

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Eleventh Legislature
27th Day

Friday, March 24, 1950.

The House met at three o'clock p.m.

ON ORDERS OF THE DAY

Hon. C.C. Williams (Minister of Labour): – Mr. Speaker, before the Orders of the Day are proceeded with, I would like to refer you to an item in “The Banks of the Wascana” which appears in this morning’s ‘Leader-Post’. It refers to a remark I made on Wednesday to the effect that buses on the rails might put the bus companies out of business; and it goes on – I will quote the paragraph:

“Mr. Williams also noticed Mr. Fines’ rosy cheeks and rapidly closed his remarks on the subject, murmuring something about how, maybe, he shouldn’t be making suggestions like that.”

I would just like to communicate to the House that the Provincial Treasurer really has no control over what I, or anyone else, on this side of the House says, or when we stop saying it, and I think he would agree with that. Actually, this Government would be willing to go out of the bus business if it would take the Railways ‘out of the red’ and end the requests for increased freight rates.

Mr. J. Walter Erb (Milestone): – Mr. Speaker, I should like to draw to the attention of the House to page 5 of the ‘Leader-Post’, this morning’s edition, in which it says: “Loptson tells the Government to reign.” We appreciate the hon. member’s confidence in this Government, and I want to assure him that this Government will continue to reign in the best interests of all the people.

BUDGET DEBATE

The House resumed, from Thursday, March 23, 1950, the adjourned debate on the proposed motion of the Hon. C.M. Fines (Provincial Treasurer): That Mr. Speaker do now leave the chair. (The Assembly to go into Committee of Supply).

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Hon. T.C. Douglas (Premier): – Mr. Speaker, I would like first to offer my congratulations to all of the others who have taken part in this Budget Debate so far. I should especially like to congratulate my colleague and desk mate, the Provincial Treasurer, for the very able way in which he presented his report to this Legislature and to the people of Saskatchewan. I think that irrespective of whether one agrees politically with the Provincial Treasurer or not, no quarters could disagree that he has conducted the financial affairs of this Province in a highly capable and efficient manner, and I think that the people of this Province, and most of the members of this Legislature, feel that the stewardship of the finances of Saskatchewan are in very capable hands.

I would also like to congratulate the member for Gravelbourg (Mr. Culliton) who acted as financial critic for the official opposition. I am sure he will not expect me to agree with the views which he expressed, but he certainly presented his criticisms in a very masterly fashion. It is not an easy thing to start in in the role of financial critic and deal with the intricacies of provincial finance, and I am sure that his own party must have been very proud of him and that all members of the House would want to compliment him on the very fine manner in which he discharged that duty.

I should like, if I have the permission to do so, Mr. Speaker, also to compliment all who have taken part in this debate so far. In the few years that I have been in this House, I think it is probably the best debate that I have seen take place. The debate has been on a high level; most of the members have devoted themselves to the matter under discussion and have given and taken their blows with a bit of good humour which, I think, helps to elevate the level of debate in this Legislature. I am very sorry that I had to miss three days of the debate. The Minister of Municipal Affairs and I left, last weekend, to go to Ottawa to attend the conference on marketing and I hope we will have an opportunity later in the Session to give a report to the House of that conference. The trip meant that the Minister of Municipal Affairs and I went, I think, for some forty hours without getting to bed, and so if this speech is duller than usual, the members will know the reason. I am particularly sorry that I missed hearing the speech of the member for Swift Current, which, I hear, was the best speech delivered this Session. I am certainly going to hear from him the story of the owl. I have heard so much about it.

I want to say that I congratulate the member from Swift Current. I am told that the “Harry Gibbs bridge” down at Swift Current is to be tested this summer – that the member is going to be wheeled over in a wheelbarrow and if it stands the strain, the bridge will be ready for public use. I want to express the hope, and I know all members will join with me, that he will live many years to ride back and forth across the bridge which he did so much to help construct.

Now, when I left to go to Ottawa on Monday morning, I had no intention of taking part in this debate, Mr. Speaker, but on my return I have been reading some of the press comments that have been made and I feel that it is incumbent upon me to make some statement here on behalf of the Government and on behalf of the Party which I have the privilege of leading in this province. I want particularly to make some reference to the speech which was made by the member for Last Mountain (Mr. Benson) and some of the

comments which have been made by the press and the Leader of the Opposition with respect to that speech. I should like to say first of all, Mr. Speaker, that I am not going to quarrel with the member for Last Mountain. Whatever his political views or his political actions may be, he and I have been very good friends for some fifteen years, and I hope that, whatever action he takes politically, that friendship will continue.

In the fifteen years that I have been in public life I have tried to see to it that my political opinions have never interfered with my personal friendships. Life is too short and friendship too scarce to allow differences of opinion on political questions to interfere with one's personal relationships. I have today many good friends in the Liberal Party, the Conservative Party and the Social Credit Party. I never go back to Ottawa but what I meet many friends with whom I have had stiff political battles. I think they are glad to see me and I can honestly say that I am very glad to see them. Every man must live with his own conscience, and if the member for Last Mountain feels that he must sever his relations with the C.C.F., that is a decision, of course, which he will have to make. Whatever decision he makes, and whatever action he takes, I know that he will take it in all sincerity because he believes that it is in accord with his conscience. If he decides to leave his association with the members on this side of the House, I can tell him that he will go with our deepest regret and with our profound respect.

But, Mr. Speaker, because of the statements which he has made, some unwarranted inferences have been drawn by the press and were drawn again, yesterday, by the Leader of the Opposition. I don't need to quote all these editorials. Let me just quote a couple of them. The 'Moose Jaw Times' of Tuesday, March 21st, concluded an editorial by saying:

"If Mr. Benson had not been inside the Party and able to observe what was going on and to be able to say that he had opposed the Government from within, his reasons for withdrawing would not be so interesting."

The Regina 'Leader-Post' of March 21st said:

"Since the parliamentary system of government rests on the expression of the will of the majority, caucuses, if properly conducted, perform a useful function in arriving at the determination of what the majority will is. However, if caucuses are dominated by the advice of imported Socialist planners, and if the rank and file members are not encouraged to be other than rubber stamps, the caucuses could not be otherwise than a meaningless gesture towards the democratic principles of government. Mr. Benson's quarrel appears to be not so much with caucuses in general, but with the particular C.C.F. rubber stamp variety."

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Mr. Speaker, that leaves me no alternative but to remind the members of the House and the member for Last Mountain that there is no group of men anywhere who are less of the rubber stamp variety than the members who sit on this side of the House. Our movement is a People's Movement. The member for Saltcoats (Mr. Loptson) last night twitted us with the fact that we "of course could only hold our seats from year to year and had to report back to constituency conventions and to provincial conventions," – and that, Mr. Speaker, is true. I have no reason to apologize for the fact that, once a year, I have to go back and report to the people who elected me to the office which I hold. All of the members can't understand why we have that provision. When the C.C.F. was being organized in the early part of the 'thirties, the memories of people were still fresh with the painful episode of the Progressive Party. People still remember what happened to Tom Crerar and many of the others who started out as Progressives and ended up in the Liberal Party. The people were determined that if they built a party with their money and through their effort, they were going to control that party, and the leaders were not going to be able to sell them down the river. That is why the power is vested in the constituency conventions and in the provincial conventions and, when the convention is not sitting, in a provincial council on which every provincial constituency is represented.

Now, Mr. Speaker, in a movement like ours it is natural that there will be differences of opinion. It is natural that every member can't get all the things that he wants, but he has a right to go to those conventions and council meetings to argue and to place his ideas before the rest of the group and to put up the best battle he can. If he can't persuade the others to agree with him, if he can't make his case before his peers, he always has the right, in this Legislature or anywhere else, to say that he doesn't agree with the majority; and, Mr. Speaker, far from being rubber stamps, I want to point out that there are more members on this side of the House who have voted against their party than I have ever seen vote against the party on the other side of the House. I want to remind the House that in the previous Legislature, Mr. Burgess, the former member for Qu'Appelle-Wolseley, Mr. Putnam and the member for Last Mountain have quite often voted against the Government. I want to point out that, in this Session, my friend, the member for Swift Current has, in convention and in caucus, spoken against the Education Tax, and the other day, I understand, voted against any extension of the sales tax principle. That is his conviction and nobody stops him.

Mr. Speaker, when the member for Last Mountain says caucuses should be conferences but not an institution that binds free men, I agree with him. But the only way you can have a conference is for a person to be at the conference and express his views, and it is only fair to say to this House and to the people of this Province that the member for Last Mountain hasn't attended C.C.F. conventions or C.C.F. councils or C.C.F. caucuses, except intermittently, over the last number of years. He is not speaking from any experience inside, where he has been whipped into line or where he has been subject to discipline. He said himself, "If I have failed to perform my duties and to persuade the Government to conduct the affairs of the Province as I think they should be conducted, then I blame no one but myself." Mr. Speaker, I don't blame him because he didn't persuade the C.C.F. Movement or the Government to follow a certain line of conduct. I blame him because

he didn't try. He has never come to caucus and never come to a C.C.F. convention to advocate any of the things that he advocated the other day. But that is his privilege – to stay away; but let it not be said that he is differing with the caucus or differing with the C.C.F. Movement because they forced him to follow a line of conduct which was against his conscience. I put it to any member on this side of the House; I would ask any of them if I, directly or indirectly, have ever suggested to them at any time how they should vote on any question whatsoever. Members on this side of the House are free, and will always be free as long as we have the kind of Movement we have – to vote as they think best.

I was rather amused yesterday, Mr. Speaker, that the Leader of the Opposition found some comfort in the fact that the member for Last Mountain said that the C.C.F. was no better and no worse than the Liberal Party. Well, Mr. Speaker, that is a damning indictment of the C.C.F., but it is a much worse indictment of the Liberal Party. The Leader of the Opposition, who thinks that the fact that we have been dragged down to their level is a black mark against us, doesn't give a very high opinion of what he thinks the standard of the Liberal Party is. Well, as a matter of fact, Mr. Speaker, on that point I cannot agree with the member for Last Mountain, that the C.C.F. is no better and no worse than the Liberal Party. I will go further, Mr. Speaker, and suggest that I don't think the people who supported the hon. member in the Last Mountain constituency will agree that the C.C.F. is no better and no worse than the Liberal Party.

There is only one other comment I should like to make with reference to the hon. member's speech and that is that he expressed the opinion that, when I recommended to His Honour, the Lieutenant Governor, that Mr. Bentley, the member for Gull Lake, should be appointed as Minister of Public Health, I drove a dagger into the heart of every private member on this side of the House. Mr. Speaker, I believe the hon. member when he said that he was speaking for no one but himself. I do not think that there is a single member on this side of the House who felt there had been any slight against him in any way because of the appointment of Mr. Bentley. Mr. Bentley was appointed because it was felt, and I think correctly, that his long contact with the farm movement and with the co-operative movement, his wide knowledge of the problems that pertain to the agricultural community of the Province, and the experience which he had in the Federal House, fitted him very properly to discharge the responsibilities of a Minister of the Crown. I can say, Mr. Speaker, in the few months that he has held that office, he has more than borne out the confidence which was placed in him at that time.

Now, Mr. Speaker, may I say just a word or two about the speech made by the Leader of the Opposition, yesterday. The Leader of the Opposition, yesterday, and I think the tendency has been growing throughout the Session, seemed to be suffering from a bit of a martyr complex, He complains that we jeer at him, that we sneer at him, that the Speaker is unfair to him, or someone is always trying to keep him from getting something to which he is entitled; that he is doing his best but we are always trying to keep him from discharging his duties as Leader of the Opposition. Well, all I want to say to my hon. friend is that some of his party ought to tell him that his persecution complex is showing, that nobody at all wants to persecute him in any way, and that we want to help him all that we can to discharge the very fine responsibility which is his – the very great responsibility of the Leader of His Majesty's Loyal Opposition.

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The Leader of the Opposition was, yesterday, in a very buoyant mood with reference to what is going to happen in the next election. Of course that is not unusual. In this Province we always live on next year's crop and the Leader of the Opposition always lives on the next election. In 1947 and 1948 he was brimming over with confidence as to what would happen when the C.C.F. Government went to the country. Well, they went to the country, and in spite of the fact that my hon. friend joined with the Progressive-Conservative Party, the people of this Province gave to this Government a mandate to continue the programme which it had started in 1944. Well, since that didn't work out, he is continuing now the same line of prophecy for the next election, and that, of course, is his privilege.

I just want to remind him that it is sometimes wise not to count your chickens until the eggs are hatched. A couple of years ago there was a gentleman in the United States called Thomas E. Dewey, who became presidential candidate. His party had just won some congressional election; all the newspapers were supporting him and his candidature; all the polls and pollsters were prognosticating that he would walk into office without any difficulty whatsoever. I am told by some of the American newspapermen that when he would be going to a meeting, his bodyguards would go ahead of him and say, "Make way for the next president!" 'Life' magazine printed a picture on the cover. But something happened, Mr. Speaker. Mr. Dewey and the political pollsters and dopesters had forgotten the man and woman on the street; they had forgotten the farmers and the workers and the little ordinary people who weren't fooled by newspapers and polls, and who went to the polls and cast their ballots in the interests of another candidate. I want to remind my hon. friend that elections aren't won by just making prophecies. When the time comes for the people in this Province to vote, I am quite prepared to leave it to them, in confidence that they will use their own best judgment.

The Leader of the Opposition keeps talking about the Government "hanging on." He said the Attorney General suggested we might hang on until 1953. Well, that comes with poor grace from a party that hung on for six years to office, and of course they say, "It was the war." Mr. Speaker, the war had nothing to do with it. That was an excuse, not a reason. We had a Federal election during the war, and in the winter to boot. We had several provincial elections in the war, and as a matter of fact even the 1944 election was still during the war. War had nothing to do with it. The fact is that the gentlemen opposite and the party which they represent – and some of them were in the House at that time – voted to stay in office beyond their legal term. Mr. Speaker, that is something I can hereby assure the people of Saskatchewan will never happen as long as this Government is in power. We will give the people of this Province an opportunity to decide at the ballot box whether or not this Government is to stay in office or whether they wish another Government to take its place. I have every confidence, because I believe in democracy and in the ordinary sense of the man on the street, that when that time comes, we will with confidence place our fate in the hands of the people for whose interests we have worked so hard.

Now, Mr. Speaker, I would like to turn to what have been the main criticisms of the budget that has been advanced by the Opposition members who have spoken.

Their first criticism is that the budget is too large. Of course none of them have suggested how it could be reduced – it is just too large. Each one of them gets up and wants more money for highways, more money for power, more money for education, but they want the budget to be smaller. They want to get more and more milk out of a smaller bottle. Well, Mr. Speaker, it is interesting to note that while the budget is up in Saskatchewan – taking 1944 when we came into office as a base year – our budget is up 85 per cent, but the budget of Manitoba is up 115 per cent since that date; the budget of Alberta is up 250 per cent; the budget of British Columbia is up 250 per cent; the budget of the Dominion of Canada, which, when the Leader of the Opposition and myself entered the House of Commons in 1936 stood at a little over four hundred million dollars, is now over two thousand million dollars. I am not objecting to that. The Dominion budget, today, has in it an item for defence expenditures which alone is greater than the budget was when the Leader of the Opposition and I entered the House of Commons. The interest on the national debt of Canada is greater today than was the entire budget for the Dominion Government in 1936. I am not objecting because the Federal budget is four times as big as it was in 1936. If the people of Canada want these services – if they want family allowances, if they want old age pensions, if they want an adequate defence system, then we have to find the money to provide these services. When the hon. members come in here and talk about our budget being big, it must be remembered that it is only an 85 per cent increase over 1944, and that we are now spending a sixty-cent dollar. A dollar today will only buy what sixty cents would have bought five or six years ago. Ours has increased 85 per cent, and every other government in Western Canada and the Federal Government have increased their budgets to a much greater extent.

Now I think that, in all fairness, if the hon. gentlemen opposite think the budget is too big, they had a public duty to perform. That public duty was to stand up in this House and say, “Since this budget is too big, I think the highway expenditures should be cut by two million dollars; I think a million dollars should be taken off education; I think we should discontinue giving health services to the old age pensioners; I think we should discontinue giving free cancer care; I think we should discontinue free textbooks for the children in public schools.” They should make specific recommendations as to how this budget could be reduced. Have they done so? No! Everyone of them has asked for increased expenditures and for a smaller budget.

The only member of the Opposition who really faced up to the problem was the member for Gravelbourg and I quote his statement from page nineteen of the transcript of the record of this House:

“When we look over the whole picture we come to this conclusion, that this Government has now established a standard of expenditure and service that cannot be sustained by this Province.”

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Now there, Mr. Speaker, is a categorical statement – “That we have established a standard of expenditure and service that cannot be maintained.” Am I to take it then that the Liberal Party is in favour of reducing the standard of services we now have? They are on record, and if they are, will they tell us which of these services they want discontinued? Will they tell the people of the Province of Saskatchewan which of the services they will discontinue should this Province ever be so unfortunate as to have them sit in the treasury benches?

Now the member for Gravelbourg has a perfect right, if he believes that the services and standards we have set up cannot be maintained for this Province – he has a perfect right to say so. But that is the point on which we differ. We don't think that the standard of services is greater than our people are entitled to or that we can maintain.

Mr. Speaker, there are only two things that decide what standard of services a province or a nation should have. The first is – what services do the people want? The second is – are we capable of producing the necessary wealth to supply those services? Well, Mr. Speaker, I don't think there is any argument about the fact that the people want these services; as a matter of fact, they want many more services, but they at least want these services. Can we produce the wealth to supply these services? I believe we can. I don't think we are a contracting economy; I think we are an expanding economy. I think this country is on the march. I think this Province is on the march. We can't always live in the retrospect of the 'thirties. We must look forward to the 'fifties and the 'sixties. This country is capable of producing great wealth, and I believe that whatever is physically possible can be made financially possible, not just by a province, but if the federal, provincial and municipal authorities of Canada are prepared to sit down and plan the production of the wealth of this country and to plan its redistribution, we can enjoy even a higher standard of social and health and educational services than we have at the present time.

The second objection to the budget is that we haven't passed enough of the benefits from increased revenue to the municipalities. Now this is a statement that they have made over and over and over again. They think that, if they repeat it often enough, somebody will believe it. I think it was Ingersoll who said: “Falsehood can run around the world twice while truth is tying up its shoelaces.” Well, sometimes that is true, but eventually truth catches up. The Leader of the Opposition says, “Why, in Manitoba they took half of their increased grant under the taxation agreement – nearly three million dollars – and gave it to the municipalities.” He mentioned that three million dollars over and over and over again, and that if we did the same thing we would be giving the municipalities four million dollars.

Mr. Speaker, I think I can show this House that we have given to them many times four million dollars. Let us look at some of the things that have been given to the municipalities.

Let us take, for instance, education. These figures are not new to the members of the House, but I want to refresh the memory of the Leader of the Opposition. In round figures, in 1943-44, the last budget before we came into office, grants to the municipalities for education paid

by the Department of Education – \$2,766,000; this year – \$7,269,000. That, Mr. Speaker, is an increase of four and a half million dollars just for education paid out to the municipalities. The Leader of the Opposition said, yesterday, it is a very small increase in the percentage the grants bear to the load of taxation. It is not a small increase. In 1943-1944 grants accounted for only twenty-four per cent of the cost of education; this year they account for forty-one per cent. That is an increase of nearly seventy per cent in the responsibility for the cost of education which is being borne by the Provincial Government. That four and a half million dollars alone is more than the entire amount being turned over to the municipalities by the Province of Manitoba.

Or if we take hospitalization. In payment of hospital bills, including cancer patients and old age pensioners, and so on, and the money which we pay to Union Hospital Districts, we pay for hospitalization out of the provincial treasury, leaving out altogether the \$10 per head and the \$30 per family which the taxpayers pay – our contribution, this year, will be \$4,462,000 as compared with about one-tenth of that in 1943-1944 when it was \$487,000.

The grants of this Province to municipalities for medical care to help them hire municipal doctors and to enter medical care schemes – in 1943-44, nothing; this year, \$547,000; for hospital construction – 1943-44, nothing; this year, \$300,000; for tuberculosis control paid on behalf of the municipalities – 1943-44, \$273,000; this year, \$440,000; Social Aid, of which we pay fifty per cent of the cost of caring for people who can't care for themselves and the municipalities pay the other half – 1943-44, \$266,000; this year, \$553,000; market road grants – 1943-44, \$120,000; this year, \$405,000.

If you add it up, the total for 1943-44 paid out in grants to municipalities is \$3,966,000; this year, \$14,880,000. Even if you take off the hospitalization, it is still in excess of ten million dollars. That is an increase, Mr. Speaker, of 375 per cent in grants to municipalities, and then my hon. friends say we pass nothing on to the municipalities.

I think the prize for the most absurd statement made in the entire debate, of course, goes to the member for Arm River (Mr. Danielson). By the way, I want to thank the member for Arm River. We got a little letter this morning which says, "After listening to Mr. Danielson on the radio broadcast, we figured it was high time we renewed our membership with the C.C.F." They sent in a postal order for a family \$5.00 membership with the C.C.F., and I want to thank the member for Arm River. I am going to ask the radio committee of the House, Mr. Speaker, if they could arrange to get the member for Arm River on the radio more often. I think we could probably get the C.C.F. to agree to put the member for Arm River on a commission basis – we will give him ten per cent of everything that comes in.

The member for Arm River said, the other day, in the course of the debate, that we hadn't cancelled the seed grain to the farmers; we simply spread the burden over the rest of the people of the province. Well, Mr. Speaker, of course any cancellation on one group in the community has to be borne by the rest of the community. The Government represents all the people, and when it cancels the indebtedness for one person or one group of people, and the Government assumes it, then all the rest of the people are assuming it. It can't go into thin air – somebody has to assume it. But,

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Mr. Speaker, this burden of seed grain indebtedness was taken off the municipalities who had signed the notes and was taken off the farmers who had signed the notes.

There isn't any disputing the facts; here they are. Under Chapter 54 of the Statutes of 1945, we provided for cancellations amounting to \$1,175,000; under Chapter 55 of the Statutes of 1947, we provided for the cancellation of seed grain indebtedness of \$14,952,000. We assumed the interest on this, which amounted to \$3,802,000, making a total of \$19,929,000. Then there was \$35,000,000 of relief debts cancelled, part of which was the result of a cancellation of \$36,000,000 by the Federal Government. But, in addition, there was a 1938 seed grain cancellation. We took over fifty per cent of the original principal which meant that we had to account for \$9,973,000. We had to take care of the accrued interest on bank loans of \$3,215,000. Then we paid back to the farmers money which had been collected from them by the Liberal Government; we paid back to the farmers of this Province \$1,633,000. You can't tell them that it wasn't cancelled! They got it back in cold cash. That makes a total of \$69,752,000. Now, as I said, \$36,000,000 of relief debts out of some \$72,000,000 was cancelled by the Federal Government. Let us take that \$36,000,000 off, and that still makes \$36,752,000 of seed grain and relief debt which the people of Saskatchewan as a whole took off the backs of the municipalities and farmers of this Province.

Now, Mr. Speaker, I could go into many other things that have been done for the municipalities. We have not only given them these increased grants which I have mentioned – an increase of 375 per cent – but if you look at such things as grasshopper control – in 1943-44, \$1,600; 1950, \$220,000. If you look at health care for pensioners and welfare recipients – 1943-44, nothing; this year, \$816,000; or care for cancer and polio patients – 1943-44, \$98,000; this year, \$624,000; child welfare – 1943-44, \$166,000; this year, \$564,000; care of physically handicapped persons – 1943-44, nothing; this year, \$70,000; rehabilitation of the Metis – 1943-44, nothing; this year, \$27,000; social assistance to municipalities, where we accept not the fifty per cent I spoke of a moment ago, but where we accept one hundred per cent responsibility – 1943-44, nothing; this year, \$284,000. Bridges – and the member for Cannington will be interested in bridges – 1943-44, \$120,000; this year \$240,000. Secondary highways, principal market roads – 1943-44, \$170,000; this year, \$245,000. These items alone make a total of – 1943-44, \$700,000; this year, \$3,480,000, an increase of 500 per cent.

And so one might go on about other services which have been a distinct benefit to the people in the rural municipalities. The expenditures for the Power Commission, for instance, were – 1943-44, \$297,000; this year, \$5,000,000. Telephones – 1943-44, \$215,000; this year, \$4,160,000. Old age and blind pensions – 1943-44, \$783,000; this year, \$3,000,000. Preventive health services, public nursing and so on – 1943-44, \$189,000; this year, \$362,000.

Mr. Speaker, there has been some talk here about what Manitoba has done for the municipalities and a Federal member, I believe it is the member for Maple Creek, Mr. Studer, suggested in Ottawa that it would be a good thing to cut the Province of Saskatchewan in half, and put one half

of it into Alberta and one half of it into Manitoba. Well, Mr. Speaker, I think the people of Saskatchewan will have something to say about that. It will just be as well to make a comparison between these provinces, and I ask these people to remember that Saskatchewan over the last twenty years has come through a great period of drought and depressed farm prices, that Alberta has had for twenty years an oil industry whereas ours is just in its infancy, and that Manitoba has located in Winnipeg industries that have grown up over a period of the last forty years that we haven't got located here. In spite of that comparison, in spite of the fact that the Rowell Commission said, back in 1940, there was probably no place in the civilized world where there had been such a loss of income and such depressed conditions as were to be found in Saskatchewan, here is how we compare in the last figures available, 1948-49, with Alberta and Manitoba.

If we take education grants for 1948 – Manitoba claimed it had \$3,465,000, Alberta \$5,259,000, Saskatchewan \$5,320,000. We were higher in grants than any one of the other two provinces. Now, of course, it may be said, "You have more pupils in Saskatchewan." That is true. If you take the per capita per pupil, we find it is Manitoba, \$28.77; Saskatchewan \$33.49 and Alberta, \$33.58, some nine cents more per pupil in Alberta and about \$5.00 less per pupil in the province of Manitoba. If you take hospital and medical care in the period 1945-1949, the amount spent by the Manitoba Government was \$3,458,000; by the Alberta Government, \$9,432,000, and by the Saskatchewan Government, \$13,942,000. If you take the amounts spent for hospital construction: Manitoba, \$52,000; Alberta, \$53,000, Saskatchewan, \$800,000. If you take the amounts spent for welfare of recipients: Manitoba, nothing; Alberta, \$1,454,000; Saskatchewan, 4,069,000. If you take the grants to rural municipalities and health regions: Manitoba, nothing; Alberta, nothing; Saskatchewan — \$502,000. Air ambulances: Manitoba, nothing; Alberta, nothing; Saskatchewan \$428,000. If you take the amount of mothers' allowances paid out in 1948: Manitoba, \$383,000; Alberta, \$643,000; Saskatchewan, \$1,026,000. Then the amount of old age pensions paid out: Manitoba, \$1,551,000; Alberta, \$2,744,000; Saskatchewan, \$2,625,000. Saskatchewan paid considerably more than a million dollars more than Manitoba and only a few thousand dollars less than the Province of Alberta.

Mr. Speaker, I suggest that those facts prove conclusively that this province has not only passed back to the municipalities more than half of its share of what it got from the taxation agreement, but it has passed back infinitely more, and it has taken off the backs of the municipalities responsibility that has been taken over by no other provincial government in the Dominion of Canada.

Now, Mr. Speaker, the next objection which the Opposition has to this budget is that they are opposed to the increase in the sales tax from two per cent to 3 per cent. The Leader of the Opposition, several times yesterday, said the Government promised to take this tax off as soon as they got revenue, instead of which they have increased the Education Tax 50 per cent. Mr. Speaker, that statement is not accurate. The education tax has not been increased 50 per cent.

First of all, the exemptions have been increased so that the Education Tax does not apply on meals, groceries, drugs and a number of farm commodities that are being provided for in legislation to be submitted. As the Provincial Treasurer has already pointed out, 40 per cent of the Education

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Tax has been taken off. The increase we are proposing today is not an increase on the Education Tax. The Education Tax will still be two per cent, and then on only 60 per cent of the items it was on before.

What we are asking for is another one per cent not for education but for hospitalization. Well, Mr. Speaker, if we are not to have this one per cent to meet the deficit in hospitalization, I submit that the Opposition have the responsibility to tell us how this deficit is to be met. Everyone knows that we have been providing hospitalization in this Province for over three years at less than it could be procured anywhere else in the civilized world. For the first two years, 1947-1948, we provided complete hospitalization for a payment of \$5.00 per person per year, with a maximum of \$30.00 a family. There isn't a place in the civilized world, where records are kept, where people could get hospitalization for that small amount. Last year, because of increased costs, we were compelled to raise it to \$10.00 for adults, \$5.00 for children, but still a maximum of \$30.00 per family. All hon. members know that the hospital tax brings in roughly five and one half million dollars, that the Government puts in another one and one half million dollars to provide for hospital care for old age pensions – to provide for an amount of money in lieu of the old hospital grant that used to be paid, of 50 cents per patient per day. That brings it up to seven dollars – but hospitalization, last year, cost us about ten and one quarter million dollars. If hospital costs keep rising, it will cost us, this year, probably eleven million dollars, so that there is a deficit of somewhere between three and four million dollars that has to be made up. Nobody across the way has suggested how it should be made up, with the possible exception of the member for Saltcoats, Mr. Loftson, who said, last night, that he thought the Government should cut down on the overhead, the administration costs. Now that is a legitimate criticism and should be examined. What are the facts?

The facts, are, Mr. Speaker, that, in 1947, the administration costs for our entire hospitalization scheme were 7.9 per cent, the lowest ever found anywhere a scheme like this has been tried out. In 1948, the administration costs had been cut to 6.2 per cent and in 1949, the administration costs were cut to 5 per cent.

Let me point out that the only similar plan it can be measured against is the Blue Cross Plan. I have the report of the Blue Cross people here, and in 1949, they cut down their administration costs to the lowest figure they had ever got it down to. What was it? – 1.11 per cent. We have our administration costs down to 5 per cent and I submit that is probably as low as you can get those costs, no matter what you do. There is no reason why we should not keep on trying, but the administration costs aren't the big factor in this item. The big factor is that, every year in Saskatchewan, we have about 155,000 or 156,000 adults who go to hospital. There are 20,000 new born children who are born in hospitals, and their bills have to be paid out of this hospitalization fund. I want to ask the hon. members if there is going to be a deficit, how is that deficit to be made up? Surely, we believe that, if people are going to have services, and people want services, they must be paid for!

Well, there are several choices. We can increase the personal tax. They have done that in British Columbia, where they raised the personal tax to \$21.00 with a family maximum of \$33.00. Now they are talking

about going up to \$42.00 for a family maximum – and they have a three per cent tax as well, Mr. Speaker. Well, we did not feel that we could go up to \$21.00. We felt that there were many people to whom \$21.00 was a very large amount of money and that to place a burden like that on the individual, irrespective of his ability to pay – to charge him \$21.00 whether he had an income of \$1,000 a year or \$10,000 a year – would be most unfair and inequitable, so that was out.

There was another alternative. We could have collected it by means of a land tax. In order to raise three and one-quarter million dollars a year, we would have had to levy another four mills across the Province of Saskatchewan. That would not only have been unfair, as it would have placed all the tax on land, but it would have been getting into a field of taxation which rightfully belongs to the municipalities. If we crowd into that field we will push the municipalities out, and they have practically no other source of revenue. Therefore, the land tax was out.

The next alternative was to charge the patient something for his hospital care. I see that some public man in Saskatoon has suggested we might charge \$1.00 per day – but a dollar per day would not be enough. Last year, the people of Saskatchewan in the aggregate spent 1,591,000 days in hospital. A dollar a day would only bring us a million and a half dollars. We would have to charge \$2.00 per day to get the \$3,000,000 to make up the deficit. Well, Mr. Speaker, I do not think the people of this Province want a hospitalization scheme which would charge each lying in bed \$2.00 a day. The other night, going through the Grey Nuns' Hospital, I met an old man who comes from up in the Arm River constituency who has been lying on the flat of his back for eight months. That man has no income. At \$2.00 per day his bill would be in the neighborhood of \$480. Where is a man who has been lying on his back for eight months to get \$480? We, therefore, did not feel that we were justified in placing a charge on the people who were sick.

We feel it would be better to place the cost on the people who were well, and so that was the other alternative that of having a one per cent tax added to the Education Tax. No government likes to put on taxes, and nobody likes to pay taxes. Being a Scotsman myself, I am not fond of paying taxes any more than anyone else; but if by paying these odd pennies we can not only get security for ourselves and our families when we are ill, but we can give security to our neighbours and our friends, surely, Mr. Speaker, that is not a very big price to pay. I want to remind the hon. members that in the very province of British Columbia where they not only charge \$21.00 hospitalization tax, they also charge three per cent sales tax, and there has been no widespread complaint about it. I think, Mr. Speaker, that those who vote against this one per cent hospitalization tax have a responsibility either to say that they want to increase the personal tax, or want to put on a land tax, or want to charge the patient, or want to curtail the services, or want to do away with the hospitalization plan altogether, that is what they should say. They should say which they stand for. They should say how they propose to make up that deficit, if they do not want to support this one per cent tax.

Mr. Speaker, I would suggest that, if the hon. members want to see what is involved in this one per cent tax, it is not proper just go around looking at the coppers people will pay. I think you have to see the other side of the picture. I think you need to walk through the hospitals – through the wards of the hospitals of this province. Go up and walk through

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the wards of the Grey Nuns' Hospital during visiting hours next Sunday afternoon, and through the General Hospital next Sunday evening. Talk to the people who have been lying there on beds of pain. Ask them what this hospitalization scheme means to them. Three weeks ago I stood beside the bed of a man who used to be a member of this House. He was not a C.C.F. member, although he became a C.C.F. supporter after he left this House. He said, "You know, if you people had never done anything else, except provide for this hospitalization scheme, I say God bless you!" He said, "You don't know what this means to a man lying here." Well, Mr. Speaker, I do know what it means to a man lying there. When I was a boy, I spent the best part of three years in and out of hospitals being operated on for osteomyelitis in my leg. My parents were poor. I spent a good bit of that time as a charity patient. I wonder if the members of this House know what it means to be a charity patient! Do they know the insecurity and uncertainty and the humiliation of having to depend on the good graces of someone else to allow you a bed in a hospital where you can save your life and your limbs. I am prepared to stand here, Mr. Speaker, and say that, if by paying an odd penny here and there on certain articles, we can remove from any boy or girl or man or woman that humiliation, then I am going to. After all, Mr. Speaker, we who are in public life have a responsibility to our day and generation. I do not expect to be able to leave my children very much of this world's goods but I would like to think that wherever they go when they have grown up, they can hold up their heads and say, "My father had some small part in helping to provide the people of his province with freedom from fear and freedom from want in so far as hospital bills are concerned." And if that means paying in another odd copper to provide that freedom from fear and freedom from want, I think most of the people of this province will support us in doing so.

Now the Opposition had some other criticisms to offer. They have criticized the highway programme. They have criticized the fact that according to them a great deal of money has been spent in seats of Cabinet Ministers and not enough has been spent in the seats of the Opposition members. Well, Mr. Speaker, I am not going to repeat the figures which the member from Canora gave yesterday, in his very able and eloquent address, which showed that in the five Liberal seats from 1944 to 1949 there was more spent for construction and maintenance – taking the total expenditure by the Department of Highways – than was spent in those same constituencies during the last four years of the Liberal administration. But I do want to point out that when the hon. members pick on the constituency of Weyburn or the constituency of Rosetown, they ought to give all of the story.

The largest amount of money that was spent in the period 1944-1949 on highways was spent in the constituency of Milestone, which is not held by a Cabinet Minister, although it is held by a very prominent and a very able member. In that constituency the sum of \$1,089,000 was spent. The second largest amount that was spent in a constituency during that period was in the constituency of Souris-Estevan – \$998,000 nearly a million dollars – not held by a C.C.F. member.

Mr. Danielson: – At that time it was.

Premier Douglas: – Up until 1948 it was, but not in 1948-49, and I will give my hon. friend the expenditure for 1948-49 in a moment. The constituency of Lumsden was third with \$946,000. The constituency of Weyburn was fourth with \$787,000. Well, Mr. Speaker, those

seats were not picked out because they were C.C.F. or Liberal. If you look at some other constituencies – in the constituency of Kinistino, which was C.C.F. there was nothing spent. In the constituency of Watrous, which is represented by a Cabinet Minister, there was nothing spent. These were constituencies through which main trunk highways were passing. When we see the figures for the next year or two, the big expenditures will be in Wolseley-Qu'Appelle where Highway No. 1 is going through; Moosomin, where the Trans-Canada Highway is going through; through Morse constituency and through Gull Lake and Swift Current and Maple Creek – not because of the political complexion of the members who happen to be in those constituencies, but because that happens to be the route along which certain main highways will be passed. When members stand up in the House here and try to give the impression that political consideration has been taken into the building of highways, I would like them to just look at some figures.

I have in front of me here the expenditures by the Department of Highways, 1942-43, in five of the C.C.F. seats: Biggar, Last Mountain, Melfort, Touchwood and Wadena. I do not need to read each constituency, although I would gladly do so: but the total comes to \$130,000. Now by contrast, Mr. Speaker, let us take some Opposition seats in the last two years, and you will find that in every one of those Opposition seats we have spent more money in each individual seat than the Liberals spent in the whole five C.C.F. seats in 1942-43. I will take the year 1948-49. We spent in Humboldt \$174,000; in Maple Creek, \$164,000; Meadow Lake, \$178,000; Melville, \$193,000; Saltcoats, \$248,000; Souris-Estevan \$526,000. And in 1948-49-50, until February 28th, the last figures we have available – Moosomin, \$163,000; Gravelbourg, \$135,000; Humboldt, \$159,000; Saltcoats, \$183,000; Qu'Appelle-Wolseley, \$149,000. In every single constituency in either 1948 or 1949 more money was spent by the Department of Highways than was spent in the whole five C.C.F. seats in the years 1942-43.

And Mr. Speaker, another objection that has been raised by my hon. friends opposite is that the larger school unit has been forced upon the people of this Province. They say, of course, that they are not opposed to the larger school unit. The member for Humboldt, Mr. Loehr, last night, after spending considerable time in telling us all the things that were wrong with the larger school unit, said of course he was not opposed to it. It is no good, but he is not opposed to it. And the Leader of the Opposition said yesterday, "Why, we put an Act on the Statute Books to provide for a larger school unit." And it was there seven years and it never hatched out one larger school unit! Of course they were good at putting legislation in the Statute Books. They also put an Act on the Statute Books to provide for state medicine, but we never got state medicine. They put an Act on the Books to provide for a Physical Fitness Programme, but we never got a physical fitness programme until this Government came into office. They passed an Act effective May, 1944, to provide free surgical care for cancer, but they did not set up any machinery to pay for it, nor any schedule.

Mr. Danielson: – That statement is absolutely incorrect. The provision was made.

Premier: – Oh, but, Mr. Speaker, my hon. friend has said that before, and I want to tell him right here and now that when that Act came into effect on May 1st, any government would have had the

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machinery set up to begin to pay those accounts; they would have had schedules for the doctors; they would have worked out how much they were going to pay; they would have set up the machinery and those accounts would have come in at the end of May and been paid. When I became the Minister of Public Health on July 10, 1944, I found out that not only had no accounts been paid, but that the doctors had never been met; no schedule had been drafted; no agreement had been entered into as to what they would pay or even whether they were going to pay anything or not. My friend can do all the denying he likes but as far as the cancer patients were concerned, that piece of legislation was on the Statute Books just the same as the larger school units legislation was on the Statute Books.

Mr. Danielson: – You hadn't paid anything to the end of October.

Premier Douglas: – Now, Mr. Speaker, the Leader of the Opposition said, yesterday, that they believed the ratepayers should decide it, that is exactly what we believe. The ratepayers should decide it and we believe that the Government should give some leadership and some assistance to help the ratepayers to set up these larger school units. Now no ratepayers were forced into a larger school unit. They were given every opportunity if they wanted to vote to ask for a vote, and this was the only Province in the Dominion of Canada that provided a vote if they wanted a vote.

The best proof they had a right to vote was the fact that some of the larger units asked for a vote and have been given a vote, and if they have not been given a vote, arrangements are being made to give them a vote. Furthermore, this is the only Province in Canada where it is provided by legislation that if, at the end of five years, they wanted to pull out of the larger school unit, and if 15 per cent – not 50 per cent as the member from Souris-Estevan suggested the other day, but 15 per cent of the people wanted to take a vote to decide whether or not they would get out of the larger school unit, they had the power to do that. Nothing could have been more democratic than that was and continues to be. For my hon. friends to go around saying, “We are in favour of the larger school unit, but we do not want people forced into it” – nobody was forced into it and nobody has to stay in it at the end of five years if sufficient of the people want to get out.

Mr. Speaker, it is an interesting thing that in all this discussion about the larger school unit, I have not heard one single member of the Opposition stand up and say whether or not he will vote for it or against it when a vote is taken in his district. Oh no! They get up and they damn it with faint praise and they tell all the things that are wrong with it. They say “I am not opposed to it,” because it puts them in the very happy position that they can go into the well-to-do districts where larger school units put extra burdens on them, and say, “Of course I do not think this is fair.” They can go into the poorer districts, which get the benefits of this and which are getting educational facilities they could never otherwise afford, and they can say to them, “Of course this is a good thing.” They want to be able to say about the larger school unit what they are now saying about the hospitalization. They want to be able to say that once it is a success, “Of course I was always in favour of it . . . Why, the Liberal Party put this legislation on the Statute Books.” That is what is known as being on both sides at the same time.

Now, Mr. Speaker, the Leader of the Opposition made some reference, yesterday, to the Crown Corporations, and stigmatized them as being a ghastly failure. He said first of all, when we are considering these Crown Corporations, we must leave Power and Telephones out, because they were public utilities and they were not supposed to make a profit. Well, Mr. Speaker, these are all public utilities. They are all utilities owned by the people of Saskatchewan, not for the purpose of making a profit, but to run in an efficient and business-like manner with the hope, of course, that they will have surpluses that can be ploughed back into the particular industry from which it came – as for example the \$120,000 profit on Transportation. We might not want to put it into Transportation, this year, to extend the transportation system – I am not saying we don't; but we might not want to. We might want to put it into Power. As a matter of fact, we are putting back into Power many times the surplus, and putting back into others many times the surplus. But these have to be looked at all together as part of a programme of public utilities. I want to point out to the member for Last Mountain and to others who have talked about these Crown Corporations making a profit, that while the Government has put into expanding them many times the surplus that has come back out, the surplus itself helps to provide extra services for the people of Saskatchewan. Whatever the hon. members may say, they cannot laugh away the facts. The facts are that these Crown Corporations are now giving to the people of this Province services they never had before.

Electrification – here we have gone from 11,000 customers up to some 58,000 customers; from 135 rural customers to over 2,600 rural customers. Now the Leader of the Opposition, every time he makes a speech about rural electrification, says, “Why, in Manitoba they give them the line right up to the door,” Well, of course they do, but he does not tell why. It is not, as he explained yesterday, just because they have hydro-electric power and it is cheaper – that is only part of the story. The Leader of the Opposition, I am sure, knows that in the Province of Manitoba you have big private company, the Winnipeg Electric. It gets its power from waterfalls, and the Manitoba Government charges them a water rate on every so many thousands of cubic feet of water that go through their turbines. They have to pay that for using the water power of Manitoba, and the Manitoba Government takes that revenue from its water rates and puts it into a special fund to provide for rural electrification. I think it is a good idea. It covers a big part of the cost. If we had revenues from water rates certainly we would be very glad to do that. Actually what is happening in Manitoba is that the people of Winnipeg, who buy their power from a private company, are helping to subsidize rural electrification – and I am all for it. As a matter of fact, in this Province the people in the towns and villages are helping to subsidize the rural areas because there we can produce power for less than the eight cents, whereas in the rural areas it costs more, but by having a flat rate the people in fortunate communities are helping to subsidize people out in the isolated communities who have not got some of the amenities of life.

The fact remains, Mr. Speaker, that these Crown Corporations, in spite of all the things my hon. friend can say, have produced in this last year a surplus of some three and one-quarter million dollars that will go back into expanding the activities and services of these Crown Corporations. They made a return, last year, at 7½ per cent on their capital investment. They have given employment to over 3,000 people in this Province. They paid

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wages amounting to \$6,354,000. They did a good volume of business of over \$25,000,000. That Mr. Speaker, is a programme that cannot be sneezed at.

Now the other criticism that the hon. gentlemen opposite have levelled at the Government is that we have been keeping private capital out of the Province. Well, I do not want to deal with that at any great length except to ask the question: "What kept private capital out of the Province before this Government came in?" For 35 years we had a Liberal Government in this Province and, Mr. Speaker, if keeping royalties back, if giving away resources, if making special deals with business concerns would have brought private capital into this Province, it should have been in long before 1944.

The member for Saltcoats last night talked about the heavy royalty we were putting on the Hudson Bay Mining and Smelting Company, being a deterrent to people coming in. I can only conclude from that that he objects to our charging a million and a half dollars royalty on Hudson Bay. Well, certainly their Government did not charge anything like that.

Hon. Mr. Brockelbank: – Just about one-tenth!

Premier Douglas: – About one-tenth of it. Why, we found cases in 1944 where royalties from some of the concerns had not been collected since 1934 when the Anderson Government went out! If letting them off easy would have brought capital into the Province it would have come in long before 1944, but it did not come in.

Well, Mr. Speaker, when the gentlemen opposite suggest that we are keeping private capital out because of the terms we impose on those who come in to develop the natural resources, there is only one conclusion that can be drawn. That conclusion is that they would give more generous terms to those who come in, and that they would be more prepared than we are to give away the resources of the people of this Province. That is the only conclusion one can draw. On what other grounds would they come in except that my hon. friends would be prepared to give them the resources and allow them to exploit the resources of the people of this Province as they are not allowed to do now?

Mr. Tucker: – It is a wrong conclusion.

Premier Douglas: – Well, what other conclusion is there?

Mr. Tucker: – They would not be afraid of Socialism.

Premier Douglas: – As a matter of fact, Mr. Speaker, private capital is not afraid to come in; capital is not being kept out of this Province, and I was interested in the member for Wilkie's speech. The member for Wilkie, Mr. Horsman, in talking about the Crown Corporations, never mentioned the fact that since this Government came into office a million-dollar salt industry has been set up in his constituency. Money for that was provided by private capital. I remember when the president came here to complete the negotiations, and what he said to a group of business men. He said, "Some people are afraid to come into this Province, but I am not afraid, and my company is not afraid. We are just the first of many who have complete confidence in this Government and

are prepared to develop the resources of this Province.” You have a private industry in north-eastern Saskatchewan you did not have before. You have the beginning of a garment industry in this Province in Saskatoon. A firm the other day in Moose Jaw opened up a cutting industry. You have got, today, for the first time in the City of Regina an auction for furs, which used to go to Montreal. These people have not been frightened out of the Province. As a matter of fact petroleum production, last year, was a million and a quarter dollars, \$300,000 higher than the previous year – and my hon. friends talk about Alberta and its oil production. Alberta was producing oil in the 1920’s and ‘30’s. We had Liberal Governments here in the 1920’s and 1930’s. Where was the oil production then?

The fact is, Mr. Speaker, that you have in the Province the most exhaustive exploration for oil that has ever gone on, covering some 70,000,000 acres on which there will be spent over five million dollars, this year. Our mineral production is the highest it has been. In 1949 it was almost \$34,000,000 and there is greater activity going on with reference to mineral exploration than there ever has been in the history of the Province. The gross volume of manufactured products in this Province in 1948 (we have not got the figures yet for 1949), exceeded \$200,000,000 and our construction in this Province in 1949 exceeded \$43,000,000; that is the all-time high. Next closest to it was 1929, when the province reached \$34,000,000.

Mr. Speaker, I have no objection to members of the Opposition getting up and criticizing taxes that we are going to levy, because we are prepared to stand up and defend those taxes. But I do take some exception to the Leader of the Opposition beginning to criticize imaginary taxes. Yesterday, he spent a good bit of his time trying to get people in the Province afraid that, in the very near future, we were going to levy a tax on farm fuel. Well, Mr. Speaker, the members of the House know the rest. It is true that we did suggest a tax on farm fuel, not for the Government, not to go into the Government coffers. We made it as an offer to the municipalities. We would collect it for them, and turn it over to them if they wanted it as a source of revenue for dealing with municipal roads. They didn’t want it, and certainly nobody is going to force it on them. I want to make it perfectly clear, in view of what the Leader of the Opposition said yesterday, that the Government has at no time intimated, and has at no time indicated any mention whatsoever of putting a tax on farm fuel for the purposes of provincial revenue.

Mr. Speaker, this is just part of the general plan. The Opposition believe in the old saying that “suspicion once around ne’er slumbers again.” They like to get people afraid. They like to get people so that they vote against something – not for it, just as if they say, “Well, don’t vote against the C.C.F. for what they have done, as what they have done is all right, but vote against whatever they might do.” Remember the days when they, up and down the country, told the people we were going to take away their land, and that if the C.C.F. ever got in there wouldn’t be any more elections, nor another vote. Those are the sort of things that have gone on: arousing suspicion.

The Leader of the Opposition, opening the Cannington by-election last fall, said, “Why, if we can just win Cannington and Gull Lake, we can upset the Government because I know that there are four members ready to cross the House. One thinks perhaps six members, but I’ll keep to the lower figures,

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four members, who are ready to walk across the floor of the House.” Those are the sort of fears and suspicions you are trying to stir up so that you can get people afraid. Well, Mr. Speaker, I still have a lot of faith in the commonsense of the ordinary guy, and if you keep calling “Wolf, Wolf” you might frighten him a couple of times, but after a while he gets wise to these wolf calls.

So, Mr. Speaker, I say that this budget is a vote for increased expenditures on education to give the children of this Province a better deal. It is a vote for an increased highway programme, three times as high as the last expenditures voted by a Liberal administration. This budget is a vote for the biggest power expansion programme Saskatchewan has ever seen. It’s a vote to increase our telephone system and give to our people much-needed service. It’s a vote to continue increasing our health services and improving the health and health facilities of our Province. It’s a vote to increase our social services and our social welfare. It’s a vote to increase that most basic thing of all, our agricultural economy – conservation, better land utilization, irrigation, in order to stabilize our agricultural economy. It’s a vote to provide money for hospital construction so that the people who are sick will not only have a hospital card to guarantee their hospital bills, but will provide them, with hospital facilities to which they can go. And above all, this budget is a vote to provide for an extra one-cent levy to enable the people of Saskatchewan to go to a hospital without any fear, while they are lying on the flat of their backs, that they’re going to have to meet a great big hospital bill when they get up. And because, Mr. Speaker, I believe that this budget is designed to keep pace with the needs of the people of Saskatchewan, because I think it is designed to serve the needs of the people of Saskatchewan, and that it will go far in increasing human welfare and human happiness, I shall support it.

Mr. Speaker: – It is my duty to inform the House that the mover of the motion is about to exercise his right to close the debate. Any member wishing to speak must do so now.

Hon. C.M. Fines (Provincial Treasurer): – Mr. Speaker, after listening now for over two weeks of speeches, I am sure that all hon. Members are very happy that, within a very few minutes, the vote will be taken on this motion.

I have no intention of imitating my good friend the hon. Member for Saltcoats who, last night, at ten minutes after nine said he was going to make the shortest speech of the year and then talked until after 10 o’clock. I have no intention of that, I can assure you.

I am going, however, to deal with one or two statements that are so completely inaccurate and so misleading that they must be dealt with. I refer particularly to the very vicious statement which was made by the hon. Leader of the Opposition – and may I say, at once, that I hold no bitterness or hatred towards the hon. gentleman, because I sincerely believe that he knew no better when he made the statement. I do think that it is creating a great disservice to this Province which some of us love, which some of us have lived in for some time. Some of us who have tried to help this Province. We have endeavoured to build up the financial position of Saskatchewan to the extent that we can sit down with representatives of other Provinces as an equal

and not as a 'poor relation'. It has been my job in particular during the past 5½ years to endeavour to improve the financial position so that we would be able to go ahead and do the things that we are now able to do in this Province. Then, when I hear someone get up and make the statements on the financial position of Saskatchewan that were made yesterday by the hon. Leader of the Opposition, it is enough to make one feel ashamed of his fellow man.

Mr. Speaker, first of all the hon. gentleman quoted some figures to the extent that the debt had been reduced by \$66,337,000, the net reduction. I will accept those figures. And yet he then went on to point out how we had received a good deal more than that \$66,000,000, brought it way up over \$70,000,000 in revenues that could not be used for any other purpose than for debt reduction. Now, the hon. gentleman asked a question in the House on Tuesday, March 21st:

“From April 30, 1944, to December 31, 1949, how much of the public debt was paid off by . . .”

Then he lists seven different things. One was the Saskatchewan Wheat Pool. Well, my answer to that question is \$11,229,000. The public debt was reduced by \$11,229,000 during that period of time. But what my hon. friend failed to understand completely was that we didn't receive anything like \$11,229,000 in that period from the Wheat Pool. What we received – and he had it in the return and could have got it out of the Public Accounts – was some \$4,627,000. He was just out on that one item by \$7,000,000.

Mr. Tucker: – I followed your own returns.

Hon. Mr. Fines: – Mr. Speaker, the hon. gentleman says he 'followed your own returns'. That's the danger of a little knowledge. That's always the danger that, when a man just knows a little bit about something, he poses as an expert. If he had taken the return which was tabled in this House – and I tabled it in order that the hon. gentleman might have it; I asked them to rush it through the last few days – because I could see that the hon. gentleman was going to get himself into some trouble. So we got them to rush that return through the Treasury, and he had it. I have a copy of the return which was tabled.

Mr. Tucker: – It took a whole year to “rush” it through.

Hon. Mr. Fines: – Now, Mr. Speaker, I don't want to say that the hon. gentleman was vicious (he wasn't; he didn't mean to be) because he took Farm Loans, for example, and in the question he was asking me, “How much was the public debt reduced as a result of Farm Loan repayments?” I answered to that question, \$2,529,000. But in that case if he had taken the proper figures he could have used them to his advantage because . . .

Mr. Tucker: – On a point of privilege. When my hon. friend says that my statement that \$11,229,000 was paid off by the Wheat Pool was incorrect, I refer him to the “Votes and Proceedings” of this House, dated March 21, 1950:

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“Mr. Tucker asked the Government the following question which was answered by the Hon. Mr. Fines: From April 30, 1944, to December 31, 1949, how much of the public debt was paid off by . . .” and it goes on to say “(c) the Saskatchewan Wheat Pool?”

and the answer was \$11,229,000. Exactly what I said.

Hon. Mr. Fines: – Well, Mr. Speaker, I’m telling the hon. gentleman that, that the public debt was reduced by \$11,229,000. But, the hon. gentleman says that we collected that amount from the Wheat Pool during this particular period and that, therefore, the debt was reduced by that amount.

Mr. Tucker: – That’s what you said.

Hon. Mr. Fines: – No, it is not what we said. The question didn’t ask how much was collected from the Wheat Pool.

Mr. Tucker: – How much was paid off by them.

Hon. Mr. Fines: – Mr. Speaker, the hon. gentleman surely knows the difference. During this period and he’s got it in his return, a copy of which was tabled in this House, there was paid by the Wheat Pool, \$4,627,000. That is to December 31, 1949. To December 31, 1948, it would be slightly less than that amount. But the debt was reduced by the \$11,000,000. Now, I was just going to say, when he interrupted me on his point of privilege, that I didn’t think that he did this viciously, because he took the Farm Loans. During that period the public debt was reduced by \$2,529,000 in so far as Farm Loans is concerned; but during that period we collected from the Farm Loans, \$8,202,000. Now the same is true with Telephones – he asked about Telephones. The total amount given here was \$3,800,000, and yet, during that period, we received from the Telephone Corporation only \$2,453,000. In other words, what the hon. gentleman was doing was using figures which were given for the reduction of debt, the gross reduction of debt, and confusing it with the amount of money received by the Treasury from these different organizations, and the result is that he’s just out by several millions of dollars.

Mr. Tucker: – I just followed your answer.

Hon. Mr. Fines: – If the hon. gentleman had stuck to the return which I gave him; I tried to keep him out of trouble by showing that you could not reconcile the reduction in debt with the amounts received there, that you had to add to it the new direct debt during the period.

Now, Mr. Speaker, this afternoon I want to place those figures on the record in order that we can answer this more properly. The debt reduction was \$66,339,305; new direct debt assumed during that period, \$41,424,400; new indirect debt assumed during that period, \$960,204, making a total of \$108,723,000, which is the actual amount of the reduction of the debt when you take into account the new debt which has been added during the period under review.

Now, Mr. Speaker, as I have said, this is a very important problem. My hon. friend tries to make out the picture in Saskatchewan is not good. He would put the interest and the welfare of his own political fortunes ahead of the welfare of this province.

Mr. Tucker: – Mr. Speaker, I would ask that the hon. Member be the Minister to withdraw that. When I say that this picture isn't put properly, I'm not interfering with the welfare of the province at all.

Mr. Speaker: – I would suggest that the hon. Minister is giving his opinion, the same as the hon. member who has raised the point gave his, yesterday.

Mr. Tucker: – He is not entitled to make a reflection.

Hon. Mr. Fines: – What I mean to say, Mr. Speaker, is that the effect of these mischievous statements have no alternative but to cause doubt in the minds of the investor, in the minds of the investing public. And here I am at the present moment negotiating for a loan, trying to get for the people of Saskatchewan the best deal possible – and then statements like this come out from this gentleman.

Mr. Speaker, I would like to point out that we have good reason to be proud in Saskatchewan of our record. I have here the statistical summary of the Bank of Canada. What do we find. From 1945 to 1948 (the end of the year), in the Province of New Brunswick, under a Liberal Government, debt has gone up 40 per cent; in the province of Prince Edward Island, under a Liberal Government, the debt has gone up 40 per cent; in the province of Nova Scotia, under a Liberal Government, the debt has gone up 28 per cent. The three Liberal Governments have had the greatest increase of public debt of any provinces of Canada. Then we go to British Columbia, and there it has gone up 20 per cent. Oh yes, Quebec has gone up 75 per cent, but that is partly due to some power corporations which they took over. Then we have Ontario – it has gone up 20 per cent; in the province of Alberta it has gone down 12 per cent; in the province of Manitoba, it has gone down 14 per cent – and in the province of Saskatchewan it has gone down 23 per cent, the best record of any province in the Dominion of Canada during that four-year period. Or, if you take it for the last year alone, from 1947 to 1948, we are the only province that shows a reduction in debt. Every other province in Canada shows that their debt has gone up.

Now, Mr. Speaker, one just needs to read the daily papers – I'm not going to, I don't like to criticize the other provinces; but one just needs to read the Vancouver papers, and you will see that, this year for example, the debt in British Columbia has gone up \$18½ million. By the Ontario papers, I see that their debt has gone up over \$24 million. In Manitoba, it has gone up \$8½ million, while ours has gone up only \$3½ million, in spite of the fact that we have the greatest capital programme that this province has had in over 20 years.

There is one thing that still has not been answered in this House, and that is, does the Liberal party believe the budget is too great or not? And if they do believe it is too great then, where would they cut it? I am going to challenge the members of the Opposition, today, as we go

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through the various items, to stand up in their place and move why they think these are too great. My hon. friend from Melfort (Mr. Egnatoff) is going to take that up. He is the one who is going to get rid of a thousand civil servants. Yes, Mr. Speaker, the civil servants are going to appreciate knowing just where the Opposition members stand. A couple of days ago, the hon. member from Melfort said, "We are going to fire a thousand of them." I asked him, the other day, where we'd start – with his own brother in Saskatoon? or his father-in-law? or what other member of the family we'd start with?

Mr. Tucker: – I think that the hon. Provincial Treasurer is not doing justice to himself continually dragging in the relatives of a member sitting in this House.

Hon. Mr. Fines: – Mr. Speaker, just to show how fair we are: these gentlemen over here have dragged in great men like Dr. Mott, George Cadbury, Tommy McLeod and a lot of others that are worth just as much to this province as the gentlemen I have referred to.

Mr. J.G. Egnatoff: – You will eat those words yet.

Hon. Mr. Fines: – Mr. Speaker, the civil servants also last night got some more information that I am sure they will greatly enjoy. Our hon. friend from Saltcoats (Mr. Loptson) said that one of the great troubles today is that salaries are getting too high.

Mr. Tucker: – I did not hear him say that.

Mr. A. Loptson: – On a point of privilege: I referred to salaries as being responsible for the increase in the cost of the article.

Hon. Mr. Fines: – And the cost of the article that we have to sell is taxes, and one of the causes of the increased taxes is the salaries to civil servants. And of course, our good friends, the civil servants too will know what our good friend from Gravelbourg (Mr. Culliton) thinks. He enunciated a programme that he believes that 'to the victor belong the spoils', and that he sees nothing wrong with appointing supporters of the government in power. Well now, Mr. Speaker, these are all very interesting statements that, I am sure, the civil servants will be interested in.

Mr. G.H. Danielson (Arm River): – He invited us on this side of the House to move for a reduction in the estimates. I am sure we'll do that, if he doesn't object and ask you to rule our motion out of order.

Hon. Mr. Fines: – Mr. Speaker, I was just pointing out that the civil servants of Saskatchewan will be interested in the statements made by these three hon. gentlemen and especially when we take them in conjunction with a statement made a year ago or two years ago, by the hon. Leader of the Opposition, when he said that the Liberal Government if elected would dismiss all C.C.F. appointees and restore the civil servants to their former number.

Mr. Tucker: – I said no such thing. I say that I made no such statement as that, and the hon. gentleman under the rules must accept my statement, and I ask that he do accept it.

Hon. Mr. Fines: – The Leader of the Opposition speaking in Ituna, was pointing out how he would bring about savings, said:

“He would bring about the saving of between four and five million by dismissal of the C.C.F. hirelings and their retinue from the civil service, and restoring it to its previous numbers.”

There is your statement in the ‘Leader-Post’.

Mr. Tucker: – I say, Mr. Speaker, that I never made such a statement. I said that I would dismiss – (laughter) – Well, I don’t know what’s so funny about that, I am correcting a statement. If that strikes people as funny I’ve got an ability to make them laugh I didn’t think, Mr. Speaker. But I’d like to say that my statement was that we would dismiss the civil servants that were engaging in partisan politics, and we certainly would dismiss the C.C.F. appointees that were doing so.

Mr. Speaker: – Is the hon. Member quoting?

Mr. Tucker: – I asked the hon. gentleman to accept my statement. I never did make such a statement that we’d restore the civil service to the numbers which they were when this Government came into office. I never made such a statement.

Hon. Mr. Fines: – Mr. Speaker, I will accept it gladly; but then I would like to know how we are going to save between four and five million dollars.

Mr. Tucker: – You will see, when we are elected and run the country.

Hon. Mr. Fines: – Mr. Speaker, the hon. gentleman denied the statement. I accept his denial. I suggest then that he contact the ‘Leader Post’ and see that they don’t print any more statements like that. It was good back in 1948; it wasn’t denied then!

Mr. Speaker, well I really hadn’t intended to say anything about this; we got off on a tangent. I did just want to say a word or two regarding the statement of my friend, the hon. member for Gravelbourg. I want to congratulate him on his speech, and I do that most sincerely. I know what a difficult task it is; I’ve been in the same position as he has. The first time I got up in this House to present a financial statement, it was very difficult; it is very difficult. It was very difficult the first time, and I can sympathize greatly with him. I think he did a very lovely job; delivered it in an excellent manner and one which, I am sure, won the respect of every member of this House.

However, I do think that there are a few statements he is going to have to answer, some time. First of all, he said ‘we are spending too much money’, then he said ‘we weren’t doing enough to provide for the security

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of our people and for our municipal governments.’ He told us that we were paying for health services out of land taxes, criticized the situation down in Swift Current, then he criticized increasing the sales tax which would remove that burden from the land. He criticized the spending of so much money, yet he then admitted that the only reason that the Liberals had not spent more was because they did not have it. He criticized the Government for providing more social services than the province could afford in bad times, and then he sought to prove the Liberal Government had started every social service we now have. Every one of them.

Mr. Tucker: – What’s wrong with that?

Hon. Mr. Fines: – Nothing wrong with it. If my hon. friend wants to ride the two sides, we’ll have to get him one of those little flying trapezes. Then he criticized the Government for not removing the burdens from the municipalities, and then he criticized us for spending so much money, a large part of which is to relieve that burden of the municipalities. He criticized us because we have asked the Dominion Government to assist; he says we are asking them for too much. Then, he went on to say, and to try to prove to us, that he had been in Ottawa when they had asked for everything that we were now asking for – and yet we were asking for too much!

Now, Mr. Speaker, I have no quarrel with my hon. friend. I realize the difficult position he is in. It is a very difficult position. It is very difficult for any member to stand up in this House and say that they want expenditures on health services, social services and highways or education or any of these things cut. Yet, on the other hand, they think they can attain some popularity by coming out and opposing the taxes. Now, Mr. Speaker, we can’t have it both ways. If the people of this province want these services, they’ll have to pay for them. This Government believes the people want these services, and a vote against this budget will be a vote against providing these things that we believe the people want, and so for that reason I am going to urge the hon. members to stand up and be counted. Stand up! Let us know if you want increased health services and social service and education. The strange thing, Mr. Speaker, is that practically every member on that side when they got up to speak said, “The budget’s too great”.

Now, Mr. Speaker, I would like to speak for a few moments about highways. The hon. members all have said: “I would like the hon. Minister of Highways to build more roads in our constituency.” Then they went on wanting more and more services, and yet they want a smaller budget. Well, let’s be consistent! This budget, which I presented to you two weeks ago on Wednesday, is a budget to give to the people the greatest standard of services which any Provincial Government has ever given. It is a budget which will provide for the security of the people of this province in the future. It is a budget which will go a long way towards bringing about a greater measure not only of security, but of happiness, health and well-being for the people. And so I leave it in your hands to support it.

Mr. W.C. Woods (Kinistino): – Before he takes his seat, I would like to ask the Provincial Treasurer a question. Did I understand you to say that the increase in tax was going to remove the burden of the health services from the land in Swift Current?

Hon. Mr. Fines: – Of course, Mr. Speaker, certainly it is going to. We are expending more and more of this all the time. If we can't get this money in this way, then we are going to have to leave it to the municipalities to find some of it. And if they have to get it, where will they go? They'll go to the land. Certainly.

The question being put, the motion was agreed to on division, 29 against 19, and the House resolved itself into Committee of Supply.

The assembly adjourned at 11 o'clock p.m., without question put.