

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fifth Session — Eleventh Legislature**  
**25th Day**

**Thursday, March 13, 1952**

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

**BUDGET DEBATE**

The House resumed from Wednesday, March 12, 1952, the adjourned debate on the proposed motion of the Hon. C.M. Fines (Provincial Treasurer): That Mr. Speaker do now leave the Chair, (The Assembly to go into a Committee of Supply).

**Hon. Mr. Brockelbank (Minister of Natural Resources):** — Mr. Speaker, I was looking through some old clippings the other day, and I noticed one here, dated March 30, 1943, It is a clipping from The Leader-Post, and is headed "Alcohol Plant Considered", and it reads, in part:

"The possibility of establishing an industrial alcohol plant at Moose Jaw was investigated by the Saskatchewan Industrial Development Board during the past year, Premier W.J. Patterson told members of the Public Accounts Committee of the Legislature Monday night."

Incidentally, Mr. Speaker, I brought up that question, and the Premier replied (that was Premier Patterson) that the money had been spent — the money which raised the question — to bring an expert to the west to make a report on the situation.

In view of all that the members of the Opposition have said about 'experts', I thought it was rather interesting to find out that back in 1943 the Liberal Government had brought an 'expert' to look into the situation, and if I looked through the records, I could probably find a few more cases. But I would say this, Mr. Speaker, that had the Liberal Government brought a few more experts in to help them, and to tell them and advise them how to do things, they might not have made the sorry mess of things which they did.

I mentioned the Industrial Development Board, and as a matter of fact, in 1939, I want to give this to the members of the House to show them with what speed the Liberal Government used to move in this question of industrial development. In 1939 they passed an Act called the Industrial Development Board Act, and lo and behold, three years later in May, 1942, by an order-in-council, an Industrial Development Board was set up. Pretty good record, and that Industrial Development Board published some literature — I do not know whether the Leader of the Opposition would call this a waste of public funds or not, but here are some of the headings in it; there is one: "Programme

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of Activities", and lo and behold, I see in the list of activities the manufacturer of plastics here in the Province of Saskatchewan. Here is another headline: "Anti-Freeze from Grain" and another article on plastics, silica sand, industrial alcohol, starch from wheat, paint from clay. The Industrial Development Board also sent out reports or letters from time to time, and as a member of the legislature at that time, I got these reports. Here is a very interesting sentence in one of these reports, too: "Plastics will undoubtedly play an important part in the building trade in the future, and perhaps a still more important part in the household furnishings."

Well, apparently there were a lot of people at that time who were thinking about the industry known as chemurgy, and putting to use various new commodities that were being made. I am rather proud, and I hope my hon. friends across there are proud that we have not shut our eyes to the possibilities of using these new commodities to enable us to have a better life with more comfort and convenience.

Now, Mr. Speaker, I could have found a lot more things of interest like that, but there is just one other thing I would like to quote to the House. It has often been said — I have often heard it said — that one of the things that has kept capital out of the province of Saskatchewan were the laws passed with regard to expropriation. I took the trouble to look up some of the old Acts in the 1940 Statutes, and found this, that the Commission, (that is the Power Commission) may, with the approval of the Lieut. Governor in Council,

"Acquire by purchase, or expropriate any plant, machinery, appliance, wire and poles, and other equipment in the land occupied in the same, or used in connection therewith" (Chapter 33 Statutes of 1940).

Then we go to the Water Rights Act and find pretty much the same thing here. The Lieut. Governor-in-Council may,

"if in public interest, if at any time he deems it advisable so to do, take over and operate or otherwise dispose of the works of any licensee under this Act."

The Water Powers Act had a similar provision in it:

"If land, or any interest therein, is required by the Crown for any undertaking, or is necessary for creating or protecting or developing any water power, the Lieut. Governor-in-Council may direct the Minister on behalf of the Crown to acquire by expropriation, the titles to such land, or interest therein, which may be required."

The point I want to make, Mr. Speaker, is that governments have always had in legislation plenty of power with regard to expropriation. It is not new with the C.C.F. Government. Yesterday afternoon, when I was speaking I had proven to the House that we had enjoyed a considerable increase in the mineral production in the Province of Saskatchewan. I would just like to review that for a moment or two. You will remember that the hon. member from Saltcoats (Mr. Loftson) proposed to show that there had been a falling off in production. That is not the case, actually. The Hudson Bay Mining and Smelting Company were producing at Flin Flon; during the war they produced at the very maximum of 6,100 tons a day which was the top production; 6,100 tons of ore a day through the mill. Their plant was not built for that amount; it was built for 5,000 tons a day, and when the war was over they came down to 5,000 tons a day and continued on that production. Coal production from 1944 to the present time is up 70 per cent — 900,000 tons more coal produced than was previously.

Sodium-Sulphate is nearly double; oil has gone from nothing — no production at all, to 1 1/4 million barrels. The production of natural gas is six times as high as it was in 1944, and in prospecting and developing work in the Precambrian Shield, records have been broken year after year in regard to the number of mining claims staked in the north. Two new mines are about to go into operation; five others are working underground, and three will very likely sink shafts this year. There have been many thousands of feet of diamond drilling done, in addition to a lot of surface work as well, and besides the millions of dollars spent by Eldorado, millions have been spent in exploration and development in the north.

Now, we come to the particularly interesting question of oil development and exploration. It is very interesting to note, Mr. Speaker, that to compare ten years of Liberal government with ten years of progress in Alberta — in Alberta in the 10 years from 1934 to 1943, there were 574 wells drilled. What was there in Saskatchewan? The same conditions existed here as in Alberta. 129 wells only, compared to 574, and 97 of these wells were less than 1,000 feet deep. Only five of them out of the 129 were more than 3,000 feet deep. That is one comparison.

But take another. In the last eight years, Saskatchewan has 883 wells drilled. In the last eight years before the discovery of Leduc in Alberta, Alberta had 826 wells drilled. I think, Mr. Speaker, that this is a fair comparison as to development in the field of exploration for oil.

Some remarks have been made in this debate in regard to Mr. Rhubbra, of Gulf Securities Corporation, As a matter of fact, this Mr. Rhubbra did not come here, shall I say, the seat out of his pants. He came in here representing an established company that was doing a considerable amount of business across Canada, and contrary to what my hon. friends insist upon saying, he did not get 14 million acres of permit; he got only 9 million acres of permit, and he did not get it at a tenth of a cent an acre. He paid fees for the permit which was an office fee.

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The price of holding the permit was the cost of doing a substantial amount of work on those permits, and in addition, exploring not only the land he had under permit, but also the Crown reserves which were never heard of in Saskatchewan during a Liberal regime. The Crown reserves which were set up and amounted to approximately 25 per cent of the Crown mineral rights in the area.

Now, Mr. Speaker, almost everybody else in the province of Saskatchewan, except a few Liberals, were very happy to see our potential oil land taken out for exploration. It is quite common to assign or transfer these mineral lands, and much of the land in Alberta, Saskatchewan, and in other places has been taken up and assigned. One person makes it a business to go out and act as an agent for other people, or to take it up, or undertake to have the work done, knowing that he cannot do the work that he has to get somebody else to do it. And for this, when he turned it over to Tidewater, he got the money he put into it, and a 2 1/2 per cent over-riding royalty.

Now that is only a royalty which applies if oil or gas is produced. Incidentally, on none of that land has oil or gas yet been struck. An important point to remember is that this 2 1/2 per cent royalty will, in no way, affect the revenue of the Province of Saskatchewan. It is a deal between the two companies, and Tidewater, out of their share of the proceeds, will pay any that Mr. Rhubbra, or Gulf Securities, may get out of that deal on the over-riding royalties.

I want to also point out that unless we have a lot better exploration programme than the Liberals ever had, Mr. Rhubbra will never get anything at all. Now, I listened to the speech of the hon. member for Maple Creek (Mr. Cameron), and then I was going to listen to it again the next night — it was so interesting. (I like these fairy tales) But lo and behold, the member from Maple Creek did not make a speech the next night. It was none other than Mr. Staines who read the speech, and I want to tell the member from Maple Creek that Mr. Staines can read better than he can. But that should be expected, because the man who wrote the speech undoubtedly could do a better job of reading it, and incidentally, I see in the speech from the hon. member from Cumberland (Mr. Blanchard) also the fine hand of Mr. Staines.

**Mr. Tucker:** — Who prepared your speech?

**Mr. Brockelbank:** — Now, there has been some talk about the amount of royalty that Mr. Rhubbra might get, and here is the kind of fantastic figuring that is done by the Liberals in an attempt to make something big out of this. There was an article the other day in the Maple Creek News reported to be a news report on some speech made by the member from Maple Creek, and it said:

"On the basis of this well (that is, the Fosterton well), Rhubbra would receive \$2,000 a month in royalties, or \$24,000 a year from one well."

In the first place, this well will not likely produce steadily more than 200 barrels a day; secondly, if it did produce 1,000 barrels a day, the annual return from 2 1/2 per cent royalty would be just over half of \$24,000 — not \$24,000 as the member said; and thirdly, this well is not located on land in which Rhubbra has any interest, and I regret to say that oil has not yet been discovered on that land yet.

But at 200 barrels a day, the royalty from this well, 2 1/2 per cent over-riding royalty, would amount to about \$1,300 a year. That is a lot different than \$24,000. Of course, that may mean not very much to the member from Maple Creek (Mr. Cameron), but I want to point this out also. Suppose the member from Maple Creek were correct that the royalty from one well on 2 1/2 per cent basis would be \$24,000 a year. Suppose we have wells on the basis for which we reckon that Tidewater land would have it, so that Gulf Securities, or Mr. Rhubbra, would get over \$1 million a year — do you know, Mr. Speaker, what the provincial returns from the whole province on that basis would be? Over \$70 million a year. It is so grand that I almost hope he is right, but there is not much hope in that — it would be a very slim chance of that taking place.

Back in 1948-49, the Liberals said we could not get at any price, capital to come in here and do the job of exploration for oil. They said you cannot get them on any terms — you have frightened them away. Well, we got them, and so they had to change their tune, and when they did come in, then it was wrong — it was not done right. That was their story — and now just the other day the member from Melville (Mr. Deshaye) in regard to the recent sale of permits, said he agreed with it, but it is too late. He goes back and says that 14 million acres (again he says 14 million acres instead of 9 million) had it been sold, it could have brought \$3,900,000. Pure fiction, Mr. Speaker — why did they not go back and sell the 20 million acres that the Imperial Oil got without any ground rental at all, without any office fees at all, without any Crown reserve, with a lower royalty than we have now, and with very little work programme, in a long-term to do it, and that was 20 million acres. That should have sold for \$7 million if they had been on their toes.

Now, I am being ridiculous just as the member from Melville was ridiculous the other day. The main thing at that time was to get the people in to take the land up, and undertake to do the job of work. Even one month ago several permits were advertised in this province, and on a number of those permits there were no applications at all. So I can only conclude that there is no doubt about it that we did start this policy of selling the permits at exactly the right time, Mr. Speaker.

Now, the hon. member from Saltcoats (Mr. Loftson) made a speech the other day, and I want to just quote from it very briefly. He said:

"This Government hopes to get a large revenue out of the natural resources."

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Well, let us just take a look at the picture, and we will take averages. I think they are much truer than taking individual years. The average revenue that the Liberals receive during their term of office was \$1,055,000 from Natural Resources — all resources. The average revenue during our term of office — almost \$3 million, and the revenue, Mr. Speaker, in the coming year is estimated at \$4,300,000 and I have no doubt that we will make that revenue from our resources and probably will make more than that, too.

Of course, the Liberals could not expect to get much revenue, because they never put anything into natural resources. Our great domain of natural resources, what attention did it get, while we had a Liberal Government? The average expenditure to look after, administer and manage the resources of the province, the average annual expenditure, was less than \$600,000 a year. Our average expenditure is over \$2 million to look after those resources. We are not just looking after them for today, but planning and managing, conserving, to build better resources for the generations to come, in the future of this province.

In his speech, also, the hon. member from Saltcoats said:

"They drove out all the efficient lumber operators from the province."

I am sure that the lumber operators who are still here in the province will be glad to know that the member from Saltcoats classes them as inefficient, but they are not inefficient — they are good operators.

Then he went on to say that because of the lack of operators there was lumber rotting on the stump. Mr. Speaker, if there was timber rotting on the stump, then it was because of the bad management of the former government, when they were cutting three times the cut that should be taken on the basis of a sustained yield. When they were taking that large cut, they should have been taking out the mature and overmature timber so that if there is any timber rotting on the stump, it is because they did nothing about it at that time. But there is mighty little, if any, timber that is rotting on the stump, and there are plenty of people to cut it; there are more people who want contracts with the Saskatchewan Timber Board to go to the bush to cut timber, than we have got timber for.

Somebody said in this House the other day, trying to lead the people of the province astray, that this province could produce 200,000 cords of pulpwood each year. That is correct. Then they went on to point out what had been produced, but they forgot entirely to mention that the 200,000 cords of pulpwood includes not only spruce, but also poplar and Jack-pine. Poplar and Jack-pine cannot be used at the present time by pulpwood because of the distance it has to be shipped. Only the high-grade wood, spruce, can stand the freight rate; but they failed to get a pulpwood mill established in Saskatchewan. We will get a pulpwood mill established in Saskatchewan, which will enable us to use this product.

He also stated in his speech that the Timber Board handles 15,000 cords of pulpwood. Actually, it is 51,000 they handled — no, you made another correction. The hon. member said 15,000 cords, then he said, "Maybe I'm being unfair, the Timber Board did not handle all of it — it is about 100,000 cords." Well, actually the Board handled 66,000 cords of pulpwood and box wood, and these are not, as a rule separated, because all box wood can be used for pulpwood, but not all pulpwood can be used for box wood. Well, the total cut that year was 101,000 cords, which is, I think, greater than any cut of pulpwood in any previous year in the history of the province.

He also had something to say about the production of fish in the province going down. I would like to refer the hon. members of the legislature to the last annual report of the Department of Natural Resources, Page 77, and there is the table which shows the total production. It is true that in 1943-44, this was the largest production in the province of 14,800,000 pounds. That was a year when there was a great scarcity of food products, and urgent need of them, and was partly responsible for the great production. The next year was still pretty good — 13 million pounds; in the last year the production was over 13 million pounds in the Province of Saskatchewan. This is total production, including the domestic and free Indian fishing permits and the fur-farming fishing. You have to take those into consideration. In 1939-40 there was only 165,000 pounds of fish fed on fur farms. Now it is over 1 1/2 million pounds of fish fed on fur farms.

Then, in addition to this you have to take into consideration that the angling has increased to a very great extent. About 10 times as many fishing licenses sold as were sold eight or nine years ago. I would say that at least a million pounds, probably a million and a half pounds of fish were taken out of the lakes by the anglers in the province of Saskatchewan, so the argument that fish production was going down does not hold water very well.

The hon. member for Cumberland had something to say about the fur marketing and trapper's convention; no, pardon me, Mr. Speaker, this is about the votes in the meetings of fishermen. He said:

"The taking of that vote, Mr. Speaker, is a farce."

He also said:

"Once the majority has been obtained by the questionable methods . . . "

Now, I want to inform my hon. friends that votes are not taken at these meetings, Liberal-style. That is the way they used to run elections. I attended many of these meetings of fishermen. The officials of the Department, and the Fish Marketing Service explained the proposition to them, and in a good many cases, dealers have attended these meetings and have been invited in by the fisherman to make their proposition, and in the meetings I have attended, in many of them, and certainly if there were

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any requests, all the officials got out and let the fishermen talk it over by themselves, and then they take their vote, and make their decision. These votes are certainly not a farce! That is how they are taken.

The member from Cumberland (Mr. Blanchard) also had something to say about Mr. Ivanchuk — why was it he was fishing without a license? That was not the point at all. The point was this, that over 90 per cent of the fishermen on Reindeer Lake had signed contracts, and by that method a large majority had signified their intentions to use the Fish Marketing Service to handle their fish. My hon. friends the Liberals, would not mind destroying the Fish Marketing Service, and it could be done, by dividing up the production on these lakes. The very nature of the goods — it is essential that all the fish on the lake be handled through one channel if it is going to be handled efficiently and well, and at the least cost to the fishermen. Well, Mr. Ivanchuk's fish went to the wrong place. The fish were seized; his nets were seized, and after an investigation it was found that Mr. Ivanchuk had given proper instructions to Johanneson Air Service to take his fish to the Fish Marketing Service, and it was Johanneson's Air Service, a Manitoba Company, who took it to the wrong place. It may, of course, be just incidental — I believe Johanneson's is also a fish dealer in Winnipeg, and has the air service in Flin Flon. He was also a Liberal candidate, I believe, too, which is another interesting thing — a few years ago.

Now, nobody more than the fish dealers would like to destroy the fish marketing service, because it has spoiled their game of taking advantage of fishermen the way they have done in the past. But this particular case, how did it end? No charge was laid, the fish were paid for at regular prices, the nets were returned, I admit somewhat late on account of the isolated place, and the difficulties in traffic at that particular time. Mr. Ivanchuk also operates a tourist camp — that was not his only business, nor his principal business, but the most interesting of all, Mr. Speaker, is that Mr. Ivanchuk is now a member of the Co-operative of Fishermen on Reindeer Lake, and he has invested money in that Co-operative. They have signed up to deal with the Fish Marketing Service.

In regard to the Fur Marketing Service, Mr. Speaker, I want to quote from the speech from the hon. member of Turtleford (Mr. Trippe) of March 6, on Page 2. He was speaking about the Trappers' Convention, and said:

"I do not think it is a really good, true representative meeting of the trappers, and I do not think their recommendations are properly taken into account and considered."

Well now, which does he believe? If it was not a really good, true representative meeting of the trappers, then why should the recommendations be considered? He cannot ride on both sides of this fence, but the fact of the matter is that it is a good true representative meeting of the fur marketing of the trappers.



In 1950, 77 trappers attended, easily in 1951 — 80, and in 1952 — 75. I would like to just give some of the names of the places where the delegates come from: Lac La Ronge, Montreal Lake, Red Earth, Cold Lake, Stanley, Stoney Rapids, Fond du Lac, Pelican Narrows, Wollaston, Southend, Green Lake, Malanosa, Snake Lake, Ile a la Crosse, and Island Falls, and a whole lot more. Those are the far north ones which I read out.

Now, these delegates are appointed by the trappers at their own meetings in their own blocks, and they come as representatives of those trappers. They are not picked by the Department, and those people, in spite of what my hon. friend from Turtleford says, I want to remind you, Mr. Speaker, that those people are capable of picking their own representatives, and knowing what they want.

I have another reference to a speech here (people make a lot of speeches), and this was the hon. member for Cumberland this time, and he said:

"These trappers were very anxious to pass a resolution protesting against the compulsory features of the C.C.F. Fur Marketing Board. They were not allowed to pass this resolution."

Mr. Speaker, that is absolutely untrue. He says:

"An official of the Department of Natural Resources made himself Chairman of that meeting."

That is not true. The fact of the matter is, Mr. Speaker, that at the time of the first trapper's convention, Mr. Paynter, the Game Commissioner, and Mr. Hugh Conn, the Fur Supervisor for the Department of Indian Affairs, were selected for that first convention to be co-chairmen of the meeting, and at each convention since, even when they protested they did not want to take it, the delegates insist that they chair the meeting. I have been at those trappers' conventions, and practically all the time, both of those chairmen are sitting at the head table, each one acting as chairman — one provincial and one federal.

Mr. Speaker, there is another little quotation I want to give from one of these speeches. (Sorry for the delay, Mr. Speaker). Then it was the question of this resolution, and the member for Cumberland said:

"This official (that was Mr. Paynter) counted the hands and said that the resolution was defeated. One of the trappers (a delegate) stood up and protested vigorously for a full five minutes, demanding that the vote be taken again, and a proper count made."

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And that is absolutely untrue. There was no trapper stood up and protested the counting of that vote. There was no recorded vote called for. What actually did happen was that after the vote was taken, one of the press men remarked to one of the employees of the Department of Natural Resources that the count was wrong. The employee reported to Mr. Paynter, who was chairman at that time, and the chairman reported it to the meeting, and the meeting then, by a unanimous vote, upheld the Chairman's decision with regard to the counting of that vote.

Mr. Speaker, mention was also made of an insurance plan or pension plan. Actually one trapper has, for two or three years, been doing a considerable amount of thinking, and some writing, about a possible pension or insurance plan. I told him that we were willing to study it — we would have officials of the insurance office study a plan like that. He took it up at the Convention, and what happened? The trappers turned it down. I did not turn it down — the trappers themselves turned that down. It is absolutely wonderful what fantastic stories can be made out of these things.

Now, Mr. Speaker, I would like to tell you a little about the fur marketing service. Actually, 50 per cent of the upland fur (that does not include muskrat or beaver) taken in the Province of Saskatchewan is marketed through the fur marketing service on a purely voluntary basis. It is true that quite a little bit of that comes in through dealers. 33 per cent of the ranch-raised standard mink and 32 per cent of the silver fox pelt production is also handled. There are \$66,000 worth of furs sent to the Fur Marketing Service from outside of the province of Saskatchewan. My hon. friend from Athabaska (Mr. Marion) has said he never heard of muskrat pelts being smuggled from Alberta into Saskatchewan. These are not "smuggled" in, they come in legally, but there were 2,472 Alberta muskrat pelts that came to Saskatchewan for the sale.

Somebody, I think it was the member for Cumberland (Mr. Blanchard) mentioned what he called "the asinine propaganda" that was being put over the radio programmes by the Fur Marketing Service. If he believes that, then he is certainly not on the side of the trappers, because I will tell you the kind of propaganda that goes over there. There is some advertising for the service to let the trappers know it is there, but here is the important part; a general sale is held by the Fur Marketing Service early in December each year. That general sale establishes prices for the season, to a very great extent, and immediately after that sale, those prices on the different grades of fur are broadcast over the air, so that every trapper knows whether he patronizes the Fur Marketing Service or not, whether he lives in Alberta or Manitoba, he has a better idea than he ever had before as to the value of his furs. So that there is far less chance of any dealer buying them out for less than their value.

Now that is probably the thing the Liberals would like to stop, so as to give the fur dealers and the fur auction companies a chance to get these furs at a bargain price. That is something that was never done before. All the trappers in Saskatchewan who are registered are

circularized after these December sales, giving them the prices on the different grades of fur.

Now, Mr. Speaker, there is just one more thing I must deal with. My time is getting short and then I will have to take my seat. There has been a great deal said about the compulsory feature of marketing of beaver and muskrat in the Province of Saskatchewan, and it has been often pointed out to hon. members that this is not solely a provincial programme — it is also a Federal programme. Here are the minutes of the first annual Trappers' convention, and at this time Mr. Conn was speaking and he said:

"I would like to stress the fact that Mr. Ostrander's remarks (Mr. Ostrander is in charge of Indian Affairs in this Province) as they were given to me are entirely correct, and that this policy for fur programme, and all policies including marketing of beaver and muskrat, is a joint policy of the Saskatchewan Natural Resources and the Indian affairs at Ottawa."

In 1949 the Liberals were making a lot of politics out of this question, and so I wrote to the hon. Colin Gibson, who was then Minister of Mines and Resources at Ottawa, and I pointed out the success of the conservation programme and the value of the marketing programs, not only in returns to the trapper, but also in the control of the conservation and regulating the conservation programme. I then went on to say:

"This is all very well so far, but this position of ours is becoming untenable, due to the projection of this programme into the political field. During the provincial election campaign of 1948, and also in the Federal campaign, Saskatchewan members of your political party, including their leader, strongly condemned the compulsory marketing feature of this programme.

"I realize we should not change this method of marketing without your consent. If, in your good judgment you decide not to give consent to changing these regulations, I will stand by your decision and take my share of the responsibility."

I went on to say:

"I feel that the members of two political parties should be able to work together in a good cause to this extent."

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I got a reply from the Hon. Colin Gibson; I will not read it all, but I will read the ending:

"As there are many benefits accruing to the Indians as the result of control of marketing of furs, particularly those from our development project, it is not considered that a change should be made without giving the whole subject further consideration."

Mr. Speaker, I wish I had more time to speak to the House today, as there are a lot of things I would tell about the north, and about the programmes of conservation, but I have not got that time today. I just want to say that it is with humility — humility because I realize that we are all humans, with all the human frailty, and that mistakes are made, and it is also with pride — pride, because of the good that has been done in regard to the programmes carried out in Saskatchewan, and it is with resolution for progress in the future, that I will support the motion.

**Hon. T.C. Douglas (Premier):** — Mr. Speaker, for the past two weeks we have listened to a wide variety of subjects being discussed in this Budget Debate. I could not help thinking yesterday when I heard the Leader of the Opposition trumpeting in his usual style, that men, like ships, are always most noisy when they are in a fog.

The arguments that have been advanced in the past two weeks roughly divide themselves into two groups; those which deal specifically with the budget now under consideration and those which deal with a wide range of other subjects that have nothing whatsoever to do with the budget. I would have preferred, as I had intended until yesterday, to devote all of my time exclusively to the budget under discussion. Before I sit down, I shall deal with the budget and the criticisms that have been advanced with regard to it. But so many extraneous matters have been brought in that I feel it incumbent upon me to take a few moments to deal with some of the wild and extravagant assertions and some of the half-truths and innuendoes that have been hurled about this chamber by members of the Opposition in the course of this debate.

I think the people of Saskatchewan should be reminded that in the history of this province the Liberal Party always resorts to mud-slinging and muck-raking whenever they find themselves barren of ideas and bankrupt in policies. Whenever they think an election is in the offing they stop talking about constructive or alternative policies and begin to deal in either the defamation of character or the belittling of individuals. I do not like to go back over some of it, but I think people ought to be reminded that in 1948 when it was thought we were on the verge of an election, the member for Moosomin of that day, Mr. Procter, deliberately — and I say deliberately because it was told to people beforehand that he was going to do it — rose in this House and referred to me as a "stinking skunk" and got himself . . .

**Mr. Egnatoff (Melfort):** — He was sure right.

**Premier Douglas:** — . . . put out of the House. As a reward, he was later elevated to the highest court in the province. It may be that the member for Souris-Estevan (Mr. McCormack) expects similar judicial preferment for the performance which he staged yesterday. I want to say that if he gets that honour, it will not be the first time in the history of Saskatchewan that an individual has been put on the bench as a reward for services to the Liberal Party rather than for his knowledge of jurisprudence or his capacity for judicial impartiality

The pattern of what happened in 1948 is being repeated in 1952. Early in the session the member for Arm River (Mr. Danielson) regaled this House by telling us of meeting some fellow in a beer parlour who took him out for a drive, and drove him past an open air theatre which the individual referred to as the "Premier's passion pit". That is a pretty low level of debate for this House, especially when it is put in every paper across Canada by the Canadian Press that we think of an open air theatre, where men and women can take their families, as a "passion pit". The member for Saltcoats (Mr. Loptson) enlivened the debate for this session with his usual treatise on Communism. He tried to frighten the people of the province by stating that the Communists had infiltrated into the C.C.F. That was bad enough, but he could not stop there. He went on to say that "Communism had also infiltrated into the churches." But he could not stop there, he said, "the Communists even started the Wheat Pool." I refer anyone who wants to see his remarks to Page 36 of the records of this House for March 6th, 1952.

**Mr. Loptson:** — That is right, too.

**Premier Douglas:** — He says it is right. I think it will be of interest to the 100,000 farmers who own the Wheat Pool in this province to know that their great movement, in the mind of the member for Saltcoats, was started and operated by Communists. Of course, I know it is absurd, but it is no more absurd than the other ridiculous statements which have been made by that gentleman and his colleagues in the process of this debate.

The Leader of the Opposition (Mr. Tucker) also decided to get into the act. Yesterday he quoted from a book dealing with soil conservation which was sent out by the Minister of Agriculture. Mr. Vogt, the author, is an American authority on soil conservation who, I understand, was brought to Canada by the federal Department of Agriculture to lecture on soil conservation. Now, I do not agree with everything in that book. The gentleman in question expresses his neo-Malthusian theory with reference to birth control in one paragraph in that book. My hon. friend quoted this one paragraph out of the book, and tried to frighten the people of this province into believing that because this book was circulated by the Minister of Agriculture, somehow or other we are advocating birth control.

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**Mr. Tucker (Leader of the Opposition):** — I brought that out as an example of the way this government is wasting public money.

**Premier Douglas:** — Mr. Speaker, it may be that he has been thinking along these lines, because I notice that the Regina Leader-Post, reporting my honourable friend's speech states:

"The Leader of the Opposition said, "Farmers need better roads and better brides".

I think I recollect that he said "bridges", but the paper reports that he said "better brides".

As a matter of fact, Mr. Speaker, this book with which he found so much fault has been recognized as an authoritative work on soil conservation. We have letters from agricultural authorities all over the province commending this book, and the Minister for sending it out. I have one here from a Liberal Member of Parliament. He said:

"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."

**Some Hon. Member (Govt.):** — They should try and get together.

**Premier Douglas:** — We do not try to tell people what they should think. We do ask people to think — and that is one of the things that make the gentlemen opposite very nervous. Yesterday the member for Souris-Estevan (Mr. McCormack) was very chesty. I am very sorry he is not in his seat at the moment. I hope he will return to the Chamber. You know, Oscar Wilde once said:

"To love oneself is the beginning of a life-long romance."

**Mr. Egnatoff:** — You must have had a long one then.

**Premier Douglas:** — I think the member for Souris-Estevan (Mr. McCormack) has commenced a life-long romance. He made reference to Dr. M.C. Shumiatcher's connection with certain uranium concessions and certain oil permits. Of course, he did not go as far as he did in the radio speeches which he made. I have a copy of his radio speech and a similar radio speech made by the member for Arm River (Mr. Danielson). What is the story they told the people of Saskatchewan? They told them first of all, that Dr. Shumiatcher and Mr. Havard got certain valuable uranium concessions which cost them \$500.00. They said that one of these concessions was sold for \$15,000.00 cash and 10,000 shares valued at \$1.00 a piece, making a total of \$25,000. Mr. Speaker, that is not true! There is probably sufficient truth in it to enable them to make up a story, but it is only ten per cent true. The fact is that M.C. Shumiatcher, Havard

and I believe Havard's father-in-law, and one or two other businessmen in the community put up several thousand dollars cash, formed what is called Search Corporation, and took our certain uranium concessions. Those concessions could have been procured by any other person willing to make application for them. As the Minister of Natural Resources has pointed out, the \$500 was merely an office charge for registering those concessions. The important thing is that they had to do work, or lose the concessions, As a matter of fact, they have lost many of these claims because they have not been able to do all the required work.

For example, what happened to uranium concession LL? If they sold it for \$15,000 they did not get \$15,000. They got \$7,500 and a promissory note for another \$7,500, from a company which now looks as though it has folded up. It is true they got 10,000 shares but they are not valued at \$1.00 a piece. Any member opposite, I am sure, could buy them right now for five cents a piece and have no difficulty getting them. The important thing is that the \$7,500 they got, plus all the capital they put in, has been spent in doing exploration work. The permits on which they have not been able to do work have been lost to them. Today Search Corporation is virtually insolvent. They have not only spent the money they got from concession LL but all the rest of their capital has gone into exploration work. Today it is virtually a bankrupt concern.

It is also true that they obtained certain oil concessions. It is true that a company was formed called the National Petroleum Company and many businessmen in town, including prominent Liberals, are members of that company. I believe at the present time the President is a highly respected doctor in this community. There again, the \$500 permit fee they paid is not the important thing. The important thing is they were required to do work, or lose their permits. National Petroleum has already spent between \$35,000 and \$40,000 on exploration work without striking oil. Unless they can either raise more capital, or transfer those permits to somebody else, they stand to lose everything they have put in. At the present time I understand negotiations are under way with Hi-Way Refineries who are offering to take over the permits and to give to National Petroleum a one per cent royalty. But these people have already invested between \$35,000 and \$40,000 in these concessions. They have not made millions! They have so far lost between \$35,000 and \$40,000. However, if Hi-Way Refineries find oil on these lands, then of course they stand to get a one per cent royalty back which may same day repay them. On the other hand, it may not.

Mr. Speaker, these are the facts. I am not saying that the member for Souris-Estevan and the member for Arm River made statements in their radio broadcasts knowing these facts, but I am saying, Mr. Speaker, they could have gone to the Provincial Secretary's office and obtained the financial statement. As public men, they had a responsibility to get the facts before they went on the radio and defamed the characters of citizens of this province. These facts could have been brought out. Two years ago I offered the member for Maple Creek (Mr. Cameron) and the Leader of the Opposition a complete investigation into this whole question of letting out oil and uranium concessions. For two years in a row this offer was made.

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"Oh, no", they said, "We are not asking for an investigation. We are not making any charges. We are just asking questions." They did not want an investigation. But yesterday the Leader of the Opposition stood up in his place and said, "If the Liberal party gets in there will be an investigation." When I reminded him that an investigation was offered two years in succession, the amazing reply was that they did not want an investigation while we were in office. First of all, he said, a Royal Commission might be influenced. Mr. Speaker, that is a very damning indictment.

**Mr. Tucker:** — Mr. Speaker, I said nothing of the sort and the Premier knows it. I did not say a Royal Commission would be influenced.

**Premier Douglas:** — He also said public servants might be influenced and intimidated as to the evidence they would give. Are we to infer that what he wants is to have a Liberal government in here which would force civil servants to give false witness? Is that what he means? That is certainly the implication left by his remarks.

Mr. Speaker, this campaign against Shumiatcher and Havard is the same type of campaign which has been carried on against every man who has been associated in any way with this Government. I need only to take the honourable members back a few years. I need only to remind them of the campaign that was carried on day after day, week after week, in the press and by the Opposition against Dr. Cecil Sheps and his wife, Dr. Midel Sheps. I need only remind them of what happened to Mr. George Cadbury, who left a job of \$30,000 a year to come and work in this province for \$6,000 a year because he believed in the programme we are carrying on. Day after day we got questions about the "back room boys", about the sinister figures behind the government who were plotting against the liberties of the Saskatchewan people. This was kept up, month in and month out, year in and year out. Then what happened? Why, Dr. Keenleyside, Deputy Minister of Mines and Resources in Ottawa and former ambassador to Mexico, asked Mr. Cadbury to become his assistant in the United Nations at Lake Success. He has gone to a job with three times the salary we were able to pay.

Then Dr. Rosenfeldt and Dr. Mott came here. Week after week we got the same thing. The Leader-Post went so far, at one time, as to refer to the Public Health Department, of which I was Minister, as the foreign office of the C.C.F. Government because we had two Americans in it. Dr. Mott, one of the outstanding health authorities in the world, and the outstanding one on this continent, was subjected to all kinds of sneers. We remember the member for Souris-Estevan (Mr. McCormack) asking during the estimates: "Is Dr. Mott still an American citizen?"; "Didn't Dr. Mott think the American Government would need him back home?"; with Dr. Mott sitting here beside me unable to reply. Mr. Speaker, it takes courage to sneer at a man whose shoelaces you are not worthy to loose.



When outstanding humanitarians — I care not what is their country, their colour or their creed — come here to serve the people of this province, they ought not to be sneered at by members of the Opposition. The same sort of campaign has been carried on against Dr. Shumiatcher. I will tell you what they really have against Dr. Shumiatcher. He was one of the few lawyers who dared to stand up in court and fight for the rights of the workers under the Trade Union Act, and the farmers under the Farm Security Act. He was one of the men who fought to keep the Farm Security Act on the statute books of Saskatchewan when a Liberal Government at Ottawa was trying to take it off and have it declared ultra vires. They do not like people they cannot push around. Well, they had better get used to liking them, because they are going to be here for a long time!

The member for Souris-Estevan got around to discussing a conversation with some fictitious character who wanted to know about getting loans from the Saskatchewan Government Insurance Office. He recounted all the conversation except the important part, and that is whether or not he told the gentleman in question that he could come to the Government Insurance Office and make application for a mercantile loan. Did he tell him that? I am inviting him now to give that gentleman's name to the Manager of the Insurance Company and let the Manager invite him to make an application for a mercantile loan. But no, he did not want to give that information. He wanted to discuss in this House, without making any charges, of course, the fact that a Mr. Bodnoff borrowed money on two theatres in Weyburn from the Government Insurance Office. Mr. Speaker, when that question came up in the press last fall, I said I was perfectly willing, and so was the Provincial Treasurer (Hon. Mr. Fines), to have the fullest possible investigation made into that matter. It was discussed very fully in the Crown Corporations Committee, and the three important points which I made clear at that time were, first, there was no influence by myself or anyone else with reference to Mr. Bodnoff getting that loan. As a matter of fact, as I related in the press at that time, I did not even know that Mr. Bodnoff had ever made application for a loan, or that he had ever received a loan when I put a few hundred dollars into an open air theatre which he was building in the city with the participation of local people. The second important point was whether or not he received a loan greater than the value of his security. It was shown clearly that the money which was loaned to him amounted to about forty per cent of the security which he put up. The third point was whether any of the money loaned to him by the Insurance Office had been used to build this open air theatre. It was shown that \$58,000 of a \$75,000 loan had been turned over to pay off a mortgage on one of the theatres which he had bought and to pay off a mechanic's lien. The money which he put into the open air theatre was money which he had secured from the sale of his thriving business here in Regina.

**Mr. Tucker:** — Mr. Speaker, that was not shown at all. We asked — it was not shown at all. We asked how much money Bodnoff put into the theatre owned by the Provincial Treasurer, and the Premier, and we could not get that information.

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**Premier Douglas:** — Mr. Speaker that was not the point at issue. The point at issue was where did the money he was loaned by the Insurance Office go? It was shown that it was turned over to Mr. D.J. Mitchell, the solicitor for Mr. Sutherland, who is the owner of the Weyburn theatres. The money was used to pay off the mortgage on one of the theatres.

Mr. Speaker, I am not going to waste a lot of the time of this House talking about personal affairs. In the final analysis, inferences like this — the member for Souris-Estevan (Mr. McCormack) did not make any charge, he just let people draw their own inferences — challenge the integrity of the individual in question. I knew when I went into the fight for the common people of this province that this was part of the price I would have to pay. I have never fought in an election campaign in this province without having this type of personal innuendo and personal vendetta and personal defamation of character carried on quietly by Liberal canvassers and Liberal heelers. This is the kind of thing one expects, and one can expect it to continue. I want to say this to the member for Souris-Estevan. He and I lived in the same part of the province. People there have known me for over 22 years. I have represented them in parliament and in the Legislature for over 17 years. I think they have confidence in me. I think they know that I have never taken a dishonest dollar in my life, and I am prepared to go with the member for Souris-Estevan and discuss this with the people in that part of the province. I will be glad to go with him to his constituency and to my constituency. Let him tell his story, and I will tell mine. There, Mr. Speaker, we can take the gloves off and we will have a chance to see whose hands are dirty.

Now, let me turn to the other part of the discussion that has taken place with reference to the budget itself. The first criticism that has been levelled at the budget by the gentlemen opposite is the usual statement that the budget is too big. Well, it is a big budget! It is a big budget designed to do a big job! But I want to draw attention to the fact that while the budgets since we took office have increased by 121 per cent, in the same period of time the budget of the Province of Manitoba has increased 172 per cent; the Budget of British Columbia has increased by 367 per cent, and the budget of Alberta has increased by 450 per cent. As a matter of fact, the marvel is not that the budget has grown, but that we have been able to give more services than some of these other provinces without increasing our budget more than we have.

The members of the Opposition have done everything except tell us what services they would like to reduce in order to cut this budget. Everyone of them tell us how to spend more money, yet they want the budget cut. The Leader of the opposition (Mr. Tucker) himself outlined a series of proposals that would cost an additional \$12,000,000 to \$13,000,000, yet the budget is too big! When we talk about this big budget there are two or three things we should take into consideration. The first, as the Britnell-Cronkite-Jacobs Committee pointed out clearly, is that today we are rendering services which were formerly laid upon the

shoulders of the municipalities and that we are doing things which the municipalities formerly had to do. That accounts for a bigger budget. The other thing that should be kept in mind is we are assuming responsibilities which the people of the province formerly had to assume for themselves. Let us take hospitalization. Hospital bills have cost about \$15,000,000; Mr. Speaker, if the government were not paying these hospital bills, the people would have to pay \$15,000,000. When we look at the size of this budget, we must take into consideration what is being done with it.

It is interesting to note that the members of the Opposition are very fond of making comparisons. They want to make comparisons between Saskatchewan and other provinces, but at no time do they want to make any comparison between the government of the Province of Saskatchewan now and the government for any one of the thirty-four years in which the Liberals were in office in this province. They say, "We cannot discuss the Liberal record when we were in office because during those years we had a war and a depression, and it is not fair to make the comparison." Well, the war and the depression did not last all of the thirty-four years the Liberals were in office. There may be some excuse for the war years, although even in war years they could have been doing more to provide higher old age pensions and mothers' allowances and health services. The war could not have stopped them from doing that. But surely the depression years were no excuse for doing nothing. From 1935 to the outbreak of war we had a Liberal Government at Ottawa and a Liberal Government here in Regina. We had an abundance of idle men and vast supplies of surplus material. During those depression years we could have been building roads and schools and hospitals and bridges. What did we do? We had over a million people on relief in Canada. We were putting boys out on farms at \$5.00 a month. There was no excuse during the depression for not doing things. If the Liberal Government at Ottawa and the Liberal Government at Regina had been prepared to spend a few hundred million dollars, we could have had prosperity in those years. Instead, they penny-pinched until the war came, whereupon we had not hundreds of millions, but several thousand millions of dollars available. We could find money, in abundance when war came.

The fact of the matter is that the only fair comparison which can be made is a comparison between the province in what it is doing now and what it did under a Liberal administration. Let it never be forgotten that the C.C.F. Government took office at a time when this province was on the verge of bankruptcy; when it had \$73,000,000 of relief and seed grain debts lying on the backs of the municipalities; when the population was dwindling. My friends talk about the population going down. Fifty thousand people left the farms of this province from 1936 to 1941. The population of this province declined by almost 100,000 from 1936 to 1946. My friends talk about dwindling population. Our population not only dropped 100,000 but if the natural increase is considered, it was almost twice that figure. When we came into office, we found a province not only on the verge of bankruptcy, but a province whose finest young people were leaving it.

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The Leader of the Opposition said that we were creating fear in the minds of the people by telling them what would happen if a Liberal government came into office. Mr. Speaker, we do not need to create that fear. What creates fear in the minds of people is their memory of what happened to them when there was a Liberal Government in this province. Not only do they remember what a Liberal Government did not do when it was in office but they have not forgotten what the Liberal opposition has done since we have been in office. They have not forgotten that the Liberal opposition voted against every piece of labour legislation we put on the statute books. They have not forgotten that the Liberal Opposition voted against the Farm Security Act; that they voted against giving the vote to boys and girls eighteen years of age; that they voted against setting up the Government Insurance Office and that they voted against the car insurance programme. The member for Moosomin of that day said that car insurance was the greatest hoax that had ever been perpetrated on the people of Saskatchewan. Now, they want to claim it for themselves. They did not vote against the hospital insurance plan, but they damned it, and found fault with it in every way they could, by talking about over centralization and bureaucracy. On the record of their own performance, such fear has been created in the minds of the people of Saskatchewan that they dare not trust their fate into the hands of the Liberal party again.

Mr. Speaker, they wanted to make comparisons with other provinces. I noticed that there were some comparisons they did not make. For instance, they did not compare the Saskatchewan Hospital Services plan with the one in British Columbia. They did not remind the House that in Saskatchewan a single person pays \$10; a child pays \$5.00 with a family maximum of \$30 for complete hospitalization, while under a Liberal government in British Columbia a single person pays \$33, and a married couple pays \$45. But that is not all. If a man goes to the hospital in the city of Vancouver, he pays \$3.50 a day out of his own pocket for the first 10 days he is in the hospital, even though he has a hospital card. After he has been in hospital for 30 days, the Plan may declare him to be a chronic, in which case he pays all his hospital bills after 30 days. If a single person lives in the City of Vancouver, he pays \$33 for his hospital card, \$3.50 a day for the first 10 days he is in hospital, or a total of \$68 for the same services a single person in Saskatchewan receives for \$10 a year. The opposition did not make that comparison, Mr. Speaker. I am sure it was an oversight.

They talked about rural electrification, but they did not make any comparison with rural electrification in Alberta. They did not tell the farmers of this province that farmers in Alberta do not pay 40 per cent of the cost of having power installed — they pay all the cost of having the power installed because they do not have a publicly owned power corporation. They did not tell of the differences in assistance to education in Saskatchewan and in Alberta, as set out in the Britnell-Cronkite-Jacobs Report. They have not told of the difference in social aid in Manitoba, where 52 per cent of all the cost of caring for indigents and social aid cases is paid by the municipalities and 48 per cent by the Provincial Government. In Saskatchewan 83 per cent is paid by the Provincial Government and 17 per cent by the municipalities. They do not make these comparisons.

Mr. Speaker, let me turn now to the question which the Leader of the Opposition has raised a number of times. This is the Britnell-Cronkite-Jacobs Report, and the recommendations contained therein. I want to begin by reminding the House that when one is quoting from this Report, one ought to quote all the Report. This Committee was set up in 1948 and I wish to commend its members for the very excellent piece of work which they have done. I do not agree with every little detail of what they have recommended, as I shall show when I discuss the report, but one would not expect to agree with every detail. The important thing is that the major points are, I think, very excellent and most of the conclusions quite valid. There are two or three points which they make in the course of their Report of which I think we ought to remind ourselves. They begin by saying:

"The allegations that the municipalities are over-burdened and that land is over-taxed have been examined with great care."

It goes on to say:

"The result of the investigation has been something of a surprise to the Committee for it has been found that in no sense can it be said that real property in the average municipality is being over-taxed either absolutely or relatively, under present conditions. It is very doubtful if the tax burden on real property has been lighter at any period during the last three decades than at the present time."

(I hope my hon. friend has found it.)

**Mr. Egnatoff:** — Just wanted to check your veracity, that is all.

**Premier Douglas:** — They go on to point out the many services that have been taken over by the Provincial Government from the municipalities. They say:

"The costs of general welfare services and administration have shown rather substantial increases beginning in the fiscal year 1945-46. The increases are in part a result of the increased cost of providing services already established and in part to a substantial expansion in the activities of certain divisions of the department such as the child welfare and welfare services divisions."

"Social aid has shown a marked increase in the post-war years. Much of this expenditure goes to meet the cost of providing medical and hospital care for indigents and pensioners. Other costs included are those of providing sustenance for indigents and provision for the rehabilitation of minority groups

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and others. The rise in social aid costs during the last five fiscal years is largely the result of providing medical and hospital care for a bigger number of pension recipients, and is not associated with any pronounced increase in relief requirements due to unemployment or crop failure."

**Mr. Egnatoff:** — What page is that?

**Premier Douglas:** — I do not think I have the page down here, but I can assure my hon. friend that it is taken out of the Report. I am sure he is quite familiar with it.

**Some Hon. Member (Govt):** — He has not even read it.

**Premier Douglas:** — They go on to point out that the increase in Mothers' Allowances has made a great deal of difference in the responsibility being carried by the municipalities. They point out, for instance, that away back in 1920-21 only \$100,000 was spent on Mothers' allowances and by 1948-49 it was ten times that amount. They point out that instead of caring for 519 families, we are now caring for something over 2,500 families. I believe the Minister of Social Welfare pointed out the other day there are now about 3,000 families. They also point out that health services costs, including the Hospital Plan, which are borne by the Provincial Government have done a great deal toward lightening the load of the municipalities. Those municipalities who before were wholly responsible for indigents — any person who could not pay — now find that if the individual can pay his Hospital Tax he is covered. If the individual cannot pay his Hospital Tax, the municipality can pay the \$10 on his behalf, and the responsibility for hospitalization is turned over to the Provincial Government.

They point out the great increase in assistance to education which has been given by the provincial government. They point out that in 1921 the municipalities were bearing 82.1 per cent of the cost of education and the Provincial Government only 17.9 per cent. They state that by 1926 the province was paying 23 per cent, leaving the municipalities to pay 77 per cent. By 1949 the province's contribution amounted to over one-third. Of course, Mr. Speaker, as you know and all honourable members know, there have been very substantial increases in assistance to education in the interim period since 1949. They make an interesting comparison between the help given to education in Saskatchewan and that given in the Province of Alberta. They say:

"In the light of Saskatchewan's limited tax base the per capita Provincial Government expenditure by way of grants and services of \$8.41 as against the municipal levy of \$16.03 compared reasonably with Alberta, where per capita provincial expenditures amounted to \$9.13 as against a municipal levy of \$16.76."

Then they go on to summarize the whole thing by showing that the Government of Saskatchewan assumes the larger share of health and social welfare costs on a per capita basis than any of the four western provinces. They point out, for instance, that in Manitoba the per capita expenditure by the Provincial Government on health and social welfare is \$6.06 per person. In Ontario it is \$7.41 per person. In Alberta it is \$10.02 per person. In British Columbia it is \$15.79 per person. In Saskatchewan it is \$17.02. They point out that Ontario spends 16.6 per cent of its budget on health and social welfare. Manitoba spends 17.5 per cent; Alberta, 21.1 per cent; British Columbia, 22.3 per cent, and Saskatchewan, 32.6 per cent. They draw the conclusion, which I think is a valid one, that Saskatchewan in relation to its per capita taxable income has a very high standard for health, welfare and education, and that in these three programmes the Provincial Government is bearing a very large share of the overall costs.

Now I come to their recommendations, and I refer to Page 101. This was read yesterday by the Leader of the Opposition (Mr. Tucker), but I am afraid I cannot agree with the conclusion which he drew from it. The Committee said:

"The responsibility is, of course, that of the Government and of the Legislature. There can be no doubt that the implementing of the proposal will involve an appreciable dislocation of provincial finances. Three years would, in the opinion of your Committee, be a reasonable period in which to implement all the proposals advanced in this part, if the Government should decide to proceed by progressive stages."

**Mr. Egnatoff:** — If! If!

**Premier Douglas:** — That is right — if the government should decide to proceed by progressive stages; if they decide to proceed at all because the Government is under no obligation to proceed. This is a democracy and when a committee or a commission is set up to make recommendations, it is still up to the people's representatives to decide whether or not those recommendations should be accepted. In a few moments, I shall deal with some of the recommendations that were made to the Liberal Party when they were in office, and which they did not get around to touching.

What do they recommend? First:

"That a Municipal Advisory Commission with functions as described in Section 2 of this Part be established and attached to the Department of Municipal Affairs."

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That recommendation, Mr. Speaker, is being put into effect by legislation which was introduced this afternoon.

They recommended:

"That the Province increase its grants to the Saskatchewan Anti-Tuberculosis League to \$2.00 per patient per day."

That was done last year. Formerly the Provincial Government's contribution was \$1.00 per day which amounted in total to \$285,000 a year. This year it was \$600,000 because we are now paying \$2.00 per patient per day.

They asked:

"That the Province continue responsibility for the present highway system and highway construction programme."

We have done that, Mr. Speaker, by increasing the highway appropriation from less than \$3,000,000 which it was when we took office, to \$15,000,000 this year — a 500 per cent increase.

They recommended:

"That the Province continue the policy of equalization grants to municipalities on the basis of special needs."

That also is being done. Again I want to remind the House that when we took office, grants to municipalities were a little under \$120,000, Last year they were about \$650,000. This year they will be around \$450,000 plus special grants which will amount to about the same as last year.

When we take the municipal grants for roads, the amount for bridges (which this year will be over half a million dollars as compared to \$118,000 when we took office), the construction and maintenance of secondary highways, it comes to \$1,500,000. That assistance to municipalities amounts to more than two mills on all the rural assessment in this province.

Then they recommended:

"That the province assume full responsibility for the construction and maintenance of all sections of the provincial highway system within the corporate boundaries of villages and towns with a population under 2,000 and 50 per cent of such construction and maintenance costs in all cities and towns with a population of 2,000 or over."



And that, Mr. Speaker, is being worked on at the present time by the Department of Highways.

They also advocated:

"That the province assume full responsibility for the construction of all bridges over 100 feet in length and the maintenance of all bridges over 200 feet in length, 50 per cent of the construction of all bridges over 16 feet and up to 100 feet in length and 50 per cent of the cost of major repairs (over \$500) of all bridges over 16 feet and up to 200 feet in length."

That, Mr. Speaker, we put into operation last year. Many of us felt when it was implemented that it could not work because it was a flat percentage and did not take into consideration the ability of the municipality to pay its share. To give 50 per cent to one municipality which has two bridges, and 50 per cent to another municipality with ten bridges certainly is not equitable treatment. This year, therefore, we are hoping to pay out the money on bridges, amounting to over half a million dollars, on an equalization basis. This suggestion has been welcomed by the Association of Rural Municipalities.

Then they suggested:

"That the Highway Traffic Board give careful consideration to the possibility of a substantial upward revision of license fees for heavy commercial vehicles."

That was done last year.

They recommended, and strange to say, the Opposition have not stressed this point:

"That the gasoline tax be increased from ten to twelve cents per gallon effective April 1, 1951 to assist in implementing the highway programme."

As I said, there are some things I do not agree with in this Report. It is alright to recommend increasing the gasoline tax, and it is true, as they point out, that even then we would still have a smaller gasoline tax than some of the Maritime provinces. But the fact remains that we are sandwiched between the provinces of Manitoba and Alberta. If we raise our gasoline tax too high, and the discrepancy between our tax and that of Manitoba and Alberta is too great, then there would be a tendency for people up and down both our provincial boundaries to go into our neighbouring provinces to buy their gas. It would pay a farmer to go with a truck and bring back 10 or 20 barrels of gasoline if the spread in the gasoline tax is too great. That is one of the recommendations that I do not think anybody is pushing us to implement, because I think it has very considerable administrative difficulties.

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Then they recommended:

"That the Provincial Government request further consideration by the Saskatchewan Association of Rural Municipalities of the proposal for a provincial tax upon farm fuel, the proceeds to be directed toward the improvement of local roads."

Again, that is a matter for the Association of Rural Municipalities to decide, whether they want to tax farm fuels or want us to tax them for them, and turn the money back. Unless they make further suggestions, I think this is another recommendation which can be allowed to lie dormant.

They made two other recommendations with reference to taxation. These were:

"That legislation be enacted designed to make Saskatchewan Crown Companies and commercial government agencies liable to municipal taxation to the same extent to which owners of property in municipalities generally are liable."

As the hon. members know, the Provincial Treasurer (Hon. Mr. Fines) announced in his budget that this year sums of money in lieu of taxes will be paid by the Government, on its commercial undertakings.

Now, I come to the last and most contentious recommendation:

"That the Public Revenue Act be repealed, and that as a matter of policy the real property tax field be considered henceforth as belonging exclusively to the municipalities."

Mr. Speaker, when I listen to all the arguments about the Public Revenue Tax by the gentlemen opposite, and the amendments which they have moved, and read the comments of the Liberal press, I wonder if they think the people of Saskatchewan have forgotten that the Public Revenue Tax was first put on in 1917 as a patriotic gesture during the First World War. In order to prove their patriotism, the Liberal Party kept it on for 27 years. In 1937 the Government of the day set up a Royal Commission called the Jacoby Commission to study the financial position of the provincial and municipal governments. In their report they said to the Provincial Government, "We think you need more money but so do the municipalities. Therefore, we recommend that you, as a Government, impose a two per cent Education Tax and that you turn the two mill Public Revenue Tax over to the municipalities."

The Liberal Government of that day put on the two per cent Education Tax, but they omitted to take off the Public Revenue Tax and turn it over to the municipalities. That Report was made in 1937, but when the Liberal Government left office in 1944 they had not taken off a fraction of that Public Revenue Tax. They are the last people who should talk about getting rid of the Public Revenue Tax. They put it on and kept it on, in spite of the recommendations of their own Royal Commission.

I am going to say very frankly, Mr, Speaker, that we could have taken off the Public Revenue Tax this year. We could have brought in legislation to abolish the Tax, then turned to the people of the province and said that we had implemented every one of the recommendations except the one to raise the gasoline tax. We could have said we had implemented all the recommendations in only 18 months, although we had three years in which to do it. We could have cleared our skirts, Mr. Speaker, but we could not have cleared our conscience.

There are two pressing problems. One is to give the municipalities more money to carry out their onerous responsibilities. The second is that information coming to us indicates there are school districts all over this province which, because of the rising cost-of-living, will have to ask their municipalities for the proceeds of four, five, six and, in one or two cases, seven mills more taxes for school purposes. To have turned over the two mill Public Revenue Tax to the municipalities and said, as Pilate did, "We wash our hands", would have been good politics, Mr. Speaker, but would not have been good statesmanship. We have a responsibility for these various Districts, and to give back \$16,000 to one municipality, which is comparatively well off, and \$2,000 to another municipality would not have solved the problem. As the Provincial Treasurer had already outlined, we want to do two things. We want to give more assistance to education and we want to help the municipalities. If we cannot do both in one year, we shall do them in stages. We shall do the more important, first, which is to see to it that every child in Saskatchewan, irrespective of where it lives, gets a certain minimum standard of education.

The Public Revenue Tax this year will be diverted to education. Of the total amount, \$600,000 will go into increasing the flat grant by 50 cents per day on elementary rooms. The remainder — \$1,000,000 will be used in increased equalization grants. The city of Weyburn in the constituency which I have the honour of representing will receive the equivalent of half a mill. Medstead will get four mills, and Meadow Lake five mills. Mr. Speaker, I am prepared to go to the people where I live and say, "Having in mind your responsibilities, and I know they are heavy, and having in mind the fact that you and I, as citizens of Saskatchewan, have some responsibility for the standards of education in other parts of the province, we think the first job of this government and of the people of Saskatchewan is to look after these people in places like Medstead and Meadow Lake and other parts of the province in low assessment areas in order that the children in those districts may not be penalized and discriminated against." I believe the people of this province will support us in turning over the Public Revenue Tax to municipalities to spend on education this year.

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**Mr. Egnatoff:** — What makes you think so?

**Premier Douglas:** — Mr. Speaker, we believe that it should be possible, in an expanding economy like ours, to abolish the Public Revenue Tax without reducing grants to education, and to do it within the three-year period set out in this Report. And I believe that if a Royal Commission appointed in this province has its recommendations implemented in three years it will be the first time in the history of Saskatchewan. I make no secret of the fact, as I said to the Association of Rural Municipalities recently, that when the Public Revenue Tax is abolished in compliance with the recommendation, I hope the rural municipalities themselves will suggest some plan by which part of it will be put into an equalization fund for the rural municipalities.

I make bold to say, Mr. Speaker, that rural municipal problems will not be solved if the two mills are simply given back to each municipality so that some get \$16,000 and others get \$2,000, just as no individual can live unto himself, so no municipality can live unto itself. A municipality, which has a high assessment, may build good roads and can build even better roads if it gets the two mills back. But people do not travel only on the roads in their own municipality. Unless the neighbouring municipalities can build good roads, the people in the well-off municipality will have to drive to town through the poorer municipalities. Undoubtedly we shall continue to have depressed areas in the province and municipalities that are much harder up than others. I hope, therefore, that the Association of Rural Municipalities will think in terms of some equalization fund by which at least part of the Revenue Tax, if not all of it, can be distributed on an equalization basis. But that is up to them. We have said that as far as the government is concerned we have this year given up the Public Revenue Tax, insofar as our financing is concerned, and turned it over to the municipalities for education. We believe we shall be able to cancel it altogether within the three-year period specified.

There is just one other thing I want to say before I sit down. I would not have mentioned this except that the subject was raised by the member for Saltcoats. Last year I made a statement on foreign policy in this House because the Leader of the Opposition had criticized the C.C.F. foreign policy. I was criticized very bitterly in the Liberal press, particularly the Winnipeg Free Press, for discussing foreign affairs in the Provincial Legislature. It was an unheard of thing. This year I have refrained from discussing international affairs. As a result, a Leader-Post editorial suggests that I am soft-peddalling and that I do not want to discuss it. The member for Saltcoats (Mr. Loptson) — apparently it is alright for him to discuss international affairs — said, "Some of the Ministers over there are more pro-Russian than they are pro-United States." Mr. Speaker, I want to say that I have not altered by one iota the views on international affairs which I expressed in this House last year. As a matter of fact, I think the things I said then have been amply justified. I said we were supporting the United Nations. We thought that when the 38th Parallel was reached in Korea it was a good place to stop. I criticized General MacArthur for hyrring into Northern Korea and seizing the hydro-electric installations on the Yalu River,

thereby exposing us to a protracted war with China. Since that time, General MacArthur's own government has recalled him. Statements have been made by Mr. Pearson expressing considerable concern that we might be dragged into a prolonged war with China.

Now, as to the statement that some of us on this side are more pro-Russian than pro-United States. I think I am speaking for the members on this side of the House and certainly for those who are associated with me in the C.C.F. movement, when I say that we are neither pro-Russian nor pro-United States. We are pro-peace. We are for peace with justice wherever it is possible to have such a peace. We have supported and now support the United Nations. We are prepared to support armament to be used collectively to prevent aggression by any nation that reports to force as an instrument of national policy. But we say at the same time that although we support the United Nations, we are not going to give blind allegiance to it. We will constantly reserve the right to criticize the United Nations, or any nation within the United Nations which tried to use that organization to force upon people who do not want them, discredited regimes such as that of Chiang-Kai-Shek. I recommend to the members of this House the speech which was made by my leader and a very good friend, M.J. Coldwell, in the House of Commons last Thursday, March 6th, 1952. I think it is one of the most statesman-like utterances that has been made on foreign policy in this country for many years. The position which he takes, and the position the C.C.F. has taken all along, is that while we want to support the United Nations, we get a little worried when we see statements being made by certain military leaders in the United States that we had better not wait — that we had better start a preventive war. We hear the stationing of Nationalist troops in Burma has caused the Burmese government to protest that their country is being used as a base of operations for attacking China. We see articles, such as the one written by Tom MacBeth for the Leader-Post, which state it is now virtually proven that the Nationalist Government of China has been trading opium for arms with a view to building up an army in Thailand and Burma to attack China. Mr. Speaker, the last way to stop the spread of Communism is to become involved in a war with the hundreds of millions of peoples of Asia, while Russia sweeps right across Europe. The C.C.F. has taken a stand on collective security, but as for being dragged into imperialist wars — no!

We have also taken the position that while military action may be necessary from time to time to stop aggression, military action is not the final answer. The final answer is to be found in the causes that drive people to war. The best way to stop Communism in Asia, for instance, is to combat the poverty, the insecurity and the misery that bedevil the lives of hundreds of millions of people on that continent. The C.C.F. has taken the position that we must take a constructive approach to peace. We spend hundreds of millions of dollars in the building of atomic bombs, planes and tanks. Some of this money ought to be used to help rebuild nations and to assist them in becoming self-sufficient and self-respecting. We believe in that kind of an atmosphere it will be possible to build world peace.

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**Mr. Tucker:** — Mr. Speaker, I have tried to follow the Premier very carefully in what he said. He suggested that they are against imperialist wars. Is he suggesting that the United Nations is now engaged in any such wars, or proposes to be engaged in any such wars?

**Premier Douglas:** — I am suggesting, Mr. Speaker, that if we become involved in a war to help reimpose the Chiang-Kai-Shek regime on the people of China . . .

**Mr. Tucker:** — Nobody suggested that.

**Premier Douglas:** — . . . by using Formosa as a base of operations and Burma and Thailand as another base of operations, we will certainly be embarked on an imperialistic war.

**Mr. Tucker:** — Nobody suggested that.

**Premier Douglas:** — My hon. friend need only read the reports of the last few days of General Grow's diary and a number of the statements that are being made by prominent military officials in the United States to see the genuine cause for concern there is in Canada. This concern has also been expressed by Mr. Pearson, the Minister of External Affairs.

Mr. Speaker, when one looks at the programme that has been carried out; when one looks at the programme which is envisaged for this year, congratulations are due to the Provincial Treasurer (Hon. Mr. Fines) for the magnificent way in which he has handled the finances of this province. Never has our treasury been in more capable hands. I shall support this budget because I believe it will be another step towards further expansion and further development of the Province of Saskatchewan.

**Mr. Speaker:** — I wish to inform the Assembly that the mover of the motion is about to exercise his privilege to end the debate. If anyone wishes to speak they must do so now.

(Closing Debate)

**Hon. C.M. Fines (Provincial Treasurer):** — Mr. Speaker, I am sure I have the sympathy of every member of the House in rising to close the debate at this time. After listening to a man who is without a doubt the finest speaker in political life in Canada, and without a doubt the best-loved leader of any political party in Canada, it makes my task all the more difficult this afternoon.

I am going to let you in on a little secret, Mr. Speaker. I did have a big, long speech prepared on the basis of the document that was presented to us by the hon. member for Arm River (Mr. Danielson), but I feel that it is unnecessary. I feel there has been so little criticism of a constructive and a positive nature of the budget, that there is very little left for me to reply to this afternoon.

I am going to say at the outset, (and I am sorry the hon. member for Arm River is not here), that I wish it were possible for me to sincerely congratulate him on his second effort last Thursday — a week ago — but Mr. Speaker, I could not conscientiously congratulate him on that speech. I have read it through several times and may I say that outside of the speech made by the hon. member for Redberry (Mr. Korchinski), I have never seen a speech with more statements that are absolutely untrue, in all the time I have been in public life.

Now, Mr. Speaker, I just want to take the first couple of pages and I think I can show by them that the statements made by the hon. member for Arm River (Mr. Danielson) are so unreliable that we can forget the rest of it. First of all, on the very first page the hon. member says that during the past few years, "The C.C.F. Government has adopted number of devices which have had the effect of keeping down the public figures on expenditure. They have adopted a practise of using figures for receipts of expenditure on a net basis. This reduces the total on revenue account by \$9 or \$10 million a year."

Well now, Mr. Speaker, what are the facts? The hon. member could quite easily have gone through the various items in the budget and added them together. In 1949 when I introduced my budget; I pointed out that we were changing to a net basis, and I gave the total of the reimbursements, which at that time amounted to \$7,378,000. I set those items all out, one by one, in 1949. Now, it would have been a very easy matter for the hon. member for Arm River to do as I did — go through this year's budget and put in these items. If he had done that, he would have found that the total reimbursement this year is not \$7,378,000 but only \$5,145,000. And yet, the hon. gentleman just picks out figures out of the air and says it is \$9 or \$10 million. Absolutely misleading and inaccurate, Mr. Speaker.

Now then, we go on to the second page, and in that he says: . . .

**Mr. Tucker:** — On a question of privilege, Mr. Speaker, the hon. member is accusing the hon. member from Arm River (Mr. Danielson) of inaccuracy. The reimbursements total \$5,381,000 plus \$1,936,000, which is far more than the \$5 million he mentioned.

**Hon. Mr. Fines:** — What is this \$1,936,000?

**Mr. Tucker:** — The \$1,936,000 is the reimbursement on capital account.

**Hon. Mr. Fines:** — Mr. Speaker, we are talking about revenue accounts — we are not talking about capital accounts at all.

**Mr. Tucker:** — We are talking about all reimbursements.

**Hon. Mr. Fines:** — Just a minute. "This reduces the total on revenue account by \$9 or \$10 million a year."

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**Mr. Tucker:** — Yes, but you were not talking about — you were talking about all these reimbursements.

**Hon. Mr. Fines:** — Mr. Speaker, I am replying to this statement which refers definitely to revenue account.

**Mr. Tucker:** — But you did not mention it.

**Hon. Mr. Fines:** — The hon. member for Arm River mentioned it, and I read it, if you have been listening. Now, Mr. Speaker, on the second page the financial critic (as he is pleased to be called), says:

"There are 23 pages in the Public Accounts 1950-51 in the Department of Public Works of items under capital expenditure. A mere glance at those shows that they are expenditures which should be under revenue."

Then he goes on to say, Mr. Speaker:

"You will find in the revenue expenditure actual cost of actual building contracts in 1943-44. I am not referring to what the practise was in 1943-44 when the former Government was in."

What is the truth there, Mr. Speaker? If there was any one thing that the Government could not be charged with, it is that we put too much into capital account. As a matter of fact, all the way through, I have emphasized that we are doing a great deal of work out of revenue account that could quite properly be charged to capital account. We have not done that. Now, in 1943-44 I took the trouble to go back — yes, I went back about five years before that, what did I find? I find there was no capital for public works, except for a building which they bought — a creamery which they paid \$150,000 for. And yet, the hon. gentleman deliberately says here that:

"In 1943-44 in the revenue of expenditure, you will find the cost of actual building contracts. You will find that the public works revenue items might properly be regarded as capital expenditures."

Well, now, Mr. Speaker, he says 'under revenue of expenditure you will find the cost of actual building contracts'. This Government on the other hand has placed large amounts of revenue expenditure under capital. I would like to say here that in our highways estimates we would quite well put another two or three million dollars into capital account; in our agricultural programme we could quite well put another half a million dollars into capital account; in our natural resources programme there is a very considerable amount which we could put into capital account; in the public works, some of the revenue items which we have provided could very well be charged to capital account, and yet we have not done that, we have refrained from doing it, and have put them here.



Now, the truth of the situation is that the previous administration in 1943-44 could not borrow money for capital purposes. They could not borrow money. They did not borrow money, Mr. Speaker, from 1932 until 1945 — that is why there was no money provided under capital account, because it all had to be paid for out of current revenue.

Now, Mr. Speaker, on the one hand the hon. member for Arm River says that there is too much being charged to capital, and then on the other hand we are told by the hon. member for the Battlefords (Mr. Maher) that he is quite worried about this budget because there is too much capital being provided. That we are going far too fast, that we cannot possibly keep up the pace we are going, Mr. Speaker, notwithstanding the fact that this government has, in the last several years, spent a very considerable amount on capital account, we still find ourselves in a much better position than we were in before — much better. May I say that if we are spending too much on capital account, some of the other provinces are going to get themselves into a terrific amount of trouble.

**Mr. Tucker:** — Mr. Speaker, would the Provincial Treasurer permit a question?

**Hon. Mr. Fines:** — Yes, sure.

**Mr. Tucker:** — In regard to his charging up items to capital, as he knows and has discussed it from time to time, take for example Page 226 of the Public Accounts ending March 31, 1951. There under Education chargeable to capital there is an item of \$1,404,531, and in that, for example for schools for the deaf (there are all items there which we will see), even clothing, and clothing material and miscellaneous material and supplies — \$770; office equipment — \$668; I fail to see why that should be charged up to capital.

**Mr. Speaker:** — Perhaps the Provincial Treasurer (Hon. Mr. Fines), would be able to explain.

**Hon. Mr. Fines:** — Mr. Speaker, that is very obvious, and that is when you are constructing a building, or when you are constructing an addition to a building, you have a capital asset. Now, if you pay for that capital asset by providing a certain service, certain amounts of food, by paying a portion of the cost of your Deputy Minister's salary — a portion of the cost of your architect's salary, there is no reason whatsoever why that should not be included as a cost of the building. And that is the thing that my hon. friends object to.

**Mr. Tucker:** — For example, just another item — if the Provincial Treasurer will permit me. Take under public information library, there.

**Hon. Mr. Fines:** — What page?

**Mr. Tucker:** — On page 227. Transient salary — as far as I can see . . .

**Hon. Mr. Fines:** — Well, that is not capital.

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**Mr. Tucker:** — Well, it is a part of the million dollars that is charged to capital.

**Hon. Mr. Fines:** — No, No, Mr. Speaker! That is a separate heading — that has nothing to do with capital. It is headed "Libraries" up at the top; — it is all current.

Now, Mr. Speaker, coming back to my friend from the Battlefords. As he knows, the province of Nova Scotia is much smaller than Saskatchewan. Our capital budget, our borrowings last year were \$16,500,000; Nova Scotia last year borrowed \$22 million; New Brunswick — \$28 million; Manitoba — \$27 million five hundred (\$27,500,000); British Columbia - \$45 million; Quebec — \$50 million; Ontario — \$180 million, and Saskatchewan only \$16 million — \$16,525,000. In other words, the lowest of all the provinces of Canada, except Prince Edward Island — right here in Saskatchewan.

The hon. gentleman says that he is "alarmed" about what is going to happen to Saskatchewan.

**Mr. Buchanan (Notukeu-Willowbunch):** — He would be alarmed about almost anything.

**Hon. Mr. Fines:** — We go on a little farther and the member for Arm River says . . . (he spends a great deal of time in connection with debt reduction). The hon. member for Arm River, Mr. Speaker, points out, or tried to leave the impression that this government has not improved the financial position of Saskatchewan. That we have not reduced the debt. He goes on to point out that it is a number of organizations, a number of people outside, that did it. Well, I want to be the first to say as I have many, many times, that all the revenues come from the people of Saskatchewan; all the money that is provided for payment of debt comes from the people of Saskatchewan. We as individual members of the government, or even members of the legislature on this side, certainly do not put it up out of our own pockets. One would almost think that the hon. members think that we thought that.

I do want to object most strenuously to the most silly argument that was put up by the member for Arm River for last week, when he referred to backing his neighbour's note for \$50 and so on, for paying off the note. Well, Mr. Speaker, what I have said on more than one occasion, and I say it in my budget address this year, was that this province has spent on capital account a very considerable amount of money in the last several years — as a matter of fact, \$78,071,000. I also pointed out that the amount of the debt at the end of December, 1951, was \$151 million. On April 30, 1944 the debt was \$214 million. Mr. Speaker, if you take \$151 from \$214, you will get the reduction in the debt of approximately \$63 million. To that add the amount we have spent on capital expenditures which would normally increase the debt, because remember we have an asset for it, we have power plants, we have new telephone equipment, we have new highways so that the province is actually over \$140 million better off at the end of 1951 than we were before.

Now, Mr. Speaker, my hon. friends cannot understand that. Well, I am confident, Mr. Speaker, that any simple grade eight student — yes, a grade four student, could understand that. Mr. Speaker, let me just give my hon. friend from Humboldt (Mr. Loehr) an example. If, for example, in 1944 he had a debt of \$10 000 on his farm and then from 1944 to 1952 he has bought some additional property for, say \$12,000 and at the end of 1951 he finds that his debt has been cut to \$7,000. How much better is the hon. gentleman off at the end of 1951? Just the difference between the \$10,000 and the \$7,000 that he has reduced the debt? Is he only \$3,000 better off? No, Mr. Speaker, he is actually \$15,000 better off, because he has bought additional land worth \$12,000, so that he is \$15,000 better off.

Now, I am sure that every farmer in Saskatchewan could understand that, and it is exactly the very same position as the province of Saskatchewan is today.

Now, Mr. Speaker, the hon. member for Arm River went on to say, "it is interesting to note that he does not put that kind of rubbish in his budget speech last year" — he is referring to the \$128 million better off that we were. He said it was in the speech closing the debate, "which was not published and sent all over the country", and then he goes on and says "the budget speech is widely distributed — it goes out through the Provincial Treasury to banking and finance houses. The Provincial Treasurer does not wish to insult their intelligence with that kind of nonsense."

Well, now, Mr. Speaker, notwithstanding the fact that the hon. member for Arm River thought it was nonsense, in my speech this year, I did in no uncertain terms refer to this on Page 26. The thing that has amazed me is why the hon. member for Arm River referred to a speech which I made a year ago when he could have brought it up to date this year, if he had taken the trouble to read it. The only difference he would have found was that, whereas a year ago — the end of 1950 the province was \$128 million better off; at the end of 1951 we were \$140 million better off, or we have improved our position by \$12 million in 1951.

**Mr. Tucker:** — How much of that was paid by other people?

**Hon. Mr. Fines:** — Mr. Speaker, I get tired of it. How much was paid by other people . . . it was all paid by other people, and the money that we spent was all spent on behalf of other people.

**Some Hon. Member (Opposition):** — If you are so tired, you'd better sit down.

**Hon. Mr. Fines:** — Now, Mr. Speaker, may I say too that I do not think the member for the Battlefords, the member for Arm River, and other people are doing a very great service to this province when they will deliberately sabotage and take figures that are not true, and try to leave the impression that this province is not improving. I do not

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think, Mr. Speaker, today those statements have much effect on our credit and on our ability to borrow, because after all, remember this, there are some fellows in these insurance offices and among the investment dealers that understand public finance just as well as the member for Arm River, and I think probably as well as the member for the Battlefords. What do they say about our financial position? Well, here is a little booklet they put out. This is put out by the Investment Dealers' Association, 1954. At that time, Saskatchewan stood ninth in our public debt. We had the highest per capita debt of any province in the Dominion in 1944, April 30th. Here is the same book put out by the Investment Dealers' Association as at the end of 1930. What do we find? That Saskatchewan stands second from the top.

In other words, Mr. Speaker, we have gone up all the way from ninth position to second position, until today only the province of Quebec has a lower per capita debt than we have here in this province.

Or, Mr. Speaker, do not take even the words of those — I might be in league with the Investment Dealers' Association — I probably have persuaded them to publish these figures! So let us go to the Bank of Canada. Here I have the statistical summary, October 1951. Now, I am sure that my hon. friends opposite will have a good deal more influence with the Bank of Canada than I have. What do they say about it? Now, let us run over them, Mr. Speaker. Here we have some Liberal governments. I will give you the debt in 1945, and then at the end of 1950. This is published by the Bank of Canada.

Prince Edward Island jumped from 10.5 million to 15.7 (an increase of 50 per cent with a Liberal Government).

Nova Scotia jumped up from 95.9 to 162 — an increase of over 66 per cent, Mr. Speaker, in their debt.

New Brunswick jumped up from 96.6 to 164 — an increase of about 66 per cent, also.

Quebec jumped up from \$387 million to \$619 million.

Ontario up from \$757 million to \$1193 million.

Manitoba, with a good Liberal Government, up from \$97 million to \$118 million.

British Columbia, with a good Liberal Government, up from \$172 million to \$281 million.

**Mr. Tucker:** — Look at the increase in population they have to look after.

**Hon. Mr. Fines:** — Mr. Speaker, in every province in Canada where there is a Liberal administration, the debt went up by at least 50 per cent, excepting Manitoba. During that period, Saskatchewan on the other

hand, went down according to these figures, from 196.6 to 161. Now, there is the picture, provided by the Dominion Bureau of Statistics — I am sorry, the statistical summary provided by the Bank of Canada.

**Mr. Tucker:** — Mr. Speaker, will the hon. Provincial Treasurer (Hon. Mr. Fines), admit that actually \$82 million of that debt reduction, which is more than the reduction, was provided by a write-off by the Dominion Government, payments by the Wheat Pool, payments by the Co-operative Creamery, payments by farmers in respect to seed grain, and that the reduction is actually much less than these people paid by a matter of \$28 million.

**Hon. Mr. Fines:** — No, I won't admit any such a thing. Mr. Speaker, if I am going to admit that the Power Corporation, for example, provided that amount, then I am going to have to take the amount which I gave the Power Corporation during the same period of time. If I am going to take the amount that was paid by the Telephone Department, then I am going to have to take the amount which I gave to the Telephone Department during the same period of time, so I am not going to admit that at all, but I am going to admit, Mr. Speaker, that today, as a result of the policies adopted by this government, and from the wonderful support we have had from the people of this province, we are \$140 million better off than we were seven years ago.

Now, Mr. Speaker, there is just one more thing I want to say, because I know my hon. friends are waiting to turn this government out on this motion, and that is the statement they made in connection with Crown Corporations. You will recall, that the hon. member for Arm River (Mr. Danielson), the hon. member for the Battlefords (Mr. Maher), and two or three others made certain statements in connection with the report which was tabled by the Provincial Treasurer a year ago, and the report of the Government Finance Office. Now, Mr. Speaker, I have both these reports in my hands. Fortunately, and I am very glad that we do have good records for which I want to congratulate the Clerk of the Assembly, Mr. Speaker; our records are in first-class condition and I can assure you that I have not been to the Clerk to get these tampered with. These are exactly as they went in last year. Now, what do I find? Here is the report that the member for Arm River said:

"The report tabled this session disagrees very considerably with the report tabled by the Provincial-Treasurer last session.

Now, Mr. Speaker, I must confess to one thing. There is one error in it; when I introduced this last year, when I made this statement and put it on the records, I said:

"We would be interested in having this as an official document, subject of course, as I say, to the correction of these two: "the power and one other."

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Then the hon. Leader of the Opposition (Mr. Tucker) said, "The power and what other one", and I said, "The power, and the other one is clay — I believe, the clay and the sodium-sulphate." So I put these on the record with the understanding that those figures have not yet been audited. Now, when we get "the power" I find that it is exactly the same, there is no difference there at all. But with "clay", Mr. Speaker, I pointed out in the report which I submitted that the sodium-sulphate had made a profit for the year of \$95,082, and that clay had suffered a loss of \$36,015. There was a difference of some two or three thousand dollars in that figure. That was the only one — there was just one, a slight difference of a couple of thousand dollars in it.

Now, the member for Arm River (Mr. Danielson) and the Leader of the Opposition again referred to it yesterday, but I had tabled a report which gave the aggregate profit of \$3,815,000; while the Crown Corporation's Government Finance Office report shows that the profits were only \$2,471,000.

Now, Mr. Speaker, the difference is simply in this one we did not include the figures of the Saskatchewan Power Corporation. Now, the hon. members are trying to infer that there is some phoney reason why we did not do that. Well, the reason was that two years ago we amended the Power Corporation Act to take it out from under the Government Finance office, in order that they could do their own financing, if necessary. Last year we did the same thing for telephones and I want to warn the members today that when they get this report of the Government Finance Office next year, there will be no reference to the profits of the Government Telephones, and I do not want anybody to say that I am tabling false information, because that is not going to be included next year. I resent that, Mr. Speaker. The inference has gone out all over the province that I have tabled statements that are out as much as \$1,350,000.

Now, it is either that the hon. gentleman are so grossly stupid — they are either so stupid, or they are so dishonest — I do not know which one it is, but I think the people of this province are entitled to know whether it is stupidity or dishonesty that makes them do things like that.

Now, Mr. Speaker, having said that, I am going to take a chance again and give the hon. gentleman a statement of up-to-the-minute figures of all the Crown Corporations. I would like to just, with your permission, Mr. Speaker, have this put on the records so it can be read, and give the hon. gentlemen something to talk about. (See appendix). Now, Mr. Speaker, what do these reports show? They have all been tabled in the House; we tabled the last of them yesterday; they have all been audited and these figures have all been checked.

We find that in these now Socialistic enterprises that my hon. friend refers to, out of a total capitalization of \$8,731,000 the profit for the year is \$848,020 or a return of 9.7 per cent. 9.7 per cent! Now, Mr. Speaker, that money was borrowed at an average interest rate of less than 3.7 per cent, so that those is a total of 6 per cent return to the people of the province, or approximately half a million dollars on those new enterprises — half a million dollars that has come back to the people of Saskatchewan.

Now, what about power and telephones? You know, a few years ago they used to say the only reason we put these things together was so that we could get a better statement . . .

**Mr. Tucker:** — Hear! Hear!

**Hon. Mr. Fines:** — "Hear! Hear!" my friend says. Did you hear him say, "Hear! Hear!"

**Mr. Tucker:** — The Premier gets up and talks about \$4 million of net profits.

**Hon. Mr. Fines:** — Mr. Speaker!

**Mr. Tucker:** — You could not say that if you did not have telephones and power in.

**Hon. Mr. Fines:** — Personally, I am not nearly as much concerned with whether the sum be \$3 million, \$4 million, \$2 million — as long as it is a good return on the investment.

**Mr. Tucker:** — Oh, but the Premier is though. It sounds good to the rest of Canada.

**Hon. Mr. Fines:** — Now, what happened when we put power and telephones in, and it boosts to a total profit \$4,405,000 on an investment of over \$53 million, or a return of 8.2 per cent. In other words, by putting power and telephones in with the Socialist enterprises we have reduced our returns from 9.7 per cent to 8.2 per cent. We are actually one and a half per cent worse off, by taking your power and telephones in with the rest.

**Mr. Tucker:** — The \$4 million sounds better in the rest of Canada, though.

**Hon. Mr. Fines:** — Now, Mr. Speaker, I do not want to say anything more. I do not think I need to say that I am going to support the motion, but I do hope that we will, if there are any of the hon. members come back another year, Mr. Speaker — I do hope that at least one or two of them will make a serious critical analysis of the budget. Frankly, it has been most regrettable that all through this debate of the last few weeks, from the other side of the House we have heard so little about the budget. The Provincial Treasurer has hardly been mentioned. I am sure that Rhubbra has been mentioned 10 times to every once that the Provincial Treasurer has. I am sure Shumiatcher has been mentioned 10 times to every once

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that the Provincial Treasurer has. Now, I would suggest that we try to get down to debate the budget. I think the people of Saskatchewan would like to know, for example, which of these expenditures the Liberal party thinks are, too high, oh the Leader of the Opposition yesterday gave us a little talk, but all the things he mentioned did not amount to one-half of one per cent . . .

**Mr. Egnatoff (Melfort):** — What about the banquet for Albercan?

**Hon. Mr. Fines:** — Mr. Speaker, the hon. member says, "What about the banquet for Mr. Cadbury?" I want to tell the hon. gentleman . . .

**Mr. Egnatoff:** — I said "Albercan". That is another one. There are dozens of them — dozens, hundreds of them!

**Hon. Mr. Fines:** — Mr. Speaker, you talk about banquets for Albercan. There has never been one single banquet for Albercan.

**Mr. Egnatoff:** — Oh, yes there were. Mr. Speaker, I examined the vouchers in the Clerk's office the other day, and there was a banquet for Albercan officials, okayed by the Minister of Education.

**Mr. Speaker:** — Order! The hon. member can bring up these expenditures when you give them the itemized statement in the budget.

**Hon. Mr. Fines:** — The hon. gentleman will have a chance to talk — the Public Accounts Committee will still be meeting. If he wants to do anything about it, he can. May I say this, though, that there is no Government in the Dominion of Canada that does less entertaining than this Government of Saskatchewan. There is no Government in Canada that does less, and if we did have a luncheon for any particular oil company, I would say that it would probably be money well spent. Mr. Speaker, I can see no criticism of that. The hon. Leader of the Opposition referred yesterday to a banquet for Dr. Mott and for Mr. Cadbury . . .

**Mr. Tucker:** — It was not for Dr. Mott.

**Hon. Mr. Fines:** — Mr. Cadbury — that is right. I forgot, Mr. Speaker — Dr. Mott has become respectable now. He was not a few years ago.

**Mr. Egnatoff:** — Did you pay for Lewry's supper — Lewry, the C.C.F. Mayor of Moose Jaw — you paid for his suppers, too.

**Hon. Mr. Fines:** — Mr. Speaker, how small can the hon. gentleman get?

**Mr. Egnatoff:** — Look at the vouchers — they are in there.

**Premier Douglas:** — Not any smaller, or he will go through a key-hole.

**Hon. Mr. Fines:** — How small can he get? The Mayor of Moose Jaw, Mr. Speaker — I will agree we even had the honour of having him when we had our present gracious Queen with us. I believe he was one of our guests.



Surely, Mr. Speaker, because the Mayor of Moose Jaw happens to be one of the C.C.F. mayors of this province, surely that is not going to stop us from feeding him, just as well as feeding a Liberal mayor of Regina, one who is now a Liberal candidate for the coming election.

Now, Mr. Speaker, may I just say that I think we have seen enough now in the last five minutes to realize just what the mentality of the member for Melfort is — we have had a wonderful opportunity. And with these remarks, Mr. Speaker, I am just going to appeal to the members opposite to forget their politics and support the best budget Saskatchewan has ever seen.

The question being put, it was agreed to on division by 28 votes against 14.

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

March 13, 1952

Tabled in Assembly by Hon. C.M. Fines, 13, 3/52 (Closing Budget Debate)

APPENDIX

GOVERNMENT FINANCE OFFICE  
RESULTS OF CROWN CORPORATIONS FOR THEIR YEAR ENDING IN 1951

Corporation	Profit for Year 1951	Business for Year	Empl. Dec, 31, 1951	Advances o/s at Year End
Saskatchewan Government Airways	\$10,347	\$432,431	74	\$546,500
Saskatchewan Forest Products:				
Saskatchewan Timber Board	391,487	3,896,409	160	1,500,000
Saskatchewan Box Factory	29,829	642,713	186	400,000
Big River Mill	32,632 Cr.	191,842	40	540,000
Saskatchewan Government Insurance Office	304,990	2,905,187 (Gen.) 2,398,366 AAIA		
Saskatchewan Guarantee and Fidelity Company Ltd.	32,860	477,420	234	262,788
Saskatchewan Marketing Services:				
Saskatchewan Fish Marketing Service	10,522	528,072	11	85,000
Saskatchewan Fur Marketing Service	33,907	519,206	15	138,000
Saskatchewan. Government Trading	2,431	307,284	18	303,000
Saskatchewan Minerals:				
Saskatchewan Clay Products	80,458 Cr.	188,353	66	800,000
Saskatchewan Sodium Sulphate	103,981	1,136,904	96	1,135,000
Saskatchewan Government Printing Company	46,903	291,053	49	246,000
Saskatchewan Reconstruction Corporation	8,786	60,895	0	

Corporation	Profit for Year 1951		Business for Year	Empl. Dec, 31, 1951	Advances o/s at Year End
Saskatchewan Transportation Company	18,520		1,594,262	57	1,750,000
Saskatchewan Wool Products	33,453		475,204	86	1,025,000
	\$848,020	(9.7%)	\$17,045,601	1,212	\$8,731,288
Saskatchewan Power Corporation	1,447,363	(4.6%)	7,159,876	960	31,653,659
Saskatchewan Government Telephones	2,110,050	(15.9%)	7,373,713	1,536	13,293,191
	\$4,405,433	(8.2%)	\$31,579,190	3,708	\$53,678,138