

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
THIRD SESSION — ELEVENTH LEGISLATURE
16th Day

Thursday, February 22, 1951.

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

BUDGET DEBATE

The House resumed from Wednesday, February 21, 1951, the adjourned debate on the proposed motion of the Hon. Mr. Fines: That Mr. Speaker do now leave the Chair. (The Assembly to go into a Committee of Supply.)

Mr. G.H. Danielson (Arm River): — Mr. Speaker, in rising to take part in this debate, I would like to extend my sincere congratulations to the Provincial Treasurer (Hon. Mr. Fines) for the very pleasing way in which he presented his budget address. He made a very good job of it, but he did not go very far into the problems that face this province. He probably thought it would look better and sound better if he did not. I would like to express to him my appreciation for being good enough to let me have a copy of his budget speech. I can assure him that it was very much appreciated.

Now in regard to the budget, it was probably the most — shall I say — common budget that we have had introduced in this House in the last six years. There are not starting things in the new budget. The amount of money they expect to spend for the coming year is practically the same as last year, except that it is a few million dollars larger than last year — not a big increase. He is very lucky indeed to be able to budget for that amount of money without having to increase, as far as we know now, any of those taxes on the people of the province of Saskatchewan.

I do not think any Provincial Treasurer in the history of the province of Saskatchewan has had, shall I say, the good fortune and good luck that the present Provincial Treasurer has had. This, I think, is the seventh budget he has introduced in House and year after year he has been able to report that the revenues of this province have gone up. They have increased practically every year, and I think that is a record in the history of the province of Saskatchewan although it certainly cannot be said, Mr. Speaker, that it is due to anything that this Government has done during the last seven years. It is due, a good deal, to the favourable conditions that nature has bestowed on the province of Saskatchewan, or at least on a big part of the province of Saskatchewan. Again, it is due, Mr. Speaker, to the excellent treatment that this province has received at the hands of the Federal Government, in extending assistance to this province in common with other provinces. They are now in receipt of substantial sums of money from the Federal Government to tide them over.

There is another reason, Mr. Speaker and I do not think any of us could probably congratulate ourselves on it and that is war conditions, due to the disorganization of the productive capacity of the people all over the world. The price level for agricultural products, in particular, has been very, very satisfactory during the last seven or eight years. Now that,

in itself, in a province where 80 per cent of our total revenue comes from the farms, has a very vital bearing and a very influential part in the financial position of this province. Taking it all in all, these are the reasons, Mr. Speaker, for the satisfactory financial situation in which this Government finds itself at the present time.

Today, we have a budget handed to us of \$58 million. I am not going to say anything about the budget itself, or how it is going to be spent, because I have not had the time to go into that. It is very interesting, Mr. Speaker, when we go into and analyze the Public Accounts — the receipts and expenditures — for a number of years, in this province, and, see who pays this money, where it comes from. Then we wake up to the fact that, after all, the Provincial Treasurer, any Provincial Treasurer or any Government of any province, is not a productive body; it is a spending organization and a spending body. They never spend a dollar and never will without first taking that dollar away from someone else. And if we recognize that fact then, I think, we might also become a little more careful, a little more obsessed with the importance of our spending, when we know that this money is contributed by the pennies of the people who in some cases can ill afford to pay taxes which this Government has at their disposal.

Now I am give this House a very short resume. I am not going to go into detailed figures; but in order to make the picture complete, I have taken the last five years of the Liberal Government's term of office; I have taken the last five years of the C.C.F. Government's term, but I have not included, Mr. Speaker, 1950-51 because that year is not yet complete and no authentic figures are available. We receive our revenue from different source, and the figures that I am going to give to the House are the revenues received by the Government from the five main sources in the province of Saskatchewan, the five factors which bring into the coffers of this Government their main sources of revenue. First of all, Mr. Speaker, the five years from 1939-40 to 1943-44 inclusive, under the old Liberal Government — the Dominion subsidy in that time amounted to \$28 1/2 million. In a similar period, 1945-46 to 1949-50 inclusive, this Government has received \$65 million. I am going to make it even figures; I am not going to mention the hundreds of thousands of dollars. Now that shows that they have received in that period, Mr. Speaker, a good many millions of dollars more than we did — the difference between \$28 1/2 and \$65 million in favour of this Government.

Education Tax: in five years, \$17 1/2 million under the Liberals; in the same length of time under this Government, \$31 1/2 million. \$17 1/2 million against \$31 1/2 million.

Gasoline Tax: \$16 1/4 million under the Liberal Government; under this Government, \$30 million in a similar period of time.

License fees and vehicles tax: under the old Government, \$11 million; under this Government, \$13 1/2 million.

Then we come to the liquor profits. In five years, under the Liberal Government, \$11,919,000 — almost \$12 million, you can call it \$12 million, Mr. Speaker; and in the last five years under the C.C.F. Government, \$39,822,000 — almost \$40 million. The difference between \$12 and \$40 million.

In five years, the Liberal Government received in revenue from these five main sources of revenue, \$85 1/2 million; this Government in five years received a total of \$180 million. Therefore, we find that in five years, this Government, from these sources of revenue which I have mentioned, has collected \$94 1/2 million more than the Liberal Government collected during its five-year period.

That, Mr. Speaker, should explain some of the things that we hear so much about, and for which this Government takes credit. This is almost \$95 million more than we got in a corresponding five-year period.

Mr. A.G. Kuziak (Canora): — You didn't do anything.

Mr. Danielson: — I have another table here, and that is the Saskatchewan revenues and expenditure on a gross basis. I want to mention here, so there will be no confusion on this subject, that the hospital tax is not included in these figures, and it is not included in any of the figures that I am quoting here, this afternoon.

Now then, in five years, receipt on revenue account, under the old Liberal Government, aggregated \$140 3/4 million; under the C.C.F., \$247 1/2 million. That was the receipts, Mr. Speaker.

Expenditure on revenue account, under the Liberal Government, \$135 1/2 millions; under this C.C.F. Government for a similar period of time, \$244 1/2 million. Or, in other words, they expended in five years, on revenue account, \$108 3/4 million more than we did. Expenditures on capital account — well, in the five years, we spent \$1 1/2 million on capital account; this Government has spent \$50 3/4 million — or \$49 1/2 million more than the Government that was in before this Government took over the province.

Then we come to the expenditure on revenue and capital combined; in five years under the Liberal Government, \$137 million; in five years, under the C.C.F. Government, \$295 million, or \$158 million more.

These are some of the figures that explain all the shouting and all the bragging that has been done throughout the length and breadth of the province of Saskatchewan, and I want to impress on this House that the people of Saskatchewan have paid every dollar of it, except what they have got from the Government of Canada. So we shouldn't be so puffed up over it. I don't think there is any credit coming to this Government, or any government; because any government will levy taxes if they can get that amount of money and the revenues and conditions are such that the people of the province of Saskatchewan can pay the taxes. It is the easiest thing in the world, Mr. Speaker, to spend money, and if that should be the criterion of an efficient and good government, well then this Government has not been equalled in the history of the province of Saskatchewan, or in any of the provinces of the Dominion of Canada.

Mr. Kuziak (Canora): — And you ask for some more.

Mr. Danielson: — We have heard an awful lot about the Public Debt. The Public Debt, Mr. Speaker, is practically the same now as what it was a year ago. But when we go back a bit, the Public Debt began building up from what it was, say about three years ago, it began going up about three

years ago. There is a net public debt in the province today of \$147,943,000. I am not critical on that point, Mr. Speaker, not a bit; but there have been certain changes in the Public Debt since this Government took office. Good fortune, and good will from the Dominion Government and from other people in other organizations have made it possible, through a good financial position, to pay back the debt and remove the liabilities to assist this Government in reducing the Public Debt. Let us just take a look at that now. The Government were, of course, willing to claim all the credit for what has been done. Well, I don't think these gentlemen will try this when I get through with them.

For several years, Mr. Speaker, the Government has been taking unto itself credit for the reduction of the Public Debt of the province. This claim has originated in the budget speeches; it has been publicly repeated by the Provincial Treasurer and by the Premier. Lesser C.C.F.'ers have taken up the story and have given it endless repetition. The propaganda bureau has used public money to spread this story, and the leather-lunged C.C.F. propaganda machine has been shouting it far and wide — on the theory and in the belief that, if you tell a story often enough, the people will believe it. That is the principle back of this propaganda.

In his budget speech of 1948, the Provincial Treasurer took credit for a reduction in the Public Debt, since April 30, 1944, of \$68 1/2 million. This reduction, he said, "was unparalleled in the history of any Canadian province since Confederation". Maybe it was. No credit, Sir, was due to the C.C.F. Government of this province in any way whatever.

In his 1949 budget speech, he claimed a reduction of over \$69 1/2 million, and quoted himself as saying: "This reduction is unparalleled in the history of any Canadian province since Confederation." The Provincial Treasurer should not quote himself. He is resting his case on the statements of an unreliable authority.

In his 1950 budget speech, he varied his story, and he said this: "Since April 1, 1944, the net debt of the province has been reduced by \$66 million". You will notice that is \$2 1/2 million less than 1948. On this occasion he said nothing about the "unparalleled" character of this achievement. The net debt was going up again. It was \$3 1/2 million greater than the previous year. He even gave a hint of the truth about this reduction. He attributed some of it to the payment by the Saskatchewan Wheat Pool. The Provincial Treasurer was beginning to realize that it was not good politics to take to himself credit for debt reduction which had been brought about entirely by other agencies.

During the last Session of the Legislature, the Provincial Treasurer admitted in returns and in answer to questions that reductions in the Public Debt made by agencies other than the Government accounted for a greater reduction than the total reduction. It therefore follows that, so far as the C.C.F. Government was concerned, that Government had increased the part of the debt for which it was directly responsible. Despite the fact that some of these other agencies continued, during 1949, to make repayments of their debt, in that year the Public Debt increased by \$3 1/2 million.

The returns and answers to questions to which I have referred show that the Patterson Government paid off \$5 1/2 million of the debt between April 30, 1944 (the date used by the Provincial Treasurer) and July 11, 1944,

the date the Provincial Treasurer and the C.C.F. Government took office. About another \$44 1/3 million of the debt reduction was due to the fact that the Liberal Government at Ottawa cancelled that much debt owing to it by this Provinces. The Wheat Pool has repaid over \$4 1/2 million of a loan which it had received from a previous Provincial Government. Similar repayment has been made by the Telephone Company of \$2 1/3 million, and the Co-operative Creameries of \$1/4 million. The farmers of this province, by paying off \$8 1/2 million of farm loans, and \$5 1/2 million of 1938 seed grain debt, should be given much of the credit the Provincial Treasurer has given to the C.C.F. Government. Over \$1 million of the reduction was due to the reduction of contingent liabilities, which, in the very nature of the case, are debts contracted by other agencies and guaranteed by the Provincial Government. That shows conclusively that that \$1 million was not paid by the Provincial Treasurer out of any savings effected by this Government. They were contingent liabilities and for that reason were paid by those who owed those liabilities. These sums which I have mentioned total over \$71 million — not \$66 or \$68 million, Mr. Speaker, but \$71 million. That is greater than the reduction of \$66 million which is the reduction claimed. These discrepancies must be due to increases made by the C.C.F. Government. No credit for a single cent of this reduction of \$71 million is due to this Government. The credit is due, Mr. Speaker, to the Patterson Liberal Government, to the Dominion Liberal Government, the Wheat Pool, the Co-operative Creameries, the Telephone Company, and the farmers of this province. All these have made their contribution to the reduction of Saskatchewan's Public Debt.

Meanwhile, over the period in question — the period of the C.C.F. Government — that Government has added to the Public Debt. The Provincial Treasurer said, "This is unprecedented in the history of any province since Confederation". It is. There is no doubt about that. Never before has any Provincial Treasurer so consistently refused to give the credit where credit is due; but he takes all the credit for the achievement of others to himself and to the C.C.F. Government.

Now that, Mr. Speaker, is a complete resume and a complete record of how this debt reduction was effected, and every word of this, Mr. Speaker, is contained in answers to questions and the records of the Government of Saskatchewan. There is no use of anyone trying to camouflage that. They are fooling nobody but themselves. And here I want to give you the actual figures on this. I have used round figures. Here are some more precise figures: paid off by the Patterson Government, \$5,213,000; loans cancelled by the Dominion, \$44,368,000; Saskatchewan Wheat Pool, \$4,627,000; Telephone Company, \$2,307,000; Saskatchewan Co-operative Creameries, \$240,000; Farm loans repaid by farmers, \$8,575,000; 1938 seed grain debt repaid by farmers, \$5,196,000; contingent liabilities, which have been paid by someone outside the Government, \$1,190,000, or a total of \$71,716,000. There is the record and it stands without any contradiction.

Now the Provincial Treasurer, of course, was pretty proud and I am sure I felt pretty proud, too, that we here in the province of Saskatchewan can go down to the United States, a good neighbour, a very good neighbour, and raise some money when we need it. But I was astounded when I heard that a member of this Government — maybe there were two of them, I don't know; but there was one, anyway, who went down to the United States, into that

terrible country, which Mr. Coldwell said he wished there was an ocean separating us from the pollution of its economic system, and that it is the "last citadel of capitalism" and all that sort of thing. Well, I can just imagine the Provincial Treasurer and whoever was with him going down there and, knowing what the policy and the creed and the principles of this Government are regarding the eradication of capitalism; I can imagine the Provincial Treasurer going down there into the sanctum sanctorium of these big capitalists in the United States, with one hand in his pocket grasping the Regina Manifesto and with the other one reaching out to grasp hands with these men. And when they said, "Well, what about Saskatchewan? Aren't you Socialists?" He would say "Why, we don't talk about that, we only tell that that to our boys at home to keep them quiet. We are capitalists too; and we have been able to make a few dollars the last few years, and you don't know how nice it feels".

That is just about what I imagine the Provincial Treasurer would tell them down there. And he would have to convince these men that this talk of eradicating capitalism is just for the boys at home. The C.C.F. have the right wing and left wing in their own party. These men are capitalists. Why, there has never been any government in the province of Saskatchewan that has been so greedy and so grasping in taking the dollars from the farmers and taxpayers of the province as this Government. But I want to say that I am glad that finally we know that the Socialists, as the Premier said, "will eradicate the capitalists from this province, or perish in the attempt". That was his pledge on the floor of this House. Now then, he goes down there and he embraces the capitalists down there, and how pleased he is when he gets their money! Well, Mr. Speaker, I just thought I would mention that.

I am not going to spend any more time on those figures because I think what I have already given you indicates conclusively what I mean, and the position of this Province in regard to the Public Debt and how the changes in the Public Debt since 1944 have been effected, and who has paid the bills, who has paid the shot.

When the Provincial Treasurer was delivering his budget speech yesterday, he spoke on agriculture. And you know, he was very impressive. You would almost think that he was a farmer himself; that he had been out on the farm digging the rocks and pulling out the willow bushes and driving the oxen; that he grew up in the '30's and half his crop blew away and then had to take relief in order to be able to hang on to his piece of land. Then he told us that out of this \$58 million, Agriculture was going to get \$2,600,000. Well, Mr. Speaker, that is about 4 1/2 per cent of this \$58 million. What a gesture! What generous treatment to agriculture! Then he goes to work and says this is over five times the amount that was spent for Agriculture back in 1943-44.

Well, Mr. Speaker, you know I was in the House at that time, and I am very interested in these things and there was something that took place which still has a bearing on the amount of money voted for Agriculture in the province of Saskatchewan today. The Crown land, which had been administered by the Department of Natural Resources was turned over, or transferred, to the Department of Agriculture. That was just the switch of a vote, Mr. Speaker; it was nothing else. I suppose sometimes they will tell the

people how much less they are spending for administering the Department of Natural Resources, because they have switched almost \$1/2 million over into Agriculture, and then they will go out and tell the people how much more money they are spending on Agriculture. That year there were \$418,877 added to the estimate of the Department of Agriculture which was formerly spent by the Department of Natural Resources, and that was purely an act of strategy for votes. Not a dollar of that was additional money spent to improve the economic condition of anyone on the farms of Saskatchewan, or any place else.

Then there was another thing in that vote. Over \$180,000 was for grain and fodder. Well, that is agriculture relief to me, or agriculture assistance — call it that rather than agriculture relief. Now that crop relief was to be included as being an expenditure under the Department of Agriculture; so putting these two things together, we would have \$598,877 moved into the Department of Agriculture in the 1947-48 budget, which formerly belonged to another department and was transferred into the Department of Agriculture.

I want to point those things out to show that the figures are not always what they seem to be. After all if one is to accept the hon. Premier's statement and the hon. Provincial Treasurer's statement that now a dollar is only worth about 50 cents, this increase is very, very small indeed. It was worth a dollar in other days, and now it is only worth 50 cents, that is a very, very small increase indeed; and after all this change in the value of the dollar applies to every Department of this Government. They are a great group, these fellows. They wind their tongues around a group of figures of so much more and so much more, so many hundreds of thousands and millions of dollars more. But let me tell you this, Mr. Speaker, If you go into the records of this Government you will find that 80 per cent of the expenditure of all this money is not going to the districts of Saskatchewan, out among the farmers to improve their economic condition in any way. It is going to pay more civil servants at higher wages. But they have practically doubled the civil servants in this province and that is where all this extra money is going, at least 80 per cent of it.

Mr. J.W. Erb (Milestone): — We are doing things though.

Mr. Danielson: — My friend over there will have a chance to reply to me some other time.

There is one thing I want to point out in regard to this extra money for the Department of Agriculture. Let me re-emphasize it. These figures do not convey the true picture to the people of the province. The largest amount, at least 80 percent of all this extra money, is going out in added administration costs, higher salaries, more of them, higher classifications and all that sort of thing — more cars, more travelling expenses and all these things. That is where the bulk of the money is going, and not to help the farmers or the people who really pay the taxes.

We have not any particular specific increase in taxes in this budget, and I think this is about the first one since this Government came in.

But we still have all the taxes we had before and, as I said a few moments ago, this Government wherever it can pick up a dollar or squeeze another dollar out of a farmer or somebody else will do it. It does this not by levying a general tax, but by charging him more for any little bit of a licence or permit or anything like that. I have a letter here that was mailed to me and was sent out by the Department of Agriculture last January. It comes from the Deputy Minister and it says:

"The market price for cattle of all kinds has reached an unprecedented height . . . "

Well, I did not think that was true from what the gentlemen over there have told us, Mr. Speaker.

". . . in 1950. The grazing rentals in the 33-year lease will be higher in 1951."

Well, there you have it. Whenever there is a chance to squeeze another dollar out of a farmer or a stock raiser, then that is what they want, so they get it.

The Provincial Treasurer made a speech a short time ago, and he said, "I don't think the farmers of this province want to get out of paying their fair share of the taxes. I am confident they would be willing to pay more taxes in exchange for the services which have been extended to them". Well, Mr. Speaker, I do not think there is any farmer foolish enough to think that he is going to get out of paying taxes. He has enough experience to have learned that by this time. But, as for the Provincial Treasurer thinking that the farmers are under any obligation to him for favours received or for any special treatment, I think he is all off his track there. I think the favours and the privileges which the farmers have at the present time are to pay the highest taxes, no matter what taxes — you can take any of them, you can take any tax in Saskatchewan; the highest taxes that have ever been paid in the history of this province up to date. There is not a tax or licence fee or permit, except the Public Revenue Tax that has not been increased and doubled and tripled and quadrupled by this Government, not one of them. When we left office a boy out on the farm could run a motor cycle for \$6 a year, now he pays \$21; that is one example of it. And you can go all through the whole list. It is astounding when you go through it to see what increases have taken place. And we have with us this perennial Education Tax. Of course, that has become a permanent fixture in the C.C.F. Government now, there is no doubt about that. And the Premier is spearheading a movement to get the tax underground, not only the Education Tax, but the tax that he intends to levy too, so the people will not know it. Now, I think if the Premier has to have more money — there is no doubt about it, or else back up on his platform — the thing to do is to go about it openly and let the farmers and the people of Saskatchewan (all of them pay taxes) pay it the same way as they pay the others, then they will know how much they pay, and not stick it underground.

I have heard a great deal of criticism of the Federal Government in regard to certain sales taxes, and I would recommend that the Provincial Treasurer follow the system of the taxes of the Federal Government, and if he does, I am sure that the people of Saskatchewan will be very, very

grateful to him. The Federal Government has removed the sales tax and duty on farm machinery of all kinds. There is no sales tax on material going into building construction; no sales tax on gas, farm fuel; no sales tax on fuel oil or coal. Now if the Provincial Treasurer will be as generous as the Federal Government, we will have quite a tax reduction in this province, in the days to come.

There is many a man would like to build a house, and housing is a very serious problem but this Government has a tax on all the commodities that go into the building of a house.

Mr. Kuziak: — How about chocolates?

Mr. Danielson: — These are things, Mr. Speaker, that I think the people of Saskatchewan know; but listening to the Provincial Treasurer, we find that we would be led to believe that there is no such thing as taxes in the province of Saskatchewan, that he thinks the farmers should be grateful for the favours and the generous treatment they receive. Well, I think he is going to be disappointed in that when the next election comes.

Premier Douglas: — You do not sound very enthusiastic about the idea.

Mr. Danielson: — I heard a lot about Crown Corporations, Mr. Speaker.

Mr. Erb: — You are going to hear a lot more.

Mr. Danielson: — I do not mind these interruptions by the gentlemen over on the other side of the House, Mr. Speaker. Only yesterday, I would have liked to have said something to the Provincial Treasurer, but I restrained myself. I had quite a time sitting still without chipping in, but I restrained myself because I did not think there was the occasion for doing it. I am not asking similar treatment. They can do whatever they like; it does not bother me, not a bit.

But we hear a lot about Crown Corporations with \$3 million, \$4 million, \$3 1/2 and \$3 1/4 millions flipping just like coins on a table at a poker game. Nobody is able to keep track of them. But there are certain things in the Journals of the House, in answers to questions, in Public Accounts and in this famous Crown Corporations report, there are certain facts which make it possible by labour and diligence to work out and arrive at a conclusion that is not very far from the true condition. The Provincial Treasurer again makes the claim of large profits. Although I must say that yesterday he was very, very moderate. He skirted over the Crown Corporations very, very quickly. He did not dip in too far. He did not go down the deep-end in any case, he kept pretty well on shore; but he made the claim of larger profits for Crown Corporations. In 1950, he said the earnings aggregated \$3 3/4 million. I have not yet received the report for all the Corporations for 1950, and therefore cannot make a breakdown of that particular figure and in anything that I say in my remarks on Crown Corporations, I am not dealing with 1950, the last fiscal year because I have not yet received the reports for all the Corporations for the year 1950, and therefore cannot make a breakdown of that particular figure. I presume it is similar to the figure of \$3 million for 1949 as reported in the statement of the Government Finance Office tabled a few days ago.

Let us now take a look at this figure of \$3 million. This total of \$3 million includes three items. About \$1 1/4 million of it is interest payments paid by the Power and Telephone Corporations on the money advanced to them. Whoever heard of anybody except this Government, the C.C.F. Government, calling interest paid on borrowed money profit or net earnings! I mentioned that in the House when I spoke the other day. Who in the world has ever found any government, or any other body going out and calling interest paid on capital investments net earnings? Well, I would like to have an answer. If it is done it certainly has escaped me. The only person to whom that is profit is the person who holds the bonds; he is the only one who gets the earnings. The fellow who gets the interest is the beneficiary from this procedure.

Just to build up figures and call them profits, the C.C.F. Government goes to the extreme of treating interest payments made to the bondholders by the Power and Telephone Corporations as if such payments are profits to the Government or to the Telephone Corporation. That is not so. Over \$1 1/2 million of this \$3 million of profits claimed as net earnings, Mr. Speaker, are profits of Power and Telephones. This amount is not taken out of the funds of these Corporations; it is left with the Corporations in the reserve. I have no objection to that. That is the policy followed by the Liberal Government with respect to the net earnings of the Telephone company. The point is that if this policy is followed, the profits of Power and Telephones cannot be taken into revenue account and used to pay for social services. That was one of the things that we were promised when we took up these Crown Corporations; the profit from these Crown Corporations was going to be used to provide social services for us.

Now subtract the interest payment, and the net profits of Power and Telephones from the approximate \$3 million claimed, and you have left \$184,000. That \$184,000 is the total of net profits claimed for 1949-50 for the corporations started by this Government. That is all that is left; the peak earnings that can be claimed, Mr. Speaker, as being the earnings, not net earnings — because there was no interest paid; but it was claimed as earnings of all these corporations started by the C.C.F. Government and that does not include the Telephone and Power Corporations. But none of that is genuine profit, as I have already stated, because the interest paid by the Government on this money loaned to these C.C.F. Corporations considerably exceeds that sum. Power and Telephones pay interest on their own borrowed money. The C.C.F. Corporations pay no interest. Their interest is paid by the Provincial Treasurer out of the general revenues of the Province of Saskatchewan which comes out of the pockets of the taxpayers of Saskatchewan.

In 1949-50, according to the annual report of the Government Finance Office, these C.C.F. Corporations were using borrowed money to the extent of over \$8 million. This money has been borrowed by the Provincial Treasurer and loaned to these Corporations. He told us, yesterday, that the average rate of interest is now over 4 per cent. Four per cent on \$8 million is \$320,000. If the C.C.F. Corporations had paid their own interest, instead of a profit of \$184,000 they could have shown an aggregate loss of \$136,000. That is for 1949-50. The only genuine profit in the entire \$3 million consists of about \$1 1/2 million gained by Power and Telephones and that amount is left with these Corporations and goes into their surpluses to be used by them.

Speaking at North Battleford, at the C.C.F. nominating convention in January, 1950, the Premier referred to the \$3,158,000 of total profits claimed for the year 1948-49. This sum, he said, stayed in the Province to help build roads and schools and hospitals and to help the people of Saskatchewan. What a wonderful picture! I am not going to stop here to break down that figure as I did the figure for the profits claimed in 1949-50. If I did, Mr. Speaker, the result would be very much the same. Take out of that figure the interest payment made by Power and Telephones, take out the net earnings of those two Corporations and you will be left with \$419,000. Calculate the interest at four per cent on the money loaned to the C.C.F. Corporations, and most of that \$419,000 will disappear. If there is any left, it would vanish if the Corporations were charged with their operating costs concealed in expenditures of Departments of the Government. Yet the Premier of this province told the people of The Battlefords constituency the whole \$3 million-odd remained in the province to help build roads, schools and hospitals.

A few days ago, the question was asked in this Legislature: "How much of net profits of Crown Corporations, not including interest payments of Power Commission and Government Telephones, has been paid into revenue account?" The answer was given as \$1,520,000. If you will take the figures of the net profits claimed by the Government for each year for these Corporations and total them up, you will get \$15 1/2 million. That is what they claimed. Do not overlook the word "claimed" in that. Fifteen and a half million dollars — yet only \$1 1/2 million, Mr. Speaker, has been paid into revenue account. In all these years, only \$1 1/2 million has gone into revenue account.

I want to examine that figure of \$1 1/2 million. \$920,000 of this \$1 1/2 million, Mr. Speaker, is reported in the Public Accounts for 1949-50. You can turn to page 572. The annual report of the Government Finance Office for the same year states, on page one:

"During the year, the Government Finance Office paid to the Provincial Treasurer \$600,000 from surplus account."

The figure here, you will note, is not \$920,000 but \$600,000. Where does the other \$320,000 come from? It was paid by the Finance Office the Provincial Treasurer in the year 1947-48. The \$320,000 was paid over in 1947-48 and was paid into capital account as a small refund on the large sums of money taken out of the treasury to finance the C.C.F. Corporation. To transfer that amount from capital to revenue account merely for the purpose of contending the C.C.F. Corporations are making a profit, is surely a piece of monkey business and means they are juggling with the public accounts of this province.

In 1949-50, Mr. Speaker, the Finance Office paid \$600,000 into the public treasury from the C.C.F. Corporations. That is one side of the story. The other side is, the amount the public treasury, in this same year, paid over to the Government Finance Office, on account of the C.C.F. Corporations. I hope the Provincial Treasurer will get what I am driving at. The following sums went out to the Treasury: \$13,000 into the sinking fund set up to

redeem bonds sold in 1945 and the money put into these Corporations; \$155,763 to pay the losses on the Tannery and the Leather Products, which closed up in 1949; \$364,264 to pay the losses on the Fish Board, which also closed up in 1949. These three amounts total over \$530,000 of the \$600,000. There is where your money went, Mr. Speaker, there is where the profits they claim went. These three amounts total over \$530,000, in fact most of the \$600,000 of paid-in profit. In addition there was paid out \$75,899 to take over the materials and equipment of the Tannery and Leather Products, and another \$78,723 to take over the buildings. Some of that represents losses. Just how much we will probably never know. The loss will likely be concealed in the expenditures of the Departments concerned.

There were again substantial additional sums advanced to the C.C.F. Crown Corporations; \$182,000 net to the Timber Board; \$620,000 to the Saskatchewan Transportation Company; \$662,780 to the Guaranty and Fidelity Company. \$600,000 came into the treasury from the C.C.F. Corporations, but all this money went out to this thing called Crown Corporations. It is hard to believe that any Government would let itself in for such inefficiency and such distortion of the facts as has been made on the floor of this House and on the platforms in the province of Saskatchewan from one end to the other regarding the profits of these Crown Corporations. There is no profit, Mr. Speaker. There is a loss, and a large loss. If you figure the C.C.F. Crown Corporations on a business basis and let them carry their own interest for that capital invested, which should be the first charge on earnings, and the operating losses, you will find that there is a loss there that would stagger anyone who takes the time to go into this matter and really ascertain for himself what the amount really is.

Now, these are the facts about the Crown Corporations, and I think all I have said here is on the record. Let these men now pretend things are otherwise. Let them get up and take these statements and toss them away. Let others, too, stand up and make a bald statement that these things are not true. Let them disprove these figures and these facts. Let them do that, so the public can understand them. I am afraid we will be disappointed, if we expect them to do that. They will come up and wave their arms and they will start smoothing over the whole picture and they will say, "Well, there is no truth in this thing. No, we got \$3 1/2 million, 11 1/2 per cent profit on such and such a thing," when practically the whole thing is interest paid by the two corporations which are earning money for the people of Saskatchewan and rendering service to the people of Saskatchewan at the same time — the Power Commission and the Telephone Department.

Now, I want to say a few words in regard to public health. You know, when this Government came in to office they had set their hearts and they were determined they were going to discredit the former Liberal Government. The whole task of this Government for the first two or three years was devoted to that end. So they went down to the United States and picked up a gentleman down there by the name of Dr. Sigerist (He may be a good man), and they brought him up here. They brought him up here with the intention of getting that gentleman to condemn the social services and the public health system in this province. That was the point; that was the real thing that was desired by this Government — to get some outsider who would condemn what had been done in this province. Unfortunately

for my friends over here, it backfired on them; he did not come through. Here is what Dr. Sigerist said. He said that Saskatchewan survey was one of the most pleasant he had ever undertaken in his career. He had had similar assignments but this in Saskatchewan differed from those in South Africa and the Balkans because it was one in which health services did not have to start from scratch. Dr. Sigerist said it was a case of bringing the existing facilities into more service for more people.

Some Gov. Members: — Hear, hear!

Mr. Danielson: — Now, that is pretty good. I agree with that "Hear, hear" 100 per cent and I am glad to have my friends over there agree with me just for once. No one ever pretended, not even today, no man can say that things are perfect in Saskatchewan in regard to public health. They are far, far from being perfect. There are many things that are wrong with the hospitalization plan. The main principle of it is sound, it is the right thing and that is what Dr. Sigerist had in mind. He said the whole problem is to bring the services to more people. This Government has only extended the services that were here when they came in. This Government has only built on the foundation that was laid in this province by the former Liberal Governments and Conservative Government. That is what they have done, and it ill behoves them to try to sneer and belittle and to throw reflection on anything that was done before in this province of Saskatchewan. We had, in the Department of Public Health for many years one of the outstanding men in that field in the Dominion of Canada, and if my friends over there had not been so narrow-minded, so prejudiced and so determined to throw discredit on the former administration, if they had called in the Hon. Dr. Urich and sat down with him and Dr. Sigerist when they had him here, they would have got much advice about many things which they could have taken to heart and which could have been of benefit and prevented many of the mistakes that have been made in what has been put into effect in this province of Saskatchewan. But the Premier thinks he knows it all. His vanity is beyond bounds. But now let me tell my friend that in 1942 — not in 1944 — the province of Saskatchewan expenditure per capita for public health, including relief, was the second highest in the Dominion of Canada. Just a moment now. My friend laughed too soon this time. It is like it was the other day when he ran out and got Hansard to convict himself. In 1942, Mr. Speaker, they adopted relief health services and the expenditure in Public Health not including relief in the Province of Saskatchewan was the highest of any province in the Dominion of Canada.

Premier Douglas: — Puff!

Mr. Danielson: — You can puff all you want to. You might say that to somebody else, but I want the hon. gentleman to prove it when he speaks on the floor of the House and says that these figures are wrong. That he says they are not correct does not make them wrong. Oh, no, the little vanity he has would not be able to accomplish that.

What has come to pass in this province? Well, I will give this Government credit for what they are trying to do and what they have done. They have provided the machinery — mind, just the machinery — in order to do what Dr. Sigerist said could be done to bring the services of public hospitalization and public health in general to more people of this province. That would have been done whether there had been any C.C.F. Government or not,

and probably on a better system and a better basis than it is today. But from that time, as I already stated, millions and millions of dollars have been rolling into the treasury of this province, more than anyone ever dreamed of at that time. So there is no credit to anyone. This Government went ahead and set up the hospitalization scheme. Yes, I say I will give them credit for that. The hospitalization scheme that is functioning in the province of Saskatchewan today . . .

Hon. Mr. Sturdy: — In spite of the Liberals.

Mr. Speaker: — Order!

Mr. Danielson: — It is fundamentally sound. There is no question about that. But again, what is taking place, and what has this Government found? First of all, it takes money to render services and they have simply gone out and taxed the people to get that money. The people paid that money before. But this Government has gone out and doubled and trebled their tax. I am not saying they didn't have to do that; but I believe that in this very setup in the province of Saskatchewan today, you have more expenditure in the offices that have been set up at the top to administer the scheme than is necessary, and many hundreds of thousands of dollars could be saved in the province of Saskatchewan by proper reorganization of that service.

Mr. Kuziak: — Tell the B.C. Liberals how to do it.

Mr. Danielson: — I say that, and I am sure that saving can be accomplished. Well, then, in the last four years — this scheme commenced the first of January, 1947, — the people have paid in taxes \$23,134,000 by the first of January, 1951. The administration costs are right in the city of Regina here, no place else, because this Commission is not running any hospital. That grief is left to the people out in the country, and they have been subjected to the same red-tape, the same stereotyped way of conducting business out in the country as we have here in this Government in this province in this capital city of Regina. But in that time, \$2,286,000 has been paid to this staff that sits here in the City of Regina — staff administration expenses. Well, their principal function is to advise hospital boards in regard to the economic and proper functioning of hospitals. I think it is a good thing; but you have a system here which, of course, is mostly taken up in accounting, taking this money from all over the province of Saskatchewan, and shipping it down here to Regina, and going through all the channels of the banking system, checking in and auditing and all that sort of thing, and that costs money. First of all, there is probably 2 1/2 per cent to collect this money; that goes mostly out in the country. Then when it gets down here, it is just like everything else. By that time this money that has passed through this machine, and has gone back out to the hospital boards to meet the expenses every month, or every six months, a big percentage of that money has vanished in the expenses which could be controlled and reduced considerably by other methods of doing the same thing. There is no question about that.

We had a free hospitalization here for years, in many municipalities. We have had it in our municipality, a long time before this plan came in. We know something about the administration of a hospital. I, myself, have been on the board for about 28 years. We didn't pay out the amount of money required with the cheaper dollar which we have in those days, but as to restrictions on a patient going into the hospital

it was far more literal in those days when the municipality operated than it is right now. We have had accounts thrown back to our office that the Commission had refused, for some reason or other, to pay them. There was never any question, Mr. Speaker, when the municipalities, in combination, operated their hospitals. There was no question whatever, if a person went in there over-night or for two nights, or was in there for observation and had to stay all night, the bill was paid by the municipality. There wasn't any distinction — he was a taxpayer and his bill was never thrown back on the hospital board to get the money to pay for these particular cases. Today this is getting more and more common, and I can see the reason for that. The administration in the beginning wouldn't take the advice of some practical men who lived in the province of Saskatchewan and knew the situation — reeves and councillors and others who had had some experience in these things. I have heard one of the travelling superintendents, or whatever you call them, say there is abuse in this hospital scheme. I am not contradicting him. In some parts of the country more than others this thing is becoming so important that they are now trying to tighten up. They are sort of getting into a panic, and there is close scrutiny and a method of throwing back everything that they can onto the municipalities and letting them instead of the Commission pay it; and it is getting more and more every month. This is a thing that, some day is going to come to a head, and I think that won't be so very long because when the people pay taxes they expect to get service. There is a large amount of money paid by these short-term patients, these people who come and probably stay overnight, or probably two nights or something like that. They are not actually bed-patients, but you can't kick them out, and the hospitalization scheme doesn't pay the bill.

Another thing, Mr. Speaker is social services. Social services are not new in the province of Saskatchewan. They have been here since the very early days, and it is not a new thing in Canada. This Government, of course, never makes any distinction between social service and Socialism. It is all the same to them. Of course they know different; but there again are the 'weasel words' — these words with the double meaning. If social services and Socialism have any connection, then why is it that every province in Canada has social services for the benefit of their people, and some of them have a lot more than the province of Saskatchewan which has a socialistic Government? Why is it? Socialism has nothing to do with it. Social services are provided by every government. When you look at the picture of the Dominion of Canada you will find that in all of Canada there has been legislation to put into operation social services for the people. In all we have 34 such Acts on the statute books of the provinces and the Dominion. And when we get down to who has passed these, whether it has been Liberal, Conservative, Socialists, Social Credit or United Farmers, of this 34, the Liberals have put on the statute books 24 of them; the Conservatives have put on the statute books, in the Dominion, 5; the Union Nationale in Quebec, 2; United Farmers of Alberta, 1; United Farmers of Ontario 1; Social Credit 1; and C.C.F., none. That is the record Mr. Speaker.

Premier Douglas: — Joke!

Mr. Danielson: — Well, what did you put on the statute books? This was all here before. These are the records taken from the Dominion House, and they won't be changed by the Premier saying they are not true. When he says it is not true it doesn't bother me anyway, because he is wrong most of the time; so even if he should accidentally be right

some time it is pretty hard to take any stock in it.

What about the money that goes out to all the provinces of Canada, and is spent for social services in the broad field of social services? Well, Mr. Speaker, 80 per cent of all the money that is spent, for social services in Canada, in one way or another, is paid by the Federal Government. I might mention, here in this province of Saskatchewan, that at the present time there is nearly \$2 million a month of money coming into this province for family allowances alone. That is a lot of money. How many times, Mr. Speaker, have you heard the Premier telling the people about the hospitalization of pensioners — time and time again; and this doesn't amount to any more than the family allowances for one month, and you know it is true. When I am talking about hospitalization I am not including medical services.

Premier Douglas: — Why did you leave them out?

Mr. Danielson: — You heard that I didn't say medical services too. I will deal with it some other time, and I will at least be honest enough to admit that I didn't include the medical services. Now then that is the situation, 80 per cent of all these services are paid for by money coming from the Dominion of Canada, \$30 out of every \$40 pension is paid by the Dominion Government, and this Government put a means test on this supplementary allowance of \$2.50. The average pension here, a year ago, was \$39.84, if I remember correctly; so there are very few of them getting the \$2.50.

Mr. Speaker, if it hadn't been that, all the provinces in Western Canada, and all of Canada, received from the Dominion Government contributions to social services like family allowances, P.F.A.A., old age pensions and many other services, you would have a very difficult and big problem in the province of Saskatchewan today. There is a large part of this province — I will say it is almost half of the province of Saskatchewan that has not had a good paying, or a fair paying crop since 1944, and there is a large portion in the southwest that has not had a crop since 1942. Why is it that you haven't a relief problem in the province today? Just because these social services put into operation and paid for by the Federal Government are coming into the homes all over the province of Saskatchewan, every month, to help to carry and pay for the necessities of life. This Government hasn't done anything towards it. They help simply by saying they are paying for the old age pensioners' hospitalization. That is all well and good and I approve of it wholeheartedly, and they pay this for old age pensioners and mothers receiving mothers' allowances, I approve of that too, but so far as the old age pensioner is concerned, I would ask the Premier to stop making political capital out of that, because, after all, all he does is to pay \$10 into the hospitalization fund for each one of them, and after they have done that the old age pensioner is in the same position as the Premier and myself, if we have to go to the hospital. We only pay \$10 and the rest comes out of the general fund of the province which is made up of the taxes paid in by the people. That is the whole thing. I am going to make a suggestion to him, and then he won't have to worry anything about this old age pensioners contribution to the hospitalization fund. Let him increase his old age pension by 83 1/2 cents a month, and then he could pay the \$10 to the old age pensioner and he could pay his hospitalization himself. That is another solution; and he could cut out all his bookkeeping and his staff

and everything else, and save that money, because if you divide the \$10, Mr. Speaker, by 12, you will get the figure that I have given you. Now that is the situation in the province of Saskatchewan, so don't be bragging about anything.

Now, Mr. Speaker, I have spoken longer than I thought I was going to, and I know that everybody will be glad to see me quit, so I am going to close my remarks.

I think you will know, Mr. Speaker, from what I have said that I shall oppose the motion.

Mr. James Gibson (Morse): — Mr. Speaker, in the time at my disposal I intend to deal mostly with the Morse constituency. I would like first, though, to make a few comments on some of the things my hon. friend from Arm River has just said. I think that he mentioned at one time that the average pension paid in the Province was \$32.80 . . .

Mr. Danielson: — I said \$39.84, and that was given in an answer to a question last year.

Mr. Gibson: — I thought you said \$32.80, but let us take \$39.84. He intimated that there were very few people, according to those figures that were getting the \$2.50 supplementary payment from the C.C.F. Well, I would suggest, Mr. Speaker, that because of the means test they couldn't have been getting the whole \$40 pension from the Federal Government either.

Mr. Danielson: — Could I just . . .

Mr. Gibson: — You've had your share, you have been talking all day. All right, go on, go on . . .

Mr. Danielson: — Mr. Speaker, he said that there was none. There were some of them that did not receive the full \$2.50.

Mr. Gibson: — Well, that is exactly what I meant. I meant that he said that they weren't all receiving the supplementary \$2.50 supplementary payment, Mr. Speaker. The inference was that it was because of the Saskatchewan means test. Well, Mr. Speaker, if they were getting less than \$40, the Federal means test was preventing them from getting the \$40 in the first place. And my hon. friends know quite well the policy of the C.C.F. We are prepared to pay up to \$50 pension in this province. We are prepared to pay our share of that pension if the Federal Government will come along and pay theirs. And so far as us paying our \$2.50 supplementary payment, Mr. Speaker, why should we have to pay it? Why should the Province have to do that? The Pensions Agreement is that the Federal Government will pay 75 per cent and the Province pay 25 per cent. And if our Liberal friends opposite and at Ottawa are so anxious that we pay the \$2.50 supplementary payment, Mr. Speaker, there is a very simple way of bringing it about. All they have to do is to increase the amount of allowable income. If they do

that, Mr. Speaker, there would be no way of avoiding it., But the trouble then would be that if they do that, they, themselves, will have to pay a lot more out in pensions than they are paying at the moment.

One other thing he mentioned. He tried to produce figures to prove that we have taken in very much more, about twice the amount I believe, in taxes (he is running away now) in the past four or five years than they did the last four or five years that they were in office. He forgot to mention, Mr. Speaker, the inflationary dollar that we have now; but I noticed that he remembered to mention it when he was making comparisons later on, when he was making comparisons on the estimates for the Department of Agriculture. He reminded us that the dollar today was only worth about a half of what it was worth before.

Another thing that he brought up, Mr. Speaker, he suggested that the Premier or someone else here is very anxious to have some "hidden" taxes, and he didn't agree with that at all. He said he thought we should know the taxes we pay. Well, I wonder if we know of the millions of dollars that we pay every year in hidden taxes to the Federal Government. I know that I know of some of them, and I think that my hon. friend does too. And he said, giving us a lot of figures, that if certain members on this side of the House state that these figures are wrong, it doesn't make them wrong. Well, I think that rule, Mr. Speaker, would work both ways.

And speaking of pensions, Mr. Speaker, I didn't intend to mention pensions, but the hon. member brought them up: I have before me here the figures of the amount collected from excess profits in certain years, and I juggled those figures a little here, last night, to see just how much pension that would provide for all Canadians over 70 years of age regardless of the means test. I did not have time to bring them to a final conclusion; but it was not hard to discover, for example, that every Canadian over 70 could have a pension of \$55 a month without the means test from the amount collected in every one of the last five years that that excess profits tax was in operation, out of excess profits tax receipts. \$445 1/2 million dollars would provide every Canadian over 70 with this pension without a means test, and the lowest amount that was collected in those five years was \$454 million dollars. So when our friends at Ottawa are talking about pensions and our friends in this House here across the way are feeling very sorry for the old-age pensioners, I wonder why it is that just like snapping your fingers, they write off this amount of taxes, and surely if there ever was a fair tax it is an excess profits tax. If they are so anxious for the welfare of the old-age pensioner, why in the world did they write that off? Why in the world didn't they take that money and provide an old-age pension with it?

1950, Mr. Speaker, proved to be a year of many disappointments for the farmers of Saskatchewan, and so it was for the farmers in Morse. The first thing that we had to contend with was a most severe grasshopper infestation. The ground in places was literally alive with them. But, thanks to the timely warnings from the Department of Agriculture, the municipalities and the farmers were on their toes and ready to combat the menace. I think it is safe to say that they put on the best arranged and most successful campaign that has ever been waged against the grasshopper. We just about wiped them out in most places. Owing to the lack of moisture, crops in some parts of the constituency, especially up in the north-west corner, were very poor and for some of those unfortunate farmers it was the third poor crop in succession. But throughout most of the rest of the constituency

crops ranged from good to very good. The frost came along, of course, and there was the odd field that had no value whatever for cereal content; and some of those were cut for feed and some of them were left standing. But the balance of the crop ranged from No. 2 Northern downward; I think possibly mostly downward.

Another disappointment confronting the farmers this year again was the shortage of box cars. I have a letter here from the Secretary of the Morse Wheat Pool Committee, written last January, telling me that there were farmers in the Morse district who hadn't been able to deliver one bushel of this year's crop at that time, and quite a number had not been able to deliver their 8-bushel quota. This letter enclosed a petition to the Wheat Board. I took the matter up with the Premier, and the Premier already had had other similar letters and it was taken up with the Rt. Hon. J.G. Gardiner, and the excuse given was that the railroads had a lot of their best grain cars down in the United States and they had great difficulty in getting them back. Now, that may be so, Mr. Speaker, but there is one thing that I have noticed ever since the quota system went into effect — and I am certainly not speaking against the quota system; I think it is very necessary at times to have that system. Ever since it has gone into effect, however, I have noticed that where in any city there is a large mill located, those mills do not seem to have any difficulty whatever in getting all the cars they need, while the surrounding elevators for quite a radius are blocked right away and do not seem to be able to get cars at all, with the result that farmers if they want to get their quotas out are compelled to go to the added expense of trucking their grain those extra distances to the city. I often think that this would stand looking into. I don't know just what can or will be done about it, but it certainly does not appear fair on the surface. Perhaps the only thing that the farmers can do about it is to insist on the use of the car order book and if they make full use of it they will at least be able to get the cars to be delivered to the elevator of their choice.

All these setbacks, of course, were very disappointing, but, I think the greatest disappointment of all came with the announcement from the Federal Government that the initial price for the 1950 crop was to be \$1.40 basis No. 1 Northern Fort William, some 40 cents below world market price at that time. Farmers are unable to find a reason why wheat should be singled out for this drastic reduction at a time when the price of all other commodities has reached an all-time high. To them it was as though the Federal Government had said to the wheat buyers of the world, "We believe that wheat prices are too high or that they will come down and we have reduced the initial price accordingly." I think the majority of farmers, I am sure the majority of farmers are in favour of the Wheat Board system of marketing and that they will agree that, unless the Federal Government wishes to subsidize the farmer through the Wheat Board, they have to use extreme caution in setting initial price. To set it too high might be equally disastrous as to set it too low; but with expenditures for defence in every country in the world reaching all peacetime records and with half of the population of the world in a state of semi-starvation it would appear that the Federal Government allowed caution to overrule reason in their decision to single out for reduction this important peacetime and war necessity.

I would like to mention some of the dry-land forage crop projects in the Morse constituency. There are some 11,000 acres in these

projects, mostly around the town of Mortlach in the R.M. of Wheatlands. These projects are for the most part at least, on sub-marginal land and the Department has undertaken to bring this land back into cultivation. They have strip-farmed it. In some cases they have seeded nurse crops of oats to get the grass seed started, and they have got 2,200 acres now in alfalfa and crested wheat grass. They have harvested over 22,000 bushel of oats off these projects, and they have cut and baled hundreds of tons of hay. It is the intention of the Department in taking over these projects to show what can be done to grow feed in dry years and to interest municipalities and co-operative groups of farmers in these projects, with assistance from the Department. The R.M. of Mortlach, of Wheatlands No. 163 have an interest in a 320-acres project on these terms and there is a stall group of dairymen, who happen to be members of the Moose Jaw Milk Producers Association, who have taken over a 960-acre project on the same terms, and it is hoped that other groups of farmers and municipalities all become interested in these projects and assure themselves of fodder in poor crop years. I do know that the Dairymen's Association of Moose Jaw have been helped out on more than one occasion with feed, first-class feed, the very best of our alfalfa from these projects, and I know that there is increasing interest in municipalities and among the farmers in the projects, and I haven't any doubt the Department will be able to get the proper groups interested in them.

Other activities of the Department in the constituency include assistance to the water-users in the 5,000-acre irrigation scheme in the Herbert area. The Department in that scheme have given assistance to those water-users by moving, levelling and moving of 15,000 cubic yards of earth, and they have constructed over 27,000 feet of canal.

All of the Morse constituency, excepting the towns, is in one or other of four school units. In the north-west corner we have a part of the Outlook unit; in the north-east corner, a part in the Davidson unit; in the south and west side, a part in the Herbert unit and in the east side a part in the Moose Jaw unit. The Herbert unit is the only one of those four units that has passed its 66th month of age. It has met favour with its ratepayers, and it has been set up on a permanent basis. I am quite sure that the other three units whose time will be up shortly will also meet favour with the ratepayers and they, too, will be set up on a permanent basis. Out of the 48 units set up in the province, 24 of them have now passed their 66th month and have been set up on a permanent basis. None of them have voted against being established on the permanent unit.

Members opposite have had quite a lot to say about the unit, most of it not very favourable. One of the charges levelled by them against the unit is a shortage of teachers, and for this they blame the Department of Education. I have here a clipping from the February 1st edition of the "Leader-Post", 1951, and it speaks of teacher shortage. It goes on to say:

"Almost 200 rural schools are closed in Canada because there are no teachers to staff them, the Canadian Educational Association reported Thursday. In 3,900 other rural schools the teacher is not fully qualified for the position, the Association announced after a national survey. The teacher shortage in urban areas has improved by 14 per cent in the last year."

It goes on to tell of the improvement. The Roman Catholic system in Quebec and Alberta reported no shortage in elementary and secondary schools. All four have shortages in rural schools. The C.E.A. estimated the shortage of teachers in Canada at 5,856. Teachers not qualified were counted as vacancies. Newfoundland had the most shortages, with 1,330 vacancies; Quebec Catholic system, 1,200; New Brunswick, 712; Manitoba, 667; Saskatchewan, 606; Nova Scotia, 571; Ontario, 313, and Alberta apparently was very low, 147. But the point is, here we have a teacher shortage all over the Dominion and our friends opposite would like to lay the blame for it here in Saskatchewan.

One other charge levelled against the unit is that it has closed schools. The hon. member for Arm River, last year, I remember, told us that one of the reasons that the Hon. Mr. Gardiner was unable to fill his Canadian bacon contracts with Great Britain was because the school units had closed the schools and driven the people off the farms. Well, I don't know whether he intended this for a joke or not, Mr. Speaker; it sounded like one, but I suspect he used it for lack of better argument. Everyone knows that some rural schools have closed, but most of them were closed before they were fortunate enough to have a unit. According to statistics, during the years 1941 to 1946, 280,000 people left the province of Saskatchewan, and during that time the towns, cities and villages continued to grow at the expense of the rural areas, and my friends were in office for four out of those six years, while this exodus was taking place. It is as simple as that, Mr. Speaker. There just aren't enough children left in the province to make use of all our rural schools.

In spite of this, however, some units have more schools in operation today than before the units were set up. This has been brought about partly, I suppose, because of the better financial position of the units, and I do know, also, that some units have been using the expedient of sending married teachers (and there is quite a lot of them) with families out to districts where there has been a shortage of pupils. In the Moose Jaw unit, for example, since it was set up they have closed 10 schools, but they have reopened 17, Mr. Speaker, making seven more schools in operation in the unit than there was when it was set up. I might say also that in no instance has the school been closed without first having had proper consultation and agreement with the Board, and without making a survey of what is to become of the children left in the district. And if the parents think that it is better for them to send their children away to be boarded with some relative or friend, the unit has paid up to 75 cents per pupil per day in board allowance.

Another criticism levelled against the unit, Mr. Speaker, is that it has increased taxes. Well, let us examine and see if this charge can be justified. One thing that might tend to make people think taxes have increased is because of the reassessments in the province. The Assessment Commission have men on the road most of the year on requests from municipalities for reassessments of some of the lands in their municipalities. Last year, for example, in the Moose Jaw unit, one municipality called for a reassessment of some of its land, and when the inspector got through, the assessment of the municipality was reduced by \$240,000. This, of course, meant that if the mill rate should remain the same the school unit would be getting several thousand dollars less in returns from that municipality.

And so, while reassessments may necessitate a higher mill rate it doesn't necessarily mean an increase in taxes.

Another reason for the rise in mill rates on school taxes is because many schools, in those years between 1941 and 1945, were operating not on current revenue alone but with the addition of collections of arrears of taxes that had piled up in the '30's. Many of those schools were spending ten mills more than their current revenue. They were able to do it because of the fact that they were receiving that much in arrears of taxes that had piled up in the '30's, and I know that lots of school districts did not even know that. I know for a fact that one school district that I can think of in particular, came in to the Moose Jaw School Unit one day asking for a certain favour and, to substantiate their need and the reason why they should have it, they suggested that their mill rate at a certain time — that is the year before they came into the unit — was a certain amount, — but in looking over their financial statement for that year, it was found that the mill rate over all should have been 6 1/2 mills extra to make up for the amount that they collected in arrears of taxes. That was just one instance, and there are lots of them.

I know of another school — I had a lot to do with it, Mr. Speaker. I was chairman — secretary of this school, have been for many years. The year before we went into the unit (that was 1945), at the annual meeting in 1946 I presented to the ratepayers a tentative budget, and that budget showed that if we did not increase expenditure in the next year above what we had spent the year before, we would have to increase the mill rate by 10 mills in order to get that sum of money; and we knew at that time that we were going to have to pay several hundred dollars increase in teacher's salary. As I say, there were lots of schools in that position, I think probably more of them in that position than there were that did not have arrears of taxes. And on or about the time, along about 1946, the majority of those arrears were paid up and so, of course, it was necessary to raise the mill rate.

The principal reason for the raise in taxes, as my friends very well know, is the deliberate inflationary policies of the Federal Government. The cost-of-living index and farm operational costs have nearly doubled in recent years. A few days ago the Minister of Education was giving some illustration of what increased cost of farm machinery had meant to the farmer in terms of mill rates on his assessment, and it made me think of a letter that I had read in a Regina paper of February 7th, last. This was a letter from a farmer complaining about the high cost of living, and he gave us an illustration that a certain farm tractor costing, in 1945, \$1,900, today the same tractor costs \$3,000, an increase of \$1,600 in five years. This would mean that a farmer with a farm assessment of \$10,000 and by the way speaking of assessments, I know the highest assessment in the province is \$32 an acre, so that is very little over that amount. This would mean to that farmer an immediate increase of 160 mills on his assessment on the increased cost of that one item of machinery alone, and if you spread it over five years, it would mean an increase of 32 mills a year for the five years in which the increase took place. So that gives us some idea of just one of the reasons for the increase in taxes. And if my friends opposite try to blame these increased costs on the school unit, they are not fooling anyone; they are merely trying to draw a red herring across the wide trail of inflation left by their friends at Ottawa.

I noticed in the "Leader-Post" of February 13th, something about increased taxes. This is an item from the city of Moose Jaw, and it is an item put into the paper by the City Commissioner, who is speaking about the increase in taxes in the city of Moose Jaw. He says:

"A mill rate of 33 mills is required to cover the net proposed expenditures, an advance of 3.10 mills over 1950," Mr. Marquis declared. "The reason for the rise is not hard to find," the Commissioner pointed out. "The costs of materials and labour have advanced enormously. The municipal dollar has no magic purchasing power; it has depreciated just as much as the dollar which the housewife uses for foods and household necessities. Certain economists recently estimated the dollar to be worth 56 cents compared with its average 1935-39 value. My own estimate is it is worth 45 cents or a bit less."

And he goes on to tell of how — he says:

"For several reasons," he added, "it is probable that there will be an advance in school levies. Taxpayers who paid a record high of 61.81-85 mills in 1950 will therefore face a still higher rate this year in all probability."

That is the difficulty that the towns, the cities and all municipalities, and all individuals are running across because of the depreciated value of the dollar.

Now, I want to deal briefly with some of the advantages of the school unit system. The Minister gave a very good accounting of this the other day, but these advantages cover such a wide field that I thought it might be well to mention a few others. Perhaps the greatest advantage is the equalization of the mill rate, making available an equal amount of money for every classroom. Every boy and girl in a democratic country has the right to the best education that country can offer, and certainly this cannot be provided unless there is an equal amount of money for every classroom. Under the old system, this was impossible. When the Moose Jaw unit was formed in 1946, mill rates for rural schools throughout the unit ranged from 21 to 27 mills, and as I have stated, they would have been a great deal higher than that had it not been for the collection of tax arrears, and, with the increased cost since 1945 of everything that goes into the operation of a school they would have been a great deal higher today were it not for the unit.

I want to quote here some of the increased costs of operating a unit cost of fuel, light and water in the Moose Jaw unit in comparison to 1945 (and this is up to the end of 1949; we have not got the 1950 financial statement out yet), there is a 74 per cent increase there, 74 per cent — I have all of the figures here if anybody would like to get them; cost of teachers' salaries, there is a 62.02 per cent increase; cost of janitor services, 76.7 per cent increase. Now, I do not think that my friends opposite have any objections to increasing teachers' salaries.

I do not think they want us to go back to the days I can remember, when a teacher in our school got \$300 for a year, \$25 a month, and for janitor's salary, she did the janitor work. Instead of getting it by the month she got it by the year — it was a bigger sum that way; she got \$25 a year for putting on the fire, sweeping out the school, carrying the coal, etc.

Mr. Korchinski (Redberry): — Were you on the school board then?

Mr. Gibson: — I was on the school board.

Mr. Korchinski: — Then shame on you.

Mr. Gibson: — But I had nothing whatever to do with the economic system which you people on the opposite side there think so much, which brought it about.

Repairs to buildings, equipment and grounds have increased by 308 per cent, three times as much; and capital expenditures by 474 per cent, or five times as much.

Since the unit was formed we have built six new schools and 23 new teacherages. We have paid our way. We have operated on current expenditures. We have cut down our debts by a considerable amount — I had it here on a piece of paper, I have misplaced it at the moment — and we have instituted, certainly, a lot of services that would not be possible under the old single unit of administration. We have reduced our debt in the past five years, our debenture debt, from \$75,000 to \$41,000, our D.A. debt from \$22,000 to \$5,000, the school loan debt from \$4,000 to \$600 and, in addition to this, we were able to go to the bank when we took over this huge debenture debt, seventy-some thousand dollar debenture debt which was coming due at all times of the year, almost every other week there was some debenture coming due, it was quite inconvenient. We went to the bank and we cleaned up all that we could clean up of it that was callable, sixty-some thousand dollars at 4 per cent interest, to show how much faith the bank had in the financial structure of the unit. As I said, we built six new schools and 23 new teacherages, and we have paid for all of it, including our operating expenditures, out of current revenue.

Another advantage in the unit must be an advantage because since the formation of the unit there is a decided increase in the percentage of students that reach grade 12. I suppose, perhaps, that this is due, in part, to the excellent Libraries that the units are able to provide and to the advice and assistance that can be or has been given by our helping teachers; and last, but not least, to the high school assistance — the 50 cents per day high school assistance. This assistance is paid if a student has to leave home to go to high school, and if he finds it more convenient to go to live with relatives or friends in any part of Canada he can still qualify for the high school assistance. And, in conclusion on the school units, I might say that equality for all children is the aim and purpose of the larger school unit and that if we extend this we preserve and extend our democratic way of life.

I would like to mention a power extension that has taken place near my home town. This extension — the work on its construction did not

start until about the middle of November and it was away below zero at that time and the snow was quite deep; but, in spite of this, the work has been completed and 35 new customers have been added to the Power Commission's long list of customers. Many other farmers now are very anxious to get on to this extension, and it is expected that there will be twice as many customers, double the amount, on before the end of this year.

One other thing of great importance in this Morse constituency is the Saskatchewan Government sodium sulphate plant at Chaplin. The groundwork for this plant was laid in 1945 and the plant was completed and officially opened in 1948. The first plans called for the installation of only one kiln, but before the plant was completed the plans were changed and two kilns were installed and the building was enlarged to make room for a third kiln if demand for the product would substantiate the installation. Well, demand for the product has substantiated the addition of a third kiln and we are in the process now of putting it in, and it is expected that it will go into operation on or about April 1st, and when it does it will nearly double the capacity of the plant.

Our friends opposite have lots to say about the Crown Corporations such as "toss them out the window." Much better to put the money into Government bonds" and so on, etc., and etc. always a knock and never a boost. And the Liberal press is ever ready to help them out in it. I have here (if I can find it) a clipping from the "Star-Phoenix", dated January 30, 1951. It is titled "Through Rose-Coloured Glasses" and it goes on to say:

"The real test of all these Corporations must be, do they provide better services at less cost than can be provided by other means? The first point to be noted here is that, with the exception of the woollen mill, other Crown enterprises are merely substitutions of private enterprise which were carving the public before the Crown company came into existence. Is the service better, more economical, since the Government took over? That is the test. That is something the C.C.F. seldom tries to assess. It is indeed a consideration that seems to have been entirely absent from the decision to enter at least two of the industries, the box factory and the sodium sulphate plant, which have only the remotest connection with the public".

Well, Mr. Speaker, I do not think that that kind of editorial will go over very well with the people in the Morse constituency. They are close to the plant, they see it in operation, they are proud of it and many of them have expressed to me the thought that if we are ever unfortunate enough again to have a Liberal Government returned in this province, they will do with those Crown corporations exactly as they did with the briquetting plant, the million dollar briquetting plant at Estevan, they will sell them at a dollar each.

Mr. J.E. McCormack (Souris-Estevan): — Get the whole story: better read up on it.

Mr. Speaker: — Order!

Mr. Gibson: — And when a newspaper says that this plant has not the remotest connection with the public, then I think it could more properly be said that that newspaper has not the remotest concern with the welfare of the people.

If private enterprise is always so active in the development of natural resources as this paper suggests, then why didn't it get busy on this one? I am sure it was not hard to find. All you had to do was to get on a railroad train on the main line of the C.P.R. and when you got up to that part of the country you just looked out of the window and there was eight square miles of it, of a depth of from 14 to 18 inches of sodium sulphate, estimated to be in the neighbourhood of 15 million tons. It was not hard to find, Mr. Speaker. The plant is self-contained; it has its own water supply derived from under the soil where the plant is situated. It has its own sewage system. It gets its power from the Saskatchewan Government Power Corporation line which passes the door of the plant. As for roads, it uses No. 1 Highway which is bordering the plant, right up against the plant. It borders the plant and so it can use No. 1 Highway for a road and as for railway service, the main line of the C.P.R. abuts the highway and a short spur-track gives it railroad service. This plant, Mr. Speaker, is operating on a 24-hour basis. It gives employment to an average of 80 employees with a semi-monthly payroll of \$8,200, or \$16,400 a month. Last year, wage increases granted amounted to some \$8,000, and it is estimated that the profits, this year, will be five times that of last year.

In assessing the value to the province of Crown Corporations, our friends first are definitely opposed to public ownership.

Opposition Members: — No!

Mr. Gibson: — Their second concern is how much in dollars and cents do they provide for the Treasury; they never attempt to assess their value to the province apart from profits accruing to the Treasury. Well, here we have a plant making substantial profit in dollars and cents but, in addition to this, the fact that it provides employment to some 80 employees with a \$16,000 monthly payroll gives it a very definite connection with the public, a connection of equal or greater importance than the dollars and cents in profits provided to the Treasury.

Mr. Speaker, I shall support the motion.

Hon. I.C. Mr. Nollet (Minister of Agriculture): — Mr. Speaker, I first of all want to offer my congratulations to the Provincial Treasurer for his excellent effort in presenting the budget to this House and the people of Saskatchewan. I was particularly privileged and felt good over the fact that he made quite an extensive reference to agricultural development, and that certainly augurs well for the agricultural industry of the province, and it certainly is encouraging coming from the Provincial Treasurer that agriculture, after all, plays such

an important part in the economy of Saskatchewan. It indicates progress, Mr. Speaker, in more ways than one. I can say this to the credit of the Provincial Treasurer. In his remarks with reference to agriculture, he certainly took a far more constructive attitude than did the hon. member for Arm River (Mr. Danielson). I regret, Mr. Speaker, that the hon. member for Arm River is not in his seat. Every time I want to pay him a compliment he happens to be out of the House; but I do, Mr. Speaker, want to take this occasion of congratulating the hon. member for Arm River on his very excellent contribution and on the abbreviated nature of his speech. The quality of the speech has gone up as considerably as the length diminished. I hope the hon. member keeps up the good work. He is making good progress — he may in time get down to an hour.

I was quite interested in the hon. member's remark that the agricultural prosperity, prevalent in the past few years in this province was not because of anything done by this Provincial Government.

Mr. Danielson: — Correct.

Mr. Nollet: — "Correct" the hon. member says, and I say, right. And the Federal Government also has to accept responsibility for situations that have been adverse to the agricultural industry. It goes without saying that the Federal Government has the responsibility for fiscal policy, and the hon. member for Arm River gave the Federal Government credit for the immeasurable prosperity that we are enjoying at the moment. And then, shortly after, he hastened to say that everyone knew that farm income has been good because of the war situation. I certainly do not want to blame the Federal Government for the war situation but . . .

Mr. Danielson: — On a point of privilege he is absolutely misrepresenting my statement. I said there were three distinct reasons why there was prosperity in Saskatchewan. One was a large contribution by the Federal Government in grants to the provinces, the weather conditions, and the good price which have been brought about mostly by the condition of the war. That is what I said, do not distort any more.

Mr. Nollet: — That is approximately, I think, Mr. Speaker, what I am saying, I hope that I have put the proper translation on the hon. member's speeches. It is a little difficult, I can assure you, and, by the way — Oh, I dare not refer to anything that has been said in a preceding debate; but all the same, I looked up the records, Mr. Speaker, and I found that I was correct.

I would like to make reference to another statement made by the hon. member for Arm River. He said that we were more or less "padding" the Agricultural vote since we transferred lands from the Department of Natural Resources to the Department of Agriculture. I think he mentioned a transfer of a vote of some \$418,000. If I recall correctly, Mr. Speaker, the vote at that time for the land administration was around \$246,000. As a matter of fact, at the present time, in the estimates now, it is \$272,000. But, I would like to say to the hon. Member for Arm River, in addition to that, there has been a decided increase in the general vote

in the Lands administration, in order that it could be in a position to properly discharge its function to the agricultural industry of Saskatchewan. And, in addition, if the Hon. member will take note, there is another \$250,000 available to that Branch this year for the purpose of land development.

He overlooked the fact too, very conveniently, that an entirely new department Branch has been set up in the Department of Agriculture that has an appropriation, this year, in the total amount of \$1,188,000. So we can subtract the amount of money involved when the transfer was made of Lands administration to Agriculture and also any other relief. Now, to my own knowledge, Mr. Speaker, the administration of the relief feed and fodder has been with the Department of Agriculture as long as this administration has been in power.

The hon. member does contradict himself here and there and, of course, I do not suppose that we can blame people for trying to make the best possible case they can out of any given situation. He mentions, in glowing terms, the millions and millions of dollars of new revenue that this Government is getting that the former administration did not have. A little later on then, as he wants to prove another point, he says, "But it is only worth about 50 per cent of what it used to be years ago." That is when he is dealing with expenditures, Mr. Speaker; there is just a slight contradiction.

Mr. Danielson: — That's the excuse you fellows always give.

Mr. Speaker: — Order!

Mr. Nollet: — We all know that we are in a period of inflation, Mr. Speaker, we all know that our dollar does not purchase as much any more. Municipal governments particularly know that, Mr. Speaker; and fiscal policies devised at Ottawa are the very things that have militated against the administration of local governments and provincial governments in the Dominion of Canada, and, while assuming the credit to the Dominion Government, for all of those good things in this great period of prosperity, they should also take the bitter with the sweet. The fact remains, Mr. Speaker, that never in the history of the municipal and provincial administrations have we been so concerned with the future and with the rising cost of services. But, despite that, Mr. Speaker, this administration can definitely prove an expansion of services in every department of the Government and they can, Mr. Speaker, definitely prove efficiency of administration.

Now, I think that is about enough well-chosen words for this afternoon, Mr. Speaker, so I beg leave to adjourn the debate.

(Debate adjourned)

**MOTION RE SPECIAL FREIGHT RATES
ON
EXHIBITION AND PUREBRED LIVESTOCK**

Moved by Mr. F.A. Dewhurst (Wadena), seconded by Mr. Wm. S. Thair (Lumsden):

"That this Assembly urge that the Government of Saskatchewan continue to make representation to the railways for reinstatement of the former special freight rates on exhibition and purebred livestock."

Mr. F.A. Dewhurst (Wadena): — Mr. Speaker, I believe all of the members here are agreed that something should be done to help the producers of livestock, and the livestock industry, and also the stock showers. I don't intend to take very long in moving this motion because I think the wording of the motion more or less speaks for itself.

I would like to go over a little of the history of what these rates were formerly, and what they are now. Now the former rates averaged, roughly, one-half of the normal rate of that day — that is, the former rate which was given as a special concession to the fairs and the stock-raisers. They paid in travelling to a fair — a showman who wanted to show stock at a fair paid full fare to the first place of showing, half-rate from there to the second place, half-rate on to the third place, and so on; and then free fare from the last showing back home. It did not make any difference whether that stock came from Ontario to be shown in the west, or whether it went from the west to be shown in the east. They paid on the same basis — full fare to get them to the first showing; showed them around the circuit at half-fare; and then free fare back home again.

Now these rates were cancelled on June 1, 1949; then the tariff on this stock became full fare.

It would be interesting, for a moment, to go over some of the figures and see what that amounted to when it was put on full fare. I don't intend to state figures from all over the province, but will just take some on the mainline here, and use as an example for my argument, from Regina to Maple Creek. The southwest part of this province, as we know, is mostly suited for the raising of livestock. I find that in 1947, the freight rate from here to Maple Creek was 49 cents per 100 pounds; and in order to get this rate on stock the minimum shipment was classed to be 2,000 lbs., so the least a stock-raiser could ship a beast for, from Maple Creek to Regina or vice versa, was 49 cents per 100, on 2,000 lbs., or \$9.80. In 1948, it was 60 cents per 100 lbs., on a minimum of 2,000 lbs., making it \$12 for the cost of shipping a beast. In 1950, after cancelling those special rates, it went up to \$1.43 per 100 lbs., and also the minimum was increased from 2,000 to 4,000 lbs., so the minimum charge for this shipment was \$57.20. Now the freight rate increase is from 49 cents to \$1.43, or 94 cents per 100 lbs., and when you add to this the increase

from 2,000 to 4,000 lbs. on which the freight was to be paid, we find that the increase to be paid is from 49 cents to \$2.86 per cwt. Now when we consider that the average 2-year old bull, which can be bought at a stock sale here and shipped back, only weighs about 1/3 of the 4,000 lbs., the freight on the actual weight shipped is not then \$2.86 per cwt, but \$8.58 per cwt. The first-class freight rate on other goods is \$1.43 per 100, and this is also the minimum charge on any other goods shipped from here to Maple Creek; but we find that for shipping livestock, the minimum charge is \$8.56 per 100, so this is six times the first-class freight rate.

Now the result on the cattle industry is going to be that there are fewer people going to come to the stock sales and buy pure-bred stock to help build up their herds. There will be less stock brought to the sales, because those who have the stock will realize that it is no use taking them to the sale because, in the first place, a farmer coming in to buy a bull at these stock sales is going to figure what that bull will cost him laid down at his own farm. If the producer has first to pay that exorbitant rate to bring the stock into the stock show, then the buyer has to pay an exorbitant rate to get it home again, that is adding to the cost of that pure-bred sire laid down at the farm where it may be used; therefore the sale price to the man who produced the animal is going to be that much less. Now this is going to have the result of tending to lower the average herd, instead of improving them.

I think the railroad companies should be very concerned about helping to increase the standard of the stock at these fairs, and also the standard of the stock on all the farms throughout Western Canada. The more stock that is produced, and the better stock that is produced, will mean more that the railroad companies are going to haul to the markets, our greatest market in the west here being St. Boniface, in Manitoba. What is going to happen? There will have to be more stock trucked, because the freight rate is too heavy for these shows. But we find one of the difficulties in trucking stock to these shows is that at the time the stock shows are held, it is mostly in the spring when the roads are blocked for truck traffic, and it is definitely going to have a disadvantage on those sales. Those in charge of the shows, in the summertime, are becoming quite worried over not having as good a result, last year, as they had before.

I have the figures here for the number of stock shown at the Regina Exhibition these last two years. In 1949, there were 218 heavy horses shown; in 1950, 118, a decrease of 100. Cattle — in 1949, 324; in 1950, only 240. Sheep — 1949, 225; 1950, 144. Swine — 1949, 104; 1950, 72. We find that the total dropped from 871 in 1949 to 574 in 1950. I checked with the Secretary of the Regina Fair Board and asked him how the 871 for 1949 compared with the average — was that an average year taken in consideration with 1947, 1948 and so on; and he told me that the 871 for 1949 was roughly a good average of what they had been averaging in previous years.

Also we find that, in 1949, there was 23 carloads of stock brought to the Regina Exhibition by railroad; but in 1950 there was only seven, so I think this goes to show that the railroad companies, by

cancelling this special preference to the registered livestock producers, are what you may call 'cutting off their nose to spite their face.'

The railroads argue that the price of stock is much better than it was, and therefore, the freight should go up. If that is what they base their argument on, Mr. Speaker, then in the 1930's they should have paid the farmers for the privilege of bringing their stock to the fairs, because in the 1930's people with a special rate found the freight to be a good portion of the value of the beast. It always seems to me that any time conditions for the farmer, in any way, get a little better everybody jumps in and says "We must have our pound of flesh out of it"; but when the prices go down, the farmers find themselves in a hard-pressed position, and they just say, "Well, we are sorry for you, but it is too bad we can't help you".

I think the railroad companies owe something to the agricultural industry of the west. They received millions of acres of land as a grant in helping to build railroads across this vast expanse of good farmland in the west, and surely the amount of revenue that they will get on putting the livestock fare on full rates won't amount to one drop in the bucket on the over-all revenue picture of the railroad companies, but it does mean a great deal to the encouragement of purebred stock in this province. There was a press release in the paper, this morning, as to where they have given a little concession again to the livestock industry, and that is that they charge the same rates that I have outlined here now for showing at the fairs, full fare all round, except where it used to be free-fare home from the last showing, now for show stock they are going to reduce the fare instead of being full fare home as it was until this last announcement came out this morning; now they are only going to charge 75 per cent of regular fare back home. Well, I think that is really just a crumb. It is really an insult to the livestock industry if that is the best they can do.

Now, as I said at the beginning, I don't think this should be a controversial motion — I think all members of this House will support this motion, so I move, seconded by Mr. Thair:

"That this Assembly urge that the Government of Saskatchewan continue to make representation to the railways for reinstatement of the former special freight rates on exhibition and pure-bred livestock."

The question being put on the said motion, it was agreed to unanimously.

The Assembly adjourned at 5.55 o'clock p.m.