

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

FIFTH SESSION — TENTH LEGISLATURE

Monday, March 15, 1948.

The House met at 3 o'clock.

On the Orders of the Day.

Hon. J. W. Corman (Attorney General): — This House knows how much I dislike talking about Moose Jaw, but I know that the House would think me remiss if I did not refer to a news report appearing in this morning's 'Leader-Post'. I want to say, however, Mr. Speaker, it is to comment, not to criticize — I would not have one word of it changed. It reports that for the fourth consecutive year the Moose Jaw "Canucks" have won the Saskatchewan Junior Hockey Championship. Now, Mr. Speaker, to them I extend my congratulations and all good wishes on the Memorial Cup playoffs. And to my colleagues in the Cabinet, the Provincial Treasurer and the Minister of Labour, I also extend congratulations on Regina having the second-best junior hockey team in the province. I do want to say, however, that the Regina team went down fighting as all Saskatchewan teams do.

BUDGET DEBATE

The House resumed, from Friday, March 12, 1948, the adjourned debate on the proposed Motion of Hon. C. M. Fines (Provincial Treasurer) that Mr. Speaker do now leave the Chair (the House to go into Committee of Supply).

Hon. C. M. Fines (Closing): — Mr. Speaker, on Friday evening before the House adjourned for the weekend, I had started to reply to some of the statements made in connection with the debate on the budget introduced into this House some three weeks ago.

I am just going to refer to the statement made by the Leader of the Opposition, concerning supplementary estimates. You will recall, on the occasion of his Address, he made a statement that "the previous government used to bring down supplementary estimates for less than a million dollars per year". I took the trouble to go through some of the supplementaries that were brought down by his government. What do I find? I find that in the first year the government, after some five years' rest from their labours, in 1935, supplementaries to the extent of \$23,000,000 were brought down.

It is true there was a big relief problem at that time, and possibly they could not forecast accurately. But certainly they should have been able to come within \$23,000,000. In 1936, they were \$23,000,000; in 1937, \$21,000,000; in 1938, \$39,000,000 in supplementary estimates for one year; in 1939, \$31,000,000; in 1940, \$18,000,000; in 1941, \$9,500,000;

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in 1942, \$6,046,000, and in 1943, \$2,285,000, and in 1944, \$3,261,000.

Now, Mr. Speaker, the supplementary estimates which were tabled here the other day, totalled \$12,000,000, including \$7,700,000 on Revenue Account.

I should like to say something about the supplementary estimates which were tabled in this House. There is an item, for example, for the Legislature, the very fact that the fiscal year changed on March 31st, last, is responsible for a great many of these items which appeared in the supplementaries. For instance, at the end of the last Session we were unable to do the work that ordinarily would have been done in the month of April, and been in the preceding fiscal year. It had to be carried over into the present fiscal year, and so, for that reason, we have had to bring in supplementaries for \$23,000 for the Legislature. The same thing can be said of many of the departments.

Then, too, there was an item brought in for grants to Crown Corporations — \$4,000,000. \$2,500,000 approximately, was used for advances to the Timber Board.

I would like to say, Mr. Speaker, that this is money which had been voted a year ago, but because we did not need the money in the last fiscal year, it has had to be brought in again and voted over. I think it is possibly an unfortunate circumstance — an unfortunate part of our system, that once an estimate has been voted by the Legislature, it lapses at the end of the year. Particularly do I think it may not be a proper system in connection with estimates. In some provinces — in Manitoba, for example — the estimates do not lapse at the end of the fiscal year, for their capital votes. They are allowed to carry on and in that way they can plan their program several years in advance, and the money will not be voted two or three or four times, as it has been in this House, for many a project.

We have another large item here, Health Services Planning commission: \$2,500,000 for the Hospital Plan. I recall very distinctly the Premier telling the House, when he brought his estimates in a year ago, that it was not expected that the amount of money which was collected from the tax would cover the cost of hospital services; and so we have had to bring in a supplementary for \$2,500,000 for that.

Then, too, \$614,000 to provide for medical, nursing, hospital, dental, optical care for the old age pensioners, was another item. There too, Mr. Speaker, is an item that we had very little control over; a new item, a new project, and we did not know exactly what it was going to cost. And then the matter of Old Age Pensions. My hon. friends, in a previous debate, suggested that we had been chiseling a little on the old age pensioners. Well, I want to say to them that we spent not only every dollar that you voted for us last year, but we required an additional \$533,000. And if we had paid that additional \$5.00, there would have been approximately \$1,000,000 more required.

For the Department of Reconstruction the total here is \$792,000; but there is a corresponding Revenue item for this. It was decided to place the garage, the machine shop and the housing operations in the Department, and so, when it was transferred to the Department, there was no money that had been voted for it. But this money has been collected by these various organizations, and so does not take anything out of the taxpayers.

Now, Mr. Speaker, if you examine the supplementary expense, I think you will see that there is nothing that anyone could take any serious objection to.

Then the Leader of the Opposition undertook to criticize me because I was not a very good estimator, that I had been out in my forecast. Well, possibly he has a fair criticism; but if the criticism is coming to me, it is coming equally to the previous Provincial Treasurer. Again let us go back to 1943-44, he estimated \$27,000,000 and actually the revenue was \$34,000,000; an error of 26 per cent. The next year, 1944-45, his estimates were \$30,000,000 — we took in \$34,000,000; an error of 12 per cent, and the next year, less than one per cent — in 1946-47. But in fairness I want to say it was only an eleven-month year. If we had taken the other one-twelfth, the error would have been somewhere around five per cent.

So I would suggest again to the hon. gentleman, that while there have been some errors, yet I am very glad they were on the right side. The revenues were underestimated rather than being overestimated.

He also stated that 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. On that occasion I said, “No, Mr. Speaker, that is not right” but the hon. gentleman persisted. Now, Mr. Speaker, as indicated in the Budget address originally, we are considerably out on the education tax. That, of course, is due to two factors. First, because people are spending more money, and secondly because of the inflationary period through which we are going. The very fact that the cost of everything is so much greater means more money in education tax.

Let us take a look at the other two. In gasoline tax we estimated for the year a total of \$6,000,000. I have the figures here up to the 1st of March, and the year is practically gone, because in the month of March there is very little revenue comes in, and figure shows \$6,225,000. I would say, Mr. Speaker, it is very close to come within \$225,000 on a \$6,000,000 item. The motor licences were estimated at \$2,500,000. There will be no more collected; at the end of the year it will be \$2,577,000. To come within \$77,000 on a \$2,500,000 item, I think you will agree, is very close.

Now, then the hon. gentleman also referred to the expenses of the

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Cabinet Ministers. Well, I have gone back over the Cabinet Ministers' expenses, and I find that in the years 1943-44, compared with 1946-47, the expenses were naturally higher there. But as pointed out by the Premier, the reason for it is because in 1946-47 we had in Ottawa several conferences. I made seven trips to Ottawa that year. The Premier, I believe, made five or six trips. The Hon. Minister of Co-operatives made a trip to the old country, trying to develop trade to help the people of Great Britain and to help agriculture. These are not expenses that recur, and so I think it is very unfair that he should compare the expenses of that particular year with the expenses of the last year they were in office, when a couple of the ministers were in the Armed Forces and a number of the others were busy wanting to be as close to home as they could, to look after their Seats to make sure that they would be re-elected.

Then in connection with the cost of the 'Planners', we are told that the cost of the Economic Planners is up 75,000 per cent. It was nil in 1943-1944, and now it is 7,500. By the way, Mr. Speaker, the total item is \$36,732.

Then the Leader of the Opposition went on to point out that we were only going to get some \$600,000 from the various Crown Corporations; \$600,000 out of a total budget of \$60,000,000; \$1.00 for every \$99.00 they paid the Provincial government in taxes. There is no one who knows better than the Leader of the Opposition that that statement is very very misleading. There is no one that knows better than he that we are not collecting anything like \$60,000,000 in taxes. No one knows better than he does that the total tax that is being budgeted for and the total tax being collected, is somewhere in the neighbourhood of \$15,000,000 — not \$60,000,000 as indicated the other day.

He criticized the fact that we were going to get \$600,000 on an investment of \$6,000,000. Well, Mr. Speaker, I would suggest that ten per cent is a very fair return on our investment, particularly when you consider that these industries are new. The fact that we are going to get, this year, \$600,000 out of the new industries — not counting Power and Telephones — gives us 10 per cent on our investment, which is a very fair return. The Leader of the Opposition criticized this 'measly little' \$600,000. Why he said, it will hardly pay the cost of our Economic Advisers and our propaganda machine (Bureau of Publications), and certainly if you add the Ministers' expenses, it will not cover that. Again, exaggeration! \$36,732 for the Economic Advisers, \$123,000 for the Bureau of Publications, \$12,000 for the Cabinet Ministers' expenses, makes a total of \$171,732. This is a long way short of the \$600,000 which he suggested.

Now, Mr. Speaker, he criticized also the fact that the Civil Service had increased. A very interesting answer was tabled in this House a few weeks ago. The number of employees in our mental hospitals, for example, was 720, in 1944, and is 1,170 today. That is 450 of an increase;

in other words, an increase of over 50 per cent in the employees in the mental hospitals. Why? Because the previous government were working many of these employees as much as 60 hours a week. Today, the employees are working on a 44 and 48-hour week. We could reduce the number of employees, too, if we wanted to work them the way the previous government did. But we believe that we should treat our employees the way we expect employers in the province to do.

Now, Mr. Speaker, I would like to spend a moment or two on the Power Commission and the Telephones. The Leader of the Opposition criticized the fact that we have put these two bodies into the Government Finance Office. He is afraid that we are taking money out of these two companies to use for other industries. I want to assure the hon. gentleman that such is not the case. On the contrary, I have a statement here which shows that we have paid to these companies \$52,000 more than we have received from them. I would also like to say that we have received from these other corporations — all these new industries other than the Power and the Telephones — some \$333,000 more than we have paid to them. So that we are not using the revenues of these particular industries, the Power Commission and the Telephones, to bolster up the others.

The statement was made by the hon. member for Arm River (Mr. Danielson) that the previous government did provide sinking funds on the Power Commission. I have in my hand a statement of the capital expenditures, Prince Albert, Saskatoon, Swift Current and North Battleford; for those three particular plants there is a special arrangement with the city whereby they do pay for the sinking fund. But in all the others we had, for example, up to 1939, a total investment of over \$4,270,000, and yet up to that date there had not been one five-cent piece paid into any sinking fund, whereas there should have been a total of approximately \$350,000. Again I find that, in 1940, they did start to pay sinking funds, but they only put in \$12,000, whereas, they should have put in \$45,000. And by 1944, I find that they had caught up. That is the first year but, of course, that is the year the government changed. No, in 1943 they put in \$80,000.

Mr. Speaker, there were ten years there that not one dollar was put into the sinking fund. The result is that, today, we are having to pay a much greater amount. If the previous government had put these moneys into the sinking fund, we would only have had to pay 1.05 per cent. Today, we are paying 2.4 per cent. If we had paid what was originally intended, then the Power Commission would have been greater by several thousand dollars.

I just want to say, Mr. Speaker, in conclusion, that the Minister of Natural Resources was correct and the member for Arm River (Mr. Danielson) was dead wrong in connection with his statement.

And again the Leader of the Opposition said: "So far as we can

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ascertain from the records available to us, the Provincial Treasurer has not paid one dollar of interest on that \$6,000,000 of public money invested in these various Crown Corporations. Nor has he been paying one dollar sinking fund, although when he issued his investment of Bonds in 1945 and 1946, he said he was going to provide a two per cent sinking fund feature”.

Well, Mr. Speaker, the Public Accounts were tabled here a month ago, and right there on page 22, he will find that there has been, and that there is, a sinking fund of \$26,348 which has already been set up in connection with that investment.

There was some criticism about the debt reduction. The hon. Leader of the Opposition made a certain statement. He said: “I am not reluctant in giving my credit to the Provincial Treasurer for the reduction in 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 be properly used for any other purpose”. How different that is to the statement made by the hon. member for Arm River (Mr. Danielson). The hon. member for Arm River (Mr. Danielson) did not want to give any credit whatever. Here is what he said:

“There is not one iota of credit coming to any member of this House. No Provincial Treasurer or auditor could have done anything else under the circumstances.”

Mr. G. H. Danielson (Arm River): — You two had better get together.

Hon. Mr. Fines: — Well, you had better get together then with the hon. Leader of the Opposition, because he does give a little credit. You give none.

Now, Mr. Speaker, the hon. gentleman pointed out that this debt reduction was due to the fact that certain items had been received by the government. He mentioned the amount of the Farm Loan Board. The Farm Loan Boards have been collecting money all through the years. Certainly the last three years prior to this government coming into office, collections had been very good, on principal. The Telephone Department had paid a million dollars. Well, they paid no more than they had done for the three, four years previously. Telephones have always paid this amount. The Saskatchewan Co-operative Creamery paid \$250,000; they have always paid that. There is no question about that. Then the amount which was collected from the Liquor Profits, he pointed out that three years’ profit was \$18,000,000, and we had taken out \$9,250,000, so that gave us \$9,000,000 to reduce debt with. But I want to remind him that the previous government had \$9,000,000 in the three years previous, also to use for debt reduction. It was there just the same; but was the debt reduced? No. Not only did we manage to reduce the debt, but we were able to carry on our capital program, and instead of going out and borrowing money, we were able to use

our own moneys to the extent of over \$20,000,000. So that not only have we reduced the debt by approximately \$69,000,000, but we have provided an additional \$23,000,000 of capital advances, which increased our assets by that amount.

There are many other things that one could say in connection with the speech of the hon. Leader of the Opposition, but I think I have answered enough of the statements made, to show that there were a great many exaggerations. The chief criticism was the fact that the Budget was too large. I want to leave that until later. I shall come back to that point later on. There is, however, one statement which has been made by the hon. member for Arm River (Mr. Danielson), and also the hon. member for the Mediterranean Area (Mr. Embury): "An effort has been made to try to link up the C.C.F. movement with the Communist Party". I do not like to take any of the time of the House, Mr. Speaker, because the question has been raised for so many years, that I think people are getting fed up. I heard this same thing away back in 1932-33 — for sixteen years we have been fighting this statement. But I would like to put on the records of this House, so that all may read who will, the official statement. This statement was given by Mr. Coldwell, and on January 22, 1948, the Executive of the C.C.F. unanimously endorsed this statement. Here it is:

"In the 1945 elections, Canada's Communist Party — the L.P.P. — called on the Canadian people to support Mackenzie King and the Liberals. Today the Party has switched its line again, and is now declaring its support for the C.C.F. It is clear to me that the new switch in the Communist line is an admission of the utter failure of the Labour-Progressive Party to make any progress in Canada and of its loss of support even in those trade unions in which the Communists have had dominant control hitherto. They are apparently trying to halt their party's decline by seeking to identify themselves with the C.C.F.

Naturally, what Canadian Communists decide to do is entirely up to them. But I want to make the position of the C.C.F. crystal clear. That position has been stated and re-stated by national and provincial conventions throughout the years.

The C.C.F. will not collaborate with the Labour-Progressive Party in any way, direct or indirect. It will not enter into any electoral arrangements with it or with any other party, whether on a national, provincial, or constituency basis. There is a fundamental difference between the C.C.F. methods and philosophy and those of the Communists. We have always opposed, and oppose today, every form of dictatorship, including Communist dictatorship. We abhor Communist methods in crushing political opposition whenever and wherever Communists become the dominant force in a country.

We know that at bottom the Communists have not changed their views about the C.C.F. and democratic Socialism. They have always declared democratic socialist movements to be their principal enemy and their ultimate objective is to "liquidate" such movements as the C.C.F.

The present Communist policy is therefore just a manoeuvre. The C.C.F. will have nothing to do with it."

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That, Mr. Speaker, is the official policy of the C.C. F., and has been for many years.

I would like to deal with another matter which has been raised by the hon. member for the Mediterranean Area (Mr. Embury), a gravel contract. The hon. member for the Mediterranean Area the other evening spent a great deal of time trying to prove to this House that there was something very wrong with the fact that a contract had been given to the President of the East Side C.C.F. I am going to admit very frankly that I think politically it was a very great mistake. I think politically it was bad; but I want to say this, that as far as there being anything morally wrong, or economically wrong, there is not.

I have seen the books of this company; I have examined the vouchers, the cheques. I know where the money went, and am prepared to say this afternoon. Here is the statement:

“Truck drivers — here we have a total of 17 truck drivers who received in salaries \$12,604.71.

The men who were doing the loading and stripping received \$1,391.66

There, Mr. Speaker, is a total of approximately \$14,000 that went to these men. Then, too, the gas, oil, repairs for loading, stripping, moving, running out checking these contracts — \$2,000. It is a bit more than \$2,000, but I cannot give you the exact amount.

This gentleman had an investment of \$15,000: 20 per cent on \$15,000 would be \$3,000. If you add those items together, you will find \$18,996.37. The total amount which was received by the contractor and paid by the government, was \$19,081, which gives the foreman and the contractor, \$85.00, and the foreman was on the job all of the time.

I would like to say something else and that is that the department officials had advised this work is among the best work which was done in the whole department last year. Moreover, the average cost per cubic yard for the seven contracts, was 87 cents, the lowest in the history of the province, and at the same time the job was done at its best.

I said at the outset that I felt politically this was a mistake. I feel very keenly. Just as I felt it was a mistake when the Conservative Government was in power, to give contracts to Dr. Johnstone and people who were well up in the Conservative Party. Of course, that was not a \$19,000 contract; that was real money.

Mr. Speaker, the hon. gentleman across the way, made a big noise for such a little thing. On the other hand, at the same time he dealt with another question. The Premier raised a question on a certain dye contract, in this House. On that occasion, the hon. member for the Mediterranean Area (Mr. Embury) said: “I do not know anything more than what the Premier told us — and I care less”. He is not interested; he does not care about the amount a West End lawyer makes, but he is very much concerned about an East

Side butcher.

The Premier, the other day, made the statement that the previous Government had paid \$5.80 per pound for dye whereas the present administration paid \$2.36 per pound. He said that the difference either went into somebody's pocket or to the campaign funds of the Liberal Party. Well, we have a statement here from Mr. Deis, who was the Managing Director, the owner of two shares (he and his wife together with three out of the four shares). Mr. Deis stated that ever since the company had started in 1940 it had made a net profit of \$2,212. Now, the Premier did not say definitely that the Liberal Party had made anything out of it, but Mr. Deis answers that question for us. Mr. Deis says that: "the company had not, but I, personally, have made contributions to the Liberal Party, and propose to continue doing so". He also denied that he had been secretary of the Liberal Party at any time. Well, perhaps that is true; but he is very active — I have here the press report of the convention in 1945, and I notice the names of the councilors at large included Mr. P. S. Deis, Regina, the same gentleman.

Then, too, Mr. Culliton issued a statement in connection with this. Mr. Culliton said: "I want to assure the Premier that I accept full responsibility for the administration of the Tax Commission from December 1, 1938 to May 1, 1941, at which time I resigned my portfolio to enter the army. Secondly, I have not, and have never had, any knowledge of the internal organization and operation of Acme Dye and Chemical Limited. I know nothing of any profits which may have been made by that company or by any of the others with which the company did business". And so on. Some people may believe that statement — frankly, I do not. Mr. Culliton was the Minister in charge at a time when dye was bought at a price of \$5.80, when it had been offered to the Government at a price of \$3.55. Mr. Speaker, I wish to table some letters this afternoon, to back up all the statements I make in this House.

Here we have two letters, one on April 16, 1940, from Harrison and Crossfield. Might I explain that Harrison and Crossfield is the Canadian representative of the National Aniline Division of the Chemical Dye Company, Chicago. This is to Colonel L S. Sifton: "Further to our letter of April 15, we were able to clear and ship you by express ten pound oil purple dye stain, and regret, through miscarriage of custom papers, that this shipment has been delayed. We are able to quote you, in thousand pound lots, F.O.B. Regina, a price of \$3.30 per pound. Trusting that this price will put us in a position to obtain your business and awaiting your further word with interest".

Well then, another letter came in on July 11, of the same year, addressed to Col. Sifton, also: "With reference to our previous quotation to you on National, or purple dye, we are compelled through increased costs of imports to revise this price and quote National oil purple as follows: 500 pounds and up \$3.55 per pound. These prices are F.O.B. Regina, Sales Tax not included or absorbed".

Now, Mr. Speaker, \$3.55 was the price quoted on July 11. In September this company was formed; on September 23, I believe. Then, on October 15, 1940, an order was given for this dye. I would like to table

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now the various orders which were placed with the Acme Dye and Chemical Company. These orders show that, on October 15, there was purchased 979 pounds, at a cost of \$5,678.20; April 17, 1941, 1,000 pounds at \$5,800; April 29, 1941, 1,002 pounds at \$5,811.60. I pause there, Mr. Speaker, because according to Mr. Culliton's statement, he does not assume any responsibility for what happened after that date, as he joined the army on May 1.

The next order was on April 1, 1942 — while the hon. Member for Moosomin was in charge of the Tax Commission. I want to say here: personally I do not think the hon. member for Moosomin (Mr. Procter) knew anything about it — I will accept his word. I believe he is a man of his word and knew nothing of it, because their orders would be placed in the regular way. I would like to say, also, that the Premier's statement the other day said that he too — I will read it: "I want to say in all kindness to my hon. friend that most of this went on in 1940, 1941 and 1942. I can quite believe that he knew nothing about it, but it is difficult for me to believe that the Provincial Secretary, now the Liberal candidate for Gravelbourg, knew nothing about it". So the Premier and I agree that it is doubtful the hon. member for Moosomin (Mr. Procter) knew anything about it.

In 1942 there was a total of 17,000 pounds purchased, as will be shown by the document which I have just tabled. I would like now to lay on the table a voucher for payment — a voucher of April 17, 1941, showing that this was approved by Mr. Loy S. Sifton; and also the invoice which is signed by Mr. P. S. Deis, in which he says: "This price does not include war exchange tax. We hereby certify the Dominion Sales and Excise Tax has not been included in the above invoice price". Here is an invoice to show that \$5.80 was paid.

I would also like to table another invoice for June 25, 1942, to show that the same price was paid at that time — \$5.80 per pound.

Now, Mr. Speaker, we come up to the time when there was a change of Government. The present Government established a purchasing agency — no longer do we just give out contracts to the people that had them before. We now call for tenders. We called for tenders; we were not satisfied with the bid of this company which, by the way, was \$5.00 per pound. Now you may say that the dye must have been reduced by 80 cents per pound.

Well, I would now like to table a telegram which we received, last week, from the National Aniline Division of Chicago, Illinois:

“OUR PRICE OIL PURPLE FOR THE YEAR 1940 TO NOVEMBER 1946 INCLUSIVE WAS \$2.13 PER POUND IN ONE HUNDRED POUND KEGS UNITED STATES FUNDS FOB BUFFALO FREIGHT ALLOWED TO DESTINATION STOP ANY EXCHANGE IMPORT TAXES AND DUTIES FOR CUSTOMERS ACCOUNT.”

So that the reason that this was \$5.00 rather than for \$5.80 was not because of any reduction in the price.

I endeavoured to find out exactly what the Acme Dye paid for this, in order that we might determine what the profit really was. First, I telephoned Chicago; they advised that they had not sold any dye to this company and it had all gone through Harrison and Crossfield, Winnipeg. I then got in touch with Harrison and Crossfield in Winnipeg, to find out what the dye cost — we also tried to find out how much they had sold, but their wire says:

“FURTHER WRITERS TELEPHONE CALL THIS AFTERNOON REGRET FURTHER DELAY AND OUR POLICY DOES NOT PERMIT GIVING ANY DETAILS OF GRADING DONE WITH INDIVIDUAL CUSTOMERS OUR JOBBERS SELLING PRICES NATIONAL OIL PURPLE 6925 IN 1940 WERE NO MORE NO LESS SMALL LOTS \$3.95 LBS FOB WINNIPEG SALES TAX EXTRA ONE THOUSAND LBS AND OVER BARRELS \$2.67 KEGS \$2.71 LATER 1941 AND TO DATE BARRELS \$2.67 KEGS \$2.70 PER POUND FOB US SHIPPING POINT FREIGHT ALLOWED WINNIPEG OR REGINA CANADIAN FUNDS ALL OTHER CHARGES CUSTOMS DUTY WAR EXCHANGE TAX AND SALES CUSTOMERS ACCOUNT.”

I would like to table this telegram too, Mr. Speaker, it is a very interesting document.

This dye was purchased from Winnipeg at a price of \$2.70 per pound, and \$2.71 for the first small order. In addition there was custom duty of 20 per cent on the American price. Now let us look at that to see if we can put the picture together. The price the National Aniline Dye company charged — \$2.13 per pound. To the best of my knowledge that is what Harrison-Crossfield would have to pay, plus, of course, the exchange on the Canadian money, of 23.4 cents, making a total of 2.364 cents. Then there would be duty of 20 per cent — that is 47 cents per pound, so that they would pay \$2.83 a pound. They sold that dye to the company here for \$2.70 plus the 47 cents duty, which would be \$3.17 a pound. \$3.17 per pound would be what it would be sold to the local firm for.

Now, Mr. Speaker, we paid \$5.80 for it and they paid \$3.17. I leave it to the members of the House to figure out for themselves what there was made. I am satisfied that there was \$50,000 profit made by the Acme Dye and Chemical Company, with an investment of \$100.00. The facts are there; the facts speak for themselves. I do not think it is necessary for me to say any more. I think the case is clear that money was wasted by the previous administration. I do not know where the money went. I rather suspect Mr. Deis got the lion's share — I suspect the other partners got a share. One might wonder if there were others who got a share, too. I want to say, Mr. Speaker, that when the voucher came down to be signed in 1940, the man in charge of the Gasoline Tax Division refused to sign it — the thing was so rotten he would not touch it. He refused to sign that voucher. Needless to say, from that time on he was under the iron heel of Colonel Sifton, and never got any promotions from that day forward. He knew what was going on: Colonel Sifton knew what was going on. Colonel Sifton has signed these vouchers that this price was fair and just. He was a party to defrauding the people of this

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province of thousands of dollars; and yet, I do not know what can be done with people like that, Mr. Speaker, there is no law against it. I think it must be left to the court of public opinion to deal with people who support that sort of thing.

Now, for the next few moments I would like to deal with the question of the size of the Budget. That is, that the Budget is too large. Well, Mr. Speaker, we will have to agree that the Budget is considerably larger than any previous Budget, but when you put in the extra amount required for old age pensions, when you consider that when I think all hon. members will agree that there is not much more in that Budget than to take care of the normal increase in the cost of living which affects governments just as it affects individuals. In other words, we are going through a highly inflationary period. This year when I sat down with the different Ministers going over their estimates, we found that there were enormous amounts being included over and above expenditures last year, for foodstuffs and wage bills. All this went up because of the increased cost of living.

There is one thing this Budget debate has done, Mr. Speaker, and that is to show that at last we have the Liberals in two 'camps'. We have in one 'camp' the members seated in this House who were talking about the Budget being too big, and we have the others speaking over the radio, Mr. Tucker, Mr. Staines, Mr. Culliton. The ones on the outside are all talking about how they are going to spend a great deal more money. So, if this Budget debate has done nothing but that, it has shown a definite rift in the Liberal Party. It has shown a definite difference of opinion between the two groups.

The hon. Leader of the Opposition should read some of the speeches being made by his Leader, Mr. Tucker. You know, Mr. Tucker is going to reduce the revenues of the province by approximately \$11,000,000! Where is he going to get it? Well, if we take the various statements that have been made from time to time: reduction in royalty rates; put royalties back where they were. Okay, we lose a million dollars right there. He is going to reduce the hospitalization tax to \$3.00; that is another \$1,440,000 we lose. Oh sure! He is going to wipe out the education tax — another \$5,000,000. And the gasoline tax: my hon. friend from Arm River (Mr. Danielson) is going to wipe that out. He does not think we should have put in that three-cent increase. There is another \$1,800,000. The Public Revenue Tax: the Leader of the Party, Mr. Tucker, says that they are going to wipe that out. There is another \$1,500,000. And the Crown Corporations are all going to be closed up. Well, there is \$600,000.

Well now, Mr. Speaker, there you have \$11,340,000 that they are going to reduce the revenue.

Now on the other hand, what are all these promises that are being made over the radio and outside of this House? I wish one of the members could have taken an hour or two — the hon. member for Arm River (Mr. Danielson) could have used his two hours to better advantage if he

had done this — to outline for us what the Liberal Party proposed to do if, by any miracle, they should be ever called upon to form a government in this province.

I challenged them, a year ago, to tell us in this House what their policy was, but never heard one word about it from any member opposite. Is it because they cannot reconcile their opinion with that of the Leader of the Party, Mr. Tucker? Mr. Tucker, for example, says he is going to institute a complete health program. He is going to do that, sure. It is going to cost us \$4,250,000 extra to do it. Let us not forget that.

Then, too, he is going to raise mothers' allowances to the best in Canada. It would cost \$1,430,000 to bring them up to \$20; another \$1,430,000 for that. He is going to bring old age pensions up to \$40. Well, now they are up to \$35, or will be with the first cheque at the end of April. It would cost him another \$1,000,000, to bring the pension up to \$40.

Then he is going to care for the physically handicapped; provide nursing service for the chronically ill — \$2,000,000 for that. He is going to care for the unemployed. Today, we pay 50 per cent of the cost. That will cost him another \$300,000.

A rural electrification program to be instituted immediately: well now, Mr. Speaker, that is going to take a total capital cost of \$92,000,000; assuming that we put in 5,000 connections a year, that will entail an annual cost of \$6,000,000. Then he is going to do something else. He is going to provide payment for individuals with crop failures that are not under the P.F.A.A. It is going to cost them another \$5,000,000 to do that. My hon. friend for Arm River (Mr. Danielson), says he is going to give us a milk subsidy; he is going to use some of the liquor profits and give us a two-cent subsidy, even if it does cost \$1,500,000. Money is nothing to him.

They are going to increase educational grants. Mr. Tucker has definitely committed the Liberal Party to spend \$2,000,000 more in educational grants. Also they are to increase municipal grants by \$1,600,000 (a definite commitment), and increase highway expenditures by at least \$2,000,000. So, Mr. Speaker, there is \$28,000,000 more that the Liberal Party is going to spend — and they are going to cut down revenues by \$11,000,000! Whom do they think they are kidding? You know — the people of this province who have heard these statements for so long now, have lost all confidence in them.

Last year, the Premier said that the time had come to stand up and be counted. I think, again, the time has come to stand and be counted. Those who vote against this Budget are going to vote against several things that are very important for the welfare of the people of this province.

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First of all they will vote against increasing old age pensions: a vote against this Budget is a vote against the increase. Every old age pensioner in this province should know that if these hon. gentlemen stand up and vote against this Budget, they are voting against the increase of \$5 per month to the old age pensioners.

They are voting against improving our highway system. They are voting against providing money for the Hospitalization Plan, to enable us to carry it on. They are voting against free mental hospital care. Over the weekend, I understand, a couple of carloads of the members of the House went down to visit our mental institutions, and have come back very high in their praise of the work that is being done in those institutions; but that work will have to stop if this Budget is defeated.

The Air Ambulance Service; the hon. gentlemen would be voting against that — they may consider it a ‘frill’; we do not. Health service for the aged and destitute — they would be voting against that. Free cancer treatment. Humane treatment for those in our gaols — this year, several thousand dollars more is being spent in an effort to try to rehabilitate those people who have been led astray.

Feed conservation and irrigation projects: a considerable sum has been put in the estimates for this purpose, this year — a vote against the Budget will be a vote against that. Increased services for agriculture. Planned development of our natural resources. For instance, the co-operative movement, and assistance in developing trade with Britain. And great expansion to our power and telephone system — large amounts are included in the estimates for carrying on these great utilities.

Sums which are provided for administering the labour laws of Saskatchewan to see that the workers get a square deal. And, finally, these estimates make provision for increased salaries for civil servants. A Vote against this Budget is a vote against increasing salaries for the civil servants.

Yes, Mr. Speaker, to my hon. friends opposite I would say — ‘stand up and be counted’, and then throw yourselves on the tender mercies of the court of public opinion where each will be dealt with in due course, according to his just deserts.

The question being put on the Motion: “That Mr. Speaker do now leave the Chair”, it was agreed to on record division by 44 votes against 5.

SECOND READINGS

BILL NO. 81 — An Act to amend The King's Bench Act.

Hon. J. W. Corman (Attorney General): — This Bill contains two small amendments to The King's Bench Act. The first is to amend subsection (3) of section 23 as enacted by Chapter 17 of 1946, under which a person who fails to comply with an order for payment of alimony can be summoned by the local registrar to appear before a judge in chambers for examination. As a result of an examination of the debtor, and the debtor is a person liable under an alimony order, the judge, if he found that the debtor had made, or caused to be made any gift, delivery or transfer of property, had power to find that he had committed a criminal offence and to sentence him to a gaol term.

I believe that it was the Chief Justice of the Court of King's Bench had a case before him in which a person liable under an alimony order, who had refused to pay it, had made a sale of \$3,000 bushels of wheat — had put the money in his pocket and had refused to support his wife and family. And the Chief Justice was a little doubtful whether the words used, "give delivery or transfer of property" covered a sale. I may say that he found that the word "delivery" was sufficient, and I may say that a gaol term of three months was imposed in that case. But the suggestion was made that we should make it clear, and this Amendment substitutes for the words "delivery or transfer" the following words "delivery, sale, transfer, or other disposal". And the other Amendment is simply spelling the word goal correctly. Either the "o" got in front of the "a" or the other way around, but in any event we are spelling it correctly now, and I move the second reading of the Bill. Motion for second reading was agreed to.

BILL NO. 82 — An Act to amend The Public Service Act, 1947.

Hon. C. M. Fines (Provincial Treasurer): — This is an Act to amend The Public Service Act. During the war a number of people were taken on who were over age. They could not get on the permanent staff. Now the new Act, last year, requires that these people, after six months, must either be placed on the permanent staff or be dismissed. Well, they are in a position where they cannot be put on the permanent staff, and so, unless this is put through, we will have no alternative but to dismiss them. So this is to make provision for those people, that were engaged during the war to take the place of those who were away, to be allowed to be put on the permanent staff. I move second reading of this Bill.

The Motion for second reading was agreed to.

BILL NO. 83 — An Act to amend The Public Service Superannuation Act.

Hon. Mr. Fines: — This Amendment will prevent the people who were taken on during the war and are now over age, from getting into the superannuation plan (Public Service.)

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Mr. W. J. Patterson (Leader of the Opposition): — What is meant by persons, whose positions are designated by the Chairman, as part of the labour service?

Hon. Mr. Fines: — That is referring to, for instance, people up to Kamsack, if they had a bridge gang up there doing work. Mr. Speaker, that means the labour service. We do not want to have to have them go through the Public Service Commissioner. We will leave it to the foreman to get this help locally. I move second reading of this Bill.

The Motion for second reading was agreed to.

BILL NO. 84 — An Act to amend The Union Hospital Act, 1947.

Premier: — Mr. Speaker, this provides for some minor changes in The Union Hospital Act. Most of them are recommendations which have been made to us by the Association of Rural Municipalities. I move second reading.

The Motion for second reading was agreed to.

The House adjourned at 11 o'clock p.m.