and object to the Minister of Education and his policies in northern Saskatchewan. Why didn't you tell us that? Instead he is standing up like a parrot and bragging about the so-called accomplishments of the NDP. Today the civil servants in this province are voting as to whether or not they are going on strike and I suggest it is the attitude of the Minister of Education when two years ago he summarily dismissed on the excuse of reorganization, a host of employees in the Department of Education. Then a few months ago he summarily dismissed an entire department or agency of government because they had the nerve to stand up and disagree with government policy. Why didn't the Minister of Education talk about those things? That's what the people of Saskatchewan and that's what the civil servants in this province want to hear.

I want to talk now and I am glad to follow the Attorney General (Mr. Romanow) also when he stands up and talks about the resource industry. He said, you know the Liberal Party and the Liberal Government was so passive. I wonder if the people

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of Saskatchewan think Ross Thatcher and the Liberal Government were passive in dealing with Ottawa four years ago. There was more strength and leadership and independence in a Saskatchewan Liberal Government than any provincial government in the Dominion of Canada. And let me tell you the public of Saskatchewan know it.

**Mr. Romanow:** — But it's a new party now Cy.

**Mr. MacDonald:** — Yes, you bet it is, but I'll tell you the independence of the Saskatchewan Liberal Party is just as strong and vibrant as ever.

Mr. Speaker, Saskatchewan is now on the verge of a provincial election and Allan Blakeney, Roy Romanow, Gordon MacMurchy and that crew over there are searching for an issue to cover up the failure, the arrogance, the lust for power of three and one-half years of government. Is it any wonder that they don't want to talk about the Land Bank, the compulsory Hog Marketing Commission, the destruction of the oil industry?

**An Hon. Member:** — Where are you going, Roy?

**Mr. MacDonald:** — Sit down and listen, you might learn something. They have created an atmosphere of fear and suspicion and apprehension among the people of Saskatchewan. The question posed the NDP is, how do we divert the voters of Saskatchewan from the mess they have left in this province? The Throne Speech is their answer. Attack the Federal Government; attack the concept of confederation; resurrect the bogey-man of western alienation. I suggest it is a dangerous course for Canada and a dangerous course for Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Once again the cloud of federal-provincial relations is the theme of the Throne Speech and the entire emphasis of the NDP attack.

The Federal Budget has all of a sudden become the focal point of this attack. Let me quote from the Leader Post of November 13:

Premier Allan Blakeney said the new Budget could and probably will have grave consequences for Saskatchewan. Speaking primarily about resource taxation and equalization provisions in the Budget, Mr. Blakeney said they represent a direct violation of an interim oil policy agreement made between Ottawa and the provinces in March.

And I ask the Members to remember, the agreement made in March.

According to provincial government officials the agreement stipulated Ottawa would not levy taxes against oil royalties paid to the provincial government nor would there be any reduction in equalization payments in Saskatchewan.

I say to Premier Allan Blakeney and to Saskatchewan people that

those statements are false, misleading and deceitful.

Let me take them one at a time — first, equalization payments to Saskatchewan. Let me begin by quoting from the speech of Premier Blakeney in this Legislature last Wednesday, December 4th, 1974 and I quote:

The Budget changes the agreements on equalization reached in March. These changes do not affect Ontario, do not affect Alberta, do not affect British Columbia. They mean more money for Manitoba, Quebec and the four Atlantic provinces. Only one province loses by these changes — Saskatchewan.

Now I ask all the Members of the House and the Press to return to the report to the Legislature of Allan Blakeney on March 28, 1974, the day following his return from the federal-provincial conference on March 27th, the day after the meeting in Ottawa. Let me quote his statement on equalization payments and the amount that he obtained for Saskatchewan and it is a quote directly from Hansard. I asked the Press to look it up:

And while I cannot predict what this benefit may bring to Saskatchewan since I do not know where our income will stand during the next fifteen months, including oil income, as measured against the Canadian average, our very rough estimate is that the benefit will mean that we will preserve our entitlement to perhaps \$100 million of equalization payments which we would otherwise have lost.

I repeat, “Preserve our entitlement to \$100 million of equalization payments”.

**Mr. Blakeney:** — No, that we otherwise have lost . . .

**Mr. MacDonald:** — Let’s listen very carefully, don’t get excited, Mr. Premier. Don’t get excited let me read the report of Mr. Trudeau in the House of Commons on March 28th, simultaneously, as the Premier was standing up in the Legislature of Saskatchewan. And let me repeat what he said:

While the revenue taken into capital funds would not be subject to equalization the Federal Government will of course pay equalization respecting any oil revenues that go into general funds. We calculate our added equalization payments will likely be something over \$100 million.

In Regina, Allan Blakeney says \$100 million, in Ottawa Trudeau says \$100 million. Now last March, the Premier did not deny that equalization payments would drop or change. This is the principle of equalization. They are measured on the national average and vary from year to year.

No one can question that grain income, resource income has risen dramatically and our equalization payments would vary accordingly. His argument was not the change in equalization payments, but that he personally had made a good deal for Saskatchewan in preserving \$100 million and a protective shelter

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for fifteen months from any dramatic drop due to vast oil revenues accruing to Saskatchewan.

He returned to the acclaim of the NDP. Member after Member stood up and talked about \$100 million in equalization as a good deal for Saskatchewan, bragging about the good deal made in Ottawa. He, Allan Blakeney had preserved equalization payments to Saskatchewan at \$100 million. Now, six months later, the tune has changed. It was a good deal in March, it's a bad deal in December. What was a personal victory in March, is a double cross in December. What was good for Saskatchewan in March, is a disaster in December. What was good negotiation in March, was a slap in the face in December. What was good for Canada in March, is now an attack against poor little Saskatchewan by those terrible Federal Liberals in December.

Some very important questions arise for Members of this House. Is Allan Blakeney telling the truth? Is the NDP jeopardizing confederation for cheap political gain? Is the Premier of this province deliberately distorting the facts on the eve of an election? Is the NDP frightened of their own record and deliberately manufacturing a phony issue? The Prime Minister of Canada has challenged the Premier on his statements. He states, as does Allan Blakeney, that the agreement on March 27th provided Saskatchewan with \$100 million in equalization payments. Both appear to agree on that fact. He also states that the Budget brought down by John Turner increases those equalization payments to \$107 million, approximately. Not \$40 million less, but \$6 million more. In addition, he says the protective shelter will be in effect for three years instead of fifteen months. And, Mr. Speaker, I want to read that in the report for the House of Commons of the Prime Minister last Wednesday:

Indeed, to protect the province absolutely from any decline in equalization payments would have made a mockery out of the equalization system. Finally, I should note that the benefits to Saskatchewan from the Budget proposal concerning equalization will apply for three fiscal years, whereas the March understanding would apply for only fifteen months.

This, in itself, Mr. Speaker, could mean millions of dollars in equalization payments for Saskatchewan over the additional 21 months. But the effect is to improve our position, not to reduce it. I challenge Allan Blakeney to stand up in this House and deny these figures. I challenge the NDP to put forth these figures for the scrutiny of all Canadians to contradict their statements. Allan Blakeney had made a direct attack on Canadianism for the cheap political benefit of the NDP provincial election. I say it is a cheap, unwarranted attack, a distortion of the truth and that Canadians have a right to know the truth.

Now let me turn to Premier Blakeney's second area of attack on the Budget and its effect on Saskatchewan, "the disallowance of royalties as a deduction in computing Federal corporation taxes". Isn't it interesting that the Attorney General, who just sat down, talked about what the Saskatchewan Government lost, he talked about the greed of the Saskatchewan Government in wanting their share on 100 per cent surcharge, but he never once mentioned the Saskatchewan private section of the oil industry.

First, let me say that I believe this is a deliberate attempt by Allan Blakeney to camouflage the real issue in Saskatchewan — Bill 42 and its impact on the Saskatchewan oil industry. I want to begin my remarks by reviewing what has happened in Saskatchewan.

December 10th is a significant day in the history of Saskatchewan. It is the anniversary of the passing of Bill 42 by this Legislature, one year ago. Today in Estevan and southeastern Saskatchewan, the oil and technical workers are commemorating that anniversary in a memorial service by reminding all of the people of that area just what has happened since that historic date. By radio and newspaper advertising, they are reminding the people of Estevan that their friends and neighbours are no longer living in their community. They are warning the people of Estevan that if things do not change immediately many more will be leaving their city to find work in other parts of Canada and the United States. They are reminding the people of the greed, arrogance and vicious attack on their industry that has destroyed future oil exploration and development in Saskatchewan.

This Bill was a clever, diabolical scheme of the NDP to take over the oil industry in Saskatchewan. The plot was so clever that they couldn't be accused of expropriation, they just confiscated it by excessive taxation.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — For the desire to satisfy their political philosophy, they have jeopardized the energy supply of Saskatchewan citizens for years to come. With only six or seven years supply and little or no exploration to find new reserves, it could well cost the consumers and citizens of Saskatchewan millions of dollars in increased prices in years to come. The most damning indictment against Bill 42 is that fact that it is one of the most anti-Canadian, anti-Saskatchewan pieces of legislation ever introduced in this House. For a party that preaches anti-American investment for years, Bill 42 deliberately drives Canadians and Saskatchewan citizens out of the oil industry and leaves it to the multinational corporation.

Let me prove my point. Somebody over there says, "Oh". Go talk to the little Saskatchewan oil men. First, it treats all investors equally. The multinational corporation which has most of the production and the lion's share of the revenue is treated in exactly the same fashion as the small struggling Saskatchewan oil man with one well. The Minister for Swift Current (Mr. Wood) knows that is true in his area. Second, the large corporation that has the vast majority of the production has had its returns cut to a minimum, no question. Its profit is reduced to such an extent that it is discouraged to explore and develop in Canada.

They are now avoiding Saskatchewan like the plague but they will continue to produce with little or no exploration other than the 33 cents incentive and some of them are not even taking that up. But the small Saskatchewan company that wants to explore is now, in many cases, in a net loss position with a cash flow so small it cannot generate the capital required for any new drilling.

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Let me give you some examples. The American capital that originated the oil industry in this country used tax dollars that could be written off their American corporation tax. The Canadian investor used his own personal savings and borrowed capital from the United States or other sources that have now completely dried up. Do you know that Canadian banks are even refusing production loans in Saskatchewan because of the political climate and the low cash flow. There is no differential in royalty rates for the high production wells of 100,000 or 200,000 barrels a year of the large corporation or the small marginal well that is often faced with high operating costs because of water and other difficulties. They are exactly the same. It is quickly and surely driving them out of Saskatchewan. The 33 cent holdback to encourage drilling supplies enough revenue for the large corporation or the large producer to drill a well completely at the cost of the 33 cent holdback. Some large companies have built up a revenue for drilling of hundreds of thousands of dollars.

The small operator, without large production, must take the incentive grant — one-third cash grant — but they lose their 33 cents incentive. They then must go out and borrow the other 66 2/3 per cent. This capital is not available and they can't even drill if they so want. It is vicious discrimination against the small operator, the Saskatchewan companies, the Canadian companies.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — But the most significant aspect, Mr. Speaker, is the greed. The NDP is actually forcing many small operators to operate at a loss and prohibits them from closing down because of severe penalties included in Bill 42.

Let me give you an example. Most Saskatchewan wells' production is 50 barrels a day or less. It costs approximately \$60,000 to drill a well at 4,000 feet in the Mississippian zone. It then increases the cost of that well to \$100,000 to put it in production. Now let us take the royalty structure and apply it to this small marginal well, producing 1,000 barrels a month, like hundreds of Saskatchewan wells. I checked with the Department of Mineral Resources yesterday and I asked them to calculate the royalties paid and the revenues. The revenues 1,000 x \$6.50, it would vary of course depending on the type of oil, revenue \$6,500. The regular royalty — \$850.00; surcharge \$2,603; road allowance \$65, for a total of \$3,518. The operating costs anywhere from \$500 to \$1,000, particularly the marginal wells with a heavy water problem. This leaves the operator \$1,900 before taxes. He has paid no interest on his borrowed capital, none whatsoever. How can the operator pay for his investment? How can he achieve a cash flow to permit him to continue drilling in Saskatchewan? How can he pay the interest on the borrowed capital? This would leave him completely bankrupt.

Let me just table a document for a small oil producer in Saskatchewan indicating his rate of return on a small well in Saskatchewan. Mr. Speaker, it is unbelievable. It was given to me by Monaco Petroleum of Calgary, which owns 17 per cent of a well in southeastern Saskatchewan — 220 barrels a month. Total cash flow \$1,331; total royalties — \$734; operating expenses \$596. Do you know what this leaves the oil company,

\$94 a month. Do you know how much he gets for his 17 per cent of that well? \$15. Now if anybody wants to call Mr. White of Monaco Petroleums, he would be glad to discuss it with any Cabinet Minister, or any member of the Press.

Let me table another report from another oil company. I am not going to tell you who this oil company is, but I should like to tell you this: this is not a document that is secret to the NDP. This is the whole context and this is only the summary, to show that out of production of 68,000 barrels, with a total revenue of \$349,000, from the 1st of January to the end of June, a \$5.12 average per barrel, they lost \$13,000 in operating costs plus depreciation, \$61,000. Here is the total document with a letter to the Department of Mineral Resources in Saskatchewan. If you want to go to the department, you can get this report indicating the detailed accounting of extraordinary transportation costs because of no pipe lines, all extra for each individual well subject to the scrutiny of the Department of Mineral Resources in every case. Here's another man with 68,000 barrels producing at a loss in Saskatchewan.

As one operator put it, "I don't care about the Turner Budget, the NDP gets it all anyway". What is the result of this kind of greed and this deliberate attempt to drive the Canadian out of the oil business in Saskatchewan?

Well, Mr. Speaker, I have here the CPA — Nickle's Daily Oil Bulletin. Do you know what it says, the estimates for 1974 in comparison to 1973. For the development footage drilled in thousands of feet — 1973 — 1,444; for 1974 — 519. For exploration footage drilled in 1973 — 339 in thousands of feet, compared to 274 in 1974. The oil business has all but dried up in Saskatchewan.

And now, Mr. Speaker, I want to talk about what they have replaced this with. I have an interesting story to tell you and this story involves SaskOil. They introduced their own Crown corporation, SaskOil. They have given them \$10 million of the taxpayers' money, interest free to bid against an oil company with their own money. But you know there is an interesting story coming out of the oil patch that illustrates the inefficiency and stupidity of SaskOil. It tells the story far better than I can. Most of all, SaskOil is trying to convince the people of Saskatchewan that it is a good investment, they have got to get a producer, they have got to get a well. So the story goes like this:

SaskOil drilled a well at Midale on land 3-10-6-10-W2nd. You people go and check into that. This well was drilled on land offset by production in three directions by producers taking oil from the Midale zone. It should have been a sure winner. This zone was reported dry by SaskOil. They then tested the underlying Frobisher zone which flowed oil. Blake Koecheritz of SaskOil called Regina to receive some instructions. These were: don't stop the flow. Get a publicity crew out to the wellsite with cameras for public consumption. The well was allowed to flow for three to four hours against every good oil field technical practice. As a result, the pipe became stuck and a \$20,000 testing tool was stuck down the hole. The additional cost to recover the pipe was estimated at \$2,500 a day or anywhere from \$17,000 to \$25,000 because the rig stayed on that for seven days. The rig broke down and they had to go to Calgary for equipment. It is the most expensive piece of

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advertising that the NDP or SaskOil will ever do.

You know the NDP are talking about SaskOil coming to Crown corporations. I object. I tell you if they do I am going to move a motion to bring Regent Drilling, A & A Coring, Johnson Testing, the superintendent, the tool pushers, the mud suppliers for that well and bring them before the Crown Corporation Committee and let them tell the story. And I am very, very anxious to see if the NDP will support that motion and the Minister of Agriculture.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Mr. Speaker, it is a typical example of Government in efficiency and the intervention into the private sector of this economy.

Now, Mr. Speaker, I want to talk again about the DCAP program. Mr. Speaker, this DCAP program that comes to an end this month tells in a nutshell the disastrous story of SaskOil and Bill 42. In addition all of us are aware of what is happening to the Saskatchewan Oil and Technical Workers Association. Skilled professionals, drilling equipment, technical personnel are leaving Saskatchewan daily because of a lack of activity in the oil patch. It will take 20 years to restore the service industry to the oil fields in this province. In addition the taxpayers of Saskatchewan are laying out hundreds of thousands of dollars in this infamous DCAP program. The program the NDP imposed on Saskatchewan in order to save what remained of the service industry and most important to save Kim Thorson's neck. To add to this tragedy this DCAP program comes to an end December 31st. I have learned that other service companies are already registering in North Dakota, other companies are preparing to give notice to their employees because of the uncertainty of the future of this program.

Another discrimination against the small operator and Canadian companies is that the well drilled two years ago suffers the same fate as the well in operation for ten years in the royalty structure. Ten years! In other words, a well drilled ten years ago could have achieved payout five or six years ago and a well drilled two years ago may never achieve payout because of the capital invested under the current royalty structure. This does not take into consideration the risk involved. The same producer may have drilled five dry holes and have hopes of recovering his investment from the producing well.

Now, Mr. Speaker, for a moment let me turn to the Federal tax proposals. I will not advance the argument of my colleague, the Member for Lakeview (Mr. Malone) to justify their position. I thought he put it in a nutshell. Suffice it is to say, the Federal Government, through tax incentives, encourages the development of the Canadian Oil Industry and make no mistake, that is a fact. It was paid for at the expense of all Canadians who received little tax revenue during the development period and the people who screamed the loudest about the rip-off were the NDP. The provinces, on the other hand, collected hundreds of millions through royalties and other tax forms. The Federal Government is now attempting to collect some of that money back when prices have risen to the current high level.

The NDP have deliberately attempted to shut out federal

taxation by their 100 per cent surcharge. The result has been a constitutional conflict. But let us be clear. No one questions the right of the Federal Government to tax corporations. No one questions the right of the provinces to tax resources. What is the question, is the right of using 100 per cent royalty as a device to provide the Federal Government with a drastically reduced percentage of corporate income. While the debate goes on, the industry is caught in the middle and is now suffering an operating loss in Saskatchewan. Let me quote from some research done by another oil company which indicates that they are losing as much as 13 per cent a barrel, 19 per cent a barrel, over 20 per cent a barrel in all the pay zones in the Province of Saskatchewan — Reed Lake, Steelman, Weyburn, Workman, Parkman — and everybody knows that when the Federal Budget provisions are applied every oil producer in Saskatchewan, big or small, will be operating at a loss.

Mr. Speaker, the Federal Budget did soften its approach. The Alberta Government has indicated it will take some new initiatives. The NDP in Saskatchewan have been silent. No new initiatives have been offered the industry. Why, Mr. Speaker? Because the NDP do not care if the oil industries go belly up. This is their plan and the sooner the better. And, Mr. Speaker, I call on the NDP to sit down with the industry and provide assurance that they will not suffer because of the greedy dog-in-the-manger attitude.

Now let me turn very briefly to the third provision in the Federal Budget, the taxing of natural gas at the going market price. The Budget introduced this provision to prevent provinces from escaping the new royalty provisions by converting royalties to profits. In other words, controlling the wellhead price of gas to the provincial marketing agency at an artificially low price and then selling it on the export or domestic markets at a high price. By low wellhead prices and high retail prices, the provincial marketing agency would eliminate the new royalty provisions in the Budget.

The Budget allows the Federal Government to tax these gas companies at what they consider the true value of the product. I say this measure was not designed to prohibit the Saskatchewan Power Corporation from selling cheap gas to Saskatchewan citizens. I also say that if the net effect is that it does force up the price of gas to our customers, I will oppose this measure with all my vigour. Dave Steuart has already expressed this feeling of the Saskatchewan Liberal Party on this issue. He has told Ottawa in no uncertain terms that we will oppose this provision. He has asked the Federal Government to clarify the position of Saskatchewan.

Let me say, Mr. Speaker, for the only time that I can ever remember, I stand on the same side as the NDP. But I will also say that we as a Saskatchewan Liberal Party will continue to fight to prevent this provision of the Budget from having derogatory impact upon Saskatchewan gas consumers. And not only that, after watching Allan Blakeney's performance for the last few months in the oil resource industry field I suggest he leave the negotiations to Dave Steuart and then we will protect the consumers of Saskatchewan.

**Some Hon. Members:** Hear, hear!

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**Mr. MacDonald:** — Mr. Speaker, my time is up and I am sure that you can see by my remarks that I will oppose the motion and support the amendment.

**Some Hon. Members:** Hear, hear!

**Mr. E.I. Wood** (Swift Current): — Mr. Deputy Speaker, I take a great deal of pleasure in joining this debate. I should like first of all to compliment the mover and the seconder of the Address-in-Reply, the Member for Nipawin and the Member for Hanley. I think that they did a very workman-like job in this and they are a credit to both their constituencies in the work and the thought that went into these two good speeches.

Now, Mr. Speaker, I was here when the Leader of the Opposition was leading off with his remarks and he said that the Government of Saskatchewan of these times is ashamed of our record. Well, I should like to say a few things today if I may, Sir, about that record.

You know I have spent a little time going back through Hansard somewhat and one thing I noticed in the 1971 Speech from the Throne Debate, Mr. Thatcher, the Premier at the time could scarcely contain his good humour about this “New Deal for People” book, the booklet that was being distributed throughout Saskatchewan by the New Democratic Party at the time. Well, I may say, he laughed and laughed. He said that it could be “Allan’s Manifesto” and he went to great lengths to point out just how it could not be fulfilled, it was just absolutely ridiculous, it was a laugh. Well, I want to tell the Hon. Members opposite and the people of Saskatchewan know very well that it is no longer a joke. We have fulfilled those promises in that “New Deal for People” that we promised, that is to all intents and purposes they are fulfilled.

**Some Hon. Members:** Hear, hear!

**Mr. Wood:** — This in itself is a record of which I am proud.

One thing that I am especially proud of, Mr. Speaker, is in regard to what we have done in the Department of Agriculture. You know the farmers of this province know that this Government is going to do what it can to help the farmers of Saskatchewan. They have confidence in us because they can see what is taking place.

Our Land Bank has helped retiring farmers to get a fair price for their land and has also helped young farmers to get started without having the land grabbed up by the larger land owners, where it was going before we had the Land Bank. There was just no way when an older farmer wanted to retire. The only ones who could buy land from him were those people who were financed, the larger farmers. The bigger farms kept getting bigger and the older farmers were selling out and there was just nothing to stop this trend. But the Land Bank has stepped in and to the extent that they have acted they have been quite successful in helping the transition of the land from the older generation to the young farmer starting up.

I want to say that the FarmStart program has also helped

young farmers to get going into livestock, not just encouraged them but has actually helped them. This has helped to keep the young farmer on the land and keep more young farmers going into farming. Instead of just having to add farm to farm and acre to acre they have been able to increase the production from the land that they have. This, I want to say, Mr. Speaker, has been quite an item and I think it will be more of an item in the days ahead in getting these young families to stay on the land.

It is going to mean a lot not only to the farming section of our province but also in regard to the smaller urban communities. The reason for being of the smaller communities is to be of service to the farming community about them and as this community loses population the need for a viable small urban centre in that district dwindles. But by keeping these people on the land it keeps the reason for that centre to be there and it helps it and encourages it. I am sure that this is going to have a very good effect not only just now but in the years ahead.

I am proud of the fact that we came through with the hog stabilization program. The last figure that I have been able to obtain on this is that we have put some \$14 million into it. Now that is money, Mr. Speaker, that is money. We also have put money into the Intercontinental Packing Plant in order to have a packing plant that would be operating when some of the rest of them would be going out of business. Some of the rest of them were shutting themselves down with lockouts against their employees, but Intercontinental kept on and we have a packing plant that we can put some reliance in in this province. It is worth a good deal to the hog producers of this province to have that sort of thing.

Now we have cash advances on calves. I understand that the total figure is likely to be some \$35 million worth of loans and the interest forgiveness may add up to something over \$5 million.

Now back in the days when I sat over on that side of the House, the Liberals over here talked a great deal about the benefits of farm diversification. They hammered on it and I agreed with them. I still agree with them. I have just been speaking now about the benefits of farm diversification, and the Liberals were very strong about this when they were on this side of the House, Mr. Speaker. They encouraged the farmers to go into diversification. They encouraged them to set up hog enterprises and then the price went and what did they do? They said, "Too bad boys, too bad." And the farmers were left holding the bag. The young farmers who had been encouraged to go into this business found themselves with no support and the governments sat and wrung their hands.

One thing about this Government, Mr. Speaker as someone was suggesting the other day, that we should put our money where our mouth is, we did. And don't you ever think for a minute that the farmers of this province don't appreciate it and they know that this Government is prepared to not only encourage them to go into livestock and encourage them to do these things, but will stand behind them when they get into some difficulties. This, I think, has been proven to the farmers of this province, maybe more than anything. The Stabilization Program and the cash advances for calves are showing the farmers of this province that this Government is really interested in them and is prepared to work for them and to help them.

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I think that this Government also has a very enviable record insofar as its assistance to municipalities and I should like to spend a little time this afternoon, speaking about that.

I wish to address myself to the rise in the cost of living and its effect on our municipal tax rates. I have heard some comment across the floor that this Government has done nothing to alleviate the impact of inflation on our communities and the ratepayers. I should like to deal at some extent with this accusation.

I will not deny that the municipal tax rates have been going up, they certainly have been. In 1965, when the consumer price index for Regina and Saskatoon showed a rise of some 2.7 per cent over the previous December, the 1965 municipal tax rate average for the province showed an increase of 3.6 per cent over that of 1964. The general tax rate rise was somewhat higher than that of the consumer price index.

In subsequent years, the percentage increases in the consumer price index — Regina and Saskatoon and in the municipal general tax rate average rose at approximately the same rate. In 1971 the consumer price index figure was 3.29 per cent and the tax figure was 3.94 per cent. In fact, from December 1967 to December 1971, the consumer price index — Regina — Saskatoon, rose by 10.56 per cent and the municipal tax rate average rose by 10.65 per cent, just about identical, the rise in the tax rate and in the cost of living. The tax figure in 1972 was, as in 1971, a little higher than the consumer price index — 4.96 per cent as compared to 4.14 per cent respectively. However, in 1973 the December consumer price index was 6.5 per cent higher than in December 1972 while the tax increase was held to 4.44 per cent, substantially lower than the general trend. For the first time in years the tax increase was only 4.4 per cent as compared to 6.5 per cent for the consumer price index.

Again, in 1974 we have only estimates, but the indications are that the consumer price index will be some 11.3 per cent higher than last December while the municipal general tax rate would appear to be about 4.5 per cent higher than last year.

Now they say we have done nothing for inflation as far as the municipalities are concerned, but I am telling you that you are getting the best deal ever in regard to the payment of municipal taxes at these times because they are one thing that in Saskatchewan is not going up with the general inflationary trends in the province. Much credit for this, Mr. Speaker, has to be given to the municipal councils for keeping mill rate increases relatively low in comparison to the consumer price index and in the face of drastically increasing costs of items necessary to their functions.

In regard to the rural municipalities, the sub grade construction costs, for instance had increased by 14.2 per cent, from 23.3 cents a cubic yard to 26.6 cents, between 1967 and 1971 and jumped another 21 per cent to 32 cents a cubic yard from 1971 to 1973. Bids received in 1974 are as high as 61 cents a cubic yard, 89 per cent higher than last year.

Gravel hauling rose by 5.7 per cent between 1967 and 1971 and then leaped up another 31.2 per cent between 1971 and 1974. Screening costs rose 150 per cent between 1971 and 1974 although they had only risen 20 per cent between 1967 and 1971. I can go on to say that the price of a 150 horsepower motor grader

is now 120 per cent higher than in 1961; it is 85 per cent higher than in 1971.

The cost of road construction has also risen. The average cost for a mile of grid road has increased by 6.94 per cent between 1971 and 1973, but at the same time the municipal mill rates increased only by 4.4 per cent. I think this is a real credit to our rural municipalities in holding down mill rates in spite of the tremendous costs with which they were faced.

I also want to say, Mr. Speaker, that I think the Provincial Government, too, can share to a certain degree in this credit. Rural municipalities have been assisted through an increase in the amount of money available in the Equalization Grant Fund. This has been in the order of \$2.5 million given out to municipalities over the last few years for Equalization Grants. Last year, 1973, this was increased by another half a million. We also, last year, put another \$2 million into the main Farm Access Road Program, which was an extra \$2 million over and above what had been given in other years, which I believe was a real benefit to the municipalities of the province.

We are not on the air now, Mr. Speaker, and I don't think there is any objection to my saying that I am sorry that the Hon. Member for Morse (Mr. Wiebe) and the Hon. Member for Lumsden (Mr. Lane) are not in their seats because I have a few words that I thought might be of some interest to them.

One thing that we did do something on was snow removal costs. The winter of 1973-74 threatened the RMs' mill rates with increases as much as 20 mills and the Provincial Government stepped in with special grants of over \$2.5 million. The RMs paid the first two mills and the Provincial Government shared 50/50 in the remaining authorized snow removal costs.

As you are aware, Mr. Speaker, I was not with you a good part of the session last year. I was ill and was not able to be here, but when I did come back it was brought to my attention very forcibly the costs in regard to snow removal that had been sustained by many of the municipalities throughout the winter. It was brought to my attention by MLAs and by reeves and councils of the municipalities. It was impressed upon me that there had been some very large expenditures by the municipalities in this regard. I discussed the matter with my colleagues, my people in the Department and they felt that probably we should try to do something about it. Frankly, we drafted a proposal, and Mr. Clampitt of the Municipal Road Assistance Authority and myself went to the Treasury Board and the Budget Bureau with it and the Budget Bureau said that they really didn't think that this was such a good idea. Well, money didn't just grow on trees and they turned thumbs down on it. I don't know but I did a little bit of battling in the Treasury Board on it and it came to Cabinet and the Cabinet agreed with me on it. The Government did decide to go for this \$2.5 million program to help out the rural municipalities on snow removal.

I felt pretty good about this. I started getting letters from the rural municipal reeves and the councillors and I thought that I had really done the right thing. I had had a little battle to get this money for them but I was glad of it and I knew that they appreciated it and I felt pretty good about it. That I found out later, Mr. Speaker, that I was somewhat in a fool's paradise.

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You know I hate to reminisce too far back because it sometimes dates you a little. But when I went to school we had a reader which was known as the Royal Alexandra Reader. Now if any of you people were around then you will know what I am talking about, it didn't happen yesterday. We had this reader and they had some pretty good stories in there.

One they had was about this king who had built a great cathedral and he was very proud of his accomplishment in building this big cathedral and he determined that he himself and he alone was going to build this cathedral and he did. He didn't allow anybody else's money to go into it, he spent all the money and built this cathedral himself. When he had it finished he had this bronze plaque put on it that said this great cathedral was built by king so and so and he was pretty proud of it.

But when he went to bed that night he had a dream and he saw an angel come down and rub his name off this plaque and instead the name of some woman was put on. This happened for three nights in a row and he became very perturbed, in fact he was wroth and he said, "Why is this woman's name put on that plaque instead of mine?" He had the police out after her and they found her. She was a poor widow. They brought her in trembling before the king. He said, "What have you done here? Why is it that your name is being put on that plaque instead of mine?" She said, "I am sorry sir, but, I but gave a wisp of hay to the oxen as they were hauling the blocks." The angel thought that she had done this out of the goodness of her heart and not for the desire of praise and so on. So her name was on the plaque instead of the king's.

Well, you know, Mr. Speaker, I kind of found myself in somewhat the same position in regard to this snow grant. I thought that I had done a great thing and I had done fairly well. I was quite proud of myself. But lo and behold, I found that after all it was not I who was responsible for it but two humble backbenchers from the Opposition side.

I have a letter which is addressed to, "Dear Reeve," from Room 259, Legislative Building, June 26, 1974.

As you are no doubt aware the Minister of Municipal Affairs, E.I. Wood, announced last week that Rural Municipalities would be eligible for additional snow removal grants.

I was very pleased with the announcement because through talks with RM officials I had come to realize how heavy the cost of snow removal had been for many municipalities due to the unusually large amount of snow received this winter. For your information, I am enclosing a newspaper article from the March 28th edition of the Prince Albert Daily Herald. At that time I urged the Provincial Government to consider the snow removal grant which they had just now announced. My request followed a similar one made by Gary Lane, MLA for Lumsden constituency earlier on in the winter. Mr. Lane as you know is the Opposition spokesman for the Department of Municipal Affairs. This letter is to let you know that Opposition Members of the Legislature are interested and concerned with the problems of rural municipalities and are prepared to do what they can to help to have them resolved.

**Some Hon. Members:** Hear, hear!

**Mr. Wood:** —

If you feel that either I or Gary Lane can be of assistance to you in the future please contact us at Room 259, Legislative Building, Regina, or by telephoning 525-1531. Yours sincerely, Jack Wiebe, MLA, Morse Constituency.

**Some Hon. Members:** Hear, hear!

**Mr. Wood:** — This letter came to my notice from far in the northeastern part of the province. It was a long, long way from Morse constituency that this letter was found. I want to apologize. As I said before, I am very sorry these Members aren't here because I want to apologize to them sincerely for not giving them all the due credit that was coming to them. The fact is, as you know, I was not in the Legislature last winter. I excuse myself, I didn't know that they had made these speeches, bow hard they had worked and how they had done these things. I just went ahead and did it anyway. I must apologize to them now.

I also have a clipping from the Prince Albert Daily Herald. I see that after all it was not I who was responsible for this and that I had done a good thing, but it was these humble hard-working Members of the Opposition.

**Some Hon. Members:** Hear, hear!

**Mr. Wood:** — Mr. Speaker, this Government has not forgotten the urban centres of our province. In 1974 we implemented a new urban package of assistance to cities and towns, \$4.3 million has been distributed through equalization and police grants. This is the first time equalization grants have been paid to our urban communities. The revised formula for calculating police grants ensures that those with the higher costs receive the most help.

Unconditional \$10 per capita grants have been paid to our cities, towns and village. This is the first time grants with no strings attached have been paid to any of our urban municipalities. In 1974, \$6.1 million was paid out under this program.

For the Community Capital Fund \$47 million was set aside to provide each urban community including hamlets with up to \$75 per capita over a five-year period to help finance needed municipal capital works projects.

The \$3 million allocated to the provincial municipal works incentive program has also contributed to both rural and urban municipalities and community organizations in maintaining and developing needed community services without imposing undue hardships on the local ratepayers.

Therefore, Mr. Speaker, I want to say that through these things we have in no uncertain terms assisted the municipalities in holding down their tax rates. There can be no doubt that without this additional provincial assistance municipal services would have to have been severely curtailed or much larger rate

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increases would have had to take place to maintain the level of services.

The city of Regina for instance, has had the smallest percentage increases in its general mill rates since 1964 in the last two years, .03 per cent in 1973 and 2.09 per cent in 1974. Of the 11 cities, 9 have had smaller percentage rises in their general mill rates than the percentage rise in the consumer price index for Regina-Saskatoon. One city, Mr. Speaker, Swift Current has even registered a decrease in each of the last two years.

Another area in which we are providing assistance to the people of Saskatchewan is in the payment of property taxes. Members are all familiar with the old Homeowner's Grant and with the new up-to-date model the Property Improvement Grant. The Hon. Minister of Education has had a few things to say about this today but I should like to enlarge upon it a little more. Some say that this is a Liberal program and all that we have done is change the name.

Let's have a look and see what has happened since it was brought in in 1966. By using population estimates as submitted by the municipalities and contained in the Department of Municipal Affairs Annual Report and the total annual grants made by the Property Improvement Grant program and by the Homeowner Grant program we can arrive at a per capita grant figure for comparing with the average per capita municipal tax levy for the province.

Back in the days when we sat over there and I had the privilege of sitting over there, the Members on this side, talked about tax reduction, after '64 particularly. In the years after 1964 they hammered on this, they made a real case of it. They were going to reduce taxes. They were working at it hard, especially before they had Black Friday in 1968. After that they didn't talk quite so hard about it. Up until that time they really pounded hard on it.

In 1966, they didn't do at all badly with their Homeowner Grant program. In that year the per capita tax levy went up by \$13.58 and the Homeowner Grant per capita payment was \$8.85. That only left a net per capita property tax increase of \$4.73. They were talking about tax reductions. While they were giving that \$50 Homeowner Grant in that same year, the per capita payment was \$8.85, the per capita tax levy went up by \$13.58. This is right, Sir. That's the way it was. That was the first year of the program. They did better that year than some other times.

Just let me read for you, if I may, I hope I am not taking too much time, Mr. Speaker, but I should like to read to you from the Speech from the Throne in 1967, they had something to say about this. They said:

My Ministers were happy to provide a large measure of relief to the taxpayers in the past year through the Homeowner Grant. This assistance will be continued in the year ahead. You will also be asked to approve legislation broadening the categories of citizens eligible for this plan.

That was in 1967, that was the second year. It was a big deal!

In 1967 the year they were talking about, the property tax per capita increased by another \$13.82. What did the Homeowner grant do? It went up by 37 cents. You lost a little population, so the Homeowner Grant went up by 37 cents. They were talking about what they were doing for the people of the province. Per capita taxes went up by \$13.82 but the Homeowner Grant went up by 37 cents.

In 1968 per capita property tax was up by \$12.77. The per capita grant up also 9 cents. They really kept pace with the taxes. You have heard of the two-bit boys in Ottawa but it looks as if the Provincial Liberals were running a five and dime store.

**Some Hon. Members:** Hear, hear!

**Mr. Wood:** — The per capita property tax in 1969 up by \$14.70, per capita Homeowner Grant up 19 cents. Boy! You sure held the line on the taxes.

But then, Mr. Speaker, my honourable friends opposite started getting ready for an election. In 1970 the Homeowner Grant was increased from \$50 to \$60. This made a difference. That year the per capita property tax increase over 1969 was only \$3.40 that year. But unfortunately the Liberal's \$10 increase in the Homeowner Grant couldn't quite match it, the per capita grant increase was \$1.88.

**Mr. Stuart:** — Getting better!

**Mr. Wood:** — Getting closer! Even in the year the property tax increase was only \$3.40 but the Homeowner Grant went up by \$1.88.

In 1971 we had a little more pre-election campaign. The Homeowner Grant was increased by another \$10. I should just like to read a little to you about this. This is from the Hon. Leader of the Opposition's speech — well at that time he was the Provincial Treasurer — this was on February 26, 1971.

Now, Mr. Speaker, let me turn now to an area of major concern to this Government, the plight of the local taxpayer. We all know every year more and more demands for services are being made upon all levels of government. The problem is particularly acute for local governments that have little alternative but to increase property taxes. Our government has taken positive action to take the local tax load off property and place it on the broader provincial tax base. This budget will take another large step in this program.

In 1966, your government first introduced Homeowner Grants as a direct method of reducing the property tax burden for thousands of our citizens. Hear, hear! said Some Hon. Members.

In 1970 we increased the maximum grant from \$50 to \$60. During the five years since the inception of this program a total of \$45 million has been distributed to urban and rural home owners. Mr. Speaker, I am pleased to inform the Members of this House that in 1971 we will increase this grant an additional \$10 to make the maximum grant \$70.

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**Some Hon. Members:** Hear, hear!

**Mr. Wood:** — It says here, “Some Hon. Members, Hear, hear!” I quote again.]

As a result the total annual grant will rise to \$12.8 million, an increase of \$1.9 million over 1970.  
Some Hon. Members: Hear, hear!

Well, Mr. Speaker, that was a pretty good speech. I remember being quite impressed by it. The effect on the per capita grant together with the population decline, increased the per capita grant through the Homeowner program to \$2.36 that year. But the increase in the per capita tax was \$8.39. It was a really good speech but it didn't do very much about keeping up with the rising cost of taxes. It seems as though the Liberals would have to try again to bring property tax relief to the people of Saskatchewan, but fortunately they didn't get a chance.

In 1972 the New Democratic Government introduced the Property Improvement Grant program. We called it PIG for short, so as far as the name was concerned it wasn't all that much different from the old HOG program. But one thing about it, we put some money into it. We also changed the program, extending it to owners of business property and to farm lands. We also guaranteed to pay one-half the taxes on a principal residence to a maximum of \$78. What happened to our per capita figures? Well, in 1972 the per capita tax figures increased by \$6.86. The Property Improvement Grant per capita grant increased by \$7.20. For the first time we actually reduced the net per capita tax. It was the first time it was actually more than what the tax increase was.

The program was further improved in 1973, so that although the property tax per capita rose by \$10.87, the per capita grant went up by \$12.90. Again a decrease in the net per capita property tax burden. In those two years we finally got to the point where we were able to give out more money in the Property Improvement Grant than what the rise in property taxes was.

Let me remind the Members present that these beneficial changes were not implemented immediately prior to an election, as it was done with the Liberals. It was not an attempt to buy votes, but rather immediately after an election in keeping with the promise that was made to the people of Saskatchewan during the election campaign. It was keeping a promise rather than trying to influence people before an election campaign.

Now some of the Hon. Members opposite might say that the figures I have used are not valid, since the Homeowner Grant and the Property Improvement Grant are not paid on a per capita basis but only to certain property owners. I wouldn't agree with them. I think that the figures are very valid for comparative purposes. But I am willing to use some others.

The maximum grant under the HOG program was \$70 in 1971. The maximum grant under the PIG program in 1974 is \$160 for a principal residence, \$200 for a business and \$300 for a farm. I have some more. The total payments in 1971 under the HOG program were \$12,331,000, total payments under the PIG program in 1972 were not \$12.3 but \$18.7 million. In 1973, \$30,164,000 and in 1974 this year we have some \$32,924,000 budgeted. We can't say yet whether this is going to be enough or how it is

going to work out but that is as near as we can say at the present time.

In 1971 the Homeowner Grant program paid grants on just 133,000 applications. The extension of grants to businessmen and farmers under the PIG program has resulted in an additional 50,000 applicants from the property owners of Saskatchewan. The average grant paid is also rather interesting. In 1966, the \$8 million paid to 171,000 applicants resulted in an average grant of \$47.74. By 1971 the Liberals had managed to get the average grant up to \$67.89, an increase of \$20.15 over five years, an increase of 42 per cent over five years. In 1972 the average grant paid under the Property Improvement Grant was \$84.60. In 1973, \$129.57 and in 1974 it is expected to be about \$140, an increase of \$72.11, or 106 per cent over the 1971 Homeowner Grant and in three years, Mr. Speaker, not five.

I want to say that this assistance that I'm speaking about here in regard to the Property Improvement Grant is over and above the assistance to municipalities which has helped hold the tax levels so that they themselves are not increasing as quickly as the cost of living in Saskatchewan. I would just like to dare anyone to say that this Government does not and has not moved to ease the burden of municipal taxes on the property owners, and we have a record to be proud of.

Mr. Speaker, I am very proud at this time to be able to stand up and say that I do support this Motion that is before us.

**Hon. J.E. Brockelbank:** (Saskatoon Mayfair): — Mr. Speaker, at the beginning of my remarks I want to thank the mover and the seconder of the Address-in-Reply for their contribution towards getting this particular debate off to a good start. It is always a pleasure to hear a Throne Speech kicked off in that fashion, off to a good start, and which I think will come to a good end, in due course.

This year, Mr. Speaker, the people of Saskatchewan celebrated the 200th anniversary of Saskatchewan's oldest community, Cumberland House. This year was also the 100th anniversary of the invention of the telephone by Alexander Graham Bell. Quite fittingly converging on these two dates was the completion of a program to convert the last community in Saskatchewan from manual to automatic dial telephones. To mark the occasion a well-attended public ceremony was held in the community of Cumberland House on September 18, 1974. The official ribbon-cutting was carried out by Chief Tom Settee on behalf of the community of Cumberland House. The first local telephone call was placed between Mr. Jim Carriere, Local Community Authority Chairman and Mr. Leon McAuley, member of the Northern Municipal Council. I had the opportunity to make the first long distance call to the Premier in Regina to report that the system was complete and in working order.

At the ceremony, Mr. Speaker, a novelty key chain was given out to those in attendance. Fortunately, Mr. Speaker, there are just enough of them left to allow each MLA in the Legislative Chamber to have one as a remembrance of this most important occasion to which I have referred. A Page will be distributing them to you in just a few moments. It is very fitting and appropriate that this little key chain has on it a compass.

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Appropriate I say at this time, because the Liberal convention has just concluded and it is obvious there is still a need for more direction in the Liberal Party.

I am sure the little compass will add to that.

**Some Hon. Members:** Hear, hear!

**Mr. Steuart:** — I should like to report, the compass works.

**Mr. Brockelbank:** — If the Leader of the Opposition will observe that particular item it will indicate to him that he's not the centre of the universe. You can't look at all sides, without having to go around it.

It was stated in the Throne Speech this year, Mr. Speaker, that before the end of 1974 Sask Tel will have completed phase one of a microwave radio system designed to connect all of the major settlements in northern Saskatchewan to a reliable modern communications system.

I feel that Sask Tel should be congratulated for its pioneering effort, against significant odds, to put this system in place. The start of the initial phase began in the fall of 1971. Phase two of the program will be the utilization of this system to provide regular long distance telephone communications, including service to Uranium City over an all-Saskatchewan route. Other communities not presently hooked into the system will be added next year.

Mr. Speaker, I have now been in this Legislature for 10 years. Over that period of time I have found my political life to be exciting, frustrating and rewarding at different times. In all honesty, I must admit, Mr. Speaker, that the last three years have been the most satisfying by way of accomplishments.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — From the people of Saskatoon and my constituency, I have received support and co-operation. I feel that good communication has been established and progress is being accomplished.

Saskatoon MLAs in response to their constituencies have been firm in their conviction that closer contact could be established with the Government of Saskatchewan. The direct outcome of this approach by the Saskatoon MLAs is that there exists in Saskatoon a new Cabinet Office and a new Industry and Commerce office. Both have significantly improved the government-to-government communication and co-operation and also have enhanced the government-to-citizen communication.

After consultation with the city of Saskatoon, the province and the city agree that a provincial office building will be built in the city of Saskatoon at a site which is happily the number one choice of both parties.

The citizens of Saskatoon felt that they should have easier access to the resort area at the South Saskatchewan Dam. Saskatoon MLAs are pleased to see that the Lorne Avenue extension grid road will be taken into the highway system beginning this year. This will give the Saskatoon population easier access to

that resort area.

In co-operation with the city of Saskatoon an agreement has been signed and work has commenced on a 50-metre Olympic Indoor Swimming Pool which will be used jointly by the Kelsey Institute of Applied Arts and Science, the city of Saskatoon and, of course, the public of Saskatoon.

The city of Saskatoon has made representations to the Saskatoon MLAs for larger Centennial Auditorium grants. These representations to the Saskatoon MLAs, and thence to the Government, have been successful in raising the grant to the Saskatoon Centennial Auditorium to the same level as the grant to the Saskatchewan Centre of the Arts.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — From 1971 to 1974 grants increased successively; 30 per cent, 33 per cent and 25 per cent.

The city of Saskatoon, along with other centres in Saskatchewan, was faced with a used tire disposal problem. Saskatoon MLAs were pleased to receive representations from the city of Saskatoon on the matter. After study and evaluation the Government of Saskatchewan has purchased a portable tire shredder and put that equipment into service, initially in the city of Saskatoon. The portable equipment will be moved from centre to centre in Saskatchewan for a similar use.

The purchase of the portable shredder has solved a significant disposal problem for all Saskatchewan communities. This machine will have an impact on the communities of Saskatchewan similar to the highly successful New Democratic Party program to collect and salvage older automobiles. In both cases, an environmental problem will be solved and the end product of the process will have use made of it. It is my understanding that the Department of Highways will undertake experimental road surfacing projects with the resultant 'tire crumb'.

I noted, as had other New Democratic Party MLAs, that there was a considerable demand for some form of transit assistance for cities. The Saskatoon MLAs received some representation on this matter. Needless to say, we are all pleased that a 'Transit Assistance for Cities' program has been put in place to be administered by the Department of Highways and Transportation. The basic components of this cost-sharing program are:

- acquisition of rolling stock;
- transit operation;
- transit construction;
- transit related studies;
- demonstration projects.

This type of assistance is significant and meaningful for our urban centres and I am pleased to know that the good communication between the Saskatoon MLAs and the city government has hastened the putting in place of this program.

I am pleased to note that on top of previous significant increases, there are improved educational grants for the operation of Saskatoon schools. For example: in the public system in 1973 there was a \$1.8 million increase on \$7.4 million of the previous year; in the separate school system there was a

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\$176,000 increase on \$3.9 million of the previous year.

These significant increases in education grants, along with large increases in the Property Improvement Grant, from \$144 to \$160 in the last year, will contribute meaningfully to the operation of the Saskatoon school systems and check the rise in mill rates.

Saskatoon MLAs and others have heeded the call of all Saskatchewan urban communities for financial assistance from the deplorable situation they found themselves in at the end of the seven long, lean, gaunt years.

The New Democratic Party's response was the urban package. What did this package mean to Saskatoon?

- (a) \$10 per capita unconditional grant equals \$1,264,000 in 1974. Nothing comparable up to this time, Mr. Speaker.
- (b) An equalization and police grant means \$535,000 in 1974; compared to \$196,000 in the year previous.
- (c) The community Capital Fund from 1974-1979 will mean \$9.4 million to the city of Saskatoon. This was new and nothing comparable existed prior to 1974.

Saskatoon MLAs heard other calls for attention from the Saskatoon community, Mr. Speaker and these calls were answered.

- Senior Citizens' Home Repair Program. This very popular sensible program paid out 1,042 grants between September of 1973 and September of 1974 in Saskatoon.
- The House Building Assistance Grants. This grant program of up to \$1,000 has proved to be very popular in that part of my constituency which is expanding with new housing. Within the last two years these grants have been raised twice and the income eligibility level has been lifted as well.
- The Nursing Home situation in Saskatoon was rather acute, Mr. Speaker. I am pleased to note, as are other Saskatoon MLAs that there are additions, replacements and new beds announced in the order of 245 for Saskatoon City.

I have many senior citizens living in my constituency. This improved situation, along with increased subsidies to private guests in special care homes, has been thoroughly appreciated.

Upon reviewing the statistics, I find that the industrial development in Saskatoon has been encouraged and has responded strongly in the period 1971 to 1974. The statistics show that there have been 15 expansions and 15 new projects for a total increased employment of 1,577 and a capital investment of \$18.1 million. Other announcements that have been made recently, Mr. Speaker, were not yet included in this list.

Last week, on Tuesday, I had two choices, Mr. Speaker. I could listen to the Leader of the Opposition (Mr. Steuart) speak in this debate or I could go to Saskatoon for a public opening. Needless to say I chose the latter because I had heard everything that the Leader of the Opposition had had to say before, and having been in Saskatoon for this particular event I was quite pleased that I had gone there. I attended the official signing

ceremony in Saskatoon where SED Systems agreed to provide satellite earth stations and equipment for \$1.2 million to TeleSat Canada. I know that all Hon. Members will join me in complimenting this home-grown Saskatchewan industry in its most recent accomplishment.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — Mr. Speaker, there are many, many other programs, grants and assistance which have been made available to Saskatoon constituencies as a result of good communications that exist between this Government and the people. Let me list a few to illustrate the point:

- the abolition of medicare and hospital personal premiums;
- increase in the minimum wage to \$2.25, this year;
- gasoline tax reduction in May of 1974;
- the hearing aid program;
- the dental program;
- the very popular Family Income Plan;
- Senior Citizens' Pavilion grant of 20 per cent;
- \$6,800 grant towards the Fairfield Senior Citizens' Association.
- a grant to the city of \$11,400 for the paving of tennis courts and community rinks;
- \$31,377 grant to the city of Saskatoon for the extension of their campground and new service building;
- last, but not least, Mr. Speaker, our senior citizens are waiting, but I suggest not waiting in vain, for a prescription drug plan which will be started in 1975.

This listing, Mr. Speaker, illustrates some of the accomplishments that can be made when MLAs are prepared to listen to their constituency and are in the happy position of having a Government which has a sympathetic ear for the needs of the people.

Saskatoon, Mr. Speaker, is an inviting city. So much so that I note that the Leader of the Opposition invites himself up occasionally. This is good and I, in no way, want to stand in the way of the Leader of the Opposition coming to my constituency, as he did, to speak at the end of November, 1974, at the Kelsey Institute of Applied Arts and Sciences. I find that each trip made by him, or someone closely associated with him, has a direct beneficial result on the voting pattern as far as I am concerned.

You will recall when the Premier spoke in this debate, Mr. Speaker, he reminded the House that the Leader of the Opposition had made a "guaranteed commitment" that in August, 1974, freight rates for Saskatchewan would be equalized. We are all aware that a 'Steuart commitment' was not realized. The purpose of the Premier's comment was to illustrate that there was a difference between a 'commitment' and a 'Steuart commitment'. As a result of the Leader of the Opposition's visit to my constituency, as reported in the Star-Phoenix, November 28, 1974, I should like to report to the House that there is even a softer commitment than a 'Steuart commitment'. I believe it would have to be determined as a 'Steuart leaning commitment'. Let me read the article wherein the Leader of the Opposition is referring to the Churchill River Basin Study being done by this Government. The report states:

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He would lean 70 to 80 per cent against such development. In fact, the chances of the Churchill River Development would be almost nil if we were the government.

Mr. Speaker, is it any wonder that the people of Saskatchewan will not trust the 'Steuart commitment'; leaning or otherwise, where he is, in fact, one of the principal authors of the Meadow Lake Pulp Mill deal.

Let me refer to the report of the Associated Consultants International Incorporated, which was presented to the previous administration prior to the signing of the Meadow Lake Pulp Mill deal. The first sentence in the section of that report dealing with water is as follows:

It is unfortunate that information on water flow and quality in the Beaver River is so sketchy and actually non-existent at the probable mill site.

In the section of the report dealing with effluents a sentence reads:

The effluent treatment system proposed is one of the most commonly used in pulp mills in North America.

It was common knowledge at that time, Mr. Speaker, that pulp mills were heavy polluters of our environmental system.

Keep in mind that reports prior to the signing of the Meadow Lake pulp mill deal contemplated raising the level of Doré Lake and using Durocher Lake as an effluent holding pond. The Van Luven Report stated that many of its statements were opinions rather than facts. Also that apparently the Beaver River has no assimilation quality in winter.

Another point in the Associated Consultants International report stated:

The volume of mill effluent would be a very substantial portion of the flow in the Beaver River during low flows in winter and dilution would be minimal.

Keep in mind that a 1,400 ton per day mill has an effluent discharge equivalent to a city of approximately 280,000 people. All this, Mr. Speaker, no environmental studies, no public hearings, signed sealed and delivered by those who sit opposite.

The plain facts are, Mr. Speaker, that an ever-diminishing circle of people believe the Leader of the Opposition and his seatmates when they talk about protection of the environment.

Mr. Speaker, the same Star-Phoenix report of the Leader of the Opposition's visit to my constituency was quoted as saying that the oil industry in this province:

was crippled long before we heard from Mr. Turner and his budget.

The Leader of the Opposition, it is reported went on to blame the New Democrats for the state of the oil industry in the Province of Saskatchewan. The observation that the oil industry in Saskatchewan was crippled before the Turner budget is correct. However, the conclusion made by the Leader of the Opposition is

erroneous.

Allow me, Mr. Speaker, to review the facts. In 1967, under a Liberal Government, the expenditures on exploration for oil and gas, in millions of dollars, began to drop off. From \$44.7 million in 1967 to \$19.2 million in 1971 — a drop of \$25.5 million. Whereas, Mr. Speaker, between 1971 and 1973, under a New Democratic Government, the trend has been reversed showing in 1971 there were \$19.2 million, in 1973 there were \$22.7 million, a modest increase of \$2.7 million expenditure.

During that period, the net income of oil companies showed substantial increases: Imperial Oil from \$95 to \$136 million; Shell Oil from \$45 to \$61 million; Gulf Oil from \$44 million to \$53 million; Canadian Pacific Investment, income from oil and gas, going from \$10 million to \$13 million.

Some more facts to keep in mind, Mr. Speaker, are that the cutback in the export of Saskatchewan crude began in November, 1973 whereas Bill 42 was not brought forward in the Saskatchewan Legislature until December. Cutback in export of Saskatchewan crude was the result of the federal export tax, not the action of the Provincial Government. The National Energy Board set the quotas. In November and later in December, some refineries taking Saskatchewan crude, decided they would rather take less of our crude and more from Alberta in order to fulfil their quotas. Mr. Speaker, why? The answer is quite simple. The National Energy Board in setting the export quotas was not concerned with the source or quality of the crude oil, but only with the total number of barrels leaving Canada. Therefore, it is logical to assume that oil companies seeking crude from Canada where the export tax was uniform will take crude which is lighter and sweeter in place of heavy and sour crude. It is unfortunate indeed, that the Federal Liberal Government was unable to recognize the damage they were doing to the Saskatchewan oil industry with their export tax.

Allow me, Mr. Speaker, to reinforce the point I have made by reference to a news item dated October 31, 1974, headlined “Alberta Blames Ottawa for Heavy Oil Trouble.” The first paragraph reads as follows:

The whole, heavy oil industry in Alberta is in serious jeopardy because of the Federal Government’s export tax, Bill Dickie, Mines and Mineral Minister said Wednesday.

Another news item dated November 9, 1974, confirms the point that I have made and the observation made by the Minister of Mines and Minerals in Alberta. It is entitled, “Ottawa Cuts Heavy Crude Export Tax” and the first paragraph reads:

The Federal Government announced Friday a further 60 cent reduction in the export tax on the lowest quality crude oil produced in western Canada.

The point of the matter is, Mr. Speaker, that the Ottawa Liberals made the mistake. The Saskatchewan Liberals, as their resident apologists, then proceed to blame it on the New Democratic Party. Mr. Speaker, we know the credibility level of the Ottawa Liberals. We know the Saskatchewan Liberals’ credibility is even lower. I predict that in this Throne Speech Debate it will be clearly indicated that the Saskatchewan Liberal Party are apologists for the Federal Liberal fumbling. They will

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not, in any meaningful way, stand up for the people of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — The rest of the article as reported in the Star-Phoenix of the Leader of the Opposition's visit to my constituency is made up of sorrowful wails about the oil companies that were affected by Bill 42. The Leader of the Opposition is concerned about such companies as the Ashland Oil Company; Canada Permanent Trust; Guarantee Trust Company; Montreal Trust Company; Canadian Pacific Railway; Scurry Rainbow Oil Limited and others. The Leader of the Opposition certainly can't be expressing concern about individual Saskatchewan small holders since we specifically took the trouble to exclude them from the application of Bill 42.

With regard to the Federal Budget, it is clear that the people of Saskatchewan have been shafted by the Federal Liberals in a number of areas. It has been said time and time again by the people in this House and elsewhere, that companies should be allowed to deduct from their gross income the amount they pay in provincial government royalties before paying federal corporation tax. The Turner Budget will continue to allow royalty payments as deductions if the royalty payments are made to private mineral owners such as the CPR or to a foreign government, but not for the Province of Saskatchewan. Mr. Speaker, I want to know where the Saskatchewan Liberal Party stands on this issue.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — I also want to know, Mr. Speaker, where the Saskatchewan Liberal Party stands as regards the Federal Government's attack on the Saskatchewan Power Corporation and indirectly, on the people of Saskatchewan.

Liberals across the way, Mr. Speaker, like to stand up in this House and say they started the Saskatchewan Power Corporation. It is a matter of record, Mr. Speaker, that the Saskatchewan Power Corporation was started by the CCF. What existed prior to that time was a Saskatchewan Power Commission. The amount of power poles and power lines in existence under a Liberal Government prior to 1944 wouldn't cast a respectable shadow on the ground. Mr. Speaker, if the Liberal Party of Saskatchewan wants to claim some credit for the Saskatchewan Power Corporation, then let them stand up in this House and defend the Corporation and defend its customers against a direct, frontal assault from the Federal Liberal Party.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — Mr. Speaker, the people of Saskatchewan, through their chosen political instrument, the New Democratic Party had the foresight to buy up large quantities of gas under long term contracts at low prices. The whole theory behind that approach was to allow the people of Saskatchewan the benefits of a public gas utility.

I predict, Mr. Speaker, that the Saskatchewan Liberal Party will make no meaningful contribution towards the defence of the Saskatchewan Power Corporation or its customers because they

are philosophically unable to bring themselves to that position.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — It is quite evident, Mr. Speaker, that the only issues that the Saskatchewan Liberals will talk about with regard to the recent actions of the Federal Government, are the smoke screens in the Federal Budget. Across the way, Mr. Speaker, they have talked about tax cuts and tax concessions in the Federal Budget which will benefit the ‘little people’ of this province. Let’s examine that budget, Mr. Speaker, to see if there is something there of benefit for the people of Saskatchewan or whether it is just a smoke screen to cover the real issue, which is resources.

Mr. Speaker, who holds the wealth of Canada? In 1970, 58 per cent of the wealth of Canada was held by eight per cent of the people, almost 93 per cent of the wealth was held by 50 per cent of the people. Will the Turner Liberal budget enhance this Canadian imbalance?

There is nothing in the budget for the poor pensioner, or others on fixed income. There is less than \$1 per week for workers on low income. Mr. Speaker, let me give you some examples of what can be obtained from the Federal Budget in the way of tax relief. Suppose, for the sake of example, we have three average Canadians at different income levels. We’ll call them Tom, Dick and Harry.

Tom earns \$8,000 a year to support himself, his wife and two children. In 1974, the only tax saving he will make is the basic \$50 per year for a total of \$100 for 1974 and 1975.

Meanwhile, Dick, on an income of \$14,000 and the same size family probably lives in an apartment, he’s unable to afford a house. Therefore, he cannot save anything under the Registered Home Ownership Savings Plan. Let’s say he has savings that earn him \$100 per year in interest. In 1974, he will save \$133 and in 1975 he will save \$183, for a total of \$316.

Now we come to Harry. I think Harry must be a Liberal. He and his family live in an apartment. He earns \$40,000 a year. He has an investment portfolio and he gets about \$2,000 in interest dividends which he can write off in part, because of the Federal budget. He also decides that he will move from his apartment and buy a house so that he can take advantage of the Registered Home Ownership Savings Plan. In the taxation year, 1974, because of the Turner Budget, Harry will save \$1,120. At the same time, Harry decides to take advantage of the Capital Cost Allowance provided in the budget by investing in an apartment block. A further provision takes effect in 1975, which is the eight per cent reduction ceiling. Total savings \$4,492.

It is clear, Mr. Speaker that Tom, Dick and Harry, respectively, save \$100, \$316, \$4,492 in a two-year period. I suggest to you, Mr. Speaker, that this accentuates the imbalance that already exists in Canada. Therefore, it is safe to assume that the Saskatchewan Liberals in attempting to portray the Turner Budget as a good budget for all the people are merely attempting to disguise the real intent of the Turner Budget, which is the resource issue.

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Mr. Speaker, allow me to finalize my comments on the Federal Budget by quoting from a letter from the Saskatoon Board of Trade in which they refer to the Federal Budget proposals of Mr. Turner in the following way:

**Mr. Steuart:** — Who said that?

**Mr. Brockelbank:** — Saskatoon Board of Trade.

It is bad news for Saskatchewan.

Mr. Speaker, the Saskatchewan Liberal Party is doing its level best to patch over the shortcomings with a massive advertising campaign, which is evident to us all on radio, TV and newspaper. I have seen a newspaper report in the Saskatoon Star-Phoenix, dated September 18. That article reports on the Saskatoon Eastview Liberal Nominating Convention. In the article among other things, it is reported that Mr. Steuart said:

Right now we are riding high,

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** —

Right now we are riding high, Mr. Steuart told a responsive audience of 75.

This is hardly in accordance, Mr. Speaker, with what I've been reading which says:

Redberry, 650 energetic supporters, Maple Creek, 900 supporters, Wilkie, 650 supporters, Shaunavon, 800 plus,

although I understand that the hall in Shaunavon when fully packed will only hold 400.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — Mr. Speaker, I wouldn't be a bit surprised if the Saskatoon Eastview Liberal nominating convention appears in one of those similar type ads very shortly indicating that hundreds of eager people attended the nominating convention. I would be sadly disappointed if the advertising skills of McLaren Agencies were unable to perform the miracle of the fishes and the loaves.

I believe, Mr. Speaker, there is a second reason for the massive advertising campaign being undertaken by the Liberal Party and it's this. When the next election comes they will not be able politically to carve up constituency boundaries as they did prior to 1971. At that time, the Liberal Party never batted an eye at such inconsistencies as Saskatoon Mayfair having in excess of 16,000 voters whereas the constituency immediately adjacent had 6,000 voters. Grafting the voters from the old constituency of City Park University onto Saskatoon Mayfair in order to accomplish this gerrymander, brings to mind a story I once heard, Mr. Speaker. It was about the young boy who asked his politically astute father to explain to him what political plums were. The father, without hesitation, remarked that political plums are the result of clever graft . . . ing.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — In the case of the 1971 gerrymander, Mr. Speaker, the resultant fruit from the graft would appear to be rather bitter fruit for the Liberals as it rightly should be.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — Mr. Speaker, I want to take this opportunity, while speaking today, to discuss the growth of printing with the Saskatchewan weekly newspapers.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — When the New Democratic Party came to power in 1971, we found that the previous administration had kept a black list of weekly newspapers. The Wakaw Recorder, Mr. Speaker, was on the list. Since that time, Mr. Speaker, the black list has been disbanded. The Queen's Printer price list has been increased and all Saskatchewan weekly newspapers benefit from the opportunity to do Government printing in increasing amounts.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — The period 1971-72 as compared to the period 1973-74 shows an increase of better than \$25,000 to the weekly newspapers of Saskatchewan. I might say, Mr. Speaker, this is an attempt to increase the economic activity in smaller Saskatchewan centres and it certainly does enhance the "Saskatchewan Option."

Mr. Speaker, I have mentioned some of the abuses of the previous Government such as the Meadow Lake Pulp Mill, which is an abuse of the environment; the gerrymander which is an abuse of the democratic system; there are other minor abuses, which are indicative of the attitude of the Members opposite, which I find distressing. For example in 1973, New Democratic Party Members, on average, mailed 9,900 pieces of mail, whereas Liberal MLAs on average mailed 38,556 pieces of mail.

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — At Government expense. One mailing alone, by the Leader of the Opposition cost \$8,506.02 in postage. You will recall, Mr. Speaker, it was a little pamphlet: entitled "Cause for Concern."

**Some Hon. Members:** Hear, hear!

**Mr. Brockelbank:** — I maintain that it was a gross abuse of the mailing privileges of this Legislature and was strictly a political document. This particular document invited the recipients to get involved in the Saskatchewan Liberal Party, it stressed Liberal philosophy, it was authorized by the Saskatchewan Liberal Party. It may be that Liberal MLAs' reports to their constituents have to be authorized by the Saskatchewan Liberal Party before they are sent out. Regardless of this, that piece of mail obviously went to all constituencies in the province, not just those represented by Liberal MLAs.

In 1974, Mr. Speaker, we saw a repeat performance. On

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average the mail sent out by New Democratic Party MLAs cost \$588, whereas mail sent out by the Liberal Party MLAs cost \$1,277, more than double. I might say that this abuse has been corrected since that time.

Mr. Speaker, of the abuses that I have discussed this afternoon the most serious and damaging in my mind was the gerrymander. I am seriously concerned that the Members opposite do not really accept an Independent Electoral Boundaries Commission. Their attack on the Commission in the last session is a clear indication that the democratic principles which led our party to the establishment of the Commission would soon be abandoned were the Government to change.

Mr. Speaker, as you may have gathered, I will support the motion because the Throne Speech, as well as outlining accomplishments, effectively pinpoints what I believe to be the key issue of the day. The resolution of that issue is in doubt. Now is the time for all Members of this Legislature to examine their consciences and make a decision which will be in the best interests of the people of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. D.F. MacDonald** (Moose Jaw North): — Mr. Speaker, the Minister who has just taken his seat has a lot of gall when he talks about the abuses of mailing privileges, that we sent out 30,000 pieces or whatever it was, as a cause for concern. He didn't mention the 500,000 pieces of mail sent out from the Minister of Agriculture's office, a half a million pieces of NDP propaganda, straight propaganda. The Minister knows very well it was propaganda because in the Public Accounts we asked for a copy of all the different things that were sent out from the Minister of Agriculture's office, and it was pure propaganda.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — It is a funny thing that we have heard from Member after Member on the NDP side, useless statistics and I think about the most useless statistics that I have heard in this House were the ones that the Member for Gravelbourg (Mr. Gross) used yesterday, when he told us about the 4,600 complaints that he solved and that he has a file on each one and he has them recorded for posterity and he solved every one of them. What a useless collection of facts for this House. It seems that facts are more important to the NDP Members than actions or people or whatever else. I couldn't help noticing, the Minister of Social Services (Mr. Taylor) wanted to speak about Valley View Centre and that there wasn't any problem at the Valley View Centre. It didn't matter that Dr. Clarkson's report severely criticized it and it didn't matter that Mr. Potter, from the Premier's Research and Planning office, had severely criticized it. You name it, they have criticized that Department.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — The different directors, and

there have been about four in the last two years — well interim directors and replacement directors — they are coming and going and you can't keep track of them. Everyone of them as they go out adds his criticism to it and the problem is that the Minister of Social Services doesn't understand what is going on. He proved to me that he doesn't understand what is going on. He came in here with a handful of statistics and he says, "Oh, it is not like you say," there are 46 of this and 83 of that, 37 here and 85 there. And these facts aren't important. The facts are that people are unhappy. The facts are that the Valley View Centre is the worst employer in Moose Jaw.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — That exact statement comes to me from a member of the Labour Standards Branch in Moose Jaw. Valley Centre is the worst employer in Moose Jaw! It is a fact that employees wait two and one-half months for pay for the work they do at Valley View Centre. It is a fact that they wait about two months, in some cases, for their pay when they have quit their job at Valley View Centre or resigned for some reason or other. The same thing wouldn't be allowed by any other employer in Saskatchewan. They would be prosecuted. Officers in the Department of Labour Standards Branch would gladly prosecute if they could get the permission of the Attorney General. They have told me this to my face.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — The Minister doesn't understand, he doesn't understand human feelings, human problems, he understands statistics and statistics don't mean one thing to the people at Valley View Centre; they don't mean one thing to the senior citizens of this province; they don't mean one thing to the people who have been fired from HRDA they don't mean one thing to the manipulation that is given to the native groups in this province. Statistics don't mean a thing.

Speaker after speaker as for instance the Member for Nutana in the back row, whatever it is, came in here with a list as long as your arm of statistics, meaningless figures, dollars this and dollars that. Why don't they talk about people? People are what count not this dollar and that dollar. It is people. You people don't seem to realize the significance of what is going on.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Mr. Speaker, before getting into my speech, I wonder if we could call it 5:50.

The Assembly recessed from 5:50 until 7:00 o'clock.

**Mr. MacDonald:** — Mr. Speaker, the Throne Speech was branded by Dave Steuart as being a nothing speech and I think that when one considers what message there is in it, for Saskatchewan people, that I would agree that it is a nothing speech. But the debate that has been going on for the past week is revealing, there is a message for Saskatchewan people if they had followed the debate. The Throne Speech Debate shows conclusively that the

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NDP have not learned a thing; they have not learned their lesson from the mistakes that they have made since June 1971.

Their mistakes have been very costly for the people of Saskatchewan and I regret this, but there is a saving grace. Their failure to learn is going to make it much easier to remove the Blakeney Government from office in the next provincial election.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Why hasn't the Blakeney Government learned a lesson from past mistakes? They haven't learned because like other NDP Governments and socialists generally, they are arrogant, they believe themselves to always be right. Arrogance seems to be an integral part of socialist philosophy and it will also be their downfall.

Premier Barrett is a good example. He has come under fire from every segment of society in British Columbia. He came under fire from his own supporters during a recent convention in September of this year. People, both in and out of his Party, are critical of his policies and his legislation. Premier Barrett is in trouble. So what is he going to do about it? Is he prepared to re-examine his policies? Is he prepared to make the changes that the public are demanding? Is he prepared to listen to the people? No, he isn't. He has a different and arrogant alternative. He is prepared to convince the public that the public are wrong; that he alone is right. And his alternative, and he announced this at the September convention in British Columbia, is to spend public money, taxpayers' money, to convince the public that the NDP are good. A less arrogant man would be prepared to examine his record and admit mistakes in light of the overwhelming public criticism. And the same example applies to Premier Blakeney.

Mr. Blakeney faces the same public criticism in Saskatchewan. He had made the same mistakes, the same basic mistakes. There is a difference between Premier Blakeney and Premier Barrett that is that Premier Blakeney and his Government have been spending huge fortunes of public money for personal NDP propaganda since the very first day that he was elected.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — You know it is interesting to listen to NDP Members as they speak in this Debate. Every one of them have talked federal issues.

We had a federal election about four months ago and until that election campaign the same Members opposite were talking the same issues as they are in the Throne Speech. In that federal election the NDP got beaten.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — They took a real slap in the face. The results of that election, especially here in Saskatchewan, are a real kick in the head to the NDP and it is one that they may not recover from.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — The NDP were turned out for two reasons; they were on the wrong side of the issues and they were unbearably arrogant.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — In Saskatchewan the NDP fought the election on the Federal budget of May 1974. That was a budget that was even tougher than the present Federal budget regarding the taxation of the resources. The NDP fought that election on the performance of Premier Blakeney as he went to Ottawa regarding the resource taxation.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — The people of Saskatchewan gave you the answer, but the Blakeney Government doesn't listen to that answer. They come back into this Legislature with the same worn out speeches, the same worn out issues that were repudiated by the Saskatchewan people.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — The Blakeney Government continues to make the same mistakes.

The Federal NDP also continue to make the same mistakes. Mr. Broadbent has picked up the exact same tired tirade as was used by the former leader David Lewis.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — You know David Lewis suffered a personal defeat and he suffered a personal defeat because he was unfair to the public. He distorted facts; he encouraged dissension wherever he could; he was less than honest with the people. David Lewis could have made a contribution to Canadian society. I think he is bright and I think he has ability but he got caught in a trap, he became a little man and he received a just reward when the election results became known.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Mr. Broadbent has shown that he can fill the shoes of David Lewis very well. Nothing has changed, just the name. I watched as Mr. Broadbent gave his analysis of the Federal budget one month ago. And like his predecessor he was less than honest.

His analysis was totally unfair, untrue and misleading. From this observation I should like to suggest to you Members opposite that when you get a chance next summer to choose a new federal leader, choose Mr. Broadbent, he is the right man for the NDP. I encourage every one of you to give him your support.

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**The Speaker:** — Order, order!

**Mr. MacDonald:** — I doubt if any New Democratic Party will ever learn that the people don't like to be lied to and that people respect fairness and honesty; that people are capable and willing to make their own decisions and conclusions.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — You know even in defeat Mr. Lewis continued to insult people. Mr. Lewis, in defeat, told us that the NDP were beaten because of Conservative policies and a lot of other things. He found all kinds of excuses for losing, every excuse, that is, except to admit that the NDP lost because of their policies and their stance and their philosophy.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — And his crowning glory had to be that he was sure that the majority that was received by Mr. Trudeau would make the man arrogant. That was an insult by David Lewis . . .

**Some Hon. Members:** Hear, hear!

**The Speaker:** — I wonder if we shouldn't adjourn until you have your applauding over so we can get on with the speeches. I cannot hear what is being said by the speaker at all, there is too much noise. It is not only the applauding but there are interruptions.

**Mr. C.P. Macdonald:** — But, Mr. Speaker, this is a good speech.

**The Speaker:** — Well, then let me hear it please.

**Mr. MacDonald:** — What a contrast! David Lewis in defeat compared to a real man like Ross Thatcher in defeat.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Ross Thatcher at least had the courage to stand on his feet and accept defeat. He accepted the blame for the defeat. He acknowledged that he had made mistakes and that the people had spoken. Ross Thatcher was a man who truly recognized the democratic right of people and this is a lesson that could well be learned by Members opposite.

I am sorry the Minister of Health (Mr. Smishek) isn't in his seat because I have a few words to say to him. I should like to say a few words about the resource issue then and the confrontation tactics taken by Premier Blakeney.

The course of action taken by Premier Blakeney, in my view is totally unrealistic and totally unacceptable. I am convinced that our Premier has deliberately taken this unacceptable position for two reasons.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — First, he believes that this can be a good issue in the next provincial election. He feels that he can fool a lot of people. He knows that the resource issue is a complex issue and that the NDP can count on the fact that in general people don't understand the facts of resources.

The Blakeney Government feels that a fight with Ottawa is a good political issue in Saskatchewan. It doesn't matter that Saskatchewan will be the long-term losers because of this stance; and it doesn't matter that our oil industry will be destroyed in the process.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — What matters to Mr. Blakeney is that he should be re-elected whatever the consequences to Saskatchewan.

The second reason, of course, for the position that is taken by Members opposite is that they see this as a good possible vehicle eventually to nationalize another segment of our business community. But, Mr. Speaker, there is a happy ending to this confrontation on resources; there is a solution to this impasse that Mr. Blakeney has created. That solution is to elect a Dave Steuart government.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — You know this solution is going to become very obvious to Saskatchewan people and the issue that was developed by Mr. Blakeney is going to be turned against him.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Solutions to problems can only be found by sitting down and negotiating and having a reasonable attitude. Dave Steuart will do that. He will get a good deal, the best deal for Saskatchewan people. The electors of this province know it. They know that the NDP have found themselves in a position from which they can never again meaningfully negotiate with the Federal Government.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Saskatchewan people are not so stupid as the NDP would have us believe. Members opposite haven't learned that and they never will, but you will get another lesson in the next election.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — I will say a few words about the Plains Health Centre or the Base Hospital or whatever you call it. One of the NDP's few successes is changing names in institutions in this province.

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That building, the Plains Health Centre or the Base Hospital, is becoming a monument to NDP inefficiency.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — We see a lot of examples of the ineffectiveness from the Government opposite. We have seen them make a shambles of the North; we have seen that they are completely unable to deal with native problems; we have seen them make stupid mistakes with the business sector as they did with the Intercontinental deal. They can't deal with Ottawa. They can't even operate a small agency like Core Services. But now we have to watch as the Blakeney Government fumbles and stumbles with the Base Hospital.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — That building has been in construction going on nearly three years and yet the Minister of Health can't get it open. The opening date was set for August 1972, over two years ago. The hospital is still empty. To be totally honest the hospital isn't exactly empty. About three weeks ago, Mr. Harvey Fox the Executive Director of the South Saskatchewan Hospital Centre told us that there were 8 or 9 patients recovering from minor surgery in the Plains Hospital. Eight or nine patients in a \$20 million hospital. Mr. Speaker, that hospital is a scandal. Why isn't it open?

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — The NDP have had a lot to say about hospital facilities in Regina. If you go back as far as 1967 they were very critical at that time about the quality of hospital facilities in this city. They promised us some great things. What has happened with the hospital premises in Regina after three and one-half years of Blakeney Government? They complained about the Regina General and the Grey Nuns Hospitals and after they formed the Government the Minister of Health commissioned Dr. Clarkson to do a study. Dr. Clarkson reported two years ago that these two hospitals were in a mess, a sorry mess. That they must be extensively renovated or preferably be rebuilt. What action has Mr. Smishek taken in two years? Nothing. He has authorized a few minor renovations so that the fire inspector wouldn't close the hospital down completely, he has kept the doors open. After three and one-half years we have no Base Hospital and the two old hospitals continue to deteriorate. Many of us remember the NDP election ads showing an empty bed sitting out on the plains of Saskatchewan. This was supposed to somehow represent the Liberal approach to the Base Hospital. I wonder, Mr. Premier, if you would be willing to show us an election ad today of a \$20 million pile of concrete and steel sitting on the plains still empty.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Mr. Smishek is still not able to get a Chief of the Department of Medicine for that hospital. He has obtained an Executive Director of the South Saskatchewan Hospital Centre, Mr. Harvey Fox, an accountant, not a medical person, an

accountant, to run the Base Hospital. I doubt if Mr. Smishek can obtain competent medical people after the way medical people have been treated in this province. The Minister of Health is also going to find it difficult to obtain adequate nursing people to run the hospital. We just learned recently of a large number of resignations that will take place effective the end of this year. I am not a bit surprised. Last spring when this Government was hassling the nurses, I was told by various nurses that they would see the fight through with the Blakeney Government and then they would be leaving as fast as they could. Can you blame them? Whom has the Minister of Health got as the Medical Director at the Plains Hospital? We find that Dr. Ken Hodgins is the Assistant Executive Director (Medical). I suppose this appointment is because no one else could be obtained. Dr. Hodgins is spread so thin in the Department of Health that he can hardly be expected to do the job. He is the head of the Cancer Commission and has medical responsibilities at Wascana and Pasqua hospitals as well as at the Plains Hospital.

I say to the Minister of Health that this isn't good enough. I say to the Minister of Health that he isn't doing good enough. It is time to get moving. It is time to replace that Board of Governors that he hired and replace the Board with people who can get the job done. The Plains Hospital stands as a monument to the ineffectiveness of the Blakeney Government, a monument to the inability of this Government to run the affairs of Saskatchewan.

Maybe the Minister of Health should stick to six-bed hospitals or eight-bed hospitals, maybe that is his style. The \$20 million Plains Hospital is now handling eight beds so maybe that is as far as we are going to go, maybe that is the limit. With a six or eight-bed hospital you can fly by the seat of your pants. If that is the limit of your ability then maybe that is what you should stick with.

The announcement on November 21, 1974 that three new hospitals would be built, two with eight beds, one with six beds is an example of flying by the seat of your pants. The Minister of Health established a rural hospital committee under the chairmanship of Justice Hughes. And he asked Justice Hughes to study three particular cases as well as the general situation. This is a third report, all three reports have told the Minister of Health exactly the same thing. The Minister of Health ignored these findings that were incorporated in the Hughes Report, and announced that hospitals would be built at Elrose and Lampman. The Minister doesn't have any estimates of the costs of these hospitals but they are going to be built. We haven't been given any reasons why they should be built. It could be because two Government Members are in danger of losing their seats, and that to me is a typical NDP reason.

The Justice Hughes Committee gave reasons for not building these two facilities. The main reason is that the hospitals would and I will quote:

Not be capable of delivering the quality of care required by the acutely ill patients.

I wonder if quality is a concern to the Minister of Health. The report also said as did the two previous reports and I will quote again:

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Had planning in the past been tuned to integration and co-operation between communities rather than to factors which have led to fragmentation, then perhaps the problems of today would be less than what is the case.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — May I add that Justice Hughes made alternate suggestions that he felt would better benefit the health care of people in Elrose and Lampman. I found it rather hypocritical that it in the same issue of the Leader Post that the announcement of the new hospitals was made. There it is: “Hospitals Announced”, and in the same issue. I should like to direct you to the headline. “Efficient Services Urged to Control Hospital Costs”, made by the Minister of Health.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — He announces two new hospitals that were recommended against and he sits with an empty \$20 million hospital and then glibly urges controlled hospital costs. I tell the Premier that his Department of Health needs to be shaken up a little bit.

As I said to the Member for Nutana South, that I would speak about deterrent fees, and I will. I have heard so much about deterrent fees from Members opposite that I wouldn't want to sit down without mentioning them.

We used to have a utilization fee and it was fondly nicknamed a deterrent fee by the NDP Members opposite. I don't object to their nickname of ‘deterrent fees’. Now we have a prescription drug plan and it incorporates a dispensing fee. I am sure that Members opposite won't object if I use their nickname and call it a deterrent fee.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — It was very interesting to see the Saskatchewan Medical Association support the concept of a drug plan. And at their recent convention they passed a resolution opposing the “tax on the sick” or deterrent fee.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Let me finish, Premier Blakeney. I would like to quote from October 24, 1974, and I am sure Members opposite will recognize what I am quoting from, Dr. David Road, a good friend of all I am sure, one of the community clinic doctors.

Referring to the Saskatchewan Medical Association's opposition to this tax on the sick, Dr. David Road of Regina, said the deterrent fee will most adversely affect those with high drug costs, the aged, the young, the persons with long-term diseases.

That's what was said at the Saskatchewan Medical Association.

It is very interesting to note that the very next day the Saskatchewan Medical Association withdrew their opposition to the deterrent fee. I will tell you why. Dr. Bill Davis of Regina commented and I am going to quote him, why they withdrew their opposition to the deterrent fee.

Dr. Bill Davis, in Regina, in referring to the dispensing fee said, we are indeed commenting on patient responsibility in the use of medication. We should also believe in the responsible use by patients of medical services. If we mean it in one area we should mean it in another.

Yes, the Saskatchewan Medical Association does agree with the deterrent fee. They have removed their opposition, they do agree with the deterrent fee. They have pointed out that we should be consistent. A tax on the sick is just as relevant for services as it is for drugs. We should be consistent.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — If you want a deterrent fee on drugs then let's have it on services also. That is what the Saskatchewan Medical Association says. This may be the only time in history that the NDP and the Saskatchewan Medical Association agrees. You both agree that sick people should be able to participate in their own healing process by being able to pay deterrent fees.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Mr. Speaker, I just want to say one more thing and that concerns labour relations. I found it amazing that they weren't even mentioned in the Speech. There is no mention in the Throne Speech in a year when there have been more work stoppages than in any other year in history. By the end of this year we will have about 300,000 man days lost because of work stoppages. This is about four times higher than the previous record for man days lost in Saskatchewan. And yet there is no mention of it in the Throne Speech. Isn't it funny that not one Member opposite has found it necessary even to mention 300,000 man days lost in Saskatchewan.

The Department of Labour has been very busy in the past year, it has been a full-time job just to keep track of the strikes that were occurring in Saskatchewan. It should be made clear to the people of Saskatchewan that the Blakeney Government is directly responsible for a lot of the work stoppages.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — The Government opposite must accept largely the blame for the fantastic losses in the construction industry. They must accept blame for the nurses' strike, for the teachers' withdrawal and of course many work stoppages have occurred among different groups of civil servants. Civil servants have lost respect for the process of collective bargaining with the Blakeney Government. They all know and, in fact, civil servants will tell you quite openly to bargain with the NDP is a game of charades. They will tell you that they can get away with just about anything they want by playing this little game, study sessions, strikes or

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whatever. Civil servants now assume that this charade is the accepted manner and form of bargaining with the NDP. Examine the record, they are right. In light of the disastrous record in Saskatchewan and the inability of the Department of Labour to deal effectively with labour relations, I am going to suggest that the Department of Labour embark on a program that is similar to that of the Department of Highways. It would be a kind of phone-in information service. I suggest that they call it 'phone-a-strike'.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — It would be a really useful service. You could phone in to find out whether you could send your kids to school or whether you could deliver hogs, whether you could deliver wheat, whether you could get some construction done, whether the Government liquor stores would be open. You name it, you could find out by phoning in.

**Some Hon. Members:** Hear, hear!

**Mr. MacDonald:** — Find out where a strike was, when it was and I think that the Department of Labour in view of its failure to assist in the process of labour relations, this would be one of the most helpful things that they could do.

Mr. Speaker, it is very obvious that I will not be supporting the Throne Speech.

**Some Hon. Members:** Hear, hear!

**Hon. K. Thorson** (Minister of Industry & Commerce): — Mr. Speaker, I am very pleased to join in this Debate on the Speech from the Throne. May I offer my congratulations to the mover and the seconder, both of whom acquitted themselves well in this Chamber and I am sure made their constituents proud of them in the presentation they made in launching this Debate.

Mr. Speaker, the Liberal Party in Saskatchewan finds itself in a very difficult position, lacking any consistent philosophy, lacking any record of performance to be proud of. They are busy going around the province to see if they can find any individuals or groups of individuals who are unhappy or discontented. And of course, Mr. Speaker, we haven't far to look in our society, there are such people.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — There are such people. The Liberals are apparently taking on the role of championing the causes of people who have difficulties and problems in our modern society.

Never mind that some of these difficulties and problems are a direct result of the lack of performance of the Liberal Party when it was in office in Saskatchewan. Never mind that some of the difficulties that the people of Saskatchewan are facing today are a direct result of the actions of Federal Liberals in Ottawa in the last Turner Budget.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — I wouldn't want to join in any partisan debate of that kind without first of all setting out very clearly what our present economic situation in Saskatchewan is. Let me remind the House of some of the economic facts of life for people in Saskatchewan. And particularly as we compare ourselves to the rest of Canada. We are often wont to say in this province that agriculture is our main industry. It is interesting to note that according to Statistics Canada, this province has 37 per cent of the productive agricultural land in Canada. It has only 4.3 per cent of the population of Canada or did have in 1972. With more than 4 per cent of the population in that year, we had just over 3 per cent (3.3 per cent) of the personal income earned in Canada. That is in 1972, Mr. Speaker. Right after the last seven years of Liberal rule in this province.

We produced a total in actual goods of 4.3 per cent of the value produced in Canada that year. We had more than 13 per cent of primary production. In electric power production even though we had 4.3 per cent of the population we produced in kilowatt hours only 3.8 per cent of all the electricity produced in Canada in that year.

Construction in Saskatchewan in 1972 was valued at only 3.1 per cent of that produced in Canada as a whole. Even though again as I say, Mr. Speaker, we had 4.3 per cent of the population. Our manufacturing represented only one per cent of the value of all produced in Canada in 1972.

Against that background of those real economic facts, we are trying in this province, by implementing the New Deal for People with our Government, to diversify our economy, to increase its wealth production, to increase the incomes of Saskatchewan people in non-agricultural jobs as well as agricultural jobs. I want to draw the House's attention particularly to some of the success stories so far as the industrial sector is concerned by mentioning some of the companies that have either established new operations or expanded operations in recent times in Saskatchewan.

The Liberals, of course, I don't know why they want to decry the situation in the province by pointing out all of the difficulties and the failures and therefore never point with any pride to the successes of some of the people who are in private business in Saskatchewan. Pyramid Mobile Homes at North Battleford is producing trailers and expanded recently; Univision at Biggar; Homco Industries at Estevan. Saskatchewan Forest Products is building its plywood plant now in production in Hudson Bay; Canasphere has established a new operation at Moose Jaw; Canada Packers is expanding its operation at Moose Jaw with a new plant. In Regina Degelman Industries have continued to expand despite all of the prophecies and predictions of the Opposition a couple of years ago. IPSCO has expanded; Westank expanded; North American Car is establishing new facilities in Regina, and of course Intercontinental Packers has opened a new plant in Regina.

Incidentally, Mr. Speaker, looking at Intercontinental Packers and its activities in Regina and in Saskatoon, I am sure the House will be pleased to know that while in the year ended in June of 1973 they employed about 960 people in their Saskatchewan operations; in their year end of June, 1974 they had about 200 more people employed, about 1,144, more than 200 more.

**Some Hon. Members:** Hear, hear!

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**Mr. Thorson:** — Now looking at Saskatoon, Mr. Speaker, firms like Waldman and Paul Lenkurt Electric; Western Roto Thresh, Fleury Industries; and here is one the Members opposite will be interested in: Smith-Roles still carrying on producing goods and employing people in Saskatchewan.

Looking at some of the smaller things there is Cypress Cheese at Swift Current; Swertz Bros. at Weyburn; Morris-Rod-weeder, of course, at Yorkton continues to expand as does Leon's Manufacturing in Yorkton. Then, Mr. Speaker, if I may say so, we ought to in Saskatchewan . . .

**The Speaker:** — Order, order! I should like to draw the Members' attention to Rules of Decorum within our Rules Book, it says:

When a Member is speaking no Member shall interrupt except when there is a Point of Order.

Furthermore we have Members speaking other than from their own seats. I don't think the decorum is good. It's the last of our Debate, let's have a little more quiet please.

**Mr. Thorson:** — Mr. Speaker, in this province we all ought to take some pride in the initiatives and the accomplishments of the people who are manufacturing farm machinery in Saskatchewan in many places outside of the cities in Saskatchewan. I have mentioned some of them like Degelmans in Regina. Also in Regina there are firms like Rite Way and Sakundiak who have expanded recently and are employing more people. But outside of the larger centres there is Beline Industries at Kindersley; Bussiere and Sons at Vonda; there is Friggstad at Frontier; there is Mel-Cam at Imperial in Saskatchewan; Shulte Welding and Machine Company in Englefield; Doepker Industries at Annaheim; Anderson Manufacturing at Southey. All of these, Mr. Speaker, are relatively small firms but all succeeding in their own way in making a worthwhile contribution to the provincial economy and we all ought to be proud of them.

Mr. Speaker, in 1968 in this province according to Statistics Canada, the total number of people employed by manufacturing firms was 15,600 and that was an all-time high for Saskatchewan up to that time. In the next three years the numbers of people so employed in manufacturing industry dropped by more than a thousand to 14,500 and that's where we stood when the Liberals left office in 1971. In the next two years employment in manufacturing firms increased by 2,000 so that it stood at 16,500. And I want to say a little bit more about that later on and the contribution that it is making to the stabilization of population in Saskatchewan.

As a matter of fact, Mr. Speaker, I know that the Liberals very often like to squirm around this issue of the population in Saskatchewan by misstating some of the facts. Just so that there can't be any doubt let's look at those facts about population again.

In 1968, in June of that year according to Statistics Canada the province's population had reached 960,000, its highest level in all of the history of the province since 1905. From there on it had some of the sharpest declines in percentage of total population each year until 1972. So that in 1969 we dropped to 958,000 which was only a .2 per cent drop. The next year we

dropped to 941,000 which is a 1.8 per cent drop. In 1971 our population had declined again to 926,000 a 1.16 per cent drop. It continued to decline so that in 1972 we were down to 916,000, a decline of 1.1 per cent. In 1975 it declined by only 8,000 people, a decline of only .9 per cent. The most recent figure available for our population estimate by Statistics Canada in June is, of course for this current year 1974, in which our population is estimated to be 907,000 compared to 908,000 that it was in 1973.

It is interesting to note that we have gone from a position in Canada where we represented over five per cent of Canada's total population in 1961 to a position where we are now down to only about four per cent of Canada's total population. But in most of those years, Mr. Speaker, and especially in those years of sharpest declines in population, the Liberal Government was in office in Saskatchewan and in Ottawa.

**Mr. Macdonald (Milestone):** — Check . . . Moose Jaw down . . .

**Mr. Thorson:** — Well, now, Mr. Speaker, I think that it is quite clear that the decline in population occurs most severely in those areas that are most influenced by agriculture conditions especially when they turn against the people engaged in farming and that is the largest factor in the decline in population in Saskatchewan. But it is not true to suggest, as our friends opposite often do, that this is all the result of New Democratic government or only occurs when New Democratic governments are in office because the record is quite the reverse of that, Mr. Speaker.

Now I think it is also clear that the principal reason for this turnaround in the province's population where we can look forward to a stabilization and if some current trends continue, a reversal in the decline of population in the next couple of years, that turnaround I think has clearly been because of the expansion in the province's employment opportunities and especially non-agricultural employment. In fact, the employed labour force in this province rose to 345,000 in 1973, an increase of approximately 8,000 workers during that year. It continued that expansion in 1974 and will likely be at an even greater rate of increase when all the figures are in.

At the same time our unemployment rate continues to be the lowest in Canada as it was in 1973 and in 1972. In fact shortages of skilled labour are responsible for slowing the rate of expansion which the province could otherwise realize. The average labour force is expected to increase by 4,000 people in 1974 and by a similar number in 1975. A large number of young people have entered the labour force in 1974 already and undoubtedly will continue to do so in the next year.

Mr. Speaker, total investment in Saskatchewan involving all construction, machinery and equipment in 1973 rose to \$1.5 billion which was a 14.5 per cent increase over 1972. Expenditures for construction increased by 19 per cent. Outlays for new housing counted for the largest increase of the new construction, manufacturing, trade firms and financial and commercial sectors also increased. Investment in new machinery and equipment alone was 12 per cent above that in 1972. New machinery purchased by farmers which amounted to almost \$250 million in 1975, increased 52 cent over 1972.

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In 1973 agriculture again played a leading role in the economic performance of the province. Everyone knows that the cash receipts in agriculture increased for both field crop producers and livestock producers in that year. Farm prices for agricultural products rose by 54 per cent in 1973. Farm input costs also increased but this was the first year since 1961 that the price index for farm products showed a greater increase than the index for the cost of production.

It is in the manufacturing industry particularly that we have to look to provide alternative employment opportunities because even when the incomes increase in agriculture, to the extent that we depend upon grain production, we are employing fewer and fewer people as the technology improves. Well, manufacturing activity particularly in the area of processing farm output showed encouraging signs in 1973. The level of employment in manufacturing reached an estimated 16,500 as I said in 1973. That surpassed all previous peak levels of employment in industry. Shipments of food and beverages manufactured in Saskatchewan accounted for 45 per cent of the value of shipments of all manufactured goods. About three-quarters of the food processing industries are based on agricultural production. The value of shipments of goods manufactured in Saskatchewan exceeded \$800 million, an increase of 24 per cent over the value in 1972. In 1974, manufacturing has steadily expanded. The value of shipments for the first half of 1974 exceeded the previous year's total for the same period by 28 per cent. Employment in manufacturing through 1974 and 1975 may very well increase at a between 1,000 and 2,000 jobs per year.

Mr. Speaker, the increases in personal incomes in the province during 1973 was reflected in consumer expenditures. Retail trade rose by 14 per cent to a total of \$1.46 billion in 1973 with automobile dealers and department stores experiencing exceptionally large gains. Additional expenditures for services in 1973 were indicated by increased employment in trade, financial firms, real estate and business and all personal service firms in Saskatchewan. The employed labour force in these service industries during 1973 increased by approximately 11,000.

Mr. Speaker, I think those hard economic facts give us all reason to be encouraged about our present economic situation and economic prospects in Saskatchewan/

In a moment I want to turn to some of those storm clouds that were mentioned in the Speech from the Throne but let me take a few moments to set out how the people in southeastern Saskatchewan, in my home area at Estevan and the surrounding district, have benefited by the programs of this Government since 1971. I want particularly to call attention to some of the items that no one dreamed were possible in that area of Saskatchewan when the Liberals were in office. In the city of Estevan alone we have had things like a new addition to the Regional Nursing Home, an addition to St. Joseph's Hospital, we have had established through the efforts of the local Kinsmen Club the "Workinship" for the handicapped, supported by contributions of local people, and by grants from the Department of Social Services. We have had such things as Meals-on-Wheels, Day-Care Centre, Low Rental Housing expansion, Winter Works programs for various kinds in community facilities such as the golf club and so on, that wouldn't have been possible without the programs of this Government. Grants for tourist booths, both to establish them and to operate them. We have seen an increase in the contribution of

the Department of Highways under the assistance to the urban municipality in paving, particularly the thoroughfare known as King Street in Estevan which leads to the Comprehensive School and also leads to the new shopping centre which was opened in Estevan in 1974. We have seen a business representative office established and we have seen new job opportunities open up in coal, in power production and in service industries in the city of Estevan itself.

In the area around, natural gas service has been taken to the village of Macoun and the village of Torquay. Dial telephones have also been established in those two centres. At Bienfait a new covered swimming pool has been established (again with the efforts of local people) and with the very substantial grant from the Provincial Government to assist them in establishing that facility as a tourist facility and recreational facility in Bienfait. We have seen Drop-in Centres established at Bienfait for senior citizens and another one established at Lampman for senior citizens, again with the assistance and the grant from the Department of Social Services. And, of course, as my friend from Moose Jaw who just took his seat noted, the Government has announced that it is prepared to assist in the construction of a new hospital at Lampman to replace the one that was originally built there in 1918.

Some of our programs, Mr. Speaker, are particularly beneficial to people. I call them grants to citizens. The Minister of Municipal Affairs pointed out how beneficial these have been when he spoke this afternoon. Our Property Improvement Grant now goes to homeowners and to farmers and to small businessmen.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — It's interesting, because I recall very well at the by-election in Estevan in 1971 all of the talk that went around about how the newly elected Government in Regina was going to abolish the Homeowner Grant Program. We didn't abolish it, except, Mr. Speaker, to replace it with something better. It is better because it covers more kinds of property and because the rate of grant has increased each year since we have been in office. It has assisted materially in helping people continue in their own homes, in their own businesses and on their own farms and to help meet local taxation which the municipalities levy.

Grants to people also include the Senior Citizens' Home Repair grants, and several hundreds of people in my area of Saskatchewan and several thousands of people throughout the province benefited from that program.

But it isn't just grants to people, Mr. Speaker. This Government has made outstanding increases in grants to local governments to assist them in keeping up the level of services and keeping down the tax rates.

School boards have all noted increases in their grants in my area since this Government took office.

Rural municipalities have increases in grants for roads. But the urban communities, Mr. Speaker, have taken on a new hope and new confidence about the future as a result of the new programs grants and assistance which were introduced in this year by the Provincial Government to benefit people in those urban centres.

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The equalization grants, so that there is an equity in the revenues that are available for local purposes to local communities; the \$10 per capita unconditional grant to be paid annually to urban communities and the Community Capital Fund of \$75 per capita to allow investments in new and worthwhile community facilities over the next five years. All of these, Mr. Speaker, have resulted in a continuation or an improvement of services without the necessary increase in local taxes.

Now, Mr. Speaker, we have done that because we believe in the principle of taxing according to ability to pay, because we did not believe that the ownership of property in Saskatchewan necessarily indicates ability to pay. We have obviously tried to encourage homeowners and farmers and small businessmen to continue owning their property; we have tried to make sure that provincial resources are available to assist local communities and local people in the communities where they live. We have thought it appropriate, if there are to be any increases in tax, to do it in the income tax, because that is based on ability to pay. In fact, since this Government took office that is the only area of taxation where anyone can say we made any increases at all, and those have been fair.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — But we have removed things like deterrent fees, the tax on the sick, we have removed some of the nuisances like the ‘hot dog’ tax and we have removed the “poll tax” — the per capita tax which was charged by way of a premium for medical and hospital services in previous years in Saskatchewan. All of that is founded in the firm belief that we should collect revenues according to ability to pay and that we should distribute provincial resources and benefits to people and to local governments so that local services can be maintained and improved without a crushing burden of taxation. Now this is a far cry from the record of the previous Liberal Government.

Now, Mr. Speaker, this afternoon my friend the Member for Milestone (Mr. MacDonald) was good enough to raise some questions about people in the oil field supply and service industry in Saskatchewan. I want to take this opportunity to say something about their particular situation and the Disruptive Circumstance Assistance program of the Government which applies to them directly, and then I want to draw the attention of the House and the Member for Milestone to some of the background which causes these people to find themselves in some difficulty and in some doubt.

First of all, Mr. Speaker, in the spring of 1974 when we announced that there would be a program of cash advances and under certain circumstances outright grants to people in the oil field supply and services industry, we indicated that firms which received their major income from contracting with or providing goods and services to people who explore for oil or produce oil, would be eligible for the program. Some 48 firms in Saskatchewan in total have received advances of money under that program so far. Thirty-three additional firms, Mr. Speaker, put their names on the list indicating clearly that they were qualified and eligible, but did not ask for any funds. Ninety per cent of the firms which have received advances of money, so far, according to the survey we conducted within the past month, were still working in Saskatchewan. Ten per cent of them indicated that they were unable to do all of the work that was available to them because of labour.

Now, Mr. Speaker, we indicated at the time that if the average net income of these firms, per employee, was less in 1974 than the average annual net income on that basis for the three previous years, then there would be an outright grant to make up the difference. But primarily the program was aimed at providing immediate cash in the spring of the year so that people could maintain valuable staff members and meet their pay roll and so that they could pay for outstanding expenses such as licences for trucks and things of that kind. I think the fact that 90 per cent of these firms are still in Saskatchewan indicates that it was a worthwhile program and they are needed and they are working here.

Now, Mr. Speaker, the Liberal Opposition, for their own political purposes, choose to say that the difficulties in which these people in the oil field supply and service industry find themselves and the uncertainty is somehow entirely the fault of the Provincial Government.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — Now that's not true. It is true that in the spring of this year there was a reduction in the regular maintenance and service programs of producing oil firms. That is true. It is also true that in this year, 1974, we have witnessed, not for the first time by any means, but we have witnessed a decline in exploration activities in the oil industry in Saskatchewan. But that decline, Mr. Speaker, has been going on since at least 1969. Each year, starting in 1969 and continuing right through to the present there has been a decline in the footage drilled and in the number of wells drilled in Saskatchewan for exploration. That has been going on for at least five years, Mr. Speaker, throughout this province. That much is true.

What about the oil industry, Mr. Speaker? What about the revenues they have received? Well, let's just recall some of the events in 1972 which led to an increase in the price of oil, and we must think that's very modest today, but it led to an increase in the price of oil commencing in November, 1972 and going to August of 1973, of something like 95 cents a barrel. So that at the end of 1973 or in the fall of 1973 the average price in Saskatchewan, weighted average price, was under \$3.40 a barrel, whereas in the year before it was about \$2.43 a barrel. As a result of those price increases, Mr. Speaker, of course the revenues for the oil industry increased, just out of the production in Saskatchewan, even though that had been declining also since the late 1960s. But the revenues now clearly were increased in 1973 as compared to 1972. Indeed, Mr. Speaker, let us just remind the House that the oil industry in Saskatchewan since 1964 had never made less than \$60 million over and above all of its expenditures in this province in each year. Some years it was in excess of \$100 million. Now why all this fretting and crying about the producers of oil in Saskatchewan on the part of the Liberal Opposition, Mr. Speaker. Why are they crying about that? Why should they cry about an industry which in its 25 years in this province has taken out \$800 million more than it has spent in this province?

Mr. Speaker, I said on another occasion that that kind of conduct, making that kind of money and then cutting down its economic activity in the province, is, in the eyes of many people, completely improper and illegitimate. I said on another occasion

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that when the oil prices continue to climb and climb we are going to get increasing attention by public agencies and governments and increasing intervention in the oil industry on behalf of the public by government agencies. And that's been true.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — Now, Mr. Speaker, when I introduced Bill 42 in this Chamber a year ago, when I spoke on second reading on December 12, 1973, I said there were three outstanding issues and I want to remind the House of what we were looking at at that time. It was against that background, remember, Mr. Speaker, of increasing prices for oil, of increasing net revenues for the oil industry in this province and a continual decline in its exploration and production activity in this province, I said at the time that we introduced Bill 42 that there were three issues.

One was financial. I asked the question — “What will be done with the profits from oil?” and “What will Canadians have to pay for oil?” The second issue, Mr. Speaker, was constitutional, a matter of federal-provincial relations in Canada. The questions I put were:

- What are the rights of the provinces in resource development?
- How can we develop a national energy policy?

The third issue that I referred to a year ago, I characterized as a matter of political philosophy. Will energy, in the form of oil, be treated like a public utility, or will it not?

Now, Mr. Speaker, on all of those three issues the financial, the constitutional one, the question of how we are to develop and have the benefit of energy resources in Canada, can we, a year later, say that we are better off on any single one of those points? I say we are not. I say that despite the best efforts of the Provincial Governments and the Federal Government as it participated in the two energy conferences, one in January and the other one at the end of March, despite the understanding and agreement that was reached at that March conference which gave a measure of certainty to the people producing oil and to the people servicing the oil industry and gave a measure of certainty and security to the consumers of energy in the form of oil, despite those efforts and despite that agreement, arrived at surely by honourable men working in a difficult situation considering the international setting and considering the difficulties of governing a federal state like Canada, despite the efforts and despite that agreement, a year later we are no better off. In some ways, Mr. Speaker, we are worse off than we were a year ago and I must say regretfully, that I lay the blame for that entirely at the feet of the Federal Liberal Government.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — And it is sad indeed to listen in this Chamber, Mr. Speaker, to these little Liberals in Saskatchewan trying to defend them.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — Now it is suggested that somehow the Provincial Government, in the provisions of Bill 42 has caused the trouble for the oil industry in Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — I say clearly that it is not so. All that Bill 42 has done is to increase our royalty rate and that, considering the way the price oil was escalating in 1972, and at a much more spectacular rate in 1973 at the end of the year and in 1974, all of that was quite legitimate. Everyone, I think, except of course the Liberals in Saskatchewan, who are looking for discontented people because they felt somehow or other that that elevated their provincial and political stature if they could find some people who were discontented and sympathize with them and distort the causes of their difficulty, everyone, I think, applauded the moves that were made by the Provincial Government in Bill 42 and the stand which the Government of Saskatchewan took in the two energy conferences.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — Up to that time, Mr. Speaker, it's interesting to consider what happened to the money that could be earned by producing a barrel of oil in southeastern Saskatchewan and selling it on the international market of the United States.

Now, my friend for Milestone was kind enough to present me with a cake this afternoon. I am sorry I haven't anything as sweet or nice to offer him in return, but I do have a little pie chart which I should like to show him.

**Mr. Romanow:** — Food for the mind there.

**Mr. Thorson:** — Mr. Speaker, up to the time of the Turner Budget in May of this year and of November of this year (I'll call the former the old Federal Budget), a barrel of crude oil being produced in southeastern Saskatchewan, where I come from, could be sold on the international market for a very substantial price. Ignoring the transportation costs, let's say it could have fetched something like \$11.80 and out of that the province got 28 per cent. The producer got 28 per cent. About \$3.30 each, give or take a few cents. The Federal Government, which had already imposed its export tax in October of 1973, and continued to raise the rate of the export tax, almost monthly thereafter until May of 1974, was getting about 44 per cent of the value of that oil as it was produced.

Now, Mr. Speaker, that's the old Budget, that's the situation when the Premiers and the Prime Minister arrived at an agreement on the 27th of March, 1974 on what the price of oil should be on the domestic market and who should get the benefit of the windfall gains available on the international market, the federal tax of something like \$5.20 per barrel.

Now, Mr. Speaker, when the Turner new Budget came in, it is interesting to consider the fate of one of those barrels of oil from southeastern Saskatchewan when people began to divide up where the money should go. Because that Budget not only

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maintained that the export tax would stay on at \$5.20 per barrel, but now the money which the producer was paying to the province in the form of royalties at \$3.30 approximately for each barrel, now that was to be treated henceforth as though it were not an expense by the producer but income and subject to income tax by the Federal Government.

Well let's say that the tax is going to be about 50 per cent of that \$3.30, about \$1.65 a barrel. So this is what happens, Mr. Speaker, as the result of the new Federal Budget, to the barrel of oil from southeastern Saskatchewan. Now the province continues to get 28 per cent at about \$3.30 a barrel, but the producer is squeezed down to 14 per cent and where does it go? To the Federal Government, that is where it goes. They are still collecting the \$5.40 a barrel and they are collecting another \$1.65 in income tax and now they are getting 58 per cent.

Now the Member for Milestone tries to tell the people in the oil fields supply and service industry and the people of Saskatchewan that somehow this difficulty is the result of Bill 42.

Mr. Speaker, Bill 42 left in the hands of the oil producers, all of the income according to the 1973 average price. Nothing in Bill 42 changed that. We did say that we would recognize increases in cost of production; we did say we would allow a higher price if the increased revenue is spent on exploration. We have changed nothing since a year ago with respect to our share of the money that should come from producing oil.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — But it is not so for the Federal Liberal Government, Mr. Speaker. Regardless of the agreement that was reached in March 1974 . . .

**Mr. MacDonald (Milestone):** — Mr. Speaker, I would like to direct a question to the Minister. In that beautiful pie of his has he included the rebate?

**Mr. Thorson:** — Well, Mr. Speaker, I don't know what rebate he is talking about.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — I don't know what deal the Federal Liberal Government made with some of the oil producers in Canada. They weren't in on the discussions in March of this year. I hear from some of these news reports that somehow or other the producers and the Federal Government had an understanding that they were both to put pressure on the provinces for the provinces to reduce their royalties. And I don't know what the Federal Government agreed to pay the producers for that change.

**Mr. MacDonald:** — Read the Budget.

**Mr. Thorson:** — I know what the provisions of the Budget are as they were announced by the Federal Minister of Finance and I know despite the fact that the federal take has gone up from 44 per

cent to 58 per cent, that that is not intended to benefit the people of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — What is the Federal Government doing with this revenue? Well, some of it they are using to subsidize the consumers of oil in other parts of Canada, and they are taking it out of the resources of the Province of Saskatchewan to do it. Some of it, presumably, they are going to pay back to some of the oil companies, I don't know. But we do know, Mr. Speaker, that it is certainly not going to benefit the people of Saskatchewan under the new Budget because our equalization payments, under this new Budget, will go down \$40 million. And in addition to that, Mr. Speaker, the Federal Government proposes, in its new Budget, to increase its tax levy on the producers of natural gas if they sell to the Saskatchewan Power Corporation.

Now tell me, Mr. Speaker, how these actions of the Federal Liberal Government have improved our situation on those three issues that we were concerned about a year ago. Are we better off financially as a result of these actions? Not at all. Have Federal-Provincial relations been improved by the conduct of the Federal Liberals in this issue, this resource and energy issue? Not at all, Mr. Speaker. And is there any evidence that the Federal Liberals will do anything to establish, once and for all, that energy in the form of oil should be treated like a public utility in the same way that we treat electricity? Not at all, Mr. Speaker. And all we get, as I say, from these little Liberals in Saskatchewan, is a defence of this kind of conduct of the Federal Liberals.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — Well, Mr. Speaker, you can count me as one who supports Premier Blakeney and the stand that he has taken on these energy issues and Federal-Provincial Government issues.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — You can count me as one who supports the warning that is raised in this Speech from the Throne that we heard from His Honour in this Chamber, that these storm clouds on the horizon are threatening the well-being of Canadians in a federal state.

**Some Hon. Members:** Hear, hear!

**Mr. Thorson:** — Mr. Speaker, it is obvious that I will support the motion.

**Some Hon. Members:** Hear, hear!

**Mr. Macdonald:** — Mr. Speaker, seeing that the Minister refused to answer my last question I should like to ask him in simple mathematics, the Provincial surtax says that anything over \$3 a barrel . . .

**The Speaker:** — Order, order! Is the Minister prepared to answer

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the question?

**Mr. Thorson:** — Mr. Speaker, I don't know that I can help him on the mathematics but if there is a legitimate question of information that I can help him with I will try and get it for him.

**The Speaker:** — Well, will the Member please just ask the question and don't make a statement.

**Mr. Macdonald:** — Mr. Speaker, the provincial government surtax is 100 per cent of anything over \$3 a barrel. If the federal . . .

**The Speaker:** — Order, what is your question?

**Mr. Macdonald:** — If the Federal Government had no export tax what additional revenue would be given to the producers of this province?

**Mr. Kramer:** — On a Point of Order. Mr. Speaker, it has always been my understanding, and that Member over there has been in the House long enough to know, that when the Speaker is standing on his feet he sits down. I would like a little more decorum and manners from those people opposite.

**Mr. Macdonald:** — Mr. Speaker, on a Point of Order. It has also been my understanding when a man rises to speak in this House he speaks in his own seat. The Member is so stupid that he doesn't even know where he sits.

**The Speaker:** — Order, order! I think the adverse compliments are flowing a little too freely and we had better get on with the debate.

**Hon. G.R. Bowerman** (Minister of Northern Saskatchewan): — Mr. Speaker, after that little outburst of friendliness I am not sure that anything that I will have to say will be able to match either Member, whatever side of the House you want to consider.

I want in the time that is left to us this evening and in the closing minutes of the Debate, to make a few comments with respect to only a couple of subjects and not attempt to deal with the many virtues of the Throne Speech Debate and in doing so leave some time for the Opposition who is, I understand, by some agreement to close the Debate.

I want to talk about the Department of Northern Saskatchewan and I want to talk about some forest development in Saskatchewan and will try to limit my remarks to that.

All of us will agree that for a while after 1971 and 1972 the idea of a single agency, that is the idea of the Department of Northern Saskatchewan, was not very popular. Opposition Members did their best to destroy the concept and to destroy the confidence of the Saskatchewan people in it as well as the

people in the North, without really making any alternative suggestions as to what we could do, or should do, to resolve those rather important issues for the people living in northern Saskatchewan.

The vested groups took their swings from a variety of positions, from their own vantage points of view and that is really not a criticism of them. And even some employees of the Department with loyalties only to their own objectives and political affiliations were vigorously attacking the Department from within.

Mr. Speaker, the initial tests are now over. Resolutions from Saskatchewan northern people have rolled in commending our Government for the Department of Northern Saskatchewan. Resolutions from Saskatchewan's southern people have been rolling in as well commending our Government for the Department of Northern Saskatchewan.

Mr. Speaker, the resolutions are even coming from the Liberal Party provincial convention, they have been rolling in as well. They are a little more reserved about their commendation of the policy, but at the promptings of the Department of Northern Saskatchewan's most recent convert, the Hon. Member for Athabasca (Mr. Guy), they could not resist from getting on the bandwagon with the rest. What a conversion, Mr. Speaker, what a conversion that prompts a headline in the Leader-Post and suggests that Mr. Guy comes to the defence of the Northern Department.

When I was a child I marvelled somewhat at the New Testament story about the miraculous conversion of the Apostle Paul, on the road to Damascus. As a man I am overwhelmed by the sudden conversion of the Hon. Member for Athabasca and his disciples, the Liberal Party. However, unlike the story of Apostle Paul, I have reasons to doubt the depth and the sincerity of the most recent conversion of the Member of that party.

**Some Hon. Members:** Hear, hear!

**Mr. Bowerman:** — Why do I have reason to doubt? Because there is an election in the offing and the Liberal Party has demonstrated itself to be like some other biblical characters, who were able to change their coats and appear to be different but remain the same.

The Liberal stand on the Department of Northern Saskatchewan in the past is the real stand of the Liberals in Saskatchewan today. People of the North will not be fooled again. People of northern Saskatchewan will not be fooled under the commitments of the Liberals, that they have made or the suggestions of commitments that they have made recently in their convention. Liberals are committed to destroy the New Democratic progress in the North as they are dedicated to destroy it in the South.

Today we can see the beginning of the fulfilment of the North. A growing change in awareness by the mainstream Saskatchewan cities of the North, the citizens of the North and its people and an awareness in the people of the North of our genuine concern for them.

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Mr. Speaker, there was a day which ended in June 1971 when we never even drew our provincial road maps to include anything as far north as La Range. There was a time in the recent past when roads didn't even go beyond the geographic centre of our province. There was a time when we developed our mining industries in the North and allowed them to be serviced both from Edmonton and Winnipeg only. There was a time that ended in June 1971, when old line departments of the Government and when governments accepted less than human necessities for acceptable standards in education, in health, in employment, housing, child care, social and legal justice in the North.

Let me use the statistics again that represent the condition of northern Saskatchewan people when we took office in 1971, after seven years of opportunity for Liberals to do some thing in a major way to alleviate these unbelievable and unacceptable conditions, yet we were faced with these facts.

The incidence of disease about which the Liberal Party, in their seven years of government, did nothing was 35 times higher than the rest of Saskatchewan; drop-out rate amongst students approximately 80 times higher than in our southern schools; unemployment 50 to 70 per cent of the labour force of people in the North; income of one-quarter of those employed less than \$3,000 per year; the welfare cases in 1970 and 1971 — and there was a sharp rise in the welfare cases in 1970-71 and the Member for Meadow Lake (Mr. Coupland) can probably point out the reason why that was — were highest in the history of northern welfare records. An average of 25 or 30 new houses per year were being built of minimum standards. No new medical clinics were being constructed; no child care facilities were being built; no new employment opportunities; no new major recreational or educational installations. You name one. You seem to be doing a lot of talking from your seat but why haven't you named some. No new roads for the people of communities, but there were roads like the Primrose Path and there were roads like the road from Anglo-Rouyn Mine to Flin Flon and there was a road serving another mine, but no roads to serve people in communities.

I am not able to list all the programs and all the projects which are resulting in the improvement of health programs; arrest of student drop-out; arrest the welfare cases, the child care problems, the unemployment, the poor housing, the social and economic injustices that have occurred in the North. But I recommend to you that you refer to the Department of Northern Saskatchewan's annual report. It was tabled at this Session, which is the greatest evidence of a commitment and resolution that we have ever seen in this Legislature relative to the northern part of our province.

I want to refer, however, to some of the outstanding accomplishments which are evidenced of our success in the North. The welfare statistics undeniably demonstrate that we have tackled today's most difficult problem and have met with significant success. A major reduction in case loads of up to 35 per cent. A major decrease in total dollars required for SAP assistance. These statistics also demonstrate that we have substantially met the unemployment problem with wages comparable to labouring standards throughout the province.

In grants to northern school boards, comparing the school grants to the northern school board, to Uranium City and to Creighton, from 1970 and 1971 to 1973-74 under the DNS, there is

an increase of almost \$1.2 million. In 1970-71 the grant to the northern school board was \$1.79 million and in 1973-74 it was \$2.78 million — an increase of \$988,000.

**Mr. Steuart:** — . . . after . . .

**Mr. Bowerman:** — You might learn something if you would listen. You might learn something although I know it is very difficult for you. Even in grade school it was difficult.

In 1970-71 the grant to Uranium City was \$99,567 and in 1973-74 it was \$264,000 an increase of \$164,000 to Uranium City schools. In Creighton, 1970-71, the grant was \$165,000 and in 1973-74 it was \$198,000, an increase of \$32,000. The child care centre established at Sandy Bay and now near completion for a capacity of 16 children, an organized drive to increase the number of foster homes in the North and an innovative placement program resulted in a number of children being retained in the North, have risen by 30 per cent.

Health facilities. In 1973, an outpost hospital in Buffalo Narrows was renovated. Dental clinics were established in Buffalo Narrows and in Lac LaLoche. This will provide for dental care for children up to 16 years and the expansion of that program we hope will be under way in 1975.

Educational facilities. The following buildings were constructed to a stage this fall which will provide for construction on a continuing basis over the winter. A gymnasium in La Loche, 50 local persons employed on that project when I was last in La Loche. Green Lake, a gymnasium being constructed for the recreation and benefit of the children there. A new school at Pine House. New classrooms at Wollaston Lake. A gymnasium has been built at Buffalo Narrows, and a science room completed and in use there.

The Member for Meadow Lake I am sure would be able to tell this House if he had the opportunity of how many times and in how many elections he promised the people at Buffalo Narrows that they would receive a gymnasium during his government's reign.

Sewer and water programs in Cumberland House, in La Loche, in Weyakwin Lake, in Buffalo Narrows have been undertaken and are well Under way towards their completion.

Mr. Speaker, I commend our Government, I commend the Premier and my colleagues for addressing themselves to the task of northern Saskatchewan and being prepared to stand with what were rather grave political hazards, political hazards beyond the fortitude usually ascribed to politicians in the program of renovating and rejuvenating the North.

I turn to forest developments in Saskatchewan. We have approached development of our resources differently from the Saskatchewan Liberals. We have demonstrated our confidence in Saskatchewan people and not only in the international corporations as did the former government. We have planned our forest resources utilization for a greater variety of end products and for service to a greater number of Saskatchewan communities at market demands. Our forest developments have been designed to arrest the waste of prime forest resources and to produce

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higher value products from that forest resource. I believe that we have been successful in our ventures thus far and the red herring which the Leader of the Opposition dragged through this debate about the Springate Consulting firm and the recommended annual allowable harvest of resources being attributed to the recommendations of that firm is both insensitive and arrant nonsense and he knows it. And so do you, Mr. Member for Athabasca.

Mr. Steuart served as the Minister of Natural Resources and he was the deputy premier of the Thatcher Government. He knows very well that forest inventories, that annual allowable harvests, that forest regulations and the setting of cutting limits are all within the undivided jurisdiction of the Forestry Branch of the Department of Tourism and Renewable Resources. Although it is true that his government never listened to their advisors he knows well that his accusations about a forest industrial consultant having the powers of setting annual allowable harvests in any Canadian province including Saskatchewan is sheer nonsense and it is a deliberate attempt to mislead the public and to defame a consultant.

The Springate firm took the forest inventories that were gathered and tabulated by our Saskatchewan Government employees and prepared for us a utilization report on the basis of the approved annual allowable harvests. Mr. Steuart is embarrassed because the common sense of the Springate Report points out the very ridiculous and foolhardy course of forestry development under his government. I need not defend the reputation of the consulting firm of Norman Springate and Associates. I think his record and his expertise speaks for itself. For the record of this House I will outline some of the qualifications which prompted us to undertake some major forest industrial developments as research and recommended by that firm.

Norman Springate and Associates is a wholly owned Canadian company located in British Columbia and will be opening an office in Saskatchewan in Prince Albert in the very near future. Mr. Springate personally is a former Saskatchewan native son of this province. Of the firm's 66 contracts in 1974, 41 have been in Canada, 14 in the United States and 11 outside of North America. They have designed and built most of the plywood plants in Canada in the past six years including plants for North Central Plywood, Canadian Forest Products, Even Products, Riverside Forest Products, Canada Veneer and Tagama Forest Products . . .

**Mr. Guy:** — Churchill Industries?

**Mr. Bowerwan:** — No, they didn't do that one.

Springate and Associates have undertaken major projects for the Liberal Government of Ottawa, for the Liberal Government of Quebec, for the Liberal Government of New Brunswick and also for both governments in British Columbia. They are presently retained on projects for Crown Zellerbach, for MacMillan Bloedel, for Wellwood of Canada and for Canadian Forest Products. The Leader of the Opposition would like to have Saskatchewan people believe that the New Democratic governments do not have access to the best advice and consultant services across Canada.

Let's check the kind of advice that we have received from this consultant and check it against the advisors of his former government. The Springate firm had advised the Saskatchewan Forest Products Corporation on five major projects that have been announced earlier; the Hudson's Bay Plywood plant; the Big River Sawmill and Planer mill — I wonder where the former government got their advice on the one that is there now? — the Carrot River Sawmill and Planer mill; the sawmill at Green Lake and the Prince Albert Wood Treatment plant. The total estimated capital expenditure is \$19.6 million for these five different community projects. It is estimated that they will provide 485 jobs in the forests and 545 jobs in milling operations for a total of 1,030 jobs. Their forest requirements, that is, the requirements of the raw timber are estimated at 230,000 cords annually.

Now let's compare that recommendation with what the former government got. Let's compare the Saskatchewan Forest Product Corporation proposal to the Prince Albert Pulp Company program. Capital expenditures, \$19.6 million for Saskatchewan Forest products; PAPCO \$65 million or upwards of that figure. The volume of annual raw material to be used in the five projects, Saskatchewan Forest Products Corporation, 230,000 cords annually as opposed to 500,000 cords annually for the Prince Albert Pulp mill. The number of jobs in the recommendation to the Saskatchewan Forest Products Corporation were 1,030 jobs as opposed to approximately 1,000 jobs in PAPCO.

What does that mean? The capital cost per job as recommended for the corporation was \$19,000, almost, per job. In the Prince Albert Pulp Company it was \$65,000 per job. The annual raw material volume per job, Mr. Speaker, under the Forest Products proposal, the annual amount of raw material volume per job, 223 cords annually, as opposed to 500 annually in the pulp mill operation.

The Leader of the Opposition expressed concern about the volume of forest resources that the proposed development projects would use. Let's compare them with the Simpson Timber operation between the Saskatchewan Forest Products operation at Hudson's Bay. The annual raw material volume being used in the plywood mill at Hudson's Bay is estimated at 60,000 cords. The Simpson operation is estimated to be 180,000 cords. The total jobs in the plant at Hudson's Bay, that is, the plywood plant, 150 jobs. The total jobs in the Simpson Timber operation, 155 jobs. Again relating it to the amount of raw volume, raw timber used per job created in the Saskatchewan Forest Products operation 400 cords per man job as opposed to Simpson's operation for 1,161 cords per man job of raw material required. I suggest that the value of the plywood product will be considerably higher than the same quantity of wood fibre that is being made into studs, is also a factor that needs to be taken into account.

It is indeed interesting to note that the Hon. Member who recently suggested that the new developments of the Saskatchewan Forest Products Corporation which will use a combined total of 200,000 cords of soft and hard wood annually would result in overcutting of Saskatchewan's forests. He made quite an issue about that in the House the other day in his speech in this Throne Debate. This is the same Hon. Member who only four short years ago tried to push the infamous Athabasca Pulp Mill, which was to use, don't forget, and get this figure, not 200,000 cords annually which he is so concerned about now as being an over-cutting proposition, but the proposal which he was making only

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about four years ago, Mr. Speaker, was to use a minimum of 1.2 -million cords annually.

In comparing the Athabasca Pulp mill with the new projects of the Saskatchewan Forest Products Corporation there are a number of important comparisons even though the number of jobs created are approximately the same. The pulp mill proposal would have used at least six times the wood volume that will be used in Saskatchewan Forest Products manufacturing plants 1.2 million cords as compared to 200,000 cords annually. The proposed pulp mill would have resulted in over seven times the capital expenditure spent on Saskatchewan Forest Products industries. In other words, we were talking about \$150 million back four years ago as compared to a proposal made now by the forest industrial consultant which we can develop for about \$20 million.

The Liberal pulp mill would have resulted in a tremendous tax burden to the people of Saskatchewan to build, they would have been required to build a new townsite, and an expensive road network instead of strengthening the towns and the cities already in existence as the new Saskatchewan Forest Products will do.

Mr. Speaker, these are the recommendations which we received from the consultants which we retained to advise us with respect to forestry matters in this province. It is unbelievable that the Leader of the Opposition, the Member for Prince Albert West (Mr. Steuart) would then rise in the House in this Debate and cry foul because he believes that we were going to be overcutting the forest. He insinuated that the consultant which we had hired was the person who was recommending that overcut. He knows well that that is not and cannot be the case. He received the report which was tabled in this Legislature a year ago and if he had taken any time at all whatsoever to read and study that report he will know that the advice or the basis of the consultant's report was on the basis of the information which has been tabulated and correlated by the officials of the Department of Tourism and Renewable Resources.

Mr. Speaker, there are many things about this Throne Speech Debate which I should like to have spent some additional time in discussing. I am sure most of them have been covered by my colleagues who have taken part in this Debate. I am sure that when the conclusion is made after the next speaker resumes his seat that the decision with respect to the adopting of the Throne Speech Debate, Mr. Speaker, will not only speak well for what the program of the New Democratic Party has been in Saskatchewan, but the results of the Government in action for the benefit of the people of Saskatchewan. I heartily support the recommendation of the motion that we support the Speech from the Throne.

**Some Hon. Members:** Hear, hear!

**Mr. E.F. Gardner** (Moosomin): — I seem to be squeezed out of a fair bit of my time, but I will try and cover as much as I can. We have had a rather strange debate this year. The Government Members have not defended their record, they have not defended their old programs, they haven't come up with any new imaginative program, they have been dispirited throughout the entire debate.

**Some Hon. Members:** Hear, hear!

**Mr. Gardiner:** — They said they were going to talk about Saskatchewan issues, Mr. Speaker, but they soon drifted into the federal field where they meander into meaningless arguments. They lack enthusiasm this year in this debate, they lack credibility.

**Some Hon. Members:** Hear, hear!

**Mr. Gardiner:** — Mr. Speaker, I should like you to compare this with the aggressive and optimistic attitude displayed by the Members on this side of the House during this debate. The Members over there have flooded us with misleading and inaccurate statistics. We could give you dozens of examples and we certainly saw one a minute ago from the Minister for Souris-Estevan. I'll just give you one, because that is all the time I have, although I have quite a few here. It is from a person whom you would least expect and that is the Minister of Municipal Affairs. This afternoon he made a great speech about how you had changed and reversed the trend of people leaving the rural areas. He told us this was because of the Land Bank and FarmStart and so on. In the paper, in the Leader-Post of December 5, 1974, we noticed that some statistics were given on population. For example, the number of farms in Saskatchewan in one year — this is from 1972-73 — decreased from 69,295 to 66,980, 2,300 less farmers in one year under the NDP. This is what the Land Bank and FarmStart has done. The strange thing about this report and I could go on, because it also tells you how the towns have lost population in the villages, and municipalities. But this was put out from the annual report of the Department of Municipal Affairs. The very Minister who at up and told us exactly the opposite.

Mr. Speaker, I want to get into my main remarks, because my time is short. Before I begin my remarks on the agricultural situation I should like to bring to your attention a matter which should be of great concern to every citizen in this province. That is the attitude of the NDP Government towards potash production. I should like you to consider the following facts. Saskatchewan has unbelievable and almost unlimited supplies of potash, it is not a resource such as oil where conservation is a factor. Saskatchewan's soils contain sufficient potash for crops but in many parts of the world this very important ingredient is lacking. The recent World Conference in Rome and as the Minister of Agriculture was there he knows this is accurate, pointed out the problem, millions of people in the world face starvation and in fact every day thousands of people are dying because of the lack of food. The situation is desperate and I don't think anyone can deny it. World grain reserves are low and problems of transportation, storage and distribution are fantastic. Shipping grain to these people is only a partial answer and inadequate in the long run. Delegates in Rome agreed that countries with starving populations would have to grow more of their own food. But these are the very countries where soils are deficient in potash, therefore, food would be available to starving people if they had the potash fertilizer. Now we have unlimited supplies of potash. Money is available through international organizations and agencies to buy this potash from us at a good price. Mr. Speaker, the point is amazing but nevertheless true. An NDP Government Saskatchewan is restricting production and denying fertilizer to people who literally must have it or starve to death. Almost every operating potash company in this province would like to

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expand their production. The papers are full of reports of mine expansions cancelled because of the unfavourable political climate in Saskatchewan and because of the NDP and I have a number of them here. I don't have time to read these quotes. I am sure we are all aware of them.

I should like however to refer to one because it affects my constituency. Sylvite of Canada Company recently announced the cancellation of a \$40 million expansion at Rocanville. Now, Mr. Speaker, we may rightly be concerned about the loss of jobs this means to our young people in Saskatchewan. We can be concerned about the loss of taxes to the local municipalities, the loss of tens of millions of dollars of royalties that we could charge these potash companies. But much more important we must be gravely concerned about denying this basic commodity to starving people who desperately need it. Expansion must be started now. It should have started years ago. Any delay means that additional people will die of starvation. This was made clear from the Rome conference. Lead time for a new mine is about four years. Because of shortages of material and labour, the lead time for expansion is about two years and with government involvement this could probably be doubled. I checked some recent offshore shipments of potash and found the destinations were approximately as follows: Such countries as Brazil, Malaysia, Bangladesh, China, India, Philippines and certain African countries. The amounts were pitifully small.

Mr. Speaker, we have a moral obligation to do more.

**Some Hon. Members:** Hear, hear!

**Mr. Gardner:** — I should like to say and put on the record that if there is mass starvation in these countries, in three or five or ten years the Blakeney Government of 1971-75 will have to accept their share of the blame. The Liberal Opposition believe that this natural resource belongs to Saskatchewan people. When potash prices are high we should be prepared to tax these people at a very substantial rate but we should not interfere in the potash business in such a manner that production and expansion is curtailed. This is what the NDP are doing. We in the Opposition are doing all we can to bring this important issue to the attention of the Government and the people.

We tried to get a special debate in this Legislature to point out this very problem. All NDP Members stood up and backed the decision which denied us an opportunity to discuss this urgent matter. But the people of Saskatchewan will soon have a chance to elect a government which will change this callous NDP policy. But for some people, Mr. Speaker, some people who are starving now, it may be too late.

Mr. Blakeney insists on a controlling interest in all new mines and expansion, so there is little chance that any new development will take place.

Mr. Speaker, my main remarks tonight will be on agriculture in the time that I have left. We notice of course, and I am glad, that the Minister is listening. He should have been paying some attention to get some programs into the Throne Speech so we would have something to talk about.

Those who expected imaginative and new programs, especially

for the cattle farmers, were disappointed. And cattle farmers need these new programs. I should like to take a look for a minute or two at some of the non-accomplishments of Mr. Messer's Department of Agriculture. I know I haven't got time for them all but I will try to go over a few.

The NDP have raised grazing fees in community pastures on several occasions. And not only that, Mr. Speaker, they are basing these grazing fees now on the price of fat steers in Winnipeg. Cow-calf operators — and this is particularly true in my area — who use community pastures know very well that there is very little relationship between the price of calves especially this year and the price of fat steers in Winnipeg.

**Mr. Messer:** — What did your Government do?

**Mr. Gardner:** — We charged about a quarter of what you are charging right now. Another point, Mr. Speaker, the NDP have been responsible for a dramatic rise in the price of farm fuel. I looked up some recent invoices and I should like to give you quickly the following figures. From September 1972 to September 1974 the price of purple gas rose from 29.1 cents to 42.8 cents in my area, a rise of 13.7 cents. In the same period of time the price of diesel fuel rose from 25.5 to 40.2, a rise of 14.7 cents or 58 per cent in two years. How's that for inflation, Mr. Speaker? We have oil wells in this province, this natural resource belongs to the people and it belongs to the farmers of this province. And the NDP have raised the price of their fuel 58 per cent. The NDP are responsible for a 14.7 cent rise in this basic necessity and Mr. Messer apparently is bringing in a bill and making a big thing about giving about half of that back, less than half, providing the farmer can produce invoices and send them in at the end of the year.

A very important point, Mr. Speaker, is the manner in which the NDP have refused to help the cow-calf operator in his present difficulty. A quote from the Western Producer of November 21, 1974 pretty well describes the NDP attitude. It says that in Regina several hundred farmers received the sympathy of Premier Allan Blakeney but little else. This Government has been able to find \$15 or \$20 million for hog producers, but nothing for the cattle industry which is much greater and which is now in desperate need. A small amount of money, much smaller than this would have solved the problem. The figures last year indicate that there were about 200,000 calves marketed from September to December in this province. Fifty dollars apiece would only be \$10 million, far less than they have spent on subsidizing the hog industry. All Mr. Messer could come up with is a plan to put farmers further in debt. It is a plan which encourages many farmers who don't have the facilities to keep these unwanted calves, a plan which will mean additional cattle on the market next year. This is a very important point because this may well prevent the price recovery in the cattle market.

Mr. Speaker, the NDP have refused to take any action or even any notice of the fantastic rise in the price of baler twine. I brought this to the attention of the Minister of Agriculture last spring, I don't know if he even knew what baler twine was. We could see that it was going up from \$8 to \$30 a bale. We have a Department of Consumer Affairs, incidentally all they do is send you out a bulletin on how to buy a used car but they don't say anything about the price of baler twine.

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They simply haven't done anything about it, they haven't made any investigation, and the price I understand can rise considerably next year.

Another non-accomplishment of this Department is the manner in which they have allowed interest rates on the Provincial Government Guaranteed Livestock loans to rise from the guaranteed seven per cent to over 11 per cent in many cases. The Liberal Government brought in this program, guaranteed the rate for three years at seven per cent. Many young farmers received a jolt this fall when they went to the bank to pay their loan interest. They had sold their calves as we all know at distress prices and they found that the NDP Government had allowed these interest rates to rise to 11 and 12 per cent and they had to pay it out of the small cheque they get for their calves.

Mr. Speaker, the Blakeney Government as we all know cancelled the irrigation program on the South Saskatchewan River, a program which would supply needed reserves of fodder at a strategic location in central Saskatchewan.

The Blakeney Government has allowed farm truck licences to rise dramatically. I looked some of these up, some of them over 300 per cent. The Blakeney Government has imposed estate taxes which threatened family farms. They have denied farmers over 65 the right to use community pastures. The NDP have persecuted machinery dealers and as a result this vital service is available only in limited areas. This NDP Government cancelled the STEP program which allowed young people to go out and work on farms at a subsidized rate. This again was a Liberal program that was cancelled. The Premier got up in the House and indicated that farmers didn't need this kind of assistance and apparently the Minister of Agriculture agreed with him.

They have initiated a FarmStart Program which has taken many programs traditionally available to all farmers in this province and made them available to only a select few. This is one of the tragedies of the FarmStart Program which could have been helpful in this province.

Mr. Speaker, the NDP, I believe dislike farmers because farmers believe in free enterprise. They are out to bring farmers under government control and government interference. But they are not through yet, Mr. Speaker, and this is even more important. Future threats are even more frightening.

**Mr. Messer:** — Hurry John.

**Mr. Gardner:** — I am sure you would like to hear all this. The NDP are threatening farmers with a cattle marketing board which they clearly don't want. The NDP are threatening farmers with a limitation on farm size. And again this is going to be a real problem in this province in the next few years. A resolution passed at the recent NDP convention confirmed their intention, and statements by Mr. McArthur have also confirmed this intention. This is a very serious situation as far as the farmers are concerned.

Farmers can expect severe legislation to accomplish this if the NDP were ever re-elected. Information available indicate that they intend to do this by a taxation rate which becomes progressively higher as the amount of land increases. A farmer with a quarter section of land would pay a basic rate which

would rise rapidly until a farmer could not afford to own the fifth, or sixth or seventh quarter. This, Mr. Speaker, could destroy the medium sized farmer in this province who is the backbone of rural Saskatchewan. This is what farmers can expect if the socialists are re-elected. but worst of all, Mr. Speaker, is the threat of Government control over farm land. They believe farm land should be owned by the state. I am not going to mention the comments made by some of the speakers about the lease containing an option to purchase. I have a lease here, I got it last week from the Land Bank, everyone can look through this, there is absolutely no option to purchase by anyone after five years or any other time.

**Some Hon. Members:** Hear, hear!

**Mr. Gardner:** — The Member for- Nipawin, the Member for Canora and others who claim there is, are absolutely wrong.

Mr. Speaker, the purchase by this Government of the Matador Farm marks the establishment of the first state farm in North America. One of the first state farms in the free world. Perhaps called by different names in different socialist countries, but a true state farm. Owned by the state.

Mr. Speaker interrupted the debate and the question being put on the motion, it was agreed to on the following recorded division:

#### YEAS — 38

Blakeney	Brockelbank	Owens
Dyck	MacMurchy	Mostoway
Meakes	Pepper	Gross
Wood	Michayluk	Feduniak
Smishek	Byers	Comer
Romanow	Thorson	Rolfes
Snyder	Whelan	Lange
Bowerman	Carlson	Hanson
Kramer	Cody	Feschuk
Thibault	Tchorzewski	Flasch
Larson	Taylor	Richards
Kowalchuk	Matsalla	Kaeding
Messer	Engel	

#### NAYS — 14

Steuart	Grant	MacLeod
Coupland	MacDonald (Milestone)	Wiebe
Loken	Gardner	MacDonald (M.J.N.)
Guy	Weatherald	Malone
Boldt	Lane	

**Hon. R. Romanow** (Attorney General): — Mr. Speaker, I move seconded by the Premier (Mr. Blakeney):

That the said Address be engrossed and presented to His Honour the Lieutenant-Governor by such Members of the Assembly as are of the Executive Council.

Motion agreed to.

The Assembly adjourned at 9:08 o'clock p.m.