

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session - Tenth Legislature

Monday, March 1, 1948

BUDGET DEBATE

The House resumed from Thursday, February 26, 1948 the Adjourned Debate on the Motion of Hon. Mr. Fines (Provincial Treasurer) for Mr. Speaker to leave the Chair, (the House to go into Committee of Supply).

Mr. W.J. Patterson (Leader of the Opposition): — Mr. Speaker, may I first compliment the Provincial Treasurer for a very excellent address which he delivered to us on Thursday evening. As is usual the Address was well delivered, it was clear, concise and interesting. We might have appreciated a more definite report on the finances of the Province of Saskatchewan, but insofar as the Speech referred to them or covered them, we must congratulate him on his effort. We would have appreciated more specific information with regard to Government revenues and Government expenditures, with regard to the Government's plans for reconstruction and rehabilitation. We would have been glad to know why the supplementaries for the current year would be so large and I must confess, after listening to his address and after reading the printed copy, there was a feeling of incompleteness, a feeling that we had not been told the whole story, and that our problem or at least the plans which the Government has to meet those problems were not disclosed to us.

For the last two or three years, and this is more particularly true of Federal CCF leaders, there have been predictions of an economic crisis, of a depression, and of a recession, which we have been told from time to time is certain to occur in the very near future. If those predictions are correct, then it would be the duty of this Legislature to make some attempt at least to forestall or provide for them. All in all, I would say the Budget Address of Thursday last was more of a political address rather than a Budget Address. There is of course one outstanding feature in connection with the Budget and the Estimates which cannot escape anyone's attention, and that is the fact that the Government proposes in the next fiscal year to very greatly increase the expenditures of the Provincial Government. That expenditure is increasing by leaps and bounds and it is rather surprising that the estimates presented to us evidence a spirit of confidence totally contrary to the opinions expressed by Mr. Coldwell and Mr. Premier as to what is in store for us in Saskatchewan and in Canada during the coming years.

We have been told that we are certainly headed for a depression. In the Speech from the Throne we were told that the economy of the Province was being strained, that agricultural production was

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being threatened, that customers were finding their purchasing power seriously curtailed, and it was even suggested that the health of our people would be impaired. In spite of all of those predictions, the province is asked to increase its expenditure by six or seven million dollars. We may very well ask ourselves who is going to pay the bill, and is there a limit to which this province can support governmental expenditures on this scale. Every citizen of the province and particularly every citizen who is a tax payer, should be interested and should be concerned.

The farm production and the farm cash income continues in Saskatchewan to be the major measuring stick which indicates or registers provincial wellbeing or prosperity. Unfortunately, the official statistics on the farm production and the farm income for 1947 are not available. Possibly by the time this Debate has concluded and if the Provincial Treasurer exercises his right to conclude the Debate, he may then have an opportunity of presenting these statistics to us. No one would deny that the 1947 crop year was not a particularly good year in the Province of Saskatchewan. There was a considerable area in which there was a partial or complete crop failure. The present estimate of wheat production for 1947 is only 173,000,000 bushels, an average of approximately 12.3 bushels per acre. Other grains vary. The production of oats decreased; the production of barley was approximately the same and the production of rye and flax seed was increased. But the cash value of our grain crops probably did not decrease to the extent that the crop returns would indicate, and, without any official figures, I think it would be safe to say that the farm income from livestock, milk, poultry and other farm products was probably about the same as in the previous year. In addition to that, during the year 1947, participation payments were made on the 1944 crop and partially on the 1945 crop. Now I have not the figures, but I understand these payments approximated some \$40,000,000.

Indicating the extent of the crop failure in 1947, The Prairie Farm Assistance Act payments for that year for Saskatchewan totalled some \$12,000,000. Of that amount, approximately \$7,000,000 would be paid prior to the end of the year, and the balance in March of this year. It is rather interesting to note that of the \$88,000,000 that have been paid under The Prairie Farm Assistance Act since it was established in 1939, a total payment has been made to all of the three Western provinces including the payment which is to be made in March of \$88,000,000, and of that amount, \$67,000,000 has been paid or will be paid to farmers in Saskatchewan. This indicates the extent to which our farmers have benefited by this very useful and important measure adopted by the Government of Canada. Approximately 50,000 farmers in Saskatchewan have received or will receive a P.F.A.A. payment in relation to their 1947 drop. That is particularly fortunate and particularly useful to the Provincial Government. In years like 1938 and 1941 when the wheat

return in this province was somewhat comparable to that of last year, the Provincial Government in the following spring, in 1939 and 1942; and to supply or provide many thousands and many hundreds of thousands of dollars for seed grain requirements. Due to the benefit of participation payments and P.F.A.A. payments, apparently it will not be necessary in the spring of 1948 for the Provincial Government to supply any considerable amount of money to make available seed and seeding requirements; they are able to meet their responsibilities by holding conferences, issuing circulars and making public statements.

In addition to the amounts distributed by the P.F.A.A. and the Wheat Board, there was also a considerable amount expended by the P.F.R.A., and I note that the Annual Report of the Department of Natural Resources indicates this payment for the fiscal year 1946-47 as \$475,000. While agricultural production and income has been, is, and will continue for many years to come to be the measuring stick of prosperity and wellbeing in the Province of Saskatchewan, we are all interested in the industrial development of our Province. Industrial development has been referred to in practically every Speech from the Throne and practically every publication that is issued from time to time. And all of us can appreciate how important it is to ourselves that there should be industrial develop — and we can realize the extent to which an increased industrial development, can tend to balance the inequalities of agricultural production which are so dependent, first, upon weather conditions and market conditions. We have read of recent weeks in the papers of the developments in Alberta in the Ladue Oil Fields. We have learned of the tremendous mineral activities in the province of Manitoba where, in 1947, nearly 7,000 mineral claims were staked. In the same year 17,000 claims were stated in the province of Quebec and 12,000 in the province of Ontario, and at the same time in the province of Saskatchewan there were 250 mineral claims staked.

The Government quotes frequently the figures of companies incorporated and capital involved. These figures mean very little. The majority of the companies and the partnerships incorporated in the province of Saskatchewan, in the last year, are either merely replacing other companies and partnerships that are ceasing business, or companies with Federal or Dominion registration who by the very nature of their operations, must come into Saskatchewan. It is apparent to everyone that there is no material industrial development or investment in the province of Saskatchewan. The reason is not far to seek. You go back to the CCF manifesto of 1933: "No CCF Government will rest content until it has eradicated Capitalism." The former leader of the CCF party, in 1934 in Winnipeg, said, "The land is a social instrument, and should belong to the state." The Premier of this province in the Legislature of 1946 said, "We will not rest until Capitalism has been eradicated". Again he made a statement to the Press in Winnipeg, "Socialism in Saskatchewan has not yet begun". The Minister of Natural Resources at Melville about the same time said, "We have the power and we are going to use it." In a booklet

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issued by the Minister of Natural Resources, in 1935, he made this statement, "It is the intention of the government to effect an orderly change to social ownership in the industrial development of our natural resources. Eventually it is hoped to establish complete social ownership and management of key interests." The Premier at the 1947 convention of the CCF said, "I will go into oil production when the private companies have established the fact that there is a supply available." In March 1947 the Minister of Natural Resources said; "Private enterprise would be temporarily tolerated"; and exercising his democratic rights as a citizen, in the City Hall on February 8, 1948, he said; "The government has some intention of going into the oil development field, and there might be an announcement in the near future."

Hon. Mr. Phelps: — Will the hon. member quote his authority for the second last statement?

Mr. W.J. Patterson: — The private enterprise will be temporarily tolerated? Well that is reported in a clipping of March 8, 1947.

Hon. Mr. Phelps: — What paper?

Mr. W.J. Patterson: — "Financial Post".

Premier Douglas: — That is good authority.

Mr. W.J. Patterson: — I am going to deal with that in a moment, but I have also a copy of the Minister's radio addresses of January 26 February 12, 1948, from the Yorkton radio station. He was again exercising his prerogative as a citizen, but once again — and may I say that those radio addresses came to me in an envelope marked 'Department of Natural Resources' — I presume they paid the postage; we are told that the Bill has been presented to the Saltcoats Constituency — but anyway exercising his prerogative as a democratic citizen, he enunciates Government policy. Have you the right, Sir, or have I the right on a radio address or in the paper, or speaking to the Regina Forum as a private citizen to enunciate government policy and say the government is doing this, has done this, or will do this?

These statements coupled with the fact that compulsory marketing has been applied to fish, fur and timber; that a box factory was seized, as we were told by the Provincial Treasurer to establish the labour law of this government; that bus routes were appropriated by the government to establish a government monopoly, that the government insurance office enjoys certain compulsory protection and business, and that, government garages have been established, we were told to establish the cost of car repairs, that a sodium sulphate plant was established by this government because, as the Premier told us, this province enjoyed practically a monopoly of sodium sulphate production, coupled with the fact that a mineral tax has been applied to the owners of mineral rights in the Province of Saskatchewan; but against that, we must remember

and take into account the fact that this government has so far failed to implement its promise to establish a pulp mill, a soap factory, a paint factory and a glucose factory, a factory for the manufacture of vegetable oils or for the production of pottery — all of these things were promised to the Province of Saskatchewan by this government as part of their industrial development program.

Is it any wonder that industrial development lags behind in the province of Saskatchewan? Is it any wonder that we have no Leduc in Saskatchewan? Every report I make my hon. friend laughs. Every report issued by any concern, having to do with industrial development — our own Industrial Development Fund has made no loans. The Federal Industrial Development Bank loans in Saskatchewan are just a little bit above those of the province of P.E.I. Every report of construction, or the development of activity, indicates that the province of Saskatchewan, with 840,000 people is just one step ahead of the little province of P.E.I. Now the government makes much of the development in the Lloydminster and Unity area. Actually this development was underway before the present government took office. It is continuing only because those interested in it have either private rights or farm leases. Under these they have some opportunity of securing a return for their investment. When in the present government took office a group of oil companies, Imperial Oil, Hudson's Bay Company and others were actively engaged in a very intensive exploration and development program. They were spending each year somewhere between a half million and a million dollars, and over the period in which their activities were carried on they spent more than 3,000,000 dollars in surveys, test drilling. These activities have ceased. Why? Because when their contracts expired they could not make any reasonable or fair agreement with this government. The interests of the government were amply protected under those agreements, and if any of these companies had discovered oil or gas there was provision for government rentals, royalties and government shares of the production, but that was not good enough for our friend who is going to gradually institute social ownership in Saskatchewan. As a result, outside of the Lloydminster and Unity areas, all activity insofar as exploration and discovery of oil and gas is concerned, has absolutely ceased.

In the province of Alberta they have recently discovered a new oil production field which, it is anticipated, will exceed Turner Valley; nothing like that in Saskatchewan. Apparently the Minister of Natural Resources has become somewhat conscious of the fact that Saskatchewan is lagging behind, and recently he has announced a new policy in respect to mining explorations and developments. I hope that that will bring results. We have 250 claims that were staked in Saskatchewan in 1947 while the province of Manitoba had some 6,700, and I do hope that the Minister's change of heart will bring some results, but we have in Saskatchewan a mining development proposition in which some eight or ten million dollars was invested, at Goldfield, with a power plant ready to operate; what has this government done to get that concern to resume operations? There is a 'ghost town' at Goldfield. What has this government done to persuade that company? Is it the fact that because it belongs to

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The Consolidated Mining and Smelting Company that the Minister does not want to deal with it, that he is not prepared to make some concessions to whom? What does few dollars of royalties that might be collected from that operation amount to in relation to the employment, production and value that could be produced if that operation was resumed?

Hon. Mr. Phelps: — Is it not true that that mine you just referred to was closed down during the time you were leader o the Government?

Mr. W.J. Patterson: — The Goldfield Operations were closed down during the war. The war is over and the Minister apparently regards it as a laughing matter that some eight or ten million dollars of investment is idle, that opportunities for employment of 800 or 1,000 men are not being made use of! If that is a laughing matter in his opinion, I am prepared to accept his opinion.

In discussing the Budget, Mr. Speaker, there are three fiscal periods that come under review. There is, first of all, the fiscal period for which the completed returns are available; there is the fiscal period which is now current, and there is the final fiscal period for which we estimate. That means in connection with this Budget we have to consider or should consider the returns for 1946-47, the returns for 1947-48 (the current year), and the estimates for 1948-49. The Budget address as printed contains — I think — some 22 pages — no, more, about 24 — and surprisingly, two pages of it are devoted to an analysis of the three fiscal periods I have been referring to.

Now the Public Accounts for 1946-47 are available to us; the original estimates and the supplementary estimates for 1947-48 are available to us, and also the estimates for 1948 and 1949.

Dealing first with the first fiscal period that is the fiscal year ending March 31, 1947. The members must remember that the figures submitted for that fiscal year are for eleven months only, because of the decision to move the fiscal year forward one month. As always, of course, the reports for the last complete fiscal year are somewhat delayed in reaching this legislature, and I am not criticizing that because that, of course, has been the experience of all the years; but in analyzing the reports for 1946 and 1947, first of all we must add one eleventh to get a proper figure with other fiscal years. On that basis the governmental expenditures in 1946-47 would be approximately \$43,000,000 as compared with a little less than \$30,000,000, in 1943-44, the last year under Liberal Administration.

Those amounts indicate an increase in government spending, and I am referring only to Revenue Account, of more than 43 per cent, and are outstanding in the history of the province. This increase of \$13,000,000 has to come very largely from the pocket-books of the citizens of Saskatchewan.

There is no specific revenue from the 'big interests' or the Crown Corporations or the people if this government was going to provide for increased social services.

The Federal Government subsidy in 1943-44 and for 1946-47 is approximately the same; as a matter of fact it is slightly less in 1946-47. The revenue from public revenue taxes is reduced, and the revenue from motor licences is reduced; but on the other hand the revenues from Education Tax is increased; the revenue is considerably greater from gasoline tax; and the only material change outside of collections within the province is the increase in the part of the Federal contribution to Old Age Pensioners. So I repeat that the major portion of this increase between 1943-44 and 1946-47 is paid by the people of the Province of Saskatchewan. Five millions of this is represented by the amount taken from liquor profits.

In the early days of the province, the revenues from liquor profits were taken into revenues. About 1937 or '38 the government of that day decided that a certain percentage of liquor profit would be utilized to retire the public debt. Unfortunately in 1930 the province hit a period of difficult times and that policy was discontinued; and so, over the years, up until 1940-41 all of the liquor profits were taken into ordinary Revenue Account. In no case did these amount to \$2,000,000. In 1941-42 the profits were just a trifle over \$2,000,000, and a little less than \$1,000,000 of those profits were taken into revenue to balance the budget. In 1942, 1943, 1944 and 1945, liquor profits were not taken into revenue; they were put into the Liquor Profits Reserve Account and were available to reduce the public debt or for any other purpose of that kind; but in 1945-46 the Provincial Treasurer had to take \$4,250,000 of liquor profits into his Revenue Account to balance his budget and in 1946-47 he had to take \$5,000,000 of liquor profits for a similar purpose.

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I do not know whether it is a prudent position, or a wise position, for a government to be in, to be so largely dependent on the profits from this particular activity, for budget balancing purposes; however, I am not going to be critical; I am merely going to state the facts.

Coming now to analyze the current fiscal year, 1947-48, the original estimate of the anticipated governmental expenditures are \$45,570,000, and we have presented to us, Sir, supplementaries on Revenue Account, \$7,744,000 or a grand total of governmental expenditures on Revenue Account of \$53,315,000. Now, the Provincial Treasurer assures us that the provincial revenues will provide this amount. In his Budget address, he says — "Not only will we meet our estimated total, but will exceed it by several million dollars". Well, in his original estimates, he only anticipated revenues of \$20,000 more than expenditures. He presents supplementaries of over \$7,000,000, and tells us that his revenues will meet this total. That only means, Sir, that both in estimating revenues and in estimating expenditures, the Provincial Treasurer was approximately twenty percent wrong. I think the actual figure is seventeen percent. For instance, the answers given to questions in the House indicate that the revenue from Education Tax, Gasoline Tax, Motor Licences, is very greatly in excess of the figures estimated by the Provincial Treasurer when he presented his budget one year ago.

Hon. Mr. Fines: — No, Mr. Speaker, that is not right.

Mr. Patterson: — For instance, the estimate on Education Tax, in the estimates presented to us one year ago, was \$3,200,000. The Provincial Treasurer told us in his Budget address that the receipts from this Tax would exceed \$6,000,000. That is not very far short of being doubled, Mr. Speaker.

Hon. Mr. Fines: — Mr. Speaker, would the hon. gentleman give us the other figures now? He said that I was away out in the Public Revenue Tax and in the Gasoline Tax and in the Motor Licences. Would he give us the figures there? I think he will find that he is away out.

Mr. Patterson: — Well, Mr. Speaker, having delivered a good many budget speeches in this House, having been the financial critic of the Opposition in a great many Sessions, I will submit to you, Sir, without answering the hon. gentleman's questions in detail, that the facts that I have submitted from time to time, and the criticisms that I have offered from time to time are very, very much closer to the actual truth than those which have been presented to us by the Provincial Treasurer. I remember when I used to be Provincial Treasurer, and the Hon. Minister of Municipal Affairs sat here, he used to raise the very roof because our estimates were out two or two and a half, or three percent. We used to bring down supplementary estimates for less than a million dollars on government spendings of twenty-five or thirty million; but he is entirely quiet when the Provincial Treasurer brings down supplementaries for representing, as I say, approximately a seventeen-point error in his estimates.

Hon. Mr. Fines: — What about your last year? What were you out?

Mr. Patterson: — Now we will proceed to a consideration of the estimates for 1948-49 — that is the fiscal year which will

commence on the first of April next; and after all, perhaps that is of major importance to this House. We voted certain monies a year ago; we voted certain monies two years ago, and those have been overspent. We cannot do very much about these supplementaries — the Government has spent the money — and without voting a want of confidence in the Government, those amounts have to be voted; but what are we going to do for the coming fiscal year? Well, we are going to spend \$52,000,000. That is the outstanding fact of this whole budget address, and of these estimates. We are going to spend \$52,000,000! If the Provincial Treasurer comes down, next year, with estimates anywhere comparable to those he has presented this year, that total will be approximately \$60,000,000, and it does not include, Sir, the Hospital Tax, nor does it include the Compulsory Automobile Insurance. If those figures are included, it easily exceeds \$60,000,000.

Well, we have about 840,000 people in the province of Saskatchewan, and I feel confident that most of those 840,000 people who are taxpayers, are somewhat concerned about these astronomical totals. That represents \$71.50 for every man, woman and child in the province of Saskatchewan.

Hon. J.L. Phelps: — Will the hon. gentleman permit a question? He is criticizing the size of the budget. It would be interesting to know what items he thinks should be reduced. Please enumerate them.

Mr. A.T. Procter: — You should get the money out of the Natural Resources, as you told the people you were going to.

Mr. W.J. Patterson: — We are going to spend \$52,000,000! and allowing for the supplementaries which we may naturally expect next year, \$71.50 for every man, woman and child in the province of Saskatchewan, to maintain this Government and its activities. Oh, yes, they tell us they have not increased taxes. They compare actual revenues with estimates in certain years, and prove, to their own satisfaction, that taxes have actually been reduced. The less than \$30,000,000 that the government of this province expended in 1943-44 was less than \$30.00 per head of the population of the province of Saskatchewan, as compared with \$71.50 today.

Hon. J.H. Brockelbank: — And you did not do much for them, either, for that!

Mr. A.T. Procter: — Well, you did the people in — that is all you have done!

Mr. W.J. Patterson: — If we compare the actual expenditures in 1943 with the estimated expenditures in 1948-49, plus the supplementaries that we may naturally expect . . .

Hon. C.M. Fines: — Oh!

Mr. W.J. Patterson: — Well, there has not been a year yet, since this government has been in power, that they haven't brought down supplementaries running into the millions of dollars. Have their methods changed? Has their administration changed, so that we may not expect it in the future?

Mr. A.T. Procter: — The Provincial Treasurer is going to take a course in mathematics.

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Mr. Patterson: — The difference between the two, Sir, is approximately twenty-five or twenty-six million dollars. Where is that money coming from? Well, the federal subsidy has been increased by approximately \$7,000,000. Approximately \$7,000,000 of that \$26,000,000 will come from the increased federal subsidy. Where will the rest come from? The Wheat Pool is not going to pay us any more, because their payment is fixed. The Department of Telephones is not going to pay us any more — as a matter of fact, their payments will reduce because they are paying off their capital liability. The Power Commission may pay us somewhat more, because their capital liability has been increased. The Farm Loan Board payments will reduce, because the Farm Loan Board borrowers are reducing their indebtedness. The School Land payments will reduce because this Government is not selling school lands. Insofar as these sources of revenue are concerned, the income or the revenue will tend to be less rather than greater. Now, the provincial government's contribution to Old Age Pensions will increase, possibly by as much as \$2,000,000; so we get \$9,000,000 that we get from the federal Government, and the rest of the \$26,000,000 increase has to come from the people of the province of Saskatchewan. Gasoline Tax, Motor Licenses, Education Tax, Liquor profits, Natural Resources, Fish Royalties, Grazing Leases and all the rest of it — that is where the additional money has to come from, and the Government has no other source of revenue available to it.

In addition to the increased taxes imposed by the government of the province in relation to practically every other thing — inspection of this — the fee for something else — the charge for some other service — all have been increased. You have to pay a little more if you want to buy a copy of a certain Act, and all that sort of thing; but in addition to that, Sir, the taxes imposed upon the people of Saskatchewan by their local governments have been very greatly reduced as a result of government policy. Now I know it is a favourite answer of supporters of the C.C.F. Party, when a man says "Well, my School Tax has been doubled, or trebled" — and I have in my office dozens of letters from people who have sent me in their tax statements showing their local taxes in 1938 or 1939 or 1940, as compared with 1947 or 1948, and it is true they can evade the issue by saying, "Oh, well, those taxes are imposed by the local governing body", — but they are imposed as a result of government policy being compulsorily applied to those areas.

J.T. Douglas: — Income taxes, too?

Mr. Patterson: — In 1947, the tax rate for the Larger School Unit, the Weyburn Larger School Unit, was 14 mills. A recent announcement in the paper states that for 1948 it will be 17 mills. The tax rate in the Broadview Larger School Unit for 1947 was, I think, 14 mills, but in any event, in 1948 it is going to be 18 mills. In the Regina East, or Odessa Larger School Unit, we have not yet received our notification as to what our tax rate will be for the Larger School Unit; but my own School District has received notice from the Larger School Unit, notwithstanding the fact that the local school district turned in something more than \$2,000 in cash, the debenture payments for that district are to be charged back to the district; and I repeat what I said in a previous address, that the Trustees and the Ratepayers in these Local

School Districts, who turned in \$500, \$1,000, \$1,500 or \$2,000 in cash to the Larger School Unit, and who know that that money has been used to carry on the administration of the Larger School Unit, are seriously concerned as to how they are going to recover their assets if, in the event of a vote being taken, the Larger School Unit is disbanded.

Again I say that this tremendous increase in governmental expenditure, this increase in taxes, is presented to us on top of the statement in the House, and outside of the House, that we are due for a serious economic dislocation, and that we can look forward to a period of depression and hard times. It does not make sense — it does not seem consistent; and the Provincial Treasurer and the Provincial Premier seem to be at opposite ends of the pole, for in their opinion with regard to the future one is highly optimistic and the other is highly pessimistic.

Mr. W. Burgess: — Which is which?

Mr. Patterson: — That's hard to say.

Mr. A.T. Procter: — Usually both of them are wrong.

Mr. Patterson: — Now, if we study the estimates for 1948-49, we find this — that there is a very, very considerable increase in the amount proposed to be expended. Allowing for the supplementaries which the Provincial Treasurer will undoubtedly ask us for next year, that increase is approximately 100 per cent, and I will agree that the major increases are in connection with the Departments of Education and Public Health. The Provincial Treasurer tells us that the increase in Education is over \$3,000,000, and that the increase in Public Health is 410 per cent. He makes some reference to the increase in expenditure by the Department of Agriculture, but as that very largely has to do with the shifting of administration from one department to another, and the hiring of economic experts to tell our farmers how to conduct their operations, it is rather difficult to determine just what the actual increase in that particular Department is. But — there are some other Departments in which there are substantial increases — for instance, the item for Cabinet Ministers' travelling expenses. They are up 250 per cent.

Premier: — They get around.

Hon. Phelps: — We get around to see what is going on.

Mr. Patterson: — A 250 per cent increase in the Cabinet Ministers' travelling expenses!

Mr. A.T. Procter: — We wouldn't mind that 'getting around' if you wouldn't take everybody with you.

Mr. Patterson: — The cost of the economic planners and advisers — that is up 75,000 per cent. It was nil in 1943-44, and now it is \$75,000 — that is up 75,000 per cent.

Premier: — The planning was 'nil' then, too.

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Mr. Patterson: — The cost of printing, according to a return brought down the other day, has increased approximately 300 per cent. The Bureau of Publications has increased approximately 400 per cent — from a cost of \$38,000 to \$124,000.

Hon. Mr. Fines: — This Government is doing things.

Mr. Patterson: — The Civil Service has increased — not including the Crown Corporations — from 4,100 to 6,458, and the cost of administering the Public Service has increased even more greatly. In 1943-44 the cost of the Public Service Commission was \$8,500. The estimated cost for 1948-49 is \$61,000 — approximately 700 per cent increase in those particular activities.

In a speech prior to this debate, the Premier of the province referred to the Federal Government "reaching into the pockets of the taxpayers." If we may paraphrase that to apply to this debate, we could very properly say that this estimate will allow the Provincial Treasurer to reach into the pockets of every citizen of Saskatchewan, to reach into the purses of every householder in Saskatchewan, and take \$71.50 for every man, woman and child in the household. We must not overlook the fact, however, that our Crown Corporations are next year going to make some contribution to the cost of governmental expenditures in Saskatchewan.

Premier: — You said a while ago they weren't.

Mr. Patterson: — For the year 1948-49, they propose to reap from that source a revenue of \$600,000. That is approximately one percent! How pleased the taxpayers of Saskatchewan will be to learn that for every \$99.00 which they pay the provincial government in taxes, our Crown Corporations are going to contribute one dollar! How pleased they will be! Now, they have been told, over the years, that these were the sources from which our social services were to be provided, from which they were to be financed, and that their taxes could be reduced, once these Crown Corporations got into effective operation. Well, next year, out of \$60,000,000, roughly, the Crown Corporations are going to provide \$600,000 — in other words, \$1.00 from the Crown Corporations, and \$99.00 from the citizens. Why, that will hardly pay the cost of our economic advisers and our propaganda machine, the Bureau of Publications; and certainly, if you add the Ministers' travelling expenses, it will not cover that!

The Old Age Pensioners, who were going to get an increased pension from the profits of the Woollen Mill, and the Brick Yard, and the Boot Factory and the Box Factory — they will have to wait for another year. The recipient of the Mothers' Allowance, who was going to get more of an allowance from these activities, will have to wait for another year. The crippled, who were promised millions by this Government; the school districts, who were promised that education would be made a provincial responsibility — all of these increased services and activities were promised in 1944, to come from the profits of the Corporation. Well, they will have to be delayed for at least another year.

Premier: — We will be here to do it.

Mr. Patterson: — There are some ten or twelve provincial Crown Corporations operating in Saskatchewan. I was under the impression that the Power Commission had been created a Crown Corporation. According to a question asked in the House the other day, that is not the case; but its profits and its earnings are included in any report which the Government makes, or any claim which the Premier makes about the profits earned by Crown Corporations.

In the "Saskatchewan News" of February 16, 1948, we see a heading "Crown Corporations show Net Profit over \$5,000,000, declares Douglas." Pardon me, Sir, that means the Premier, but I am quoting from the "Saskatchewan News". Well, you can take the statements and the figures that are quoted in this statement — you can add them up any way you like, and you cannot reach a total of \$5,000,000. Be that as it may, it is as closely correct as many of the statements which appear in the "Saskatchewan News".

Premier: — The Leader-Post had the same heading.

Mr. Patterson: — I will repeat the heading for my hon. friend: "Crown Corporations show Net Profit over \$5,000,000, declares Douglas." You cannot add up these figures in any way, shape or form, to reach anything near \$5,000,000.

Premier: — If you could add, you can. Maybe my friend cannot add?

Mr. Patterson: — Oh, I can add — I can add a little better than my hon. friend. Prior to the election in 1944, the Government of Saskatchewan was engaged in four commercial activities — Telephones, established in 1908; Power, established in 1928 or 1929; Liquor, established about 1921; and The Farm Loan Board. Now, there was this difference, Sir, in those days — that each and every one of these activities was established by a specific Act of this Legislature. This Legislature decided to establish a Department of Telephones; this Legislature decided to establish a Power Commission; this Legislature decided to establish a Farm Loan Board, and to establish a Liquor Board. We were asked, in the estimates submitted to us, to vote (I believe) \$4,125,000 to be expended on Crown Corporations, and when that money is voted there is not a single member of this Legislature — except the Minister of Natural Resources, perhaps — who knows where one dollar of that money is going to be spent, or for what purpose.

Mr. W. Burgess: — He is going to establish a system for getting perfume from skunks.

Mr. Patterson: — Now we have a general Act, and we have got into the habit of voting blank cheques. If the government supporters in this Legislature are prepared to relinquish their duties and their responsibilities in this respect, that is their business. So far as I am concerned, I believe it is still the duty and the responsibility of this Legislature to know for what specific purpose those four millions of dollars are being asked, and for which they will be voted.

Premier: — That will be given.

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Mr. Patterson: —It never has been yet.

Premier: — Oh, yes.

Mr. Patterson: — This Legislature did not vote to buy a Box Factory; this Legislature did not vote to buy a Brickyard; this Legislature did not vote one dollar to establish a Woollen Mill or a Shoe Factory. Insofar as the Transportation Company is concerned, it is true that in a supplementary estimate, after the commitment had been made, we voted, I think, \$750,000; but for not one of these industries or activities or Crown Corporations has this Legislature ever specifically voted for their establishment, or voted one dollar towards their administration. If the members of this House want to get into that position, if they want to let the "boys in the back room" — the Government Finance Office — run things for them, that is their duty and that is their responsibility. I must make one exception — the Government Insurance Office was established by a specific vote of this Legislature, not because the Government had any different ideas, but because it required special legislation to legalize its activities and its operation; but outside of that, we never voted for a Box Factory; we never voted for a Brickyard; we never voted for a Shoe Factory or a Tannery or a Woollen Mill.

The Government Telephone System was established, as I have said, in 1908, and in 1928 or 1929 the Power Commission was established. At the time there was a very definite statement of Government policy. These services were established to provide, in the one case, telephone service, and in the other, electrical or power service, at cost or as nearly so as was possible. Over the years, the people of Saskatchewan have enjoyed that telephone service, and of more recent years have enjoyed power service, at cost, and it has not cost the Treasury of the province a cent, because both these concerns have paid the interest and provided the sinking funds and have made repayments on capital advances made to them. In addition to that, they both have established very substantial replacement and depreciation reserves. When the Premier comes out and states that the Crown Corporations have made \$5,000,000 profit, are we to understand that in future the Telephones Department and the Power Commission are to be operated on the basis of providing profits to go to the Provincial Treasury? That is an important change in Government policy, and I would be glad, and I am sure the people of the province would be glad, to have an official statement, a definite statement from the Premier of the province, or from the Provincial Treasurer, as to whether the policy inaugurated in 1908 and in 1928, of telephones and power at cost, is being departed from.

Now, insofar as the other Crown Corporations are concerned — the Box Factory, the Brickyard, the Woollen Mill, the Boot Factory, the Fish Board — they were, of course, established on a different basis, and the people were told that they were going to be operated as profit-making corporations, and the people have a right to expect it. They may be substantially disappointed, but they have a right to expect, from those concerns at least, a certain measure of profit will be available. The Liquor Board: as I read the Crown Corporations Act, and the powers of the Government Finance Office, it seems to me that the Liquor Board can be declared a Crown Corporation, or it can be brought under the

control of the Government Finance Office, and give the "boys in the back room" another \$8,000,000 to play with, without this Legislature, or even the Government for that matter, having a single word to say with regard to the use or disposal of that money. Are the profits of the Department of Telephones to be used to meet the deficits of the Fish Board? Are the profits of the Power Commission to be used to meet the deficits of the Box Factory? These are things that are of some interest and of some importance to the people of the province of Saskatchewan, and which are not answered in the Budget address.

From an answer to a question which appears in the Votes and Proceedings of February 11, it would appear that up to the present time something more than \$6,000,000 have been invested in government Crown Corporations in Saskatchewan — not including the Telephone Department and the Power Commission. This is the eighteenth day of the Session, but so far the annual report of the Government Finance Office has not been tabled. So far as we can ascertain from the records available to us, the Provincial Treasurer has not been paid one dollar of interest on that \$6,000,000 of public money invested in these various Crown Corporations, nor has he been paid one dollar of Sinking Fund, although when he issued his Industrial Development bonds in 1945 and 1946 he said he was going to provide a 2 per cent Sinking Fund feature. It is very, very easy for any company to make a profit if, first of all, it gets its capital investment without charge; and secondly, it provides a very inadequate depreciation reserve; thirdly, it pays no taxes to the municipality in which it operates; and fourthly, in many of these cases, its customers are compelled to deal with it. I would be very glad indeed, in my little business down in Windthorst, if the Government would pass an Act that everybody in R.M. 95 and 125 had to buy their insurance from me. That would be very nice. We have a Government Insurance Office, and it had a revenue last year of, I think, approximately \$250,000, from the Government, and from schools and from hospitals; but it did not have one cent of acquisition costs.

Hon. Mr. Fines: — It is a good business.

Mr. Patterson: — Also, it did not pay one cent in taxes. I have to pay taxes on my little office. I have to pay taxes to the municipality; but if the Saskatchewan Government Insurance Office had a branch there, they would not have to pay those taxes. If I make more than a certain amount, I have to pay something to the Federal Government. The provincial Crown Corporations escape from doing that; so I say that it is not so difficult, under the secluded and protected sphere in which these Crown Corporations operate — it is not so difficult for them to make a profit.

Premier: — You should have tried it.

Mr. A.T. Procter: — That profit is more apparent than real, isn't it?

Mr. Patterson: — I have here a copy of the "Saskatchewan Commonwealth". It also has the heading: "\$5,000,000 of surplus amassed by Crown companies," and the statement is credited to the Premier of the province, and the date is February 18th,

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practically the same date as the "Saskatchewan News" referred to previously. Now, let us analyze that. It says here that the power profits for the year ending March 31, 1947, were \$983,000. First of all, the Power Commission has always closed its fiscal year on December 31, and I do not know of any statement that is available showing the power profits for that period. Then it says — "for the period to December 31, 1947, \$900,000"— and these figures are attributed and credited to the Premier. Here is the annual report of the Power Commission, filed in this House — Sessional Paper No. 29 — and here is what this report says: "Balance Sheet as at December 31, 1947. Profits available as at December 31, 1947, \$472,475," but the "Commonwealth" tells us that for that period the profits were \$900,000. In another statement, the profits for the year are shown as \$632,000, but again that is about two-thirds of the figure quoted in the "Saskatchewan Commonwealth."

Premier: — date is my hon. friend quoting from?

Mr. Patterson: — I beg pardon?

Premier: — What date is the report from which my hon. friend is quoting? The report in his left hand?

Mr. Patterson: — This is the "Commonwealth" of February 18th, 1948. This is the Power Commission report for December 31, 1947, and that was tabled in the House — as I say, it is Sessional Paper No. 29 — I could tell you the date it was tabled. I think it would be about the same date as this . . . This is what the Premier is credited with saying, not what the Power Commission report is credited with saying. I am showing the discrepancy — between \$900,000 and the figures here, \$472,475.

Hon. Mr. Fines: — Was one before interest, and the other after interest?

Premier: — The one is after depreciation has been removed.

Mr. Patterson: — The same report talks about the profits — here again I have the report of the Power Commission for 1946. According to the "Commonwealth", it was \$983,000, but according to the Power Commission's own report, net profits for the year 1946 were \$414,000.

Mr. Danielson (Arm River): — Well, it is within fifty percent.

Mr. Patterson: — Oh, yes, it is within fifty percent.

Premier: — On a point of Privilege: My hon. friend is quoting from the "Commonwealth". I do not happen to have a copy of it with me, but he could just as easily quote from my speech, for which we have a Hansard, if he wished to do that. Will you read the whole paragraph. Does it not say "before depreciation and interest have been withdrawn"?

Mr. Patterson: — Oh, no. I am not going to read the whole paragraph . . .

Premier: — Oh, he does not want to. My hon. friend is misrepresenting the facts

and he knows it. Now he is caught, and he does not like to admit it.

Mr. Patterson: — I have here a Department of Telephones report, taken from the "Commonwealth" of February 18, 1948. "Telephone Profits, March 31, 1947, \$1,362,000."

Premier: — Before depreciation and interest.

Mr. Patterson: — It does not say that here.

Premier: — If my friend will read it . . .

Mr. Patterson: — Here is the way the figures add up for the two periods reported on in the Legislature by Premier T.C. Douglas: Amounts preceded by a minus sign are losses; all others are profits. Year ended March 31, 1947, Department of Telephones, \$1,362,000. The Telephones Department report of March 31, 1947, net revenue for the year, \$850,000 . . .

Premier: — "Net" — after depreciation and interest.

Mr. Patterson: — as compared with the "Commonwealth's" report of \$1,362,000.

Mr. A.T. Procter: — Then they talk about the Leader-Post!

Premier: — Mr. Speaker, on a question of Privilege: the report to which my hon. friend is referring gives both the gross profit and the net profit. My friend is comparing "gross profit" in the one case with "net profit" in the other. If he wanted to be fair, he would read both reports to the House, both the gross profit report and the net profit report. They are both given in that article, if I remember correctly.

Mr. Patterson: — Well, Mr. Speaker, the Premier has just got a little bit ahead of himself. My next page of notes has to do with this difference between net profits and alleged profits, and I will come to that in a minute. Now, as I have said, the taxpayers of Saskatchewan appreciate the fact that in 1948-49 for every \$100 they provide to carry on this Government, the Crown Corporations are going to put up a dollar; and there may be some question — we have not been told, maybe we will be told before the estimates are passed — what particular Crown Corporations these are coming from. Will these profits come from the Power Commission and the Department of Telephones, or are they going to come out of the Woollen Mill and the Box Factory and the Brickyard and the rest of them? That is some information that perhaps will be forthcoming.

It is quite true that in the "Saskatchewan News" that I quoted, the statement is made by the Premier that all had shown a profit in the fiscal year ending March 31, 1947, before depreciation and interest on capital were deducted. That is true. Can you imagine any company that could not show a profit, no matter how miserably it was managed, if it had its capital provided free, and if it did not have to provide depreciation?

Premier: — Yes, the Power Commission when you were running it.

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Mr. Patterson: — . . . and the proud record of the Crown Corporations in Saskatchewan is, that all, without paying any interest, and without providing any depreciation, have earned a profit. That is the proud record of the Crown Corporations in the province of Saskatchewan.

Premier: — The Power Commission did not even do that when you were running it!

Mr. M.H. Feeley: — What about the Briquetting Plant?

Hon. Mr. Phelps: — Don't bring that up.

Mr. Patterson: — I have already compared the figures quoted in the "Commonwealth" with the figures presented in the official reports as tabled in this House. Any individual who, on behalf of a private company, or a Crown Corporation, tries to prove that that company has been successful by quoting the profits before these legitimate charges had been deducted — well, you know, Sir, what you would think of this, and I know what I think of him. If this is not misrepresentation — well, you have ruled, Sir, that "weasel words" and "double talk" are not parliamentary terms — but I have some difficulty in finding other words to describe such a report to the public, and such a report to this Legislature. I have some difficulty in finding a word that you would accept, that does not involve the same intention and the same meaning as "weasel words" and "double talk."

Mr. A.T. Procter: — "Half-truths, insinuations and innuendoes."

Mr. Patterson: — In addition to that, Sir, to what extent do the Departments concerned pay costs of publicity, of circulars, of auditing, the rent of machinery that properly should be charged to these Crown Corporations? There was a most unusual answer brought down here today in reply to a question asked about the rent paid to the Department of Natural Resources for the use of its caterpillars and its bulldozers and so on, by the Fish Board and the Timber Board. Like so many other answers this Session, Mr. Speaker, there is a fine intention to evade the information we are trying to obtain. "Use of such equipment on an exchange-of-work basis between the Department and the Fish Board." That is an absolute evasion of the answer, a slipping around of the information we are trying to get. How many outfits belonging to the Department of Natural Resources? caterpillars? tractors? bulldozers? other equipment? were used by the Fish Board, and by the Timber Board, to enable them to build up their profits or their losses as the case may be? I think even with that, the Fish Board has a loss.

Hon. Mr. Phelps: — On a Point of Order: the hon. gentleman has just said that these answers are an "evasion". I submit that that reference should be withdrawn. Those answers are given, and they are correct.

Mr. Speaker: — I do not think your Point of Order is very well taken. In the opinion of the member, they were an evasion.

Mr. Patterson: — I repeat my statement, and I am going to repeat it again in reference to another matter. Throughout this Session, we have been trying to get information, and the answers to questions asked by us have been evasive, and the worst offender in that respect is the Hon. Minister of Natural Resources. I will give him some examples of it in a moment or two. This Government poses as "Humanity First." We have discovered, Sir, that it is "Fish First" and I am going to give an example to the House in a moment or two. We cannot get information as to the extent to which departmental expenditures which should properly be paid by these Crown Corporations, are carried by the various departments concerned. If they were properly charged, they would affect the returns of those Crown Corporations.

Now, we were told that the Fish Board was for the benefit of the poor fisherman. We have been trying, all through this Session, to find out how much a fisherman on Snake Lake receives for his fish. We have had all kinds of answers. "Oh, it depends where the railhead is." It would almost appear that Snake Lake is a mobile geographic point. He cannot tell us how many miles it is from the nearest railhead. There is a fisherman at Whitefish River — that is not exactly at Snake Lake, but it is very close to it . . .

A Voice: — You do not know your geography very well.

Mr. Patterson: — He had heard of the marvellous advantages that were provided for the fishermen by the Saskatchewan Government Fish Board; so last fall, when he had completed his catch he sent word to the Fish Board to come and get his fish. Time went by and he had received no reply, so, as he was getting in need of some money, he sent word to a private dealer at Big River. Whether the Fish Board heard of this or not, it does not matter; but it so happened that Tremblay's caterpillar outfit, with the sleighs or whatever he has, and the Fish Board's aeroplane, arrived at Whitefish River at the same time; and the old fisherman (I will give you his name, so that the Hon. Minister may not feel that this is an incorrect statement) — Napoleon Natonagan — was getting worried. He decided that, in fairness, he would give half of his fish to the Fish Board, and half to the private dealer — Tremblay. Private dealer Tremblay took his half of the fish and paid the man, and that was the end of it. I do not know what he got for it — maybe five or six cents a pound, but whatever the going price was. The Fish Board took the other half, and Napoleon has not yet received any remittance for his fish — all he has received is a bill for \$70.00 for transportation. "Humanity First"! All that poor Napoleon has got for that half of the fish that he supplied to the Fish Board is a bill for flying them out by government plane.

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Mr. Patterson: — When the member for Athabasca speaks on this debate he will tell you about the one-cent cheque and the four-cent cheques and the twelve-cent cheques that have been issued to the fisherman around Ile a la Crosse as their second payment on their 1946 fishing, by the Government "Humanity First" Fish Board.

The Provincial Treasurer has told us that the Public Debt on December 31, 1947, as indicated in answer to a question, was \$146,000,000 — as compared with June 30, 1944, of \$209,000,000, that represents a reduction of \$63,000,000. Of that amount, 136,000,000 was made possible by the cancellation by the Dominion Government of certain treasury bills held by the Dominion Government against the province.

Premier: — Not cancellation: trade in lieu of Natural Resources settlement.

Mr. Patterson: — Well it does not matter — if you want to be technical about it — again it is a question of whether they are "weasel-words" or not. I am precluded from using that expression, but I do not know of any other expression that so correctly indicates the matter.

Premier: — And describes the speech.

Mr. Patterson: — Last year I took the trouble to give the House some figures about the payments made by the Wheat Board, the Telephones, the Power Commission, the Farm Loan Board and Liquor Board profits. Most of these, certainly outside of the liquor profits, could not be used for any other purpose than to reduce the Public Debt; but I am not reluctant in giving my credit to the Provincial Treasurer for the reduction in the Public Debt, that he has accomplished. All credit is due to him; but, as I say, it is not the result of any great governmental economies or sound financing — it is merely because the revenues have rolled in, and they could not properly be used for any other purpose.

Premier: — They did not roll in when you were there!

Mr. Patterson: — No, because we were rather unfortunate, as compared with the present Government.

Premier: — No good years from 1941 to 1944?

Mr. Patterson: — Well, we were just beginning to enjoy some of the good years.

Voice: — Too bad the honeymoon was cut short.

Mr. Patterson: — Well, if this Government ever has a year where they have to raise six, eight, ten or fifteen million dollars to provide seed, then possibly they will not find it so jocular or so amusing. They have been spared that ordeal up until the present time.

The Provincial Treasurer told us that he sold a Saskatchewan debenture issue, \$1,100,000 — five year period — at 3 1/4 per cent; \$3,900,000 — 14 year period, at 3 1/4 per cent, and he is very pleased. The very same week the province of New Brunswick sold \$2,000,000 — 3 years, at 2 1/2 per cent; \$2,000,000 — 5 years at 2 3/4 per cent, and \$5,500,000 — 10 years, at 3 1/4 per cent; and a month or two before, the province of Alberta sold an issue at 2 1/4 and 2 3/4 per cent. Apparently the credit of the province of Saskatchewan is not quite as high, in comparison with the other provinces, as the Provincial Treasurer would ask us to believe. As a matter of fact, when the costs are added, it makes the effective cost to the province approximately 4 percent; and, as I say, New Brunswick, in the very same week, was able to sell a larger amount at 1 per cent lower interest rate. I know you can bring in lot of figures about selling price and all that,...

Hon. Mr. Fines: — I would like to ask my hon. friend if he really believes the New Brunswick issue is sold yet?

Mr. Patterson: — Well, I do not know whether it is sold yet; I know it has been offered to the public.

Hon. Mr. Fines: — I do! There is a further question I would like to ask: if the rate of Saskatchewan bonds, in relation to New Brunswick and every other province of Canada, is not much better than it was three or four years ago?

Mr. Patterson: — No, I would say that four or five years ago the province of Saskatchewan could borrow money at a lower rate than the province of New Brunswick or the province of Alberta.

Premier: — If that was the case, why didn't you do it?

Mr. Patterson: — We did.

Premier: — ?

Mr. Gibson: — May I ask the hon. gentleman. a question? I would just like to ask him if he knows — he is talking about provincial credit — that Dominion War Bonds were selling below par in the province of Saskatchewan last week?

Mr. Patterson: — No, all I know is that the three per cent Industrial Development Bonds floated by the Provincial Treasurer back in 1945 are now quoted between 94 and 95. And those municipalities and telephone companies and other public organizations that were high-pressured into buying those bonds have a responsibility to their shareholders and to their taxpayers.

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Mr. Danielson: — I guess that will hold you for a while!

Mr. Patterson: — Now, in the election in 1944 there were three activities of the previous administration that suffered very serious and very general criticism; those were health, education and farm security, and it was a very, common practice, not only by the Premier and not only by C.C. documents, pamphlets, to criticize them. And even in the Manifesto, issued by the C.C.F. Party on May 20, 1944, this statement appeared: "In Saskatchewan the death rate for babies is more than twice as high as it needs to be: our death rate for infants is 65 in every thousand." That statement was contained in the C.C.F. Manifesto; it was contained in radio addresses by the Premier; in public addresses by the Premier and in pamphlets issued by the C.C.F. Party. What are the facts? The infant mortality rate in Saskatchewan, at the time these statements were made, and for five, six or seven years prior to that, never was anything like 65 — actually it was 43 . . .

Premier: — What year was 43?

Mr. Patterson: — 1943, 1942, 1941 — you have to go back ten years to get a rate of 65, and that was the rate the Premier, the Leader of the C.C.F. Party, C.C.F. propaganda, C.C.F. radio broadcasts were proclaiming up and down the length and breadth of the province of Saskatchewan.

Mr. Danielson: — That is weasel words for you.

Mr. Patterson: — I am sorry, Mr. Speaker, that you ruled out that expression "weasel words" . . .

Premier: — On a question of privilege. We are getting a little weary of "weasel words", but my hon. friend keeps repeating it like a broken-down gramophone, and he can if he wants to. My hon. friend is giving us figures but he hasn't given us any authority for them, Mr. Speaker. I asked him what period he was talking about — as a matter of fact in 1941 the rate was 51 and in 1937 and 1938 it was 66.

Mr. Patterson: — In 1937 that was seven years before. But here is the Leader of a political party goes up and down the length and breadth of the province and quotes figures seven years old, and expects the people to believe and accept his statements as correct. The figure in 1937 was 66 . . .

Premier: — Will my friend give me the figures for the time I made the statement?

Mr. Patterson: — Yes, I will get you the figures.

Premier: — Will my friend also give the maternal mortality figures?

Mr. Patterson: — I am just going to do that.

Mr. Danielson: — It won't be the figures you gave either.

Mr. Patterson: — According to the publicity of the C.C.F. Party, the Saskatchewan rate was twice too high and the reference was continually made to New Zealand. As an actual fact, there were some years when the maternal rate in Saskatchewan was lower than New Zealand.

Premier: — What year?

Mr. Patterson: — 1943 — the very year the Government was telling us it was twice too high.

Premier: — That is complete nonsense — arrant nonsense — and my hon. friend ought to know it.

Mr. Patterson: — Well, Mr. Speaker, I have a copy here of the New Zealand Year Book, and I have a statement here from the National Department of Health, and I have a statement here of the Department of Public Health of the Province of Saskatchewan. The maternal mortality rate in 1944-45 in New Zealand was 2.68 — that is over the period of years.

Premier: — What is that from? Who quotes that?

Mr. Patterson: — That is from the Deputy Minister of Public Health in Saskatchewan. And, the rate in Saskatchewan for 1941 was 3.1; 1942 — 3.4; 1943 — 2.6; 1944 — 2.3, as compared with an average for New Zealand: over the same period, of 2.68. And yet we were told up and down the length and breadth of Saskatchewan that the rate in Saskatchewan was twice too high.

Premier: — Mr. Speaker, on a question of privilege. The official figures on New Zealand, as a matter of fact, were 1.4, at the same time that we were up around 3.4 And the rate for Saskatchewan now, my hon. friend will be glad to know, is down to 1.7, the lowest in the history of the province.

Mr. Patterson: — Well, I am not going to dispute it, but I went up to the Department of Public Health in this building the other day, and got from the Department a statement of the infant mortality and the maternal mortality in New Zealand. I examined the New Zealand Year Book — the last Year Book that is available is for 1945 — and it says "New Zealand has the lowest infant mortality rate in the world, a fact attributable, partly, to such matters as climate, virility of the race, comparative absence of densely settled areas etc., and partly to legislative and educational measures. And from that Year Book I took down these figures and, as I say, for those years the infant mortality rates for Saskatchewan and New Zealand were approximately the same.

Be that as it may, the fact remains that the actual conditions in this province were grossly misrepresented by this Party that is now the Government of this province, in respect to public health. I can remember when the hon. member for Kelvington used to try and prove to this House that because more people died in Saskatchewan than died in Manitoba, our public health system must not be as good as theirs, notwithstanding the fact that we had about 25 to 30 per cent more population.

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As a matter of fact, over the years, on that basis, Saskatchewan had had the lowest death rate of any province in Canada, and so far as maternal mortality and infant mortality are concerned, sometimes British Columbia, sometimes Alberta, sometimes Ontario are a point or two below us, but, over the years, our records and our reports and our rates will bear comparison with any other province in Canada and even with the 'paradise' of New Zealand.

Infant mortality for 1945 — 43.5; 1944 — 47.3; 1943 — 47.2; 1942 — 43.3; 1941 — 51.2; 1940 — 50.7; 1939 — 51.5; 1938 — 51.6; 1937 — 66.8; 1936 — 53.9. Now the Premier, in 1944, had to go back seven years to get a figure that would justify the statements that they made to the public.

Premier: — It has now dropped by 33 1/3 per cent.

Mr. Patterson: — We had a little discussion the other day about half-truths — this statement contained in the C.C.F. Manifesto, and in the Premier's broadcasts is about, I think — I am just figuring it roughly — about 60 per cent truth — about 60 per cent truth.

Premier: — Well, it is a truth that you don't like that we have reduced the death rate by about 33 1/3 per cent.

Mr. Danielson: — You must be using what you took out of election material before.

Mr. Patterson: — Well, Mr. Speaker, I am very happy to think that these improvements have been made, but what I am trying to point out is this: that this Government attained power by the use of this propaganda, which I am now demonstrating. It wasn't weasel words; as that is not permitted; it wasn't double talk, because that is not permitted; but it was sixty per cent truth — not a half-truth but 60 per cent truth.

In connection with farm security, the same general criticisms or statement, applies. A return that was brought down in this House was taken and certain subtotals were added in to make the grand total twice what the actual facts revealed, and the questions we have asked in this House, from that day to this, indicate that mortgages are still being foreclosed, that agreements for sale are still being cancelled, that evictions are still being issued and, insofar as farm security is concerned, about the only difference is this: that if a person has a mortgage on a home quarter, instead of getting the permission of a Judge, or an impartial referee, to decide whether it should be proceeded with, you have to go to the Government to get that permission.

And so with education — we have a great deal of criticism of our educational system, and we are told that the expenditures for that are being tremendously increased. Well, first of all, I always felt that the criticisms of the educational system of Saskatchewan that were exercised and expounded during that election were very unfair indeed to the thousands of honest, God-fearing, sincere, citizens of Saskatchewan, who were members of our various School Boards. Many had spent time, money, effort, to maintain their local school in which they had a particular and peculiar interest.

I think that many of the things that were said cast an entirely unfair reflection on those men, and I fear that the institution of Larger School Units has, to a very large degree, destroyed the local interest in the local schools; and I do not think you can estimate that in terms of dollars and cents. Men who used to draw out the fuel, used to go over and bank up the school and put on the storm windows, without ever charging a dollar; today when a pane of glass is broken, or a door-hinge is broken, there is a truck and two men come out from the central office and measure things and figure out what kind of a pane or hinge is needed, and they come back in two or three days and replace it. All those things — and the Larger School Units may have its advantages, I am not denying that — but the action of this Government in imposing these Larger Units, without reference to the ratepayers, without reference to the taxpayers has, to a very large extent, destroyed that local interest which is essential and necessary to an efficient and effective operation of our schools. And you cannot replace that by hired superintendants, or school secretaries, or anything else; it just cannot be replaced. I anticipate — I do not know — you probably in your time served your local school board and made your contribution to keeping it functioning, and have demonstrated, by your activities, your interest in that school. Now this Government has decided to replace that by this centralized authority, and centralized control. That is their privilege — the people must accept it. I don't think they expected it, but they voted for this new idea, and that is what they get.

There is nothing, Sir, that is more essential to an effective, efficient school administration than an active interest, and an active sharing in the administration and operation of the school, by those who have children who are students in that particular school.

There are some other matters that I might have dealt with but I have already taken more time than I should . . .

(Inaudible interjection)

Premier: — I think it was only a 'howl' from Howell.

Mr. Patterson: — In the first week of September, 1939, there was not, at that time, a C.C.F. newspaper published in Saskatchewan, but there was one published in British Columbia and in Manitoba. An editorial, which appeared first in the British Columbia newspaper, and was reprinted with approbation in the Manitoba C.C.F. newspaper, made this statement, referring to the difficulties which the world was facing; it said something like this: "In this time of difficulty, the first concern of the C.C.F. is to expose well-being". That has been the policy and the practice of that party, from that day to this. The first concern of the C.C.F. is to its own well-being: this Budget is not particularly concerned with the well-being of the province of Saskatchewan — it is primarily a political Budget to promote the well-being of the C.C.F. party. For that reason, Mr. Speaker, I shall not support it.

SECOND READINGS

Bill No. 56 — An Act to Amend The Secondary Education Act

Hon. Mr. Lloyd: — This Bill, amending The Secondary Education Act, provides for one or two changes. We have a situation with regard to High School Districts at the moment, in which the schools, when built in these districts, are financed by debentures issued by the municipalities. There are some instances in which High School Districts have funds on hand and wish to make use of these funds to assist with the building. The Amendment is designed to make it possible for them to purchase the debentures of the School District or others, in order to do that. I believe the matter can better be discussed in Committee of the Whole, and I would move Second Reading.

The Motion for Second Reading was agreed to.

Bill No. 57 — An Act to amend The School Act.

Hon. Mr. Lloyd: — The purpose of this Act, or the main section of the Amendment, is to make it possible for agreements to be entered into between town or city Boards and Larger Unit Boards, for the purpose of providing certain facilities. With the inauguration of the Larger Unit, it has been made possible for people in rural areas to serve themselves with High School facilities. In many cases, they have combined with the towns in the area to do that, by virtue of the towns coming into the unit. In other cases, they are preparing to provide these facilities by making an agreement with the towns concerned, and the Amendment provides for agreements of that type. The other amendments are minor in character, and I think may be discussed in Committee. I move Second Reading of the Bill.

The Motion for Second Reading was agreed to.

Bill No. 11 — An Act to provide for the Taxation of Minerals.

Hon. J.L. Phelps (Minister of Natural Resources): —In rising to move the Second Reading of Bill No. 11 — An Act to provide for the Taxation of Minerals, I want to explain to the House that first of all there have been a number of amendments passed by this House from time to time, since the Bill was originally introduced, and it is now proposed to have a consolidation. In addition to that, there are possibly three main points which we might bring to the attention of the House at this time, and the balance of them can be discussed in Committee. One is provision in this Act for the exemption of subdivisions in towns or cities. The reason for that has been found in practice, that in order to levy a Mineral Tax on small lots within the limits of a city or town, it is not only a great deal of work searching the Titles, but supposing minerals were discovered there, there are laws — for instance — within city laws that would not permit you to start digging

a coal mine under the City of Regina; also there are other laws in our provincial mining laws which would take care of that situation; therefore, it is proposed that we delete from the Bill the reference to the assessment on urban property. The other point which I would like to bring to the attention of the House, which is a matter of principle, is the matter of deleting from the present Act the levy of penalties.

We feel that the levying of penalties, wherever it can be avoided, is not a desirable thing, and these cases of small amounts are more or less of a nuisance; therefore it has been suggested that the penalty features be deleted from the Bill. The penalty is, of course, in surrendering the mineral rights, in the event the tax is not paid. Another point is the adjustment of interest rates. In the present Act the interest rate was set in conformity with the practice at that time; but since then there have been amendments to The Tax Arrears Act, which has been set at a lower rate of interest. The amendments which we propose to this Bill is to make them conform to the new regulations in The Tax Arrears Act. There are some other small amendments to the Act, one or two of which might be introduced in Committee. There will be nothing further new in principle, therefore I would move Second Reading of the Bill.

The Motion for Second Reading was agreed to.