

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Twelfth Legislature**  
**17th Day**

**Friday, March 6, 1953**

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

**BUDGET DEBATE**

The House resumed, from Wednesday, March 4, 1953, the adjourned debate on the proposed motion of the Hon. Mr. Fines (Provincial Treasurer): That, Mr. Speaker, do now leave the Chair. (The Assembly to go into a Committee of Supply.)

**Mr. A.C. Cameron** (Maple Creek): — Mr. Speaker, I want first to thank the Provincial Treasurer for sending a copy of his Budget Speech across just as he was about to delivery it; we do appreciate that. I likewise would like to take this opportunity to thank him and congratulate him on the delivery of his Address. I think it was a masterpiece, and I think that, when he spoke of economic conditions of the nation, he brought to this Chamber a good deal of cheer which will do much to disperse the clouds of doom that have been hanging over this Chamber since the opening of the Session. Since any adverse conditions upon the Dominion of Canada Saskatchewan a whole naturally would have a direct effect upon the Province of Saskatchewan, it is certainly encouraging to know and to listen to his review of the economic conditions of the Dominion and to those of the Province of Saskatchewan.

In reference to national economy I should like to quote one or two sentences from the Provincial Treasurer's speech in that connection. He says:

“...Let me refer briefly to some highlights from the reports laid before Parliament just two weeks ago. In 1952, strong consumer demand, record capital investment, a full-flowing export trade and heavy defence outlays, all sparked the Canadian economy to new heights. For the country as a whole it was another year of record production, income, employment and trade.”

Just about this time I was beginning to think that perhaps the Provincial Treasurer was somewhat of a messenger boy for the Hon. Mr. Abbott, because he certainly was dealing with the economic conditions in the Dominion and giving us, I think, a straightforward picture, as they are today.

I would like to refer to one or two pertinent observations made by the Provincial Treasurer. In the course of his address, he said:

“Despite the danger points of 1952, it has been the most prosperous farm year in our history. An estimate places personal income for Canada at \$1,188 per capita. The estimate

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for Saskatchewan is \$1.435 per capita – 70 per cent higher than the previous ten-year average, and one-fifth better than the national average.”

This is knowledge such as this, I think, that makes us proud to be Canadians.

The picture of prosperity revealed by the Provincial Treasurer should go a long way, I think, to change the atmosphere of the debates during the course of the budget debate. We have had many statements emanating from the Legislature that would be contradictory of the picture for trade given to us by the Provincial Treasurer. We have heard statements to the effect that farmers of Saskatchewan lost \$144 million in 1952. We have heard that trade had been strangled, markets had been lost and, if the Liberals were re-elected at Ottawa, we face a depression greater than the ‘thirties. Other statements have been made in Saskatchewan to the effect that we would be having an industrial boom in the midst of an agricultural depression.

Now I say, Mr. Speaker, we are thankful to the Provincial Treasurer who has given, you might say, the lie to the ‘Calamity Janes’ who have been going about shouting ruin and depression, and I rather feel that the debates on the Throne Speech were for home consumption within the Province of Saskatchewan. I think the tenor of the debates spelled ruin and depression for the farmer. I do not say, of course, that it was done with any thought of the possible election approaching in the not too distant future, but it is pleasing to note that the Budget Address, on the other hand, seemed to be prepared in a different tone. I think it is prepared for national and international consumption, because it was prepared for, I think, the bankers, the oil men and the industrialists, because when it came to Saskatchewan’s financial position, the picture painted, I do not think, is altogether in accordance with the facts.

In this connection I would like to refer to the public debt as revealed in the budget. Most people today, I think, still subscribe to the idea of a generation ago – the idea that governments, if they showed a surplus (that is an honest surplus) respect the fact that debt was being reduced and a sound financial position was being established. In the Opposition here, we are still old-fashioned enough to believe that if a government is to adhere to sound budgeting principles it is essential that the present prosperous times should be a period, I think, to do two things first, to reduce debt; and secondly, to set aside reserves for future less prosperous days. By this measurement I think we should judge how the Province has managed its financial affairs, and since the three levels of government, municipal, provincial and federal – have all been operating under similar prosperous economic conditions, then I think we would be fair in assessing the operations of this Government in its financial affairs with that of the junior governments – the municipalities, and that of the senior government at Ottawa. It is with this yardstick that I would like to look into the picture of debt and debt reduction in the province.

This Government has had two full terms in office. It has now just entered upon its third. Of all the budgets that the Provincial Treasurer has brought down, the 1949 budget was, to my way of thinking, the most significant. It was significant because it was the completion of the C.C.F.’s first four-year term of office, and it was significant, I think, because it established a pattern of budgeting which will remain a yardstick to gauge future budgets. I go back to the 1949 budget for comparisons, because the

budget we are dealing with, today, constitutes the end of the second four-year period of this Government, and by doing this we are able to make comparisons between the accomplishments of the Government during its first four-year term and the accomplishments of the Government during its second four-year term. If we look at it from this point of view, we find, first, this debt reduction in the Province appears remarkable!

I do not want to bore the House in order to set the groundwork for comparison, but I would like to take you back to the conditions as revealed in the 1949 budget, at the completion of the first four-year term; and the table set forth in that particular budget reveals some starting facts regarding debt reduction. On April 30, 1944, the net debt of the Province stood at over \$214 million. By December 31, 1945, the net debt had been reduced to \$197 odd million – or a reduction, that year of \$17 million. By December 31, 1946, the net debt of the Province had dropped another \$10 million. During the year 1947, according to the budget of 1949, the net debt had dropped by \$42 million. By December 31, 1948, it had dropped an additional \$1 million. Thus, from a high of \$214,235,000 it had dropped to a low of \$144,627,000, or what would appear to be a net reduction, during the first four-year term of this Government, of \$69 1/2 million.

This reduction was made when the Government was operating on revenues that were probably just a little more than half of the revenues it has today. This debt reduction was brought about during the time that some \$8 million was invested in Crown Corporations. During the same period, some of the lesser bright ones of this family had lost the Government between \$3/4 million and \$1 million. And another interesting fact pointed out at that time was that the per capita debt, which in 1944 stood at \$254.16, was reduced until, at the end of 1948, it stood at \$169.35. To add further to the financially-improved condition of the Province, the sinking fund, which is a reserve against future indebtedness, had been increased during that period from \$24 to \$44 million. To put it another way, the sinking fund provided an amount of \$51.45 as a reserve for future contingencies for every man, woman and child in the Province of Saskatchewan. It was the second highest sinking fund of any province in Canada.

To complete the picture: not only did the Government, during its first four-year term, reduce the provincial debt by \$69 1/2 million, but it provided reserves of \$51.45 per capita to meet future indebtedness. Now while they were doing this, the junior governments were making a remarkable debt reduction at the same time. The municipalities had reduced their indebtedness from \$68.4 million in 1939, to \$17.7 million by the end of 1947 – a reduction of 74.2 per cent.

In view of the record of debt reduction in Saskatchewan, during 1944 to 1948, we could pardon the Provincial Treasurer, when he delivered his budget in 1949, when he said: “This reduction of debt is unparalleled in the history of any province since Confederation.” And I think probably we could even pardon the Premier when he made the statement, shortly after, that, given another 10 years of C.C.F. Government, the Province of Saskatchewan would be debt free. In view of this debt reduction in Saskatchewan from 1944-48, the completion of the first four-year term, I should

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now like to turn to the financial position as revealed at the end of 1952, which is the completion of the second four-year term of this Government.

Using the same method of arriving at the net debt as was used by the Provincial Treasurer in arriving at his debt reduction from 1944 to 1948, the second four-year term reveals the trend in debt reduction to be strikingly different. At December 31, 1948, the net debt stood at \$144,627,000. By 1949, there seemed to be a halt to debt reduction and it seemed to take a trend to increase; as at December 31, 1949, it had increased to \$147,913,000, or an approximate increase of \$3 1/4 million. During the year 1950 the net debt increased a very small amount – approximately \$30,000. During 1951, however, the net debt had risen to a point of \$160,425,000. During 1951, the net debt of the Province had increased by \$12 1/2 million. During 1952 it increased by another \$2 1/2 million. Thus, during the second four-year term you will note that, in place of having a reduction of debt approximating the first four-year term, of \$69 1/2 million, the provincial debt went up over \$18 million – roughly an increase of \$18 1/2 million. The net debt on a per capita basis, which in 1948 was \$169.35, had reached a high of \$196.17 as at December 31, 1952, on the basis of the present population.

Further, the sinking fund, which was a reserve for every man, woman and child, at December 31, 1948 – as expressed in those terms by the Provincial Treasurer in his 1949 budget – has now sunk to \$15.49.

The question which arises, I think, in this: If it was possible for the Government to reduce the debt by \$69 1/2 million during its first four-year term, why was it not possible to continue that debt reduction during the second four-year term? How did it come about that, during the second four-year term, the debt increased by \$18 1/2 million? I think the answer lies in that, during the first four-year term, those were the prosperous years following the war and farmers, business men, corporations, etc., took advantage of these prosperous conditions to pay off their indebtedness, to increase their reserves and to improve their financial condition, along, I think, good budgeting lines.

Now, during the hungry 'thirties people had to appeal to the Provincial Government for assistance; it was natural, and they had to come. The Provincial Government, not being in a position to meet all these demands for assistance, naturally had to borrow huge sums in order to meet those requirements. At that time the Wheat Pool, through financial difficulties, had to appeal to the Province for assistance, and it received assistance. The Co-operative Creamery had to come to the doors of the Government for assistance, and it was gladly given. The Telephone Company went through the same difficulty and received assistance. They all had to come to the Provincial Government for assistance, and the Provincial Government, in turn, had to go to other agencies in order to borrow in order to grant this assistance, and most of it, of course, came from Ottawa. I am not going to go back over the history of payments, but during the years 1945, 1946, 1947 and 1948, these loans made by these agencies were being repaid to the Provincial Government. The farmers paid off their seed and their loans of over \$13 3/4 million; the Wheat Pool paid off its \$4 1/2 million; the Telephone Company paid its indebtedness of \$2 1/2 million for the assistance which had been given to it; the

Dominion Government said we should shoulder part of this cost because it was a national calamity, and they knocked off \$44 million of the amount owing, and thus it brought down the reduction of debt of a little over \$70 million.

Now, while this net reduction was going on, it was not necessary for the Government to use its funds in order to bring about debt reduction, because this money was coming in and was passed on by the Government to the agencies it had borrowed from. I think it was good business practice to do it that way. From 1948 on, then, any reduction in debt must be out of Government revenue because these agencies now had practically completed paying their obligations to the Province; thus any reduction would have, of necessity, to come out of the revenues of the province itself.

Once this Government was obliged to carry on debt reduction under its own revenues, as soon as that condition occurred, then, during the next four-year period, the debt increased by \$18 1/2 million. I think that the net reduction of \$70 million during 1945, 1946, 1947 and 1948 was brought about because of the honesty, integrity and frugality of the Saskatchewan farmer and of the farmer-owned co-operatives. These people who believe that surpluses in prosperous times should be used to reduce debt and to lay aside reserves against unforeseeable future conditions, they are the ones, today, because of this honest old-fashioned budgeting and bookkeeping, who can hold their heads high and face the future with confidence.

Now in order to get a most recent picture of the debt position in the province, we asked, on the Order Paper (as we have in past years) for the amount of the gross debt and the amount of the sinking fund, because naturally if you take the gross debt and you subtract from that the sinking fund, which is your reserve set aside, you will get the net debt owing. The answer we got back, and it was later verified in the Provincial Treasurer's address, shows the gross debt to be \$176 million; the sinking fund was \$13 million, and the answer given to the net debt was \$97,778,922.

Now we noticed what appeared to us to be a discrepancy, either that the gross debt figure must have been in error or there had been an error made in the net debt, because when we subtract 13 from 176, we could not get 97. So we began to question as to why this discrepancy should come in, and we were informed, lightly so: "Oh, that is nothing. That came about because we have changed our system of bookkeeping." Well, I know the Provincial Treasurer was a school teacher and I know he is accustomed to mathematics, calculus and higher mathematics, and I suppose I should not be surprised if he can change the system of bookkeeping to take 13 from 176 and get 97.

The budget now reveals the same answer, but it is due to a changed system of bookkeeping to what the Provincial Treasurer was using in 1948. The bookkeeping, today, permits us to subtract 13 from 176 and get 97. We get 163. And so our estimate of the net debt in the province, today, is \$163 million; the Provincial Treasurer's is \$97 million. Now, in order to get the debt down to \$97 million, he would have to have reduced the debt by \$65 million during 1952; and he would have had to have brought about that

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reduction on a revenue budget of approximately \$66 million. That would only leave him \$1 million for all the social services and the highways and the telephones and the teachers and all the rest. The Provincial Treasurer made the explanation in his budget. He said:

“We were able to take \$13 million from \$176 million and get \$97 million because we no longer call the self-liquidating debt a debt.”

My understanding of a self-liquidating debt is this: it is money borrowed to establish or to expand enterprises that will earn money. The money earned over a period of years from these enterprises will pay off the debt and thus is self-liquidating, or will eventually pay off its own debt. So he does not call self-liquidating debt a debt any more. That is how he was able to reduce the debt \$65 million during 1952.

Let me put it another way. If, for instance, I wish to go to my bank in Maple Creek and I want to borrow \$15,000: I borrow \$5,000 on my house. That is a deadweight debt. The house is not earning me any money; it is not going to help to pay off its own indebtedness; I have to pay it off out of my own earnings. That is a deadweight debt. But if I borrow \$10,000 on the garage that I operate, and I expand my garage and I increase the stock and begin to do bigger business, therefore, I should get greater net returns, and the net returns will eventually pay off the \$10,000 that I borrowed on the garage. Therefore, that \$10,000 is a self-liquidating debt. So, according to the Provincial Treasurer, I should be able to go to my banker in Maple Creek at the end of December and give him my financial statement and show that I owe a debt of \$5,000. I know it will astound him. He will say, “But I loaned you \$15,000.” I’ll answer, “Yes I know, Mr. Banker, but \$5,000 I put on my house; \$10,000 is self-liquidating, therefore, it is not a debt. That is why I only owe you \$5,000. I started out with \$15,000 in the spring; comes the Fall, I have reduced my debt by \$10,000 and I have not paid off a nickel.”

I am sure my banker will be interested in this new system of bookkeeping. That is how we get the net reduction, and that is why, if we keep the basis of bookkeeping on the same basis the Provincial Treasurer had done up until the end of 1948, we would have had an increase in debt in the Province of Saskatchewan of over \$18 1/2 million, but we have reduced it down to \$97 million because the self-liquidating debt is no longer a debt.

How different has been the principle of the farmers and the farmer-owned co-operatives, and the municipalities, in regard to debt reduction. They took any debt as an honest debt and made an honest effort to pay it off. How different is their outlook to the philosophy of this Government which apparently says, “Let’s live in the house but never pay off the mortgage.” That is using the same system. We find that the net debt has not been reduced by \$65 million, but has, during that four-year term, increased over \$18 1/2 million.

I said at the outset that I was going to compare the financing and the financial position of the Provincial Government with the municipalities, the junior government with the senior government at Ottawa.

I have dealt with the municipal government and shown the tremendous amount of debt reduction there, and since there is a relationship, since our economy is about as prosperous as over the nation as a whole, I think it is only fair as a comparison to apply the same yardstick to the Ottawa budget as we are applying here, and see what has been accomplished there (if anything) in regard to debt reduction. Then I think we are in a position to judge whether or not this province is worthy of the same credit as any of the others in regard to its financial position.

When we look at the budget brought down in Ottawa two weeks ago, the past two years debt has been reduced by \$507 million; since 1946, the public debt has been reduced \$2 1/4 billion. During its last budget they were able to chop \$361 million off the taxpayer; they were able to reduce the income tax 11 per cent. The man with two children, as an example, earning \$2,400 per year pays \$15 income tax. He pays \$15 in income tax, but he gets back \$135 in family allowances. On the other hand, the man earning \$50,000 a year pays \$21,000 in income tax. Income tax reductions in the Dominion Government =, today, have brought the Canadian Income tax down to the lowest in the world, and its exemptions on income tax today are the highest of any nation in the world.

Now the Provincial Treasurer is apt to ask us, "How would the Opposition pare down these debts." What would they suggest that we stop spending? Would they suggest that we cut down the expenditures on social welfare? Would they suggest that we cut down the expenditures on agriculture?" Well, I am not going to answer that question now. I am going to put it this way. Let us see whether or not the Dominion Government has cut down any of its expenditures in order to bring about this tremendous debt reduction. If it was necessary then we will consider this budget from the same viewpoint. If it was not, we will consider this budget accordingly.

Ottawa has a budget of \$4 1/4 billion and it spends \$2 1/2 billion a year for defence alone; 45 per cent of all its revenues goes to defend the country, leaving \$2 1/4 billion for the national business. And of the \$2 1/4 billion left, \$1 billion goes for social welfare throughout the Dominion. In spite of the 45 per cent of her income going for defence, she has reduced her debt \$2 1/4 billion since 1946 and has gradually been able to expand welfare of her people in various services. She is carrying her full share of aid to the less fortunate nations because, during the course of this aid, she has made available to less fortunate nations \$2,700,000,000. Just last week, Ottawa announced, in addition to this, a gift to Pakistan of 5 million bushels of wheat; 5 million bushels of wheat was given to India last week. Canada's 1953 contribution on the Colombo plan provides that, in addition to the wheat, India will get another \$9 million; Pakistan another \$5 million. Canada's contribution to the saving and the assisting of the less fortunate nations of the world on the basis of her national production, is greater than that of the United States of America.

What do other nations have to say about Canada's economic position today, and about the soundness of her finances? I have one here clipped out of the "Leader-Post" which says "Look at Canada Go!" This item is from New York. It says:

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“The New York Times says that the pale green look on some New York faces is envy. Canada, unlike the U.S. of recent years takes the viewpoint that private enterprise is what makes the country tick. The maple Leaf citizens are being encouraged to invest still more of their savings in common stock. The new ruling allows them to deduct from taxable income 20 per cent of the dividends received instead of the old 10 per cent.”

And a further news item from Washington says:

“The budget may spur U.S. tax cuts. Economy advocates in Congress are taking hope that Canada’s newly announced 11-per cent income tax cut may spur the current drive for decreased spending and lower taxes in the United States. Senator Robert Tafts said, ‘We ought to follow their example of cutting expenses so we too can cut taxes.’ And members of Congress looked enviously at the Canadian tax cut in action.”

Senator Willet said:

“While the U.S. wants to reduce taxes too, he noted the Canadian Government has a surplus while the U.S. Government has a deficit.”

And then across the seas to Ireland. The Republic of Ireland has its eyes on Canada and its progress, and asks this in this despatch from Dublin:

“How are such miracles performed?” The Dublin Irish Independent asks. “The cynic will recall that a general election is due this year. Others will point to the almost fantastic growth of Canadian wealth since the war. There are more fundamental reasons. The Government has steadily followed the policy of directing investment into strictly productive channels. It has refrained from widespread increases in its own expenditure. It has adjusted taxation on the basis so that companies are encouraged to plow back their earnings. And finally, it has recognized that the taxpayer is better able to use his money than even the most energetic minister. It is, therefore thought that the reduction of taxation has a goal of policy.”

This is a result in Ottawa, Mr. Speaker, brought about by the “bungling ineptitude” of the Ottawa Government. A record of sound financial budgeting, of economic stability, of prosperity and national production unparalleled anywhere in the world today. That is what the Federal Government has been doing in regard to reduction of taxation. She has become the envy of the nations of the world as to how she can do it.

Let us look now to our budget from the same point of view. What does the motorist perceive in our budget. The budget does not hold very cheery news for the motorist. Come April 1st, he is going to have to pay 65 to 75 per cent more for insurance on his car. He is going to have to pay 10 per cent more tax on his gasoline. If you looked at the Automobile Accident Insurance report, the financial report tabled in the Assembly, it reveals, in the last year the operations, \$1,383,462 of a loss. Now, it is reasonable to assume that, at the end of December, all claims were not in and I would say we were on safe ground in assuming that there is probably an additional \$300,000 of claims yet to be brought in and paid out for the year 1952. So I think we are quite safe in saying that the loss of the Automobile Accident Insurance during the year 1952 was probably in excess of \$1 1/2 million.

As a result of these losses, the insurance rate has been drastically boosted. The cars today from 1937 to 1945 are up from \$8 to \$12 – 50 per cent increase; 1946 to 1948, \$10 to \$16 – 6 per cent; 1949 and later, insurance up from \$10 to \$20, a jump of 100 per cent insurance rates. A man driving a 1949 car or later when he goes to obtain his licence and insurance with it, will find that before he can put his car on the road, his licence and insurance will cost him \$15 a licence, \$20 for insurance, \$3 for his driver's licence, making a total of “\$38. If he desires a driver's licence for his wife it will cost him an additional \$3 — \$41 to put his car on the road. When a motorist pays his \$41 he finds at that time he has limited liability, and if he is going to carry insurance on his car comparable to the risks involved in motoring on the congested highways today, he will be obliged to take out an additional package policy for his protection. Now these costs have gone up because of a deficit of \$1 1/2 million on its operations in 1952. This deficit did not appear from a blue sky. The storm clouds have been gathering since 1949. Ever since 1949 the Government has been dipping into its reserves in this fund each year, and each year we in the Opposition pointed out in this Chamber that, at the rate the reserves were being depleted, we would find ourselves in a grave financial position. We were constantly assured that a small fee of a couple of dollars would bring it out of the ‘red’ and put it into a sound position again.

What caused this tremendous deficit in the Automobile Insurance? Why should we run into a million and a half dollars of deficit? I think we are entitled to hunt for a reason, and I think one of the reasons lies right at the doorstep of this Government, because it was the deliberate policy to keep the rates so low that this Government could go out in the country and say, “Our rates are far below the private competitor.” It was the deliberate policy of keeping the rates down so low until after we had come through the 1952 election. It is a peculiar thing, Mr. Speaker, that the election of 1952 was no sooner over than the Insurance office became awfully wise. They immediately took the public into their confidence and announced that drastic increases would have to take place in order to put the Automobile Insurance back on a sound basis.

The Provincial Treasurer gives the increased costs as due to increased repair costs. Repair costs undoubtedly are a contributing factor. If we examine the costs of doing business it puts a different light on the picture. Since inception of the compulsory Automobile Insurance Act to December 31, 1952, up until that date the net premiums amounted

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to \$13,095,000 — \$13 million of premiums were written during the period of time. And in order to write those premiums it cost us to do business under that Insurance Act \$2,449,000, or practically \$2 1/2 million to do that business.

Now then, under the Government's general insurance office, which is not a compulsory insurance office, but which seeks its business in the general market together with all other insurance firms, during the same period of time they have done \$10,688,000 worth of business. To do this amount of business cost the general insurance office \$2,725,000. If you compare the costs of operating the compulsory portion and the general office, the costs are identical in each case — approximately 20 per cent of the premiums. I would say this: the compulsory portion, the collecting of insurance on automobiles under the Automobile Accident Insurance Act is taken at the same time that the motorist takes out his licence, and you have licence issuers that issue the licence, and he puts down the insurance amount at the same time, and I asked a question in the House as to what is the total cost of issuing the licences, and the cost is \$22,464 — approximately \$22,500. Now the cost of issuing or securing these premiums was \$22,500, but the expenditure was \$544,000 — over \$1/2 million to run the compulsory portion of the automobile insurance.

Now then, if you can sell your insurance in the first place for \$22,500, and it is going to cost you over \$1/2 million to operate the scheme, then there must be some other portion that has excessive charges. Naturally, the expenses of the adjusters going around to adjust claims and so forth will eat up a certain amount, a goodly percentage; but I cannot see where it costs over \$1/2 million when the cost of issuing the insurance together with the licence is charged to the Taxation Branch of the Treasury. They bear those costs. Therefore, I think that the motorist today has been saddled with a portion of the cost of doing the general insurance in order to show a more favourable return for the general insurance office, and I think the motorist has been saddled with an undue cost that has been subsidizing the general insurance office in order to show a bigger profit there. I can see no other reason for having to spend \$1/2 million when there is no cost in connection with the issuing of the insurance in the first place, that is, the securing of the premiums.

Apparently that explains part of the costs why these premiums must go up now. I want to turn a bit to another phase, because naturally, when the budget comes down, different classes of citizens are interested from their own particular viewpoint. The teachers of the province may once again feel that they have been forgotten. The average salary paid rural teachers in 1952 (from the answer given in response to a question asked in this House) was \$1,814 per year. The average salary for supervisors, unqualified teachers, during 1952 in the province, was \$1,245 per year; or the difference between the supervisor and a qualified teacher in average salary is only \$569 per year. We have 558 rural schools in charge of supervisors and, according to information gathered from the Teachers' Federation, we would be lead to believe that some of these supervisors have as low as Grade 8 standing, and yet they are taking positions in the rural schools. They have but the basic training, they have not had the cost of having to go to Normal. Some of these rural teachers have had 10 and 12 years of experience; they have their degree, and yet the average salary of the qualified teacher was \$1,814 and the average salary of the "sitter" was \$1,245.

I think one of the contributing factors to the low salaries paid rural teachers was the fact that this Government has been spending far too much of the Education Tax on capital expenditures in places of feeding it through the channels in order for it to find its way into the pockets of the rural school teacher. I looked up in Public Accounts and I found that the Education Fund is being used for capital expenditures, and here are just a few of them: University buildings this year, the Medical Building, the land and taxes and licences, \$8,900; Soil and Dairy Laboratory, to build it, \$41,526; the school for Agriculture received \$1,287; the Power Houses at the University, to get its land and its buildings, almost, \$44,000 was spent on that; paving and landscaping around the buildings \$15,000; improving the lighting in the University, \$4,170, and to build a sewer line at the Sanitoria, \$8,661; the School for the Deaf, to put in oil firing equipment, \$15,074. These are paid out of the Education Fund for capital expenditures, which ordinarily should come under the Department of Public Works. Why we should take money out of the Education Fund in order to build a sewer line for the Sanitoria, I do not know.

There is one thing that the teacher can take pride in. When he goes past and sees this grand Industrial School that cost us \$1/2 million, he can throw out his chest and say, "We built that," because that \$400,000 was taken out of the Education Fund instead of out of Public Works. The Medical Building at Saskatoon, Saskatchewan, \$1 3/4 million: that is why these teachers today are receiving these salaries — part of the cause, not all, of course. But too much of this fund for education has been used on capital expenditures that have no relationship to education at all, none whatever. Today they are trying to change the name of the Normal School to Teachers' College. I agree with it. It is a better more fitting name. Let us hope by so doing we may induce more students to come.

The Minister of Education, in dealing with some of the loss of the teachers to other provinces which is at a tremendous rate of approximately 50 per cent of those who are turning out of the Normal Schools being lost to Alberta and British Columbia and other provinces, gave as, I think, the basic reason because of higher salaries. The Minister of Education says that the salaries in those provinces were considerably higher than salaries of teachers in Saskatchewan. "But," he said, "if the teacher drives a car, he gets cheap insurance...."

**Hon. Mr. Lloyd:** — Mr. Speaker, on a point of order. It does not matter too much, but the hon. member is referring to a debate which was closed some several days ago now. No excuse at all. He may go on if he likes, but I think we ought to know the rules.

**Mr. Speaker:** — Will you state what your point of order was? Was the hon. Minister of Education speaking to a point of order?

**Hon. Mr. Lloyd:** — Yes, The hon. member is now debating a statement which I made in another debate which he had an opportunity to debate at that time, and did not take it.

**Mr. Speaker:** — I think the point is in order.

**Mr. Cameron:** — Yes, Mr. Speaker, I will refrain from discussing that portion of it.

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We have been placing untrained teachers or “sitters” in our schools for the past ten years. We started out calling it an emergency due to the shortage of teachers. As the economic conditions improved and the revenues became more buoyant, the emergency condition seems to increase. Surely to goodness we are not justified in calling it an emergency, ten years later! but we still have those teachers in there, calling it an emergency.

I think one of the reasons for this emergency is the fact that it is revealed that, in 1951, this Government spent the lowest percentage of its budget on Education of any province in the Dominion of Canada: 15.8 per cent of its budget in 1951 was allotted to education. Not only has it got the smallest amount allotted to education in the first place, but we constantly keep dipping into, and taking money from, the Education Fund in order to build buildings that should come under the Department of Public Works. That is part of the cause why the teachers today have lower standards of living than workers in industry, because money that should be directly channelled into their pockets is being used for other purposes than education. Now, I think those things should be given immediate attention.

I want to turn for a minute or two to farming. The farmer is interested in the budget and what the budget has in store for him. I think we should be concerned, because Saskatchewan is naturally predominantly an agricultural province. Our great wealth is produced from the farms, and the \$70 million in revenues which this Government will receive, comes predominantly because of a strong and vigorous agriculture. There is just no question about it: if the agricultural industry falls in this province, the other industries go with it.

We are fortunate that the agricultural industry of the province has been so stabilized and that incomes have been so tremendous because certainly, we cannot look for too much revenue from some of the other industries. Take for instance, and just to mention briefly, metal production in the province. Our base metal production in this province has been dropping, each year, in volume. Increased prices have held up the dollar value, but the actual physical production has dropped, each year, and it has been dropping constantly since 1944. I could give you the figures: gold, 1944, 159,385 ounces, 1951-52, 102,000 ounces; silver, from 25,066 to 13,012; copper, from 82,867,000 to 64,553,000; zinc, from 95 million pounds to 83 million pounds; cadmium, the same. And so, during each of the past eight years there has been a progressive drop in the physical volume of the base metals produced in northern Saskatchewan. If we were talking about industrial expansion, then I think we should judge it from the standpoint of physical volume rather than from the standpoint of dollar volume on an inflated market, and then we can judge whether or not we are getting that development in the north which the province is certainly entitled to.

While we show increases in the dollar value in metals produced, those increases are reflections merely in the prices: the actual volumes of metals produced is down very substantially. The only metals in which an increase in physical volume is shown are selenium and tellurium. Gold has dropped over 30 per cent; silver is down 50 per cent in production, from 1944; copper is down over 20 per cent; zinc, 12 per cent. Those are taken from a report issued by the Department of Natural Resources. They are facts that are open to the public, and I do not believe that we should try to camouflage these facts by constantly quoting the dollar value and saying, “Look at the

tremendous production of minerals in the north.” We might as well face the situation. We have only one mine operating in northern Saskatchewan. We hear them stand up and talk about all the claims that are being staked in northern Saskatchewan – and there are quite a number; but they are not bringing those claims into production. I think they are merely holding claims. Why cannot we get an increase in physical production of these minerals in the north? Oil production; gas production, — yes. We are beginning to feel confident that we have here, in Saskatchewan, oil reserves and gas reserves that will come into their own, and for that we are more than thankful, because I think private enterprise, once restrictions were removed against them, and once this Government had given its pledge that it now respected private enterprise and treated it as a friend, then it felt free to come in and develop these resources, and so long as the Government shows that attitude I think they will continue to do so, and then we have hopes of coming into our own in that regard. But any talk yet about an industrial boom in the midst of an agricultural depression in Saskatchewan, is sheer nonsense.

What does the budget have in store for farmers? Well, it is not very cheery news for him. He faces 1953, knowing his tax will be 10 per cent more for gasoline for his car and his truck. His insurance on the same car or truck is up anywhere from 65 to 70 per cent. He will find an increase in mill rates in his schools in order to carry on education, a mill rate partly due to some of the funds being used for other than educational purposes. I have just been informed that our own school unit has had to increase the mill rate 3 mills for education, this year. We increased it 3 mills, last year; we increased it the year before, and we can see no hope of reduction in that particular phase.

I think the farmer is justified in being disappointed in this budget because, from the information we have so far, there is no indication, no evidence, that would lead the farmer to believe that this Government intends to permit him to share in the riches if oil should be discovered upon his land. There is no evidence in the budget which would set aside any fund in order that the farmer who does not own his mineral rights, may share in that productive capacity if oil should be found on his land. I think they are entitled to ask why because, today, the farmer only gets the paltry surface damage claim. If he does not own his mineral rights and a well is found on his land, he is paid so much for the road allowance that is necessary to go through there; he is paid so much for the acreage necessary for the well site, based, primarily, on the productivity of that particular land and a few other factors; but he still has no right to share in any of the wealth that comes from below the top six inches of that particular land, because he does not own the mineral rights. And we feel – and we stated so in our platform – we feel that we cannot see why people in earlier portions of the province to the East, who were fortunately settled years ago, have their mineral rights and those to the West have not. We do not feel that there should be a line drawn across the province, discriminating against those who emigrated and settled later, as regards the advantages which the earlier pioneers now enjoy as a result of having their mineral rights. We feel that since the natural resources are under the direct control and charge of the government of the province, that the Province should, of necessity, look into this inequity, and we have said so in our platform.

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The Minister of Natural Resources, at that particular time, could not agree wholeheartedly with that particular policy of saying that the farmers should share in a portion of the royalty if oil is found on their land, if they do not own their own mineral rights, and I want to quote just a small bit from the "Commonwealth" of April 16, 1952, in which the Minister of Natural Resources expressed his opposition to this particular policy. Mr. Brockelbank pointed out that "the Liberal proposal would mean that landowners who did not own mineral rights would receive at least 3 per cent of the revenue produced from oil on their land." He said, "A Liberal delegate had suggested that, if the oil company concerned did not pay it, it be paid from the Treasury." Mr. Brockelbank stated: "The C.C.F. is not bidding on this. I have no objection to a farmer, any more than anyone else, becoming a millionaire," he said, because I had made reference in the convention that — "What could be the difference...

**Hon. Mr. Brockelbank:** — Read the rest of it.

**Mr. Cameron:** — I shall, I shall. "What would be the difference if some farmer became a millionaire as a result of striking oil under his land? I think the class of farming is just as much entitled to an opportunity to become a millionaire as any other class in the country.

**Hon. Mr. Brockelbank:** — Read the rest of it.

**Mr. Cameron:** — Well, he makes a lot of that millionaire. "It is clearly evident," said the Resources Minister, "that either Mr. Tucker intends to break the contracts made with the oil companies..."

**Hon. Mr. Brockelbank:** — He skipped some.

**Mr. Cameron:** — "or to raid the public treasury..."

**Hon. Mr. Brockelbank:** — Mr. Speaker, on a point of privilege. The hon. member is not only misquoting me, he is misquoting the "Commonwealth." He is a tricky reader.

**Mr. Cameron:** — A fine joke. I have the "Commonwealth" here.

**Hon. Mr. Brockelbank:** — Mr. Speaker, on that point of privilege; I want to make it clear that I said I had no objection to a farmer getting rich, any more than anybody else, by becoming a millionaire, but not at the expense of all the rest of the people of the province by taking away their resources, or words to that effect. He deliberately left it out.

**Mr. Cameron:** — I did not deliberately leave it out, Mr. Speaker. It is in the next paragraph which I am just coming to. If the Minister had just held himself a few minutes longer, he would have had it.

**Hon. Mr. Brockelbank:** — You would never have got to it.

**Mr. Cameron:** — "The result of this Liberal policy," he said, "would be to benefit a few hundred at the most at the expense of the rest. I am disgusted to think that the once great Liberal Party has attempted to

buy the political support of 120,000 farmers in Saskatchewan by asking them to put up money to make rich a few hundred.”

**Hon. Mr. Brockelbank:** — Hear, hear!

**Mr. Cameron:** — I have given him the quotation from the “commonwealth.” That was the Minister of Natural Resources’ viewpoint, and I believe it was an honest viewpoint, and I credit him with that honesty. He believes that. However, not too long afterwards, on May 20, I had a clipping from the “Leader-Post” and the heading said – “DOUGLAS PROMISES FARMERS OIL SHARE.” I want to read it

“Saskatchewan government is going to provide benefits to the farmers who have only surface rights on oil lands, Premier T.C. Douglas said, Monday night. He did not elaborate, in a short passage in a radio speech. Mr. Douglas said immediate steps will be taken to provide benefits to the farmers on whose land oil is discovered, but who do not own their mineral rights.”

“Immediate steps will be taken to provide benefits to farmers on whose land oil is discovered, but who do not own their own mineral rights.” There was the Minister of Natural Resources, speaking on April 16, saying that he would not be a party to such a thing; and here was the Premier, on May 20, saying “We are not going to wait until after the election. Immediate steps will be taken.” Now, my understanding of something immediate is “rather pressing.” I do not think it means two months’ hence; six months; eight months, ten months or ten years in the future. “Immediately” steps will be taken. And yet that was in May, and today it is March, yet nothing is provided that would indicate that the Minister of Natural Resources has changed his mind, and nothing in any press announcement that I have been able to read, indicates that the Premier has changed his mind; but they are poles apart in their thinking, and I am just wondering whether the viewpoint of the Minister of Natural Resources has prevailed or whether the viewpoint of the Premier is going to prevail. They will have to get together and decide which it is going to be, and I think the farmers are entitled to know. Since they were promised these things immediately, I think they should be notified immediately whether or not they are going to get it.

**Premier Douglas:** — It will be more immediate than the south Saskatchewan dam.

**Mr. Cameron:** — That is the position found in the province, of the farmers today, and I want to say, in summing up, that I have tried to use the yardstick of a belief that if we are to exercise sound budgeting, a budget during prosperous times must, of necessity, attempt to do two things. First, it must reduce debt, and secondly, it must lay aside reserves for some future less prosperous days that may lie ahead.

I have taken you into the municipalities; I have shown their policy in connection with debt reduction, which is remarkable, tremendous.

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I have shown you the determined effort put forth through the honesty and integrity and the frugality of the farmer and the farmer-owned co-operatives, to get themselves out of debt and to set up a reserve where, today, they can face the future with confidence. I have taken you down to the Ottawa budget and have shown the tremendous amount of reduction there, until they have become the envy of the world in their financial position. And I have taken you into Saskatchewan to reveal that, in place of having a debt reduction as proclaimed in the budget, we have an increase in the debt of \$18 1/2 million, and I pointed out that the reason we showed a drop in the debt today, is because of the Provincial Treasurer's changed system of bookkeeping, for he no longer calls a self-liquidating debt a debt. That is how he is reducing the debt in the province, today. But we believe this. We believe that an honest debt is an honest debt, no matter what you call it, and a debt contracted must be a debt paid off; and whether you call it a self-liquidating debt or a dead-weight or any other type of debt, they are debts. Some will be paid a little less painfully, but they are obligations which, of necessity must be paid, and any change in the system of bookkeeping will not remove the debt from the shoulders of the people of Saskatoon.

And I say this. Sitting in the Legislature so far (and I hope I will not be called out of order) I just want to make a brief reference to the atmosphere during the Throne speech, which I think was one of doom, of depression; one that would lead the farmer to believe that markets were gone, that conditions were such he was on the verge of a depression worse than the 'thirties; and I think that was an atmosphere created for home-consumption of the farmers themselves. And then on the budget, on the other hand, the picture they attempted to portray was one of tremendous growth; tremendous volume of production in agriculture; tremendous development of our natural resources; and tremendous debt reduction, in order to show a splendid financial position, in order to reach the ear of the banker, the oilman and the industrialist, and I think that was planned to be fed out nationally and internationally. I think that the true picture is in between.

We are not facing many agricultural depression. We have not lost all our farm markets, because the Provincial Treasurer revealed in the budget that the personal income of people within the province of Saskatchewan was one-fifth higher than the national average in the Dominion as a whole. And while we are making strides in the development of our natural resources, and the indication is very encouraging, we yet have not reached any state of an industrial boom. And when we think that the net revenue to the Treasury from the royalties on oil and gas and so forth, last year, was \$112,000, so far we have not received any great income from that development. We plan, we surely hope and shall assist to bring it about, but until we can, I cannot say that I can agree that we are facing an agricultural depression, or agree that we are facing a great industrial boom in the midst of that agricultural depression.

I see, during the second four-year term, revenues each year increasing above those of the year before, but expenditures are increasing along with it and each year, bit by bit, the net debt going up again, and up \$18 1/2 million, in four years. I cannot agree that that type of financing is worthy of support, and I shall not support the Motion.

**Hon. Mr. Lloyd:** — Mr. Speaker, I rise on a point of privilege because I do not think the hon. member would want to misquote a public

document. But to put the record straight, he did state quite categorically, that money from the Education Fund was used to build a water and sewer line in connection with the sanatorium at Saskatoon. That statement is quite incorrect, and the Public Accounts for the year 1952 show it to be quite incorrect, if they are properly deducted – page No. 107, Public Accounts, 1952.

**Mr. Cameron:** — Well, I am glad to have that correction, Mr. Speaker; I would like to ask the Minister though, if the other portion – the other eight or nine that I had sorted from Public Accounts are correct?

**Hon. Mr. Lloyd:** — The other expenditures which were on education – I presume the University is an educational institution – were quite correct.

**Mr. M.J. Willis** (Elrose): — Mr. Speaker, first of all I would like to take this opportunity of congratulating the new members on both sides of the House, and of expressing the hope that they will enjoy their sojourn here in their deliberations on behalf of the people of Saskatchewan.

However, just before the Leader of the Opposition leaves, I was going to make this remark, because I understand that this may be his last Session in the Provincial House; but after hearing the member for Maple Creek, this afternoon, and hearing that Mr. Abbott is leaving the Federal field, I began to think that the member for Maple Creek may be endeavouring to go to Ottawa, because I looked at the clock, and about one-third of the time was taken up in defending Mr. Abbott and his budget.

There were two or three statements that I must disagree with, Mr. Speaker. First of all, the member for Maple Creek went to great lengths in criticizing what car insurance is going to cost the people of this province, and he quoted \$38 for a late model car; but he did not state – and he was very careful not to state what the same type of insurance would cost in any of the neighbouring provinces, with private companies. He shied away from it. I happen to have material with \$100 deductible, in the province of British Columbia, for a 1941 Dodge car, and which would cost \$94.

**Government Member:** — Hear, hear!

**Mr. Willis:** — In the Province of Alberta, the cost would be from \$106 to \$126. Why not be fair and state all the facts? The people of this province want to know all the facts and so when he says it is \$38, I say for that \$38 there is not a motorist on the North American Continent can get the protection for his family, and for the pedestrian, that this Government is providing at \$38.

I take issue, Mr. Speaker, with the Opposition in their statements of money spent for the Industrial School out of the educational funds. I claim this: if we spent half a million, if we spent a whole million dollars to take somebody's boy and bring him back to society a normal person, that money is well spent irrespective of what fund it comes from. And I am getting tired of hearing about a school, called an 'Industrial School', where we are trying to rehabilitate boys, possibly not on account of their faults but on accounts of certain environmental factors; and on the other hand we think nothing, today, of taking that same boy, after he has been rehabilitated,

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and give him a machine that will possibly cost several million dollars to buy, for the destruction of people. It does not seem to add up, to me.

I think, Mr. Speaker, it ill-becomes a speaker from the other side to try to carry the task for the teachers in this province, for in the 'thirties we know that they were the 'forgotten lot', when the people on the left were the Government of this province. What did we find in those days? – teachers getting \$275 per year...

**Mr. Buchanan:** — And try and collect it, too.

**Mr. Willis:** — ...with notes; people with degrees getting \$1,100 and \$900, and qualified teachers unable to get jobs in this province. There lies the story why we have not teachers. This Government has been endeavouring to build up confidence in a profession that was forgotten for fifteen years.

Now I kind of wonder at the mathematics that are used in regard to the rise in the gasoline tax. I always thought that when you added on a cent to anything, you took it on the total cost price, what it was costing the people. But we have new mathematics today. I heard the Provincial Treasurer being criticized about his mathematics, but when it adds to 44 cents and you add one cent on it, it is 10 per cent – that is a new one to me. Now this is a new method. The Minister of Highways says it is Liberal mathematics; it is Liberal and it gets larger, of course, — if you call 'Liberal' that. And so I cannot understand the arithmetic on that basis; it is a new arithmetic. Now, possibly, that new arithmetic may be used in the Federal field and, as I said at the beginning of my remarks, I am just frightened that we are going to lose two members from the other side – and there are few enough over there now; but I am sure that if there are two by-elections there will be two less after it is all over in this province.

Having said this, Mr. Speaker, I beg your leave to adjourn the debate.

## **SECOND READING**

The House resumed the adjourned debate on the proposed motion of the Hon. Mr. Brockelbank:

That Bill No. 44 – An Act respecting the Department of Mineral Resources – be now read the second time.

**Mr. J.E. McCormack** (Souris-Estevan): — Mr. Speaker, this is a Bill respecting the Department of Mineral Resources. I listened, with a great deal of interest to the Minister of Natural Resources when he was outlining the work of his Department and trying to build up a case for setting up another department of the Government.

I am quite prepared to agree with the Minister, in the light of what has been discussed in this House through the past years, that the Department of Natural Resources is probably seriously in need of reorganizing; but I do not think there is any necessity for setting up another Government department. We in the Opposition have commented for several years now, that the Department of Natural Resources needed reorganizing, that there were many

cases where we thought there was inefficiency and maladministration, particularly with regard to minerals, petroleum, and natural gas leases, permits and matters like that. However, apparently the idea now is to set up another Government Department, and it is quite obvious that the object is to provide another Cabinet Minister to go traipsing around the province of Saskatchewan doing political work for the C.C.F. Party.

We now have 14 Cabinet Ministers – 13 plus the Premier – and all these together with all the boards and planners and economic advisers and experts that have been brought in. If you take the Economic Advisory and Planning Board and the Budget bureau alone which have been added to the cost of government, that amounts to \$135,000 per year for the two of them, and these do not include all the experts who have been added to the various Departments nor any of the publicity men who have been hired to praise all our Crown Corporations and things like that and government activities generally. So it is getting to be quite an expensive proposition to run the Government. The estimates will show that the new set-up of this Department of Mineral Resources will cost about \$200,000 over and above the estimates for the Department of Natural Resources, last year.

Now as I said, I think it is just another scheme to add one more Cabinet Minister and that will make it 15, and I do not think there is actually any great need for it. I do not think there was a great deal of need for the appointment of the last two Cabinet Ministers, other than the political necessity of the C.C.F. to have more people running around the country with government cars, despite the fact that there were frequent broadcasts by one of these commentators trying to justify it to the general public.

We have in the estimates, now, an increase of salary to the Cabinet Ministers. I do not disapprove of that, Mr. Speaker. I think I said in the House last year and the year before, that I do not see why people in public office should necessarily have to suffer when they could possibly be making as much other places; but that does not say that there is any justification for 14 and possibly 15 Ministers – not when they have all these boards and advisers and various people assisting the Government to run the province. As long as a Minister is doing his job efficiently and well, I see no objection whatsoever to the increase in salaries; but you will remember, Mr. Speaker, quite well the great political hocus-pocus and the big flourish there was when this Government went into office. They dropped all the salaries of the Cabinet Ministers by \$1,000; of course I think that was just because they had one extra that they had to squeeze in some place, so they could get an extra Cabinet Minister in. When we think about the old rhyme about the 10 little nigger boys, it seems to me that every time this Government gets in to a proposition like that, instead of dropping one, they add one; and now, instead of 10, they are going to have, obviously, 15. They sort of remind me – I suppose this gentleman will be appointed before the Federal election; they must have some part of the province where they need a Cabinet Minister to go in and strengthen it up for this coming Federal election. They are something like some of these central European armies where they have nobody but generals, and when you take that bunch of gentlemen across the aisle, with 15 Cabinet Ministers – and I understand from a very good authority that it was seriously discussed at one of the provincial C.C.F. conventions, in the last year or two, that there should be

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parliamentary assistants added to the staff; that would make 30, and yourself, Mr. Speaker, and the deputy speaker makes 32; so I think you did not expect you were going to have 42 back in the House this year, and they were trying to make provision for everybody in it.

**Mr. E.H. Walker** (Gravelbourg): — They did pretty well!

**Mr. McCormack:** — I do not think which of the backbenchers is hopefully eyeing one of these front seats up here, to get in amongst the 15. I wish him every success, because I assume it is the intention of the Government to put the Bill through to set up this department; but, for one, I do not think it is necessary, and I am going to oppose it.

**Premier Douglas:** — Mr. Speaker, I had no intention of taking any part in the discussion on this Bill, but I would like to say just a word about it, because some of the things which my hon. friend has said involves the Government as a whole, rather than the Minister who is piloting the Bill through.

First of all, my hon. friend said that there are some of the central European armies which are mostly made up of generals. Well that is a compliment to the members on this side. I think it is much more pathetic when you see an army which is made up entirely of lance corporals, and the latest report is that the gentlemen opposite are trying to find a general and are having great difficulty finding one among the lance corporals. As a matter of fact, we have seriously considered lending them one on a lend-lease basis, since we apparently have a superfluity over here...

] **Mr. McCormack:** — We're not that hard up.

**Premier Douglas:** — Mr. Speaker, only the electorate can tell you how hard up they really are.

My hon. friend, first of all, says that they agree that this Department needs re-organizing, that there have been indications of maladministration. I do not need to go over that, Mr. Speaker. For two or three sessions in a row, they took up most of the time of this House trying to convince the members of this House and the people in the country that there was maladministration in this Department. They fought their entire election by talking about maladministration. They made statements — and I have some of the literature they put out in their constituencies which comes dangerously close to being libellous and I think some of it is libellous with reference to this Department and some of the people who administer it. If ever a Party got a reply to that kind of tactics, the gentlemen opposite got it on the 11th of June last. If my hon. friend thinks there was maladministration, he certainly was not able to persuade the people of Saskatchewan that there was any maladministration. The only thing the people of Saskatchewan were worried about, and I think what most of the people in industry were worried about, was that the administration would get back into the hands of the gentlemen opposite.

Now my hon. friend says that breaking the Department of Natural Resources into two logical parts — that which has to do with the natural resources, or the renewable resources on the one hand, and the mineral resources on the other — is going to cost, I think he said, \$200,000. We

are not going to get into an argument about the figures or we would be talking about the budget and I want to keep out of that, Mr. Speaker. But I want to say that to pick those figures out of the air is not an accurate statement, but we can discuss that when we get into the budget and into estimates; but what we are doing is enlarging the programme of both of these Departments and, as the Minister pointed out when he was introducing this Bill, the other day, it is proposed now to extend very considerably the mineral surveys and to have aerial and magnetic surveys, all of which involves extra expenditure which would have been necessary even if the Department had not been split into two parts. The increased cost is not due to the fact that the Department is being split in two, it is due to the fact that the programmes are being enlarged to a very considerable extent.

The last speaker just said that the whole reason for splitting this up is because we want to appoint another Cabinet Minister. He says he does not even agree with the two Ministers that have been appointed now. Well may I say just this: I do not think I have to defend the appointment of two new Ministers to the Government; both the Provincial Secretary and the Minister of Telephones are doing an excellent piece of work. I think their appointment has met with general approval over the province. There isn't any doubt that with the kind of programme which this Government is carrying on – an extensive power programme, an extensive programme for the building of gas pipe transmission lines and distribution systems, increased clearing programme in the north, automobile insurance, hospital insurance, all of these are programmes which require a great deal more ministerial supervision than was necessary eight or nine years ago, when a government's main task was to arrange a few municipal and road grants just before a provincial election and then go back to sleep for four years after the election was over. I do not think the people of this province have any feeling that it is unnecessary to have a Cabinet of the size which it now has in the Province of Saskatchewan.

In order to set my hon. friend's mind at ease, however (and that is the main reason I rose) the purpose of separating the Department of Natural Resources into two parts is not for the purpose of appointing another Minister, and I know my hon. friend will be disappointed at the shattering of his prospects for any likely promotion in the near future with regard to that; but I may tell him there is no use in putting in an application because I am not receiving applications for the appointment of another Minister. I have complete confidence in the Minister who is in charge now, and I am sure that the members on this side of the House have complete confidence in him, and what is more important, I think the people of the province have complete confidence in him. I do not spend very much time in this House praising the Ministers; I spend more of my time in private having talks about things I am not pleased with rather than praising them for things that I am pleased with; but I want to say that there are very few men (I doubt if there is any man) in the Dominion of Canada holding the position which the present Minister of Natural Resources holds, who has greater confidence placed in him by the people with whom he works, not only in the Government, but in the industry, in the oil business and across this country, than has the present Minister of Natural Resources of this province. He will continue to administer both Departments.

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The purpose in separating the two departments is in order that we may have two deputy Ministers, because, with the growth of these two Departments it is almost impossible for one deputy Minister to carry on the tremendous amount of supervision which is now necessary over the large number of branches; and as long as the present Minister of Natural Resources feels that his health and his strength will enable him to continue to supervise the work of both these Departments then certainly there is no intention of appointing another Minister. I want to make that abundantly clear, and I want to say that, in my opinion, the separating of the Department into these two parts, leaving one with renewable resources and one with mineral resources, should make for even greater efficiency, and I think it will become increasingly necessary in view of the increased expansion and development which is going on in every part of the province of Saskatchewan.

**Mr. McCormack:** — Mr. Speaker, I did not want to interrupt the Premier while he was speaking. I was not objecting to the Ministers who had been appointed, personally. I was objecting to the fact that they found it necessary to make these two Departments.

The question being put, it was agreed to.

The Assembly adjourned at 5:40 o'clock p.m.