

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fifth Session — Tenth Legislature**  
**Day 5**

**Wednesday, February 11, 1948**

The House met at 3 o'clock.

**ORDERS OF THE DAY**

**Hon. Mr. Brockelbank** (Tisdale): —On February 10, 1948, on page two (in roman numerals), the answer to a question asked by Mr. Patterson in regard to Crown Corporations, under the subject of Saskatchewan Government Telephones, the members of the Corporation should include the name of the Hon. I.C. Nollet. I would ask that that correction be made.

**SPEECH FROM THE THRONE**

**Continuation of Debate on Motion for Address in Reply**

The House resumed from Tuesday, February 10, the adjourned Debate on the Motion of Mr. Feeley (Canora) for the Address in Reply to the Speech from the Throne.

**Hon. Mr. Douglas** (Premier):— Mr. Speaker, I should first like to do what the Leader of the Opposition yesterday omitted doing, namely, offer my congratulations to the Mover and Seconder of the Address in Reply to the Speech from the Throne. I have listened to a good many Motions of this sort, over the past 12 years. I do not think I have ever listened to two speeches that were better, and to very few that were as good.

The two members, who spoke on that occasion, as has been intimated, are retiring from public life when the term of this Legislature expires, and I would like, Mr. Speaker, to pay tribute to both of them: men who in spite of ill health in the past few years have represented their constituency and the people of the province at large, in a manner that has brought credit both to them and to those whom they have the honour to represent. I could not do better, if I were seeking to sum up the contribution they have made, since Burns has already been quoted, than to use two lines of Burns and say: "Princes and Lords are but the breath of Kings; an honest man the noblest work of God."

In paying tribute to them I should also like to say a word to another member of the Legislature, who is retiring from public life at the expiration of the present term of the Legislature, the hon. member for Moosomin, and to say what I said last year: that in all parts of the House, we admire the fortitude and heroism with which he has carried on — we all heard with regret the ill-health which he suffered during the past summer, and we are delighted that he is on the way to recovery, and that he is back in his seat with us for the present Session.

**February 11, 1948**

The Leader of the Opposition, in referring to the Mover and Seconder of the Motion, twitted them with 'singing their swan song'. Well, it may not be their swan song, but I am sure if it were, it would be their final swan song. The Leader of the Opposition sang a little swan song himself last year, and I joined with others in paying him a genuine tribute for the long years he has given in the public service of this province. But, for some reason, best known to himself and the Rt. Hon. J. G. Gardiner, he has decided to postpone the swan song and go on in public life. And I notice in speaking to the Mover and Seconder, the Leader of the Opposition twitted the member for Hanley, saying his pessimism was undoubtedly due to the fact that the Liberal candidate in Hanley had won a municipal election by an overwhelming majority. I do not think the Leader of the Opposition ought to refer to municipal elections, because I am sure there is a great deal more pessimism in his quarters than there is in Hanley. It seems to me there was a gentleman called Mr. 'Jack' Davis who took in hand to speak for the people of Meadow Lake until the municipal elections came along: he is not speaking for them any more. There was also a Liberal candidate I believe, up in Pelly who was mayor of Kamsack, and he also met with some adverse reception at the polls. so I am sure that the member for Hanley can feel that if there is any pessimism as a result of municipal elections, they are not confined entirely to his corner of the province.

The Leader of the Opposition, yesterday, began his remarks by saying that the Speech from the Throne was a weighty and lengthy document, on which the Government laboured and brought forth a 'mouse'. Well, Mr. Speaker, it could be said of his administration that they did not only not bring forth a 'mouse', they did not even labour. A more sterile body never existed for ten long, weary and unprofitable years.

The Leader of the Opposition constantly made sly insinuations, in which he refused to make any specific statement. There were veiled references to someone getting a gravel contract without a truck; something having been sold at 12 ½ per cent of its value, and when I asked the Leader of the Opposition to be more specific, he said "I am just making statements". Mr. Speaker, I invite him to do more than make statements, to make charges, and I will say what I said last year, that I am prepared at any time to have any charge fully substantiated by a public enquiry. The Leader of the Opposition, in refusing to make a direct charge, is either lacking in facts, or in courage, in regard to this particular matter.

One of these insinuations, for instance, was a statement which occurred three times – that of late the King's Representative, in this

province had not been treated with due respect. I think it is unfortunate that the King's Representative should be dragged into a Debate in this House, but I know of no case – and I would be glad if the Leader of the Opposition would be more specific – in which His Majesty's Representative, in this province, has ever been treated with disrespect, unless my hon. friend is referring to the time when some of the Liberal members, including himself, failed to turn up to the Lieutenant Governor's dinner, which he gave to the members of this Assembly. Or unless my hon. friend is referring to the fact that the Government turned Government House over to be used as a convalescent home for men who have returned from the services. If that is what my hon. friend means, he should say so; but I want to say, here and now, that His Majesty's Representative in this province has always been treated with the greatest of respect and deference, by the members and supporters of this Government.

I join with the Leader of the Opposition in expressing pleasure that the wedding of Her Royal Highness, was so widely acclaimed throughout the British Commonwealth. The Leader of the Opposition suggested that the Minister of Natural Resources might have sent Her royal Highness a pair of Saskatchewan blankets. Well, that has not been done – it could be done – I will say this, when he sat on this side of the House you couldn't have sent her a pair of Saskatchewan blankets. About the only thing that could have been sent then would have been a 'Bennett Buggy', loaded with beans and dried fish.

My hon. friend, somewhat jeeringly, referred to me as 'little Sir Galahad'. I don't mind my hon. friend's jeer – I don't pretend to be any 'little Sir Galahad'; I would much rather, however, be a "little Sir Galahad" than a 'little Sir Echo', especially if I had to be the echo for the Rt. Hon. J. G. Gardiner. I would much rather be a 'little Sir Galahad' than be a 'stable boy' for the 'robber barons'. Or to do what my hon. friend was trying to do yesterday, play dragon and try and frighten the people of Saskatchewan – not by dealing with facts, but by raising fantasies and bogey men about the possibility of socializing their land; taking away their businesses; of interfering with their democratic rights. As a matter of fact, the people of this province are not going to be frightened by that sort of campaign. Mr. W.F. Kerr, of revered memory, tried that for about a year and a half before the last provincial election. The people of this province know that in their homes and farms they have more security under this Government than they have ever had, in the history of this province. They know that during the ten years of my hon. friend's administration over here, although they had a Mediation Board, in that entire ten years, not a single order was ever passed placing an individual moratorium on any farmer to protect him, in this province; not one. I checked the record very carefully – I am not speaking loosely when I say that – it is absolutely right.

My hon. friend, as he did yesterday, tried to suggest this Government is taking powers away from the legislative body. The last person today to talk about taking powers away from the legislative body is a liberal.

**February 11, 1948**

In the last few months we have witnessed something in Ottawa that must make any democrats hair stand on end. Almost over night, embargoes – more far-reaching than anything that has happened since confederation – were placed against commodities not only coming in from the United States but on commodities coming in from Great Britain. It was not necessary to do so; under Article (13) of the Geneva Trade Agreement, non-discrimination clause did not apply for twelve months, and under Article (14) of the Trade Agreement, there was an escape clause whereby it did not need to apply at all. And yet embargoes – far more far-reaching in their effect than the high tariffs which the Bennett Government brought in and which were argued in Parliament for months. These embargoes were placed overnight without any reference to Parliament and without a single member of parliament having a chance to open his mouth to express an opinion upon it.

Two and a half years since the war ended, and the Transitional Powers Act still on the Statute books, and the other day extended to the thirty-first of March, with every prospect of being further extended, by which the government is taking more war-time powers and extending them far into the peace.

One of the criticisms which the Leader of the Opposition extended yesterday was the fact that there had been three labour strikes in the province and he concluded from that, that our Labour Legislation was useless and of no effect. The fact, Mr. Speaker, is that there were 78 labour disputes last year. And when only three of them resulted in a strike, I think that is a very good record – a very good record indeed – and a record not equalled anywhere in Canada. Almost everyday the Department of labour is bringing employers and employees together and conciliating their difference. My hon. friend referred to the Packing House strike, and both Mr. Tucker and Mr. Gardiner have on occasion – outside of this Legislature – referred to the Packing House strike. It is rather strange that when this government found it necessary to take over the Prince Albert Box Factory, because of a labour dispute, indignation of these hon. gentlemen knew no bounds. But last year when we did not take over the Packing Houses, they were equally indignant. It is very difficult to satisfy them. As a matter of fact the Government was prepared to take over those plants and the men were willing to go back to work. We were in constant consultation with the producers' organizations and I quote here from the 23 Annual Report of the Saskatchewan Co-operative Producers Limited, the Saskatchewan Wheat Pool, in which they say this, "On the invitation of the government of Saskatchewan, representatives of your organization have participated in discussions on the situation rapidly developing as a result of the Packing Plan strike.

It is obvious, however, that it is outside the power of any individual province to provide a satisfactory solution to the present problem. Your board is satisfied, but the problem calls for a settlement on a national rather than a provincial basis. Your board has supported

the action calling for the appointment of a conciliator or a conciliation board, satisfactory to all the provinces involved. that conciliation may be started immediately and carried on while the plants are being operated. As a matter of fact, Mr. Speaker, that is exactly what was done and my colleague, the hon. Minister of Labour, played a very important part in helping to bring about that conciliation that brought the strike to a satisfactory conclusion.

The Leader of the Opposition, Yesterday, poured withering contempt on the fact that the government was just going to pay for the freight on seed into the drought areas; just the freight on the seed. Well, his government supplied the seed, and this government is still paying for the seed. His government left office with \$83,000,000 of seed grain and relief debts which this government has had to meet. The hon. gentlemen speak often about the extra subsidy which we get from Ottawa as a result of the Dominion Provincial agreement. The fact is that a good portion of that increased subsidy has to go each year toward retiring the indebtedness of the seed grain debts which my hon. friend left on our door step. When my hon. friend left office he left us with 1935, 1936, 1937 and 1938 seed grain debts still unmet. It has been this government which has wiped out that 1935, 1936, 1937 seed grain debt, wiped out half the principal and all the interest of the 1938 and has almost completed making the refunds for those farmers who had paid the debt in whole.

The speech which my hon. friend made yesterday, was in the main, filled with criticism which my hon. friend spent most of his time either over in Russia or in Great Britain worrying about the Silkins Bill and county Agricultural Committees which were not set up by the labour government at all, but set up by the Churchill Government. He spent all of his time making slighting remarks, that never once in an hour and fifteen minutes of blistering oratory was there one constructive suggest or a single intimation of what the Liberal Party's program is for this province. Mr. Speaker, the Liberals' program has been conspicuous by its absence from this Chamber as is the leader of the Liberal party who we invited to be here for this session.

Now may I turn to the Speech from the Throne. The Speech from the Throne makes some comment about economic conditions as they have changed across the Dominion of Canada. We can only look at our own provincial situation in the light of the condition of our National economy. When the war ended two and a half years ago, considerable gains had been made by the great masses of the people in this dominion. There was price control to prevent the cost of living from getting out of sight. The principal of subsidies had been adopted which is a form of redistribution of wealth. Labour had made considerable gains and the Co-operatives had made great strides. But when the war came to a close, in spite of the naivety of the hon. and gallant member from the Mediterranean who thinks there is no ruling class in this country, those who control – they are not large in number – who control the banks

**February 11, 1948**

and insurance companies and the oil companies and farm implement companies, our mail order houses and great chain stores, they are not the people we rub shoulders with every day, they are the small group of people who by means of interlocking directorates control the economic life of the people of Canada, and determine to a very large extent what each one of us will pay for the things we buy and also to some extent the price the primary producer will get for the thing which he has to sell. That class began as soon as the war was over, to take back some of the gains which the masses of the Canadian people had won during the war. During the war they had to make these concessions in order to get maximum production. They no longer needed the co-operation of the people of Canada to that end. Something like the old story of the two men who were ship wrecked and after spending days on a raft, first without food then without water, and when nigh on to death one resorted to his childhood habits of praying and began to pray and enumerate to the Almighty the things he was willing to give up if only he was rescued. His pal touched him on the shoulder and said, 'don't promise too much, I think I see land'. Well that is about the position which the ruling class of this country took; they saw land decided to begin to retrench.

They started out on a three-fold program, not only in Canada but in the United States. As a matter of fact in the United States the program was just about six months ahead of the program in Canada. The first thing they set out to do was to remove taxes on the higher income brackets and the excess profits tax on large corporations. The result has been that the excess profits tax, first of all drastically reduced, now was entirely wiped out.

Then income reductions on higher brackets. these income tax reductions meant for the single tax payer in the lower income brackets, about \$6 per year. but for the tax payer who got \$200,000 was a reduction of \$10,385. A man with an income of \$5,000 had a reduction 14 times as great as a man with \$1,000. A man earning \$10,000 had a reduction more than 30 times as much as a man with \$1,000.

The Minister of Finance, last year, in his budget speech admitted that 55 per cent of the people of Canada did not earn enough to pay income tax. The latest income tax figures we can get from the Dominion bureau of Statistics at Ottawa is 1942, which shows that in that year 756,000 recipients in Canada had incomes of less than \$55 a year, of which 127,400 were married. The effect of course is obvious. The effect has been in those who have a large amount of purchasing power have had that purchasing power increased because of lower taxation, whereas those who have a small amount of purchasing power, most of which goes into consumer goods, have not had that purchasing power increased proportionately.

And so the first step in the campaign was carried out – get taxes off the big fellow – make it easier for him. The next step in the program was to hack away at the whole system of price control and subsidies. I am sure I do not need to – but I can if anyone wishes – quite here from all the other major parties in Canada; Liberals, Conservatives, Social Credit, one after another, got up in the House of Commons and cried for the removal of price controls, in spite of the fact that two Gallup Polls, one July 25, 1945 and a subsequent one December 20, 1947 – two years apart almost – but in both of those Gallup Polls 76 per cent of the people of Canada said they wanted the price controls retained. There is democracy for you! 76 per cent of the people of Canada wanted those price controls retained, but because there were those with large inventories on which they could make a profit; because there was a shortage of supply and tremendous demand, there was a change for exorbitant profits, and these price controls have been removed with very disastrous results.

The result has been that the cost of living index has gone up from 119.5 in 1945 to 148.3 on January 1, of this year – an increase of 28.8 points, or about a 25 per cent increase, at least, and a 25 per cent decrease in the purchasing power of the consumer's dollar.

That policy has enabled the ruling class, who my hon. friend thinks does not exist, to reach into the pockets of every consumer in Canada; to reach into the purse of every housewife in Canada, and take 25 cents out of every dollar. It has become so flagrant now that papers like the Toronto Star are complaining that their investigation – which was printed on November 25 last – showed that although fruits and vegetables had gone up anywhere from 50 to 75 per cent, that the farmer in Ontario actually got less for fruit and vegetables in 1947 than they got in 1946. Potatoes have gone up two and three dollars a bag, despite the fact that the farmer has not had any increase. The cabbage, for which the farmer got three cents a pound, were being sold for 12 to 20 cents per pound.

This week's issue of Macleans points that the packing houses made a tremendous profit on their inventory; they point out that it takes some three weeks from the time that a hog is killed, until it goes through the packing plants and is available to the public. And yet they say that within two or three days of the ceiling being taken off, meat was up from six to ten cents a pound, and pork up 20 cents per pound, despite the fact there were 30 million pounds more meat in storage than there was this time a year ago. They estimated that on their inventory alone they made a profit of some nine million dollars.

Subsidies were removed. Subsidies, as I said a moment ago, are a form of redistribution of wealth. The Rt. Hon. Mr. Ilsley told the House that subsidies cost the Dominion Government about \$200,000,000 a year, but that they saved the consumer about two billion and one-half a year. In

**February 11, 1948**

other words, for every dollar spent by the Treasury, \$12.50 was being saved to the consumer. Those subsidies have been removed – they have been removed on milk but not removed on steel, Mr. Speaker – not removed on steel. The financial Post points out, in the present fiscal year, steel corporations are getting a subsidy of ten million dollars; seven million of which is going to the Dominion Steel and Coal Company. Plenty of subsidy for steel, but none for milk.

As part of the general process of removing price controls, both the ceilings and subsidies were taken off coarse grains. When it came toward the end of July, last year, my colleague, the Minister of Agriculture, along with producers' organizations in this province, and other provinces, bombarded the Federal Minister of Agriculture, to get some statement of policy before the end of the crop year, but none was forthcoming. We went on into the new crop year – farmers were urged to sell their coarse grain; some 85 per cent of the coarse grains were sold and then on the 21 of October ceilings and subsidies were removed. Mr. H.H. Hannam, the president of the Canadian Federation of Agriculture, I think summed it up very ably when he said this: "Nothing that has happened in many years has stirred farmers and dairy producers throughout Canada to such a high pitch of resentment as the action of the Dominion Government in removing ceilings and subsidies from coarse grains, at this particular time. The Government's action has cut the feet from under the best livestock program we ever had in Canada – a program that not only achieved the greatest production of livestock, dairy and poultry products in our history but, what is more important, established some degree of stability in the whole agricultural program and offered hope for some permanency to this stability, in the future".

Most of the hon. members will remember that when that ceiling was removed what happened – coarse grains sky-rocketed (after they were out of the farmers' hands, of course). Oats went from 65 cents October 21, to as high as 99 cents; barley went from 93 cents October 21 to as high as \$1.60. Now, of course, they are beginning to drop again because we are dealing now with speculative markets.

The hon. members will remember that the Leader of the Liberal party in this province with one of his colleagues went down to Ottawa – I am referring, of course to Mr. Tucker, the Leader of the Liberal party in the province – and they came back and made this announcement, which appeared in one-inch type in the local newspaper, and this is the announcement they made: "The Dominion Government would indemnify coarse grain producers against loss, as a result of the lifting of the coarse grains price ceilings October 21, and take steps to see that livestock producers are compensated for the increase in feed costs." That was a statement made on November 24.



The performance is given to us on January 24. On January 24, the Minister of Agriculture for Canada, who alone had any authority to make such a statement, said this: "When sufficient grain companies are in a position to say what adjustment they are prepared to make on coarse grains, delivered by farmers prior to October 21, at the time ceilings were lifted the Government will then consider any obligation they may have to such farmers." He says: "We appreciate that the companies have seen fit to make these advances, and we hope and expect others will follow". Mr. Gardiner said: "We urge farmers to deliver their oats and barley at ceiling prices as soon as possible after threshing, so that it will be made available to farmers in areas where the need was greatest. By doing so, we assumed any obligation to these farmers and we are prepared to consider that now".

**Mr. Danielson** (Davidson): —Is there anything wrong with that?

**Hon. Mr. Douglas** (Premier): — There was a great deal wrong with it. On November 24, the farmers were going to be indemnified — we tried to find out for two months how much per bushel; how it was going to be paid; where they were going to get it, and two months later the Federal Minister of Agriculture said "When the companies do something".

**Hon. Mr. Brockelbank** (Tisdale): —That will be the day.

**Hon. Mr. Douglas** (Premier): — You can just imagine that; when the companies do something — then the Federal Government is prepared to consider what they will do. Mr. Speaker, these statements are not just two months apart, they are poles apart. I think that most of the promises being made by Mr. Tucker in this province can probably be taken at the same face value as the promise that was made on the 24<sup>th</sup> day of November.

That is the situation in which Canada finds itself. As a result of the increased costs to the farmer, the prices had to be raised on the British contracts. Consequently, the British Government, instead of renewing their contracts for a year, have renewed them for only 90 days.

**February 11, 1948**

Unless they can find sufficient Canadian or American dollars, they may not be able to renew their contracts further. Every hon. member in this House remembers the effect in the early 1930s of the Bennett program of that time, of fastening our dollar to the American dollar and staying on the Gold Standard as long as possible.

We are now embarked, in this country, on a policy that may have equally disastrous results. I mention this, Mr. Speaker, because no province can possibly escape the effects of national policies. As I said to the House last year, a provincial government can cushion the shock. A provincial government can carry out certain principles in its own field of jurisdiction – but the over-all policy, the prices the farmer gets for his products, the prices he has to pay for the things he buys, the purchasing power of the worker's dollar – all of these things are bound up with national fiscal policy and national marketing policy. We ought to be warned that this country is moving into some bad economic weather.

In the light of that, I ask the House to take a look at the economic picture in Saskatchewan over the past year. In spite of the doleful prophecies as to what would happen under a C.C.F. administration, conditions have been reasonably good, despite a crop failure over a considerable area in the province. One criterion that is sometimes taken is the number of cheques cashed. If we compare, for instance, 1943, the amount of cheques in dollars was \$1,185,000,000; this last year, \$2,000,000,000, an increase of some 69%. If we take the sale of farm equipment, in 1944 it was \$15,200,000, and in 1946 it was \$20,000,000 – an increase of 33%. If we take the number of new companies that came into the province between July 1944 and January 1, 1948, we find that 470 new companies came into the province with a capitalization of \$52,606,000. Extra-provincial companies registered were 110 with a capitalization of some \$247,000,000, and 174 new partnerships were formed in the province in that period.

In 1946 the mineral production was 8% over 1944; coal, an increase of 12.6% over 1944; natural gas, an increase of 37.5% since 1944; crude petroleum production, an increase of 303% over 1946 – no figures for 1944; sodium sulphate, an increase of 13.6% compared with 1946; trade products – last year we reached our highest figure in our history – an increase of 14.5% over 1944; and mineral production, an increase of 200% over 1939.

It is estimated that private and co-operative concerns, and manufacturers in primary industries have spent about \$20,000,000 in capital and maintenance repair in Saskatchewan during 1947. Just to mention one or two, the Saskatchewan Co-Operative Producers have put up a vegetable oil plant in Saskatoon which went into production in 1947, with a productive capacity of some 84,000 gallons of raw linseed oil and 700 tons of cake and meal per month. Le Pas Lumber Company has put in a high utilization sawmill costing over \$100,000. The Hudson Bay Mining and Smelting Company

are spending over a million dollars in the installation of a new 21,000-h.p. hydro-electric generating unit. The Prairie Salt Company are putting up a plant to produce salt, costing over a million dollars, and estimated to be turning out 7,500 tons of salt annually. The Co-Operative Movement in the province has grown by leaps and bounds in the past three years. If we read the figures for 1943-44 and compare them with 1946-47, which are the last figures we have available, the number of organizations went up from 839 to 930; individual memberships (I will just give the round figures) went up from 286,000 to 477,000; the paid-up capital from \$22,390,000 to \$24,659,000; and total business from \$182,000,000 to \$220,000,000.

Consumers' Co-Operatives – again comparing the same period – the number of organizations went up from 486 to 525; number of members from 66,340 to 128,365; sales went up from \$13,000,000 to \$22,000,000; and total assets from \$4,491,000 to \$9,283,000.

Credit Unions – which are a good indication of the growth of the co-operative movement – compare 1943 and 1946. the figures are up from 128 to 185; the number of members from 14,539 to 30,186; total assets from \$797,000 to \$5,021,000; deposits from \$280,000 to \$1,544,000; and loans in force from \$356,000 to \$2,352,000.

Now those are the statistics, but I think it is essential that we deal in facts, when we hear speeches such as the ones we listened to yesterday and such as we hear over the radio, talking about what this Government has done to business in the province (but always careful not to quote facts). The fact is that in spite of the unstable economic conditions throughout the world and the lack of stability which is now apparent in the agricultural industry, we have made steady progress in the whole field of our economic life in this province, both private enterprise and co-operative enterprise.

Let me take a moment, now, to deal with government enterprise. Yesterday we had some criticisms of government enterprise. These criticisms were twofold – one, that it was undemocratic. That, of course, is difficult to substantiate. Why, if a group of men in Montreal own a plant in Saskatchewan and run it from Montreal and take the profits, that should be democracy, whereas if the people of Saskatchewan own the plant themselves, that is dictatorship, according to my hon. friends – of course, we believe just the opposite. We believe that if the people here own an economic asset, operated through their elected representatives, then that is economic democracy, which ought to go hand in hand with political democracy.

The people of Regina, I am sure, do not feel that they have lost any economic democracy by virtue of the fact that they own their own street cars, their own power plant – I am sure the people of Saskatoon do not feel any loss of economic democracy in the fact that the Bessborough Hotel is publicly-owned whereas the Hotel Saskatchewan in Regina is privately-owned. I am sure the people of Canada do not feel any loss of democracy because the Canadian Broadcasting Corporation or the Trans-Canada Airlines or the Canadian National Railways or the Polymer Synthetic Rubber Plant at Sarnia are owned

**February 11, 1948**

by the people of Canada rather than by some private corporation. Just the opposite is true. As we enlarge the field of public ownership we are enlarging the field of economic democracy. The other criticism made about these government-owned industries was that they were costly socialistic experiments.

Well, we will deal with the 'cost' part in a moment. A month or two ago I invited the Leader of the Liberal Party in the Province, Mr. Walter Tucker, K.C., to say just which of these government-owned plants he would close if he were in a position to close them, and I have a copy here of his radio speech in which he went over them and said: "Well, of course, the transportation system is something which really should be publicly-owned, and, well, the Insurance Company would not affect the insurance companies, — and then he would not touch any industry that was producing something which was not being produced by anybody else —, that would take in the woollen mill and the shoe factory and the tannery and the brick factory — what is he going to close? The fact of the matter is that he would not close any of these. The people of Saskatchewan would not stand for industries being turned back to being owned by individuals, if they could operate them themselves for the benefit of the people who live in this province. There is no indication of democracy — as a matter of fact this is the implementation of democracy. The people of Saskatchewan are the shareholders in these industries. The House is, in a sense, its board of directors, and I want to read now to the House and to the people of the province who are the shareholders, an annual report on the operation of these companies.

A year ago I reported on the results of the operation of the government business enterprises for the year ended March 31, 1946. We were able to provide, as well, some information for the first half of the following fiscal year, that is the year ending September 30, 1947. When the Crown Corporations were first organized, the Act provided that the fiscal end of each year should be March 31. With the Legislative Sessions held usually in February and March, this meant that financial statements could not come to the Legislature until they were nearly a year old. That is, of course, the case with Public Accounts. to make it possible each year to table more of all the corporations have been changed by Order in Council in accordance with the authority given in The Crown Corporations Act. In fixing the year-ends for the lakes & Forests Products Corporation and the Fur Marketing Services, it was necessary to take into consideration the natural break in seasonal operations, and the yearends for these have therefore been fixed at October 31 for the Lakes & Forests Products Corporation, and September 30 for the Fur Marketing Services. It was also necessary to allow the auditors sufficient time to complete their audits and prepare their reports for submission to the Legislative Assembly, and the year-ends for the Transportation Company and the newly-formed Government Airways were therefore fixed at December 31. The Saskatchewan Power Commission year-end remains as it was before, at December 31; so that, when we table these reports (as we will in the course of a few days) they will be the most recent reports that are possibly obtainable.

This year we must therefore report on the operations for the full year ending March 31, 1947, in compliance with the requirements of the old Crown Corporations Act, and for the shorter fiscal year period, from April 1 to September 30; October 31 or December 31, depending on the year-end fixed for each corporation.

During the year ended March 31, 1947, the profits, before depreciation and interest on capital of all corporations including the Power Commission and the Department of Telephones, were \$3,809,000. The depreciation amounted to \$1,239,000, and the net earnings before interest on capital, were therefore over \$2,570,000. The Power Commission had total earnings, before depreciation and before interest on capital, of \$1,384,000, and after depreciation, \$983,000. The Telephone System had total earnings before depreciation and before interest on capital, of over \$2,000,000 and after depreciation, of over \$1,362,000.

The profits of all other business enterprises before depreciation were \$394,000. The depreciation amounted to \$169,000, and the net profit after depreciation was therefore \$225,000.

In view of the prospects indicated by the results for the first half of that year, these results on the whole are possibly not as good as we had hoped. This, however, is largely accounted for by the drastic effects of the record-breaking winter of 1946-47 and the operation of the Transportation company. During the first half of that year, this Company earned a net profit of \$93,000, but by the end of the year only \$36,000 of that profit remained, owing to the very severe winter conditions which we had last year. The report of this Corporation will explain in more detail what the effects were of the exceptionally bad winter.

The figures given above do not include the Reconstruction and Housing Corporation, as this operation is in a very different category from all the others. The corporation was organized for the purpose of achieving greater flexibility and economy during construction of the Veterans' Housing project. By March 31, 1947, the majority of the projects had been completed, and as the operations are more of a service than a commercial enterprise, at that date it was decided to transfer the housing projects from the Corporation to the Department of Reconstruction. Early in 1946, the Minister of Reconstruction approached the Dominion Government for assistance in providing this much needed service to veterans, and arrangements were concluded for grants to be paid from the Central Mortgage and Housing Corporation to the Reconstruction and Housing Corporation of Saskatchewan. These grants were for the purpose of paying part of the construction costs, but the Housing Corporation felt that they could not, in fairness, charge to the tenants the full cost of operation and depreciation when a large part of the construction costs had been received as a grant. It was therefore decided to make these housing facilities available to veterans at a low cost, even if the operations should result in a loss.

**February 11, 1948**

Well, the operating loss for the Housing Corporation for the year ending March 31, 1947, before considering the grant, was \$35,000. The grants amounted to \$133,000. The grants will mean that our housing program will just about break even. At March 31, 1947, the Housing Properties were turned over to the Department of Reconstruction. The Department paid the Housing Corporation the total amount of advances from the Treasury, which was then refunded by the Corporation to the Treasury. The Department took over the assets, the operating deficit, as well as the capital surplus arising out of the grant from the Central Mortgage and Housing Corporation.

On April 1, 1947, the Government Finance Office was organized in accordance with the provisions of the Crown Corporations Act 1947. On June 1, the Telephone system was re-organized as a crown corporation and placed under the jurisdiction of the Government Finance Office along with the Power Commission and all other corporations. The Telephone system continued to operate along the same lines as before, with the Minister of Telephones as Chairman of the Corporation, and the Deputy Minister of Telephones as General Manager. At the end of 1947, Mr. W.H. Warren, the Deputy Minister and General Manager of the Corporation, retired after a remarkable record of 43 years of service in telephone business – he worked 38 years with the Saskatchewan Government Telephones, and was succeeded by Mr. S.R. Muirhead who was chief engineer.

On July 23, the Saskatchewan go Airways was set up as a Crown Corporation, thus coordinating the flying services of all government agencies in the North, and providing a flying service for the general public.

Now, for the nine-months period from April 1 to December 31, the results of operations of all these enterprises show very satisfactory progress. The figures which I am going to quote for this period have not all been audited yet, but any slight variations that may develop will not materially alter the picture. As soon as the figures have been audited they will be tabled here in the House and referred, of course, to the Crown Corporations Committee of this Legislature for study by all hon. members. Over this nine months' period the net profits before depreciation and before interest on capital for all the business enterprises exceed \$3,760,000, and after depreciation they are over \$2,640,000. The expense of the Government Finance Office, which pays all the costs of the office of the Industrial Executive and other services common to all enterprises, came to roughly \$36,000. When this amount is deducted for supervision, the net profits are in excess of \$2,600,000.

During this period April 1 to December 31, the Power Commission had total profits before depreciation and interest on capital of \$1,350,000 and after depreciation of over \$900,000. The Telephone System had total profits before depreciation and interest on capital of \$1,800,000 and after depreciation, of \$1,300,000. For all other corporations, the profits before depreciation and interest on capital are nearly \$600,000, and after depreciation, approximately \$440,000.

In these corporations there was nearly \$160,000 written off in depreciation during this period.

Examining the enterprises one by one, we find that during the fiscal period April 1 to December 31, very substantial progress was made in nearly all of them. During the year ended March 31, 1947, the Woollen Mill showed a net loss, after depreciation, of over \$28,000, but during the latter part of that fiscal year it showed a net profit of \$4,000. The total depreciation written off during these two periods came to \$34,000, so that was have moved from the red into the black figures.

It is interesting to note that during the short period of operation prior to March 31, 1946, the average loss per month was nearly \$4,000 but during the year ended March 31, 1947, the average loss was \$2,400 per month; and that during the nine months period ended December 31, 1947, we now have an average profit of some \$500 per months.

The Shoe Factory had a net loss of \$12,000 during the year which ended March 31, 1947, but during the following nine months, was able to break even, and the total depreciation for the two periods was \$4,300. Here, also, it should be observed that the average loss during the period prior to March 31, 1946, was at the rate of some \$2,000 per month. During the year ended March 31, 1947, the average monthly loss was slightly over \$1,000 per month; while during the nine months ended December 31, the average result is a small profit; and so another one of these enterprises has moved from the red into the black, as we manage to train craftsmen and technical people to carry on these operations which were, of course, never carried on in the province before. Most of those being trained for this work are returned servicemen, who are being trained now in the making of shoes and in the making of blankets.

During both of the periods under discussion, the Tannery continued under handicaps of material and hide shortages. There was considerable difficulty in getting certain materials, and during the packinghouse strike almost impossible to get hides. Nevertheless, the Tannery was able to decrease greatly its loss as compared with the year ended March 31, 1947. During the nine months ending December 31, 1947, the loss was a little over \$3,000, and during the previous year it had been over \$14,000. The depreciation written off had been \$7,300.

The Clay Products, in the nine months period ending December 31, 1947, including the clay sales, showed a net profit of nearly \$14,000, whereas for the year prior to that, the net income was only a few hundred dollars; and over \$25,000 was written off in depreciation of the Brick Plant during these two periods.

The construction of the sodium Sulphate Plant has progressed rapidly and is about completed. There were no processing operations at this Plant prior to December 31, but we expect it will be in operation very shortly.

**February 11, 1948**

The Insurance Office business has continued to expand, and during the nine months period ending December 31, 1947, it showed a profit of \$113,000 as compared with a profit of \$60,000 for the twelve-months period previous.

During the winter of 1946-47 the Timber Board operations were greatly expanded, and as the winter's cut was sold during the spring and summer of 1947, a net profit of \$236,000 was realized, after a payment of an additional \$1.00 per thousand on all green White Spruce lumber of the 1946-47 cut to all contractors. This compares with a profit of just under \$27,000 for the preceding year.

From April 1 to October 31, 1947, a period of seven months, the Transportation Company earned a net profit after depreciation, of \$25,000, as compared with \$36,000 for the year ended March 31, 1947. During these two periods we have written off \$169,000 in depreciation of the Company's assets.

While we are glad to be in a position to report these mounting earnings in our business enterprises, the earning of profits is not the chief aim of the Government in setting up and operating these corporations; nor are the profits the only and best measure of services performed by them for the people of Saskatchewan. There is strong evidence that the operation of the Insurance office, for instance, has greatly reduced the cost of insurance to the people of the province. Anyone who has studied the lumbering operations in Canada for the last few years knows that had it not been for the Saskatchewan Timber Board, most of Saskatchewan timber would not have been sold in Saskatchewan at all, and any that would have been sold here would have commanded a much higher price, to fill the pockets of dealers and speculators.

The benefits of improved transportation facilities, provided by the Saskatchewan Transportation Company to many parts of the province, cannot be measured in terms of dollars and cents. It is fortunate that in many of these operations it has been possible to perform a service, provide employment at good wages, and at the same time earn a profit. This, however, is not true of all of them. This Government has the strong obligation to develop a more stable and secure source of livelihood to the trappers and fishermen of the far North. This is a complex task, calling for co-ordination of educational services, social welfare work, as well as economic activity. The Fish Board carries on a number of co-ordinated activities in the north, buys fish for resale, sells merchandise to the fishermen, provides ice and boxes for fish, arranges transportation services, filleting facilities, etc. We are as yet far from having achieved our objective, but we intend to continue our vigorous efforts toward that end. These operations we have so far been unable to carry out without loss. We went into the fish business, most of the hon. members will remember, three and a half years ago because



of the fact that under federal government regulations certain lakes had to be closed because of an infestation which was affecting our fish and spoiling our market. Since that time there has been a catastrophic drop in price. It has not only affected our fishermen and other prairie fishermen but has affected the fishermen on both the Pacific and Atlantic coasts. Fortunately, the price is beginning to come back so that the picture is improving considerably. During the year 1947, or rather during the year ended March 31, 1947, the Fish Board has sustained a loss of nearly \$35,000. In addition it had received a grant from the Department of Natural Resources of nearly \$40,000 in payment for activities and services carried on for the Department, and during the period from April 1 to October 31, the loss sustained was approximately \$65,000.

Now we have no apology to make insofar as the Fish Board is concerned. When these lakes were closed, when the price dropped to a point where the fishermen could not live, we had one of two choices – we could have gone in there and spent very large sums of money on relief – but we thought it was best to make it possible for these people to market their fish by filleting them or by smoking them or by moving them into fresh water lakes – it was better to subsidize an industry rather than to have these people unemployed and on relief. And we feel that the money has been well spent.

The Box Factory is another operation which has not shown satisfactory improvement in the fiscal year ending October 31. During this period they incurred a loss of less than \$10,000 compared with a loss of nearly \$13,000 during the period which ended March 31. We are pleased to be able to say, however, that during the months of November and December this operation has been carried on without loss, and we shall continue our efforts to bring this industry to a sound and profitable basis of operation.

The Reconstruction Corporation is continuing with the demolition of airport buildings and sale of materials in other war assets, and during the nine months ending December 31, has earned a net profit of \$63,000 to add to the \$131,000 earned during the year ending March 31, 1947.

The Fur Marketing Service has continued successful operations and has earned a profit of \$29,000 in six months of the last fiscal period as compared with \$32,000 for the entire previous year.

The Printing Company continues earnings at the rate of \$40,000 a year, this being the profit for the year ending March 31, and \$30,000 for the nine months' period ending December 31, and we have written off \$14,000 in depreciation.

**February 11, 1948**

Saskatchewan Government Airways has operated for only two and a half months prior to the end of the year, and yet it has shown a net profit of \$12,000. The extent of its activities, however, will largely depend on the mining, fishing, trapping, and other activities of the North.

As I have indicated, Mr. Speaker, there are still a few points in the above picture on which we are not entirely satisfied. It must be remembered, however, that in some of our operations we are still working, under the handicap of personnel which has to be trained as we go along, because these are new industries or new operations; but we are continuing and will continue our best efforts to bring every one of these business enterprises to a point of efficiency and usefulness of which the people of Saskatchewan can be truly proud. Looking fairly at the picture as a whole, the services performed, the employment provided, and the profits earned, we are satisfied that the investment of money, time and effort to these projects has been eminently worthwhile.

Reference has been made to the fact that these are 'costly experiments.' The fact is, that on the total amount of money which has been invested in these enterprises to put people to work, to process our own primary products, keeping in mind that some of them, such as the Sodium Sulphate Plant which is in the process of construction and is not yet in production – keeping in mind that we are still in the process of training staff for the last fiscal year which ended March 31, the return on capital invested was 10.6%. On the nine months' period of April 1 to December 31, 1947, the profit on capital invested is 11.5%. I submit that any group of business people going into a new venture to develop industry in this province, who could show in this short period of time a return of 11.5% on capital investment, and after writing off very heavy depreciation, would feel that they had had a fairly successful operation. I am sure the people of Saskatchewan will take the position that rather than being a 'costly' enterprise, they are getting a very good return for the money which has been invested.

Now, Mr. Speaker, having dealt with the economic position as it affects private business, as it affects the co-operatives, as it affects government-owned industries, may I turn for just a moment or two to the matter of other services which are provided by the province. It is all very well for those who criticize the government to make general statements, but I am sure that everyone here would be struck with the fact that yesterday none of these generalizations were substantiated by facts or figures. Facts, Mr. Speaker, are the missiles that dispense fantasy and scare away 'bogey-men'. We are dealing with facts – not dealing with what the Liberal Party says we ought to be doing. I want to give the record as to what we are doing compared with what they did; and facts are very difficult things to get around. Some reference has been made, for instance to education – that we ought to spend more on education. Well, there is no government more anxious to spend greater amounts on education.

Let us look at the record, I am going to take now the provincial expenditure – not the total expenditure – but the expenditures for the Provincial Government for a school child attending our provincially controlled schools. The amount spent per child by the Provincial Government in the year 1943 – 1944 when the official opposition were in office was \$29.65. 1944 – 1945 was \$33.43, 1945 – 1946 it was now \$41.28, which made it higher than Manitoba which was still at \$26.23 and Alberta which was at \$39.80. Last year 1946 – 1947 it was \$41.27, and the estimated figure for this year – we will spend per child from the Provincial Treasury, \$50.95 per pupil. that is just about 80 per cent more per child on education than was spent by the previous administration.

Or if my friends want to take total amounts in grants to schools – I am not going to give a lot of detail because the Minister of Education will probably be dealing with this in detail – but in the year 1943 – 1945 the total amount which was spent in grants to schools by the Provincial Government, \$2,765,000, last year had grown to \$3,779,000, and this year the figure is estimated to be \$4,819,000 – again an increase of some 70 per cent.

Or if we take the figures on Mothers' Allowance, and again facts and figures are difficult things to get around, our friends do not like them, but they are there – you not only do not mind you completely disregard them – take the Mothers' Allowance, the average amount paid per family in 1942 was \$167; 1943 — \$208; 1944 — \$234; 1945 it went up to \$313; 1946; the last figures I have, \$410, more than double. Or if we take the average amount per child paid under the Mothers' Allowance: 1942 — \$63; 1943 — \$90; 1944 — \$97; 1945 — \$132; 1946 — \$173, to which should be added another \$55.45 for health which brings us up over \$225, as compared with \$90 when my hon. friends were in office. Two and a half times as much.

But I want to come Mr. Speaker, to a subject which the Leader of the Opposition and the others who spoke yesterday were very careful to avoid. I believe I can guess why they were careful to avoid it. That is the question of the Old Age Pensions. The Liberal Press in this country have carried on a great campaign to try and convince the people of Canada – they cannot convince most the people of Saskatchewan – but in other parts of Canada, trying to convince them that the Government of Saskatchewan by some legerdemain cheated the Old Age Pensioners out of \$5 a month.

Now I just ask the House to have a look at some of these figures.

**February 11, 1948**

First of all I would like to give the figures for the amount paid, the actual amount paid – not the amount on the statute books, to Old Age Pensioners in this province during each year and again I will give dollars and not odd cents: 1943 — \$17; 1944 — \$23; 1945 — \$24; 1946 — \$27; 1947 — \$27, and estimated for the present time, \$29.68 plus health services, which are now working out at \$5.08 per month per old age pensioner, make a total of \$34.76 per old age pensioner.

When the Liberal Press sheds crocodile tears over the treatment of Old Age Pensioners, they first of all do not tell people we are paying exactly double to the old age pensioner in terms of pension and health services to what they got in 1943. They do not tell them we are paying more than any Liberal Government in Canada, Nova Scotia, New Brunswick, Prince Edward Island. And the Manitoba Free Press which sheds the biggest tears...

**Mr. Danielson:** — I would ask the Premier to give me the figure for 1943 – 1944, the average pension, I missed it.

**Hon. T.C. Douglas (Premier):** — Certainly I would be glad to repeat it. 1943 was \$17.53; 1944 — \$23.00. It will be on the record, I will give it to the Hansard reporter and there will be the odd cents.

I said the Manitoba Free Press which sheds the biggest tears, have never paid the supplementary bonus while we paid \$3 supplementary bonus for two years, and they have never provided health services.

Now I want to put the record straight so the New Liberty and Macleans Magazine and some of the others who have been telling the people how we cheated the Old Age Pensioners, that the record will be here. Last year when the provincial treasurer introduced his budget, I quote from it, he said; “We have endeavoured without success to have the Dominion Government increase the amount of the pension and reduce the age. We are still hopeful that we can get the Dominion Government to pay their share, 75 per cent of the cost, on the basis of at least \$30 per months. We do not think we can allow this class in the community to struggle along on \$28 per month any longer, particularly in view of the increased living cost. Therefore the province is prepared to raise the maximum pension payable to Old Age Pensioners and Blind Pensioners, to \$30 per month effective April first next”. But as we stated then, we were going to pay our share of the \$30 and hoped of course the Federal Government would come along and pay its share. We were going to pay it and my hon. friends across the way did not say we should pay

more, they did not say we should pay the \$30 plus a supplementary bonus that Mr. Martin now says. As a matter of fact, this is what the Leader of the Opposition said on that occasion and I quote from his speech which is recorded here in the Journals of the House. The Leader of the Opposition said; "We are in agreement with a provision for an increase in Old Age Pensions. It is of course rather disconcerting to see that amount to which the total expenditure for this purpose is reaching, and the very considerable percentage of the total expenditures that are being provided for a comparatively limited number or percentage of the population." Mr. Feeley said "Oh! Oh!" so Mr. Patterson said, "well that is alright, I mean it as something that sound men will observe who realize that every dollar they spend has to be collected from somebody".

Mr. Tucker goes up and down the length and breadth of the province saying we are not paying enough, but the Leader of the Opposition was disconcerted that we were paying so much. At that time the amount we were proposing to pay was our share of \$30 a month or to pay the whole \$30 a month until the Federal Government finally got around to discharging its responsibility.

Now the position of the CCF administration in Saskatchewan and the CCF administration across Canada is perfectly clear to those who want to read the records. The position we have taken is that the Old Age Pension ought to be \$50 a month. This government has intimated to the Federal Government that we are prepared at any time to pay our share of a \$50 a month pension. The interesting thing to me, however, is, that Mr. Tucker, whose absence I greatly regret, who went about saying he was going to pay \$40 a month had the chance of a life time to give the people of Saskatchewan and the rest of Canada – who are on the old age pension, \$50 a month. On the 26 day of June last Mr. Stanley Knowles, member for Winnipeg North Centre moved in the House an amendment that the pension should not be \$30, as Mr. Martin was suggesting, but should be \$50 and the amendment was questioned by the chairman and it went to a vote of the House and the votes are here. Mr. Tucker was there, but he did not vote for \$50 and he did not vote against it, he just did not vote, 'period'. When I drew this fact to the attention of the audience at Yorkton when Mr. Tucker and I were having a bit of a debate, Mr. Tucker called out and said I was paired, and he has since written to a number of people I know saying the reason "I did not vote that day was that I was paired." Now of course members are often paired, but other members were paired that day, as Mr. Diefenbaker said, "I was paired with the hon. member for Hochelaga, and had I voted I

**February 11, 1948**

would have voted against the chairman's ruling." Mr. Johnston, one after the other, all listed here; but Mr. Tucker's name is not here, Mr. Speaker, he was not there, he was scared. He was scared that if he voted against the Government they would be angry with him and if he voted against giving \$50 a month to Old Age Pensions the people here would be angry with him – so he did not vote at all.

The stand of this government has been made repeatedly clear by my hon. colleague, the Minister of Social Welfare. We are prepared to pay our share of the \$50 a month pension, but we are not prepared – without a struggle – to be pushed into the position which the Federal Government is seeking to push the provinces into, of completely disrupting the ratio which has been involved for years by which the Federal Government paid 75 per cent of the Old Age Pension and the Provincial Government paid 25 per cent plus the cost of administration. But that ratio has gone on through the years; nobody else has thought to alter it until Mr. Martin came along. Mr. Martin is now seeking to push over onto the Provincial Governments a responsibility which is primarily a federal responsibility, and a responsibility which, by the way, the Federal Government said at the Dominion Provincial Conference they were going to assume in its entirety, but has not been assumed yet.

As the Speech from the Throne indicates, we will in all probability to asking this Legislature to vote extra money to give additional assistance to the Old Age Pensioners in this province. But we want it distinctly understood that, in paying that, we are simply paying our share of the increase which we believe the Federal Government ought to pay and should pay. We do not believe the Provincial Government should be expected to pay supplementary allowances over and above what the Provincial and Federal Governments pay combined. If there is any extra payment to be approved by this Legislature, it shall be under distinct understanding that we expect the Federal Government to come along and pay its share.

May I say just a word about one other service. I shall mention only briefly my own department, the Department of Public Health, and again I go to the records, and I want my friends to get this record. In 1943 – 1944 the average amount paid per capita in Saskatchewan for public health was 45 cents per person. Not talking now, but this does not include hospital services or cancer care, but just straight public health. Thirty-five cents per head in Saskatchewan as compared with 52 cents in Manitoba and 50 cents in Alberta, Saskatchewan spent 45 cents per head. In 1946 – 1946 we

spent in Saskatchewan 93 cents per head, more than twice as much, as compared with 64 cents in Manitoba and 59 cents in Alberta. There is the record; there is no use of my friends talking about not giving services; the fact is that we are spending twice as much and giving twice as much in terms of public health services.

The member for Arm River yesterday enjoyed himself at considerable length – as he always does – talking about these promises to give people things ‘without money and without price’. He loves that-in fact enjoys it; it rolls off his tongue with great enjoyment and I hope it does him good – it may improve his disposition. But, Mr. Speaker, did my hon. friend suggest that there are not people in the province who are getting services ‘without money and without price’? Between 15,000 and 20,000 people every year go through our Cancer Clinics either as new cases or people who are being rechecked and from the moment they enter that Clinic and are discharged from it, they get their surgery, their hospitalization, deep x-ray, drugs, and it is ‘without money and without price’. The Old Age Pensioners in this Province and their dependants and the Mothers’ Allowance cases and their dependants have a card which entitles them to all the health services they require. The cost is considerable; it costs the people of Saskatchewan over \$60 a year for the Old Age Pensioner but the Old Age Pensioners are getting it. The other night I visited an Old Age Pensioner in the General Hospital here – leg broken in two places, and had been in there for several months getting the very best care that medical service can provide in one of the best hospitals in Saskatchewan, ‘without money and without price’.

Forty-five mental people in our Mental Hospitals who are being looked after. Children who are unfortunately defective who are being trained so that they can be rehabilitated and can take their place in society; they are being looked after. There are people who are schizophrenics who had lobotomy Operations performed upon them so that they are restored to their family apparently quite normal. It has been done for them ‘without money and without price’.

We are flying hundreds of Air Ambulance cases. It is true that we charge a \$25 fee as a deterrent to keep people from ‘phoning the Air Ambulance just because they have a stomach ache. But there is not a person in Saskatchewan who has ever been refused a flight in our Air Ambulance because they had no money. We do not ask them about the money. After they have had the trip the bill is sent, and if they can pay it, they pay it, and if they cannot, they are given that service at the expense of the people of Saskatchewan.

**February 11, 1948**

Thirty thousand people this year had hospital care, and as far as they were concerned individually, it was 'without money and without price'. It is true that they paid \$5 per head, but I can tell my friend that every week hundreds of letters come in from these people who have received their bill marked 'paid'. One from a school teacher saying, "my bill was \$1,026; my wife and two children sick, my wife in hospital for months, and this would have taken me years to pay off, And I only hope the day is coming and quickly when medical care and other services will be added to this program".

Now it is true, the money does not come out of the air. The money comes, where any group of co-operators expect it to come from, by us pooling our small resources so that collectively we can provide individual security.

Before I leave the question of the Saskatchewan Government and its program I would like to answer a question which my hon. friend, the hon. and gallant member from the Mediterranean put to me yesterday. My hon. friend was kind enough yesterday to go into my background, Mr. Speaker, I feel greatly complimented at that. He stressed a good side to my background in that I was and still as a minister in good standing of the Church to which I belong, and he felt that I had fallen from grace because I went into politics. Well, it is true, Mr. Speaker, that I did – some 18 years ago – dedicate my life to the building of the Kingdom of God, I am still engaged in that work standing here, and I believe I can do it better than anywhere else. If I did not believe that I would not be standing here.

The question which my hon. friend put to me was with reference to the sale of land to veterans. It referred to the fact that the hon. member for Arm River yesterday, said that you could not buy land from the Government of Saskatchewan. I pointed out the statement was not correct. It is not correct as I said, last night; every month and every week, we are selling land. The Farm Loan Board has a great many parcels of land and we are constantly selling them and disposing of them. We have sold some 680 parcels of land from the Farm Loan Board, most of which are sold for cash although in a few cases we sell them 20 per cent cash and the balance on crop payments with a crop failure clause.

So my friend then raised the question – could a veteran under the Veterans Land Act buy land outright. I am surprised at that question coming from the hon. member for the Mediterranean who is a member of the Veterans Committee of the Legislature, and who ought to be familiar with veterans legislation. No person can buy land outright under the V.L.A. Under the Dominion Veterans Land Administration you buy land through the Land Administration and you must wait ten years for your title. That is one of the conditions under which you get the \$2,320. Now if any veteran can make arrangements with the V.L.A. to come to the Saskatchewan Loan Board and get a parcel of this land, my friend knows what happened; the V.L.A. buy the land and then they give him an agreement by which he



can get a title at the end of ten years. Even if he pays outright in a lump sum he still cannot get title until the end of 10 years. The only possible way you could get title would be to forfeit your grant. Now the situation is this, and I am not going to go into detail on it as the Minister of Reconstruction is much better competent to do so than I; but as my hon. friend has asked me the question I say this; the present land policy with reference to veterans was set up because of our experience after the last war. After the first World War, 24,000 soldiers were settled by the Dominion on land; 12,000 of these – half of them – were forced from their land either because of poor land, foreclosure or cancellation of their agreement for sale. And only 4,000 are still on that land today, and many of that 4,000 have still not received their title from the Soldiers' Settlement Board. It was in order to prevent that, that the Government said we will take crown land and school land and land we are not in the process of clearing and make it available to veterans through the V.L.A., and the V.L.A. agreed to give them their \$2,320 grant. And they can get it on a 33-year lease with an option to purchase at the end of ten years. Now the V.L.A. will not allow anyone to get land in less than ten years. The only difference between the V.L.A. and our proposition is that ours is a better deal, because we give them their payments on the basis of anywhere from one-sixth to one-tenth of the crop, with a crop failure clause.

**Mr. Embury:** — I am sorry if there was any confusion in respect to this matter and the question I put to the hon. speaker I should like to repeat now: Whether or not this socialist government will sell a piece of Provincial Crown land outright to a veteran and when I...

**Hon. T.C. Douglas (Premier):** — You said under the V.L.A.

**Mr. Embury:** — Actually that is true, but the one I asked and I do not want it to be ambiguous in any way, whether you will allow him to bring his land, by sale direct to the director of the Veterans Land Act so that he can purchase it outright, by that means under the Veterans Land Act, or otherwise – as I asked last night – immediately to a veteran.

**Hon. T.C. Douglas (Premier):** — Well for my hon. friend who is not trying to be ambiguous I think he has done rather well. I have already explained to my hon. friend that the Veterans Land Administration will not allow you to buy the land outright.

**Mr. Embury:** — Well would you bring it, and let him come under it?

**Hon. T.C. Douglas:** — Any man can come to the Farm Land Board and select a piece of land and make arrangements with the V.L.A. to take over that land, and enter into agreement with the V.L.A., nothing to prevent him

**February 11, 1948**

doing so. If he comes under other lands, we have found that the great majority of veterans all of whom we have come in contact with, preferred to take that fact on the basis with the option to purchase at the end of the ten years. May I point out that there is no provincial government in Canada who can sell a man land outright immediately. The Federal Government will not permit them under the Veteran Land Administration. They can buy it in ten years under the V.L.A., and they can buy it in ten years under our system.

**Mr. Embury:** — Would you sell a man a piece of land today?

**Hon. T.C. Douglas:** — Mr. Speaker, I think I have answered the question to suit the intelligence of the average person.

Now, Mr. Speaker, I began by saying that when the war ended those who controlled the economic life of this country started out to do three things: First to remove the taxes on high income brackets and corporations; Secondly to remove subsidies and price controls. I want to say just a few words before I sit down about the third thing which they set out to do.

As soon as the war was over they set out upon a campaign to take back from the great mass of the people of Canada and of the United States, some of the gains that had been made by labour and had been made by the co-operatives, and to drive back if possible, progressive movements which had grown up. Labour legislation which has been passed in the United States, some of the Labour Acts which have been passed in Canada, both Provincially and Federally, bear testimony to that fact. The Income Tax payers' league was formed, not interested in the income tax payer who had a small income, but interested primarily in taxing co-operatives so that if possible they could put them out of business, and chances are that the main instigation came from the Winnipeg Grain Exchange. And they managed by their lobbying and the great influence that they had to get co-operatives taxed by the Federal Government.

Then they began a campaign progressive movements in this county, a sort of which hunt like we listened to yesterday that everybody who dares to suggest or submit changes is an agitator, a "socialist agitator." Well, Mr. Speaker, anybody who suggested changing anything in any age was called an agitator. The Tolpuddle Martyrs were sentenced to exile over in Australia, — remember the words of the judge' "I sentence you not because of what you have done or what you may do, but because you have conspired to form" — The people were imprisoned in Great Britain because they dared to form "a co-operative." I suppose the first Barons who went to King John, who wanted a Parliament, were agitators. The early Christian church had it said about them, that they were agitators because they "sought to turn the world upside down," said the Romans. Well it needs turning upside down, because it is wrong side up.

And so this policy, spearheaded by the Trestrails and the Gladstone Murrays has gone on ever since the end of the war, and it is interesting to see that they are now beginning to show their hand. I have a neat little pamphlet called 'It's a Boy' printed by the Regina Chamber of Commerce, says "forces are at work which will change all this"; talking about Free Enterprise. "They would take the running of this country out of the hands of the people. They urge state planning, state ownership of all the means of production ; let the experts run the country." I am very interested in who puts this out. It is printed by the Regina Chamber of Commerce, financed by the National Chamber of Commerce, but it comes in a letter from the Law Society of Saskatchewan sent out to all lawyers in the province.

Here is another one, it is called, "What does Freedom mean to You." The Regina Chamber of Commerce also responsible for printing this. It says: Some people ask you to barter your freedom for the so-called efficiency of State control. They offer security through planning if only you give up your freedom and let them run the county in accordance with their own special blue-print". That is you are going to take away from Montreal and Toronto the right to make the blue-print and give it to the people; that is bad. And this is sent out – again I have no objection to the Regina Chamber of Commerce sending this out; but I do object, Mr. Speaker, it being sent out across this province in an envelope making an appeal for United Polish Relief. I object that in letters going out to appeal to the people of Saskatchewan to contribute to the needy people of Poland that this sort of poisonous propaganda is inserted. That is the sort of campaign that is being carried on in this province and throughout this country.

**Hon. J.H. Brockelbank:** — Nice People!

**Hon. T.C. Douglas** (Premier): —Now as part of this campaign we have had some little arguments the last few days about the question of the courts, and the Leader of the Opposition yesterday repeatedly said that I had made a measly attack upon the integrity of the courts, but that he was not going to deal with it – the member from the Mediterranean would deal with it. I am glad that the member from the Mediterranean has a new leader who announced what he is going to do. And since the member from the Mediterranean dealt with it, and so there will be no misunderstanding, I want to put on the record exactly what I did say, so that will be clear at least. And in a broadcast which I made, I believe October 14 this part is the relevant passage:

"You will notice in every one that I have dealt with the question of The Farm Security Act and the Labour Legislation and so on, and The Mineral Taxation Act. But if you will notice in everyone of these cases we have collided head on with the courts. This is not surprising, The Roosevelt Administration in the United States had the same experience, when a 'new deal' was hampered by court decisions, and in Canada most of the Bennett Legislation met similar fate. The reason is not hard to find. The courts are set up to interpret the law and to see that justice is meted out.

**February 11, 1948**

Too often they have deemed it to be their duty to interpret the letter of the law, rather than the spirit; too often they have felt that the dead hand of the past should be allowed to prevent us from meeting the changing conditions which constantly confront us.

“Let no one imagine that we are making any attack on those who preside in our courts; most of them are men of honour and integrity. It is also true, however, that most of them are either defeated candidates, or former members of parliament, or the legislature. They represent the point of view of those who believe in the economic, monopoly, capitalist system. Many of them, as lawyers, have represented large corporations for years, before going on the Bench. It is only natural that they should feel that the status quo must be maintained, even when it is in conflict with basic, human liberties. The time has come when some government, acting for the people, must challenge the right of the courts to frustrate the will of the electorate. The people of this province wanted security; they voted for security, and the government has the responsibility to give them that security, even if it means battling through every court in the land, and finally going to the foot of the Throne itself.”

My hon. friend said yesterday that I was not the first one who had attacked the courts, — as a matter of fact, I did not attack the courts — I shall say in a few moments what my position is with reference to the courts — he said I was not the first person to attack the courts and sent on to suggest that somehow or other there was something sacrosanct about the courts and that anybody who undermined the courts was seeking to destroy our democracy. Mr. Speaker, no institution is sacrosanct; an institution will survive only as long as it serves the needs of mankind and enhances human welfare and human personality. And any institution that ceases to do that is doomed to failure, no matter how sacrosanct you may try to make it.

**Mr. Embury** (A.S.V.R.): — Including the C.C.F.?

**Hon. T.C. Douglas** (Premier): — The C.C.F. will take very good care of itself and of my hon. friend, if he ever cares to be a candidate in this province.

May I also tell my hon. friend that nobody has ever yet listened himself into trouble.

My hon. friend said that I was not the first person who had attacked the courts — certainly I am not the first person who has said anything about the courts. I want to quote some people who have said something about the courts. I refer back to the quotation from the Regina Leader-Post of Saturday, June 1, 1935: President Roosevelt said — hinting strongly in an effort to revise the constitution, he asserted at a press conference: “The United States must

decide whether the Federal Government shall, or shall not, have the authority to deal with what the Administration considers grave and economic social problems of national scope and import.” The President challenged directly, the Supreme Court interpretation of the Fundamental Law, and declared that the court had relegated the nation to the days of the horse and buggy.

**Hon. Mr. Brockelbank** (Tisdale): — Now say “shame” to that.

**Hon. Mr. Douglas** (Premier): — That was the President of the United States.

**Mr. Embury** (A.S.V.R.): — On a point of privilege. May I point out to my hon. friend that I said he had attacked the integrity of the judges, not the courts. The integrity of the judges; and he misquotes me when he says I said he attacked the courts.

**Hon. Mr. Douglas** (Premier): — Mr. Speaker, I have already quoted what I said in the broadcast and at no time did I cast any aspersions on the integrity of the judges. May I go on with reference to the courts?

**Mr. Embury** (A.S.V.R.): — He has misquoted me, Sir.

**Hon. Mr. Douglas** (Premier): — The record will prove...

**Mr. Embury** (A.S.V.R.): — May I have it corrected now, Sir? May I have a ruling?

**Hon. Mr. Douglas** (Premier): — Mr. Speaker, there is no ruling.

**Mr. Embury** (A.S.V.R.): — I have the remarks here in my pocket that I made. I said “he had cast an aspersion on the integrity of the judges”. Not the courts.

**Mr. Speaker**: — You must accept the statement of the Premier.

**Mr. Embury** (A.S.V.R.): — He has not the right to misquote me, Sir.

**Hon. Mr. Douglas** (Premier): — I am making no attempt to misquote my hon. friend. If he is uncomfortable, we haven’t even started yet to make him uncomfortable.

I want to quote another sentence. I quote from the House of Commons Debates, May 17, 1932: This gentleman said: “There has grown up in Canada, during the recent years, a tendency to criticize the judiciary unfairly. I attribute that to two things – first the inadequacy of the salary makes it impossible to attract to the Bench the best legal minds we have. Secondly, and I am saying this in no over-critical sense, or indicating one party more than another, there has been too much political patronage connected with appointments to the Bench. The result has been that a test of whether a man is entitled to a seat on the Bench seems to be whether he has won an election or lost it. Very often that has been so. If he has run in an election and won, peradventure he should not look for a seat on the Bench because he can better serve his country in some other capacity. I know cases where eminent members of the Bar have indicated that some men who are wholly unfitted for judicial positions, as appeared within

**February 11, 1948**

a very short time after their appointments, have been appointed to the Bench. That happened because of a variety of circumstances, and very often from a sense of obligation that men feel to those who have served their party, with great faithfulness. In England, on one occasion, in the last fifty years, there was a slight departure from the rule which governs, and the Chancellor at that time was severely criticized for the action taken. It is also true that in this country there has been a very great deal of criticism with respect to judicial appointments because it has been felt, in a few cases, has the test been the merit of the appointee.”

In my wildest moments I never made a statement like that, Mr. Speaker. And that statement was made by the Rt. Hon. R.B. Bennett, who was then Prime Minister of Canada.

**Hon. Mr. Brockelbank** (Tisdale): — Now say ‘shame’ to that.

**Hon. Mr. Douglas** (Premier): — And who six months later became honorary president of the Bar Association of Canada, or Vice-President of the bar Association of Canada.

I have a number here – I will not try to read them all – but I have a number of resolutions passed by the Bar Association – a very eminent body – and they say this: “The appointments to the Bench are sometimes made a matter of politics and of personal seeking. This is more particular so with reference to the inferior courts. This does not tend to the selection from a point of business, but the question is, how can it be overcome? It is well worth considering, if the Canadian Bar Association and the Provincial Law Associations were consulted, it might work out beneficially, as their recommendations could at least be considered.”

I won’t quote any of these others – just let me quote one other gentleman. This is a speech made to the annual Law Society, in Saskatchewan. This gentleman said – and I think his words are well worth noting: — “Boards are started because of the necessity of dealing quickly with the matters that Boards deal with. It is the consensus of opinion in the legislature that our legal proceedings have become so slow, obsolete and inefficient, that the people are willing to accept these Boards, as a method of getting away from that inefficiency.

“I want to say this, and I take full responsibility for saying it: the great majority of our judiciary are fair to the men coming into the courts. But there are some who do not take that attitude, so that many men do not want to come into courts as witnesses, or give evidence. Is it not our job to clean up some of these things? A man would sooner appear before a Board than before some of our courts. We have tied up our own business with expense; with rules of evidence; with everything we touch; and now the people want Boards established, and we complained, that work is being taken away from us because we failed in our business – until you show the Legislature that you have ‘cleaned house’ you will not go very far. The moment that it seems as though any profession is not rendering service for the charges it makes, at that moment the profession will start to disappear. For heaven’s sake! don’t let us, the members of the Bar Association of Saskatchewan, appear as being parasites which are not rendering service for the charges we make.”

The speaker on that occasion was Mr. A.T. Procter, K.C.

**Mr. Procter** (Moosomin): — I am very glad to have your approval...

**Hon. Mr. Douglas** (Premier: — Mr. Speaker, I want to say one thing more. Whatever I may say about the courts needing to have a more progressive outlook, I have never, at any time, said what was said in the House last night. That an hon. member, referring to The Farm Security Act, said “anybody, any lawyer or any layman...”

**Mr. Embury** (A.S.V.R.): — I would remind you of the ruling, on the point of order that it is sub judice.

**Hon. Mr. Douglas** (Premier: — I am not going to discuss The Farm Security Act at all. I am merely saying that the gentleman said “that any...”

**Mr. Danielson** (Arm River): — The member for the Mediterranean Area could not say a word about that last night. Is there one rule for one member in the House and another rule for another one? I would like to see the same rule applied to all members of this House.

**Mr. Speaker:** — The hon. member did refer to The Farm Security Act, and I let him go on until he infringed on a matter that was sub judice.

**Hon. Mr. Douglas** (Premier: — I do not want to discuss The Farm Security Act, I merely want to say what the gentleman in this = said last night. “Any person, any layman or anybody, knew that the Act was ultra vires,” and yet the Hon. Mr. Justice Taschereau, of the Supreme Court of Canada thought it was intra vires. In my wildest moments I would never insult the courts like that. Not for a moment.

Now, Mr. Speaker, with the question of the reference to the courts. No one has attacked the integrity of the courts. I invite any person to go over the statement I have made, with a fine tooth comb. What I said is this – I want to repeat it: “in this country, our courts, in the main, have been presided over by men who, no matter how sincere, have a certain point of view.” The Toronto Saturday Night, recently, has referred to that fact. They said: “We have now in Canada two provinces who have a different social philosophy from the old-line parties, and the time has come when some of these provinces ought to be allowed to make nominations or recommendations for people on the Supreme Courts who might have, what we would consider, a more progressive approach to the interpretation of the law.”

And it is no reflection on these gentlemen to say it; that men who have spent years as corporation lawyers working for large corporations, naturally have the view of large corporations. No man can divorce himself from his background. None of us can be entirely unbiased. I think in terms of my background – someone else things in terms of their background. When it comes to

**February 11, 1948**

dealing with labour legislation; when it comes to thinking in terms of those people who go down into the bowels of the earth before the sun rises, and often come out at night when the sun has gone down; people who work in mills and factories and people who work on the farms – you are not always able to interpret their point of view or see their needs and their problems. All we have asked is that when we come to take legislation before the courts, that that legislation should be interpreted in as progressive, and as broad, a term as possible. If, in Canada, we are going to keep abreast of the times, our constitution will have to be interpreted in ever broader and more progressive terms.

Therefore, in conclusion, I want to say, Mr. Speaker, that the circular sent out by the Chamber of Commerce and circulars issued by the Law Society, under the guise of appeals for relief – the various organizations that are beginning to line up against this Government, make very clear that the lines are now being drawn between the people and those who have so long exploited the people. The Loan and Mortgage Corporation, with the Federal Government are attacking our Farm Security Legislation; the C.P.R. our Labour Legislation. Two of my colleagues here are now going to be summoned into court by the C.P.R., because the C.P.R. does not want to pay the taxes on the several million acres of mineral rights which it holds.

**Mr. Embury** (A.S.V.R.): — On a point of Order. That also is sub judice as it is before the courts, I understand.

**Hon. Mr. Douglas** (Premier: — I am not discussing it, I am merely saying that they do not want to pay. They do not want to pay, on land which they got through very doubtful and dark means.

The forces are lining up: C.P.R., mortgage companies, loan companies, Chambers of Commerce, the Law Society. If I had to pick my enemies, I would not choose any better selection as have already taken their places at the post.

**Mr. Procter** (Moosomin): — You should have taken the advice of some lawyers.

**Hon. Mr. Douglas** (Premier: — I know some people who took the advice of some lawyers across the way and got into a pretty bad mess. Some day I will tell my friends the story of the Rosthern Mortgage Company.

And so, Mr. Speaker, these forces are lining up – this Government is aware of it; we see the campaign that is being carried on right across this country. As far as we are concerned, our record is here; we have confidence that the people of this province, the farmers, workers, teachers, old age pensioners, the small businessmen, people in every part of this province, and that they are not going back to ‘lick the boot that kicked them’; they are not going back and lick the hand that gouged them’; we believe they are solidly behind a peoples government, and we are prepared to put our record before them and we believe that when we do, they will give us endorsement and their confidence.



**Mr. Hodge:** — Would the hon. Premier permit me to ask him whether I, being from Rosthern, was in any way connected with the Rosthern Investment Company?

**Premier Douglas:** — I would be very glad to look into that and give my hon. friend an answer, in due course.

**Mr. Hodge:** — I imagine that he has already looked into it, and he should be prepared to say so now. I think he is trying to convey the idea that in some way I am connected with some organization that had not done too well in the past. I do not think that suggestion should be left in the House; he said he would look into it, but I think he should know now that I am in no way connected with it.

**Premier Douglas:** — May I tell my hon. friend that I was not thinking of him, or even looking at him. But there was a candidate in Rosthern who had some connection with it.

**Mr. Darling (Watrous):** — I am in the unfortunate position, which few members of this Legislature like to occupy — the position of following at the close of such an able speech as we have just listened to. I knew, when I rose, that I would have very great difficulty in making an effort, even should it prove to be of a high standard from my point of view, which would have a very great effect on this Legislature, after the Premier had sat down.

However, I want to congratulate him on the very effective way, in which he as replied to the criticisms of the Opposition; the criticisms which have been spoken and printed across the province, for years past; and in which he has presented the record of the Government and its achievements.

I want also, as perhaps I should have done in the first instance, to congratulate the Mover and the Seconder of this Resolution. The member for Canora is a veteran in this House; he has given long and effective representation of his constituency. When someone among the Opposition, yesterday, inferred that he was not willing to take a chance upon the election which may come very soon, or which may be postponed for a short time, it seemed to me that that was an unfair charge to make against a gentleman who had shown himself so courageous in the support of the philosophy to which he adheres and to the policies of this party, and who, I am confident, — and the Premier said so today — is simply laying down the burden because of reasons of his physical health. Insofar as the hon. member for Hanley is concerned, he is my neighbour — that is to say his constituency borders my own, the constituency of Hanley —and we have a sort of bond in the fact that we both come from that part of the British Isles which lies north of the River Tweed. We both admire and like to quote Robert Burns, and we are both very careful in our conduct, while in the city of Regina, and in our constituencies, to avoid many of the pitfalls into which Robert Burns fell, according to legend. I want to extend my hearty congratulations to the hon. member for Hanley. I know that he feels it very strongly, that after one term of office as the member for his constituency, his health makes it necessary for him to retire into the background.

**February 11, 1948**

And I congratulate him again, that after working so hard in the interests of movement, which commands his allegiance, he had that crowing moment, of being elected to represent his constituency in the Legislature.

Now, Mr. Speaker, I would not like to stop in my congratulatory remarks, simply with the Mover and Seconder of the Resolution, and the hon. Premier — I think it would be more democratic if I were to extend them to include the speakers who spoke here yesterday afternoon and evening. I am sorry to see their benches are empty, but I am not surprised. They have been the targets of some pretty heavy artillery this afternoon and if they feel the need of refreshment or an opportunity to retire and lick their wounds, I think it is not to be wondered at. That the hon. member for Arm River should remain in his seat is typical. He told us this afternoon, when the hon. Premier was referring to or defining the effect of facts on deductions, that he did not care.

**Mr. Danielson:** — Mr. Speaker, I would like the hon. member to make clear what he means.

**Some Members:** — He was only quoting.

**Mr. Danielson:** — Well, what was he quoting? I could not hear what he was quoting.

**Some Members:** — Sit down!

**Mr. Speaker:** — Order!

**Mr. Darling:** — I would not like to misquote the hon. member, but the Premier was making a remark which had to do with the difference between fact and broad statements and general statements (I think I am right), and the hon. member for Arm River said he did not care, or words to that effect.

**Mr. Danielson:** — Mr. Speaker: May I tell the hon. gentleman he has taken me up wrong. I did not make any such statement.

**Mr. Hansen:** — Sit down!

**Mr. Speaker:** — Is the hon. member raising a point of privilege?

**Mr. Danielson:** — May I be clear on this matter? If a gentleman speaking on the other side of the floor of the House, credits me with having made a statement which I did not make, have I not the right to say so?

**Mr. Speaker:** — If you rise on a point of privilege, yes. If you wish to ask a question of the hon. member who takes his seat and signifies he wishes to answer the question, that is so; but if he does not wish to answer it, as you and all members of the House know, he does not have to answer it.

**Mr. Danielson:** — There are many members who break the rules in this House, Mr. Speaker,.

**Mr. Darling:** — Rather than have any argument about it, I shall leave the hon. member for Arm River out of it.

**Mr. Danielson:** — I think you had better.

**Mr. Darling:** — I will let that go – but whatever the hon. member for Arm River said, it brought to mind a quotation that I did not know I still had in my memory, and I think that whether or not it is appropriate to the member for Arm River, it is certainly appropriate to a good many speakers for the Party of which he is a member. Huxley said that the supreme tragedy to Herbert Spencer was to see a deduction killed by a fact. I think that in this province of Saskatchewan, in recent years, and probably for a good long time, we have heard deductions killed by facts; and that is a form of murder which I think every right minded citizen should welcome.

I have here a clipping from the Saskatoon Star-Phoenix, in which the Liberal candidate for Saskatoon is reported to have said, “to some forty Liberals and visitors who braved the elements, Wednesday evening, to hear him open his 1948 election campaign at Caswell School, that while the government had issued a statement showing profits from lumping of thirteen Crown businesses as from September, 1946, at \$189,500, the figures were actually misleading. For one thing, they included eighteen months profits from the operation of the Power Commission, a total of \$500,000.” Now, Mr. Speaker, I think most of us are lenient with ‘green’ candidates. I do not know how ‘green’ Mr. Sherman may be; but I do think that leaders much as the hon. Leader of the Opposition within the House, and the provincial Leader outside the House, should take those candidates, before they are allowed to broadcast over the province false statements of that kind, and see that they are corrected and know what they are talking about.

I want to compliment the hon. member for Rosthern on the speech that he made yesterday afternoon. Because of some peculiarities in the acoustics of this chamber, Mr. Speaker, it is a little difficult to hear what is said over in that corner, from this position; but the hon. member for Rosthern, yesterday, extended himself to an extent that he had never done previously, and for the first time I was able to enjoy one of his speeches. I can assure you, Mr. Speaker, that in point of view of entertainment I do not know whether or not his speech was to be preferred or the smoke of my faithful friend, my pipe, which I usually indulge in when he occupies the floor. The hon. member for Rosthern certainly should apply his talents on the radio. I think he would do very well in a program something like – I think he would make a good Ozzie to a Harriet, if he could find one.

Now, the hon. member for Arm River – I do not think any of us have any personal animosity toward him; I think it will be a loss to this Legislature when he ceases to adorn it with his happy smile. It is quite true that he often laughs in the wrong place, but nevertheless

**February 11, 1948**

he laughs, and that is a great accomplishment. I would like to suggest, however, that he avoid teetering on the edge of the step at the front of his desk while he is moved by strong emotion, because I was overcome with apprehension that he would lose his physical balance and so make the debacle complete.

Now, coming to the Leader of the Opposition; I have always admired his capacity for punishment. He reminds me of an ill-advised person starting to roll a heavy barrel up a steep incline. When he gets so far up, he becomes exhausted and has to quit and is overcome by the barrel on his way downwards again. Year after year, he rises in his place, on this Throne debate, and makes a series of accusations and statements in criticism of this Government, which the hon. Premier immediately rises and refutes and analyzes into – well whatever they are. That happens year after year, and yet he never seems to get tired of it. I admire that kind of tenacity – I wish it were employed in a more useful and permanent fashion.

I am glad to see that the hon. member for Arm River has returned to his seat. The hon. Leader of the Opposition made reference in his speech to the regimentation of the farmers, which the farmers in Great Britain suffer under the British Labour Government. A short time ago I received through the mail – no, it was handed to me – a pamphlet which ridiculed the British Government's policy in a variety of ways. I would not like to lay the blame for publishing this article on the Liberal Association – I would not know where to lay the blame except on the private individual who had apparently gone to the expense of publishing and circulating this; but I want to say a word about the British Labour Government. When they were elected in 1945 the war had just been ended victoriously. The nation was virtually bankrupt. Lend-lease was immediately discontinued, and unexpectedly from the British point of view. British industry had been geared for war production to the exclusion of the usual lines of production which are of value for export in peacetime. The British people themselves were tired – they had gone through experiences which would have tried any people, experiences under which few people would have stood up. British foreign investments had been liquidated for war purposes. They were, in fact, in a very difficult position – almost an impossible position. They were in need of foodstuffs; they did not have the exportable goods with which to pay for all the foodstuffs which they could use. They were under the necessity of producing, therefore, every single pound of foodstuffs which their tiny little island was capable of producing. I think it is not surprising that under such circumstances they should regiment agriculture; that they should see to it that their farm lands not only produced all they were capable of producing, but that they produced those crops which would be greatest value to the nation in its extremity.

The hon. Leader of the Opposition talks about a Silkins' Bill, which was the instrument, I believe, under which the regimentation was effected. I think that if we were to try to catalogue the number of restrictions and directions which western farmers have been asked to absorb here in Canada since the war broke out, it would surprise even the farmers themselves.

I am not going to say at this time whether or not they were needed, but I think we all agree that we would submit to them willingly because of their contribution to the war effort. I feel, however, that to use the extremity of the British Nation, when her own people were being inadequately and improperly fed, when she was diverting foodstuffs for the support of her zone of Germany, which she is administering, to her own loss, and bearing patiently the charge of those living within that zone that she was diverting food from Germany for her own use – I think that in the face of a record of that kind, there is something rather mean in making use of those conditions in this country to discredit this government because of the regimentation which was necessary in order to achieve those ends.

I want to say more about the British Labour Government, Mr. Speaker, since I am on the subject. In spite of all her difficulties, Britain is still policing and administering Palestine under the mandate which was given to her by the League of Nations. She is bearing the brunt of the bloodshed and violence which is going on there daily, principally because (and which was certainly exaggerated by) the United Nations' program for participation to which the British Government has not subscribed; and yet she is bearing that burden, and the economic drain upon her resources which is involved. She is bearing the cost of the administration of one zone of Germany, as I have mentioned before. She is the Government which has had the courage to take a step which the progressive world has always recognized would have to be taken but which was always postponed, namely, the granting of self-government to India.

In the councils of the United Nations, Great Britain has opposed the unreasonable attitudes of the Soviet Union. The hon. Leader of the Opposition said something about loyalty or respect, rather, to the representatives of His Majesty here in Saskatchewan. Now, what I say is not in reference to that, and I do not want anyone to suggest that I am putting words into the mouth of the Leader of the Opposition; he is out for a moment; — but he caused me to think and to feel proud of the attitude of some of our Canadian citizens, who never set foot in Great Britain, towards Great Britain. We western farmers are bearing the brunt of the cost – we are providing Great Britain with wheat at a price materially below the world price. To those of us who never lived in Great Britain, whose association with the Commonwealth is that of a Canadian citizen by naturalization, to say as soon of them have said to me – “I am perfectly willing to accept less than my wheat will bring in order to help Great Britain in her extremity, because of the service which she rendered to humanity and freedom in the war.” – That is the kind of loyalty that matters. Of course we prefer that proper deference be shown. In fact I think there is no one who is not entitled to be treated with respect until he does something to sacrifice that right; and I have never in my experience as a Canadian citizen or as a member of the Legislature for Watrous constituency, run into anyone who has expressed disloyalty towards the Crown and the Crown's representatives.

**February 11, 1948**

It is a dead issue as far as I am concerned. I cannot understand why that should be brought up in this province, as I am concerned personally, and I am very proud of the history of Great Britain. I am very proud, when I look over the history down through the centuries, the long struggle for the better life, for the growth of Democracy, and for the freedom of the common man – that long fight which began at Runnymede and reached its high-water mark with the election of the Labour Government in 1945.

Now, Mr. Speaker, I want to say just a word about price control. The hon. Premier in his address, this afternoon, has said something about the effect of the removal of price ceilings on oats and barley. Now the reason I want to bring that up is simply that I believe an illustration is something of great value in presenting a case.

I happened, without any intention on my own part, to run into an example which should help in an understanding of that situation, of the effect of that action of the Federal Government on the farmer who was in the business of hog raising. This happened somewhere up in the neighbourhood of Bremen. Bremen is not a very large town but is somewhere south of Cudworth. Those of you who know the country will know the area I am referring to.

I drove into a farmer's yard and he was in considerable agitation over his situation in regard to his hogs. This farmer had only 240 acres of second grade land, he did not expect to run a grain farm, his plan was simply to go into the business of hog production and at a considerable amount of labour he had built very extensive hog pens. They were not only expensive but they looked business like and they looked as if they were well constructed and he had done it from the bush out of poles. There was a lot of work involved in those pens. In 1946 he suffered a crop failure, I believe hail was the cause, and nevertheless he proceeded with his program. When I called in there last fall, shortly after the price controls had been removed, he had 144 hogs in those pens. They varied in weight from about 40 pounds to 80 or 90 pounds. He took me to his granary and showed me the feed he had to finish those hogs, and then he told me his story. It was all in one little eight-by-ten granary and it was just sheaves that had been put through a hammer mill, and you know just how good that would be to feed hogs, I think he said there was seven loads. Then he told me what his experience had been. He said he had been trying to increase the number of hogs he raised and wanted to get up to 500 eventually, at the present he had 144.

He went to the bank when he knew his crop would not be of any value to him this year and the banker agreed to lend him money to buy 1,500 bushels of barley at the ceiling price. He went to the Pool Elevator at Bremen and he ordered his barley. Now I am not quit clear, but I believe there is some arrangement whereby he could only receive 300 bushels at a time – I do not think he ever got his 300

bushels; in fact I know he did not, but at least he went immediately to order his barley, and he did this early in the season. His first move in the matter was in August; he took plenty of time to prepare himself. It was no question of carelessness, of allowing the thing to ride until it was too late to do anything. He began in August to look after his feed requirements to finish those hogs. In order to keep them growing until the time I called, he had spent \$600 on feed to raise that bunch of hogs up to the weights I mentioned. Then the price ceilings were removed. The bank said, "no it is not a good proposition to make you a loan to buy 1,500 barley at that price." That is where he stood when I landed in. I took him down to see the Reeve of his Municipality, and the reeve – it was the day before a Council meeting – said, "you come around tomorrow to the meeting, and we will see if we can do anything." However, with feed at those prices, it could have involved that municipality in a tremendous expense. They might have easily become overloaded if they were to provide feed for all the hogs that were around that country; anyway they turned it down. Then here was a man with 144 pigs and no feed. He said to me, "what will I do; hit them on the head?" "Well, I said, "without feed, that is the quickest way to finish them."

Eventually he got an offer from a packing plant to pay so much a head, and he was to be provided with the feed and the plant would pay him a dollar per month per pig to feed them. Now that is what happened friends; he was just pushed right into the arms of the packing plant. He was not even relieved of the dirty job of looking after them; and before those pigs were ready, up went the price of bacon and the packing plant got the whole works. I am following this story further than I know, I only know what it was up to the point that he took it; but definitely that would be the result. The farmer did the work; he fed those pigs but they were the property of the packing plant, and then the Federal Government, through the revised contract with Britain, provided a price that made it pay the packing plant, although the farmer could not get the money to buy the feed.

Now I thought it would be just as well to show what the consequences are of an action such as the Federal Government was guilty of in a case such as this.

Now, Mr. Speaker, my object in rising in this occasion was to say a word about the Power Commission. In the Speech from the Throne I read this paragraph. "The Provincial Power System has expanded through the purchase of Canadian Utilities Limited. This added 24 generating units, 38 communities and 419 miles of transmission lines to the Power Commission system, bringing to 45,087 the total number of customers served. A third reduction in rates was effected during the year, at the same time both consumption and net revenues increased. New generating units and transmission lines have made possible the extension of rural electrification in

**February 11, 1948**

this province.”

Now there are several extensions that my constituents would like very much to see complete. That is one reason and only one reason that for the past several years I have made it my duty to keep in very close touch with the progress the Power Commission was making in the extension of its lines. I think, Mr. Speaker, it would be in order for me to compliment Mr. Berry, or to thank Mr. Berry publicly, for his very great courtesy and willingness to devote considerable time to giving me, as a member of the Legislature, an understanding of the work and problems with which he had to deal. I appreciated his treatment very much.

There is a good deal of loose talk about the rural electrification in Saskatchewan. I think a good many people who speak glibly of the possibility of this development in the very near future, are not limited because of any knowledge of what is involved. To my mind the record of the Power Commission today speaks for itself. I have here the answer which was given to the hon. member for Wadena, last session, in Votes and Proceedings of March 20, which shows the record for the loss for the year and the surplus for the year and the accumulated deficit and the accumulated surplus. It seems to me that those who feel inclined to doubt the future of some of our Crown Corporations because they have failed to show a profit in the first year of their operation, might well take courage from the record of the Power Commission. The Power Commission was instituted in 1929. That year there was a loss of \$180.06; in 1930 there was a loss of \$946.11, the accumulated deficit then was \$1,126.17. Now I am not going to read all those; by 1933 the loss for the year was \$77,000; by that time the accumulated deficit was \$165,000. By 1937 the loss was down a little, down to \$12,616.17; but by that time the accumulated deficit was \$326,365.84. We will go on another year. In 1938, the loss was \$570.20 and the accumulated deficit over \$326,00. That Power Commission had been operating for 10 years on that date. Not in one single year had it shown any surplus and from that time on, from 1938 on, there were small surpluses. Until 1945 is the first large surplus when there was a surplus of \$156,835, which reduced the accumulated deficit of all the preceding years to \$74,582. Then in 1946, there was a surplus of \$414,282.84 which wiped out the accumulated deficit and left a balance of \$339,700. Now I find it almost too good to believe, but if I have the figure down here properly that the hon. Premier mentioned, over \$900,000 for the 1947 year. Mr. Speaker, that is a record which those responsible have every reason to be proud.

Now the question that is going to present itself to the Power Commission in the very near future. I assume that their extensions have been limited by the shortage of materials. I think that shortage has been very real, and anyone who goes down there, I am sure Mr. Berry will prove it to them that orders that have been placed cannot



be filled until 1949 or 1950. but they are going to come to a time when they will have to decide just in what manner they are going to go ahead with extensions and it is not going to be easy. At a guess I would say there may be between 100 and 200 villages and communities that have made applications for extension of their services.

Now what principle can be found to decide as between those communities is a problem which I would prefer the Power Commission to settle rather than to settle it myself. I do feel that while the policy which they have followed in the past and up to the present time of completing what they call their grid system throughout the province, will have to be modified to some extent at least to permit the building of those small extensions to make available the power to those communities that are simply a few miles removed from existing power commissions. It seems to me illogical to proceed to build a general system all over the province in the form of a grid and leave areas within the grid without service, because after all you receive no greater service from the existence of a power line because it passes your place or passes within ten miles of you than you do if you are 100 miles removed from the Power Commission. I feel and hope that, beginning very soon, the Power Commission will find it possible to extend the lines to those communities which are within a short distance of existing power lines.

Now, Mr. Speaker, it may be that we are going to be told – in fact I think we are being told – that rural electrification is a possibility within a short time in the Province of Saskatchewan. I do not think any of us would like to admit, or will admit for a moment, that it cannot be achieved, but that it can be achieved in a very short period is something the people of Saskatchewan should have the facts about. There is in Saskatchewan about a farm per mile of line, which means a mile of high power line has to be set out for each farm. The cost is going to be about \$1,000 a mile, and as long as farmers are going to do what the hon. member for Hanley said they are doing – and I agree with him – move somewhere else for the winter and leave the buildings empty, it seems to me it is going to be a difficult thing to make rural extensions an economic proposition.

Now I am bringing this thing up in the interests of debate, and hope before this debate is ended someone will be able to make a contribution, or sometime during the Session, which will clear my thinking on this point, because I consider the statement by any responsible man in Saskatchewan that we are going to have anything that can properly be called rural electrification within the next five, ten, fifteen years, I say he is stating something that appears to be impossible. Now I do not want it to be impossible but I do not see how it can be accomplished.

Now, Mr. Speaker, it is very close to six o'clock and I will support the motion.

The House Adjourned at six o'clock.