

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session – Tenth Legislature**  
**28<sup>th</sup> Day**

**Monday, March 10, 1947**

The Assembly met at 3:00 o'clock p.m.  
On the Orders of the Day.

**ADJOURNED DEBATES**

**BUDGET DEBATE**

The Assembly resumed the adjourned debate on the proposed motion of the Hon. C.M. Fines (Provincial Treasurer) that this Assembly do now resolve itself into the Committee of Supply.

**Mr. W.J. Patterson (Leader of the Opposition):** — Mr. Speaker, may I first extend my congratulations to the Provincial Treasurer (Hon. C.M. Fines) for the very clear, concise, interesting and well-delivered Budget Address which he presented to this Legislature on Thursday evening. His remarks and his statements contained parts that we can accept; contained statements and ideas with which we disagree. From the statement submitted as to present financial position, and future policies, we may arrive at Different conclusions; but my congratulations to him are not for that reason any the less sincere or any the less genuine.

We may also congratulate the citizens of the Province of Saskatchewan for the fortunate and happy position in which the province finds itself financially at this time and also on the generally prosperous condition that exists throughout the province insofar as its residents are concerned. To what extent those conditions are due to the activities and the policies of this Government, and to what extent they are due to the work and the exertions of the citizens of the province – their payment of taxes, their contribution to provincial production – that is, of course, a matter upon which I do not suppose the Provincial Treasurer and myself would agree.

As might be expected, this Budget provides for a substantial increase of provincial expenditures and for a further increase of provincial taxation. Possibly in this respect we may regard ourselves as fortunate that both of these increases are not greater than those submitted to us. The last budget presented in this Legislature by a Liberal Government called for a total expenditure of \$34,000,000. The first budget presented by the present Provincial Treasurer increased that amount to \$42,000,000; the second to \$53,000,000, and this present one (or third budget) to \$58,000,000. On that basis it will just take one more year until provincial expenditures in the Province of Saskatchewan will have doubled in comparison with the last budget presented by the previous administration.

This naturally brings to the minds of serious-minded, practical and thoughtful citizens, particularly those who have to pay the major part of the taxation required to produce this amount, the natural question, “just how long can this progressive increase be maintained?”

Actually, Sir, the position is rather worse than I have indicated. The estimates as presented to this Legislature call for a total provincial expenditure of \$58,000,000; but they do

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not include the revenues to be collected under the Hospitalization Tax, or the expenditures to be made under the Hospitalization Plan. If these are included it brings the total up to \$65,000,000 rather than \$58,000,000. It also does not include the tax imposed upon the automobile operators and owners of this province of \$1,500,000. In all fairness, in presenting a budget and presenting estimates, the Provincial Treasurer should include all of those amounts which are to be collected from the amounts which are to be spent from the Provincial Treasury. I repeat, Mr. Speaker, that this Budget is not, as it appears to be, a \$58,000,000 budget, but is, actually, a \$65,000,000 budget as compared with the \$34,000,000 of three years ago.

Prior to the election of 1944 we heard a great deal about services being provided without money and without price, or, in the more recent alternative, "ask and ye shall receive." Those promises and those expectations are not working out as might have been anticipated by many who accepted them as the principle upon which government expenditures could be based; and, as I have already said, the extent to which we have gone in the Province of Saskatchewan, in three short years, in the increasing of the amounts which the tax-paying citizens have to pay to maintain the activities of this Government is rather startling and considerably disconcerting to those who realize that this "ask and ye shall receive" does not work out as many of them anticipated.

**Mr. Brockelbank:** — Not with the Liberal Government at Ottawa anyway.

**Mr. Danielson:** — Theirs are going down and your are going up.

**Mr. Speaker:** — Order! order!

**Mr. Patterson:** — The Budget Debate, Mr. Speaker, is one of the two major debates which take place during the Budget Debate, to introduce any matter, or to discuss any subject, in which he may be interested; but, because of the nature of the debate, it is the general practice to confine addresses and discussions to matters of more direct provincial concern.

In the Budget Debate it has been the general practice, in the past, for Ministers to review the activities and the policies of their Departments; and I am sincerely hoping that, in this Session, that practice will be resumed. We remember that, last year, many of the Ministers of the Cabinet devoted their time to a discussion of political affairs, of political theories and political ideas and seemed to forget that they had a Department for which they were responsible. They seemed to forget that the people of the Province of Saskatchewan who were paying the taxes which paid the operation and administration of their Departments had some interest, at least, in knowing what the particular Department was doing. We remember...

**Mr. Phelps:** — Will the hon. gentleman permit a question?

**Mr. Patterson:** — No, not just now. We remember that, at the last session,

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a good many Members of the Government did not bother to speak in the Budget Debate and consequently, we had no information as to what they were doing and even less as to what they were thinking. Much of the time of this Session and particularly that part of the House proceedings which is broadcast over the air, has been devoted to a discussion about what the Government of Canada ought to do: whether they should do this or do that or do something else. Let us hope, and let us expect, Mr. Speaker, that in this Budget Debate we will have a little more time devoted to those things which the Legislature and the Government of the Province of Saskatchewan have some responsibility for doing; and let us have some information about what the Members of this Government propose to do – what they have in mind to do – for the people of the Province of Saskatchewan.

The estimates have been submitted, this year, in a somewhat different form from that to which we have been accustomed. I have no particular objection, Mr. Speaker. It would appear to me that the experts and the planners have been turned in on the preparation of the estimates. I am not suggesting for one moment that there is any misrepresentation or any attempt to deceive; but I am suggesting that, for the average layman throughout the length and breadth of the -province, who is somewhat concerned about how the \$65,000,000 that this Government is going to spend this year is going to be raised and how it is going to be spent, the estimates as submitted to us do not afford him a very simple or a very easy opportunity of getting the information which he most desires.

The cash farm income for this province for 1946, approximately \$400,000,000, was slightly less than the corresponding figure for the previous year. As the Provincial Treasurer says (and I agree), the recession is comparatively slight; but that figure, compared with the other figures he quoted to us, demonstrates and confirms how greatly we in this province are dependent upon agriculture and upon its success. Take the figures quoted for mineral production, coal production, timber production, fish production, fur production, and, altogether, Sir, they hardly represent ten per cent of the value of agricultural production. It is an even lesser percentage if we take into account the value of farm production including that part of it which is consumed on the farm. We were not supplied with figures regarding the value of manufactured products; but, after all, the very great proportion of manufactured goods produced in Saskatchewan are made from agricultural products. So, when I say these things I am not suggesting for a moment that the development of our natural resources or the development of industry and manufacturing are not important. What I am stressing is that it continues to be true at the present as it has been in the past and will undoubtedly be in the future, that the whole economy of the Province of Saskatchewan is primarily dependent upon farm production. Two or three or four bushels more of wheat per acre is any season far outweighs, and far out-values, all other production.

That also means, Sir, that money spent to improve the position of agriculture, to increase its production, to make it worth more, is money well and soundly and properly spent. But the farmer of this province is beginning to appreciate that he is being compelled to pay for many privileges and many benefits which he cannot possibly enjoy. He cannot have a 40 hour week. He cannot have one-day's rest in seven. He cannot ask time-and-a-half for working more than so many hours a day; but he may,

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and does, approve of the principle of fair treatment for other sections of the population. He is, as I say, beginning to realize that he has to pay the bill for all of these things, and that that bill will be considerably increased if the trend presently being followed in the Province of Saskatchewan is to be continued and if and when the controls established under wartime restrictions are removed.

Now, the present Government of Saskatchewan is extremely fortunate. It took office under favourable conditions. The previous Government left it substantial bank balances. It left no unpaid accounts other than the current accounts which are inevitable and follow in any business transaction. This Government has enjoyed a period of very general prosperity; of buoyant revenues. There has been no need for seed grain assistance. I understand that, this year and last, the Government spent nothing, or gave no guarantees, for seed grain assistance, or if it did, it was for very minor amounts. There has been no serious measure of unemployment or relief assistance necessary. There has, on the contrary, been a tremendous amount repaid upon the farm loans made by the province in previous years. There has been a tremendous payment of tax arrears which had accumulated. There has been increasing activities in connection with timbering and mining, and things of that kind, which have increased the Government revenue. Under these conditions only an incompetent and inefficient government would not have been able to make, or would not have made, provision for increases of services, debt reduction and tax reduction. The present Government has done something with respect to the first two, but in respect to the third no action has been taken.

The last budget which I presented, was in the 1944 session. It called for an expenditure in the following fiscal year of \$31,000,000. The actual expenditure in that year, about three-fourths or four-fifths of which was under the present Government, was a trifle more than the estimated expenditures, and the revenues were rather better, so that the Government of that year ended up with a very handsome surplus. In the year 1945-46, that is the fiscal year which closed on April 30<sup>th</sup> last, the estimates for which were prepared entirely by the present Government, and the administration of which was completely under the present Government, the actual expenditures exceeded the estimates by some \$3,000,000. Fortunately for the Provincial Treasurer, the revenues for that year also were greater than expectations; but, in order to present a balance at the end of the year, he found it necessary to take some \$4,000,000 out of liquor profits to put into the ordinary provincial revenues.

The Provincial Treasurer tells us that for the fiscal year in which we are now operating and which will close on March 31<sup>st</sup> next, the revenues are exceeding expectations. In view of our experience in the past, we would be interested to know whether the expenditures are exceeding expectations, and to what extent we may be presented with Supplementary Estimates, at this Session of the Legislature, to add to, or to provide for excessive expenditures over and above, the estimates presented to us one year ago. Now it is perfectly true that, under present conditions, the financing of provincial expenditures does not occasion any great worry or concern as compared with the condition just ten years ago. It is a matter of some interest, however, and we may very well ask ourselves, when we remember that, for this coming year, the Government proposes to increase provincial expenditures from \$39,000,000 to \$52,000,000, how long can this

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be maintained and what will the end be!

A Dominion-Provincial agreement, completed last fall, adds \$7,000,000 to the revenue of the province. Other than that, the increase in provincial expenditures must be collected from the people of the business of the province, and to a very large extent it will have to be paid by you, Sir, and by myself, and by others – average citizens, the ‘man on the street’, the ordinary rank and file citizen of the Province of Saskatchewan. We have to pay a little more for our truck licences. We have to pay considerably more for our gas tax. We have to insure our car. If we happen to be in the lumber business or the fur business or the fish business, we have to pay increased or new taxes imposed upon those particular industries. All in all, we have all to make our contributions to the very substantial measure of increased provincial taxation which must be applied in this province, notwithstanding, and over and above, the increased subsidies which the Federal-Provincial agreement makes available to us.

If you examine the estimated revenues you will see, Sir, that the revenue from Public Revenue Tax is to be reduced, not because there has been any reduction in the tax, but because large amounts of arrears are not being paid up and the revenue is approaching more closely the annual levy under this particular tax. You will find that, notwithstanding the Premier’s claim that the Education Tax has been reduced by 40 per cent, the revenue from that particular tax still is comparable to what it formerly was. Between us, -- when I say between us, Sir, I speak of ourselves as citizens of the Province of Saskatchewan – over and above the additional subsidy which Ottawa has provided, the people of the province and the business which is done in the province will have to produce \$12,000,000 more in order that the policies and the ideas of this Government may be continued in operation. And that, Sir, involves an average tax on all of the people of the Province of Saskatchewan, men, women and children, or \$15 apiece.

Something was said with respect to the comparison of expenditures made in the province with those of other provinces. Much may be gained in administering governments by making comparisons with what is done in other jurisdictions. At the same time, the primary responsibility of any government is so to administer and adjust its activities and its operations as to best meet the conditions which exist in that particular jurisdiction. For many years we claimed in this province, and rightly, to be third in point of population in the Dominion of Canada – third only to Ontario and Quebec – and in those years the Province of British Columbia and the Province of Alberta were considerably behind us in point of population. Now that condition is changing. It may be true, today, that British Columbia actually exceeds Saskatchewan, and certainly it is true that Alberta is coming very close. There is, however, the further difference that both British Columbia particularly, and in Alberta to a very considerable extent, the sources of revenue available to the Governments of those provinces, and the diversity of interest, are very much greater than is the case in the Province of Saskatchewan. If they have increased their provincial expenditures (and they have), they are very fortunate in having many greater avenues, or many more avenues, to which they can have recourse to raise those amounts, and our comparison with these provinces is not such a favourable one if you want to take the proportion of the provincial revenues that they spend on Education or on

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Highways as compared with what is spent in this province on those two particular services.

Mr. Speaker, we are here to manage the affairs of this province and as I have already pointed out the whole framework of the economy of the Province of Saskatchewan is dependent upon that backbone, or that major factor, agriculture. That is not true in British Columbia and it is not true in Alberta, to nearly the extent that it is true in Saskatchewan. Let us examine our record with respect to that particular industry in our own province.

We, in the Opposition, have long claimed that the present Government of Saskatchewan has been grossly negligent in its treatment of this industry in the amount that it has made available for the Department of Agriculture, particularly in relation to the greatly accelerated increases which have been taking place in respect to other departmental expenditures. Apparently this criticism has finally had some effect, for the estimates which are submitted to us appear to provide for this Department an increased exp of approximately \$800,000. Like many other promises and allurements of the CCF, however, on examination this increase is more apparent than real. Over one-half of it is constituted by the transfer of the administration of the Crown Lands of the province, or the public lands of the province, from the Department of Natural Resources to the Department of Agriculture. Insofar as the agricultural industry of the Province of Saskatchewan is concerned, that does not make a five-cent piece difference to that industry, with this reservation, Mr. Speaker: if the Minister of Agriculture who, from this time forward, is to administer the Crown Lands of Saskatchewan, will the administration of the Crown Lands, if he will adopt and institute policies that will remove the uncertainty and the concern which is general throughout the pr on the part of men who have grazing or cultivation leases on Crown Lands, then he will make some contribution insofar as those people are concerned; but so far as Agriculture on the whole is concerned, over one-half of this much-vaunted increase does not amount to anything.

We are to have \$100,000 more for Agricultural Representatives do very excellent work. They make a very useful contribution. But it would appear that, again, the economic planners and advisers are more concerned about engaging planners and experts to tell the workers what they should do than they are about making provision for practical policies for the improvement of our major industry.

The estimates as submitted to us make no provision for a milk subsidy for our milk producers, and there is very good reason why that should at least be considered and put into operation. There is no indication that there is any proposal, or any consideration, to subsidize or to bonus the hog producers which might be regarded by this Government as rather backward provinces but which, nevertheless, have adopted that practical policy. There is no indication that any provision has been made, or any policy enunciated or determined, with respect to the development of irrigation. There is no provision to assist the young man who, because of the provisions of The Farm Security Act, is not in a position to establish himself on his own behalf, buy his own farm and become a private owner or operator, or to assist the man who is operating on a small scale and wants to

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extend somewhat his farming activities; no evidence of any consideration or any provision being made for these practical and definite policies which would do something to improve agriculture, and the position of agriculture, in this province.

There is provision for \$180,000 to create a 'feed bank'. As is very well known, there was, in the year 1946, a serious crop failure over a considerable area in the southwestern part of the province. I think, in fact, that the failure extended a good distance up the west side of the province. That, in some areas, had been preceded by a similar failure in 1945, and in some areas it was the third disaster of the kind they had experienced. I was rather surprised, therefore, that the Member for Maple Creek, the Member for Gull Lake, the Members for Swift Current, Kindersley, Bengough, Notukeu, Gravelbourg and Morse, all of them representatives from these areas, so far in the present Session of this Legislature have all expressed their supreme and complete satisfaction with the things that are being done in the province by the present Government. All their difficulties and all their problems have been solved. They have nothing to worry about except the things they want Ottawa to settle for them. Not a word did they say of fodder shortage or grain shortage or those practical things which are worrying and concerning residents of their areas now – not next year; not a year from now or five years from now, but right now. Not one of these Members had any complaint to make, any fault to find.

The other day, in a question answered in this House, the Minister of Agriculture quoted, I think, fifteen points covering the record of his Department in meeting the feed and fodder situation in the southwest, or the crop failure, area of Saskatchewan. The Speech from the Throne told us that this Government proposed to conserve feed; they have not as yet told us anything about what they were doing to provide feed!

Now I would have expected, as I have said, that the Members from these areas where this problem is of urgent importance, might have expressed their opinions, might have given us some idea of how serious or how urgent it was; but, as I have said, they saw fit to find everything satisfactory, everything fine; all their difficulties and problems were settled; there was nothing of any immediate concern and worry in their particular community.

**Mr. Procter:** — Smart bunch you boys are!

**Mr. Patterson:** — Well, now, when this crop failure and fodder shortage developed last year the Government stepped into the picture; but again in accordance with Socialistic policy, they insisted that, where they were going to render any assistance, all orders for feed should be made through the Government, and to that extent discouraged local individuals from attempting to seek and find supplies for themselves. I have a concrete case, Sir, of a rancher who operates in the Fir Mountain district – his name is Leopold Fiset. He operates quite a large-scale ranch. On November 22<sup>nd</sup> last, he ordered three cars of hay from the Local Improvement district representative in that section; and, what is more, he gave that gentleman a cheque for \$396 to pay for the hay. He got the first car, ordered on November 22<sup>nd</sup>, on February 28<sup>th</sup>, 1947, exactly three months afterwards.

Now, there was not any question about his willingness to

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pay for it. I have his cheque, here. It was issued, as I say, on November 22<sup>nd</sup>, and was cleared through the Department of Municipal Affairs' Trust Account on December 3<sup>rd</sup>. In the meantime, this gentleman lost over half of the cattle that he was running on his ranch. I understand that there are other similar cases in that area. But you will remember, Sir, that all of these men – are dependent upon leases from the Department of Natural Resources formerly, now from the Department of Agriculture, to enable them to carry on their operations. As we were told a year or so ago, being 'socially-minded' was one of the qualifications for getting a contract or a lease or any agreement with the Government. I presume many of them are reluctant to express their criticism if similar happenings have occurred to them; otherwise they are likely to be . . .

**Mr. Brockelbank:** — I wonder would the Hon. Leader of the Opposition give me that name again, and the details. I would like to check up on that.

**Mr. Patterson:** — The name is Leopold Fiset. His Post Office address is Fir Mountain, and his application was made on November 22<sup>nd</sup>, accompanied by a cheque for \$396. On December 18<sup>th</sup>, he gave another cheque to pay the freight of \$198; and, as I say, the first car supplied to him reached his station (I presume, Fir Mountain) on February 28<sup>th</sup>. Now I quite realize . . .

**Mr. Houze:** — I would like to ask the Hon. Member if this man ever had any land of his own in the Fir Mountain district?

**Mr. Patterson:** — Well, he had enough of a ranch to own some 500 to 600 head of cattle, and to pay \$396 and \$198 cash money for the hay he ordered, and he had enough ranch to lose over 300 head this winter! Now we know this has been a difficult winter; but surely when orders made early in the season, and paid for, were so long delayed in being received and as far as I know he has not got the other two carloads yet.

As I have said agriculture in Saskatchewan does not so greatly require the theorists and the advisers and the experts as it requires the application of sound, practical, businesslike policies that will increase production, raise quality, reduce costs, and meet the problems that are inherent under the conditions under which we live. We have heard a great deal about New Zealand; of what wonderful things are being done by the 'planners' and the Socialists in that Dominion. It is a surprising thing that in the last election held in New Zealand, this Socialist Government which had been so successful (as we are told) in the application of its policies, its plans and its theories, did not elect a single member from a rural constituency! That is what is going to happen in the Province of Saskatchewan if the practical problems of agriculture are going to be neglected for theories and ideas and suggestions, and if the administration of these matters is going to be turned over to the theorists and the planners.

The estimates for next year provide an increase in school grants of \$1,100,000. With that increase we are all in agreement. We may be interested (and I suppose we will be told in due course) whether this increase in school grants is to be paid



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only to those schools which have been established in larger school units. In other words, is it a condition of receiving additional assistance from the Provincial Treasury that the local school express its willingness to be included under the form of administration which the Minister of Education prefers?

Several of the present larger school units have already indicated that it will be necessary for them to increase their levy in the year 1947. It is to be hoped that the increased grant which is to be made available will make it unnecessary for these larger -school units to make the increases of local taxation which, up to the moment, they have regarded as likely to be necessary.

The increase in the expenditure for Education has been substantial. When I say that, I am referring to the Provincial Government's expenditure. Recent statistics are not readily available. The reports of the Department of Municipal Affairs and the Department of Education do not come up-to-date – I think the latest is for some two years ago. But I venture to suggest, Mr. Speaker, that the increase in local taxation to meet educational expenditures is very much greater than the increase in provincial expenditures for this purpose. If that is the case, the increased grants which are being provided by the Government are not providing any substantial measure of relief for the local taxing bodies.

I find, Sir, a growing dissatisfaction in the country in connection with the administration of the larger -school units. Possibly some of these grievances can be eliminated; possibly they will be when the Bill to amend the Act is before the Legislature. So far as I can learn, and so far as the average ratepayer in the country can ascertain, there is no method by which he can discover or obtain information as to the financial revenues and expenditures of the larger school unit in which he is situated – what it has cost to build, or to move, or to repair, the various schools in that larger unit. As I say, that information does not appear to be available to the local ratepayer who pays the bill. In the past, if he was interested, he went to the meeting of his local school board and there the annual financial statement of the district was read to him. There is no such opportunity, and apparently there is no provision (as there is in The Rural Municipalities Act) for the printing and distribution, or the publication in the form of an advertisement, of the revenues and expenditures, the assets and liabilities of the larger school units.

There is some concern in local districts that have been included in larger school units as to the disposition of the cash balances which they turned over and the adjustment of the amounts owing to the local districts by the municipality, or owing by the school district to the municipality. I have in mind one district that turned over some \$2,500 of a cash balance. That particular school district happened to be in two municipalities. One of these municipalities owed the school district about \$400, and in the other municipality the reverse condition existed; that is, the municipality had overpaid the district \$400. The larger school unit board in that particular district ruled that the amount owing by the municipality to the particular local school district is an asset of the larger school unit board, but that the contra account, where the local board owes the municipality, is a liability of the local board. These things are creating a good deal of uncertainty and a good deal of worry.

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Another thing that is arising, is that a great many of our local schools which were turned into larger school units had substantial cash balances. Theoretically, these are supposed to be held as a trust, or to the credit, of the local school district. but it is generally believed (and I think there is not very much doubt about it) that these cash balances are being used by the larger school unit boards to finance their activities and their operations, and the concern on the part of the local boards is this: presuming that we have a time when taxes are not so easy to collect, when a local board wants to utilize some of this cash reserve it had built up, what provision is going to be made to ensure that it will be available to them. Once it has been spent, how is it to be recovered? There are criticisms from communities where the larger school unit board has closed the local school and left the children resident in the district to find their own way to some adjoining school.

By and large the people of the Province of Saskatchewan are prepared to pay very substantial taxes to support education, to provide any real improvements, practical and sound improvements, to benefit their children. What they are criticizing, and what they are concerned about, is the increase of local taxation that is taking place for which they see very little advantage or very little improvement.

They are equally concerned about the increasing expenditures of the Provincial Government to provide them with 'Lighted Schools', 'Study Action Groups', 'Adult Education', 'Radio Newspaper' or 'Living Newspaper', 'Radio College', and all that sort of thing. The people of this province have been in the past, are at the present, and will be in the future, willing to contribute till it hurts if the benefits of their contribution and the value received from their contribution or their taxation, has produced a sound practical educational advantage.

We are making very little progress in the Province of Saskatchewan, in spite of all the quoting of figures about the tremendous increase in the Education expenditures, towards the fulfillment of the promise made to us, prior to the election, that a CCF Government would make Education a provincial responsibility. On the contrary, Sir, the financial responsibility in so far as local taxpayers are concerned is increasing rather than decreasing.

The Provincial Treasurer tells that there have been three objections to the Education Tax: one, that it was regressive; two, that it was a nuisance and three, that it was not used for education. I suppose the first two criticisms or objections could be registered to a greater or less extent against most taxes. All of us regard any taxes that we have to pay as bearing rather unduly upon us as compared with other people. Paying them sometimes is much more than a nuisance, Mr. Speaker; sometimes it becomes a problem. The third criticism – that it was not used for education – was one that was created purely by his Party prior to the election of 1944 and raised exclusively for political purposes. We have not heard a word about it since, although the Education Tax administration and the Education Fund administration, is exactly the same, today, as it was prior to the 1944 election, with this one exception: the money is now being used to erect buildings at the University and elsewhere, where formerly it was used entirely for the ordinary current expenditures on this particular service.

The Education tax was established in 1937, and the total

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revenue of the Province of Saskatchewan in that year was \$19,000,000. The first full year the tax was collected it brought in \$2,347,000 and was about two-thirds of the total expenditure that was made on Education in that year. I quote these figures, Sir, for the purpose of indicating the need for the tax at that time. Now, as time went along, the revenue from the tax gradually increased. It increased much faster than the increase of Education expenditures. If you look at the Public Accounts that were presented to us, this Session, you will find that, in the fiscal year 1945-46, the Provincial Treasurer collected more from the Education Tax alone than he spent for Education; and from the figures which he gave us in his Budget Address, we are likely to collect \$6,000,000 from this tax in the current fiscal year, which again will be more than the total expenditures by the Department of Education.

The Premier told us, some time ago (not in the House), that this Government had reduced the Education Tax by 40 per cent. Well, he is a much better orator than he is a mathematician, Mr. Speaker.

**Mr. Douglas:** — We took it off foodstuffs and off meals, making it 40 per cent below what it was when brought in.

**Mr. Patterson:** — Well, isn't it a surprising thing that after the Government reduces it 40 per cent the total revenue is a million dollars more than it was before? Now, as I say, if you can work that out mathematically, I shall accept the explanation. However, we welcome the exemptions that are going to be extended again, this year. They do not amount to very much: if you add the exemptions that are to be made, this year, with the exemptions that were made last year, it still won't be 40 per cent; but whatever it is, it is welcome.

The question is whether the time has come when the tax could be abolished. The Provincial Treasurer says, "No. The time has come to popularize the tax rather than to abolish it." Well, now, there are many CCF Members sitting here that will find it a little awkward, a little embarrassing, when they go out on the platform when the next election is held and instead of promising to abolish the Education Tax, set themselves out to 'popularize' it. However, that is their responsibility and their duty, not mine.

For the third time, Mr. Speaker, the Government at this Session has promised to reform the Civil Service. Every Speech from the Throne that we have had has intimated that they are going to do something to reform the Civil Service, to take it out of politics. Well, apparently, the way to take it out of political influence and control is to practically double the number of employees — and that is a very satisfactory solution, but certainly a very different one from what the people of the province expected in 1944. On June 30<sup>th</sup>, 1944, the Government of Saskatchewan employed 4,103 people. On December 31, 1946, according to a Return that was submitted to us, they employed 5,900 people. That is just short of a 50 per cent increase and I suppose, when the increase is 100 per cent that will represent complete removal of political influence in the Civil Service of the province.

The estimates provide a million dollar increase for Civil

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Servants' salaries. I don't know of any reasonable man or woman in the Province of Saskatchewan, who does not want to see the people who work for us in the public service properly remunerated: but a substantial part of this increase in the cost of the Civil Service is by reason of this more than 40 per cent increase in the numbers employed.

**Mr. Fines:** — No, that's not right!

**Mr. Patterson:** — Well, if you can increase the numbers of employees in two years from 4,000 to practically 6,000 without paying them more salary, that's another case of mathematics.

**Mr. Fines:** — Mr. Speaker, does the Hon. Member not realize that this increase of a million dollars is entirely due to the pay plan which provides for increases and has nothing whatsoever to do with the increased number of employees!

**Mr. Patterson:** — We'll agree with that, Mr. Speaker. But, if the Civil Service was at its former figure, it would not take anything like a million dollars to provide this increase. The Provincial Treasurer can take it whichever way he likes. It is a fact that part of this tremendous increase in Government cost in the Province of Saskatchewan is due to the greatly increased number of Civil Servants employed by the province. And I'm not talking now about those (I think it is some 600) who are reported to be employed by the Crown Corporations. Of course, we have removed the political influence from the Civil Service in the Province of Saskatchewan to a very large degree, Sir, by picking out former CCF candidates in British Columbia and Manitoba and other parts of the Dominion and bringing them in here and employing them. That all tends to raise the atmosphere and remove any political considerations from the Provincial Civil Service.

We have recently appointed a Trade Commissioner to Great Britain. His qualification for the position is that he was here and helped to draft the "Regina Manifesto", back in 1930. We were told before the last election that, if this Government got into power, they were going to dismiss a civil servant who was on "leave and engaged in political activities". Well, they did not have to dismiss that particular gentleman, because he was not employed; he was not on leave. He has resigned from the service. Apparently, however, they finally found it necessary to dismiss one of their own appointees — the only Deputy Minister in the history of the Province of Saskatchewan who every appeared on a political platform in this province in a political campaign.

On top of that, Sir, there is another reason why the costs of government are going up. A Return was filed here a day or two ago, that was asked for at the last Session. It showed that this Government bought 105 automobiles in the first year, or the first 15 months it was in office. So far as I can learn, Sir, the purchases are very much greater for the last year. I don't suppose we will be able to find out about that until one year from now.

We have a Bureau of Publications. It used to cost \$40,000. The estimates for the next year are \$130,000; and this Bureau has had at times as many as 60 temporary employees parked along the corridors of this building, sending out political propaganda paid for by the taxpayers of the Province of Saskatchewan. On

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top of that, Sir, when we find that some of this political propoganda publishes matter or material or statements which are thought to be not in accordance with the facts, the person who feels aggrieved has no recourse or no remedy to correct any misstatement or wrong allegation that is made with respect to him.

**Mr. Douglas:** — The Sifton Press does it for them.

**Mr. Patterson:** — Oh yes, that's your propoganda.

Just as another comparatively minor example of Government policy, there is a Home for the Infirm at Wolseley. I think it has about 80 or 90 inmates. Five years ago the cost of operation was \$43,000. The estimate for the coming year is \$100,000.

**Mr. Douglas:** —They are feeding them there now.

**Mr. Procter:** — Well, thank God they're feeding somebody.

**Mr. Douglas:** — They don't go without butter any more.

**Mr. Patterson:** — The response, or the repartee of the Premier is typical of his approach to the practical problem of finance . . .

**Mr. Douglas:** —It certainly is.

**Mr. Patterson:** — . . . and the costs of government of the province of Saskatchewan. It represents a very sound and a very careful consideration of the problems and the difficulties that are facing the people of this province, who, in this next year, are going to be asked to raise ten or twelve million dollars more by way of provincial taxation than they were, last year, and if the costs of this thing and that thing and the other thing are to be allowed to go up and up and up without any regard for what is practical and what is sound. For instance, we were told during the election of 1944 that this Government would abolish bureaus and commissions and committees and things of that kind. They did, in theory, abolish two of the five old Boards and created a department in the Provincial Treasury Department that cost approximately as much. They abolished the Tax Commission and made it a =de of the Treasury at practically the same cost; but they have added one commission and board and advisory committee after another. There has not been a session that three or four of these has not been provided for.

You remember how they used to criticize Royal Commissions: those were bodies that were set up by governments that wanted to evade their responsibilities. I have not checked them up, but I think, Sir, there have been almost as many Royal Commissions appointed in the province of Saskatchewan since this Government took office as were appointed in all the previous years of the history of this province. We have had Royal Commissions on fish and on fur, and everything you can think of – yet we used to be told that these were a waste of public funds; that this was something that was done by a government to evade its responsibilities! Nobody has utilized that subterfuge more frequently

than the present Government.

We have in the province of Saskatchewan the Health Services Planning Commission and as I have already pointed out, the revenues and the expenditures of this Commission are not included in the estimates presented to us. It is quite true that in a Trust Fund; and it is quite true that the Bill, as passed, made the Commission's expenditures a statutory appropriation. But, Sir, is it not fair and just and proper that moneys that are collected from the people of the Province of Saskatchewan by a tax (and The Hospital Services Act says it is a tax) should not appear in the public revenues? Is it not proper and just that the expenditures that are made of moneys that are collected in the form of the tax, no matter for what purpose they are expended, should be provided for in the estimates of expenditure? And if, as the Premier has told us, this service is going to cost the Provincial Treasury \$2,000,000, should not that deficit in the operation of this particular Government activity be reported – should it not be included in the estimates submitted to us?

The Power Commission may be referred to. The Power Commission collects revenues from subscribers or customers to whom it supplies a specific service. Any money that the Power commission of Saskatchewan has ever spent that has come out of the public treasury, has been voted by this Legislature, and the estimates now before us provide for an expenditure of that nature again. The Local Government Board handles hundreds of thousands of dollars in trust funds; but the administration expenses, the money that the Local Government Board expends, that actually is taken out of the public treasury, out of the taxes collected from the people and is voted by this Legislature. That should equally apply to the Health Services Planning Commission. However, you can take it that, as I have already stated, Sir, the inclusion of these figures – the receipts which are borne entirely by taxes, either levied directly for that specific purpose or out of the general revenues of the province – make this a \$65,000,000 budget.

In his discussion of the Health and Social Welfare Services of the Government for the coming year, the Provincial Treasurer made rather limited remarks, primarily, I presume, because major expenditures are not in his estimates, and to have referred to them would have drawn attention to that omission. We are in agreement with the provision for an increase of Old Age Pensions. I presume this will apply also to blind pensioners. It is, of course, rather disconcerting to see the amount to which the total expenditure for this purpose is reaching and the very considerable percentage of the total expenditures of the province that are being provided for a comparatively limited number or percentage of the population. However, as I say, that is not a criticism – it is merely an observation. We are in agreement . . .

**Mr. Feeley:** — Oh! oh!

**Mr. Patterson:** — Well, that's all right. I mean it is something that sound men will observe who realize that every dollar that they spend has to be collected from somebody: it may be from the clerk who is working in a store for \$60, or \$70, or \$80 a month; it may be from a man who is working in a garage for \$125 a month; it may be from a man who works in some larger institution and gets \$150 a month; maybe from some people who receive a

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larger income – but the \$35,000,000 that this Government has to collect this next year has to be collected from the people of the Province of Saskatchewan. They are the people who have to pay the bill. True, the Provincial Treasurer is going to get \$15,000,000 from Ottawa, but he has to get the rest from us.

**Mr. Fines:** — Oh, no, no!

**Mr. Patterson:** — Well, all right then, just show us where you are going to get it . . .

**Mr. Fines:** — On a Point of Privilege, Mr. Speaker, the statement has been made that we collect \$15,000,000 from Ottawa and the other \$30,000,000 comes out of taxes. Now the position is, as my hon. friend knows only too well, that approximately \$15,000,000 to \$16,000,000 comes out of taxes and the other comes out of the contribution for Old Age Pensions from Ottawa, about \$6,000,000 for interest and all these other dozens and dozens of things that have nothing to do with taxes at all. He knows that only too well.

**Mr. Patterson:** — Well, the fact remains, Sir, certain amount of money and we are going to get a certain amount of it from Ottawa; and remember, Sir, that we have to pay our share of that. It doesn't come 'out of the blue' any more than the \$30,000,000 that is collected in Saskatchewan.

**Mr. Feeley:** — We don't believe in Santa Claus.

**Mr. Patterson:** — Well, we did prior to July 1944, but we are getting cured so rapidly that I would not be surprised if, in a couple of years, Santa Claus will disappear in the Province of Saskatchewan. Even the kids won't believe it.

**Mr. Phelps:** — Disappear, just the same as the Liberals.

**Mr. Patterson:** — And talking about Santa Claus – the cripples and the deaf and the other physically-handicapped who were promised in 1944 that a CCF Government would provide pensions for them, are still waiting for "Santa Claus. He isn't even around the corner so far as they are concerned.

**Mr. Douglas:** — He'll arrive and you'll object when we do it.

**Mr. Patterson:** — The Provincial Treasurer tells us that the Crown Corporations serve a 'social' purpose. Well, perhaps the one person who is employed as a night-watchman down at Estevan, or the three or four that are employed up at Chaplin, may regard it as a social service; but, as I say, the cripples and the deaf and the other physically-handicapped are still waiting for Santa Claus or fulfilment of the definite promise that was made to them of what would be done and the assistance that would be provided to them, after the CCF Government was elected.

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Now about these Crown Corporations. We have had a number of reports submitted – some eleven, if I remember correctly – all of them for the fiscal year ending March 31<sup>st</sup>, 1946, which is just a month short of one year ago. I quite admit that, in respect to many of them, the report submitted applies only to part of a year's operations. Some of them had hardly begun to operate at all. I do suggest, that The Crown Corporations Act might very well be amended to provide that their fiscal year should correspond with the calendar year, that their books should close on December 31<sup>st</sup>, and that these reports should be submitted to the Legislature at its next session. The Power Commission, which is a much larger organization in every way than any of these or all of them put together, finds it possible to do that. 'Big Business', so often maligned, finds it possible to close its books, have a meeting of its shareholders and present them with printed reports of the year's operations within a month or two after the books have been closed. It does seem to me that it is rather futile for the members of this Legislature to try to analyse, or discuss, or to find out what is actually going on in connection with these Crown Corporations, on the basis of the reports for nearly one year ago.

Now, with regard to the reports that have been submitted to us, to analyse each one separately would take all of the time that I would wish to take this afternoon and as I have said, made for that. For instance, the Transportation Company: I think there was only one bus going at the time its first annual report was submitted; but that is only an argument why these reports should be brought up to date and the books should be closed on December 31, as is done in connection with the Power Commission. You may say the fiscal accounts of the province are a year old when they come to the Public Accounts Committee, and that is true; but the fiscal accounts of the province are presented in a mass of detail. These reports, after all, are merely a statement of revenues and expenditures, assets and liabilities, and any company that is properly administered can get out a statement of that kind within a couple of weeks. If we are going to allow these concerns a year to get their statements in to us, then we shall have to insist that they give us information more comparable to, and more in line with, those that are supplied to us by the Departments of Government.

Of the eleven reports that were submitted to us, eight show a loss and three show a profit. Those showing a profit were the Fur Marketing Agency, the Government Insurance Plan and the Printing Plant. Now all of these activities, both those that showed a profit and those that showed a loss, enjoy two tremendous advantages insofar as commercial operations are concerned. First of all, they are entirely free from municipal and Federal taxation and, second, the capital and working advances they required were provided for them without interest and without cost. Take, for instance, the Fur Marketing Agency; it claims a profit of \$1,642. If that was a private operation it would have paid the city of Regina taxes on the property it occupies of \$600; it would have paid a business tax of \$560, or a total of \$1,160. It had \$55,000 advanced to it from the Treasury; it would have paid at least \$2,000 as interest on those advances. How much it might have paid the Federal Government for Income or Corporation Tax, I don't know.

Now, if this Fur Marketing Agency made \$1,642 in the year ending March 31, 1946, it made \$1,260 at the cost of the taxpayers of the city of Regina. All of us who own property in



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the city of Regina made a little contribution so that the Minister's pet scheme of fur marketing might show a profit of \$1,642. All of us, as taxpayers of the Province of Saskatchewan, paid the interest on the \$55,000, which this Marketing Agency was using, of our tax money or money that has been borrowed and on which we were paying the interest, in order that it might enjoy a profit.

The Printing Plant shows a very substantial margin of profit. It, too, enjoys the benefits that I have already explained: no Federal taxation; no city taxation. In addition to that it enjoys the advantage (a very material one of a business) that the Government can feed it all the business it can take all the time. It does not have to worry about any slack period, or anything of that kind. Now it claims to have made a profit of \$6,400. Well, the people of Regina, the taxpayers of Regina, those of us who happen to own property in Regina and pay the taxes to keep this city going, we contributed \$1,460 of that, indirectly, because, if that had been a private business that is the amount it would have paid into the coffers of the city; and because it did not pay it, the rest of us had to make it up.

**Mr. Fines:** — What was the total of the profit?

**Mr. Patterson:** — \$6,400.

**Mr. Fines:** — \$25,000 – a slight error!

**Mr. Brockelbank:** — Oh, well, it's 25 per cent correct!

**Mr. Patterson:** — Like everything else the CCF puts up, it's mighty hard to find where it is.

**Mr. Douglas:** — We probably overrated the intelligence of some people.

**Mr. Patterson:** — I must apologize: I quoted the provision for 'Depreciation' . I extended the wrong line in the account.

**Mr. Fines:** — \$25,000, isn't it?

**Mr. Patterson:** — Yes. The profit, it is true, is \$25,000; but I just want to say that, in this particular concern (and I want to give vision for depreciation (that is why I quoted the amount, \$6,400) on an investment of about \$90,000. I would regard that as a good business practice; but I do repeat that the citizens of Regina, and the Dominion of Canada taxpayers, through the exemption from Federal tax, contributed a substantial proportion of the profit made by this concern. But, and again I want to be perfectly fair, I want to stress the depreciation in this particular case, because I am going to mention some other factors in depreciation.

Now we have the Box Factory. Here the Government took over not a new business but a going concern about November 1<sup>st</sup>, 1945. There was no interruption of operations. As a matter of fact, shortly after the Government took over there were stories about the additional business they were doing – and in five months they had run up a loss of \$7,800! I do not know how much taxes

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this concern would have paid the city of Prince Albert had it continued to be operated by a private owner; but I do know the Box Factory is allowed depreciation of \$1,400 on a total investment of \$70,000. Now that is in contrast to the allowance of \$6,400 for depreciation made by my hon. friend's Printing Plant. It has \$125,000 advanced to it from the Provincial Treasury for which no interest nor return has been paid. The Brick-yards show a loss of \$770. Again I have no information as to the taxes paid to the municipality when it was privately owned. I note that they have made provision for depreciation of \$13. That is how much the Brick-yards depreciated the coal and the clay that was taken from it in its operations, last year. It has advances from the Provincial Treasurer of \$237,000.

So we can go down the list. The Shoe Factory, with an investment of \$40,000, has provided depreciation of \$1,360. The Wool Factory, with an investment of \$280,000 has provided for depreciation of \$2,200. The Timber Board, with an investment or inventory (they have no buildings, but they have \$90,000 worth of lumber and other assets scattered around the country), has provided for depreciation of \$32. A windstorm would wipe that depreciation out in the first blow.

**Mr. Phelps:** — It is insured.

**Mr. Patterson:** — We are told that these activities have done much better in the first six months of the present year. Well, we will analyse that when the Government is prepared to bring us the reports of just what they have done — and as I say, that can be very largely corrected by moving up the dates for closing the reports and the statements of these Crown Corporations.

The Provincial Treasurer tells us that the people of Saskatchewan are the shareholders in these corporations. Well, on that basis, they have been the shareholders in the Telephone Department and the Power Commission for many years; but on any money that has been advanced to those organizations, or those activities, the interest which it would cost the Provincial Treasury has been repaid by those particular activities, and you can say, by and large, that over all of the years every nickel or every cent that the Telephone Department or the Power Commission has cost the province, or the people of the province, hardly a sufficient answer to say that the brickyards or the sodium sulphate plant or the woollen mill or the shoe factory are serving a distinct 'social' purpose.

Now, how was this Government going to finance its activities and its increased services before it took office? Well, several Members have expressed their opinion. The Premier on June 17<sup>th</sup>, 1944, at Weyburn. (We haven't heard any of these promises since that year). You can figure . . .

**Mr. Douglas:** — What date did my friend give, what was the date?

**Mr. Patterson:** — June 17<sup>th</sup>, 1944.

**Mr. Douglas:** — That was two days after the election in 1944.

**Mr. Patterson:** — Sure, this is what you were

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going to do after the election.

**Mr. Douglas:** — Oh, this is after the election. Well, we couldn't be trying to get votes then.

**Mr. Patterson:** — I'm going to quote in a minute what you did say to get votes. In 1944, at Weyburn, the Premier was going into establishments for the manufacture of grain alcohol, wheat starch, wheat syrup, glycol, plastics, and into development of flax crushing plants. Then he went on to say that he was going to set to distribution agencies to sell petroleum and other products.

**Mr. Douglas:** — It's all good anyway. You can read it all.

**Mr. Patterson:** — Here it is, in the "CCF Program for Saskatchewan."

**Mr. Douglas:** — Now we are getting to real sense.

**Mr. Patterson:** — Here it is:

The CCF Government can obtain revenue from the wholesale distribution of petroleum products, setting up a Government Fuel and Petroleum Board to handle the wholesaling of gasoline and fuel oils. The CCF Government can obtain revenue from the wholesale distribution of other staple commodities, say food or machinery, along the lines indicated above for petroleum products. The CCF Government can raise money from the development of natural resources under public ownership, (and so on).

**Mr. Phelps:** — We are doing it.

**Mr. Patterson:** — The Hon. Minister of Municipal Affairs was going to raise money by taking over the banks.

Here is the Weyburn speech, prior to the election, of the Premier – Weyburn, June 13<sup>th</sup>, 1944:

Mr. Douglas suggested ways in which the CCF proposed to get money to pay for its social services program. It was going to take the Civil Service out of politics . . .

**Mr. Danielson:** — Out of politics?

**Mr. Fines:** — We've done that.

**Mr. Patterson:** —

. . . by setting up a Purchasing board to buy Government supplies . . .

**Mr. Fines:** — We've done that.

**Mr. Patterson:** —

. . . raising of revenue by the Government engaging in

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revenue-producing business; (what one are we in?); by setting up commodity boards to sell goods now being sold by monopolies.

On this occasion he went a little further afield: he was going to handle cement; the taxing of interest payable to corporations outside the province; the development of natural resources by public or co-operatives ownership; the establishment of secondary industries such as grain alcohol and protein feed cake, wheat starch, wheat syrup, synthetic rubber, plastics, glycol, anti-freeze, and linseed oil.

Now here was the Minister of Social Welfare, in March, 1944:

We propose to take over the large corporations, the banks, the large companies, and the large insurance companies.

Then the Minister of Municipal Affairs: he was telling about all the things they were going to take over and then he told about the things they were not going to control. He said that a farm privately operated was definitely a social institution; and he said the local realtors and local garages were also examples of social ownership by individuals. That is in comparison with the present intention of the Insurance Department to engage in the garage business.

Now the result is, Sir, that the increase of expenditures in this province has been tremendous, and there is not a nickel of the money coming from these sources from which the people were led to expect it could be obtained. The increased expenditures are coming from taxing the people, in one form or another, to meet the expenditures that are proposed.

The attitude of the Government towards Crown Corporations is rather uncertain. We were told before the election that, by going into these businesses, revenues could be raised and taxes would not have to be increased – in fact, they were to be reduced. But, when the Provincial Treasurer was in Calgary, in September last, he told his audience there, according to the newspaper report, that the Government did not go into business to make money; they were not hoping to make money. For instance, he told that audience, according to the newspaper:

The Government paid several times that the box factory at Prince Albert was worth, to make The Trade Union Act stick.

**Mr. Douglas:** — Have you authority for that statement?

**Mr. Patterson:** — My authority is the Calgary Herald, of September 30<sup>th</sup>.

**Mr. Douglas:** — Would the hon. gentlemen read it, I wonder?

**Mr. Patterson:** — Sure, I will be glad to read it:

Mr. Fines was also asked about the Government's expropriation of the box factory at Prince Albert, because the owners would not recognize the Union employees.

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Mr. Fines had previously explained that the Government had paid several times what it was worth by order of the Courts. He admitted that the Government had paid \$55,000 for a plant worth not more than \$15,000 to \$20,000; but it was worth it to make The Trade Union Act stick, he explained.

**Mr. Fines:** — That's not a CCF paper is it?

**Mr. Patterson:** — No, but if the Hon. Minister says he didn't say it.

**Mr. Procter:** — That's just what you did say and you know it!

**Mr. Patterson:** — Incidentally, this report winds up by saying:

The chairman of the meeting announced that Ministers of the Saskatchewan Government promised to come to Calgary every two weeks.

**Mr. Feeley:** — That's something they never asked the Liberals to do when they were here.

**Mr. Patterson:** — Now I am going to repeat a criticism that I have made before, and it is this: we are in some 10 or 12 Government activities represented by Crown Corporations and with one exception which I shall mention, the \$3,000,000 that has been used by these Corporations was never specifically voted by this Legislature for the purpose for which it was used. This Legislature never voted one dollar for the box factory at Prince Albert as such, or for the brickyard at Estevan as such, or for the woollen mill as such, or for the shoe factory as such. True, we did vote hundreds of thousands of dollars in 'blanket' votes, and usually when the Government was asked, when those votes were being put through, for what purpose they were going to be used, we were not given the information. Whether it was because they just would not tell us or because the Government did not know, I cannot say; but the fact remains that there was never one dollar specifically voted by this Legislature, earmarked for any of these activities.

Now, as I said, there was one exception. At the session one year ago, \$750,000 was voted in a supplementary estimate for the Saskatchewan Transportation Company, after the Government had gone into the business. After it had made that decision, this House did vote \$750,000 for that specific purpose. If you look up the estimates for the coming year there is no indication there of what particular activity this Government proposes to embark upon. There are certain capital votes for this, and certain capital votes for that; but again we have to leave the decision in the matter to the judgment of the Economic Planning Board and the Government.

We are told that the Government is going into a rock-wool mill, or rock-wool production. Where in the estimates is there an amount designated for that purpose? We are told that the Government is contemplating going into the gas-line business. Where in the estimates is there any amount provided for that purpose?

**Mr. Procter:** — The boys in the back room will fix that up for them.

**Mr. Patterson:** — During the past year two developments have taken place: first, the Government has gone into the production of sodium sulphate at Chaplin. The Premier tells us that is because this province has a monopoly on the source of supply for this particular product. Now, I don't suppose there is a ton of this particular product used in Saskatchewan in the course of a year. On the other hand, the discovery was made in Saskatchewan of a product that practically every citizen of the province uses to a greater or lesser extent; but the production of that particular commodity was turned over to private interests. We do have some difficulty in seeing any consistency, or any definite policy being followed by this Government in the development of our natural resources about which we have heard so much.

To summarize insofar as these Crown Corporations are concerned: they have had \$3,000,000 of public money and have not paid a nickel interest; they have not paid any municipal taxes; they have not paid any federal taxes — and at that, so far as the records that are available to us show, they have been far from a success. In addition to that, certain officials are being paid from the Provincial Treasury. It is hard, from the questions we have asked and the information that has been given, to establish just to what extent; maybe it doesn't amount to very much. The general secretary of all these Crown Corporations, for example, his salary (which normally, of course, would be paid by any company that he worked for) appear to be paid out of the Provincial Treasury. Similarly with certain other officials. The gentleman who is the chief industrial executive officer to the chief industrial executive officer (whatever his title happens to be), certainly part of his salary also appears to be paid from the Public Treasury; and these corporations are saved expense to that extent.

The Public Debt in Saskatchewan has been reduced substantially in the last two-and-a-half years, and I am willing to give the Provincial Treasurer a full measure of credit for what has been accomplished in that respect. I am not going to enter into any argument with him about whether contingent, or indirect, liabilities should be included or excluded. I am quite willing to take his own figures. If he had to include the contingent liability on June 30<sup>th</sup>, 1944, to make a good showing for himself, it was largely because of CCF policy in respect to seed grain advances, which made what should have been a substantial asset worth little or nothing. Naturally if you tell people, who owe the Government something, that they won't have to pay, it ceases to be an asset; and that is what happened in the Province of Saskatchewan.

I am glad to see that he has discontinued the practice of including bank balances. Why, on some occasions the Provincial Treasurer included \$3,00,000 of investments that belonged to the Education Fund in his figures to show what a splendid reduction he had made in the Public Debt. However, he has discontinued including the current liabilities or accounts payable, and I have no great criticism of that. Under present conditions the amount does not vary very much. It was not always the case. When the former Liberal Government came into power the province had unpaid accounts of \$5,000,000 that definitely were a very substantial part of the Public Debt. However, as I say, we'll

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take his figures; we'll accept them on that basis that he starts from.

Now on June 30<sup>th</sup>, 1944, the Public Debt of Saskatchewan, including contingent liabilities, but excluding current accounts payable, and allowing for sinking funds, was \$209,000,000. On December 31<sup>st</sup> last, on the same basis, it was \$187,000,000, a reduction of \$21,000,000; and I say that I give the Provincial Treasurer credit for every dollar of that reduction. But I also say this; there was not one dollar of that reduction made by reason of any economies, or reductions in expenditures, that he practised.

Where did he get the money? Well, the first year he was in office he had a revenue surplus of \$2,200,000; the second year, he had a revenue surplus of \$500,000. The first year, he was in office he had Liquor Board profits of \$3,770,000; last year, of \$6,600,000. The first year he was in office, the Farm Loan Board's borrowers repaid nearly \$4,000,000, and last year, they repaid \$1,500,000. In 1944-45, the wheat Pool . . .

**Mr. Fines:** — Might I just correct my hon. friend: he pointed out that \$6,600,000 was taken into the revenue, last year . . .

**Mr. Patterson:** — . . . I have already mentioned, and which I am going to deal with in a minute . . . the Wheat pool, almost \$800,000 a year for each of these two years; Telephones, \$500,000 one year, and \$400,000 the next; Co-operative Creameries, \$125,000 one year and \$115,000 the next; and on top of that any collections that were made in respect to seed grain. In other words, the Provincial Treasurer had collected, or has had available from these sources, something over \$20,000,000 which was available to him to use in the reduction of Public Debt.

Now, it is quite true that of the liquor profits for `1945-46, over \$4,000,000 was taken into revenue; but that was the first time that use has been made of the liquor profits for Revenue Account, since 1941-42; and even yet there is a liquor profit reserve of \$8,000,000 – far more than the amount which the Hon. Member took out of liquor profits for last year. Then, on top of that the Provincial Treasurer has whatever he has collected from these sources since the first of the current fiscal year, up until December 31<sup>st</sup>, 1946.

Now, I am not criticizing; but if he had not utilized these receipts for either paying off the Public Debt or paying them into sinking funds, then there would have been criticism – and he would be properly subject to criticism for taking, shall we say, repayments from the Farm Loan Board, from the Wheat Pool, or from the Telephone Department, and using them for any other purpose. Here is where the money came from – not from economies, not from reducing expenditures, but from repayments which properly could and should be utilized for this purpose.

**Mr. Fines:** — What would my hon. friend have done about it?

**Mr. Patterson:** — What would I have done about it? Well I would have reduced the Public Debt and I would have kept expenditures down to a reasonable figure so that we would not have found it necessary to continually and excessively increase taxation.

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**Mr. Douglas:** — Old age pensions would have stayed at \$25.

**Mr. Patterson:** — Now on the figures regarding bond prices and bond sales and refunding, I would go a little further than congratulating the Provincial Treasurer; I rather envy him. Conditions have been so much easier, so much more pleasant and so much less difficult for him than I found them in my time, that I can find myself wishing that I had had a few years of conditions such as we have had since 1944; and I suggest that this is not only to his credit, but also to the credit of the people of the Province of Saskatchewan – perhaps more to their credit than to the government's or to that of any Member of the Government.

Now the Public Debt reduction, the cancellation of Treasury Bills, and the adjustment of these old claims is welcome to us as Members of this Legislature and to the people of the province. I think we could say that it was a pretty generous gesture on the part of the Government of Canada to make the concessions they did, and that some credit can go to them and perhaps some credit can go to the Province of Saskatchewan for negotiating this agreement. As I understand it other provinces have received a somewhat similar settlement.

I am not sure that I am so enthusiastic (shall I say) about the acceptance of the award of the Royal Commission which was appointed to deal with the matter of the -natural resources. That Commission made a report – a majority report and a minority report. The minority report was made by Mr. Justice Bigelow. It is some time now since I read the report but the minority report made by Mr. Justice Bigelow, at that time, would, I think, impress any unbiased or impartial student that he had made a much more complete and exhaustive, and a much more factual study of the loss which this province had suffered by reason of the natural resources being retained by the Government of Canada. However, the Provincial Government has seen fit to accept the majority award, and I presume it was some factor in obtaining this cancellation of our Treasury Bill debts. For that reason I am not going to be too critical, or say that it is not entirely satisfactory. I am rather sorry, however, in this respect: I think we had a much stronger case than perhaps a casual examination of the report of that Commission would indicate.

In connection with the Seed Grain adjustment, I am not going to express any sympathy or any sorrow for the Provincial Treasurer because he finds it necessary to pay Ottawa so much a year to settle for seed grain. That is a condition which he has brought upon himself. I should not say that, personally; but his Party has brought that condition upon him and upon that Party. As I say, if you go up and down the province (this province or any other province, Saskatchewan is no different) and say, “Put us in power, and you won't have to pay certain debts that you owe”, you cannot expect anything else but that people will take you at your word and not pay the debts.

As a matter of fact, even after making the 1938 adjustment on seed grain, the collections have not been as good as they should have been – and that also is in part, if not very largely, due to the attitude toward these debts created by the political propaganda put out by the CCF Party prior to the election, when they induced the people of the province to support them. Now, they are paying off that promise with the money of the public.



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So, as I say, the Provincial Treasurer cannot expect me to be too sympathetic, or to shed any tears, because he finds now that he has to make provision to pay some moneys to Ottawa to secure settlement of the amount outstanding under the seed grain.

The question of private capital in Saskatchewan received a good deal of consideration by the Provincial Treasurer in his Budget Address. The position of those who are interested in Legislature almost exactly one year ago, the Premier of the Province of Saskatchewan stood up in his place and said: "We will not rest until capitalism has been eradicated in Saskatchewan." Now the Provincial Treasurer says that they welcome private capital, and they are going to have it. The Minister of Reconstruction says: "We wish we had a 'Silkin's Bill' in Saskatchewan." Well, they can have it. It is within their authority to pass a 'Silkin's Bill' in Saskatchewan. If they want it so much, maybe we will have it.

As I have already pointed out, the development of one natural resources is undertaken by the province, another one that, so far as the people of Saskatchewan are concerned, is of tremendously greater importance, is turned over to a private company. Is it any wonder, Sir, that the people of this province are at a loss to know, that they are uncertain as to what the attitude of this Government really is with respect to industry and private business and private enterprise generally? Is it any wonder that people are doubtful and are hesitant to invest their money to any substantial undertaking, when they face daily the possibility of the Government expropriating it, or of the Government entering into competition – the Government competition with the advantage of exemption from taxation and of public finances, makes it practically impossible for the person in private industry to carry on in competition? As I say, this makes it difficult for private industry, private development to know just where they stand.

The budget itself is somewhat difficult to understand. The Federal leader of the CCF Party has been going up and down the country of recent months proclaiming depression, unemployment, hard times; very pessimistic. The Premier of the Province of Saskatchewan has been doing considerable of the same things: a good deal of propaganda about future depression and unemployment and difficult times. Some of the lesser lights of the party are greatly concerned about our relationship with the United States; what might happen to us, or the possibility of conflict with our neighboring country. Yet the Provincial Treasurer brings in a budget and says that the people of Saskatchewan have no concern about a budget of \$60,000,000, and, as I have already pointed out, while a part of this is being supplied from the Federal Treasury, a much greater part of it has to be put up by the people of Saskatchewan. In other words, there is a complete contrast between the pessimism displayed by Mr. Coldwell and the Premier of Saskatchewan and the optimism displayed by the Provincial Treasurer of Saskatchewan.

But, surely, Mr. Speaker, if this Provincial Government can lay its hands on millions of dollars, such as it intends to, or anticipates doing, in the coming year, it might have made some provision, it should and could have made some provision for easing the burden of taxation on the junior governments that operate under it and help to make it possible for them to function! There is no indication of their intention of doing

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anything. There is a substantial increase only with respect to one particular tax, but we may find in the future that, by Order in Council, this fee is increased and that fee is increased, or some other royalty is increased, so that we have no means of knowing whether this particular increase of tax is the only one that we shall have to face during the coming year. There is no indication that we can expect any return (the budget does not provide for one cent of revenue) from these eleven 'so successful' Crown Corporations which are using \$3,000,000 of public money. There is no attempt to prepare for this depression, or this period of bad times, that the Premier forecast. The budget is an extravagant and an unjustifiable one, and I shall not support it.

Debate adjourned.

The Assembly adjourned at 11:00 o'clock p.m.