

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Twelfth Legislature
23rd Day

Monday, March 16, 1953

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

(Death of Mr. McCormack)

Hon. T. C. Douglas (Premier): — Mr. Speaker, the first duty I have to perform, today, is far from pleasant. It is to ask all honourable members to join in expressing our regret at the sudden tragic death of Mr. Ed McCormack, the member for the constituency of Souris-Estevan. It was a great shock to me personally. I want to express my appreciation to Mr. McDonald, the member for Moosomin, who took the trouble to come to my home, yesterday morning, to tell me personally what had happened.

Most of us realize that Mr. McCormack adjourned the debate on Friday with the idea of carrying on the budget debate this afternoon. Certainly none of us thought that he would not be able to continue with that debate. None of us thought on Saturday when the Crown Corporations Committee adjourned at six o'clock, when Mr. McCormack was still on his feet with more questions to ask, that he had less than six hours to live. A tragic death like this comes as a great blow to all of us. It helps us to realize that even in life we are in the midst of death; that no man knows the day or the hour when the grim reaper will tap him on the shoulder and call him from this world. I am sure there are no words of mine that can express the grief and the sorrow that has come to all of us as a result of this tragedy.

Mr. McCormack has sat in this House since 1948. Recently he was the Whip for the Opposition. Many of us came to know him personally in committee work and in the work of carrying on the business of this Legislature. We always found him courteous and affable and friendly. He was an easy person with whom to work. He never allowed his political differences to interfere with the carrying on of the business of the Legislature in a satisfactory manner. Certainly his tragic death is a great blow to all of us who were privileged to know him. The fact that he was a young man, that he had before him the major part of his life, that he had stretching ahead of him the possibilities of a brilliant career, makes his death all the more tragic. The fact that he had been married for less than a year means that he leaves behind him a young wife to whom this sudden tragedy must be the cause of agony and grief. He was also an only son. His parents, like so many others of our parents, had put a lot of time and work and hope and money into his career. They looked forward to seeing him bring his career to full fruition in the years that lie ahead. Now it has been cut off in his prime. Their hearts must be very heavy at this time.

I am sure, too, that his passing is a great loss to my friends opposite, and particularly to my friend, the Leader of the Opposition, whose chief lieutenant he was. I would like to express to Mr. Tucker, and

March 16, 1953

to those who sit with him, the deepest sympathy of the members on this side of the House at the loss of one of their most illustrious and most popular members. There are many other things that I could say but I am sure that other members will want to say them. They will be able to say them much better than I could. Some members will want to speak of his very excellent military record as a member of the Royal Canadian Air Force. I am sure some members of the legal profession will want to say something about his position as a barrister in this province, and others who have known him will want to express their personal regrets. Therefore, Mr. Speaker, I think it would be presumptuous of me to try to cover all of his life. Most members are familiar with the main details. He was born on July 6th, 1917, in the town of Estevan; he was educated at Estevan Collegiate and the University of Saskatchewan; he graduated with a B.A. degree and a degree in law; he has practised in this province as a barrister; he served in the Royal Canadian Air Force during the recent war; he entered this Legislature for the constituency of Souris-Estevan in 1948 and was re-elected for the same constituency in 1952. He leaves behind him a bride of less than one year.

It is always a sad thing for us to lose any member of the Legislature. I think it is particularly sad when the member is a young man with a promising future, a young man who was popular on both sides of the House, and a young man who is taken from us so suddenly and so needlessly.

Mr. W.A. Tucker (Leader of the Opposition): — Mr. Speaker, I have been present on many occasions when tributes have been made to departed colleagues, and I always felt that words were inadequate at a time like this, to express what was in our hearts — sorrow and grief and a desire to comfort those who are bereaved; and one would wish, at a time like this, that one could feel that he could begin to do justice to the memory of a colleague like Ed McCormack — say something worthwhile in the way of tribute to his work and accomplishments, in the way of sympathy to those he has left behind so unexpectedly.

I thank the Premier very sincerely for his words of sympathy to all that have been bereaved by our colleague's sudden passing. Surely those who witnessed the help he gave me so freely, so ably and so generously will believe that I have lost in Ed McCormack one whom I valued as a brother. We had, in connection with our work, to associate together constantly. He was my desk-mate here in the House. His vacant chair is right beside me. I cannot testify too strongly to the help he gave me, and his cheerfulness in doing anything in his power to make my work lighter, his cheerful laugh and jokes when everything seemed too solemn — all this I will think of all my life.

When I think of the work he had to do for our Party as Whip, and the difficulty involved in such work, involving the allocation of time over the air, allocation of this to speakers, working with the Whip on the other side, I marvel when I think of the patience with which he did that work, and how completely and efficiently he managed to carry out that work to the satisfaction of everyone, and with a minimum of friction. As I look back on our relationship together, I am struck by the fact that not only did a cross word never pass between us, but never did I feel in my heart anything but appreciation for his loyalty and his willingness to serve, and

his friendship. As I contemplate the fact that he was taken from us, my heart is filled with gratitude that he was given to us, to be amongst us as long as he was, and that it was my privilege to know such a fine man, and that I had the benefit of his advice and counsel and friendship — over the period that I did have it — that is the thought that I have now — one of gratitude to God that people are sent into this world, who are so anxious to serve their fellowmen, and are so helpful to all that they come in contact with.

Ed McCormack was a man who demonstrated in his life the desire to serve his fellowman. This is shown by his wonderful service to his country in time of war, winning as he did the two decorations, for the service he gave so brilliantly and so freely and so willingly during war. He proceeded to carry on in the same way as soon as he came out of the Air Force. He gave his services unstintingly to that great organization that seeks to serve their country and serve their comrades — the Canadian Legion. He gave his services unstintingly to other community efforts, to his church and his community. One of the things I used to think so much of was his concern for his less fortunate fellowmen; he was genuinely concerned with the people he considered had not had as good an opportunity as others, and he was always ready to try and help, and serve. His desire to serve his beloved community — Estevan — and the constituency which had honoured him by election him twice to this Legislature; his affection for the people of that area in his desire to never spare himself, to show that he wished to be worthy of that confidence, was really an inspiration to me. I often used to think, when he spoke with such affection of his fellow citizens of the constituency of Souris-Estevan, if they could only have realized how deeply he esteemed their friendship, and how anxious he was to serve them, it would have warmed their hearts.

He was a sincere believer in the principles of our Party; it was not a partisan matter with him — he was convinced that our Party had a part to play in serving our province and our country, and he wanted it always to play that full part and extend that full service, and he never ceased to encourage policies which he thought would advance the interests of our province and of our country. I am glad to think there are so many young men of high ideals and devotion to our country, like Ed McCormack, who are serving in the ranks of our Party. We certainly have reason to think that he has been removed as he was coming to a greater position of prominence in our Party. I feel certain of what I know of his qualities of mind and heart, the desire to serve, his personality — whereby he was able to win the friendship and affection of those with whom he came in contact — I am quite satisfied that he would have had a future in the public life of our country which, if one even hinted at it to him, he would have modestly disavowed and indicated that he was quite ready to serve humbly. But I am quite satisfied that he would have come to the place in the Party which I doubt he even dreamed of himself, and to me, to have a young man like that with a promise of distinguished service, to be cut off just at the start is, indeed, a sad thing.

He was a good debater, as the hon. members well know, but he was so fair in his presentation, and so kindly in spirit, that even when he was presenting a viewpoint which was very much in conflict with that of other people in other parties, I do not think that at any time they ever lost

March 16, 1953

their genuine affection for him. He was unselfish, moderate — he was ready to assist in any way that he could in the work of this Legislature, the work of committees. He was one of those who, had he devoted all his time to the profession of the law, I am satisfied from those who know something of that work that he would have made a very brilliant future in the legal profession.

So, today, we mourn the loss of a beloved colleague. We deeply regret that he was not spared to give the great service of which he was capable, to this province which he thought so much of, and to our country which he thought so much of and to which he was so loyal, to the community which he sought to serve in every way he possible could, and to the Party which he believed in as a vehicle for promoting the best interests of our province and country. We certainly must be torn with grief with the thought of the bereaved parents, who saw they had brought up and educated a young man destined to be of such great service. It must have been a joy to their hearts, and today they must be filled with grief and sorrow to think of how they have been bereaved. And then the young wife that he brought into our midst at the start of this Session. She was hardly known to many of us, but in the short time she was here, everyone who came in contact with her came to have a great deal of affection for her, and we rejoiced to think that Edward, whom we all thought so much of, had got such a lovely wife to help him in the years ahead, and now our hearts are filled with sorrow and sympathy at the terrible blow that has been dealt her in the loss of her beloved husband. We would that we could do something, somehow, to assuage that terrible sorrow and suffering that she must be going through in spirit, but certainly she may know, and Ed's parents may know, that his colleagues who knew him so well, valued his life very highly, and our hearts all go out in utmost sympathy to his wife and parents.

Together, Mr. Speaker, we remember our loss in the passing of this beloved colleague of ours, and pay our united homage to his work and memory. To his loved ones, to the community he served as member, and to the country he served to the day of his death, we express our heartfelt sympathy and sorrow. Never will we forget as long as we live, the fine gentleman, Ed McCormack.

Hon. J.W. Corman, Q.C. (Attorney General): — Mr. Speaker, as the Leader of the Opposition has said, words are futile — word are inadequate on an occasion such as this. But I would like to associate myself with everything that has been said of the great loss this province — the irreparable loss this province — has suffered in the untimely death of my friend, Ed McCormack. Particularly on behalf of the legal profession, I desire to extend condolences and sympathy to his widow and to his parents.

Ed was one of the brightest lights in the ranks of young Saskatchewan lawyers. He had a brilliant future before him, both as a solicitor and as a barrister. In court, Ed fought hard, but he fought fair, and I never knew him to bear resentment or to carry a grudge. The legal profession of Saskatchewan, Mr. Speaker, has suffered a grievous loss in the tragic — and as the Premier has said — the seemingly needless death of Ed McCormack.

Mr. Peter A. Howe (Kelvington): — Mr. Speaker, there has already been a lot of fine things said in regard to the late Mr. McCormack, and it may be difficult for me to add anything to it, other than to join in with those who have spoken, in wishing to extend my sympathy and condolence to his wife and his parents.

I do not suppose there is any member in this House, especially on this side, that had the pleasure and privilege to work so closely to Mr. McCormack, as myself. During the last five years, Mr. McCormack was the Opposition Whip, and because he and myself occupied similar positions in our respective groups, we had this close contact every day. I can assure everyone that Mr. McCormack always recognized his responsibility to his group and to his Legislature, and he always recognized my responsibility to my group, and to the work of this House. He certainly was always very cooperative, and compromising, if necessary, in order to maintain that good will that must, of necessity, prevail between the two Whips in the Legislature.

He was, as others have said, a young man who offered his services to his country, and later to the people of Saskatchewan. He gave promise of many years of public service to the people of Saskatchewan, but he was not permitted to continue. The passing of the late Mr. McCormack is, indeed, a loss to the people of Saskatchewan, and to the people and members in this Legislature. So that, while words are so inadequate, Mr. Speaker, to convey the thoughts we wish to do, I can only say again that I wish to have my sympathy and condolence extended to his bereaved wife, and to his parents, who are left behind.

Hon. J.H. Sturdy (Minister of Social Welfare): — Mr. Speaker, may I too have the privilege of paying homage to a very great Canadian. To one, it is true, whose years were brief, but whose life was replete with gallantry and service to his country. I am reminded, Mr. Speaker, that tomorrow is St. Patrick's day, and there are those of us in the House who, along with Ed McCormack, have found pride in our common ancestors. Nay I say that, in Ed McCormack, Erin had a proud and a worthy son.

As a life member of the Legion, Mr. Speaker, I am sure the Legion will wish me, in the Legislature, to pay homage to the memory of Ed McCormack. Ed was a man who has served the Legion well; there was nothing too arduous that he could not do on behalf of the returned men. The Legion has lost a great member in Ed McCormack.

I am sure too, that the servicemen of this great nation of ours would wish us to express — if they were here — the appreciation that all of them felt for the great service he has rendered to this country. As a very young man he entered the Air Force, in 1940, securing his wings, going overseas in 1941. On twenty-seven arduous and dangerous missions over enemy territory, the citations to the two medals that were given him set forth the manner in which he so gallantly and so bravely served his country. Those of us who are left feel infinite sorrow in the passing of our comrade, Ed McCormack. We can only take solace in the words of our ritual, which says:

March 16, 1953

“He shall not grow old as we who are left/
grow old,
Age shall not weary him, nor the years
condemn,
At the going down of the sun and in the
morning,
We will remember him.”

Moved by the Hon. Mr. Douglas (Weyburn), seconded by Mr. Tucker:

“That this Assembly, greatly shocked at the tragic death, on Saturday night last, of the gifted and popular member for Souris-Estevan, John Edward McCormack, LL.B., and keenly aware of the feeling of personal loss shared by all members in the passing of a valued colleague and friend, records its deep sense of bereavement in being thus summarily deprived of the able services of a young and brilliant member, and its sincere sorrow at the sudden termination of a career in the service of this House, this Province and this Country which, though just beyond its threshold, was already rich in achievement and of infinite promise.

“In expressing its profound grief and in paying its tribute to his memory and work, this Assembly extends its sincerest sympathies to his widowed bride of a few months and to the sorrowing parents, praying that Divine Providence may comfort and sustain them in this grievous hour.

“This Assembly also desires to express its sympathies with the constituents and neighbours he so ably represented in this House, and with the Party of which he was a strong supporter and loyal adherent.”

(Carried unanimously)

Mr. Speaker: — I think we should all rise in memory of Mr. McCormack, and observe two minutes of silence.

Moved by the Hon. Mr. Douglas (Weyburn), seconded by Mr. Tucker:

“That the Resolution of regret and condolence just passed, together with transcripts of the oral tributes paid to our late colleague, John Edward McCormack, be communicated to his bereaved wife and parents, on behalf of this Assembly, by Mr. Speaker.”

(Carried unanimously)

(POLICY STATEMENT re NATURAL GAS)

Hon. J.H. Brockelbank (Minister of Natural Resources): — Mr. Speaker I have a statement which I think would be of interest to the members of the House I would like to make in connection with natural gas.

During the past several years the policy of the Government of Saskatchewan with respect to the Province's growing oil and natural gas reserves has sought to protect the public interest by the enactment of conservation laws, which would assure the best utilization of this valuable asset, and by encouraging further and more rapid exploration and development.

At the 1952 session of the legislature the laws of the province governing the development of oil and natural gas were brought up-to-date and consolidate in the Oil and Gas Conservation Act. Later in the year, the Oil and Gas Conservation Board was established to advise the Minister on the extent of oil and gas reserves, efficient rates of production, and conservation generally. Last month detailed regulations governing drilling, development, production and conservation practices were published in the Saskatchewan Gazette.

In the last five years some 70 wells in 22 different areas have been completed as potential gas producers. Most of them are found in the western part of the Province, from Battle Creek in the south to Lloydminster in the north. To date, of course, the prime object of the various well-drilling programs has been oil. Consequently, we find that none of the indicated gas fields have been completely proven up, or their limits determined. The most advanced areas in this respect are centred around the Coleville, Brock and Lloydminster fields. The remainder are in a semi-proven stage of development, and in many cases there is only the discovery well.

However, one can speculate on the potential of each of these areas, and, on the basis of the information at hand, arrive at a safe estimate of the indicated reserves of gas, not the proven reserves, but the indicated reserves of gas, in the province at the present. By indicated reserves we meant not only proven reserves, but also probably and possible reserves.

In the Coleville-Driver field, north of Kindersley, there are indications that a reserve of some 500 billion cubic feet could be proven up. The Viking sand underlying the Brock-Newburg-D'Arcy area shows possibilities of another 150 billion cubic feet. In the same general area, the Dodsland and Elrose discoveries indicate a potential reserve estimated conservatively at 45 billion cubic feet.

Last November the Oil and Gas Conservation Board held hearings to determine the extent of the gas reserves in the Brock-Coleville area. Submissions were made to the Board on behalf of the Department of Natural Resources, the Power Corporation and the different companies operating in the area. Estimates of the reserves varied from a low of about 210.3 billion cubic feet to a high of 558.1 billion cubic feet. In reporting its findings, the Board concerned itself only with the actual proven reserve

March 16, 1953

in the area. These, according to the Board, "were not less than 200 billion cubic feet."

North of Coleville, in the Unity field, there is a reserve of at least 25 billion cubic feet, while north of Unity, in the Lloydminster-Lone Rock areas, a proven reserve of 20 billion cubic feet is assured.

A number of gas discoveries have been made in the Swift Current region, at Gull Lake, Midway, and Tompkins. Some of the gas in this area appears to be associated with oil, some does not, and further drilling will be necessary before the extent of the oil-gas contact can be definitely established. Present indications are that at least 100 billion cubic feet could be quickly proved up in this area.

The above estimates add up to a total of 870 billion cubic feet. In addition to these, however, excellent shows of gas have been recorded in other areas, especially at the Battle Creek and St. Florence discoveries. Some authorities have rated the Battle Creek find as next in potential to the Coleville field, and the Lower Cretaceous sand in the St. Florence area as containing a minimum of 50 billion cubic feet.

This suggests that a safe estimate of the indicated gas reserves in the Province at the present time would be about one trillion cubic feet.

Events with respect to the exploration, development and marketing of natural gas are moving so rapidly that the Government feels an additional statement, clarifying the policy of the province, is required at this time.

In making this statement the Government realizes that its first duty is to the actual and potential consumers of natural gas within the province. They must be assured of secure supplies of gas for an expanding period of time at reasonable rates. The Government is also aware that the best method of ensuring adequate supplies is by encouraging the rapid proving-up of large reserves. If this is to be done, those engaged in the development of our reserves must be provided with certain incentives, the main one being the right to market gas once it has been discovered and developed.

When supplies for the provincial market have been adequately guaranteed, the people of Saskatchewan will have to look elsewhere to market their gas. Accordingly, the government has decided that its policy with regard to the export of natural gas should be made known at this time.

The Government of the Province of Saskatchewan will allow the export from the province of natural gas produced in the province should any interprovincial pipeline, to the satisfaction of the Government, guarantees for the duration of its life:

- (a) Supplies of natural gas at reasonable rates sufficient to meet the provincial requirements of the province; and
- (b) An adequate share of the export market for natural gas produced in Saskatchewan.

If the above stated guarantees are not obtained, the Government

will allow the export of natural gas on the basis of the following formula:

(a) The export from the province of natural gas produced in the province will be allowed after the establishment of a proven reserve for provincial use of one trillion cubic feet, such provincial reserve to be increased for 50 per cent of reserves proven over one trillion cubic feet, and 25 per cent of reserves proven over three trillion cubic feet.

(b) The Province of Saskatchewan will reserve the right to restrict the export from the province of natural gas produced in the province in the event that the provincial reserve will be reduced by such export, or at any time it is determined that the production allowable for any one year is insufficient to meet provincial demands.

The policy has been formulated so as to provide maximum security to actual and potential provincial consumers of natural gas. Engineering and market studies have been made by competent authorities which estimate that a reserve of between 700 and 800 billion cubic feet would be sufficient to meet the foreseeable requirements of the province for a period of 20 years. However, under the first part of this policy we are requesting guaranteed supplies, not for 20 years, but for the duration of the lifetime of any interprovincial pipeline. Should it be necessary to work under the second part of the policy, the formula provides for an initial provincial reserve, not of 800 billion, but of one trillion cubic feet. Moreover, this reserve will increase as additional reserves are proven-up. And in any one year provincial requirements have priority on any gas produced.

This policy will give to producers that incentive required to go out and discover and develop the province's natural gas resources. If the province is provided with the guarantees stated under the first part of this policy, domestic producers will be assured of an immediate share of the export market.

On the other hand, operating under the formula, they will be assured of an export market immediately reserves sufficient for provincial requirements are established. Reserves proven over the first one trillion cubic feet will be allocated 50 per cent to the provincial reserve and 50 per cent for export. However, all of the reserves will be active, and the 50 per cent allocated for export may be produced from any or all of the province's fields, subject only to good conservation practices.

Mr. Speaker, I am rather sorry that the statement was so long, but I think the subject is rather important, and the members would like to hear it in full. I have copies of this statement to distribute to the members.

BUDGET DEBATE

The House resumed from Friday, March 13, 1953, 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).

March 16, 1953

Mr. G.H. Danielson (Arm River): — The arrangement, last Friday, was to the effect that Mr. McCormack should speak for the first part of the radio time, and I was supposed to speak on the last part of it, and I am extremely sorry that these arrangements will not now be carried out. I shall, however, proceed to deal with a few things in regard to the budget debate.

Many things have been said by the Provincial Treasurer when he introduced the budget, and by the members who have taken part in this debate, and some of these things I shall touch on this afternoon, because I think that some things should be touched on, and some corrections made on a good many things, and anything I can contribute to verify some of the things that have been said in this House, I think it is my duty as a member of the Opposition to do so.

I shall start in by saying a few things in regard to education. We have been treated during the last week or ten days to two speeches by the Minister of Education (Hon. W. S. Lloyd). He has done his best to convince us, of course, that everything in regard to education in this province is on the up-and-up, and that the contributions from the revenues of the province to education in this province are, as he put it, “very generous contributions.” Well, there may be a difference of opinion, Mr. Speaker, in regard to that matter, and we will take a look at it a little later on.

I was very much interested in the budget address by the hon. member for Elrose (M. J. Willis) when he spoke a few days ago. He said this:

“Our budget for education has kept pace with our budget . . . our budget for education is up-to-date . . . as our whole budget has increased. I am not arguing that we have enough there yet, but I am saying it has kept pace because I have the figures, and have taken the good years in 1941 (I did not go back into 1934 or 1935)” . . .

He is now referring, by way of an explanation, to the budget which existed in these years when the Liberal Government was in power, and the percentage contribution which was made from that budget, and he said this:

“I will go back to 1941. 1942 had a good crop, and what is the percentage? In 1941 — 14.9%; 1942 — 14.6%; 1943 — 13.5% and in 1944 — 14.3%.”

Now these are the percentages, Mr. Speaker. That was a lot to put into education in those days. I think we can say the average figure during these years is slightly over 14 per cent. Let us now look back at those interesting figures, and see what the total revenue of the province was in those days. The total expenditure on revenue account was, in 1940-41, Mr. Speaker, \$21,454,000, and I say now, by way of verification, that this is on a net basis, so there is no discrepancy of figures on that account. In 1941-42, our total net revenue in the Province of Saskatchewan was \$24,029,000; in 1942-43, it was \$22,878, and in 1943-44, it was \$28,805. These are the revenues that were received. At the present time, I think we can go back to last year — \$66 million budget on a net basis, Mr. Speaker; this year \$70¼ million on a net basis by this Government, and, by the way, in that

budget, of course, there is not one dollar figured in of liquor profit, or liquor earnings that will become part of the provincial treasury, which in the years gone by has been as high as \$9 million and even a little higher in one year. So you see that the comparison is quite proper, and it is all in favour of the government of today.

Let us now go back to last year, when the budget of this Province was \$66 million on a net basis, when the increase in school grants by the C.C.F. Government was \$1,600,000. We go along to our sister province of Manitoba with a much smaller revenue, there the total was \$49,588,000 — let us say an even \$50 million — and their contribution and their increase in the school grants for the last fiscal year, which were not completed, was \$1,700,000 out of a \$50 million budget, and in Saskatchewan out of a \$66 million budget, the total increase for last year was \$1,600,000. Manitoba had \$16 million less money yet voted \$100,000 more for increase in school grants than Saskatchewan did. Now, I don't think that is anything to be proud of.

We have quite a time, Mr. Speaker, to find teachers in our province of Saskatchewan, and there is a reason for that. I have in my hand the statement by the Secretary of the Teachers' Federation, and that was not last year before this House met, but it was in May, 1952. He said this:

“The average weekly wages in all of Canada from August 1, 1949 to March 31, 1951, were increased from \$42.15 to \$51.87. Now, in Saskatchewan, the same average in weekly wages was approximately \$1.70 below the national average; but the teachers' salary” (follow this very closely) “on a weekly basis, on August 1, 1949, was \$35.12; in 1951, March 31, they had increased to \$38.99.”

There you have a very small increase of approximately \$3.87 — from \$35.12 in 1949 to \$38.99 in 1951. Now, how can the Minister of Education and how can this Government, with the tremendous amount of money that has been paid into the coffers of this Government in the past few years, how can they justify this negligent treatment of the teachers in this province? I ask them now quite frankly, how can they justify it? How can the member for Elrose justify his statement in connection with this? Now, these are not my figures, they are those of the teachers themselves, as presented to their convention in May, 1952.

These are things that should not exist, when you get to the point where we have around 700 'sitters' or supervisors step into your schools and teach — all of these untrained teachers that step into rural schools of this province. They are not going to the towns and the villages. They have the good teachers, and the rural people have to take the 'sitters'.

Now what has been done? Has there been any discussion by this Government to open up the normal school in the city of Regina for some facilities for training teachers in this part of the province? No, not so far as I have ever heard. I have heard several people in the city of Regina, since I have been attending the Session, mention that very thing. They are young people both boys and girls in this south and eastern part of the province, and I am sure would be prepared to enter the teaching profession; but their parents

March 16, 1953

refuse — and I have heard that same expression from parents within the last ten days — they refuse to send their boys and girls to Moose Jaw or Saskatoon in order to receive this necessary training which qualifies them for a teacher.

There are some other things, Mr. Speaker, in which I think this Government has been niggardly in the treatment of education in this province. It has finally come to the surface for the simple reason that from 1941-42 up to 1952-53, and now in 1953-54, there is only an increase of 4 per cent of the total budget which has been added to the percentage basis of the budget allocated to education. That is all the increase in the percentage of money allotted to education in this province in this last eight or nine years. There is 4 per cent more than there was in 1941-42-43-44. That is the situation.

We will hear, and we have heard it time and time again, Mr. Speaker, that some excuse for the alarming expenditures of this Government has been that the dollar is only worth 55 cents on the dollar, and the last I heard someone say it was only worth 47. That I do not dispute — I do not say that is an exaggeration. I am sure that a dollar today is perhaps not worth any more. What a good dollar was worth away back in 1941-44 is now worth about fifty or fifty-five cents. Well now, how can this Government justify the niggardly increase of 4 per cent in the amount of money allotted for education, with an increase on a net basis of the total money expended on revenue account in this province of from 14 to 18 per cent?

That is something this Government should surely try to justify, and I am sure when the Provincial Treasurer closes the budget debate, I shall be very much interested, Mr. Speaker, to hear his explanations of these things. There is no need of this, because this Government has taken, during the last few years, between seven and nine million dollars out of the Education Fund and used it for expenditure on other purposes than for paying teachers and directly to educational purposes. It has been building a public building at the University, building hospitals, medical buildings, and has been building a penal institution for \$400,000 which came from the Education fund.

Yes, Mr. Speaker, you sat in the House here when we passed that Bill, and you were one of the most particular members in the House to make absolutely sure that the money from the Education Tax, together with what was being drawn from the School Lands, was going to be devoted to education; every penny of it. You remember, also, that we were accused in those days, and that a Royal Commission was appointed, headed by Chief Justice Martin, to inquire into what other purposes the money was being used for, and you know what the results were. It was proved to be unfounded; and up to the time the Liberal Government went out of office, every dollar went to education, to school grants, loaning to school districts to pay up arrears in teachers' salaries, and things of that kind. There was none of that money used for building, or otherwise than the purpose mentioned.

That is all I am going to say in regard to education, and I think what I have said is something that we would like to have an answer to when the time comes, because it is of interest to people not only in the cities and towns, but particularly in the rural parts of this province. The teacher problem is the greatest problem we face today in this province. I say so today without any qualification whatever. It has more to do with depopulating

the rural area and bringing the families into the towns and villages during wintertime, and even summertime, than anything else.

I wanted to say (I haven't got the figures here) something about the number of schools that now belong to the larger school units, or have been closed. A few years ago, it was only lightly attended schools, but I know it has increased greatly in the last year and a half. I don't know how many; but I know that a large number of schools are not operating today which were operating a year or two ago.

I want to congratulate the member from Maple Creek (A.C. Cameron) for doing the excellent job that he did on criticizing the budget for the Opposition. I do that because it is a big job; I have done it myself, and I know what it is. It is not the actual delivery of your address on the floor of the House, but it is a lot of work, for weeks, Mr. Speaker, and particularly when the Provincial Treasurer tried to jumble up his account in such a way that we cannot understand it. We have to go back to him: he has fixed his figures up in several different ways, but they all amount to the same thing, because that is what we find out when we get those scraps around and start adding them up.

When I went over to him, not long ago, and asked him how he had reduced his public debt to \$97 million, all that he said was, that that was a "deadweight" debt. He has another, practically as much as that; but he never put it on paper, never put it on the paper at all. I said to him then, "You must have started a new system of bookkeeping," and he replied "Yes." Why is he doing that? Just to confuse people and give them such an impression that things are so much better than they really are; not worse. But he cannot get away with that, Mr. Speaker, because some of us fellows were not born yesterday. And another thing, we haven't got the nine or ten men sitting back there that figure out all these things for him, and draft his speech for him. He has told a story on this side of the House — particularly on myself, that somebody else has been doing the work for me. Well, Mr. Speaker, I am not afraid to admit that I had some help but I can assure you that the main job of classifying and bringing out the facts and arranging them to be presented on the floor of this House, has been my own, not anybody else's. And that is more than the Provincial Treasurer can say, and be truthful about it.

Now then, I want to go back a little while, Mr. Speaker, to say a few words about the Public Debt, and I say particularly for the benefit of the new members of this House, that there has been no reduction in the Public Debt by this Government. The Provincial Treasurer came up to my town of Davidson during the campaign, and he, as usual, told a story which is not even half the truth. According to people who were there and who told it to me, and according to the report which appeared in the local paper, and which I suppose is correct, he said that I had made a statement in the House that there has been no reduction in the Public Debt. That statement is absolutely untrue, because I said very clearly, on the floor of the House, that there has been a reduction in the Public Debt. But what I have said is that this Government sitting over there is not responsible for one penny of that reduction and I am going to prove it to you, and I want the new members of this House to note what I am going to say, because I have the proof here.

Now there has been a reduction in the Public Debt, from the high point at which it was in 1944, of \$71,716,000. That has been reduced, but how it has been reduced is the most important thing that we want to know.

March 16, 1953

Did this Government pay out the money from the budget to reduce the Public Debt, or how has it been done? They have not paid one penny and I repeat it again. The Patterson Government, between April 30, 1944, and the time that they went out of office, paid on the Public Debt in cash money, \$5,213,000. The Dominion Government, which they abuse so much, cancelled \$44,368,047. Now I should explain, Mr. Speaker, so that there will be no misunderstanding, that a little over \$8 million of that was a claim which the Provincial Government was making on the Dominion Government as a supplemental natural resource payment which had been left in abeyance since the Anderson Government was in power in the early 'thirties, but that means that the cancellation was over \$36 million that the Federal Government wrote off, and if you add the \$8 million some hundred thousand, you get the figure of \$44,368,000. This Government never paid one penny of that.

The Saskatchewan Wheat Pool paid \$4,627,000 — and this Government never paid one penny of that. The Saskatchewan Co-Operative Creamery paid \$390,000; this Government never paid one penny of that. The Farm Loan payment was \$9,816,000 — nothing paid by the Government of Saskatchewan on that. The Saskatchewan Telephone Corporation, \$2,453,000 — that was paid by that public utility which did their own financing at that time, and which paid their debts, paid their balance, and made provision for their own expansion. Payment from farmers and municipalities for 1938 seed grain amounted to \$5,408,000 — the Government did not pay any of that. Payment on contingent liabilities of \$2,029,000 — Mr. Speaker, I have not got the particulars of this \$2 million, but part of it is bonds and other liabilities which were sold to the Government and which has been outstanding for years, which have been paid back by the various organizations owing that amount of money. The total of this money is \$71,716,000, and that is the reduction on the Public Debt up to a certain time.

Now then, I told you I was going to prove this to you. After my budget speech in 1951 — that is only two years ago — the Provincial Treasurer closed the debate as he will do this year — he does it every time. It is his right to close the debate. I want to read you a section of what he said then, and I do not think you will have to ask me any questions as to whether he acknowledged that I was right or not. Here is what he said:

“I want to say, very gratefully, that I agree with the hon. gentleman from Arm River that \$71 million was paid by other agencies. I am now prepared to accept the \$71 million statement — \$71 million paid by Telephones, by reduction by the Federal Government — I am prepared to accept all those things.”

— This is the Provincial Treasurer talking now, not me. He cannot squirm out of this. (Interruptions)

Mr. Speaker: — Order, order!

Mr. Danielson: — I am going to finish it. That is the situation. Now the Provincial Treasurer was talking about his surplus. Yes, you can always get a surplus if you can get enough money in your budget.

When you are short to fill up the gaps, and then have a little bit more, then you have a surplus. And that is what the Provincial Treasurer has done. He has been able to reach into the Liquor Profits every year and pull some into the Provincial Treasury on revenue account, and he has taken, in six years, \$24,250,000 out of liquor profits and added it, year by year, to the current revenue and to the new revenue account of this Province. In 1945-46, he took \$4,250,000; in 1946-47, he took \$5 million; in 1947-48, he took \$5 million; in 1948-49, he took \$4 million; in 1949-50, he took \$4 million and in 1950-51, he took \$2 million. If you add these together you will get \$24,250,000. That is the way he balances his budget. If he had not taken the liquor profits and thrown them into revenue account, it would have been 'in the red' every year for six years.

I asked him about these figures just a few days ago, February 25, 1953 — look at your 'Votes and Proceedings', you will find it on page 3. I asked him this — or rather the member for Wilkie (Mr. Horsman) asked him this:

“For each of the fiscal years, 1945-56 to 1950-51 inclusive (that is six years), what was (a) the surplus on revenue account; (b) the liquor profits taken into revenue account; (c) the excess of liquor profits taken into revenue account over surplus on revenue account?”

If you look at these figures, you will see exactly what has taken place. Now then, after he has taken into revenue account this \$24,250,000, how much surplus did he show in those six years, Mr. Speaker? Well, he shows a total surplus of \$3,621,000 — after having taken \$24,250,000 from the Liquor Profits into revenue account. That is all the surplus he had for six years, \$3,621,000. These are his own figures again, so we say here these figures do not lie. There is an old saying that 'liars might figure but figures never lie'. These are his own figures; he cannot get away from them; they are here for anyone to see. I am sure that there is not a man in this House who can sit down and look at these figures without seeing these things just as plain as any person can possibly do it.

Now then, if the Provincial Treasurer had taken this \$24,250,000 and applied it against the Public Debt, Mr. Speaker, this last six years, then he could have shown a reduction in the Public Debt — just a moment I have it here; I am not going to make any statement that I cannot back up. He could have shown, today, a reduction in the Public Debt from the low point, I think in 1948, he could have shown an actual reduction below that low point in 1948, of \$5,750,000, instead of today having to show an increase in the Public Debt of \$18½ million. That is the picture. It is there for everyone to see.

The Provincial Treasurer sometimes speaks of capital expenditures from revenue account. Well, Mr. Speaker, that is not a new thing. Why it would be pretty hard for the Provincial Treasurer — he is a good spender; but it would be rather hard for him to spend \$70 million, this year, without having to stick some of that money into capital expenditure. I do not know what he could do with it, because he surely could not spend it on anything else, or the part of it on anything else; but, after all, that has always been done in this province — and during the 'thirties, Mr. Speaker, did you know that the Government of Saskatchewan could not borrow one penny? The only financing they could do at that time was refinance.

March 16, 1953

That meant that when the debentures became due we could renew them and borrow the money in that way, but we could not borrow one dollar for anything, except what was raised by taxation. And any money that we had over and above that was for relief purposes, which was advanced to us practically altogether by the Dominion Government — that is that government at Ottawa which has been condemned for so many bad things.

That was the situation. Yet during that time, from 1930 and 1934 to March 10, 1944, there was much money spent in the province of Saskatchewan, and I am just going to take one Department to show what happened. This is a copy of a speech delivered by Mr. Procter who was, at that time, the Minister of Highways. Mr. Procter was talking about what had been done and his figures have never been contradicted in this House. I do not think there is any doubt about the authenticity of the figures submitted, and he said this:

“Since 1934, when the Liberal Government came into power in Saskatchewan, it has constructed and improved more than 6,000 miles of provincial highways; 1,227 miles of new earth grade has been constructed; 2,842 miles had been gravelled; 110 miles had been hard-surfaced; 1168 miles had been reconstructed and 667 miles had been regravelled. All the expenditures have been made out of revenue, and not \$1 of mileage referred to has increased the Public Debt of this province by one cent.”

So you see, Mr. Speaker, the Provincial Treasurer's excuse that some of the current revenue, some of this abundance of revenue that is coming in every year has been diverted to capital expenditure is not a new thing. If we go back over the history of this province, I would venture to say, Mr. Speaker, that a good bit of all the public improvements that we have in the province of Saskatchewan today have been out of current revenue, and we have lots of them — and they were here before this Government was here, too.

I have some figures here that I would like to give to the House, and I would recommend that the new members of the House go and verify these figures, Mr. Speaker, because they are very illuminating, they are very instructive, and they should be known by every man who pays taxes in the province of Saskatchewan. In 1905 this province was formed, and from that date until July 10 (I think) 1944, with the exception of five years, there was a Liberal Government in this province, and the total amount of money spent on revenue account — that means taxes collected in the province; it has nothing to do with any old-age pension contribution by the Federal Government, or anything of that kind — was \$444,799,000, and that was over 39 years, that was 39 years of operation by the government. We built a lot of buildings in those days, Mr. Speaker, we did a lot of work. We have the Sanitoria; we have court houses; we have normal schools, we have mental hospitals; we have bridges — all over this province and many, many other things, and the total debt of the province back in 1929 and 1930 was just about \$90 million.

I said that in 39 years, by the Liberal Government and by the Co-operative or Conservative Government which was in power five years, we spent \$444,799,000. Now this Government, in nine years, not counting

this budget you have before the House at the present time; this Government has collected from the same sources of revenue, on revenue account \$431,706,000 in nine years as compared with that \$444,799,000 expended in 39 years. These fellows have collected in nine years, \$431,706,000 — about \$13 million less in nine years than the total amount of expenditures on revenue account by all the governments that went before them in 39 years. What do you think about it, Mr. Speaker? These are figures that you can go to the Public Accounts of this province, for, and if you had a little more sense you could go there and see them. You might learn something about what is taking place in the province of Saskatchewan, today, and you need it very, very badly, I am sure.

Now then, if we add the present budget, Mr. Speaker, which is over \$70 million and there is not one dollar's worth of liquor profit added into that budget at this time, whereas in previous years there was some added in the total budget; in the one that was passed through the House, last year, there was \$6,500,000, the year before, there was \$7 million. But this year, there was nothing taken from liquor profits in the budget. I am not quarrelling with that, but I want to point out that this budget is, on that basis, Mr. Speaker, not the difference between \$66 million and \$70¼ million, but you can add another \$6,500,000 to that \$70¼ million, and then you have the same budget, on the same basis as you had last year. You will then have an increase over the \$66 million of about \$11 million in this budget. Now then, I said if you take the present budget, which is supposed to run this Government from now until the 31st of March, 1954, and add it to the rest, then you will have a ten-year operation by this Government against 39 years of operation by previous governments and here is your budget: \$444,799,000 for 39 years under previous governments; \$502,222,000 for ten years with this Government. That is the difference, Mr. Speaker, and I say again to these new members who may doubt my words, go back and check over and satisfy yourselves that these figures are correct, because you will find many things that will be very interesting to study, and they will also be of some benefit, I am sure, to acquaint yourselves and see where the money is going. See what is happening in this day and age, and take a lesson from what happened in the years gone by.

We can also contemplate, Mr. Speaker, one thing that Mr. Coldwell tells us today, that we will never get a C.C.F. government in Ottawa until we get a depression, and evidently that is what these fellows expect. If you can find any trace or any anticipation of a depression in this province, I fail to see it, because there has never been a government which has spent so well up to the limit of every nickel that they can get as this Government does. They have not seen fit to make any provision whatever for a rainy day. They have increased the Public Debt by \$18½ million, and in spite of the fact that they have collected more money in ten years than the previous governments did in 39 years.

As we sit in this House, Mr. Speaker, and listen to these members — of course there is a Dominion election coming along — they are just raking over all the old trash trying to find something that they can bring to the surface and review. Sometimes they do not care what it is either. I say there and listened to a gentleman on the other side — I am not going to 'tell him off' because I do not remember who it was; but he mentioned the fact, and of course it was to discredit the former

March 16, 1953

Government of this province, that as far as health services were concerned, he wanted to prove in some way that the former Government of this province, and incidentally the Federal Government, was at fault, and he was deploring the statistical figures from the war when they drafted young men to go to war, back in 1942 — 1944 — 1945, and he deplored the poor physical condition of our young men. Well, you know, nobody said anything against him, and if you do not, then everybody takes it to be true. Now that is not the truth at all, Mr. Speaker; it is just the opposite! He wanted to discredit the power that had control, or the people that conducted the public affairs of the province of Saskatchewan at that time — and it is not the truth at all. Here is what happened. The physical condition of the men from Saskatchewan called up for military service under National Selective Service and Mobilization regulations, actually has been so good that the percentage that qualified for 'A' category is greater than any other province in the Dominion of Canada, with the exception of Alberta. The men called into the army in this province up to March 31, 1944, and that was within a year of the war's end, were so healthy that 55.5 per cent immediately qualified by the doctors for the highest medical category that the examining doctors could give. These statistics were released by the Hon. Humphrey Mitchell, Minister of Labour, when he spoke in the House of Commons.

As a matter of fact, the youth of Saskatchewan emerged from the depression in such good health that the number receiving 'A' category, when they took their army medical, was 11 per cent greater than the average for the whole Dominion. Among the more than 87,000 examined, only 15.1 per cent received 'E' category, the smallest percentage in any province — and we go the highest, 11 per cent above anybody else. Now then, I have here a statement from one of the army doctors, a medical man — Saskatoon, June 17, 1949, and he said this:

“Canada's youth is not down at the heels, nor is the Dominion a C-3 class nation physically, the Canadian Medical Association was told, Friday. Surgeon-Capt. R. G. McCallum, Medical Director-General of the Royal Canadian Navy, said that is propaganda that has been allowed to prevail for nearly ten years. During the second World War reports were published saying that 46 per cent of the armed forces were unfit for category 'A'. Since that time, the impression has spread that young Canadians have 'gone to the dogs' physically, Capt. McCallum said. Because the rejection statistics are not adequately interpreted, they left a feeling of uneasiness throughout the country which is unjustified. Many of the defects for which armed forces were rejected were not related to health or longevity. A man could live forever with only flat feet, he said. Many defects were remedied like hernia, haemorrhoids, varicose veins, etc., which were corrected by surgery. There were other causes for the apparently abnormally high rejected rate. One was lack of medical officers to make a proper appraisal, the Naval Surgeon said. One of the reasons for the abnormally high rejected rate . . .

Now he is speaking about Canada as a whole, Mr. Speaker, not just Saskatchewan.

“was the lack of medical officers to make a proper appraisal of the health of the recruits inspected.”

Now that is the truth about this matter, but we have heard it not once but many times, that we were 'going to the dogs' insofar as public health was concerned — of course, until this Government came into power! Then everything changed, because it was just like magic you know, Mr. Speaker, when this Government came in, because they did 'everything'.

Now I listened to the member for Canora the other day, the new Minister, and I listened to other people over there, and they were determined to spread this misrepresentation in regard to not only the matter which I stated, but the misrepresentation, and the uninformed attitude that they have on the subject, in regard to the collection of income taxes. You know, after all, Mr. Speaker, there is an explanation in this world for everything, but if you want to find that explanation you have probably got to do a little studying yourself. You might have to read something, you might have to ask questions, to get that information, because that is the only way I ever found anything out. If I want to find out something about the mystics of financing, I ask the Provincial Treasurer — and sometimes they are very mystic; but a little explanation, of course, will shed a little light on them sometimes. If I want something else, I ask the Government if they can give me that information, and they give me quite a lot of information that comes in handy. But I have almost come to believe, Mr. Speaker, that this Government has a new dictionary. I happened to get one of these C.C.F. dictionaries the other day — it was printed in the "Saturday Night". It is a definition — I am going to give to the House a few definitions and I see some proof of that application over on the other side of the House. It asks what is a 'democracy'? It says:

"Reactionary planned ideas planted in the minds of innocent people by insidious, capitalistic propaganda."

Well, that is what the C.C.F. says — exactly what they say. What is an 'uninformed person'? — "The state of not accepting every socialistic statement as the irrefutable truth." That is just what you say. You do not know — I am telling you. You expect us to believe that, and if we do not believe it, do not swallow the whole thing, then you think that we do not know anything. What is 'money'? — "Money is nothing but the product of a printing machine. Let us get rid of it; give it away or something." What is a 'bank'? — Well it says, "Nothing but a place to keep money in." So after we get rid of the money, what is the use of the banks! What is 'depression'? — It says, "The bloated capitalists did it on purpose." Then 'good times' — and you say, "Oh, the bloated capitalists could not prevent it." That is exactly what Mr. Coldwell tells you today — that this prosperity you have now is 'blood money'. Well, I want to tell the Provincial Treasurer that if the Dominion Government's prosperity and the people of Canada's prosperity is due to 'blood money' then the prosperity of the Saskatchewan Government, which has an abundance of money coming into their coffers, must also be 'blood money'. That is a rather remarkable statement from a gentleman like Mr. Coldwell, but he has made it, and I think he was very ill-advised to do so, because I think the prosperity of Canada, Mr. Speaker, is due to the people of Canada themselves. They are a great, progressive people. They produce an abundance of goods which the world wants and needs, and they sell it to the best advantage and we reap the reward. That is what we see in England today, Mr. Speaker. They gradually come back, once you remove the regulations, orders in council, and restrictions which have hampered

March 16, 1953

the British people for all these years. Under this government (call it anything you like — Tories — or anything else) you find that these shackles are taken away, and the amount of food that is allowed to the people is gradually increasing, and they can go out and buy it, like the Premier, and not have to stand in queues for hours and hours to get a small share.

I happen to have in my hand a piece of paper that I would like to speak a few minutes on, and this is another subject that has been brought up in this House. These new members of this House, they hear this statement bandied back and forth — and I ask some of the new members did they ever hear, since they came in here about a month ago now, one statement, either by sign or action, that the others on that side of the House have been willing to consider that the Federal Government has ever been doing anything that was right and to the best interest of the people of Canada? I am sure you have not heard it. You have heard one statement several times, and that is the terrible financial position the Power Commission was in and what a tremendously good concern they have now. I want to congratulate the Minister of Public Works on what he is doing, and I mean it sincerely, in spite of the fact that he waited until election time before he put the power line through my district. I asked him three or four years ago — he would not give it to me two years ago. Previous to that time he could not do it, Mr. Speaker, and I will tell you why — he could not get the material to get those power lines built. I want to be fair. There is no use saying, “Why didn’t you do this, why didn’t you do that?” — a pointless thing to ask during wartime. Well, what could you do in wartime, Mr. Speaker? It is only three Sessions ago, about three years ago, since the Minister of Public Works answered (I think it was one of his own men on that side of the House), during the Estimates, and he said “It is only in the last few months that we have been able to even get cross-arms.” That is what he said. So I am going to give him credit, and I thank him very much for the power line. I wish he could run it down a few farms farther and take in the two towns that have not got any light now, or maybe you could put in a light plant there so you would not have to put the poles in. Anyhow, it is all right. However, the Power Commission was started back in 1930. It was started on the same principle as the Telephone Company — it was a public utility; and I have a statement here which was produced in this House at least twice, and maybe three times before. You will remember, when this thing came up, we had a Mr. Phelps — I called him the “king of the north”. Anyhow, we had the Power Commission and we have certain figures.

The Power Commission was started in 1930; the first full year of operation was 1930. It paid all the interest and established a reserve of \$600,000. Ten years after that the total capital invested in the Power Commission was \$8.3 million. There was \$440,000 depreciation reserve set up; there was a sinking fund of \$1,746,000, or a total of the two together of \$2,200,000, or nearly 15 per cent on the capital investment. In December, 1944, the capital investment was \$9.4 million; the reserve depreciation was \$1,050,000, and the sinking fund was \$2,270,000 — a total of \$3,320,000, or nearly 34 per cent on the capital investment. Then we come to December 31, 1947, when this thing was brought up in the House. To bring it right up to date, we have, today, an investment of \$21.5 million, because this Government has gone out — and I am not mentioning this in a critical way — and bought out a lot of these smaller companies and added their properties and their assets to the Power Corpor-

ation. And there is where you got the tremendous increase in users of electricity in this province. Up until two years ago, you had made great strides, not by adding new lines, new users of electricity, to your Power Corporation, mostly, of course, because they prevented you from building new lines; but in a larger number of these cases, it is a fact that you took over existing lines and users. Take my own town, for instance. We had the Dominion Electric. Everybody in town had electric power and light. Some of the farms close to town — at least two of them and maybe three — had power and light too, and the tax that the town of Davidson got was \$1167 from the Dominion Electric every year. This Government took it over and, of course, it must have added, I should say, at least 350 users to the total number of patrons of the Corporation; and that system applied all over the province, whenever you acquired new units or new small corporations to add to the provincial Power Corporation.

Now then we came to December, 1947. To bring us right up to date, we had an investment them of \$21.5 million; a reserve depreciation of \$2,450,000; sinking fund of \$3,300,000, which made a total of \$5,750,000, or 27 per cent of the capital invested. Now in 1944, it was 34 per cent; in 1947, it was 27 per cent. Now these are the 'Calamity Janes' who have been talking about this thing — and that has been repeated and repeated and repeated, all over and particularly in this House. I think it has been mentioned five times during this discussion on the budget, and I just thought I would put this straight, Mr. Speaker. I thought the Premier said something about where did I get this. Well, it has been read — this is at least the fourth time it has been read on the floor of this House, but as a matter of fact, the figures come from the Minister.

Premier Douglas: — No, I did not ask.

Mr. Danielson: — I thought you asked me where I got this . . .

Premier Douglas: — No, no all I asked — and I did not want to interrupt my hon. friend — is what the accumulated deficit was in 1944, in the Power Corporation. That was all I was asking.

Mr. Danielson: — Well, I could not tell you. It shows one thing, namely, that the financial stability of this company had not been neglected, and I imagine, of course, that this corporation would not have a deficit, Mr. Speaker, because just like the Telephone Company, the financing was done on a different basis to what you do now. You finance everything through your Finance Office at the present time. I am not discussing the merits or otherwise of that particular way of doing it, but that was not done in those days.

Premier Douglas: — I was not asking my friend about the debt, I was talking about the fact that I thought in the same statement, as I remembered it, it said that the Power Corporation had an accumulated deficit of \$470,000. Maybe I was wrong.

Mr. Danielson: — In this statement? I never had that statement in my possession, never in my possession.

Premier Douglas: — It was in the 'Votes and Proceedings'.

March 16, 1953

Mr. Danielson: — In the ‘Votes and Proceedings’?

Premier Douglas: — Of 1944 — yes.

Mr. Danielson: — Well, I have never seen it — and I was here in 1944.

I was listening to the member for Canora, the other day, when he was holding forth and trying hard to convict the Dominion Government of partiality in the method of collecting income taxes. First of all, there has never been any more startling thing said than what Mr. Ross Thatcher, the C.C.F. M.P. from Moose Jaw said about the amount of corporation income tax that the Dominion Government collects. Now he is such an odd C.C.F.er — I cannot explain that, but there is something wrong with it, because it does not usually go over with the crowd.

Now, when you take 52 per cent of any corporation’s profit, I think you have taken about the limit, and I will tell you why. When you take any more, you are not going to get the necessary capital which comes from the public. There seems to be a belief about these big corporations like the Consolidated Mining and Smelting Company, and all these big concerns, that there is some ‘octopus’ back there with an untold amount of money financing all these big concerns. I found out different; I find this. I have a few shares of the Consolidated Mining & Smelting Company, and I think the interest or dividend on them is 5 per cent at the present time — maybe 4½ per cent. I find that the Federal Government tax the Consolidated Mining and Smelting Company at least 52 per cent on their earnings and then on any dividend paid share capital, when paid to shareholders, they tax them again. I think you have had this experience yourself, Mr. Speaker — if you have not then it is all to the good, for if you buy a Government bond, you will surely find it out. They tax them again on all these accumulations of capital; no doubt about that. Well, why don’t they do that in Great Britain? The only tax they collect in Great Britain is the tax on the corporation’s income, and they do not tax the dividends after they are paid to the individual shareholder. They do not do it in the United States either. They do not have a double taxation; but they have it in the Dominion of Canada on corporation income. That is the situation. You never heard any of my friends over here mention that part, but they are trying to make political capital out of these things which, of course, somebody listening on the radio, get a little part of what they say, and no contradiction, and become a firm believer in this propaganda, and of course that is why it is done, particularly at this time when we are facing a Federal election.

Now then, what about this terrible conspiracy that the Dominion Government is engaged in, according to my friend from Canora and several other fellows, of letting Quebec off insofar as income tax is concerned, and the Maritimes, but in western Canada they just soak the life out of them insofar as income tax is concerned.

Government Members: — Hear, hear!

Mr. Danielson: — Well now, that is a good indication of the intelligence of my friends over there. There was an inquiry made, not by the Government of Canada, but by other people, and Prof. J.E. Latimer, Professor of Economics at McGill University, in an Issue of the “Financial

Post” taking the year 1946, said:

“In 1946, net farm income in Canada was estimated at \$1,400,000,000, while the 40,000 farmers that paid income taxes showed a total income of \$85,500,000. Out of the total national income of farmers in Canada, \$1,400,000,000, there was only \$85,500,000 that they could collect.”

That is about one-sixteenth of the estimated total. The “Post” carried the article on the question, written by Professor J. E. Latimer, who presented some provocative facts on the subject. I am not going to weary you with it all but he said this:

“The 40,000 farmers who paid tax in 1946, is not as low a proportion in relation to the number of Canadian farmers as is sometimes pictured. The last census enumerated 235,000 subsistent or part-time farmers, with income from outside sources — other income than farm income formed the chief source of income. These farmers should not be taken into the general total, which leaves about 500,000 farms in all Canada, of which, in 1946, 1 in 12 paid income tax.”

One farmer in 12, of the 500,000 farms in all Canada, paid income tax in 1946. That is simply another way of putting it, but that is what it means. Now then, from a western standpoint. Now I would like to say to my friend from Canora (Mr. Kuziak) that from a western viewpoint, it is interesting to note that subsistent and part-time farms comprise over half the total in the Maritime provinces. Mind you, half the total of the farms in the Maritime provinces, Mr. Speaker, are not classified as farms at all; they are subsistent farms, part-time farms; they raise their own vegetables and so on — probably has an acre or two. It is half in the Maritimes, and it is half in Quebec. Now it is Quebec that has been on the brains of my friends over there for several days. Those French people down there, I think they are the most frugal and hardworking people on the face of the earth. Now the C.C.F. stated in this House that they try to evade income tax. That is a serious accusation, Mr. Speaker. Now then Professor Latimer says — “nearly half in Quebec.” Well that means, Mr. Speaker, that it is probably 48 per cent of all the farmers in the province of Quebec who do not farm as their main occupation; that is only a little bit of a sideline with them, and their main support is received from other sources.

Now then the Professor said this: “About one-quarter of this is in Manitoba” — about one-quarter of the Manitoba farmers are the same thing — “and 40 per cent out in B.C.” They should not be classified as farmers at all, insofar as the Income Tax Department is concerned. Then — “Less than one-fifth in Alberta and Saskatchewan.” Professor Latimer says, “This explains in large measure why the greater proportion of taxpayers are found in these two provinces, where the industry is more commercialized and where the farms are larger and revenue per farmer is more.”

March 16, 1953

Mr. Speaker, 50 per cent of the farms in Quebec should not be classed at all as farms, but they were included in the figures which have been given in trying to bring out a wrong impression about actual conditions. I have been in countries, Mr. Speaker, somewhat similar to the province of Quebec. I would say to you that a 100-acre farm might be considered a fairly good-sized farm in the province of Quebec, in many parts of that province; 150 or even 160 acres. Here is a farmer with a family, and probably, as a rule, a fairly large family, trying to make a living. He is not raising wheat. He is milking cows and probably picking blueberries even, and things of that kind. Then how in the name of common-sense would you expect that man to be liable for income tax in the province of Quebec — or in the Maritime provinces and part of Manitoba, and I venture to say, Mr. Speaker, that, probably not to the extent but to some extent, it is applicable to northern Saskatchewan, probably not so much today as in years past; and I am sure it is applicable to the province of B.C., because there are 40 per cent of them there classified as farmers by my friends over there that do not belong in the farmer classification at all.

Of course there is a Dominion election coming on, and this is election propoganda, and the C.C.F. have been doing nothing else for the last few weeks but sending this sort of thing over the air waves in the province of Saskatchewan, thinking that it is going to stick. It is false! It is the wrong interpretation! It is wrong from beginning to end!

Now, Mr. Speaker, I could talk for some time, but I just want to say something about taxation. I could not miss this opportunity, Mr. Speaker, to pay my compliments to the member from Canora when he calculated the saving that the Provincial Treasurer handed to us in this budget — over \$7 million I think it amounts to. And then he says — “Oh, I was all wrong, instead of being 11.4 per cent, it is 1.14 per cent.” So it is not just as glorious as it might appear on the surface but, after all, this Government, of course, has never done anything else since it came into power but increase taxes on the farmers of the province of Saskatchewan, and many of the other people, but particularly the farmers. I am sure that can be proved to the hilt. I have here a list — it will not take me long. I said on the floor of the House that there is not a tax, a licence, or a permit or a fee paid by the people of Saskatchewan but has been increased double and triple, several times over. For instance, the Education Tax has been increased 50 per cent; Education Tax was increased from 2 to 3 per cent — an increase of 50 per cent. The Gasoline Tax was increased from 7 to 10, now it is 11, an increase of 55 per cent, approximately. Farm truck licences have been increased from \$10 to \$40 — these taxes, improperly called insurance premiums, put on by the Provincial Treasurer, and when I mentioned it the other day he got quite provoked when I said they were taxes. Well, he can call them anything he likes, but it means that the farmer has got to dig down in his pocket, pull the money out and pay him anyway. In addition, higher licences on private passenger cars, ranging from \$4.50 to 10; on farm trucks, from 6 to 10; and higher rates on public service and commercial vehicles have been introduced. Correspondence school fees for grades 9, 10 and 11 were increased by from 33-1/3 to 100 per cent; new registration fee of \$1 for correspondence school; new fee of 50 cents for each recommended subject in grades 11 and 12; an increase in lumber royalties, sawmill licences and sawmill cutting fees for fuel wood, fence posts and pickets, in-

creased from 15 to over 100 per cent; grazing fees in provincial forests increased by 25 per cent; and hay-cutting fees by 100 per cent; new taxes on fishing — 1 per cent on lake trout, ½ cent on pickerel, on whitefish ranging from 25 to 100; and canning and processing licence of 25; new frozen food locker plant licence from 15 to 25 — that is a new tax again, and those plants are mostly owned and operated by the co-operatives throughout the country, because they are the only ones, Mr. Speaker, that can get the Dominion grant. I know what I am talking about because we get it in our town. Public hall licence increased, rural and villages, from \$1 to \$5 and from \$1 to \$10. New taxes on mineral rights, 3 cents per acre, and 50 cents per acre and up in producing areas — I might have something to say about that, a little later on. The farmers do not like that mineral tax because the farmers are the only ones that you can ‘chisel’. You do not chisel the ‘big shots’ because they pay their taxes. The farmers are the ones that you can ‘chisel’ and you ‘chiselled’ them so badly that they gave their mineral rights away because they thought that you were going to take them anyway. New tax — seed cleaning fees increased 40 to 70 per cent; second delivery by 180 per cent; receiving and delivering seed increased by 300 per cent; and storing, by 100 to 200 per cent. Examination fees for rural municipal secretaries have increased \$5 to \$10; a fee of \$1 for employees in numerous trades; new annual fee on employees ranging from \$2 to \$15. They are all new taxes — they are not old taxes. Steam-boiler registration fees increased from 50 to 100 per cent; new fee of \$1 for installing gas and oil heat; new fee of 75 cents for installing propane gas and a new fee of \$3 to \$10 for inspecting propane gas tanks. Passenger and freight elevator licences increased by 50 per cent; electric contract and lighting increased from \$5 to \$20. My friend over there is getting tired and I am sure the people feel the same way about it. Company licences increased in amounts ranging up to 100 per cent; new partners — a registration fee of \$2 and a fee of \$2 for recording information for publication in the “Saskatchewan Gazette”.

These are just a few, Mr. Speaker, I could give you some more, but I want to get back now to this increase in this gas tax, because, with all due deference to the member for Canora, I do not believe he has got this thing just straight. I am sure that I am going to hear something from my friend, the Premier of this province, or probably from the Provincial Treasurer. You know, when he gets on the radio he is a wizard; but if you look at him he is better still. He gets to a point and when he wants to drive it home, he uses what the gentleman said the other day, a ‘rabbit-kick’ and it is too bad we do not have television so they could see him, when he tells us all about our good fortune, and that we should be appreciative and glad to pay taxes for all he has given to us. But you know, this one cent per gallon of gas tax, the member for Canora did not say a thing about that. Last year, you did away with the Public Revenue Tax, but you held the tax collectable to the 31st of December. You did not do away with it last year at all: you are starting to do away with it now. Do not forget that the Government side of this House voted, last year, to repeal the Public Revenue Tax. The convention in Saskatoon, a year ago, also unanimously, was against doing away with the Public Revenue Tax. What in the world happened to make these fellows change their minds so quickly? Well, they discovered there was an election coming on and they had to do something. They had to do something and that is what they did. They forgot all about their socialistic principles and the fact that they told us, year after year, that the convention

March 16, 1953

lays down the programme for the Government. As a matter of fact, I think the Premier got up and told us before the budget came in that they were going to do away with the Public Revenue Tax. Well now, Mr. Speaker, you remember a few years ago during the war, when the Federal Government was putting on war taxes, they levied a tax of \$1.35 on crude oil in order to get revenue for war purposes; but we, at that time, were tied down in the farming areas of western Canada by government price control to a certain price for our wheat, a certain price for everything we produced, and labour was tied down. There is no doubt about that, for the only way that price control could ever work is when you have the producer as well as the consumer and labour as well as the farmer, subject to the same rules and regulations. It will not work any other way. But it did work fairly well during wartime, and when the Dominion Government put a tax of \$1.35 a barrel on crude oil that meant 6 cents a gallon on the refined product. I know what I am talking about — \$1.35 a barrel on the crude really means, on the refined product, 6 cents per gallon. Of course there are a lot of oil products as well, but I mean on the refined gas that you get out of that crude oil, approximately 6 cents a gallon. Well, when they did that, a subsidy was paid by the Dominion Government on the crude oil and they put it on the whole of Canada, of course; it could not work any other way. But they took a certain part of western Manitoba, all of Saskatchewan, the Peace River part of Alberta, and they gave us a subsidy of \$1.35, and we had our gas at that time actually cheaper than with the 3-cent tax which we had to pay, because the \$1.35 was worth more to us than the 3-cent tax that was imposed. Now then, when the Dominion Government took that tax off, they removed it by stages. They first took off 45 cents. That left 90 cents a barrel of subsidy still on. The 90 cents was taken off, and the tax was all removed — later on. But I remember the Premier, back in 1947, telling us in a radio broadcast — you remember that was at the time, Mr. Speaker, when they increased the gas to 9 cents a gallon, so they increased it by 2 cents a gallon and the Dominion tax was 3 cents, and then the Premier got on the radio one day and with all the persuasion at his command he said: “We could have increased that gas 3 cents a gallon. We could have taken that tax that the Dominion has, and increased it 3 cents a gallon, but we only took 2 of it. So you see, we saved you the one cent.” That is pretty cleverly done. I do not underestimate the cleverness of the thing, but that is exactly what he did.

Premier Douglas: — And it is true too, because the other provinces all took the three cents the Federal Government turned over to them, and we only took two of the three cents.

Mr. Danielson: — I am not talking about the other provinces. Mr. Speaker, before I agree with the Premier I would like to check it myself. I know one province that I am pretty sure did not do it.

Premier Douglas: — They all did.

Mr. Danielson: — Now then, there is a similar situation now, and I am sure we will, when we get home and the Dominion elections come on, and the record of this Government and what they have done during the Session is discussed, we will hear the mellow voice of the Premier and probably the Provincial Treasurer on the radio some night, and they will tell us:

“You know that commission we appointed on the municipalities recommended 2 cents a gallon increase on the gas tax, and we only put on one cent, so you see we saved you one cent.”

(Interruptions)

Mr. Speaker: — Order, order!

Mr. Danielson: — I am sure every member here will find that my prediction will come true.

Premier Douglas: — That is right! I already made that speech last Wednesday night.

Mr. Danielson: — Well, Mr. Speaker, I just want to say that with all I have said here, this afternoon, I think I do not need to tell you that I will not support the motion.

Mr. L.W. Larsen (Shellbrook): — Mr. Speaker, I beg leave to adjourn the debate.

(Agreed)

The Assembly adjourned at 6.10 o'clock p.m.