

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Third Session — Eleventh Legislature**  
**26th Day**

**Thursday, March 8, 1951**

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

**BUDGET DEBATE**

The House resumed from Wednesday, March 7, 1951, the adjourned debate on the proposed motion of Hon. C. M. Fines (Provincial Treasurer): That Mr. Speaker do now leave the chair. (The Assembly to go into Committee of Supply).

**Hon. Mr. Fines** (closing): — Mr. Speaker, I should like to take this opportunity of thanking all those members who have taken part in the debate for the congratulatory messages which they have given to me. I just want to assure the House, again, that I do not take any particular credit for this budget. After all, the budget is the policies of the Government and the policies of the various Ministers. All the budget is, is something of the financial picture of the policies of the Government during the next year.

I would like to thank all those who made any constructive suggestions. There were several constructive suggestions, I might say, in this debate, and I do appreciate those. We have had some very good suggestions such as that made the other evening, for example, that we should undertake a programme of making contributions to the snow removal clubs to get rid of the snow from the country roads in order to keep people on the farms. I think it is a very laudable suggestion, and I want to thank the hon. member for Redberry (Mr. Korchinski) for it. Of course, there is one little problem that we have, and that is that it is now costing us about half a million dollars a year to look after 8000 miles in our snow-removal programme, and what he is suggesting is approximately 200,000 miles, so it would cost us, at the same rate, about \$12 1/2 million a year to keep all those roads open. Well, actually it would cost much more than that because the standard of these roads is not up to the standard of our highways; but, nevertheless, it is a very laudable objective, and I do thank the hon. member for Redberry.

Then, too, we had a very constructive suggestion from the member for Melfort (Mr. Egnatoff) and I want to thank him for it. His suggestion is that we should give all old-age pensioners a \$10 cost-of-living bonus. Well, at the end of the year when the new plan goes into effect, we will have approximately 30,000 in the category of 70 years and over. That is \$300,000 a month or for 12 months an amount of \$3,600,000 — a very constructive suggestion, very laudable, and something that, I am sure, we would like to look into.

Then, too, I would like to thank the hon. gentleman for his suggestion in connection with financing education. He proposed that we should spend a great deal more money on our schools. Well that, I think, is a very constructive suggestion, and I want to thank the hon. gentleman for the assurance of his support. Of course it is going to mean more money, and

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there is no use of hon. members talking about the budget being too large if, next year, I should bring in a proposal, for example, to increase the grants for education by a million or two million dollars a year. I don't want the hon. gentlemen opposite to be complaining because we have a higher budget. You just can't do these things, Mr. Speaker, unless you are prepared to put more money into the budget – unless, of course, there is some way that we can cut the present budget.

I was very interested all through this debate in finding suggestions for cutting down the present budget, and I must admit, very frankly, that there were two or three suggestions. For example, there was the suggestion that we should cut the amount of money which is going into the Budget Bureau. Well, that is a very very small amount – just a few dollars. Then, there was the suggestion that we should cut out some of the money that is going into the Bureau of Publications. Well, after all, the amount that is actually being spent there is only a very few dollars, outside of what is being spent on tourist development and what is being spent on pamphlets to encourage people to get out and see the province. So there would not be very much saved there, and we will have to find some method of cutting this budget.

Now, Mr. Speaker, I have gone over it since the hon. gentlemen opposite have spoken, and I find that we are spending on what I like to call the 'human' part of the budget, approximately 55 per cent. When I speak of the human part of the budget, I refer to such things as health services, where we are now spending just over \$14 million compared with some \$2,900,000 spent in 1943-44 – (I am not going to apologize to the hon. member for Last Mountain (Mr. Benson) for referring to 1943-44, because the only way that the members of the House have an opportunity to see whether we are wasting money or not is by making comparison with what was previously being spent.) On Social Welfare, we are spending over \$8 million compared with \$5 million. On Education, we are spending over \$9,400,000 compared with \$4 million, or more than twice as much. In other words, we are spending out of this budget of \$58 million, 55 per cent on these three items alone.

Now we could cut that, because the previous administration had a \$30 million budget of which only 40 per cent was spent on the development of humanity. In other words, they spent \$12 million where we are spending \$32 million. We are spending \$20 million there that we probably could save; but I want to ask the hon. gentlemen opposite: who is there among them will support a move to cut old-age pensions? who is there among them who will support a move to reduce the health services being paid to the old-age pensioners? who is there that will support cutting mothers' allowances? who is there that will cut out the Air Ambulance service? who is there that would be brave enough to stand up and suggest that he would cut out the \$600,000 that we are spending for free treatment of cancer? who is there among them that would propose that we cut the present Social Aid schedule? who is there among them that would cut the grants being paid to our educational institutions – the grants being paid to the university, or cut out the education services in northern Saskatchewan? All these things that have been instituted by this Government. I want to ask the hon. gentlemen, if they sincerely believe that we can cut these things why didn't someone get up, during the last two weeks, and say so? Well, Mr. Speaker, they still have an opportunity, When the detailed estimates are before Committee of Supply,

they shall each have an opportunity to get up and propose that these be cut, and I want to challenge the hon. gentlemen opposite to do that if they think we are spending too much money.

Well, that accounts for 55 per cent of the budget - \$32 million of it. Now, there is another group I want to take together: Highways, Agriculture and Natural Resources. These are the three things that contribute to the economic development of Saskatchewan. Highways are important to the economic development of the province because it is the way by which the farmer gets his commodities to town; the way by which people can get from one town to another; then, too, the business it brings in from outside the province; and the transporting of goods from the cities out to the smaller towns, and so on. Highways are very important to the economic development of any community. So, too, is the money we are spending on Agriculture; for all this development programme – natural resources' development. Mr. Speaker, we are spending, for these three things, today, a total of over \$11 million, compared with \$3,700,000 spent by the previous administration: 20 per cent of our budget is going for these three items Highways, Agriculture, Natural Resources. Previously, in 1943-44, I find the Liberal administration spent 13 per cent. In other words, we are, today, spending 75 per cent of a \$58 million budget on the human development programme and on the economic development programme – 75 per cent of our budget is going for those two things. I want to ask the hon. gentlemen opposite: who is there among them who is going to be brave enough to get up and suggest that we should cut down the amount of money that we are spending on highways? As a matter of fact, I don't think there was a speaker on the opposite side who in this debate did not say that there should be more money spent on highways, particularly in his own constituency.

Who is there among them would suggest for a moment that we should cut down the expenditure in Agriculture? I know the hon. member for Moosomin (Mr. McDonald) said that our Department of Agriculture wasn't doing anything for the province. Well, I want to assure him that that is not the opinion that is generally held in this province. And I want to say something else, Mr. Speaker: if the hon. gentleman sincerely believes that, then it is his duty to rise in his place when we are discussing the estimates of that Department and that they be cut out.

**Mr. McDonald:** — On a point of privilege. What I said was that the Department of Agriculture was spending very little, if any, money in the eastern part of this province.

**Hon. Mr. Fines:** — Mr. Speaker, the recorded statement is there. I will leave it with the hon. gentleman – if that is what he intended to say, it certainly isn't the impression he left, and I certainly don't want to be unfair enough to mis-quote him.

Mr. Speaker, I have accounted for 75 per cent of the budget, and for those things I have mentioned up to date, there has not been one suggestion from the opposite side that we should endeavour to save any of that money.

Now I come to the third subject – and that is the money we pay on debt. I might say it is a legacy that we have had handed down to us from previous years. The previous administration, in 1943-44, spent 23 per cent of their budget on debt service. Today, we re spending 15 per cent of our

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budget - \$8,300,000 goes for the debt services. Well now, Mr. Speaker, I have accounted so far for 90 per cent of the budget and I do not think there is an hon. member in this House who would suggest for one minute that any of that 90 per cent should be cut out.

That leaves us 10 per cent, or approximately \$5,800,000. Where does it go? Well, that, Mr. Speaker, goes to what you might call the "service branches" of the Government. For example, the Attorney-General's Department takes about \$1,200,000 or about 20 per cent of what is left. Approximately the same amount was being spent there in 1943-44; it is up slightly because of the increased wages, but approximately the same staff and approximately the same other expenditures. The Treasury Department, the Audit Department, the Co-op Department, the Labour Department, the Municipal Affairs Department, the Bureau of Publications, the Purchasing Agency, the Libraries, the Legislature - to pay the members' indemnities and the Cabinet Ministers' salaries - Superintendent of Electrical Inspection, Administrator of Estates, and King's Printer. All of these other things go to make up only \$5,800,000, and I want to say that in those Departments we are spending 10 per cent. Whereas the previous government spent 24 per cent of their budget for these service departments, we are spending 10 per cent - less than half as much.

Mr. Speaker, if the budget is too large, I want to know where it can be cut. Members, this year, have skated around it; they have not told us. However, last year we were told in the official speech given by the official critic of the Liberal Party, now Mr. Justice Culliton. Members this year, have not been quite as frank as he was last year when he said, "We believe that you cannot establish the standard of social services and social structure beyond the capacity of the people to pay, and that you can only have a standard of social structure and social services that can be guaranteed and maintained and carried on both in good times and in bad." And then again, when he said "When we look over the whole picture we come to the conclusion that this Government, in its over-all picture, has not established a standard of expenditure and services that can be maintained by this province." Or again, when he said: "The standard of Government expenditures established in this province today is already beyond the capacity of the people to pay."

Well now, Mr. Speaker, he refers very directly here to the social services being too great. Is that the Liberal policy? I want to know. Is the Liberal policy to cut the social services of the people of this province? I think we have a right to know that. With all this talk about the budget being too large, and all the talk about the necessity of it being cut, I think the members of this Legislature and the people of Saskatchewan have a right to know just which of these social services are going to be cut by hon. friends opposite.

We have heard a great deal, these days, about our budget being too large. I would like to remind the hon. members of some of the other provinces. In 1943-44 - and this will be interesting to the hon. member from Last Mountain - Saskatchewan had a budget of just about \$30,000 million - \$29,799,000 to be exact. At that time British Columbia was just about the same - \$30,350,000. In the period since then, we have had a C. C. F. administration in this province. Our budget last year, went up to \$55 million, from \$30 million; British Columbia, last year, went up to \$105 million, from \$30 million; and this year, the report is that it will be \$120 million, while ours is \$58 million. Now I want to be perfectly fair, Mr. Speaker. We shall have to add

approximately \$6 million, because we are now on a net basis instead of a gross basis, but even at that our total is only about \$64 million compared with \$120 million in British Columbia.

Or let us take a look at Alberta. They were only \$21 million in 1943-44. The Minister brought down the budget this week - \$93 million. Now take Manitoba: \$18 million 1943-44 and today, \$42 million. Even in Manitoba they are spending 2 1/2 times as much as they were in 1943-44. Of all the four western provinces, Mr. Speaker, the province of Saskatchewan has much the lowest percentage increase. So, I think, we have a right to know from the hon. gentlemen opposite, just where they are going to cut the budget.

We could go back to the conditions that existed in the '30's or the early '40's. I have a letter here from Weyburn, dated February 22nd:

“Yesterday and today I listened to the broadcasts over CKRM from the Legislature in Regina. I heard you tell what the C.C.F. has done in this province, and I also heard Mr. Danielson's ridiculous reply.

Here are some sad experiences I had in Saskatchewan, under the Liberal administration, in the midst of the depression, 1935. Lobar pneumonia took my husband and left me with two children 2 1/2 and 8 years old. I applied for the mothers' allowance, and after several weeks was interviewed by the Government's representative, who advised I should get it.

“My daughter had a serious kidney condition, and I mentioned this to the Government representative, and he said, ‘Why don't you take her to a specialist and have a thorough examination?’ I answered him, ‘I am a registered nurse. A thorough examination would cost at least \$100 for doctor, hospital, travelling expenses, etc. and I only get \$144 for the both of them for a year’.

“He went out of the house as if shot at. Had that been under the C.C.F. I would have had my free medical services card and she would have had proper medical care and no discussion at the monthly council meeting, with the minutes published in the local paper.”

That, Mr. Speaker, is just one of a number of letters. I could quote from another one, dated March 5th:

“For some time I had the feeling of a defeatist. The legislature broadcast got me in a fighting mood. Listening to the Opposition, our democratic system seems to consist of voting either Liberal or Conservative – in that case anyone can have my franchise for a mess of pottage.”

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“How about an amusement tax for listening to the Swedish version of Lucci Basco and Pasquale? And I mean the member from Arm River. Every grandstand must have its clown. That honour goes to Mr. Danielson . . .”

“How much more dignified is our own member. Except for clapping hands once in a while . . .”

**Mr. Tucker:** — Mr. Speaker, on a question of privilege. Surely it is beyond what should be done in this Legislature to read a letter reflecting and insulting a member of this Legislature. It is bad enough for an ordinary member of the Legislature to do it, but for the Provincial Treasurer to do it, is certainly out of order. Mr. Speaker, I ask you to ask him to withdraw that statement.

**Hon. Mr. Fines:** — Oh, I'll withdraw the statement, Mr. Speaker.

**Mr. Danielson:** — Mr. Speaker, I am the one who should object here, and I think I am going to tell the hon. gentleman that if that is all he has to say to the province of Saskatchewan, it is going to cost him thousands and thousands of votes.

**Mr. Tucker:** — Hear! Hear!

**Mr. Danielson:** — Another thing, Mr. Speaker, is that ridicule is the last tribute of a scoundrel.

**Mr. Speaker:** — Order! Order!

**Hon. Mr. Fines:** — Mr. Speaker, I wouldn't even ask the hon. member to withdraw it, . . .

**Mr. Danielson:** — No. No.

**Hon. Mr. Fines:** — . . . to withdraw his threats, but I want to read the important part of this letter, and this is what it says:

“If our Government would have accomplished nothing else but the Air Ambulance, the hospital scheme, free medicine for the aged – these things alone would merit support.”

Now, Mr. Speaker, that is the feeling of the people throughout this province, and all that has been accomplished in the last seven years would be scrapped if this budget is going to be cut as has been suggested by hon. gentlemen opposite.

We heard, yesterday, something about the mess the hospital plan was in. I want to say, Mr. Speaker, that I resent that very much. I don't think a hospital plan that can provide the service that is being provided today to 870,000 people at a cost of approximately \$11 million, is too big a mess. As a matter of fact, I think it has been admitted that certain abuses have crept into it – probably not in more than one or two per cent of the cases; but, after all, are we going to penalize all the people of

this province in order that we can correct that one or two per cent? Are we going to place a penalty on the rest of the people (the 98 per cent) who are absolutely honest, in order that we can get a little additional revenue for this?

I was greatly interested, this morning, in the article from British Columbia, particularly in view of the statement that was made by the hon. member for Humboldt (Mr. Loehr) during the budget debate. The hon. member for Humboldt suggested that we should place a deterrent fee – he didn't know how much a day – for every day people were in the hospital. Now, Mr. Speaker, if that is the Liberal policy, it fits in very well with the Liberal policy in British Columbia. Here, in this province, we charge a single girl or a single lad, \$10; we charge a married couple \$20; a family of three, four, five, six or ten or twenty, \$30. What is it in British Columbia? Under the new plan which was introduced by the Minister of Health to come into effect on July 1st, the single person in British Columbia will then pay \$30 – three times as much as we collect in this province; and families will pay \$42 (two people will pay \$42 in British Columbia) compared with the \$20 they pay here in this province. But that isn't all. They have adopted the policy advocated by one of the liberal members here, and it says, "The patients will be charged, in addition, \$2 to \$3.50 a day for the first 10 days in hospital, depending on the services rendered at the particular hospital." In other words, a hospital like we have in our cities would charge the patient \$3.50 a day for the first 10 days, after paying \$30 for his fee. I want you to realize just what that means. A single person there, if he had to go to hospital for 10 days would be required to pay \$35, plus a \$30 fee – or \$65 for 10 days stay in hospital. Now, Mr. Speaker, that gives us a little idea of what is in store for the people of this province if a Liberal government is returned here. When in a province like British Columbia . . .

**Mr. Tucker:** — On a question of privilege, Mr. Speaker, the hon. member has no right to say that anything like that is in store for this province if a Liberal government comes into power. That statement is absolutely false – he knows . . .

**Mr. Speaker:** — Order! Order!

**Mr. Tucker:** — Mr. Speaker, I have a right to correct that statement. He undertook to say what would happen . . .

**Mr. Speaker:** — The hon. member has just as much right as any other member of the Assembly to give his opinion.

**Hon. Mr. Fines:** — Mr. Speaker, I want to just quote from the speech of the hon. member for Humboldt (Mr. Loehr), from the official records. The Premier asked him this question:

"Mr. Speaker, I do not want to interrupt my hon. friend, but I wondered if he would like to elaborate that. I am very interested in what he is saying. I understand he is saying the patient will pay part of the hospital cost. Would my hon. friend like to suggest what he should pay – a nominal amount of \$1, or a larger amount?"

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The hon. gentleman (Mr. Loehr) replied: "Mr. Speaker, that would be entirely up to the Government," and then he said:

"Had they consulted municipal men before they consulted a bunch of "backroom boys" when they instituted this plan they would never have put themselves in the position they are in today."

I guess British Columbia should have consulted some 'back-room' boys', too. But then, Mr. Speaker, let me finish the quotation from the speech of the hon. member for Humboldt:

"I am not in a position to tell you how much you should ask the patient to pay towards this hospitalization, nor who should pay it; but unless and until you do that, you will never hold hospitalization down to a sane basis."

Well, Mr. Speaker, I would rather have an insane system, like we have in Saskatchewan, if that is what he wants.

**Mr. Tucker:** — On a question of privilege, Mr. Speaker. The hon. member quoted from one of the member's speeches, of the party on this side. He went on to intimate that that was the policy of the Liberal Party. I tell him and tell you that that is not the policy of the Liberal Party; that was just the opinion of the hon. member.

**Hon. Mr. Fines:** — Well, Mr. Speaker, it is very interesting to have the hon. member for Humboldt repudiated by his leader this afternoon, in this way. I am sure he will appreciate it.

**Mr. Tucker:** — We are not a bunch of robots over here.

**Hon. Mr. Fines:** — I would like to say too, Mr. Speaker, that the hon. member was commended by the "Leader-Post", which is a very influential paper in this province, and which certainly predicts Liberal policy, and has been singularly accurate on more than one occasion. I think that . . .

(interruptions)

**Mr. Speaker:** — Order! Order!

**Hon. Mr. Fines:** — Now, Mr. Speaker, we have had proposals as to how we might save a little money. For example, the hon. member for Melfort (Mr. Egnatoff), the other day, suggested we might save a little money on the booklet that was put out - "The Road to Survival" . . .

**Mr. Tucker:** — Hear! Hear!

**Mr. Egnatoff:** — That was a great one!

**Hon. Mr. Fines:** — . . . and it was endorsed by other hon. gentlemen. The Leader of the Opposition says 'Hear, Hear! Well, I have a letter in my hand, addressed to the Minister of Agriculture, from one of the Federal members, Mr. Studer, member for Maple Creek. Mr. Studer says:



“I deeply appreciate your thoughtfulness in sending me a copy of ‘The Road to Survival’. I find it exceptionally interesting, and its contents should prove valuable reading for everyone in public life.”

**Mr. Egnatoff:** — On a point of privilege, Mr. Speaker, I would much rather have had the Minister of Agriculture (Mr. Nollet) give that \$2.50 or whatever the cost, to an old-age pensioner . . .

**Mr. Speaker:** — Order! Order! Will the hon. member take his seat.

**Hon. Mr. Fines:** — Well, Mr. Speaker, I am sure that there isn’t anyone in this House who isn’t interested in good land use and farm practice so vital to agricultural stability in this province; and if this book can help to stimulate interest in that, then I think it is worth not \$3,500 but \$35,000.

Now, Mr. Speaker, I want to say a word or two in reply to those who have talked about highways. I would like to reply to my friend from Moosomin (Mr. McDonald). He said we had all good highways in Moosomin constituency in 1944. If that statement is true, then, how could he, in the next breath, turn around and lament the fact that, in 1944, 1945 and 1946, we hadn’t spent very much money on construction of new highways in his constituency . . .

**Mr. McDonald:** — What about 1947-48?

**Hon. Mr. Fines:** — . . . because I am sure, Mr. Speaker, that we will agree that the other constituencies were not in that fortunate position and that there were all kinds of places in this province where money could be spent to good advantage. I think it would have been a waste of good money to have spent it down there, if the roads were as good as the hon. member led us to believe the other day.

**Mr. McDonald:** — You should have maintained them.

**Hon. Mr. Fines:** — Now, Mr. Speaker, I have some very interesting figures here about the amount of money spent on roads. There has been a lot of statements made during this debate about certain constituencies being unfairly treated. The hon. member for Last Mountain read out a bunch of them, yesterday, that had had as much as \$100,000 for construction. The Premier’s constituency has often been referred to – that he is having far too much money spent, in his constituency. I have here the constituency of the member for Moosomin and the hon. Premier’s constituency, and what do we find? In 1949-50, for all purposes, including maintenance and construction and repairs, timber bridges, surfacing, market roads, etc: in Moosomin, \$168,000; in Weyburn, \$131,000. In 1950- 51, \$317,000 in Moosomin; \$212,000 in Weyburn.

**Mr. McDonald:** — Compare 1944.

**Hon. Mr. Fines:** — And Mr. Speaker, even in Last Mountain – last year, \$144,000 was spent; this year to date, \$175,574. I want to say to the hon. member for Last Mountain we have been very pleased to do the work in his constituency on Highway No. 6. We believe that this is one of the principal

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highways in this province. We have already paved that road as far as the Valley, and, as the hon. member pointed out, yesterday, it is ready for paving first thing in the spring, all ready to go as soon as the snow leaves, to finish it up to the junction of Highway No. 22, on into Southey. I want to assure the hon. member for Last Mountain that it has never been the policy of this Government to build a highway out for 30 or 40 miles and then stop it. It is our intention to continue with that road, and that will be done this year. I just want to give the hon. gentleman the assurance that we have no intention of stopping the road at Southey. We are going to keep going until we get right up to Melfort and then probably beyond. By that time I have no doubt that the great north country will have been so well developed that we will have to keep right on going north, Mr. Speaker.

Now the hon. member for Moosomin said that the road grants to the municipalities were not high enough. I asked the Highways Department to get me a statement of the road grants, and there are some very interesting things here. First, I find in the last five years we had a Liberal administration (which the hon. gentleman is now supporting) that \$21,000 was spent on municipal grants; in five years of C.C.F. administration, \$62,000 or three times as much. And I might say, Mr. Speaker, that in certain municipalities where the need is the greatest, for example, in R.M. No. 93, the comparison is \$765 in the last five years of Liberal administration and now \$4,960. My hon. friend will have quite a job convincing the members of the present Government as they had from the previous Liberal administration. Or, go to R.M. No. 125. In the last five years of Liberal administration they got \$765; in the last five years, that same municipality has had \$5,870. I am sure that the members of the councils in those municipalities will have to disagree very violently with my hon. friend from Moosomin.

I could go on and give a great many examples of this kind but there are other things I wish to deal with this afternoon. I was greatly interested in the endeavour of the hon. member for Arm River to prove that the present Government has had nothing to do with the reduction of debt. In fact, he tried to prove that we have actually increased the debt. Mr. Speaker.

**Mr. Danielson:** — I was absolutely correct.

**Hon. Mr. Fines:** — Now, he is agreeing, so I don't have to quote him; he agrees with that statement.

**Hon. Mr. Brockelbank:** — A most agreeable chap!

**Hon. Mr. Fines:** — Now, Mr. Speaker, he tries to condemn me on the basis of a return which was tabled last year, in which they asked for the amount of money which was paid by certain agencies — certain individuals. I want to say, very frankly, that I agree with the hon. gentleman that \$71 million was paid by these agencies, including \$2,300,000 from the Telephones; but, what the hon. gentleman has completely forgotten is that, in the last 6-year period, we haven't been standing still. We have been going ahead; we have been borrowing money; we have been building up the assets of this province. For example, in Telephones, he talked about the \$2,300,000 that they had paid back, but he conveniently forgot to tell about the money that we have given the Telephones for expansion purposes in

the last six years. He conveniently forgot to tell about the money that we have given to the Power Corporation for expansion purposes in the last few years. I wonder if the gentleman realizes that we have given the Power Corporation about \$20 million, Mr. Speaker, in the last six years, for additional expansion. I wonder if he realizes that, in the last five years the Liberals were in, the total capital expenditures amounted to \$1,200,000. The Liberal Party spent \$1,200,000 in five years: do you realize that we have spent \$62 million in six years, Mr. Speaker? That is \$62 million that we have spent on Highways, on Power, on Telephones, on Crown Corporations, on Social Welfare, land clearance, and so on. Well, now, Mr. Speaker, the hon. gentleman must know that if we spent \$62 million on capital development, that would increase the debt by that amount. Surely he knows that. Every time you spend money in capital account, you increase the debt by that amount. But in spite of the fact that we spent \$62 million on capital development, we still reduced the debt \$66 million. In other words, Mr. Speaker, this province is \$128 million better off, today, than it was six years ago, and there is no amount of talk by the member for Arm River or the Leader of the Opposition or anybody else that can dispute that fact.

**Mr. Tucker:** — The figures do.

**Hon. Mr. Fines:** — The figures, Mr. Speaker, are the things I am relying on, and I am relying upon the proper use of figures. I want to say that there is no responsible member in this House, there is no responsible chartered accountant in the province of Saskatchewan who would say otherwise.

I don't know why hon. gentlemen opposite feel so badly about this greatly improved financial position in the province. I don't know why they should be shedding all these crocodile tears over the fact that we have improved. I am not suggesting for one minute that I, as an individual, or the members of the Government or the members of the Legislature on this side of the House were responsible for that. This is money that was paid by the people of Saskatchewan, and I think it is belittling to the people of Saskatchewan when we have statements made ridiculing the improved financial position that these people find themselves in at the present time. I think that instead of hon. gentlemen opposite making statements like the hon. member from Arm River made . . .

**Mr. Danielson:** — Absolutely correct.

**Hon. Mr. Fines:** — . . . that he should be congratulating the people of Saskatchewan on their improved financial position.

**Mr. Tucker:** — You are denying your own figures.

**Hon. Mr. Fines:** — Mr. Speaker, I am not denying any of my own figures but what I am doing is to try to straighten the hon. members opposite on this subject, hopeless as it seems, because I have tried to do it year after year. This is the same line, the same speech – I don't know who prepared it, this year; but it certainly is the same thing as was prepared last year for Mr. Culliton. I thought we had it straightened around, but my hon. friend from Arm River came right back with it again this year.

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I would ask you, Mr. Speaker, how you can differentiate between new increased debt, new increased capital assets and reduction in the old debt, and I want to repeat what I said before that this province is \$128 million better off today than it was.

Now, Mr. Speaker, I am now prepared to accept the \$71 million statement – the \$71 million paid by Telephones, by reductions to the Federal Government, by the \$5 million that was paid off between April 30, 1944, and July 10, 1944. I am prepared to accept all of those things; but that still means that we took \$57 million out of the current revenues of this province to reduce our debt. That \$57 million, Mr. Speaker, is what the people of Saskatchewan have set aside today to improve their position tomorrow; and I think that everybody should be thankful for that, instead of trying to leave an impression that we have been juggling with these figures.

Since I spoke two weeks ago, there have been some very interesting changes in the financial world, and I just want to mention them because they have been referred to during this debate. The hon. member for Arm River ridiculed the borrowings in the United States, and I want to say that I can deem it a great pleasure to have been able during the last seven or eight months to meet with financial people in different cities of the United States, to sit down with them and discuss our financial problems . . .

**Mr. Tucker:** — Are you sure it wasn't the Regina Manifesto?

**Hon. Mr. Fines:** — I have had a wonderful experience with these people, and I want to say to you, today, that Saskatchewan again leads because, this very day, the Province of Quebec, the Province of Ontario and the Province of Manitoba are doing just what we did two months ago. The only difference is that they have got there too late, because in the last week interest rates in the United States have gone up from 2½ per cent to 2¾ per cent, with the result that approximately \$19 billion of American Government bonds are going to be thrown on the market, or will be exchanged for 2½ per cent bonds. The result of that is that all bond prices have dropped, and that has had its repercussions here in Canada. Since I gave my budget address, there has been another two-point drop in Dominion of Canada victory bonds making a total 4 ¾ points dropped in the last year. Yesterday, I received a telephone call offering to sell Dominion of Canada victory bonds at 3 1/8 per cent, and that, Mr. Speaker, is the price that we paid on the American market six weeks ago. In other words, we have been able in the last two months to borrow money at the same rate as the Dominion Government bonds are selling on the market, today.

Now, I don't want to take any credit for that, Mr. Speaker. I don't think that we are looking for credit; but I do think that it ill behooves hon. gentlemen opposite to ridicule a Government that has proven that they have been able to improve the financial position of this province, to enable us to borrow money at 3 1/8 per cent when the last time the Province went out to borrow money on the open market we had to pay 6.8 per cent. Here we are borrowing it, today, for less than one-half that amount.

Now, Mr. Speaker, that brings me to the question of Crown Corporations. Many statements have been made about the financial results of these Crown Corporations. I would like, with your permission, to include in this address, a table which sets out the results of the Crown Corporations for the year ending 1950. These are all audited with the exception of two of the Companies, and the figures are, to the best of my knowledge, correct. I could read them all but it is lengthy and I think the members

would be interested in having that as an official document, subject, of course, as I say, to the correction of these two – the Power and one other – the final audit report is not there . . .

**Mr. Tucker:** — The Power and what other one?

**Hon. Mr. Fines:** — The Power, and the other one is the Clay, I believe – The Clays, The Sodium Sulphate.

**Mr. Speaker:** — Is it agreed that the schedules of the hon. member will be accepted? (Agreed)

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GOVERNMENT FINANCE OFFICE

RESULTS OF CROWN CORPORATIONS FOR  
THEIR YEAR ENDING IN 1950

CORPORATION	Year End	Profit for Year	Business for Year	Advances o/s at their Year End
Saskatchewan Government Airways	December	\$ 23,383	\$ 326,291	\$ 391,500
<b>SASKATCHEWAN FOREST PRODUCTS:</b>				
Saskatchewan Timber Board	October	132,253	3,795,823	1,500,000
Saskatchewan Box Factory	October	17,208	513,651	228,903
Big River Mill	October	—	—	370,000
Saskatchewan Gov't Insurance Off.	December	242,431	4,348,480	—
Saskatchewan Guarantee and Fidelity Company Limited	December	19,471	324,891	262,788
<b>SASKATCHEWAN MARKETING SERVICES:</b>				
Saskatchewan Fish Marketing Service	October	2,806	403,589	67,386
Saskatchewan Fur Marketing Service	September	37,453	1,569,478	138,000
Saskatchewan Government Trading	September	615	251,327	233,000
<b>SASKATCHEWAN MINERALS:</b>				
Saskatchewan Clay Products	December (Red)	36,015	204,525	500,000
Saskatchewan Sodium Sulphate	December	95,082	662,394	1,106,000
Saskatchewan Government Printing Company	December	38,736	269,567	234,000
Saskatchewan Reconstruction Corporation	December	15,897	173,842	—
Saskatchewan Transportation Company	October	35,151	1,591,194	1,750,000
Saskatchewan Wool Products	December (Red)	<u>119,837</u>	<u>482,633</u>	<u>935,000</u>
		\$ 504,634	\$14,817,685	\$ 7,716,577
Saskatchewan Power Corporation	December	1,347,608	6,363,597	24,789,449
Saskatchewan Government Telephones	December	<u>1,963,617</u>	<u>6,568,961</u>	<u>12,239,529</u>
		<u>\$3,815,859</u>	<u>\$27,750,243</u>	<u>\$44,745,555</u>

Finance Office expenses estimated for year ending March 31, 1951.

Now, Mr. Speaker, this return – shows for the year, on all corporations, a profit of \$3,815,000. The total advance, at the end of the year, was \$44,745,555, leaving a net return of 8.5 per cent on all corporations, including Power and Telephones, and this before interest.

Now, in my budget address I said that we would make a return, this year, of approximately 8.8 per cent. The difference is accounted for by the fact that, in this, we have taken the advance to the Big River Mill of \$370,000, and we have also taken the advances at the end of the year – what I used was the average advances through the year – so that makes a slight difference between the 8.5 per cent and the 8.8 per cent. But now, what I would like to point out here is that statements have been made in this House that we have put Power and Telephones into this in order to bolster up the other corporations.

**Mr. Tucker:** — Hear! Hear!

**Hon. Mr. Fines:** — There we go again – ‘hear’ ‘hear’. Let them say ‘hear’ ‘hear’ in a minute. I have broken this down, Mr. Speaker, in this way. I have taken what my hon. friend referred to, the other day, as the C.C.F. corporations – that is, the Airways, Forest, Insurance and so on. There I find the profit was \$504,634 on a total investment of \$7,700,000, or a total net return of 6.5 per cent. Power – the one that we are using to bolster up the weak C.C.F. corporations . . .

**Mr. Tucker:** — Hear! Hear!

**Hon. Mr. Fines:** — . . . what do I find? The net return is \$1,347,000 or advances of \$24,789,000, or a return, not of 6.5 per cent, but of 5.4 per cent!

**Mr. Tucker:** — You couldn’t claim profit of \$3 million though, without it.

**Hon. Mr. Fines:** — In other words, Mr. Speaker, Power has brought down the average return rather than to put it up.

Some hon. gentleman opposite will say that this 6.5 per cent does not include interest. That is correct. Let us take off, then, the amount of interest on these advances, the amount of interest at 3 1/2 per cent, and we still have left 3 per cent profit on \$7,700,000 or \$230,000 net profit over and above the interest that we had made this year on these new industries, and I would like to say this: if it had not been for a very severe loss at Estevan and a severe loss at the woollen plant at Moose Jaw, the rate of return would have been higher than the average, including both Power and Telephones.

**Mr. Danielson:** — What rate of interest did you calculate?

**Hon. Mr. Fines:** — The average we are paying, 3 1/2 per cent.

Now, Mr. Speaker. We heard a great deal the other day from the hon. member for Souris-Estevan about the Crown Corporations. He referred to a statement made by the hon. member for The Battlefords (Mr. Maher) about chucking out the windows these Crown corporations; and we were told by the hon. member that we were skating on pretty thin ice, and he was reminded of Barbara Ann Scott. I saw him out on the ice in the centre of the floor here, with his little short panties on, with the Legislature as the people he was performing for. Now, I want to tell you that the hon. member, on more than

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one occasion, get pretty close to the edge; he got out on pretty thin ice on more than one occasion when he got talking about the broken-down decrepit old brick plant in Estevan, how he would chuck that out the window; but he was going to keep the new one. He was going to chuck the old one out the window and drag the new one in the window. I tell you, he was skating on pretty thin ice. You know, I got a great kick out of his \$155,000 that we had paid for this broken-down decrepit old plant. You know who we bought that from, Mr. Speaker? Dr. McCusker. Do you think Dr. McCusker would be so unkind as to take \$155,000 for something that was only worth \$35,000? Surely that is not the kind of man Dr. McCusker is; I just cannot believe it. I do want to tell you that the report we had was from the best authority we know in the province – Professor Worcester, of the University of Saskatchewan. His price that he recommended to us was \$180,000. What my friends have forgotten is that it was not just a decrepit old plant that was bought, but there was all kinds of clay, a very valuable resource. That is something the hon. gentleman forgot the other day.

**Mr. Tucker:** — Mr. Speaker, on a point of order. The Minister has referred to this report they got on this plant from Professor Worcester. Is he willing to table that report?

**Hon. Mr. Fines:** — I do not know, Mr. Speaker, that I have any right to table that report, it is a professional report; but I will make the statement on my own responsibility as all other gentlemen have done, Mr. Speaker. I have read the report. I will make the statement on my own responsibility. I will be glad to show a copy to my hon. friend.

**Mr. Tucker:** — I would rather you tabled it; let the people see it.

**Hon. Mr. Fines:** — Well, I think we might even consider that.

Now, Mr. Speaker, we were told the other day by the hon. member from Souris-Estevan that it was not unusual for governments to do experimental work to establish new industries. To me that was a revolutionary statement, because that is what this Government has been doing for the last seven years and has been criticized year after year for doing by the Opposition. For instance, what do you think we did when we started the Timber Board, Big River mills, the fish marketing service, the fur marketing service, clay products, sodium sulphate, the Reconstruction Corporation, wool products? All of these, Mr. Speaker, were experimental, and I want to say right here today that never at anytime did we expect that all of these would be one hundred per cent successful. I want to say today that these industries have proven to be even more successful than the most optimistic of us thought six years ago, And I think the best evidence is in the members opposite, because this year they have changed their tactics. In other years they have criticized these Crown Corporations; they have talked about them in the most scathing manner they could think of. But now, outside of the unfortunate break made by the hon. member for The Battlefords (which I am sure he will regret), member after member has stood up in this House and said, “I am not opposed to Crown Corporations, only certain ones.” We have, for example, the hon. member for Athabasca (Mr. Marion) who was all in favour of the Fur Marketing Service, others were in favour of the Fish Marketing. Why, Mr. Speaker, even the Clay Products, the hon. member for Souris-Estevan is in favour of it. If we are going to go on the theory advanced earlier this afternoon by the Leader of the Opposition when he got up and repudiated the hon. member for Humboldt; if we are going to go on that

...



**Mr. Tucker:** — Mr. Speaker, on a question of privilege. I did not repudiate the hon. member for Humboldt. I said he was not speaking for the Liberal Party. He has a right to speak for himself. We are not robots over here.

**Hon. Mr. Fines:** — Very well, Mr. Speaker, he repudiated the statement, so we will put it that way. Is the hon. gentleman going to get up now some time and say, “Well, these gentlemen were all speaking for themselves?” If we do, then we are still going to be no further ahead.

But what I want to tell you today, Mr. Speaker, is that statements have been made in this House and in Crown Corporations Committee this year which would vindicate practically every one of the Crown Corporations in the province today. Yes, I was greatly amused at the statements made in connection with Power. This is an old corporation; this Government had nothing to do with it. Well, Mr. Minister, what is the situation with regard to Power? There was a deficit every year up till 1939; in 1940, a profit of \$3,000; up to 1944, \$32,000 – but a net loss of approximately \$300,000, besides which they had not put into the depreciation account the full amount of depreciation during those years. On March 8, 1945, in this Chamber, we were criticized for the expansion of the Power Corporation. I have here the report in the “Leader-Post” – “Dominion Electric Deal Criticized.” And I want to say that every advancement that was made toward the power corporation system that we have today, was opposed by members opposite. Mr. Proctor questioned the wisdom of the Dominion Electric deal; claimed that big companies buying up smaller companies paid three to four times the value of their assets; told us that we were paying far too much for this.

At that time we told them that this plant would pay for itself completely within twelve years. Well Mr. Speaker, it is not six years yet and I believe it has earned practically enough already to pay for itself. Then, too, they talked about the power rates. Well, I have here; “Vancouver phone bill jumped an average of 70 cents a month” - \$8.40 a year increase to the people in Vancouver. The same with their power rates out there. All over the North American continent today, Mr. Speaker, rates for power and rates for telephones are going up. Only in Saskatchewan have we been reducing these rates.

**Mr. Tucker:** — Mr. Speaker, on a question of privilege. Rates have not gone up in Manitoba and they are far lower than the rates here for power to the farmers. There is no use in the Minister saying things like that.

**Hon. Mr. Fines:** — Well, Mr. Speaker, if my hon. friend takes one little province – we have Ontario where there have been rate increases; Quebec where there have been rate increases; Alberta with rate increases, and British Columbia with rate increases.

**Mr. Tucker:** — And Manitoba without.

**Hon. Mr. Fines:** — And I would like to remind the hon. gentleman that when we took over in 1944 the power rates were 16 cents a kilowatt.

**Opposition Members:** — Where?

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**Hon. Mr. Fines:** — All over this province.

**Opposition Members:** — Oh, that is ridiculous.

**Hon. Mr. Fines:** — The next year we reduced it to 12 cents; the next year to 10 cents; the next year to nine cents and the next year to eight cents – four successive reductions in rates. Where else in Canada has there been anything like that?

Now, Mr. Speaker, the hon. member for Maple Creek gave a very interesting address the other day and I want to congratulate him, I do this sincerely. I thought his address was excellently prepared and excellently delivered. I thought it was one of the finest things that I had the pleasure of listening to. The only trouble with it was – and I do not want to be unkind here; but I was waiting for a conclusion and it did not come. It reminded me so much of the soap stories you get on the radio, where you get right up to an interesting point and then they cut it off and say, “We will go on from there tomorrow.” I have waited Mr. Speaker, to see what the hon. gentleman was leading up to. Well, the hon. member for Redberry, the other night, said that we had not answered the charges of the hon. member for Maple Creek, and the hon. Leader of the Opposition made a similar statement, or at least referred to these charges; but I would like to point out that when the Premier of this province got up and asked the hon. gentleman from Maple Creek to make his charges, the hon. gentleman said, “I am not making any charges at all.” Not making any charges.

**Mr. Tucker:** — He made a statement, but you did not answer it.

**Hon. Mr. Fines:** — Then, what did the Leader of the Opposition say? “Let the Premier tell the Minister of Natural Resources to answer in this House these charges that have been made.” Yet the member himself said he was not making charges at all.

**Mr. Danielson:** — You have a good chance to answer them now.

**Hon. Mr. Fines:** — The hon. member for Maple Creek stated that Gulf Securities is just a trade name for Mr. Rubbra. Well, it should be pointed out that Gulf Securities Corporation is a legally organized company entitled to do business all over Canada. I might mention that the hon. member for Saltcoats made application for permit 135 in his own name and then, when the permit was being issued, he had it issued in the name of the T.L.P. Drilling Company. The member for Maple Creek might have said that the T.L.P. Drilling Company was just a trade name for the member for Saltcoats. The member complained about the fee of one-tenth of a cent an acre charged for the permit. Well actually, Mr. Speaker, it is not a fee of one-tenth of a cent an acre, it is a \$250 fee for a permit regardless of whether it is a 40,000 acre permit or a 250,000 acre permit. And after all, the fee is a very insignificant part of the contract entered into between the Department of Natural Resources and the permittee. The permittee guarantees to do substantial work to the satisfaction of the Minister. There is no sense in comparing this fee to the 3-cents-an-acre mineral tax. That is a tax which is levied on property which is considered by its owners to be valuable. Other properties are taxed. Is there any good reason why this privately owned property should escape taxation? The C.C.F. did not complain about the Imperial Oil Company having 5,000,000 acres of Saskatchewan. We never complained about that. No. The complaint, Mr. Speaker, was that in the agreement there was

no satisfactory provision in regard to a commitment of work that had to be done, and there was no provision for any Crown reserve whatsoever. The hon. gentleman stated that Imperial Oil Company had drilled in the neighbourhood of 30 wells. Well, I have had that checked and find that the actual number of oil wells drilled from 1935 right up to the present time by Imperial Oil is only 15.

Well now, Mr. Speaker, Gulf Securities assigned their permits to the Tidewater Associated Oil Company, reserving a 2 1/2 per cent over-riding royalty. First of all it should be pointed out that none of this 2 1/2 per cent royalty will come out of the Province's share. That will come out of Tidewater's share. Any royalty will be paid by Tidewater. Tidewater was not compelled to make this deal; it is a free contract. But, it is the type of thing that is done all over the civilized world where there is a system of permits and leases for oil. It is done everywhere.

**Mr. Tucker:** — Why did you give Rubbra an option, as you said yourself, on over 10 million acres – 14 million, but at least, admittedly 10 million?

**Hon. Mr. Fines:** — Mr. Speaker, the hon. Leader of the Opposition is referring to press statements which I gave in 1949, something to the effect that an option had been given to Mr. Rubbra. Actually, I suppose the word "option" should not have been used. I would like to say that when Mr. Rubbra made his application, Mr. Speaker, there was not another person in Saskatchewan, or outside Saskatchewan, who was interested at all. Mr. Rubbra was the first one who showed any interest and I think that, instead of condemning him, as the hon. gentlemen are doing, they should try to find out a little about the true facts.

The hon. member for Maple Creek stated that even if there are two or three producing wells of 50 or 60 barrels a day Rubbra stands to make hundreds of millions of dollars. Is that right, hundreds of millions of dollars?

**Mr. Cameron:** — No. Millions.

**Hon. Mr. Fines:** — It is in the records. Actually, three wells producing 50 barrels a day on which 2 1/2 per cent royalty was payable; if the value of the oil is \$2.50 a barrel it would take 296 years to make one million dollars.

**Mr. Cameron:** — Do you expect only two or three producing wells on 14 million acres?

**Hon. Mr. Fines:** — My hon. friend said even if there were two or three producing wells. I am saying that it would take 296 years to make one million dollars, and hundreds of millions of dollars would take – well, much longer than it will take the Liberal Party to be re-elected.

Now, Mr. Speaker, I would like to know if the members of the Opposition are in favour of the present Company Law which allows three people to organize a company, to allocate shares, and then proceed to sell shares. I would also like to know if the Opposition is in favour of freedom of contract. Should a person have a right to assign his interest or should he not?

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The member for Maple Creek says the Government has no clear-cut policy whereby these legitimate oil companies and mining companies would know where they stood. He said that until that is done we can look elsewhere than to outside investors. Well, he is wrong on both counts. First of all, definite, clear-cut regulations do set out the policy of the Government. The oil companies and the mining companies have them. They have also been tabled right in this House. Why have the hon. members not read them? Certainly, outside investors have been coming into this province. That has been proven by the number of claims and the number of concessions on which work is being done, and the amount of work that is being done in the oil exploration field.

The member for Maple Creek was very careful to make it clear that he was not making any charges. He was also quick to make it clear that he did not say there was any scandalous handling of the natural resources. Let us remember that all the things referred to by him are inherent in the very capitalist system which he and his colleagues support. Take, for example, Beauharnois, a respectable, capitalist company that bribed the Conservative and the Liberal parties to the extent of about a million dollars. Insofar as the Liberal Party is concerned, the only scandalous thing about the whole thing today is that a C.C.F. Government should get such great development as we are getting at the present time.

But I would like to say this, Mr. Speaker. Members of the Opposition are free to introduce amendments to change the Company law; they are free to introduce Bills in this House to do away with assignments, or to do away with over-riding royalties. If they dare, let them take a stand on these questions.

**Hon. Mr. Brockelbank:** — They are on the spot.

**Hon. Mr. Fines:** — Now, Mr. Speaker, the hon. gentleman made some reference to people who serve gaol sentences. Frankly, I do not know these gentlemen to whom he referred at all, but I was interested in getting the report of Mr. M. Young. It is true, Mr. Young did serve a gaol sentence in 1929 at the time of the stock market crash. He served a short term at that time. But I wonder if we are doing ourselves any good by references to men who have endeavoured to get along and who have endeavoured to get into the business world and carry on decently since. This man, for example (I do not know whether the hon. gentleman knows or not) was a veteran of World War II. He was willing to give his life for this country during the last war. He rose to the rank of colonel. He was liaison officer for the Dominion Government in Washington. He was decorated by the United States Government. So, I would say we should be careful about statements of this kind being repeated about people who have served the country so gallantly as this gentleman has done.

**Mr. Cameron:** — The Attorney-General of New York made those statements.

**Hon. Mr. Fines:** — Now, Mr. Speaker, there are a great many things that one could answer, such as the reference of the hon. member for Arm River to the civil servants: "More civil servants at higher wages" — "We have practically doubled the civil servants." The hon. member for Souris-Estevan said: "Too many civil servants, too many cars." And then the hon. gentleman from Estevan proceeded to tell us about the patronage in the appointments. Well, I would like to say that we recognize there are certain positions in the Government that must be filled by people

where loyalty to the Government cannot be questioned, and we will appoint such persons to fill chief executive positions. In Deputy ministers' positions, heads of boards or commissions, we must have people we have complete confidence in. But, Mr. Speaker, there is a great difference between those positions where the members are appointed by order-in-council and the positions that go through the Public Service Commission. I want to say to you today that there has never been, to the best of my knowledge, one position go through the Public Service Commission where the politics of the person has ever been considered. In every single instance mentioned by the hon. member for Estevan the other day – and he was so kind, he was not going to name these people, he would not humiliate them, and then he proceeded to give the position so that anybody, of course, could tell who they were. It reminded me of the hon. member from Last Mountain who thought we should all make speeches without chips on our shoulders, and then put a chip on his own shoulder and kept it there all through his speech.

Well, Mr. Speaker, I would challenge the hon. gentleman opposite to give me one example of where the Public Service Commission has made appointments in which politics have entered into the judgment. In every case mentioned the other day by the hon. gentleman, these positions were made by order-in-council; in every single instance, including the sheriff of Estevan. Mr. Speaker, you could go back to 1935 though and that was not the situation. The year after the Conservative Government was defeated what did we see? Mr. Enns, G. Enns, now deceased; Mr. E. S. Clink, now deceased; Dr. Sahlmark; Mr. G. Colburn; Mr. H. Halverson; Mr. S. J. Latta; Mr. A. B. Cunningham; Dr. J. W. McNeil; Mrs. S. K. Ramsland. Mr. Speaker, I am sure the Clerk of the House thinks I am reading a list of former members of the Legislature. Well, I am. Every one of those were members of the Legislature and appointed by the Liberal Party to positions, and most of them positions not of an executive capacity but positions that should have gone through a Public Service Commission, positions that should have been filled on the ability alone of the people.

**Mr. Tucker:** — Mr. Speaker, on a question of privilege. The hon. member has undertaken to say that my very dear friend, Mr. George Enns, who was elected to the first Legislature of this Province, is now deceased.

**Hon. Mr. Fines:** — That is not a question of privilege, Mr. Speaker.

**Mr. Tucker:** — I am just correcting you. I am happy to be able to tell, Mr. Speaker, that Mr. George Enns is alive and in good health.

**Hon. Mr. Fines:** — I am very pleased to hear that and I want to thank the Leader of the Opposition. I did that as a matter of kindness. I did not want to refer to him without mentioning it and I had some recollection that he was deceased, but I am glad to get that correction.

**Mr. Tucker:** — He may be listening to the speech and I know he would not want to have it said by the Hon. Provincial Treasurer that he is dead when he is in good health and is still so interested in our party and in good government.

**Hon. Mr. Fines:** — Mr. Speaker, the hon. gentleman did not need to make that last statement; I know that he will be interested in that

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party right till he dies.

**Mr. Danielson:** — In good government, too.

**Hon. Mr. Fines:** — Statements were made to the effect that civil servants had practically doubled. That is not quite true but I am willing to admit there has been an increase in the public service. Do we infer, from what has been said, that the Liberal Party intends to restore the civil service to its previous numbers? I would like to get an answer definitely to that question, because the hon. Leader of the Opposition has made reference to this and has denied the statement, in this House during this debate, referring to what he said at Ituna, that a saving of between four and five million dollars could be effected by dismissal of C. C. F. hirelings and their retinue from the civil service and restoring it to its previous number. It is very definite. As a matter of fact when I quoted that a couple of year ago the hon. gentleman got up and said, “Mr. Speaker, that is exactly what I said.” I am sure the civil servants of this province will be interested to know that it is going to be the policy of a Liberal government to restore the old hours, for example, in order that we can get down to where we were in 1944.

**Mr. Tucker:** — Mr. Speaker, on a question of privilege. I would like to know what the hon. Minister is quoting from because my recollection is that I said that I did not say we would restore it to their previous numbers, I said we would get rid of the C. C. F. hirelings and heelers.

**Hon. Mr. Fines:** — Well, Mr. Speaker, I have the whole thing as I have read it, “And restoring it to its previous numbers.” And the hon. Leader of the Opposition got up and said, “Mr. Speaker, that is exactly what I said.”

**Mr. Tucker:** — Mr. Speaker, my recollection is that I did not say that at all. Is the hon. member reading from official proceedings? I doubt that very much.

**Hon. Mr. Fines:** — Mr. Speaker, I would ask the hon. gentleman to withdraw that. I am not usually very thin-skinned but he is not going to doubt my word when I tell him that this is from the official records.

**Mr. Speaker:** — The hon. Leader of the Opposition must withdraw that unless he is prepared to say that he was reported by the transcript incorrectly.

**Mr. Tucker:** — The hon. member said he is reading from the official records and I say that that is not the official record and he has no right to say on the floor of this House that it is. The official record is in the custody of the Clerk of this House and that is the one that is checked over to make sure that it does represent what the member said. He cannot say that that is the official record, and he knows he cannot; he is trying to run a bluff, Mr. Speaker.

**Hon. Mr. Fines:** — Mr. Minister, I am sorry I have not the key to the vault. I would like to go in and get the record and read from it, because this is an exact duplicate, taken directly from the official records of this House. Now, Mr. Speaker, what it means is that the civil

servants of this province are going to go back to a 60-hour week or a 72-hour week . . .

**Mr. Tucker:** — Nobody said that. That is another . . .

**Hon. Mr. Fines:** — . . . in Weyburn, in North Battleford. I am sure the employees of the mental hospitals would like to know that they are going to restore it to the previous number.

**Mr. Tucker:** — What you say is absolutely untrue.

**Hon. Mr. Fines:** — That statement has been made over and over again by members on the Opposition side of this House, Mr. Speaker, and I want to say again that the civil servants of this province are going to be greatly interested when they know that they are going to have to go back to the old hours, or that we can restore the civil service to its previous numbers.

**Mr. Tucker:** — You are misrepresenting it.

**Hon. Mr. Fines:** — Now, Mr. Speaker, there is a great deal more that one could say but I think I have said enough to indicate that I have not been convinced by all the arguments of the members opposite that I should change my mind and vote against the original motion, so I shall content myself by saying that I shall support the motion.

The question being put on the motion of the Hon. Mr. Fines: That Mr. Speaker do now leave the Chair. (The Assembly to go into Committee of Supply), — and it was agreed to on recorded vote by 27 votes against 18.

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## IN COMMITTEE OF SUPPLY

### Decentralization of Defence

#### Industries

Item – EXECUTIVE COUNCIL: Industrial Development Office, \$30,080,00.

**Premier Douglas:** — Before we pass this item I want to make a statement about what may become one of the more important functions of this office. Many defence industries are being established at the present time, and they tend to become established in those areas where parent industries exist at the present time. We believe it is in the national interest for many of these industries to be decentralized and we would like to see Saskatchewan secure a part of those defence contracts. Western Canada got a very small part of those defence contracts and I notice that the other governments were perturbed, as we were, about it.

Mr. Black has been working on this. I have been in correspondence with Mr. Howe, and I am not drawing the Committee's attention to this in any spirit of criticism. I think one can easily see the position of the Federal Government and of the Canadian Commercial Corporation, which is called the C.C.C. They were faced with an immediate situation arising out of the outbreak of the Korean war. Materials had to be got, and they had to be got quickly. They had all kinds of contractors and manufacturers in Ontario and Quebec close at hand who could slip in to Ottawa by car, who had specifications they could put before them, and who could demonstrate that they had the equipment – and they got the major part of the contracts.

We have been in touch with Mr. Howe, and also with the C.C.C. and they are prepared to see to it that other parts of Canada get a fair share; but if we are going to get a fair share, our people will have to do their part. That is to say, you can't expect the Defence Purchasing Department – as it will now be called instead of the C.C.C. that is going out of existence, except for handling goods for foreign governments; - you can't expect the Defence Purchasing Department, if it wants to manufacture something, to go hunting for people in Saskatchewan or Manitoba, who are capable of making it. This means that we will have to have a complete inventory of the equipment in this province – what it is capable of doing, where it is located, and so on. We are in the process of compiling that inventory. Yesterday, we had a very good meeting with some of the manufacturers from various parts of the province, and we have sent out to – for instance, men with lathes and welding equipment alone, over 500 different groups who are capable of doing that kind of work, and it is amazing where you find, hidden away in the small places, small concerns which could, quite easily, do some part of the war contracts if they were given the chance, but the people who are giving these contracts don't know about them and there hasn't been any way of getting them on the list. What we are trying to do now is this. We have sent out the forms to the different manufacturers and also to contractors and people engaged in building and construction industry, asking them to tell us the kind of work they can do, and that material is being filed with the Defence Purchasing Department. I want to ask all the members for their co-operation and I am sure that we will get it, and I am sure that we will get the co-operation of all industry in the province.



Any of the hon. members who happened to be in Great Britain during the last war, would, I am sure, have been impressed with the fact that there they had total mobilization of their resources. Every little village, every little hamlet, even only a few people who used to make watches would now be making percussion caps; wherever you went you would see what looked like a row of houses, and you would go inside and in those houses would be people doing war work – even a little village of two or three hundred people. They had mobilized all their equipment; every lathe was in action; every piece of machinery that could be used to produce something was being utilized, and I am convinced that if a big defence programme becomes necessary in this country there are all kinds of people in Saskatchewan whose services could be made use of. If we don't do that, the alternative is this: the population dropped alarmingly in this province from 1941 to 1946. You could not go through a shipyard in British Columbia, or through an aeroplane factory in Ontario without running into Saskatchewan people. They went out in thousands. Now when they moved to these big cities, all they did was add to the number of people who needed houses, who needed public utilities. If, on the other hand, the orders can be taken out to where these people are, where they have houses and have public utilities and have schools and public services, then, of course, we have a much better balance in our whole economy. It is for that reason that we are most anxious to get the co-operation of everybody, with reference to this whole question of defence contracts, and I would like to suggest to my hon. friends, that if in their constituencies they have people who are capable of doing this kind of work, they get them in touch either through our branch – the Industrial Development Branch (Mr. Black) – or directly, with the Defence Purchasing Department in Ottawa.

**Mr. Korchinski:** — I am quite surprised to hear what the Premier is saying. The way I take it, he is trying to encourage people of Saskatchewan to manufacture weapons for war; and the other day he was up here telling us that he was a very peaceful person and was against war. I just wonder how he reconciles his stand now, with that speech. It seems to me that that is one way that you can get into war – by manufacturing war weapons; and now we heard the other day we should be peaceful and so on . . .

**Mr. Wellbelove (Chairman):** — The Premier is asking you to notify the Defence Purchasing Department of anyone . . .

**Mr. Korchinski:** — Yes, I understand, but I wonder how the Peace Council would look at this.

**Mr. Wellbelove (Chairman):** — I don't think that is relative to this vote.

**Premier Douglas:** — What does my hon. friend want?

**Mr. Tucker:** — Mr. Chairman, in regard to this question of decentralization of industry and the encouragement of it, I think that the Federal Government will, from what I have read, be willing to do everything it can to co-operate in that regard, and I was very glad that, apparently, the Premier of Ontario seems to take a different view from some of his predecessor in that regard, in not wanting the people to come flocking down there and make their difficulties almost insuperable in regard to housing and everything else. I am glad that there is more of a co-operative attitude being taken throughout Canada in this matter, and I welcome the

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attitude of the Premier in saying that it should be more than a matter of asking Ottawa to do all it can to promote more decentralization, that there should be readiness to co-operate on our part. I felt myself that, at some time or another, it should be brought to the attention of all the members that they should do all they can to co-operate, too, in regard to bringing to the attention of the people who are handling the work of re-armament and so on, any work that can be done in any part of the province. It is really surprising what can be done in certain places. In Rosthern, for example, there is a place where a great number of washing machines are being manufactured. They seem to turn out a great number there – they even supply them, I think, to the T. Eaton Company. They also supply popcorn machines, both electric and gas operated, and they have quite a bit of employment in a very small factory there.

I hope in this regard that, besides the members co-operating in any way they can in encouraging people (if they can do anything along this line) to get in touch with the appropriate people so that they can all co-operate in this work and keep as much of our population here as they can and promote the development of our country; I hope, too, that there will be the greatest possible co-operation on the part – particularly – of the Power Corporation. I really feel that for this work of providing power for industrial development, a real effort should be made to provide extraordinarily low rates. Even if there is any extra power taken in that regard, if enough is paid to cover the cost of generating it, I hope that attention will be paid to that. It seems to me that if we could somehow get power available very cheaply in this province, then we could make some real headway. I know that the great development in Winnipeg is based on very cheap power, and I think that some real study should be given to that aspect of the situation; and I will tell the Premier and the Government, in any way that the opposition can co-operate in this programme, they can rely on our co-operation to the extent of 100 per cent.

**Premier Douglas:** — Might I state that, in the discussions which were held yesterday with the various representatives of manufacturers in the province, the chairman of the Power Corporation sat in throughout the entire day on the discussions and I know that he is very well aware of the problems and will be thinking much along the line which my hon. friend has suggested.

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