

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Twelfth Legislature
24th Day

Tuesday, March 17, 1953

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

BUDGET DEBATE

The House resumed from Monday, March 16, 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).

Mr. L.W. Larsen (Shellbrook): — Mr. Speaker, I rise at this time to speak for a few minutes in the Budget debate that has been taking place in this Session, and I think up until now, very little has been discussed of any value. Most of the speeches have been long, flowery speeches for or against the Government budget, and I agree particularly with the member for Saltcoats (Mr. Loptson) when he referred the other day to the 1911 Federal election as a costly experience for the west, in electing a different type of a Government. I agree very much with the hon. member, and I think also the hon. member from Saltcoats will agree with me that the Liberal Party at that time — I can go back 40 or 50 years in the history of the political life of Saskatchewan — always won elections for at least twenty-five years on free trade, low tariffs, or reciprocity, and I think the member will have to agree with me that the Liberal Party took the road of least resistance, after that licking, and have sided-up pretty well with private monopolies or corporation such as we have down east.

Looking this lop-sided House over, I am not kidding myself that it is on account of the Regina Manifesto, or some socialistic viewpoint on this side, that the House looks like it does today. I am willing to give our Leader, 'Tommy' Douglas, a lot of the credit; but there is more to it than that, and I believe it is because the Liberal Party, the last ten, fifteen or twenty years, have fought for these monopolies down east, and at least the last few elections I have taken part in, I never hear anything about these low tariffs or free trade or anything of the kind. I think I am safe to say that when Sir Wilfred Laurier passed away so did the Liberal Party, and I would say very much the same thing applies to Alberta: when Aberhart died, Social Credit died — if there ever was such a thing. So looking the situation over, Mr. Speaker, I believe that after the coming Federal election, there will be only a few members of the Liberal Party elected from Victoria as far as Fort William, and for the reason given. That is our experience, the last few years, particularly the last four years. They had such an overwhelming majority they could send 100 Liberal members home and still carry on the business very nicely. Our records also show us that we got fairly good government from the Liberals when they had a small majority, and I am sure that the west people will look at it that way when the Federal election comes around — that if we have to have a Liberal Government well, to get the best out of them, we have to cut down the majority.

March 17, 1953

We could also look at the situation as it is today, and the most important question today, as I said before in this House, is our markets. Markets are the life-blood of the western provinces, and with full production we must export at least around 75 per cent of our grains to foreign markets, and with full production we must export 50 per cent of our livestock. I do not think the hon. member will disagree with me when I say that the only way we can sell this surplus is to give concessions to these countries on our market, otherwise, I am sure that our elevators will pile up with unsold grain, and also our meat will pile up in surpluses which will reduce the prices to below cost. It does not matter much whether it is pork in tin cans or grain that is stored in our elevators, it is bound to reduce the prices that the producers of this country will eventually get.

Another thing is that the tariffs in this country are not only spoiling our marketing, but when we go down and visit our cousins in Minnesota, and we see them buying their motor cars and their trucks at \$1000 less than we have to pay up here, we find out that there is too big a difference. The same thing applies to electrical appliances, refrigerators, deep-freezes, radios, and a lot of other things too numerous to mention. Now I am sure that my Liberal friends will not believe me, but I am sure they will believe one of their own friends in the House of Commons, a gentleman by the name of Mr. Stewart, M.P. in the House of Commons, and I would like to quote, with your permission, Mr. Speaker, from Hansard, October 31, 1951, page 599, and here is what he says:

“I live on the banks of the Ste. Croix River, and you can throw a stone across to the other side. On one side of the border an electric refrigerator sells for \$225 and if you walk across the little bridge to the other side, it sells for \$460. It is made by the same company. If there is any justification for that, I should like to have some officials of the General Electric or these other companies who manufacture electrical appliances, appear before this committee in this House, and explain that to the members why there is that great difference. I cannot understand it, and it is a bone of contention for every member who represents a constituency bordering the United States.”

Well, that bears out my statement that I am not quoting something that is not true, and I am sick also, of paying \$1000 more for a car on account of Federal Government policies, and it would give a great ‘boom’ to the electrification of this province if we could buy appliances for half the price. As a matter of fact, I know that in the last provincial election, when Liberal friends of mine went around and said “We will put electricity into your yard — free, and you will save \$400 or \$500,” I said if they would take the tariff off electrical appliances, I could put it in free of charge and another \$500 or \$600 in their pockets.

Going on with these things, now, I could just give you a little instance that happened to me a few days before I came down to this Session. I spoke to a friend of mine, going through the country. He had just made a trip down to the United States and he said, “You know, Louis,

there is something funny here. I saw a beautiful set of wrenches down there,” — and of course, when a farmer has combines, trucks, tractors and other things, he must have tools to keep them running. So he bought a set of wrenches for \$79. He ‘phoned up the Customs to see if he would be allowed to take them home, and they said, “Yes, you can take up to \$100.” But the story changed, Mr. Speaker, when he got up to the boarder. He thought at first that they would not let it in, then they said, “We will have to reevaluate that. We have to charge you duty; we have to charge you the sales tax, and we have to charge the excise tax and so on.” As a matter of fact, the custom officer on the Canadian side suggested the he send it back. This good friend of mine said, “Well, no, I got them this far, I guess I will take them all the way home.” Finally, they compromised — they only charged him the 10 per cent sales tax; the 15 per cent excise tax, and I think he gave them between \$25 and \$35. If that had been in a shipment, they would have reevaluated it, and they would also have charged him customs duty on it, and I suppose that \$70 set of wrenches would be \$179. With these things coming in with the fast transportation we have today, the truth is coming home to the people of this country that there is too big a difference — the same manufacturers selling their goods for two prices. Where they have their assembling plants and their factories on this side of the border, the Government does not get that duty — they stick that in their own pockets. That is the worst feature of it.

I could go a long way on these questions here. I would also like to mention a few things that I saw in the ‘Leader-Post’ the other day. It shows that the Liberals in Ottawa have not changed their minds a bit regarding tariffs. I see an article in the ‘Leader-Post’ March 16, by one of our C.C.F. members down in the House of Commons stating the Liberal Government is putting a \$2 duty on our anti-freeze. Well, that means that every car-owner will have to pay an extra \$4 to fill his car, next fall. It would not be so bad if this company that make it in Canada was hard up, but according to these figures here, printed in the ‘Leader-Post’, they made a profit in 1949 of \$41 million; in 1950, \$53 million; in 1951, \$109 million, and for the period 1950-51 the increase in net earnings before the Federal taxes were deducted, was over 100 per cent. So as recent as March 16, the Liberal Party have not changed their attitude towards tariffs.

When we come down then again, speaking about budgets, not to mention the big budgets our sister provinces of Alberta and British Columbia have, it is a big question; you do not know where they are going, because it is the Federal Government that more or less control our economic set-up in these provinces, and since I am not in the confidence of the Liberal Party at Ottawa, I do not know just exactly what they are doing or going to do re tariffs. But I would like to say, Mr. Speaker, that on account of conditions over which I have no control I am at a loss to say whether I will support the budget or not. If the Liberals keep on spoiling our export markets. then the budget might be too high. On the other hand, if we should have some kind of a change in Ottawa, maybe our budget should be higher. I do not know just which; but I will take a chance, Mr. Speaker — and I see my time is up; I will take a chance and support the budget.

March 17, 1953

Mr. R. Brown (Last Mountain):— Before I begin my remarks, Mr. Speaker, if there are Irishmen on the floor of the House and in the gallery, I would like to point out the colour of this flower I am wearing and suggest that if they have any Irish confetti which they feel like tossing my way, they might reconsider before doing so.

I imagine, Mr. Speaker, that rising to join in this debate, I find myself in a very similar position to most of the new members of this House, when they first got up on their feet, and that is just about completely unnerved. It strikes me rather funny that a person can go out around the province and address hundreds of meetings while trying to get himself elected to this Legislature, and when he is successful, he finds himself practically speechless. I think some of my friends on this side of the House will agree that if they ever found Brown that way, it would be about the eighth wonder of the world.

I do not intend to take up too much of the time of the House, Mr. Speaker, in this debate. However, I would like to place on the record my stand with respect to the budget under review. First, I would like to join with the many members on both sides of the House — and there were some on the other — in offering my congratulations to the hon. Provincial Treasurer for again bringing down one of his well balanced, carefully considered budgets. I would also like to commend the speakers on both sides of the House for their excellent efforts in this debate; and seeing my hon. friend, the member for Nipawin has just come back in the House, Mr. Speaker, I do not feel that I can pass up this opportunity to make a few remarks with respect to him.

I recall that, during the previous debate, the hon. member was kind enough to mention the member for Notukeu-Willowbunch and myself, and if I recall correctly, he made a few nasty little remarks; but he finally admitted that while we may not be too smart, politically, at least he could recommend us as being good soldiers. Well, I would just like to say here, Mr. Speaker, that that is a directly opposite opinion to that which he expressed, some years ago, when I was serving under him. I would like to say, however, and this is in all sincerity, that during my period in the army, I had the privilege of serving under several commanding officers, and I would like the hon. member to know that I considered him one of the finest commanding officers under whom I served. I would like to say too, Mr. Speaker, that I can recall some occasions when we were serving together, when if one wanted to, they may have been able to find the hon. member in some places where possibly he should not have been; but I think I can frankly say that I have never seen him so out-of-place as he is at the present time. I would like to suggest to him that while we maybe just a bit crowded on this side of the House, we could always find room for one more, and I am sure that my colleagues would be glad to welcome him over here.

As this is the first opportunity I have had, Mr. Speaker, of speaking in this Legislature, I would like now to offer my sincere thanks to the people of Last Mountain constituency for the honour which they bestowed upon me in electing me as their representative. In doing so, Mr. Speaker, I would like to say this. We have heard much in this Chamber, during the last few weeks to the effect that the people of this province are highly pleased with the record of this Government, and that is the reason why the C.C.F. Party garnered the highest popular vote in history. I would like to say that

I think that my election in Last Mountain constituency, where the people, in spite of the rather unusual political situation which had developed during the last few years, were so determined to express their confidence in this Government, that they were prepared to toss aside all personal differences and ties of long standing, in order to elect a C.C.F. member. I think (and I am not being egotistical about this) that that was probably one of the greatest endorsements that this Government could ever have received. I would like to say to the people of Last Mountain constituency that, as a member of this Legislature, it shall be my purpose to see that their interests are served to the best of my ability and within the policies of this Government. I would like to point out that I am not the acrobatic type, Mr. Speaker, nor do I intend to conduct a 'one-man war' to remodel our present system of government.

We have heard, Mr. Speaker, during the last few days, many attempts by the members opposite to prove that we won the election because we refused to campaign on the record of this Government, and that we dragged in Federal issues to befuddle and confuse the people. To my mind, Mr. Speaker, that is about the weakest argument I have ever heard, and it is about the poorest excuse for the utter rout which the Liberal Party suffered last June 11. Mr. Speaker, I think that the hon. members in this House, on both sides, are well aware of the fact that I had considerable to do with the strategy which was followed by the C.C.F. Party in the last election, and also considerable to do with the literature, advertising and publicity which was used, and I would like to point out to the members opposite that if they care to check over the material which we used during the election campaign — our advertisements, our literature, posters and so forth — I am sure that they will find, contrary to their opinion, that we did campaign on the record of this Government and the 'programme for progress' which we are offering to the people for the next four years. No mention was made of Federal matters whatsoever.

It may be true, Mr. Speaker, that Federal matters were dragged into the campaign. If that is so, I would like to suggest to the Opposition that they can blame that on none other than the Hon. James G. Gardiner, the Federal Minister of Agriculture, who saw fit to return to the province to try and patch up the old Gardiner machine. Personally, Mr. Speaker, I am rather happy that he did, and you probably wonder why. It is very simple — because he spent so much time in Last Mountain constituency trying to elect his son, and that, Mr. Speaker, meant an increased majority for me with every meeting which he held.

We have heard, Mr. Speaker, a lot about the campaign which was waged last June 11, and I would just like to say a word or two with respect to the campaign which we carried on, as compared to the campaign which was carried on by the Liberal Party. Compared to the C.C.F. campaign, which was based on a solid record of achievement of this Government and a sound progressive policy for the future within the financial and physical resources of the province, the Liberal campaign was about the most fantastic that I have ever seen put on in this province. I think it was quite obvious, Mr. Speaker, through a perusal of their literature, and from their speeches, the platform that they campaigned on had been tossed together 'willy-nilly' — everything which might be a vote-catcher had been included regardless of whether or not it was possible to carry out the promises which had been made.

March 17, 1953

You will recall that promises were made to cut this tax, to cut the other tax, all the while more and more money was to be spent in the form of grants and to expand services.

I did, at one time during the campaign, start to calculate the amount of tax reductions which were offered by the Liberal Party, and also the amount that would have been required to take care of the additional expenditures which they were advocating. I never did finish the project, Mr. Speaker; but I think that a rough estimate might be approximately twenty or twenty-five million dollars. I recall that one chap told me during the campaign that he attended a Liberal meeting when one of the Liberal speakers was going on about this sort of thing, and he asked him just how they proposed to finance all these increased expenditures while cutting taxes, and the astounding answer which he received was simply this: "Oh, well, we'll take care of that with the increased grants from the Federal Government at Ottawa."

Well, Mr. Speaker, if my memory doesn't fail me, I have heard the Provincial Treasurer mention the sum of four or five million dollars as being the additional amount which we were likely to receive. I would like to suggest, Mr. Speaker, that you would have to spread four or five million dollars pretty thin to cover an expenditure of twenty or twenty-five millions. I rather suspect that it would take a magician to do it; and while I agree that there are some acrobats and other types of performers on the opposite side of the House, I can't hardly spot a Houdini amongst them.

I have heard reference made, Mr. Speaker, to the political acumen of the people of Saskatchewan. I would like to suggest that the number of members on this side of the House, compared to the number on the opposite side, should prove to the members of the Liberal Party and the Opposition that the people of Saskatchewan are not quite as stupid as the Liberal Party wish they were.

Mr. Speaker, we have heard statements too, in this Chamber during the last while, to the effect that the C.C.F. has abandoned the idea of trying to build a co-operative commonwealth here in Saskatchewan and throughout Canada; that we only drag out Socialism when an election is over; that during an election we cry down the fact that we are Democratic Socialists and turn more and more to free enterprise. Well, Mr. Speaker, I would just like to say that, in my humble opinion, the policies which have been followed by this Government in the past is Democratic Socialism applied to the extent possible within the bounds of Provincial authority.

It has also been said, Mr. Speaker, that even the C.C.F. leaders are becoming disillusioned; that they were bemoaning the fact that this Government is becoming too moderate, and was more concerned about getting re-elected than in pursuing the cause of Democratic Socialism. For proof we are referred to an article written by the C.C.F. Provincial President, Dr. Carlyle King.

Well, Mr. Speaker, I want to advise the members opposite that the article referred to was written, on request, for the sole purpose of provoking Democratic Socialists everywhere into the realization that in this rapidly changing world any political movement, if it is really concerned about

the needs of the people, must of necessity examine its objectives and policies in the light of those needs, and I am proud to say, Mr. Speaker, that that is the case with the C.C.F.

I might suggest too, that it would do the Liberal party a lot of good to do a little soul-searching. It might bring them out of the horse-and-buggy days to which they seem bound, up to 1953, where anyone who is not completely blind and deaf can see and hear the rumblings of a world revolution which spells the end to the era of exploitation, famine, poverty, disease, unrest and war, which has been the result of the cut-throat profit system under which we have been existing. It might even, Mr. Speaker, cause them to cease their worship of the Great God Profit, to make them realize that every person what has a progressive idea is not necessarily a Communist. They may even in time come to understand the philosophy of the greatest humanitarian of them all when he said, "Do unto other as you would be done by."

The policies of this Government, as exemplified by the previous budgets brought down by the Provincial Treasurer, have meant much to the people of this province in the terms of social services, economic advance, and expansion. That applies to the Constituency of Last Mountain, and while I do not intent to take the time of the House to go over all the things which, in my mind, have meant considerable to the people of this province and to Last Mountain constituency, I would like just to refer to one or two and in particular to Last Mountain Constituency, and I am only going to deal with some of the major points.

For example, Mr. Speaker, I find that in Last Mountain constituency, which is strictly a rural one with very few large towns, there has been a 26 per cent increase in the number of telephone subscribers since 1944. Since 1948, some \$85,000 has been spent on renewing and extending lines and stringing new long distance telephone circuits, and so forth.

In power, again you have a remarkable story of progress. In 1944, in Last Mountain constituency, there were only 90 miles of transmission lines in the whole constituency. Only nine towns, villages and hamlets were served with power. The total number of customers was 797 urban customers and seven rural.

In 1948, the Power Corporation purchased the property of the Prairie Power Company which had approximately 47 miles of line and served six towns, villages and hamlets, with 282 urban and two farm customers. That, of course, gave a total of 137 miles of line serving 1,079 urban and nine farm customers.

Since then, a further 30 miles of line has been constructed, and five more towns, villages and hamlets have been served. The total number of customers at the end of 1951 was 1,785, which is an increase of 988 over 1944.

In farm electrification, the progress is even more remarkable, as there were 225 customers at the end of 1951 and a considerable number more were added in 1952, as compared to only nine in 1944.

March 17, 1953

It has been pointed out, by speakers on both sides of the House, that our municipalities have been able to reduce their debt burdens and improve their financial position during the last few years. That is quite true, Mr. Speaker, and statistics will prove that point. It will prove that our municipalities in Saskatchewan are in as good, if not a better position, than in any other province in Canada.

It has been said, too, that the policies of this Government have had a great deal to do with the municipalities being able to improve their positions. I agree wholeheartedly with that contention.

I do know, Mr. Speaker, that the municipalities in Last Mountain constituency have received a great deal of assistance from this Government which was practically unknown prior to 1944; for example, the cancellation of relief indebtedness incurred during the "dirty 'thirties." I find that prior to 1944 the amount of cancellations was a miserable \$1,426. Since 1944, there has been a total of \$534,000 of relief indebtedness cancelled. In addition, there have been the usual grants made for roads and other purposes. Too, Mr. Speaker, the municipalities have benefited greatly by the assumption by the Provincial Government of a greater part of the social aid and provision for better health services, and in many other ways.

Speaking of health services, Mr. Speaker, again there is remarkable record of progress as far as Last Mountain constituency is concerned. I am not going to bore the House with all the details. The figures are available for anyone who wishes to examine them; so I think that possibly there is only one other matter which I need to touch on at this time, and that is a matter which is continually brought up in this House, and you hear it no matter where you go throughout the province, and that is the matter of highways.

Unfortunately, Mr. Speaker, I am not like my friend, the hon. member for Lumsden who, I believe, stated that he had a terrific job keeping highways from being built in his constituency. On the contrary, in Last Mountain constituency there is a considerable amount of work which is still required, and we expect that work will be undertaken and completed during the next few years. If it is not, I can assure the hon. Minister of Highways that the people of Last Mountain constituency will not be happy, and he will quite likely be hearing from me fairly often.

However, Mr. Speaker, I must admit that there has been quite a bit done, considerable done, in respect to highways in Last Mountain during the last few years, and there certainly is a wide difference between the conditions of the highways as they were in 1944, and what they are today.

That reminds me, Mr. Speaker, of a story — I think you have probably heard this before. I know it was brought to my attention during the campaign last June. It's a story about a sign that was stuck on No. 6 Highway north of Regina here, which read something like this: "Jimmy Gardiner Highway. Choose your rut here You can't change for the next nine miles."

No. 6 Highway has now been rebuilt up through Southey and practically as far as Raymore, and that work will be continued. On top of that it has been blacktopped as far as the town of Southey. Further work will be done on that highway, I am given to understand, and I also am told that serious consideration will be given to completing the work as soon as

possible on No. 20 Highway, which runs north and south on the west side of the constituency.

A rather interesting comparison of figures, Mr. Speaker, in connection with highway expenditures with respect to Last Mountain constituency. Running over them I find that during the last four years of the Liberal administration in this province, there was something like \$24,623 per year spent on highways in Last Mountain constituency, compared to \$205,830 per year from 1944 to 1951. From 1939 to 1944 only \$165,420 was spent on highways in Last Mountain constituency.

From 1944 to 1951 almost one million dollars, actually \$931,000 was spent in Last Mountain constituency, and I do not think that you can say, Mr. Speaker, that Last Mountain constituency could really be considered as a solid C.C.F. seat, especially during the last few years.

So, Mr. Speaker, in view of the progress which has been made in the past, only part of which I have tried to refer to, and because to my mind this budget provides for a further measure of social and economic expansion, because it will be a step towards implementing the ten-point 'Programme for Progress' on which the C.C.F. was re-elected last June, because I am satisfied that this budget will do much to benefit the people of Last Mountain constituency and the people of Saskatchewan as a whole, I will support the motion.

Hon. JAS. A. Darling (Minister of Public Works): — Mr. Speaker, it always, or very often, seems to fall to my lot to address the Assembly on St. Patrick's Day. I don't know why. Of course it gives the Irishmen present an opportunity to listen to a Scotsman at the same time as they are honouring a Scotsman. The Irish are certainly one of the best loved and most colourful people on earth, in spite of everything.

Mr. Speaker, the hon. Member for Last Mountain told me in the corridor before he came in, that he would be wearing a green flower in order that no Irishman would take an opportunity to throw something at him. He opened his remarks by saying that he was speechless, and proceeded to make one of the best speeches that we have listened to during this debate. I feel that I am very fortunate, this afternoon, to share the time with the hon. member for Shellbrook, who has a whimsical way of speaking commonsense that I always appreciate, and I think all of the members of the Legislature do, and I am very glad indeed to share the afternoon's session with them.

And now, Mr. Speaker, surely it does not take all of us on this side of the House to answer all the criticism of the Budget that have been made from the other side of the House, or have been advanced by the other side of the House.

For a number of years, now, certainly it is not the first time that I have heard it, this Government has been advised to concentrate on paying the debts of the past and saving up for a possible depression in the future. The hon. member for Maple Creek proffered the same advice this Session. I know that the people of Watrous constituency — whom I wish to thank for the confidence they placed in me in sending me down here as their

March 17, 1953

member once again — did not send me down here in 1944, 1948 and 1952 simply to pay the debts which we had from previous governments and to save up against a possible depression in the future. They sent all of us down here to do things, to build things, to keep the province of Saskatchewan in the forefront of progress among the other provinces of Canada.

Now, Mr. Speaker, the budget debate certainly is the best opportunity for the different Ministers to deal with the matters pertaining to their own responsibilities. In fact, I feel that if each minister does that, the Assembly will have a very thorough understanding of all the work of the Government Departments.

My responsibilities have been reduced this year, at least in this respect, that I am no longer (as everyone knows) the Minister of Telephones. The responsibilities of that portfolio have been passed to the capable hands of my desk-mate and colleague, the hon. member for Canora, and I can only hope that he will have as much pleasure in the administration of Saskatchewan Government Telephones as I had. When I was given that charge in 1948 I was told by one of its previous Ministers that it was a smooth-running, well-oiled machine. I found it so, and I found that the staff of Saskatchewan Government Telephones were co-operative and capable to assist the Minister in the administration and the management of that Corporation and Department.

Now, Mr. Speaker, if I deal only briefly with the Department of Public Works it is not because the work of that department is unimportant. A department which spends over \$6 million in capital expenditures in a year must be regarded as important. But the work of the Department of Public Works is not of such wide-spread general interest to the people of Saskatchewan as the work of some other departments. I think for that reason, in past Sessions I have perhaps been somewhat negligent in mentioning Public Works perhaps too briefly in my speech in the Legislature, because, after all, the Department of Public Works is carrying on a very necessary function, a function which is essential if the other departments of government are going to be able to carry out their programmes and to be provided with the space and the buildings necessary for those programmes.

I think very probably that there are few people among the citizens of Saskatchewan not intimately associated with government, who realize how much of a responsibility rests upon the Department of Public Works. I would like to enumerate just a few of the projects which we have underway at the present time. No one can visit the city of Saskatoon without seeing, and I am sure, admiring the wonderful University Hospital building which is in course of construction there. That building is coming forward quite rapidly, and I am sure will be a very great credit to the province of Saskatchewan when it is completed. On the University campus, too, the Department of Public Works has under construction a new powerhouse and a new nurses' residence. All of those are major projects.

At Moose Jaw the Department of Public Works has under construction the Home for Mental Defectives, which will be a large institution and well worth a visit from any member of the Legislature when the opportunity arises.

We have too underway the Home for the Infirm in Melfort. I can remember the member from Melfort who represented that constituency in the last Legislature, was very interested in that home, and I remember being able to promise him that it would be ready before he was ready to occupy it. It is going to be finished very soon, and the hon. member for Melfort, if he ever needs to occupy a home for the infirm — that home will have been there many years before he is prepared to become an inmate. Some small progress has been made on a nurses' residence at the Mental Hospital at Weyburn. Those are the major projects which the Department of Public Works has underway at the present time. We have others in view, but I will not take the time to go into it any further.

I would just like at this time to say how much I have appreciated the loyal work of the staff of that Department, and I can assure the other departments of government that we will do our best to make them comfortable in the space that we are able to provide them with.

It would be well worth the while of every member of the Legislature, before the close of the session, to visit the new Administration Building here, which has just been completed and partly occupied. The building is a very attractive one, and the departments that are settled down in their new space look to be very comfortable; but, as I say, it is not fully occupied, nor are the departments completely settled there.

Now I think I will not go any further into the work of the Department of Public Works. I would like to pass on to the Power Corporation, which is the activity of government perhaps of all activities of government, which is attracting the greatest measure of attention and which is most in the public eye.

You know, I was a little amused at a remark that was made, earlier this Session, that we were continuing with farm electrification under the perpetual prodding from the Opposition, or something of that kind, I was amused at that statement, Mr. Speaker, because, you know, when I think back over the years that have passed since 1944, I can remember the sense of frustration which was evident in the conversation of the Minister who was at that time responsible for the Power Corporation who, of course, in those days was also the general manager of the Power utility. I can remember their sense of frustration because they were unable to press forward with a construction programme because the war conditions had interfered with the supply of materials. I was a private member in those days, and I remember going into the general manager's office downtown and asking that a short line be built in the constituency of Watrous, and his answer to me was this: He said, "We have the money and we can get the men, but we cannot get the material."

That condition persisted until 1948, and it would not have mattered what government was in power or how urgently they wished to proceed with an extensive farm electrification programme, it would not have been possible in those years, and I think that this Government did the only thing that they could do to work towards the day when a farm electrification programme would become possible, when they spent the money available to them in the purchase of the privately-owned power systems in this province and incorporated them with the provincial system.

March 17, 1953

They were, when they did that, taking a necessary step towards the fulfilment of a policy of a previous Liberal Government which was laid down before there ever was a C.C.F. Party, and forgotten about. The C.C.F. began immediately after 1944 to plan the fulfilment of that policy laid down by the Liberal Government of 1929 — the Liberal Government that was defeated by the Anderson Government; and that policy lay more or less dormant until the C.C.F. Government came into power and began to put it into effect. One cannot blame the Governments of the intervening years for failing to proceed with an extensive construction programme, but they could have accomplished what was done between 1944 and 1948 by this Government. They could have taken over those privately-operated plants, and we would have been that much further ahead. And it was not for want of money, Mr. Speaker. I seem to recall that they had \$8 million — or they used to claim they had \$8 million lying dormant doing nothing in 1944 when this Government came into power, and it cost less than \$8 million to secure those privately-owned properties.

Now I would like to go forward to discuss the programme of the 1952 season of the Power Corporation. It has been a very successful year insofar as the construction is concerned. It has been a year when we have been able to go forward with an unusual degree of comfort in our work because of the long and favourable construction season, and we have exceeded, in farms connected, our objective for 1952, and you know, it is one of the most satisfying activities, even to myself who of course doesn't dig any holes or set up any poles or string any wire; but it is very satisfying to be able to go out into the country and drive along the roads in the evening after dark, and to see the farmyard lights coming on and recognize that those farmers have now the advantage, in doing their chores, of a bright moonlight night every night, and I can remember as a farmer how nice it used to be to go out in the evening and do the chores on a bright moonlight night. We have added that boon to 4300 new farms, in 1952.

I should say a little more about farm electrification. You know, we cannot meet every farmer's wishes just when he would like to have them met; and it is no pleasure to the people down in the Power Corporation office or to me in my office when a farmer comes in and says, "Now look, if I could get the power this year, I would not have to spend several hundred dollars for a new set of batteries," and to have to tell that man, "You cannot have it this year, you have got to wait until next year or the year after," is not pleasant; but we find a remarkable degree of understanding among the farmers. I think it is very creditable to the public relations of our Power Corporation staff that we are able to rub shoulders with so many Saskatchewan citizens, year by year, and to serve only a fraction of those with whom we come in contact, and yet retain the happy association that exists between them and the Power Corporation.

During 1952 the Power Corporation lines were extended to serve 72 additional communities. Now those communities include towns, villages and hamlets. You will find a list of them in the Annual Report so that you can tell just which were included. A good number of those communities were part of a joint farm-village programme. Some were not. But we are pretty close to the end of the time when we can build a three-phase line along a string of villages without taking into the project the farm areas on either side of the line.

We find that the remaining communities in Saskatchewan will have to be served as part of a joint farm-village programme, because for the most part the size of the community of itself will not justify the capital cost of a line to serve them alone without including the farm areas; but we are going forward, and we find that, in most instances, we get the co-operation of villages and hamlets in the forming of those joint projects.

Now, Mr. Speaker, it takes a lot of work to connect 4300 farms in the province of Saskatchewan. You will be interested to know that we built a total of 4,314 miles of line. The hon. Minister of Highways told you how much gravelling he did by saying it went all the way from Winnipeg out to Vancouver, or something like that. Well, I have not stepped off the 4,314 miles, but I am quite sure we could run a power line all the way along his highway.

The 3,900 miles of farm line is more miles of farm line, as some other speaker has already said, this Session, than has been constructed by any farm electrification scheme in any province in Canada in the history of Canada; although of course we were not able to connect as many farms as in the province of Manitoba, because their farms are closer together.

Now, of course, we do not simply build lines and connect farms, connect load to the system. We have at the same time to keep a balance between the load that we connect to the system and the generating capacity of our plants. In 1952 we added a 10,000 kilowatt unit to the Prince Albert plant. The hon. Minister of Municipal Affairs was with us on that occasion in Prince Albert, and I think he was very pleased indeed. He hoped then that our next move would be the building of the Fort a la Corne plant. Well, I do not know if he was 'pipe-dreaming' or not, but we are not proposing that for next year. The 10,000 kilowatt unit that was added to the Prince Albert plant increased, practically doubled, the capacity of that plant. We now have a 22,000 kilowatt plant in Prince Albert.

We added to the Saskatoon plant a new 25,000 kilowatt unit. This was placed in service in December, so that now we have 62,500 kilowatt generating capacity in the Saskatoon plant, and we have on order for delivery, this year, still another 25,000 kilowatt unit, which will increase the capacity of that plant to 87,500 kilowatts.

At Unity we added a 1,890 kilowatt generator powered by natural-gas-burning engines. The capacity at Unity now is 4,300 kilowatts. That plant is particularly interesting because there we are making use of natural gas. At Unity there is scheduled for delivery, this year, another 3,600 horsepower gas engine unit.

Work has gone on in Estevan, during 1952, on an extension to the power plant building to house a 20,000 kilowatt type of generator and a 200,000 lbs. per hour boiler. These should be installed in 1953.

We have continued adding to our power plants, and we are certainly having the increase in loads which justifies the additions to

March 17, 1953

the power plants. In 1952 the kilowatt hours generated totalled 300,297,970 and that is 19 per cent above the 1951 generation, a 19 per cent increase. It is interesting to note the result of the measure of integration of the system which we have reached in Saskatchewan at this time. It is not so long ago since a great proportion of the power generated in this province was generated in diesel plants. In 1952, of the three hundred-odd million kilowatt hours generated, 273,000,000 were generated in steam plants, and only 27,000,000 in diesel plants.

Our newspaper and radio advertising has attracted a good deal of attention. Some people wonder why it is that we have to advertise the sale of electrical energy when the loads are increasing by leaps and bounds. I think that is a good question. As a matter of fact, what we are trying to do is to advertise such appliances as water-heaters, refrigerators, and other loads that will build up the off-peak load without adding to the peak demand, thereby giving our customers a better service, more use of the utilities, without requiring to increase the demand, which of course means that they are making better use of the installations that we have without making necessary additional installations to take care of that type of load.

Statistics are always interesting, providing there are not too many figures involved. The occasional letter comes in from the country, and from other places besides the country, which shows a lack of understanding of the size of the Saskatchewan Power Corporation and the extent of the programme it is carrying out. Sometimes just a few figures help to impress upon people more than can be impressed in any other way.

In the 1952 programme, we used 768 carloads of material. You can imagine how much work is involved in purchasing and in allocating all that material to the various projects. The largest number of the carloads consisted of poles, but there were a substantial number of carloads of other material and equipment. There is a lot of work involved in allocating all that material and directing it to the various projects, and because there is so much work involved, it is very difficult indeed for the Power Corporation — in fact we are simply refusing to do it — to add a farm here and a farm there to projects after the work order stage has been reached. The right amount of material is shipped out to do the job, according to the work order. Then, if you have to add anything to that, well, it means trucking more material out, or getting it out there by means of additional expense and this, of course, would interfere with the fulfilment of the programme as planned.

Now, Mr. Speaker, on our election programme, we promised the people of Saskatchewan that we would serve 40,000 farms by the end of a five-year period. It will mean a still further extended programme on the part of the Saskatchewan Power Corporation. We are setting our sights on 5500 farms for 1953. That will be a larger programme than the largest programme that the province of Manitoba ever completed in a single year, and it will mean many more miles of line than have been used in the province of Manitoba to serve 5000 farms. I would like to point out that before we are at the peak of our construction programme we will be extending power to 1½ times as many farms in our single year's programme as Manitoba has done in any year. The reason I mentioned Manitoba so often is not because I want to speak lightly of what has been accomplished there — they have done

a wonderful job; but they are always being held up to us as being something so much superior to anything we can ever hope to attain, so I want to say that when we have reached our peak, we will be serving 1½ times as many farms in a single year as the biggest year that Manitoba has ever had.

Now, Mr. Speaker — 40,000 farms at the end of five years. Someone said, “Well, even when you get 40,000 farms done you have not got a very big slice done out of all the farms that there are in the province of Saskatchewan.” Well, of course, there is truth in that. You can only do a farm electrification job just so fast and cannot go any faster; but I would like to point out that most of those farms will be connected on the area-coverage system which we have introduced, and in an area-coverage system we go into a defined area and if we can get a 65 per cent sign-up of the farms in that area, we go forward with the farm electrification project. Now sometimes I have no doubt we get a little more than the 65 per cent sign-up; in fact it was to help us to get the 65 per cent sign-up that we made provision for the extension of limited credit to a certain number of farmers in each project. But the 40,000 farms — if we have them all served at the end of five years (and that is our objective), we will, on the 65 per cent basis, have given 60,000 Saskatchewan farmers the opportunity to take power — 20,000 of them, roughly speaking, will have for one reason or another turned it down; but we will have brought power to the doorsteps of 60,000 farms in Saskatchewan when we have 40,000 served.

Now, Mr. Speaker, I want to say a word or two on the question of area coverage. We have been getting into this gradually. This is the first year that we have done very much of it. A year ago, in 1951, I believe we just tried two experimental areas; this year, I believe 15 of our projects were based on the area-coverage system. I think it is hardly necessary for me to explain that system; but areas are laid out and certain boundaries are set and within that area the average cost of farm line extension to the farms is arrived at, so that every farmer in that area will pay exactly the same price, no matter where he lives in that area.

In order to enable us to lay out those areas in their proper, logical boundaries, we sought the co-operation of the rural municipal councils to provide us with maps of the municipalities all over the province. They were very co-operative and, this year, we have a virtually complete record of all the municipalities in the province, with the location of all farm homes and habitable farm buildings located on it. Now that has involved a great deal of work, because not only was that mapping done out in the municipalities, but when the maps came into the office, they were analyzed and the engineering staff drew up tentative farm lines in those areas where it was indicated the greatest number of farms could be served with the least number of miles of lines.

There has been some criticism that the boundaries of that area were not well located, and sometimes — well, I have heard one gentleman say that ‘the boundaries of the areas were like the laws of the Medes and Persians, that they could not be shifted, and that they should be shifted two or three miles this way, or two or three miles that way, in order to be logical.’ Now that, of course, is true, because the mapping of the province was not complete until very recently and there was, of course, no choice but to lay out those areas on the basis of municipal boundaries as the maps came in for analysis.

March 17, 1953

With the completion of the mapping of the entire province, we will be able, from examination of the maps, to see where the boundaries ought to be located; but to start in the middle of a construction season and move a boundary here, a boundary there, even if someone were able to come in and show that it was the logical location for the boundary, would have been impractical. We built construction projects in 81 municipalities. Now it is quite obvious that each of those projects would probably have four boundaries, which would mean we would have over 300 boundaries to move this way or that way, and it was impractical to do anything of that kind.

Now, Mr. Speaker, I want to push forward and say a word or two about rates. We have introduced a rate (I believe it was in effect all of last year) for farms which is designed to promote the greater use of the electrical energy by the farm. The new rate is 8 cents for the first 45 kilowatt hours, 4 cents for the next 35 kilowatt hours — 45 kilowatt hours each block — 3 blocks; the third block is 3 cents and a rate of 2 cents for the rest. We find that that rate is very acceptable and is reasonable under the conditions which exist in this province. It is designed, of course, so that the farmer having used 135 kilowatt hours, gets the rest of his energy at a very low cost; but we require that even the low consumer will pay the high block, 8, 4 and 3, before he gets the run-off rate, because each consumer must pay his share of the fixed charges before he gets the power at the 2-cent run-off rate. I think that, as far as the farmer is concerned, that is a very satisfactory rate, but the average consumption on the farm of Saskatchewan has a long way to go before it reaches the average consumption of our sister provinces on either side of us. We will have to do a good deal of promotional work to encourage the farmer to make greater use of his utility. The greater use that he makes of it, the cheaper will be the power to him, and the better it will be for our utility, because a good deal of the additional load that he will use will be off-peak loads.

Now, Mr. Speaker, I do not want to say any more about farm rates, but the time has come when we have got to give consideration to the rates, in the cities of Saskatchewan. I do not intend to go into that deeply at all, at this time, because I feel that it is neither the time nor the place to discuss rates which affect the cities. I think that those should be discussed in conference with representatives of the cities. I do feel that we cannot longer postpone dealing with this matter. As every one knows, the terms under which some of the Saskatchewan cities have been served for many years were laid down in long-term agreements, some of them twenty, some twenty-five year agreements. The one with the City of Saskatoon will expire in 1954; the one with the City of Swift Current will expire very shortly afterwards. The agreements with some of our other cities are being renewed from year to year, awaiting the time when those long-term agreements will expire so that we can then arrive at a formula for service to all Saskatchewan cities on a basis of equality. By that I do not mean equality of rates but a basis of equal treatment as compared one with another.

One of the things that has brought about the necessity for a revision of rates is the fact that we have made progress in the way of integration, and the factors which made reasonable the agreements entered into with cities in the past do not obtain today. I do not think we should shed any tears over that. I think we are making substantial progress along the lines of the policy which I said, earlier in my remarks, was laid down by the Liberal Government of 1928. I would like to read to you some excerpts from

the report of the Commission set up in 1927, and composed of L. A. Thornton (chairman), Arthur Hitchcock and A. R. Gray, who were directed to inquire into and report upon the economic practicability of generating power at central plants and water sites in the province. Now some of this rather amazed me. Last night I read some of this to one of our engineers in the Power Corporation and he said, "Why" he said, "you would think we had been writing it ourselves, last week." A remarkable thing! The advice that we have received from our own engineers has led us just along the same path as was laid down by the Royal Commission that was set up in the year 1927. Now the quotations that I have here were quoted by the Hon. George Spence, Minister of Labour and Industry, on Tuesday, December 18, 1928, and printed in the Journals of the Legislature of the Session 1928-29. Mr. Spence was speaking on the second reading of An Act to establish the Power Commission, and I am quoting from Mr. Spence:

"Consideration of this problem has been given at length in the report of the consulting engineers. The larger cities consume over 80 per cent of the electrical energy produced in the province, and any scheme of development must naturally be closely connected with this load."

Mr. Spence continues:

"From a close study of the sections of the report which I have just read, and other sections relating to the same matter, it can be readily seen that the three cities, (Regina, Moose Jaw and Saskatoon), occupy strategic positions in any power scheme of a provincial nature. The question that immediately arises is how are we going to meet a situation like this? For our guidance in this regard, I turn again to the report of the Commission."

And this is a further report from the Commission, read by Mr. Spence in his speech to the Legislature:

"With the construction or the establishment of such a system, supplied by a number of central stations with radiating lines, there at once arises the question of the provision which should be made to co-ordinate the system. It is evident that it is only by concerted action that some such system could be made available for the use of the extended limits of the province which have been described. If the development of such a system is left to the initiative of the cities or of private interests working from different points, there will be a clashing of interests and duplication of expense in many ways, and the desired result would not be obtained as readily or as soon, also the costs would be somewhat higher than if the direction of the whole scheme were undertaken by some central authority."

Then the report names three alternatives for consideration:

March 17, 1953

- (1) An inter-city pool
- (2) A privately-owned company to operate the system all over the province.
- (3) The province of Saskatchewan could either take over and operate the city plants and make the necessary extensions, or purchase power from their central plants to supply the necessary extensions.

Again quoting from the Commission's report:

"In our opinion, of these alternatives there are many reasons which point to that wherein the province is suggested as taking over the plants and operating the same, as being the alternative which would prove ultimately of the greatest advantage to the people of Saskatchewan. The three cities should derive . . ."

I want to interject that they refer to three cities — we think of all the cities of Saskatchewan:

". . . The three cities should derive benefits from the point of view that their stations will be enlarged to supply greater loads than they are likely of themselves to produce under practically the same conditions of management and costs of production as would obtain if they continued to operate the plants themselves. The supply of electrical energy at reasonable rates which would be made possible by such a scheme to a large territory tributary to those centres will of itself create a condition of living in this territory which will indirectly accrue to the benefit of the large centres with which the tributary territory is in continuous communication.

"The funds for capital expenditure necessary can also be procured by the Province at a cheaper rate than by the individual municipalities. The credit of the municipalities would be also relieved of the sum necessary to invest in power-plant installation."

Now I do not know whether I should read much farther, but there is another quotation from Mr. Spence's speech:

"The central fact which this Government and this Legislature have to consider is a means of co-ordinating under central control a system that, as time goes on, will avoid the duplication of equipment, overlapping of service and costly cutthroat competition by private companies for which people will ultimately have to pay. We must provide instead a means whereby our plants now municipally-owned can be tied

into a comprehensive and province-wide scheme, instead of each being concerned, as now, only with the needs of its own community, each municipality for itself without regard to the larger question of the common good, or interconnection where the same is practicable.”

Now, Mr. Speaker, that policy was laid down ‘way back so many years ago. There is no doubt whatever what that policy was. It was a province-wide, provincially-operated system, and it has never been reversed or changed by any succeeding Government from that time. When the C.C.F. Government, between 1944 and 1948 went out and purchased those privately-owned utilities, they were fulfilling this policy, they were living up to that. When we built a high-voltage line from Prince Albert to Melfort, to Tisdale and north to Nipawin; when we build one from Estevan to Yorkton and carried on to Canora; from Saskatoon to Wynyard; from a point near Melfort south through Humboldt and down to Watrous, we were carrying out this plan of integration, and expense, through the concentration of generation in larger plants, and the sharing of the stand-by capacity between plants, rather than having each plant independently taking care of its own stand-by.

Now, Mr. Speaker, it was not surprising, of course, that this policy laid down here was a long-time policy. I am sure neither Mr. Spence nor anyone else in the Government of 1928 or 1929 anticipated that everybody would sit back and wait for the construction of a provincial system. What did happen was, of course, that every small community, every town, every city, made provision for some type of electrical service to serve its own purpose in the interim. Perhaps they thought that it was going to continue that way for a long time; but, in any case, the development that took place was one which could be expected, and also it could be expected, in the light of the policy laid down, that that was an interim service that would eventually be taken over by a provincial system.

I think the time now has come, with the expiry of those agreements with the cities, that the factors, as I said earlier, which made those agreements fit the time in which they were written, no longer pertain; that we must have a new understanding with cities. I am not going to discuss them now, although the Power Corporation people and the Board of Directors have spent many hours trying to arrive at a proposal that would be acceptable not only to the Power Corporation but to the cities themselves; but I propose to invite all the cities of Saskatchewan to sit in at a conference at which we will lay before them the problem of the cities’ part in a provincial power system. I think, too, that the time has come when the Power Corporation and the Government should give fresh consideration to the purchase of the National Light and Power plant in Moose Jaw, and, as far as the City of Regina is concerned, the benefits of integration can certainly apply to Regina. I believe that the high-voltage line from Estevan, coming up through Weyburn to Regina, and an interconnection with the plan in Moose Jaw, would make cheaper service to the citizens of Regina even if they retained ownership of their plant. Integration has been proven to be equally effective, irrespective of a variety of ownerships of the plants in the pool.

Now, Mr. Speaker, I think that I have been speaking quite a long time and I am sure you are getting tired. I would like, however, to say a few words about natural gas. You know it seems to me a rather remarkable thing, the remarkable and speedy development that has taken place in

March 17, 1953

this province of ours, and I think that it has been accomplished with far more amity between the Power Corporation, or between the Government and the citizens of Saskatoon, the citizens of Kindersley and the citizens of Brock, than one would judge from the noise that was made over the radio and through the press. I want to say that in our dealings with the City of Saskatoon, there was nothing to justify all the noise that was made, and I cannot help suspecting that a good deal of that was stirred up by people who hated to see the field for private enterprise being narrowed by the public development of an integrated gas system in the province.

I want to go back and repeat for you the chronology of the development. Naturally, the Planning Board has been making studies of natural gas transmission and distribution in this province for more than five years, and the Gas Machinery Company of Hamilton was retained in October, 1950, as consulting engineers to make a survey regarding natural gas distribution. In November 1950 the Power Corporation announced that natural gas would be purchased by the Power Corporation wherever found in the province, providing it was discovered in sufficient quantity and reasonably accessible. The reason, of course, that this offer was made was that we did not want to repeat the mistake that had been made elsewhere; we did not want that natural gas to go to waste in a frantic search for oil. And if we were going to conserve the natural gas, the only way to do it was to provide those drilling for oil with an opportunity to market the gas if they discovered it.

Now, in September, 1951, Discovery Well No. 1 at Brock was drilled. In October, 1952, we opened the first provincially-owned natural gas system in the towns of Brock and Kindersley — just one year later.

Now it has been said that we are just riding on the backs of private enterprise; that we are just letting them do all the work and then we take the 'gravy'. Actually, Mr. Speaker, I want to say that I doubt if we would have had gas in commercial quantity anywhere in Saskatchewan yet, if it had not been for the offer of the Power Corporation to find a market for it and the inducements offered by the Department of Natural Resources to the drilling companies to proceed with step-out wells to prove up the gas field. We did those things because we thought the gas was there and we wanted to encourage its discovery.

It did not require very much drilling before we knew we could go forward with a small project to serve Kindersley and Brock, and I believe that project was started in June and wound up in October. But we did require to have a reserve of 200 billion cubic feet before it was considered that we had sufficient reserve to justify a pipeline to the city of Saskatoon. On December 5, the Department of Natural Resources reported to the Power Corporation that we had 180 billion cubic feet according to their estimates, and of course the oil companies reported something similar. They reported on the reserves which they had uncovered, and in order to make doubly sure the Saskatchewan Power Corporation brought in the De Golyer-McNaughton Geological Engineers to make an independent survey of the gas reserves, and they substantiated the findings of the Department of Natural Resources and of the oil companies.

Now, Mr. Speaker, we could not proceed with a line, or even make plans for the construction of a pipeline, to the city of Saskatoon, until we had the permission or the consent of the Oil and Gas Conservation

Board. I do not think that any time was lost in the setting up of the Oil and Gas Conservation Board; but it was on November 29 when it was announced by this Board that sufficient reserves to serve Saskatoon had been established and that a permit was being issued to build a pipeline. Now that was on November 29.

We were criticized very severely, by those who criticized us at all, for the way we were crowding the City of Saskatoon to come to an agreement and let us get on with this business — we were trying to push them. Now actually, the fact of the matter is that if we had not, if we had let the gas lie there for a year, there was no use starting the project unless we started in the spring, because the main transmission line and a section of the transmission line in the City of Saskatoon is a single year's project. There was little use in starting in the middle of the summer, stopping in the Fall and starting in the Spring again, and going around having to wait until next winter to get a load on the system. We were anxious to get the project completed so that Saskatoon would be burning gas for next winter. We wanted to get gas on tap in Saskatoon early enough that Saskatoon citizens would know that they would not have to lay in supplies of other fuel, and we wanted to be able to order our supplies in time to know that we were going to get them in sufficient quantity so that we could start the construction and the laying of the pipeline with the opening of the Spring. That was the reason for the rush. Of course, we could have said it does not matter whether Saskatoon waits a year longer or whether they do not. We could have said it does not matter whether the people who had drilled the wells and had the gas there, waited a year before they got a market for their gas. It would have mattered less to the Power Corporation and to the Government than either to the City of Saskatoon or the producers of gas; but if they were going to make a decision, we wanted that decision arrived at so that we could make use of the 1953 construction season and have the citizens of Saskatoon burning gas.

I could go on indefinitely talking about it, but I want to say that, for the most part the citizens of Saskatoon met us in a very reasonable frame of mind. I would like to say that whether or not the Gas Committee of the Saskatoon City Council approved of Government policy as the premise from which we proceeded with our negotiations. The negotiations with that committee were amicable, and when the time came to discuss the matter in council, we had 9 to 2 votes in favour of proceeding with it and the Saskatoon City Council promised to give us their heartiest co-operation towards making a success of the project, so that our relations were entirely different from the picture that any one would deduce from the type of publicity that we were given over the air and in some sections of the press. We are looking forward to the retention of the best possible relations with the City of Saskatoon.

We are going to have, once it is constructed, what was described to me as the safest gas transmission and distribution system on this continent, and it will be the safest, because we are following the most modern system of construction. A question was asked me the other day as to what code we were going to use in the construction. I should have it here but I am afraid I will have to trust to memory. Actually, we are making use of the regulations that have been approved by the American Gas Association. Those regulations were drawn up by a committee of practical utility men after six

March 17, 1953

years of study. They are the best available to us. They have been adopted by, I believe, 21 states of the Union.

Now the type of construction that we are going to use are steel pipes with welded joints. One reads occasionally, you know, of accidents occurring as a result of natural gas. I think it is very important that people in Saskatchewan should know the causes of accidents where they occur and that precautions will be taken in the construction of our system to see that a similar hazard does not exist. As a matter of fact, I have figures here from the Canadian Gas Association, which show that serious accidents are very rare as a result of natural gas. I am not going to read it all, but it does tell the record of eight companies supplying natural gas to territories having a population of 741,000. These eight natural gas companies have 4,972 miles of underground pipe and supply 150,725 meters. Now here is the incident — they call it 'incident' rather than 'accident' — in one of those companies: One incident involving fatalities per 247,000 of population served in twenty years. One incident in twenty years! Another company — one fatality per 185,000 of population in twenty years; one incident involving fatalities per 1,657 miles of underground pipe in twenty years. In fact the whole record would indicate that you are more likely to suffer serious injury in your own kitchen or in your bathroom from other causes, than because of natural gas.

Now, Mr. Speaker, I do not know how interested the Assembly has been on the subject I have been talking about, but I am afraid that, if I do not stop arbitrarily, there is nothing to stop me at all. I will support the motion, Mr. Speaker.

Hon. C.M. Fines (Closing): — Mr. Speaker, I can assure you it is going to take me just a very, very short time to reply to the arguments that have been advanced against the supporting of the motion that we go into Committee of Supply. I regret exceedingly, Mr. Speaker, that there have not been some arguments advanced so that I could, this afternoon, take a little time to reply to them; but in that may I say that I want to extend to the Leader of the Opposition every sympathy. He has now been here for five Sessions and has had four different people attempting to do this job. I have no doubt but that after the record this year, he will be looking for a fifth one, Mr. Speaker.

The member for Maple Creek spoke for 21½ pages as recorded on the records here. In the 21½ pages he devoted two of those pages to try to prove that there is a difference of opinion between the Premier and other members of the House and myself in connection with economic conditions, and then (as did several of the other members) he proceeded to extract certain conditions which certainly were favourable to our economy and left out all those criticisms which I made and the dangers to which I pointed.

May I reiterate, Mr. Speaker, that we are facing some very real dangers in this province, today, dangers which will, if allowed to proceed, place us in a position where I am afraid that a year from now we shall not be able to present as favourable a picture as we have this year. However, the hon. member for Bengough, the other day answered those and pointed out very well that there was no difference.

Then, Mr. Speaker, the member for Maple Creek proceeded to take six pages to prove that my debt figures were not correct; then two pages

to try to prove something about automobile insurance — I am not sure what he is trying to prove, but I will come to it later anyway; then three pages to say that we were using moneys in the Education Fund incorrectly; then a page and one-half to tell us that we were not producing any minerals, and two and one-half pages to say that we were not protecting the rights of the farmers. Then he ran out of material so he spent another two and one-half pages to repeat what he had said in the previous nineteen pages.

Now, Mr. Speaker, that is what I am supposed to reply to. It is true the hon. member for Moosomin and one or two others took part in the debate, but I do not even want to honour them by referring to the number of pages, because I do not think it was even worthy of that much time.

Mr. Speaker, as to the financial record at Ottawa that my hon. friend spent two pages telling about how they had reduced taxes, what he has forgotten to tell this House, and what I am afraid that many people have forgotten, is that that same Government, in 1950 and 1951, for two years after the election, were busy raising taxes, and may I say that what reductions have been made this year amount to only a small part of the increases that have been put into effect by that Government during those two years immediately after the election. May I make another prediction, Mr. Speaker, that if there is an election this Fall, there will be further tax increases, next year, by the Federal Government.

Now, Mr. Speaker, the hon. gentleman went on then, and honestly I do not know what he was trying to prove in connection with the automobile insurance. He first started out to say that we were trying to keep the expenses as low as we could for the automobile accident insurance fund — to try to keep them down in order that we would not have to raise the rates before the election; then he switched around and said that we had been charging everything we possibly could up to the automobile and accident insurance fund in order that we might have a good statement for the general fund. He completely reversed his position! Now I am going to say to the hon. gentleman that he will have every opportunity in the Crown Corporations Committee (if we ever get back to considering that report) to find out for himself if there has been any charge made to either one fund or the other that should not have been made.

The Minister of Education replied most effectively to the statements made about using Education Funds' money for purposes for which they were not intended. Well, Mr. Speaker, I am sure the people of Saskatchewan will be glad to know that providing educational buildings is not an important part of education. I am sure that the people of Saskatchewan will be very, very glad to know that my hon. friend does not believe that we should be constructing all these fine buildings at the University for providing higher education for the people of this province. I am sure that the people of Saskatchewan will resent the criticism that has been made constantly by members opposite of using Education Fund moneys for these purposes of education.

I think the Minister of Natural Resources has replied effectively to the statements made in connection with the mineral rights for farmers, and the lack of mineral production. All one needs to do, Mr. Speaker, is to read the reports — read the newspapers even; read the financial papers, the oil papers, the mining papers, and one will see the tremendous development that is going on in this province. Surely there is none so blind that he

March 17, 1953

cannot see — except those who do not want to.

And now, Mr. Speaker, that leaves just one thing that I have to reply to, to my hon. friend, and that is that the debt figures were not correct. I never saw anybody labour harder and bring forth less than he did in this six pages. First of all, Mr. Speaker, the hon. gentleman stated categorically, that in good times there are two things we should do: one is to reduce debts, and the other is to build up reserves. Well, I just looked up a few minutes ago what Mr. Gardiner had to say. Mr. Gardiner, you know, is looked upon as the ‘godfather’ of the Liberal Party in this province by many people. What did he say about debt? This, Mr. Speaker, was on Tuesday, February 15, 1927 — 26 years ago; yes, in prosperous times. He said:

“It is generally admitted that in the building up of the institutions of government, in the provision of facilities necessary to an advancing community, in the general development of a province, certain expenditures which provide those things which are fairly permanent should be financed on borrowed capital so that the cost may be more equitably spread over the years they are going to be in use than if the total amount necessary to the cost were made a charge upon the present taxpayers. If this policy is to be followed a public debt is necessary in the interests of equity.”

Well, Mr. Speaker, may I say that I do subscribe to the theory that there are two kinds of debt. My hon. friend says, “a debt is a debt; that it does not make any difference what it is.” Well, I want to say that he has not even an elementary understanding of the principles of finance if he thinks that any kind of a debt is the same as any other kind of a debt. A debt for the construction of power, a debt for the construction of telephones, a debt for any of these purposes is a debt which is not a burden on a community but, on the other hand, it is an asset which provides real revenues to the community. Such a debt does not mean any increase in the taxes of the people and, therefore, is a completely different kind of a debt.

Now my hon. friend, when he referred to conditions in 1948 and to the conditions today, said that “at that time we had a sinking fund of \$51.45 as a reserve for future contingencies for every man, woman and child in the province of Saskatchewan.” Well, I just want to tell my hon. friend that if he ever tried to use the sinking funds for contingencies for men, women and children in this province, he would find himself four miles east of Regina — locked up! That is where he would go, Mr. Speaker, any person who thinks that this money is available to be used, as he repeated twice, is wrong. This money is there as a contingency for the bondholders. This money is put there for a purpose, and that purpose is for the repayment of debt. It is not there as a contingency. It is not there for that at all.

May I say further that, when I took over the debt administration of this province nearly nine years ago, what did I find? I found that for the great majority of the debt, no provision whatsoever was being made for its repayment, and on a small part of it there was a sinking fund of one-half of 1 per cent or 1 per cent per year, and that, Mr. Speaker, was the extent of it. Where was this big sinking fund coming from at that time?

Well, may I point out that the most of it was one sinking fund — that is the sinking fund that was being provided by the Wheat Pool in order to retire the indebtedness that came due in 1951. That was what made up the greatest part of this sinking fund at that time.

Now, Mr. Speaker, we have done two things. First of all, we have made provisions for the establishment of these sinking funds and today every dollar in those sinking funds is put into the account to meet the day when that debt comes due. The second thing is that we have reduced, every year, the ‘deadweight’ debt. I gave the figures in my Budget Address. The hon. gentleman could have come to see me, to question me, to find out if those figures were incorrect. I showed conclusively that we had reduced the deadweight debt of this Province by \$4,900,000. Right to this day, Mr. Speaker, I have never had a question from the hon. gentleman opposite asking me to give them a break-down of that, to see how we make it up. Are they interested in trying to find these things out? I can think of dozens of questions they could ask to give them information that would prevent them from making such stupid statements as have been made here, the last two weeks. I could think of a good many questions that would assist them — but, Mr. Speaker, they do not want information. They want to get up and cast these doubts.

Now then, I think the prize statement is when my hon. friend concluded by saying:

“We asked a question on the Order Paper 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.”

He said — “naturally.” “Well,” he says, “the answer we got back, and as 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 as the net debt was \$97,778,922.” And then he had a lot of fun over there, Mr. Speaker, about my ability to subtract \$13 million from \$176 million and get \$97 million, and then he goes on to say:

“Due to a changed system of bookkeeping to what the Provincial Treasurer was using in 1948 — bookkeeping today permits us to subtract 13 from 176 and get 97. We get 163, and so our estimates of the net debt of the Province today is \$163 million; the Provincial Treasurer’s is \$97 million.”

Mr. Speaker, may I say to my hon. friend, the system of bookkeeping has not changed. I have here in my hands the Budget Address that have been given for a good many years. One of them, given in 1938 by the Provincial Treasurer, or you can go back to 1928 if you like — go back to February 4, 1928 — the Hon. W. J. Patterson. Or take his budget speech in 1938 — what does he say? Well, first of all he sets out — “The public debt of the province is as follows:” and then he goes on, “The gross debt, \$191,963,000.” Then he says: “Of course the gross public debt, some \$46,774,591 is regarded as self-supporting.” Then he says: “Adding to this amount the sum of \$12,190,005

March 17, 1953

held in sinking funds, the net public debt stands at \$132,998,938.” Or, go on a little farther if you like; go to 1939. Mr. Patterson was still Provincial Treasurer, and what did he say? He said: “The public debt of the Province as of December 31, 1938, stood at \$206,120,079.51, made up by . . .” I will not bother with that, and then: “At the same date, the amount of provincial sinking funds stood at \$13,673,801.17. This amount, together with the self-supporting portion of the gross public debt, \$29,565,975.99, leaves a net public debt of \$162,880,000.” In other words, Mr. Speaker, Mr. Patterson had a gross debt of \$206 million, sinking fund of \$13 million and yet he got a net debt of \$162 million.

Premier Douglas: — He could not subtract either.

Hon. Mr. Fines: — I guess he could not. There is nobody can subtract, evidently, except our hon. friend from Maple Creek.

Well, Mr. Speaker, we could go on, — I could quote Mr. Patterson again, following it up to 1941. Probably my friends will accept that as sufficient evidence; but let us take 1941: “The gross public debt is \$224 per capita, but if that part of it which is self-supporting and sinking funds are deducted, the net public debt is approximately \$155 per capita.” In other words, that has been the system that has been in use over and over again.

Now, Mr. Speaker, my hon. friend has tried to give the impression that our debt in Saskatchewan has gone up. I am prepared to admit that if we do not deduct the self-supporting debt, his figures are quite right. If he used the table, for example, which he referred to, in 1948, then he would be quite right; but that does not mean that he needs to turn around and try to accuse me of falsifying my addresses in this House. He does not need to do that at all. He could take an independent source, Mr. Speaker. He could take, for example, the Bank of Canada statistical summary which gives the net debt — they take the total direct and indirect debt less sinking funds. They do not take off the self-liquidating debt at all.

My hon. friend says “In times of prosperity we should be reducing debt.” May I say that I think the Leader of the Opposition should loan him to some of the Liberal governments of Canada, if that is true, because what happened? Well, we have not got many Liberal governments left, but of the few we have — Prince Edward Island, since 1945 to the end of 1951, their direct and indirect debt, less sinking funds — that is their net debt without deducting the self-liquidating part — has gone up from \$10½ million to \$17.7 million, an increase of 70 per cent; Nova Scotia, another Liberal Government, has gone up from \$95.9 to \$181.7, an increase of 81 per cent; New Brunswick, where they had a Liberal Government all this time — of course they got kicked out last year, but for the period under review it was Liberal — \$96.6 in 1945 up to \$177.1, or an increase of 83 per cent. Where else did they have a Liberal Government? Oh yes, British Columbia; \$172½, and they are up to \$310½, an increase of 80 per cent. Manitoba is a sort of hybrid Liberal-Conservative Government — they went up from \$97 to \$139 to get 44 per cent increase. Ontario went up from \$757 million to \$1,407,000,000 or an increase of 86 per cent. Quebec went up from \$387 million to \$659 million or an increase of 70 per cent. Mr. Speaker, only the Province of Alberta and the Province of Saskatchewan show a reduction in the debt during that period of time, and our debt was reduced from \$196.6 million to \$164.6 million, or

a decrease of 16 per cent. Alberta, during the same time, went down from \$161 million to \$108 million, a decrease of 32 per cent.

Mr. W.A. Tucker: — I understood you to say that those figures did not include the self-liquidating portion of the debt. Is that right?

Hon. Mr. Fines: — That is right! This is the gross debt less sinking funds; it does not include the self-liquidating. That is what puts us in a better position than Alberta, Mr. Speaker, because Alberta has very little of this self-liquidating debt. In Alberta they do not have a power system as we have in this province. Very little of theirs is self-liquidating; it is practically all the 'deadweight' debt.

Now, Mr. Speaker, I did not intend to take any time today. I want to thank all the hon. members on both sides of the House for the courtesies they extended to me, the kind things they have said in connection with the debate. I want to assure my hon. friends opposite, and I want to say this sincerely, that we do welcome constructive criticism, and may I extend to the Leader of the Opposition, whoever he may be next year, a cordial invitation to come into the office, to meet with the boys of the Budget Bureau, with the Planning Board, to get information on these things. We will be very glad to get you whatever information that we can to help you to prepare your speeches, particularly the major one in this debate. It is suggested to me that we probably should prepare a speech. Well I am sure, Mr. Speaker, that we could have done a little better job than my hon. friend. We do, seriously, offer to our hon. friends opposite every co-operation in making all the facts available.

Now remember this! This is something that affects all of us: statements such as were made by my hon. friend the other day could be very mischievous. They could result in a great deal of harm to the province, except for one thing and that is that the people in charge of the various investment portfolios of the investors and the people in the investment dealers' office, know the answers; in fact some of them have even told me what they think about some of the statements that were made by my hon. friend, the other day. But it does hurt us and, after all, surely we love our province more than we love our political party, and surely we will put it ahead of these statements that can, if they get out, do a tremendous amount of harm. We welcome criticism, but we want it to be fair; we want it to be based on facts. So, Mr. Speaker, I feel sure that all the hon. members will vote according to their conscience, and I feel confident that the motion which I moved two weeks ago, that you now leave the Chair, will be carried.

The question being put, it was agreed to by 39 votes against 6, and the House resolved itself in the Committee of Supply.

Progress was reported and the Assembly adjourned at 6.00 o'clock p.m.