

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Eleventh Legislature
16th Day

Friday, February 29, 1952

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

BUDGET DEBATE

The House resumed from Thursday, February 28, 1952, the adjourned debate on the proposed motion of the Hon. Mr. Fines (Provincial Treasurer): That Mr. Speaker do now leave the chair. (The Assembly to go into Committee of Supply).

Hon. L.F. McIntosh (Minister of Municipal Affairs): — Mr. Speaker, when I adjourned the debate yesterday, I was dealing briefly with some of the activities of the Department of Municipal Affairs. I am not too sure if I gave the right information when I was dealing with the mileage of road constructed and rebuilt in the local improvement districts. I therefore wish to repeat what I said in connection with road building.

In the years 1945 to 1951 inclusive, the Local Improvement District Branch built 2,467 miles of new road, re-graded 2,273 constructed 298 bridges and repaired 582 bridges. The figures as follows for new grade and retrograding for the fiscal year 1951-52:

297 miles of new grade; 97 miles of re-grading; 32 new bridges; and 36 bridges repaired.

Mr. Speaker, I would like now to deal with provincial-municipal relations, and give to the House a brief history of municipal government in what is now the Province of Saskatchewan.

Under the Northwest Territorials Act of 1875, the Lt. Governor in Council was empowered to pass ordinances establishing definite areas as municipal corporations. Action was first taken to implement these statutes with the passing of the Municipal Ordinance Act of 1883, and the School Ordinance Act of the following year. Only two towns — Regina and Moose Jaw — and four rural municipalities in the Qu'Appelle Region were established under those orders.

In September, 1905, when the province was formed, there were three cities, 16 towns, 63 villages and 191 small local improvement districts established under the original Act passed during the North West Territorial days. The first session of the Provincial Legislature turned its attention to the question of municipal organizations and appointed a commission to enquire into, and report on the subject. Recommendations of this report were embodied in The City, Town and Village Act of 1908, and the Rural Municipal Act of 1909. This set the pattern

February 29, 1952

for the municipal organizations and municipal governments that we have in the province today, which consists of 301 rural municipal governments, 393 village governments, 89 town and eight city municipal governments.

Turning our attention to the rural municipalities, I direct my remarks particularly to some of the pioneers who sit in the House. They will probably recall very distinctly that shortly following the turn of the present century up to 1925, rural municipalities' investments in equipment consisted mostly of some office furnishings, a few slush scrapers and a road drag or two. During that period of time, the rate-payers built the roads and supplied the power to do so. From 1925 to 1940, however, there was some evidence of rural municipal governments making investments in power equipment for road construction. From 1940 up to the present day, there has been a complete change in the capital investment of rural municipalities in the Province of Saskatchewan. Scores of our municipalities have invested heavily in road construction equipment, and the day of rate-payers doing the manual labour and supplying the power for road construction is history Mr. Speaker.

Municipalities, both rural and urban, are faced with two common problems, or problems common to both classes of municipal government. They are Education and Public Works. In recent years the question of education is generally accepted to be a local, provincial and national responsibility. I do not believe there is any doubt in the minds of the members on this side of the House as to why education must be recognized as a responsibility much beyond the local field in which our little red school-houses used to operate. The problems of education are not peculiar to the Province of Saskatchewan alone. Other provinces are faced with similar problems to those we must cope with here in our own province. I would like to give from the Civic Administration magazine what the Hon. Mr. Fontaine, Manitoba's new Municipal Commissioner, had to say. He warned the council to keep a careful eye on financing, after pointing out that fewer Manitoba municipalities operated on a cash basis in 1950 than in any year of the past decade, except 1947. He noted that municipal assessment in the Province had only increased 18 per cent in the past 10 years, while municipal taxes had doubled. He observed that increased school costs are having a crippling effect on the ability of municipalities to provide other services. The province should give more adequate aid to school districts.

Then again, in the Western Municipal News, we find a similar problem facing a convention that was also held in the Province of Manitoba. The Commissioner of Municipal Affairs for the Province of Manitoba, at that time had this to say:

"School taxes levied have risen tremendously during the past 10 years. Reports of the municipal commissioner, for 1940 and 1950, show school tax levies for all municipalities as follows:

1940 — \$6,401,000
1950 — \$12,467,000."

So the problem of education and the problem of financing our school plants are not peculiar to the Province of Saskatchewan alone.

The other major problem that I had reference to is that of Public Works. The question of Public Works in the urban municipalities of the province — and we must not lose sight of the fact that there are 490 urban municipalities — is, I believe, well-known to the members of this House. Their public work problems vary according to the size of the urban centre which the municipal government happens to be serving. Public works, however, in the rural municipalities, consists very largely of building and maintaining the kind and types of roads necessary to give their rate-payers reasonable and adequate access to their community centres and to their marketing ports. In this connection, municipalities, both rural and urban, have as a basis of taxing what is known as the assessed value of their property and their improvements. With that in mind, years ago the province of Saskatchewan set up the Assessment Commission Branch and the Assessment Commission Branch has completed a re-assessment of all municipalities and local improvement districts in the Province of Saskatchewan. The cost of the carrying and maintenance of the Assessment Branch of the Department of Municipal Affairs is carried by the Provincial Government and the annual cost is somewhere in the neighbourhood of \$130,000.

In the rural municipalities of our province we have an assessed value for taxation purposes of properties of somewhere in the neighbourhood of \$635 million and in the local improvement districts some \$24 million, while the eight cities in the province have an assessment base of \$135 million. Now the property tax in the rural municipalities in the year 1950, including that for public works and for schools, amounted to \$21 million in round figures. That sounds like a sizeable sum of money made available to the local municipal governments, the local rural governments of our province. That does not include provincial government grants which we will deal with in a moment or two. But, in looking at of this figure of \$21 million, and having due regard to the lack of desire on the part of members on both sides of the House, and probably some of the citizens of our province, to pay taxes, might I draw to the attention, Mr. Speaker, of this House that the \$21 million collected by the rural municipalities for general municipal tax and school tax in 1950 is somewhat less than what the citizens of the Province of Saskatchewan will be paying on incoming and outgoing freight and internal provincial movement as a result of the 70 per cent increase in freight rates the past few years.

In speaking of the urban's position might I refer you to Page 441 in the Annual Report of the Department of Municipal Affairs. You will note there that the total income of the cities of our Province by way of taxes, by way of government grants, by way of public utilities, amounts to \$13,656 in the year 1950. Mr. Speaker, I would like to draw to the attention of some of the hon. members opposite that under the heading of "Public Utility Surpluses" the eight cities showed surpluses from public utilities amounting to \$2,760,000. In view of that, I do not see that there is any basis of criticism to be levelled against the Telephone Department, the Power Corporation, for the few nickels they have over and above the cost of supplying power and telephone communications to the

thousands of citizens of this Province.

The financial position of the municipalities in our province has shown a considerable improvement in recent years. For instance, in 1944, 25 rural municipalities had more liabilities than assets. In 1946, 21; in 1949, 18; and in 1950, eight.

As I mentioned, assessments are a very important base in arriving at the mill rate which municipalities will levy for taxation purposes. In looking over the basis of assessments, in Alberta and Manitoba as well as Saskatchewan, we find that their formula for assessing property, both rural and urban, corresponds very closely to the formula used in the Province of Saskatchewan for the same purpose. So, having in mind, therefore, that the assessment formula is similar in the three western provinces, it would then be rather interesting to take a look at the mill rate for school and municipal purposes in the three provinces.

May I just take a few scattered municipalities in the Province of Saskatchewan first? I do this, Mr. Speaker, because we have heard on this side of the House, not only during the present session, but in past sessions, that the taxation burden of municipalities in the province is becoming unbearable due to the policies of the present government. For instance, in rural municipality No. 64, the municipal mill rate in 1947 was 13 mills; in 1950 it was 13 mills; in rural municipality No. 403, 11 mills in 1947; 14 mills in 1950; in municipality No. 438, 17 mills in 1947, 15 mills in 1950; in rural municipality No. 435, 14 mills in 1947 and 18 mills in 1950. Aha, Mr. Speaker! They say that you are only dealing with the municipal mill rate. Take a look at the mill rate levied for school purposes.

We will take for instance:

- R.M. #64: 13 mills in 1947; 17 mills in 1950
- R.M. #403: 17 mills in 1947; 19 mills in 1950
- R.M. #428: 15 mills in 1947; 19 mills in 1950
- R.M. #435: 14 mills in 1947; 20 mills in 1950

And if we move to the hon. member for Wilkie's (Mr. Horsman) district, we find that some 12 rural municipalities had an average mill rate for general taxation purposes of 16 mills, and for schools the average was 17.5 mills.

Then, having due regard for the formula of arriving at assessments being fairly uniform in the Provinces of Manitoba, Alberta, and Saskatchewan, it is interesting to look at the mill rates in these two provinces for rural municipal purposes in comparison with the mill rate in the Province of Saskatchewan. In the Province of Alberta, for municipal purposes in 1947 the mill rate was 18; in 1950, 24 mills; for school purposes, 1947, 17 mills; 1950, 23 mills; in the Province of Manitoba for rural municipal purposes, 23 mills in 1947; in 1950, 30 mills, and in 1947 for school purposes, 16 mills; in 1950, 21 mills.

Now, we come to our own province, and I have been quoting, and will continue to quote, the average mill rates for the provinces which I have mentioned. In the Province of Saskatchewan, for municipal purposes the average mill rate is 12 mills for 1947; 15 mills in 1950; for school purposes, 13 mills in 1947; 16 mills in 1950. I think that this should be convincing enough to fair-minded members, Mr. Speaker, that we are not, or rather that municipalities in the Province of Saskatchewan are not taking an undue toll from the rate-payers which they represent for municipal purposes.

Now, if we wish to look at an average half-section of land, and take the average tax on it, we find this: that in the Province of Saskatchewan, for municipal purposes and for school purposes, the average tax was \$102.15 in 1950; and the Province of Alberta, for the same year, \$187.81.

Mr. Speaker, may I again mention this afternoon that if a farmer was bringing a combine from eastern Canada to the city of Regina (and I quote the freight rates in car lots), he would pay \$35.52 more than he paid in freight rates in 1948. On a combine he would pay \$77 more and on a 28-run Seed Drill, \$21.17 more or a total of \$130.69 against the average tax for municipal and school purposes of \$102.15. Then, if he was shipping his livestock eastward from Maple Creek (which is the heart of the beef area of this province), and if he was shipping beef, hogs or sheep prior to April 8, 1948, he would pay 44 cents a 100, and if he was shipping after February 11, 1952, he would be paying 84 cents a 100 for the same distance.

Now, Mr. Speaker, I have mentioned the income of municipalities based upon their own taxation levels. Let us now look at the assistance that municipalities received in 1951 from the Provincial Treasury. If we take grants for roads and bridges both in L.I.D's and in rural municipalities; if we take grants for education, the Sanatoria levy, and I think we should also take into consideration the social aid paid by the Provincial Treasury (and it is only fair to assume that the medical and hospital bills of invalids, and those beyond the age of 70 who are receiving a pension on the basis of the means test, would have been the responsibility of the municipality) and we add to that the Dominion Government grant for vocational education, we find that the Provincial Treasury supplied a sum of money equal to 29.718 per cent of the total revenues collected by the municipalities by way of tax for schools and for municipal purposes.

Moving into the coming year, and taking a look at the budget, we find provisions made for a substantial increase in the grants to municipalities. We find there a substantial increase by way of grants for roads, bridges — in short for all roads outside the highway system of the province and all bridges outside of the highway system of the province, \$1,500,000 is being made available in the budget for that purpose.

Now, I would like to deal with the Britnell-Cronkite-Jacobs Report on Provincial-Municipal Relations. I was very pleased to hear in this Assembly a few days ago, and on two occasions last session

of this Assembly, that members of the Opposition had a very high regard for the ability of the members of that Commission who were Dr. G.L. Britnell, head of the Economics and Political Science Department of the University of Saskatchewan; and Dr. P.C. Cronkite, Dean of the College of Law; and Mr. L. Jacobs, F.C.A., who has a long background in experience in municipal finance. In the forward of this report, I had this to say:

"In my opinion the training and experience of the members of the Committee will commend their report to the public, and especially to those interested in the development of sound fiscal relations to the province and its municipalities.

"In printing the report of the Committee, and thus making it available to the public, it is the hope of the Government of Saskatchewan that it will be widely studied, and that the many problems which face municipalities and the Government, may the more easily be solved by the combined efforts of all."

Having due regard to those last two paragraphs, we made every effort to get this report before municipal officials at the earliest possible date. In July of 1950, mimeographed copies were made and placed in the hands of all M.L.A.'s of the Province of Saskatchewan, of the rural municipal executives, and of the urban municipal executives. We took every opportunity to sit in with the executives of these two associations. Final draft was made available in the month of October, and after the corrections and revisions took place, we forwarded the final revision of this report to all rural municipal governments, suggesting that they might wish to study this report prior to the annual convention which was held in the latter part of January and early February. Special provisions were made on their programme to give study and consideration to the report and, on that occasion, I took advantage of the opportunity to promise their association that a series of conferences would be held to which the reeves of the municipalities or their appointees would be invited to sit in and discuss the report itself with the officials of the Department and the authors of the report. This was done at six well-attended conferences held throughout the province. This was followed up by a further review at the regular district meetings called by the rural municipal association. I have on record the opinions of the conferences of the reeves. I have here the opinions of the conferences of the district association of rural municipalities. By and large there was very little disagreement with the report.

These men, sitting in at two-day conferences, appointing committees to study different phases of the recommendations, studied the implications of the report very thoroughly. They studied the economic and the scientific factors that are embodied in the report. They studied the science of municipal government which runs through the various chapters of the report. They studied the relationship between the province and municipal governments. They studied the division of responsibilities as between the senior and the municipal governments.

May I just bring to the attention of the House, Mr. Speaker, one or two paragraphs in this Report, because it seems to me that the opinions as expressed here centre very largely on one or two recommendations that are to be found on the back page of the Report, and are apt to be overlooked in their importance to the municipal government and to the people of this, or any other province. We are apt to lose sight of the relationship that must exist between the province and the municipal governments. On Page 5, the Committee had this to say:

"The allegations that the municipalities are overburdened and that the land is over-taxed have been examined with great care. The result of the investigation has been somewhat to the surprise of the Committee, for it has been found that in no sense can it be said that real property in the average municipality has been overtaxed either absolutely or relatively."

A little further down on the same page the Committee had this to say:

"The Committee wishes to make it clear that the recommendations have been made in the expectations that the municipalities will manifest an increased sense of responsibility. In the opinion of the Committee, the average municipality will have no excuse for asking for better terms from the province in the absence of some decided change in economic relations, or until the province is in a much better fiscal position resulting from a new Dominion Provincial Agreement."

And a little further on, Mr. Speaker, on Page 25, they quote Professor Corey:

"We may conclude that Democracy will not be furthered by local government which is either deprived of all responsibility or which is left with unmanageable responsibility. We can probably conclude that Democracy will not be furthered by making of local governments either mere collecting agencies or mere administrative units of a central government."

Then again on Page 26, the Committee had this to say:

"Maximum results are likely to flow, not from legislating municipalities into efficiency but from consultations and co-operation between the Department of Municipal Affairs and municipal officials."

February 29, 1952

I am in full accord with those statements. At the conferences which I have had reference to, the municipal men brought up such problems as these: The municipal road problem, new sources of revenue for municipalities, that is, suggesting a study of the municipal taxation field; the respective fields of operation between the province and municipalities; the sharing of the responsibilities as between the province and the municipalities; the main market road problems; their bridge problems and the overall question of proper engineering of road construction and road maintenance was also foremost in the minds of the reeves who attended these various conferences.

Now, again looking at the report, we find on Page 95 that the Committee summarized their opinion on the ability of municipalities to meet the tax burden which has been imposed upon them by municipal governments. They go back to 1926 and follow through to 1948, giving on that page the percentage of the gross agricultural income has been spent for municipal services. Now, I hope that we keep in mind that municipal services consist of a very wide field, and a very important field of community services. This committee found, for instance, that in 1926 municipality tax levy was 4.9 per cent of the gross agricultural income. They found that the percentage of levy reached 18.6 per cent, but they also found that in the years 1945 to 1948 the percentage of the gross agricultural income that went for municipal and school tax purposes and municipal services generally was the lowest for the period under review.

Now, I suppose, Mr. Speaker, that does raise the question of what portion of the agricultural income should be set aside or should be devoted for municipal services, and there might be a difference of opinion as to what the percentage should be. But I think that every fair-minded member of this Assembly will agree that three or four per cent of the gross agricultural income is not an exorbitant figure to be asking the rate payers to contribute towards local municipal services, which covers the field of education, the field of communication, insofar as roads are concerned, health services and various other community services so essential to the welfare of the people of the Province of Saskatchewan.

Now, Mr. Speaker, we take a look at how far the province has gone in carrying out the recommendations of this report. This report says:

"Responsibility is, of course, that of the Government and of the Legislature. There can be no doubt that the implementing of the proposals will involve an appreciable dislocation of provincial finance, Three years would, in the opinion of the Committee, be a reasonable period in which to implement all the proposals advanced in this report."

As I stated before, the report, in its final form, was made available in the late fall of 1950 and that is just a little over a year ago. At the last session of the Legislature, after having received a reasonable assurance from the municipalities that the recommendations were, in their opinion, sound and in the best interests of the proper relationship between the province and the municipalities, this Legislature moved to implement one of the recommendations, that of increasing the sanatoria levy paid by the Provincial Government. The \$2.00 per patient day has been fully implemented, as recommended in this Report. At the present session, the Assembly will be asked to pass a Bill setting up the Municipal Advisory Commission and a careful analysis of this Report will convince one, as it convinced the reeves of the municipalities, the urban municipal association, and the rural municipal association, that the setting up of the Advisory Commission to provide proper relationship between the senior and the junior governments of the province is one of the most important of all the recommendations in the Report.

At this present session of the Legislature, as mentioned in the Speech from the Throne, we will carry out the recommendations to pay a sum of money in lieu of taxes on all Crown Companies operated by the Provincial Government.

The report also recommended that the Municipal Advisory Commission should explore the possibility of additional sources of revenue for municipalities. This was endorsed by the Reeves of the rural municipalities and the urban municipal association. This will be one of the responsibilities of the Advisory Commission. They also agreed, Mr. Speaker, that the Province continue responsibility for the present highway system and highway construction programme — we thought that they might agree to that; that the province continue the policy of equalization grants to municipalities on the basis of special need — that is fully endorsed by the Provincial Government.

We then come to the question of bridges. This is where the reeves of the municipalities disagreed with the recommendations. They made certain recommendations, and the recommendations that they made, insofar as bridge assistance to rural municipalities is concerned, will be carried out in full. The reeves recommended that the Municipal Advisory Commission should examine all aspects of the problem of market roads in rural municipalities. This in itself is rather an important recommendation. At the turn of the present century and up to 1925, very seldom did we consider travelling over a municipal road and crossing the boundaries of municipalities. However, today with the modern means of transportation, Mr. Speaker, municipal boundaries are not recognized.

What is required today is a continuation of market roads leading over the boundaries of municipalities leading to various community centres, and one might visualize a grid of main market municipal roads, tying into the highway grid system of this province. This requires a considerable study and the study will be undertaken as suggested in the Report and approved of by the municipalities.

February 29, 1952

The report says, "Three years for implementation." I believe that it can be stated with a degree of accuracy that the Government is running ahead of schedule. Now Mr. Speaker, there may be some criticism because, at this particular session of the Legislature, no legislation will be brought in to repeal the Public Revenue Tax. No legislation is anticipated to reduce the public Revenue Tax, but in the Budget Speech you noted that a sum of \$1,600,000 will be made available as additional grants for educational purposes. This is, as I stated before, important, and the provinces to our right and to our left are also finding it rather an important question. Insofar as the Public Revenue Tax, as such, is concerned, might I just assure this House that it will not be the members opposite that will repeal the Public Revenue Tax. It will be the members on this side of the House that will repeal the Public Revenue Tax, and the Public Revenue Tax will be repealed within the time stated in the Report for the implementation of the recommendations contained in the report.

Now, the Government of the day imposed, true, as the financial critic for Arm River (Mr. Danielson) stated, a patriotic tax. It is interesting to note that the members opposite were patriotic to this tax during the 27 years that they and their associates were in office after the tax was imposed. But it might be also noted that the Jacoby Report of 1936, I think, recommended the abolition of that tax and the replacement by a 2 per cent Educational Tax. Our honourable friends opposite retained the Public Revenue Tax and also placed on the Educational Tax.

Now, in conclusion, and dealing more specifically with the Budget, I refer again to rather a critical analysis of the Budget, however, unbiased that was made by a group of business men who spend their lives in dealing with financial statements and figures, who gave it as their opinion that the budget is well within the keeping of the ability of the people of the province, with the resources they have at their disposal. I prefer to listen to the unbiased opinions of men such as I have mentioned, than to the analysis made of the Budget in this Chamber yesterday afternoon. Probably the best proof of the soundness of the financial position of the province is to be found in the market quotations for Saskatchewan bonds, and the low interest rates on new borrowings. I would also wish to mention again that today the purchasing power of the Canadian dollar is 48 cents in comparison with 1926 to 1929, and on that basis — on the basis of the purchasing power — this budget of \$66 million would shrink to \$32 million.

I was reminded yesterday, Mr. Speaker, when the critic of the budget for the Opposition was on his feet, of the jugglers who appear before the grandstand at some of our Class "A" and Class "B" exhibitions, and I could not help but think that, if the company sponsoring the grandstand attractions should ever be short of a trainer or a coach, the hon. member from Arm River (Mr. Danielson) might not be amiss in accepting the position.

I just wish to say this, Mr. Speaker. Our Saskatchewan citizens, with their resources of soil, present and potential mineral wealth of oil and gas, together with their great resourcefulness and their progressive and pioneer spirit, I am sure will agree with me when I say that they are satisfied with the spending of the tax dollar by the present Government. I am confident that the citizens of our province will endorse this Budget without qualification.

Therefore, I have no hesitation in expressing approval and giving this Budget my whole-hearted support.

Hon. R.A. Walker (Hanley): — Mr. Speaker, in rising to take part in this budget debate, I want first of all to congratulate the Provincial Treasurer on the fine budget message which he presented on the state of the financial health of the people of the Province of Saskatchewan. I think, Mr. Speaker, that I can say quite unreservedly that in the four years in which I have sat in this Legislature, each and every year the Provincial Treasurer has been able to come forward in this House and present an even better picture of the health of the province than the year before. And I suggest, Mr. Speaker, that this fact is not lost upon the minds of the people of Saskatchewan. I suggest that, in view of the fact the people of Saskatchewan are going to keep them around for a great many more years to come.

As is the usual custom in a budget address, Mr. Speaker, the Provincial Treasurer dealt with two aspects of our financial affairs. He dealt, first of all, with the general economic picture in the province, at considerable length, and that is understandable because there was a good deal to say about the expansion and development of this Province as it has been going on in the last five or six years, and he gave us a fairly full account of that. Then, the second phase of the budget address he dealt with the finances of the Provincial Treasury.

I am very pleased, Mr. Speaker, to find some authentic figures, such as those contained in the budget address of the Provincial Treasurer (Hon. Mr. Fines) to support the growing feeling in this Province that Saskatchewan is making tremendous gains economically. I find in his address that the total production for the last year has or will exceed \$1 billion by a substantial margin. Most of the people of Saskatchewan knew that our economy was expanding. They are grateful to know that it is expanding at a rapid measurable pace. He gave a survey of the personal income of the people of Saskatchewan, and he pointed out that some years ago the people of Saskatchewan received, in 1945 only 85 per cent as much personal income as the average for all of Canada, and that this year the average personal income per person in Saskatchewan now exceeds the national average. I suggest, Mr. Speaker, that if these are evidences of stagnation and despair on the part of the people of Saskatchewan, it is the kind of thing that the people of Saskatchewan will want to continue for a long time to come.

February 29, 1952

We are told by those who secretly hope to thwart the development of this Province that our industrial economy is not expanding as it should. Yet we find in the budget address the fact that public and private investment in Saskatchewan is reaching an all-time high. In 1948, we are told, there was an investment total, public and private, of \$241 million. The following year that had increased to \$329 million, and this year there is evidence that it will come close to \$350 million.

You know, Mr. Speaker, those members who have travelled about in Canada quite a bit find that in other parts of Canada there is still the memory of the dire and difficult period of the thirties as they affected the Province of Saskatchewan. There are still people in Canada, I find, who believe that Saskatchewan is still the backwoods, economically, of this country. I find that a great deal of that is not attributable so much to the memory which they have of the period of the thirties, but is attributable to a very large extent to the constant campaign of misrepresentation that is waged from this Province by the people of this Province who do not love the progress of this Province. I find that the media of public information, the newspapers and the radio, seize eagerly upon such pronouncements that are made by my friends on the other side of the House to paint a black and dismal picture of the economics of this Province. I suggest, Mr. Speaker, that the people of Saskatchewan are not so much concerned with party politics and party advantage, as perhaps are we in this legislature.

During the course of the year I probably see and talk to as many of my constituents as does any member of this House, and I find that the people of my constituency, and I suppose they are typical of the people of the Province -- of those people can be said this, that they love Saskatchewan, they take pride in Saskatchewan's accomplishments, and they look forward eagerly to a new period of expansion in the second half of the present century. And those people do not lose sleep at nights worrying about the fates or the fortunes of the Liberal Party particularly, or the C.C.F. Party. They are concerned with Saskatchewan, and they are concerned that Saskatchewan should progress. I am sure that it will have come to them as a blow the speech delivered to them yesterday by the financial critic of the Opposition. I am sure it will come to them as a matter of extreme regret that anyone speaking in this legislature should paint that dismal picture. I suppose it is impossible to estimate how much damage that kind of speech does to the welfare of the people of Saskatchewan, but when you see sums like \$350 million being invested in this Province in one year, I suppose it would not be an exaggeration to guess that perhaps it would be possible to frighten 10 per cent of that away by that kind of dire and dismal prophecy. And I suggest that even if 10 per cent of the expansion of this province in 1952 would be deterred by such speeches that the people of Saskatchewan will have paid about \$35 million for the pleasure of listening to the financial critic opposite.

I suggest, Mr. Speaker . . . well, my hon. friends opposite can laugh, but of course they all are interested only in capitalizing on that speech to try and get themselves back into office at the expense of the people of Saskatchewan. Sure they laugh about it — anything to get themselves back into power is fair game, so far as they are concerned.

Now, Mr. Speaker, I think perhaps the confidence that has been displayed in Saskatchewan resources and the integrity of the Saskatchewan people, and in the honesty and fairness of this Government — that confidence arises because the Saskatchewan Government has proven that it has confidence in this Province. And how? Well the Saskatchewan Government has gone forward courageously and provided all kinds of new social services. They have gone forward and they have established industries — industries which if they had gone bankrupt could very well have meant disaster in the financial affairs of Saskatchewan. But they had enough confidence in this province and in this province's future to invest millions of dollars in the industrial expansion of our economy. I take, for example, the Crown Corporations which this government established soon upon attaining office. There are many of them, and they report every year to this legislature. We hear all kinds of criticisms from Opposition members. Out in the country we read reports of speeches they make, to lead the people of Saskatchewan to believe that these Crown Corporations have not been an unqualified success. Yet every year in this legislature we are presented with financial reports — financial reports dealing with each of these Crown Corporations. Already we have had reports tabled on most of them. Most of those reports have been considered in the Crown Corporations Committee and the profits for each corporation is set out in those reports. And in not one single case, Mr. Speaker, has any member of the Opposition got up in that committee and denied that those profits were in fact a reality. In not one single case has a member of the Crown Corporations Committee disputed the accuracy of the audited statements which have been filed in those committees, showing those profits. I suggest, Mr. Speaker, that we just run over the list of those Crown Corporations.

There is the Government Airways, which brought regular plane service to the remote areas of the northern part of this Province, brought prospectors and prospective investors and people who were interested in developing our northern industry. And there a small surplus of \$10,346 accrued to the province from those operations.

Then you have the Forest Products Corporation which operates the Big River Mill, the Box Factory and the Timber Board. The Big River Mill, as hon. members know, was established during the course of the last fiscal year. It commenced operations toward the end of the fiscal year and has, during that year, accrued a deficit of \$32,000.

Then we have the Box Factory which earned a surplus of \$29,000 and the Timber Board which earned a surplus of \$39,000 during the last fiscal year.

There is the Saskatchewan Marketing Services which were set up for the purpose of providing market facilities for the people of northern Saskatchewan, who in the past had to depend upon the fur dealer and fish dealer from outside Saskatchewan; people who had no regular market facilities were provided with those facilities under that Crown Corporation. The trading Division operates a half a dozen stores in remote areas in the northern part of this Province. It broke even, and showed a surplus of \$2,431. The Fur Marketing Service showed a surplus of \$33,906. Members of the Opposition say, "Well, that is secret taxation. It is secret taxation. You are taxing the

users of that service." As a matter of fact the users of that service, except so far as beaver and muskrat are concerned, are entitled to send their furs to any dealer anywhere in the province. And the fact that the Fur Marketing Service handles most of the furs from those dealers, proves that the private trappers would have been better to have sent them there in the first place and got the full price for themselves. And that is what they call secret taxation. That \$33,000 is probably but a tenth of what the private fur dealers made out of the trappers of northern Saskatchewan before this fur marketing service was established. Is that secret taxation? That is what they call free enterprise — I say it is the most iniquities kind of taxation that was ever afflicted upon a group of primary producers. This provides that service barely at cost.

Of the Fish Marketing Service, the same can be said — a surplus this year of \$10,522; the Industrial Development Fund — a surplus of \$1,540; the Reconstruction Corporation, which was the brain-child of the present Minister of Social Welfare, I believe, and under whose guidance that corporation was set up has now completed its operations. It was founded shortly after the Second World War to put into the hands of the people of Saskatchewan the surplus war assets that were in the Province. In other provinces, of course, a different procedure was followed. Those surplus war assets which had very little commercial value in places where they stood were sold to private dealers for little or nothing, and those private dealers made tremendous fortunes out of salvaging and selling those war assets. In this province, the people of Saskatchewan, the government of Saskatchewan, took over those war assets, sold them to the people of Saskatchewan. They completed the operation this year with a surplus this year of \$8,785. During the course of that seven years, they produced a surplus, an accumulated surplus of \$395,054.62 — money which could very easily have been lost to the people of Saskatchewan by a free enterprise government, if it had been in power.

Then we have Government Printing. Well, that used to be done by the friends of my hon. friends — the Leader-Post, and the other daily newspapers in this province. They used to make a nice thing out of it, and now the Government Printing Office, a Crown Corporation, does the work, at the standard scale of rates, and this year made a surplus on its operation of \$46,903. The Transportation Company — money which used to go out to the Greyhounds — money which used to go out of this province, has now been kept in Saskatchewan, with a surplus of \$18,520. As a matter of fact, the surplus is not large as it appears on this balance sheet, but when you consider that nearly one-third of the 4,000 odd miles served by the Saskatchewan Transportation Company, nearly one-third of that mileage was put on for the first time when the Transportation Company was formed. Service was given on nearly 1,500 miles which had never been given before by private enterprise, and that represents the real surplus from the Saskatchewan Transportation Company.

I know people, and you do too, Mr. Speaker, all over this province who are grateful for the fact that this government was willing to provide that service to the people.

Then we have the Government Insurance Office, which this year, on the business which it did, and I speak of the voluntary business which it did, produced a surplus of \$304,990.

All told, that group of Crown Corporations produced a total operating surplus of \$826,000 — nearly or more than 3/4 million dollars. You have that 3/4 million dollars returned to the people of Saskatchewan, on a total investment of \$5 1/2 million, something like 13 or 14 per cent of the investment.

We still have not the report on the manufacturing industries, nor on the Saskatchewan minerals, nor on power or telephones. Those are not in the picture, and when they are tabled, I have no doubt they will provide equally satisfactory reading to the people of Saskatchewan.

Mr. Speaker, we had an attempt yesterday by the financial critic to convince you that after all, Saskatchewan had done nothing by way of debt reduction. Well, you may give all the credit to somebody else, I do not know — but look at the picture in Saskatchewan and compare it with the other provinces of Canada. I suggest it is a fair yard-stick for the performance of this province.

I have a bulletin issued by the Investment Dealers' Association, in which these people give these figures; province of Saskatchewan, 1934, December 31, the average per capita debt was \$230 (the highest in all of Canada) — \$230.41 for every man, woman and child in this province. That is the legacy of debt which was left by the Liberal Party — the highest in Canada. And then look at the current issue of that report and what do you find? That on March 31, 1950, Saskatchewan had the second lowest debt per person of any province in Canada, Second lowest — we have passed on the road to the top seven of the nine provinces, and there is only one province that has a lower per capita debt, and that is the Province of Quebec. We hear a lot of talk from our neighbouring province about public debt. Well, I find they are not above Saskatchewan; they are down below — they are down in sixth place — Alberta. Saskatchewan ranks second lowest for capita debt.

Now, the hon. member can give the credit to whomever he pleases, but I think it pleases the people of Saskatchewan to know that this is the extent of their progress in the past seven years insofar as our public debt is concerned. They are pleased to know this fact. They are not interested in the politics that the Opposition tries to make of that fact.

And then we have heard something of the Public Revenue Tax. Well, I know this, Mr. Speaker, that so far as my own constituency is concerned, this is the situation. Many of the school units and school districts were faced this year with the prospect of increasing their mill rates from 2 to 5 mills. The Provincial Government had \$1,600,000 which they could dispose of in some way for the benefit of the people of Saskatchewan, and so the question arose whether that amount ought to be paid back to the municipalities

February 29, 1952

and school districts on the basis of a uniform of 2 mills, or whether it ought to be paid back to them on the basis of protecting them from this higher mill rate. We thought that since the new higher school taxes were, in some cases, going to be as much as four or five mills, that it would be better that this revenue be paid back to the municipal bodies in order to avert and prevent that proposed increase in school taxes, and I may say this. The financial critic said:

"This provincial proposal to continue collecting the public revenue tax, and to farm it out to the local schools is a high-handed piece of insolence."

Well I suggest that every time the municipalities receive \$600,000 by a high-handed piece of insolence, they are very grateful for it. I suggest, Mr. Speaker, that they would have welcomed a little more of that kind of insolence from my hon. friends opposite when they were in power, and they are glad to get that little bonus of \$1,600,000 this year.

The financial critic of the Opposition would have the people of Saskatchewan believe that the present government is, as he says, "the most incompetent, the most improvident and the most disgraceful government of any province in Canada." Mr. Speaker, over in England they have a way of recognizing certain artistic qualifications — for instance, they pick an outstanding poet and make him poet laureate. Well, as far as I am concerned, Mr. Speaker, if the time ever comes when we in Saskatchewan bestow an award to the best story-teller, it should, go to my hon. friend, because he is an artist at it, and I cannot help being reminded of his countryman, Hans Christian Anderson!

Now, what is the record of this Government insofar as its spending of public money is concerned? Well, I am surprised that they raised the matter, because I dealt with it last year, and I thought I had put this business to rest, but I find, Mr. Speaker, that they would still have us believe that the Government of Saskatchewan is, somehow, wasting money. Well, let us find out what they consider we are wasting it on. (My friend says, "Hear! Hear!"). Well, I have taken the estimates of 1952-53 and have compared them with the public accounts of 1943-44 and I find a great many items in the estimates now that were not even mentioned in 1943-44. What are some of them?

Well, first of all, here is the Western Development Museum. This year, we are proposing to spend \$15,000 on it. There was no such expenditure in 1943.

Mr. Dundas (Qu'Appelle-Wolseley): — That is a waste of money.

Mr. Walker: — They say that is wasting the money. I think, Mr. Speaker, that it is a valuable heritage for the people of Saskatchewan that these old relics are preserved. I think the time should come, also, when we should start to look after some of the old relics from

the Opposition in the Western Development Museum. I could name two or three candidates just off-hand!

And here is the next one. Grants for school buildings. This year we propose \$500,000 on that. In 1943-44 nil. That is the way we are wasting the money, as my friend, the Leader of the Opposition (Mr. Tucker) says just now. On grants to schools, this year, I find we are going to spend \$8,043,000. \$2 3/4 million in 1943-44. Up more than three times. Wasting the money of the people? (That's what my hon. friend, the Leader of the Opposition says). Grants to the University. This year we propose to spend \$1,150,000 — and what did they spend? \$550,000 — less than half as much. School readers and school text books, \$166,000; they spent \$20,000. Almost three times as much, all direct savings to the people who have children going to school — a direct saving those people. Libraries \$89,820, and they spent \$3,000 — 30 times as much, Mr. Speaker. They like to burn books; they do not like to buy them and make them available for people to read. I am sure the hon. member for Redberry (Mr. Korchinski) will find books in here with which he does not even agree with, out of this \$89,000. I suggest, Mr. Speaker, that it is not his job and it is not our job to pick the book that we think the people of Saskatchewan ought to read. We believe that they should read, and we believe that they should be given an opportunity to obtain that material, so 30 times as much expenditure, Mr. Speaker!

Education in northern Saskatchewan — this year we will spend \$141,000. In 1943-44 the public accounts does not disclose a single cent. Wasting money, my hon. friend, the Leader of the Opposition will say! Visual education and school broadcasts this year — we will spend over \$90,000. Under the Liberals, \$21,000. 4 1/2 times as much, Mr. Speaker. The Department of Highways — we hear them about the condition of the roads in Saskatchewan. I think that the people of Saskatchewan have earned a reputation for having the best roads in western Canada. I think that when Mr. Phil Wade, who is News Editor of the Saskatoon Star-Phoenix says that Saskatchewan has come from the bottom rank to the top rank in Western Canada, so far as the quality of its roads are concerned, he not talking through his hat, and neither was he talking through the hat of the Liberal leader. He was stating a fact, which is apparent to all the people who do know anything about the comparative road conditions of the four western provinces.

And so there, I think we are justified in spending, Mr. Speaker, \$7,300,000 this year compared with \$2 3/4 million spent by my hon. friends.

The Minister of Agriculture this year is spending \$231,500 on general agricultural assistance. \$50,000 my hon. friend spent — five times as much! The Ag. Rep. service this year is going to cost \$376,000 — our hon. friends spent \$47,000. This year that service is seven times as effective and efficient, and more, than the old Ag. Rep. Service I know some of the people who were Ag. Reps. in the old days, Mr. Speaker, and I must say they were more outstanding for their political qualifications than they were for any qualification which would assist the farmers in Saskatchewan.

February 29, 1952

Mr. Loehr: — You prove that!

Mr. Walker: — As far as I am concerned (the Minister of Agriculture is not here), but I know this, that he always takes a great deal of pride and satisfaction in the efficiency in the present Ag. Rep. service. As far as I know, no attempt has ever been made in the province, under this government, to make a political machine out of the Ag. Rep. service.

Some Hon. Member (Opposition): — Oh, what a hope!

Mr. Walker: — I think I could probably point to just as many Liberals in the Ag. Rep. Service as there are C.C.F.'ers. The best of the old crooks were kept, and they are doing alright. But they would never have been able to learn anything if my hon. friends had remained in office.

The Plants Industry Branch this year is spending \$273,000 where it was only \$58,000 in 1943-44. I think it is a sign that we have now achieved in the Government of Saskatchewan adequate recognition of the importance of agriculture in the economy of this province, For the first time in the province's history, the provincial government is prepared to spend provincial funds to develop and broaden the agricultural base of Saskatchewan, to the extent of \$3/4 million in this year's budget. What did the Liberals spend? Absolutely nil, Mr. Speaker.

The Lands Branch, clearing and developing new land settlements and other projects for the beneficial expansion of agriculture \$395,000 this year. The Liberals spent nothing! More waste, my hon. friends would say, I suppose — more waste!

Hospital care this year — \$8 3/4 million — less than half a million under the old Government. The Cancer Commission — they used to spend about \$85,000 a year (that is what they spent in their last year maintaining and operating the Cancer Commission). This year, including free treatment for Cancer — \$684,000 — eight times as much, Mr. Speaker, and there I suppose the Leader of the Opposition would say "wasting public money". Grants to Sanatoria — \$600,000 compared with \$272,000 before — more than double. There is a real relief to the tax-burdened rural municipalities. Training of nurses, we propose to spend \$18,000 assisting and promoting the training of nurses in this province. Under the Liberals, nothing for that purpose.

Health services for Old Age Pensioners, this year we will spend a little over a million — \$1,041,000. Under the Liberals, nothing. Wasting public money, they say! Grants and loans to hospitals and health centres this year — \$300,000. Why did not the Liberals spend a few cents — just a few cents to show up in the public accounts of 1943-44?

The Air Ambulance — \$133,960 — under the Liberals, of course, nothing and my hon. friend across the way suggested that there was an ambulance service in this province before. I suggest that it was worth just exactly what they were paying for it — nothing.

Then there is the Saskatchewan Training School, Weyburn — \$987,000. There is a heroic attempt to take people who have limited mental faculties, people who can be rehabilitated to a more or less normal life in our community; and now, for the first time, these people are getting education, treatment and care designed to rehabilitate them. All they used to get was custody in one of the mental hospitals. And so, there is \$987,000 compared to 1943-44 with nothing — nothing. There you have a measure of the imagination of my hon. friends opposite.

Some Hon. Member (Opposition): — Wasting money!

Mr. Walker: — Wasting money, they say! Then you have the mental hospitals. It is not just an accident that Saskatchewan now has the record of having the most advanced facilities in the world for the care and treatment of the mentally ill. It comes because we have a Department of Health which has vision, that sees the real values in life. We have a Government in Saskatchewan who are prepared to invest a little money in the happiness of those thousands of helpless people. And so, \$5,176,000 compared with \$1 1/2 million in 1943-44, 3 1/2 times as much, Mr. Speaker. Wasting money, the leader of the Opposition (Mr. Tucker) will say! The northern outpost hospitals, this year \$89,000; 1943-44 — nothing.

Then we have the Department of Social Welfare. Under its Gaols and Correction Branch, \$484,000 compared with \$196,000 — more than double. And the Minister has told us why it is not a great deal more than that, because it is paying off in a lower percentage of repeaters among the people who come in contact with our gaols. It is paying off because it is guiding more and more footsteps upon the path which keeps them out of trouble. The Department of Social Welfare is investing \$494,000 a year in that programme, and it is paying off in closing the gaol in the constituency of my friend from Moosomin (Mr. McDonald).

Then you have the homes for the infirm — \$423,000 this year — ten times as much as was spent by my hon. friend from Qu'Appelle-Wolseley (Mr. Dundas) in 1943-44.

Then you have the Boys' School in Regina — \$82,000 compared with \$31,000.

Old Age and Blind Pensions — I know an attempt has been made even during this Session by hon. members opposite to say that this province has gouged money out of the Old Age and Blind Pensioners of this province. Well if that is gouging money out of them, they want a lot of it, because, \$2 3/4 million this year is being spent on those pensions, compared with just exactly a million in 1943-44 — almost three times as much, Mr. Speaker. A waste of money, my friend would say!

Mothers' Allowances — up to \$1,450,000 compared with only \$473,000 in 1943-44. And Social Assistance is up more than double — wasting, money they say?

February 29, 1952

Fire prevention and forestry in our timber belt of northern Saskatchewan \$401,000 — up from \$43,000. Nine times as much, Mr. Speaker, for that purpose. But I do not think it is necessary to quote figures here to show how many million board feet of timber there are, compared with what there were in 1943-44. I think the one fact which demonstrates that our forestry programme is sound is that today, for the first time in the history of this province, we have our forestry production on a "sustained yield" basis. What was the situation in 1943-44? Experts in the timber field warned the people of Saskatchewan that if the policies that were being followed at that time were continued for another seven or eight years, Saskatchewan was in danger of being completely eliminated from the field of timber production. And that situation has been corrected, so that I do not think, Mr. Speaker, that even the most ridiculous assertions of the Opposition about wasting money could not possibly apply to that item.

Then you have the Northern Radio Division — spent \$80,000 — nothing in 1943-44.

The Surveys Branch — \$86,000 — nothing in 1943-44. It is no wonder they had no development in Northern Saskatchewan in 1943-44. They were not spending any money to bring development to northern Saskatchewan; they did not care whether there was any development in northern Saskatchewan. All they cared about was farming it out to their friends for a few cents, and giving relief to the people who happened to be living there.

The Fisheries Branch — \$85,000 this year being spent through that Branch — nothing in 1943-44.

The Mineral Resources Branch — \$288,000 — nothing in 1943-44. Oh, I suggest, Mr. Speaker, that it is no accident that Saskatchewan today is forging ahead as one of the great prospective mineral producers in Canada. I suggest it is no accident that in 1943-44 Saskatchewan was practically dormant. I suggest that in that vote alone can be found the key to the expansion of our mineral industry.

Labour Relations — I suppose the hon. member for Souris-Estevan (Mr. McCormack) does his for free, or would if he was Minister of Labour. We spent \$28,000 — the previous government spent nothing — absolutely nothing. Minimum Wage and Hours of Work Act: Enforcement of that Act will cost us this year \$52,000. In 1943-44 it did not cost them anything. They did not even have an Act — no wonder it did not cost them anything. The Apprenticeship Act enforcement this year will cost us \$128,000, in 1943-44, nothing.

The Public Service Commission. The Public Service Commission this year will cost us \$74,000. In 1943-44 it cost \$8,000. I think that in 1943-44 they got a lot of free help from Mr. Bird and some of the Liberal officials downtown, and they did not need a Public Service Commission. All you had to do was to go to your M.L.A. — I know how it was done — I heard about it, and I saw it happening. If you wanted a job with the Provincial Government — if you wanted a job as a steno, you went

and you worked for your M.L.A., if he happened to be a lawyer and was able to employ you, for nothing for six months, and then he would give you a job in the Civil Service — that is the way it was done; they did not need a Public Service Commission. In 1943-44. I do not know what they did with the \$8,000.

And then we have the Purchasing Agency. The Opposition like to make niggling criticisms of these branches and agencies that have been set up in this Department, and they started to get a bit critical a year or two ago about the Purchasing Agency. "Why", they suggested, "why don't you do it the way we used to do it in the old days? If a branch head or an official needs a new car, let him go to his dealer and make a deal and then reimburse him what it cost him to trade his car in." A lovely system — a lovely system for graft and corruption. Then ask the question, in the Legislature; "What is it costing now to buy automobiles for the civil servants? And they get the answer, and it embarrasses them, because the prices of the cars are so low, we are saving the taxpayers so much money that it embarrasses the Opposition, and they don't say any more about it. I think it probably can be safely said that the Purchasing Agency alone saves, in the purchase of supplies for this Government every year, enough to pay its expenses for a hundred years.

And then we have the Agent General in London, \$56, 000. I think all hon. members are aware of the valuable work which has been done there in promoting British Industry in Saskatchewan, and promoting the sale of Canadian products across the water. The saving on insurance rates alone will pay the cost of maintaining the Agent General in London for the next fifty years — the saving in one year.

Then we have the Budget Bureau. It cost this year \$61,000. They did not have a Budget Bureau in 1943-44. We were one of the few provinces and states on the North American Continent to adopt a sound, systematic method of budget control. In the old days I suppose that the Cabinet Minister who could talk the best, or who had the most influence with some of the other members of the Cabinet, could get away with all the money he wanted, and the important services — services which are important to the people of Saskatchewan — would come out with nothing. And the figures show that that must have been what happened.

And then Sinking Fund and Debt Reduction. We now make a systematic attempt to pay off the indebtedness of this Province, and out of revenue account we will pay this year, \$4 1/4 million into sinking fund and debt reduction, compared with \$1,024,000 in 1944.

And, Mr. Speaker, if you add up these items to which I have referred, and to not one of which can exception be taken by any member of the Opposition; if you add up those items you find that the Liberals were spending on those essential services, \$12 million in 1944. This year those services have been expanded and extended to the extent of \$50 million. And I challenge, Mr. Speaker, any one of the members of the Opposition to put their finger on any one of those services which they regard as being wasteful or inefficient. I challenge them to say

that they will reduce our programme in northern Saskatchewan — that they will reduce any of the social welfare programme or the programme of public health. I challenge them saying they will reduce the expenditures on highways and still produce satisfaction to the people of Saskatchewan. Those are the items which have increased substantially, or which are new since 1943-44, there they are. And, if you subtract the \$12 million the Liberals spent on those services from their entire budget of \$25 3/4 million, you have a net of \$13 3/4 million which they spent on all the other services — administration and other general services in 1943-44. And if you subtract the \$50 million which we are spending on those services, Mr. Speaker, you have \$15 million being spent on all the rest of the services that the Provincial Government provides, mainly administration. And I would point out to you that the remainder in the one case is \$13 3/4 million and in the other case is \$15 million. Administration costs and general services have increased only from \$13 3/4 to \$15 million. I ask, Mr. Speaker, if there is any member in this House, in his private business affairs, who is able to buy as much for \$15 million as he could buy in 1944 for \$13 3/4 million. The answer of course is self-evident, that it was only possible to effect that saving by the efficient, prudent and economical management of the affairs of this province. That \$13 3/4 million that is spent on all the other services which I have not enumerated would probably have cost a Liberal Government today \$26 million, instead of \$15 million as they now cost this Government.

I suggest, Mr. Speaker, that the Opposition is being continually driven into a corner about the charges which they make out in the country. I remind you that four years ago they were trying to tell the people of Saskatchewan that the Crown Corporations were a failure, that the people were pouring their money down a rat-hole, and it was being lost, and the facts spoke for themselves. The people of Saskatchewan no longer are deluded. And the Opposition has now abandoned that cry. You do not hear any more about wasting public money on experimental industries. Those industries have now proven themselves, Mr. Speaker. Then, in 1947, 1948, and 1949, you remember that their cry was that high municipal taxation is the result of C.C.F. policies. Well, most municipal men get around a bit, and they know what the situation is in other provinces; they are more or less familiar with the figures that the Minister of Municipal Affairs gave today, that Saskatchewan municipalities are in the most fortunate position in Canada as far as getting assistance from the Provincial Government is concerned. The Provincial Government of Saskatchewan has assisted more than any other Government in Canada. The people know that, and the Opposition have dropped that cry. They no longer go out on the hustings and raise that cry.

And then a year ago or two years ago, they started to allege that the Provincial Government was imposing exorbitant taxation, that the Provincial Government was taxing people beyond their capacity to pay — taxing them out of business, as my hon. friend from Maple Creek (Mr. Cameron) said in a radio broadcast no long ago — taxing them out of business. Well, the bare fact is, of course, that provincial taxation in this province is now taking a smaller proportion of our provincial income — of the private income of our citizens, that it did at any time since 1943. Provincial taxation, as the Provincial Treasurer (Hon. Mr. Fines)

pointed out, is now taking less than 2.7 per cent of the income of the people of this province, and it was taking a little over 2.7 per cent in 1943-44. And so, as the Opposition are found out in all these ridiculous charges which they levy, they abandon them, discard them as expendable items of their propaganda box, and they go and they find new ones. And the new ones serve for a year or a year and a half and then the public gets wise to them, and they look for some more. Their present one is to try to convince the people of Saskatchewan that we are suffering from stagnation. It is such a ridiculous thing. I think that my hon. friend, the Leader of the Opposition (Mr. Tucker) is a proponent of the philosophy of that man who said that if you want to tell a lie and make it stick, tell a big lie! I suggest that whether he is a subscriber to that philosophy, his conduct certainly brands him as one.

So, Mr. Speaker, I want to say, in concluding, that it does not prove that this Government is incompetent, and it certainly does not prove it when the figures can be provided to prove that it is the most competent and efficient government this province has ever had. I think, Mr. Speaker, that my hon. friends opposite misunderstand the temper of the people of Saskatchewan a little bit. I think that they should find out that the people of Saskatchewan are not so much interested in the fortunes of their political party, as are in the well-being and welfare of the Province of Saskatchewan. The people of Saskatchewan are going to applaud the soundness and the efficiency of the present Government of Saskatchewan.

Mr. Speaker, I am going to support the Motion.

Hon. J.T. Douglas (Minister of Highways): — Mr. Speaker, it is again my pleasure to offer congratulations to the Provincial Treasurer (Hon. Mr. Fines) for the masterful manner in, which he presented, in my opinion, the most impressive budget that was ever placed before this Legislature; and the one that best fits the needs of this province. I would also say, Mr. Speaker, that it reflects the optimism which prevails throughout this province at the present. It reflects the feelings of not only the farmers who, during the past year, suffered some very severe reverses; nevertheless, as we go among our agriculturists, we find those people optimistic. We find optimism in regards to the oil finds, and I also find, in going through this province, that people get a great deal of amusement out of the statement that was made, particularly by the Leader of the Opposition (Mr. Tucker) when he said, "No oil will ever be found in Saskatchewan as long as you have a C.C.F. Government."

Mr. Tucker: — Mr. Speaker, I suppose I might as well say something about that — it has been said over and over again.

Mr. Speaker: — Order!

February 29, 1952

Mr. Tucker: — On a question of privilege, Mr. Speaker, I never made any statement like that. I said that we would never get the development we should have while we have a C.C.F. Government in power.

Hon. J.T. Douglas: — Mr. Speaker, I will have to accept the hon. member's statement, but that is not the way The Leader-Post and the Star Phoenix reported it.

However, Mr. Speaker, as the hon. gentleman, the other day, set out the sound financial position of this province, the debt that we have been able to effect, and the improved social services, the improvement and extensiveness of our highway and power programmes, and the vast improvement in the services we are giving, I could not help but notice that as I watched the Opposition they felt that this budget was another nail in the coffin in the Province of Saskatchewan.

Mr. Tucker: — We were happy about it. We had a real celebration that night!

Mr. Speaker: — Order!

Hon. J.T. Douglas: — I also feel that there are congratulations coming to the Hon. member for Arm River (Mr. Danielson). His effort, on Thursday afternoon, was a very valiant attempt; but it reminded me of a last ditch stand and it reflected the pall of gloom that has settled over the Opposition benches.

Now, I do not intend to spend very much time on the remarks made by the hon. gentleman. It was old straw that has been kicked around in this Chamber on a number of previous occasions; some of it was just plain invective, and some of it was just straight misstatement of facts.

There was one thing, of course, that I did notice, and I think the people of this province would notice, and that was his criticism of the Crown Corporations that have been set up in this province. It became very evident, as the hon. gentleman spoke, that these Crown Corporations do not fit in with Liberal policy; that the Liberals across the way do not believe in public ownership of these enterprises that have been set up; not only for the benefit of the people, but to extend the services of the various companies to all the people across Saskatchewan. And I know this — that the people of this province are going to see to it that they are not, again, saddled with a Government that would bow to the rules of private enterprise in respect to those industries that I have just mentioned. They know perfectly well that they would see returned to private industries, were the Liberal government to be returned to this province, such things as our bus company and our Government Insurance, and likely as not, the Power Corporation, because the people still remember the sorry mess that was made when the Liberals were in power here.

Maybe it is best for me to tell the hon. gentleman that all throughout the years when the Liberals were in power, the power corporation cost this province money; and it was necessary for the C.C.F. Government to pull the power corporation out of the red and make it, not only self-sustaining, but one that shows a surplus every year. And the reason was, of course, that most of the lines was owned by private corporations; we had the tag ends that were left in the province; and I expect, again, if the Liberals were to run true to form and to run true to the statements they have made, that they would turn these corporations back to private hands. But I know the people of Saskatchewan are not going to take that chance, and the Liberals will find it out when the next election rolls around.

Now there was one other statement made by the member for Arm River, and that was that the Department of Highways charged to capital their administration costs. That statement is absolutely incorrect. At no time since this Government has been in have we charged any portion of our administration costs to capital; and I question very much, Mr. Speaker, if any Government in this province ever charged any portion of administrative costs back to capital. I would say that the member for Arm River was not on very good ground when he undertook to criticize this government's expenditures, and the portions of its costs which were charged to capital.

I took the trouble last night to run over some of the old public accounts, and I find that in the years 1931 to 1938-39, all of the lands purchased by this Government were charged to capital. Now there is nothing absolutely wrong with that — there is no reason why we cannot charge land to capital account; but this government has never done so. As a matter of fact, when the practice was discontinued, it was discontinued in 1939-40 when the Liberals had no capital with which to charge the account.

And then there is another little matter which I think should be brought to the attention of this House; and that is, when we took office in 1944, I found there was charged to highways, \$32,827,775.06. That was the bonded indebtedness charged to highways; as at March 31, 1944. At March 31, 1951, I find that this Government has reduced that bonded indebtedness by almost \$1 1/2 million — to be exact, it is \$1,430,805.64. That is, we have reduced the bonded indebtedness from \$32 million to \$31 million. And then, of course the hon. gentleman had the audacity to talk about financing. A sound financing, he called it!

I also find that when we took office in 1944, there had been expended from 1905 up to that period — that was the entire lifetime of this province — some \$87 million for highway purposes. Of that \$87 million, something over \$32 million, as I just pointed out, was still owing, that is, over 37 per cent of the entire amount of money spent in this province, for highway purposes from 1905 to 1944, was still outstanding and owing. Now the hon. gentleman may call that sound financing, but I can assure him the people of Saskatchewan will not and did not consider it as sound financing because, not only did you have that debt, Mr. Speaker, but you had a highway system that was completely worn out.

February 29, 1952

Some Hon. Member: — All that was left was the debt!

Hon. J.T. Douglas: — Less than 100 miles were built to the standard that we are building now.

Now, one other point I want to remark about was the hon. gentleman's question. He said, "What would a Liberal Administration do with the increased budget of today?" Well the answer is 'nothing'. In 1934, they had a budget of \$31 million, in round figures; and we all know they were dubbed across Canada, from one side to the other, as a 'do nothing' Liberal Government. Now, the dollar today is just worth 50 cents of what it was in 1934; so even if they had double the budget, today they would still do no more than they did in those years.

Now, Mr. Speaker, I want to spend some time on the work which we have done throughout the Province, and I also want to spend some time on future development, but would prefer to leave it for tonight, and I therefore beg leave, Mr. Speaker, to adjourn the debate.

The Assembly adjourned at 6 o'clock p.m.