

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Twelfth Legislature
15th Day

Wednesday, March 3, 1954

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

BUDGET ADDRESS

Hon. C. M. Fines (Provincial Treasurer): — Mr. Speaker, for the tenth successive year, it is my privilege and responsibility to move that Your Honour do now leave the chair and that this Assembly resolve itself into Committee of Supply.

On this occasion, I should like first to add my welcome to the two new members of the Twelfth Legislature, and to express my congratulations to the Hon. member for Saltcoats upon his election as house leader for Her Majesty's Loyal Opposition. We look forward to comment from all three gentlemen with respect to the budget that may be as constructive as it will, no doubt be critical.

Since my last budget address, Mr. Speaker, perhaps the most significant development in public affairs has been the slight turn for the better in international relations. I think all of us may be encouraged, in however small degree, by the statement given to Parliament a month ago by the Secretary of State for External Affairs. At that time, Mr. Pearson concluded that "there is somewhat more hope for peace and stability in the world than existed a year ago." Certainly, it is our desire that Canada should make a more real and positive contribution to the achievement of that hope, not merely by force of arms and atom bombs, but also through the arts of both economic aid and mutual trade.

Indeed, as vital as these latter are to world peace, no less are they cornerstones to economic security and progress in Canada. No country has a greater stake in the mutual extension of international trade or in the raising of living standards throughout the underdeveloped areas of the world. The Deputy Governor of the Bank of Canada says that the chief "uncertainty" with regard to the future course of our economy "is located outside of Canada." And yet it is estimated that if the underfed people of Asia, Africa and Latin American could increase their per capita food intake by only one slice of bread each day, they would increase the annual world consumption of wheat by some 300 million bushels.

THE ECONOMIC SETTING

In turning first, Mr. Speaker, to a review of the economic setting for our budgetary proposals, I should like briefly to draw attention to the national economy. Estimates for 1953 show that total farm output decline slightly below the exceptional level of 1952, but that industrial production experienced a substantial increase. As a consequence, the gross national product, — that is the value of all goods and services produced by the economy, — is now estimated at about \$24.2 billion up five per cent from the previous year. The increase was

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reflected in a future growth of employment and personal income, with a corresponding rise in consumer expenditure. Similarly, total capital outlays are estimated to have increased by 9 per cent over the previous year, reaching the level of \$5.6 billion.

While 1953 as a whole thus turned out to be a highly favourable one, there were growing indications of possible weakness, especially in the latter half of the year. A number of important industries – livestock, textiles, iron and steel, and farm machinery, for instance – did not share in the rising trend. Export trade faltered somewhat, with an overall reduction of about 10 per cent. Increased sales to the United States failed to make up fully for a 25 per cent decline in exports to all other countries. Not the least significant of these declines, Mr. Speaker, was the decrease of 8 per cent from 1952's high export value of \$973 million for wheat, flour and other grains. Toward the last quarter of the year, moreover, the rate of expansion in industrial output tapered off rapidly. By the middle of winter, the abnormal rise of unemployment appeared to reflect more than normal seasonal influences, with consequent serious concern to everyone except, it seems, the Government at Ottawa.

Looking at the national picture as a whole, the Bank of Montreal's 'Business Review' commented at the end of the year:

“As 1953 draws to a close, the economic weather, which for a prolonged period has been clear and sunny with only occasional patches of cloud, can best be described as ‘still sunny, but with increasing cloudiness and limited visibility’.”

How much of this may be due to the sunspots, Mr. Speaker, we had best leave perhaps to the theoretical physicists and economists. However, it does seem to me, that the Bank's comment can be applied with some accuracy to economic conditions within our own province. To these, I should like now to proceed. Much of what I have to say will already be familiar to Honourable Members. It seems essential, however, to present a fairly comprehensive summary at this time, since it is in the light of this picture that the government's financial policy must be appraised.

SASKATCHEWAN'S FARM ECONOMY

I think all of must agree that taken as a whole, 1953 has been another exceptionally good year for Saskatchewan. In fact, the year past has been featured by some very sunny economic highlights. At the same time, there have been squalls and thunderclouds, – and these may be less important in themselves than for what they may foretell for the year ahead. Nevertheless, from this immediate point of view, it can be said that 1953 has added further stature to one of the most remarkable periods of economic and social progress in the fifty years' history of our province.

For the third successive time, our farmers harvested an exceptionally large grain crop, second only to the phenomenal high of 1952. The wheat crop alone totalled 375 million bushels, a decline of 13 per cent from the previous year, but 61 per cent higher than the average of the ten preceding years. A preliminary estimate of the gross

value of principal field crops, based upon initial prices only as set by the Wheat Board, is \$628 million, also a record second only to 1952.

With regard to livestock, poultry and dairy products, total cash income for 1953 was narrowly higher than in 1952. Unfortunately, the year was marked by the kind of price and production instability that more and more focuses attention upon the need for more orderly marketing systems. Thus, cattle marketing showed an increase of 40 per cent over 1952, but price declines resulted in total income to producers rising by only 10 per cent. On the other hand, the volume of hog marketings fell by over 21 per cent, with total receipts to producers falling in almost equal proportion.

RECORD CASH INCOME

In the aggregate, cash farm income is estimated at close to \$713 million, an advance of about \$12 million over the previous year's record. In contrast to Saskatchewan's advance, cash farm income for Canada as a whole was reduced by some 4 per cent. The situation in this province was bolstered by record marketings of grain for the first seven months of the year and by substantial delayed payments on earlier deliveries to the Wheat Board. In the last quarter of the year, the slowdown in grain deliveries cut the flow of cash income, and many farmers began to feel the pinch of a reduced liquid position.

Despite the extraordinarily high level of cash income for the province, the accrued net income position of our farm industry shows a considerable decline. As the term suggested, accrued net income is a business measure of gross income less operating and depreciation expenses, and adjusted for changes in the value of farm inventories. Our preliminary estimate for 1953 is about \$478 million. This may be compared to the previous year's record of \$574 million, and the average of \$377 million for the 1946-52 period.

As against this, it will be of interest to note that actual purchasing power in the hands of our farm families continued to rise. If we take cash from income and deduct operating expenses, depreciation and direct taxes, we arrive at a measure that might be called disposable or not realized income. A preliminary estimate for 1953 is about \$400 million, representing a steady increase from \$371 million in 1952, \$336 million in 1951, and only \$159 million in 1950.

DECLINE IN FARM AND MUNICIPAL DEBT

The favourable farm income picture of the past three years has led to a very substantial increase in capital investment in machinery and equipment. It has also contributed to the further decline in long term mortgage debt. Canadian Farm Loan Board loans increased moderately to \$7 million in 1952. On the other hand, farm mortgages held by thirty leading private companies, were reduced to \$12.8 million in 1952. This was a reduction of 22 per cent, or \$3.6 million, from the previous year. Most of the Honourable Members will recall that in 1936 this same debt load on Saskatchewan farmers totalled a crushing \$108 million.

It is also interesting to observe, Mr. Speaker, that the rural municipalities of the province, which are most directly affected by the farm income position, have also been reducing their total indebtedness. Data recently published by the Bank of Canada indicate the following picture for the three prairie provinces:

OUTSTANDING RURAL MUNICIPAL AND SCHOOL DEBT

(millions of dollars)

	1950	1951	1952 (Est.)	1953 (Est.)
Manitoba	5.7	5.7	6.0	6.0
Saskatchewan	7.3	7.7	7.2	6.8
Alberta	9.2	12.4	13.0	13.1

MINERAL RESOURCES DEVELOPING

Apart from agriculture, Mr. Speaker, the increasing tempo of mineral development during 1953 continued to highlight Saskatchewan's march to a more diversified economic base. Here, oil and uranium again shared the spotlight. At the same time, base metals and industrial minerals also made substantial gains. The first figures on total value of output show a slight decline to \$48 million, owing to the reduced value of zinc production. I draw your attention, however, to the fact that the published figures do not include the growing output of our uranium mines. If these figures were added, new record levels of mineral production would undoubtedly be shown.

The year 1953 was notable for the actual beginning of shipments of uranium concentrates from Saskatchewan. Even more noteworthy was the greatly increased exploration program ranging across the 120,000 square miles of pre-Cambrian northland. With a record number of prospects and search parties at work, claims staked rose more than four-fold. Some 90 companies were engaged in active exploration of holdings, including underground work in at least eight new uranium prospects and one new base metal mine. At the present time, discussions are proceeding on the price formula for uranium ores. Possible upward revisions will add further stimulus to commercial production.

OIL AND GAS RECORDS

The highlights in oil and gas development during the past year, Mr. Speaker, will be so familiar to the Assembly that only the briefest of references will be necessary today. No doubt the most dramatic gains were the discovery of the Smiley light oil field and the construction of the Brock-Saskatoon natural gas system. Important as these were, they were only special features of a development program reaching into every corner of the sedimentary area of the Province. In every detail, the statistical records indicate new peaks achieved. Total investment, for example, is estimated at \$52 million, not counting very extensive expenditure on refinery expansion. This year will see even higher figures, perhaps up to \$68 million, particularly if major pipeline construction now being considered for the southwestern fields is actually launched. Production increased to 2,800,000 barrels of oil and 1½ billion cubic feet of natural gas. These are records that may well be doubled in 1954.

With respect to other resources, Mr. Speaker, it is a special pleasure to recall my references in earlier budget speeches to Saskatchewan's potential, first, for a pulp mill industry, and second, for the production of potash materials. The past year saw further important steps taken toward the realization of both of these hopes. Development agreements were reached by the Government with leading companies

in these respective fields. The pulp mill possibility is important not merely for the employment and income it will create, but also for the contribution it will make toward the program of effective forest utilization and conservation. As for the potash development, I need only point out that there is no production in Canada at the present time and in 1952-53 some 150,000 tons of potash materials were imported into the country.

CONSTRUCTION AND MANUFACTURING

The record pace set in resource development has been matched by steady gains in nearly all other sectors of the economy. In the construction industry, the value of work performed jumped from \$181 million in 1952 to about \$217 million, in 1953. Average employees in the industry rose to 24,000 and construction proved itself to be one of the strongest influences in maintaining a high level of labour demand. Electric power generated and consumed within the Province maintained a rapid rate of growth, with total kilowatt hours rising by some 16 per cent. In manufacturing the latest available figure is an estimated \$276 million in gross value of production for 1952. Manufacturing employment increased slightly, while capital investment in plant and machinery advanced from \$15.9 million in the previous year to \$21 million in 1953.

INVESTMENT, INCOME AND EMPLOYMENT

In drawing together these varied aspects of the provincial economy, Mr. Speaker, it is helpful to take note of the overall level of investment, income and employment. As Honourable Members know, the forecast of capital expenditure for 1953, published by the Federal Government early last year, was for a total of \$24 million, up by more than 8 per cent over the previous year's record. In the six year period since these surveys were first undertaken, investment in new construction and equipment and in repair and maintenance of our productive capital structure has totalled more than \$2,100 million. This increasing investment has been accompanied by a steady rise in business population. New records were set in 1953, with 346 new companies incorporated, 253 extra-provincial companies registering, and 513 partnerships being formed.

The most useful overall yardstick of income is the estimate of personal income receipts. As noted before, net farm income fell below the extremely high level of 1952. This fall, however, was very largely counter-balanced by gains in other sectors. Our early estimate for the Province is placed therefore, at about \$1,170 million, compared with \$1,182 million in 1952. Our per capita income figure of \$1,360 is again about 12 per cent above the national average.

It is clear, moreover, that total disposable income in the hands of Saskatchewan consumers reached a new high during 1953. This was reflected in increased personal expenditure as measured by the value of retail sales. For the third successive year, Saskatchewan led all provinces in annual percentage gain. The 1953 total rose by 7.2 per cent to an estimated \$817 million. At the same time, a 15 per cent increase in life insurance sales during the year suggests a parallel advance in personal saving.

As for employment, it is revealing to turn to indexes published by the Dominion Bureau of Statistics. Throughout 1953, these monthly indexes revealed a steady advance over the corresponding periods for the previous year, and the average monthly index on the base 1949 = 100 rose by 4.6 points to 116.0 in 1953. This may be compared with an increase of only 1.7 points for the country as a whole. These indexes, Mr. Speaker, take on particular interest when set alongside current population data. Together with Hospital Plan registrations and regional Family Allowance information, they help to confirm the estimated increase of 29,000 people from 1951 to 1953. The growth last year is especially significant in that it shows that not only did the Province retain the whole of its numerical natural increase but in addition, received a net inflow of about 1,700 people. Our population statistics indicate that this was the first such net in-movement experienced by the Province in over twenty years.

ECONOMIC PROSPECT

It is against this general background, Mr. Speaker, that I should like once again to try to peer into the immediate and longer-term future. Needless to say, even at best, forecasting for an economy such as ours is an extremely tricky business. Today, the uncertainty in the world economic climate compounds our difficulty. The fact is, Mr. Speaker, that although we have made tremendous gains in strengthening our productive potential and efficiency, we are still critically dependent upon the vagaries of markets beyond the province, beyond the country, and beyond the continent. Consequently, the provincial outlook is very much a matter of the national and international outlook.

The Federal forecast for the Canadian economy in 1954-55 is not yet available, but the official view seems to lean toward the optimistic prospect that employment and income will continue at close to 1953 levels. As for the crucial influence of the United States economy, the most widely held opinion is for a decline of about five per cent or more in overall economic activity in that country. The broadest question seems to be whether or not such a decline is likely to precipitate difficulties for Canada directly, or indirectly because of its impact upon the foreign exchange reserves of the sterling and other non-dollar economies.

Apart from these general influences, specific difficulties for Saskatchewan may lie in the marketing outlook for coarse grains and livestock, particularly toward the end of 1954. Of critical importance, however, is the prospect ahead for exports of wheat. Since my budget address of a year ago, the International Wheat Agreement has been renewed for three years, with the range of prices fixed somewhat higher than under the former five-year agreement. But the withdrawal of the United Kingdom from the agreement, the restoration of the speculative grain trade in that country under the Conservative Government, the accumulation of record world stocks and the continued imbalance in world trade, are all sources of potential danger upon which we must keep a wary eye indeed.

CAUTIOUS OPTIMISM

Notwithstanding these storm clouds on the horizon, Mr. Speaker, I still think there is much to justify, Mr. Speaker, I still think there is much to justify cautious optimism concerning the prospective economic climate. Within Canada itself, as I have already suggested, the official Federal view seems to be that a high level of consumer expenditure, together with the strong growth elements in the economy, promise another good year. Defence spending is tapering off, but the economy will continue to be supported by firm Government commitments on record peacetime military expenditure. In both Canada and the United States, moreover, it does not seem possible that Federal Governments will be so blind as to fail to take prompt and vigorous action in staving off a serious depression.

On the specific question of wheat marketing, there are some important encouraging factors. Certainly, despite some decline in world import requirements in 1953-54, a long-time build-up in world consumption is underway, and we need to seek expanding markets not only in the United Kingdom and Western Europe, but also in Asia and Latin America. The year 1954 is likely to see some decline in world output, particularly with acreage reductions in the United States. Again, the current policy proposals of the U. S. Administration on "isolating excess commodity reserves" from regular market channels, together with the stabilizing influence of the Canadian Wheat Board, lessens the threat of fire-sale dumping. And finally, provided that balance of payments difficulties can be held in check, Canadian hard wheat will continue to command a real advantage among world wheat consumers.

Closer at home, I think we have reason for continuing confidence in our own provincial economy. So far, there is every prospect for a sustained high level of agricultural output, and for the first three quarters of the year at least, most farm prices should be reasonably well maintained. Even if the grain harvest were to fall below normal, the grain inventories stored on Saskatchewan farms at the beginning of the year amounted to more than 300 million bushels of wheat and 215 million bushels of oats and barley. Stocks of this order alone amount to a bumper harvest for any one year and at current market prices are valued at better than \$680 million. Apart from agriculture, there is every indication of still further advances in the development of oil and gas, of metallic and industrial minerals, of forest and other resources. Manufacturing and service industries continue to grow at a steady pace. Construction expenditure may well reach a new record, and we should be surprised if total capital investment over the year is curtailed below current levels. In summary, – and bearing fully in mind that the uncertainties of the economic weather dictate a need for caution – I think we can look forward to another good year for Saskatchewan. I anticipate some levelling off in the peak levels of output and income enjoyed during the past two years, but that such a levelling should have only moderate influences on the continued growth of provincial revenues.

I turn now, Mr. Speaker, from this attempt to appraise the economic outlook to the annual review of provincial financial accounts.

FISCAL YEAR 1952 – 1953

Earlier in the session, the Public Accounts for the last fiscal years, 1952-53, were tabled. These accounts, together with the annual report of the Liquor Board, disclose a surplus of current revenues over current expenditures amounting to \$14,890,770. This surplus consisted of a \$4,725,000 surplus on Revenue Account, plus \$10,165,000 of liquor profits not taken in to Revenue Account. These surplus revenues, along with borrowings, were used to finance a heavy capital program of around 30 million dollars.

Taking current and capital expenditures together, and excluding debt reduction payments, over 42 per cent of total expenditures were for economic development, and roughly 46 per cent went toward public welfare and education. The balance went for general government operations and debt charges. The increasing percentage of the budget being spent on economic development is evidence of this Government's consistent efforts toward an expanding Saskatchewan economy.

During the same year, as I shall outline later, the Government was able to implement its policy of reducing debt in peak periods of our economy.

CURRENT FISCAL YEAR 1953-54

I can confidently predict the same healthy trends in our finances for the current fiscal year. I believe that current revenues, plus liquor profits, will this year exceed current expenditures by roughly \$18,000,000. Once again, a sizeable surplus has made possible heavy capital expenditures for an expanding economy. This year, capital expenditures will exceed \$40,000,000.

So our emphasis on expanding and diversifying Saskatchewan's economy has persisted. I estimate that in the current fiscal year expenditures on economic development – both current and capital – will amount to approximately 45.6 per cent of the total (not including debt reduction payments). At the same time, Saskatchewan is maintaining its high standard of health, welfare and educational services with roughly 43.6 per cent of the budget being spent on these services. The balance, roughly 11 per cent, is being devoted to general government and debt services.

In 1953-54, as in 1952-53, Mr. Speaker, the Government followed a debt reduction policy. The full impact of this policy is of such importance that I propose, later, to outline fully how this has been accomplished.

REVENUE AND CAPITAL BUDGETS, 1954-55

The estimates for next year, 1954-55, reflect the same trend in policy. They provide for the following revenues and expenditures:

ON REVENUE ACCOUNT

Estimated Revenue	\$	78,415,520
Estimated Expenditures		<u>78,119,820</u>
Estimated Surplus	\$	<u>295,700</u>

ON CAPITAL ACCOUNT

Estimated Expenditures \$ 21,374,500

To the capital expenditures may be added a sum of \$23,000,000 to be advanced to the Saskatchewan Power Corporation and Saskatchewan Government Telephones, to make a total budget on Capital Account of \$44,374,500.

If one adds estimated liquor profits to the estimated surplus on Revenue Account, it is apparent that we are planning a surplus of current revenues over current expenditures of nearly \$10,300,000. This will be possible, Mr. Speaker, without any new taxes or any increases in the existing taxes.

The objectives of this budget, as of previous budgets, are three fold: To expand and diversity Saskatchewan's economy; to maintain and extend, as our economy expands, Saskatchewan's leadership in public welfare and education programs; and to manage prudently the public finances in this Province.

This is a budget, Mr. Speaker, which accomplishes these three objectives. It is a prudent budget since, once again, we propose not to increase the net debt in 1954-55. We shall use the liquor profits together with the anticipated surplus this year on Revenue Account to help provide the funds for the capital program I have just outlined. I do not anticipate that we shall borrow any greater amount than we did during the current year and, indeed, I am quite confident that we shall again next year bring in a statement of debt reduction.

This is a budget, Mr. Speaker, which provides for the development both of economic and human resources. That this is so should hardly be surprising, since the Government was elected on precisely this platform. Our 10-point program provided for the expansion of power, natural gas and transportation facilities, and for the continued development of agricultural, oil, mineral and other natural resources. The extension and development of educational, health and public welfare services was also provided for in this program. How those policies will be furthered in 1954-55 is apparent in the highlights of the budget.

AGRICULTURAL DEVELOPMENT

The first major increase in the 1954-55 budget, Mr. Speaker, is properly allocated to the expansion of our agricultural industry. Total expenditures on agriculture will, for the first time, exceed \$5,000,000 – an increase of 31 per cent over the current budget.

Our agricultural policy is made up of two chief components: advice and assistance to farmers on methods of increasing production, and direct government projects which both increase productivity and increase the amount of land under production. The first phase of agricultural policy will continue at the same high level as in previous years; indeed, the budget of the Agricultural Representatives Branch will increase from \$385,000 to \$419,000.

In the past few years, major emphasis has been placed on provincial government projects. And the achievements have played a significant part in increasing the agricultural production of this Province.

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By the end of 1953, there were 1,700,000 acres in drainage projects. 55,000 acres in irrigation projects, and 743,000 acres in community pastures and other projects. At the same time some 182,000 acres had been cleared and broken, and 1,720 new farm units established.

This latter project – the clearing and breaking of new areas – is one of the most difficult the Government has undertaken. Indeed it is not unlike the job faced by Saskatchewan's pioneers – ranging from the selection of suitable land to the establishment of complete community services.

The complexity of the project, as a part of the total agricultural picture of the Province, was recognized by the Government when it appointed the Royal Commission on Agriculture and Rural Life. In its interim report, it has recommended, – and the Minister of Agriculture has recommended, – that greater assistance should be given to the settlers of these new areas in order that they might help themselves to get more land under cultivation, more mechanization, and better community services. In 1954-55, therefore, it is proposed to vote close to \$1,200,000 for this purpose. At present, settlers who clear and break provincially-owned land are paid for the work by an instalment plan. The increased vote will make it possible to supplement the instalment plan with lump-sum payments for much of the clearing and breaking done.

OIL AND MINERAL RESOURCES

Parallel with our agricultural program, Mr. Speaker, is a more ambitious program for the expansion and development of our other natural resources. I have already outlined Saskatchewan's record improvements in the development of such resources as oil, natural gas, uranium, potash and hardrock minerals. This is a budget which contemplates, and will stimulate, even greater achievements in 1954-55.

The Department of Mineral Resources will receive an appropriation roughly 50 per cent higher than in the current year – nearly \$900,000 instead of the \$597,000 of the current year. The major increases are in the Petroleum and Natural Gas Branch, which will move from a \$218,000 to a \$324,000 budget. Greater provision is being made for the accumulation and analysis of petroleum and natural gas data; for the continuous assessment of field and reservoir operations; and for the enforcement of conservation regulations and safety precautions.

The balance of the Department, responsible for the development of industrial and metallic minerals, will continue at the same high level of activity. Perhaps I should mention, Mr. Speaker, the greatly increased appropriations for recording the disposition of crown mineral rights. We are pleased that this increase has been made necessary – it is a reflection of the record breaking 18,000 claims staked this year.

The number of claims staked, and the other figures I have quoted on minerals activity, are, in themselves, a good index of resource development. But an index usually assumed to be of greater interest to a Provincial Treasurer is "How much are you collecting as a result?" This is indeed a satisfying index! In 1953-54, our receipts from mineral resources

will be around \$10,000,000. Of this amount, roughly \$4½ millions are recurring revenues from mineral resources, close to \$2½ million will come from back mineral taxes, and around \$3 million is expected from the sale of production leases and exploration permits. In 1954-55, we expect recurring revenues to rise from the \$4½ million to 6 million dollars, and while we are not depending on windfall revenues, we do nevertheless anticipate that there will be some.

I would like Honourable Members to note the distinction being made between recurring revenues and “windfalls.” For this is an important distinction in financial planning. It has been Government policy, Mr. Speaker, that windfalls from the sale of exploration or production rights on crown lands will not be used to finance current expenditures. Where school lands are involved, the proceeds are being deposited and the windfalls from other crown lands are being used – and will continue to be used – only for capital development, debt redemption, or sinking fund payments.

POWER AND NATURAL GAS

The extension of power to farms, towns and villages and the distribution of natural gas to larger cities figured largely in the 10-point program on which this Government was elected. Our record in 1953 is already well known. The number of kilowatt hours generated by the Power Corporation increased by 19.6 per cent; the number of customers served was increased from 86,500 to 100,000; 6,000 miles of transmission and rural power line were constructed, and 5,500 farms were electrified.

It is well known, too, Mr. Speaker, that there are now over 5,000 customers served by the Power Corporation’s natural gas system, and that this phase of our program, like others, is right on schedule.

Provision has been made to advance to the Power Corporation, next fiscal year, \$14,000,000 for the further extension of the power and natural gas systems. Increased power consumption, and projected farm electrification will necessitate increased generating capacity and improved distribution facilities. Also scheduled in the Corporation’s work program for 1954-55, is the steady expansion of the Brock-Saskatoon natural gas system. This will provide for a substantial increase in the total number of services and for extensions to new reserves of gas supply.

TELEPHONES AND OTHER CORPORATIONS

Saskatchewan Government Telephones, in turn, will next year receive in advances from the Treasury a record-breaking \$9,000,000. More telephones will be added to the system; indeed 10,860 were added in 1953 compared with 8,600 in 1952. Improved long distance service will result from this new investment. All of this requires, of course, new central exchange facilities, new buildings to house these facilities and staff to operate them.

The final audits of all the corporations for the fiscal year ending in 1953 have not yet been completed. On the basis of preliminary figures, however, the financial results as a whole continued to be highly satisfactory. The corporations reached a new high in volume of business turn-over – close to \$40,000,000. Employment was maintained at 4,400

salary and wage-earners, while the net book value of our revenue producing assets increased to over \$100,000,000.

Exclusive of the Wool Products company, the sale of which is now being negotiated, the total earnings of the ten corporations rose from \$5,126,000 in 1952 to \$5,820,000 in 1953. This is before charging interests costs, and represents a rate of return of over 7 per cent on all capital advances from the Treasury, outstanding at fiscal year ends. This overall earnings rate was achieved in spite of the fact that close to \$7 million was advanced to the Power Corporation for construction of the gas system which did not go into operation until very late in the year.

The group of eight smaller corporations, all of which reported net profits, earned about \$876,000 on capital advances outstanding of \$9,630,000. This was an earnings rate before interest of slightly better than 9 per cent. Several of the companies, moreover, made significant individual gains. The Insurance Office experienced its largest increase in premium volume in any one year of its history. The Timber Board entered into long term contracts for the export of pulp-wood. Marked improvement in production efficiency was secured by the Minerals Corporation, especially in the Estevan brick plant, with total earnings climbing from less than \$30,000 in 1952 to \$112,000 in 1953. And with its business volume rising by 26 per cent, Government Airways undertook a notable expansion of service and facilities, in carrying out its key role in the rapid development of our northern frontier.

HIGHWAYS

Always of paramount interest to Honourable Members, Mr. Speaker, is our progress on the highway program. The Government undertook a \$75,000,000 highway program in this term of office, and we are certainly not behind schedule. In the last two years, there has already been spent on highways almost \$34,500,000. This includes a supplementary amount of \$1,100,000 for the current year which Honourable Members will be asked to approve.

For 1954-55, the Legislature is being asked to vote for Highways, on Revenue and Capital Accounts, a total of \$18,600,000. This vastly improved highway system is not only a source of comfort to casual motorists; it is a medium of commerce and industry of greatly increased importance.

The people of Saskatchewan are proud of their accomplishments in highway building. But they are also concerned, with the increasing accident rate, with its cost in lives and money, and with the cost of highway maintenance resulting from the heavy commercial traffic. The Government shares this concern. Therefore, it is proposed in 1954-55 to double the highway patrols being provided by the R.C.M.P. In other words, 24 new men will be added to our Provincial force, to enforce the provisions of The Vehicles Act and The Highways and Transportation Act.

GOVERNMENT AND THE EXPANDED ECONOMY

This is an exciting period in Saskatchewan's economy, Mr. Speaker. And government itself is an exciting job when you consider all the intricate relationships between the programs involved in economic expansion. These inter-relationships are to be found throughout this budget. An expanding power and gas program, for example, requires a whole host of co-ordinated actions: Provincial-municipal negotiations are necessary in the planning stage; man-power must be obtained, and the Apprenticeship Program of the Department of Labour comes into the picture; materials must be obtained by the Corporation in sufficient time that man-hours and service-hours are not lost; a big job of financing must be done by the Treasury; the Corporation and Departments concerned must be staffed; and safety inspection services must be expanded at the right time in the Department of Labour in order that the public safety is safeguarded.

So you see not only higher capital budgets, but a 37 per cent increase in the Apprenticeship Branch, a 54 per cent increase in the Electrical and Gas Inspection Branch, and increased staff accommodation provided by the Public Works Department. Increasing activity in the north, spurred by the activities of the two resource departments, results not only in increased budgets for them – Natural Resources will next year receive 12 per cent more than this year – but an increased activity by Saskatchewan Government Airways, more extensive fire control measures, and even the marking of the Saskatchewan-Northwest Territories boundary! Nothing would have seemed less important ten years ago, yet because of claims staking it has become very essential today.

THE HEALTH PROGRAM

There is another inter-relationship which is of crucial importance. Honourable Members will recall the Government's assurance that the benefits of an expanding economy would be passed on to the people. This we have been doing, and will continue to do, through our health, welfare and education programs. These were, you will recall, Mr. Speaker, three of the points in our 10-point program. Yet always, in extending these benefits, the Government is keenly aware of the necessity of building them on a firm and lasting founding.

Increased revenues will make possible, next year, an increase of over \$1,500,000 in the Public Health budget – bringing the total to over \$20,000,000 on Revenue Account. A significant portion of this budget will be devoted to preventive health services, with provision being made for the establishment of a new health region.

The medical and hospital care programs continue to occupy a position of even greater prominence. The mental health program will, next year, cost \$5,800,000 with an additional \$2,000,000 being spent for badly needed expansion of the mental institutions. The provision of medical services to the recipients of pensions and social aid will cost some 1¼ millions of dollars. The Cancer Commission will require ¾ of a million dollars, and grants to T.B. Sanatoria will amount of \$600,000.

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It is noteworthy that the community has assumed heavy medical care costs for a relatively small percentage of the population. Whereas half a century ago the mentally ill, the aged, the chronically ill, the needy, were cared for in the homes of their families, this job has now been assigned to governments. And it is a costly job, a job delegated to government because of a highly specialized and industrialized society; a job made larger by the stresses and strains of this society.

Certainly it is costing more to care for those unable to care for themselves but it is not particularly helpful simply to complain that budgets are getting larger. Surely no-one would suggest that because care for the mentally ill will this year cost some \$5,800,000, that we should stop caring for them. The essential problem faced by this and all governments is to find, through research and careful planning, a way in which the mentally ill can be restored to society, a way to prevent the ravages of cancer, a way to keep people from becoming needy.

While searching for these more lasting solutions, we in the community of Saskatchewan must be prepared constantly to seek methods of providing this care more economically and stable sources of income with which to sustain the services we have undertaken to provide.

SOCIAL WELFARE

The same approach is being taken in providing improved welfare services. Some expansion has become possible this year, so the Government has decided to give greater emphasis to its rehabilitation program.

The budget of the Rehabilitation Branch will be increased and provision is being made, under Dominion-Provincial agreement, for a co-ordinator who will examine more closely the rehabilitation needs in Saskatchewan. At the same time, he will work with all departments of the Government, with the Federal Government, and with private welfare agencies, to tie together more effectively the programs already in existence.

The first direct expansion in this field has come through the Department of Public Health with its expanded services to handicapped persons. This program, which I mentioned last year, is now enjoying some limited assistance from the Federal Government. In a different area of rehabilitation, the establishment of the Bureau of Alcoholism should assist us in finding a solution to this chronic social problem.

The other expansion of activity in the Department of Social Welfare is in the housing and nursing care for the aged program. The Melfort Nursing Home will be completed in 1954, and it is proposed to start a 200 bed Nursing Home in Regina. We will continue our 20 per cent capital grant to assist church and welfare organizations and local governments in the construction of housing for our senior citizens. Next year, we shall also increase operating grants to nursing homes from a flat \$300 annually to \$40 per bed per annum.

EDUCATION

The Government has always given particular attention to education in Saskatchewan. Since 1944, expenditures have vastly increased, and the education function has enjoyed a consistently high percentage of the budget. In 1943-44, the Education budget was just over \$4,000,000, or 15 per cent of the total Revenue account budget; in 1952-53, the budget had climbed to over \$11,500,000 or 17.6 per cent of the total; and in 1954-55, the budget will be \$14,460,000, roughly 18 per cent of the total budget.

It is clear, Mr. Speaker, that this and previous governments have been concerned that education services be based on a stable source of income. It almost alone has enjoyed, at the Provincial level, a special revenue source – the 2/3 share of the Education and Hospitalization Tax. It alone receives the earnings of a capital fund which remains intact – the School Lands Fund which now stands at \$23,000,000. It alone received the earnings from lands set aside to assist in financing a specific program.

At the local level, education is supported by property taxes, a source of revenue far more stable than a sales tax which will fluctuate as widely as retail sales of commodities other than food and drugs will fluctuate. This local source of income was strengthened recently by this Government when it stepped out of the property tax field, and turned over the public revenue tax to municipalities.

The Government is anxious that the responsibility borne by local governments and the Provincial Government be so divided that the education system be as well insulated from economic fluctuations as possible. That is why the Government of Saskatchewan has given greater assistance to education from its sources of income, gradually, as it was reasonably sure that the level of assistance could be sustained.

Let me give two examples, Mr. Speaker. There has been a gradual increase in grants to the University of Saskatchewan, from \$550,000 in 1944-45, to \$900,000 in 1949-50, and \$1,275,000 in 1953-54. Next year, the grant will be increased to nearly \$1,600,000. At the same time, some \$12,175,000 has been spent in providing new and improved buildings and facilities at the University in the last eight years.

Direct assistance has been given the teachers, too, through the superannuation plan. In 1944-45, some \$120,000 was paid on account of teachers' pensions; by 1949-50, it had risen to \$150,000; and in the current year an amount of \$385,000 was voted. Next year, this Government will contribute close to \$530,000, an increase of 440 per cent since 1944-45.

Similarly, grants to schools have increased steadily. In 1944-45, the grants amounted to \$3,166,000; in 1949-50, they were \$5,240,000; and in 1953-54 over \$8,800,000. I am happy to announce, Mr. Speaker, that the budget for the next fiscal year makes provision for a further increase in school grants of \$1,000,000.

AID TO LOCAL AREAS

One further development in our financial policy may be mentioned at this point. For several years, the budget has provided annual sums for making direct loans to local school authorities to assist in their capital building and equipment programs. The total amount provided exceeds \$3,600,000. Such loans, of course, have been directed toward areas where the need is greatest and where alternative sources of capital funds are not available.

Since 1952, our policy has been broadened by purchasing a limited volume of debentures from school authorities which meet difficulty in selling their securities through regular investment channels. Unfortunately, the capital market has been slow to recognize the vast improvement in the financial strength of our local authorities, and the fact that the debentures of even our smaller communities now constitute an excellent investment medium.

During the current year, our investment policy has been further extended to provide for a limited purchase of debentures issued by municipal governments for the purpose of financing self-liquidating projects. Our investment funds are limited in amount, of course, so that the purchase policy must be a selective one. As before, it is directed toward those local areas which, despite their sound financial position, still meet difficulty in the sale of debentures through the regular channels. It is planned that the policy will be progressively extended as resources become available. Any municipality which shows evidence of need, and of a determined local effort reflecting confidence in its own future, can count upon the Government for full co-operation in the problem of financing soundly planned, self-supported projects.

CAPITAL FINANCING, 1953-54

During my review of provincial expenditure, Mr. Speaker, I have drawn attention to major items of a capital nature. I should like now to summarize these items, and to indicate the relationship of capital investment to our overall program of finance and debt management. As I have already indicated, capital account expenditures during the current fiscal year total over \$40 million. In addition, the sum of \$8,915,000 is being provided to retire the following debt maturities:

DEBT MATURITIES, 1953-54

Date of Issue	Maturity	Coupon	Amount
Sept. 1, 1945	Sept. 1, 1953	3 1/3%	\$ 150,000
Oct. 1, 1949	Oct. 1, 1953	3%	200,000
Oct. 1, 1951	Oct. 1, 1953	3 1/2%	1,000,000
Jan. 1, 1914	Jan. 1, 1954	4 1/2%	525,000
Jan. 2, 1952	Jan. 2, 1954	3 3/4%	5,000,000
Jan. 3, 1949	Jan. 3, 1954	3 1/4%	100,000
Treasury Bills owing to Ottawa			<u>1,860,000</u>
			\$ <u>8,915,000</u>

Thus, it can be seen that during 1953-54 we shall spend on capital account and for debt retirement almost \$49,000,000. This has been financed in part by borrowing as indicated in the following table:

CAPITAL BORROWING . . 1953-54

Date of Loan	Maturity	Coupon	Payable	Amount
Apr. 1, 1953	Apr. 1, 1973	4 %	U.S.	\$ 15,000,000
May 1, 1953	May 1, 1963	4 %	Inter- Departmental	5,000,000
Oct. 1, 1953	Oct 1, 1969	4 1/4 %	Canada	6,000,000

It will not be necessary to borrow any further amounts during the present fiscal year, since the balance of the capital program is being financed from current revenues and surplus.

DEBT REDUCTION

In spite of our very high expenditures on capital account, the net debt of the Province was reduced further in 1953 by \$7,150,000. It thus relieves the people of the Province of a tax burden amounting to some \$500,000 annually for interest and sinking fund payments. During the past ten years, the net debt has been cut by \$87,000,000, a reduction of almost 50 per cent. The greatly improved debt position of the Province can be seen more clearly by an analysis of the following table:

Debt Reduction, 1944 – 1953
(in thousands of dollars)

	April 30, 1944	Dec. 31, 1952	Dec. 31, 1953
Gross funded debt	\$ 125,245	\$ 139,579	\$ 164,293
Treasury Bills	92,911	34,559	32,702
Contingent Liabilities	<u>20,016</u>	<u>1,799</u>	<u>1,719</u>
Gross Debt	238,172	175,937	198,714
Less: Sinking Funds	<u>23,919</u>	<u>12,949</u>	<u>19,208</u>
Direct & Indirect Debt after deducting Sinking Funds	214, 253	162,988	179,506
Loss: Net loans and advances to revenue producing enterprises	<u>36,930</u>	<u>65,209</u>	<u>88,874</u>
Net Debt	<u>177,323</u>	<u>97,779</u>	<u>90,632</u>

It should be pointed out that because of certain deferred advances, the position is actually better than is reflected in the above tables. By December 31, 1953, the fiscal year's entire borrowings had been completed, as shown by the gross debt, but cash on hand remaining with the Treasury and available for power and telephones totalled \$5,226,000. As these funds are actually advanced, the net debt will be reduced still further to \$85,406,000. The actual reduction of net debt since December 31, 1952, amounts therefore, to \$12,373,000.

From time to time in this Legislature, and outside it, Mr. Speaker, I have endeavoured to distinguish between dead-weight debt and self-liquidating debt. The latter may also be described as debt for revenue producing enterprises. To date, I do not seem to have made much impression on my friends opposite, or on some of their paid radio propagandists. They claim that in other provinces, net debt is obtained by deducting only sinking funds from gross debt. This, of course, is utter nonsense as reference to the Budget Addresses for 1953 of the Provincial Treasurers of British Columbia, Manitoba and Ontario will conclusively prove. In every case, in addition to subtracting sinking funds from the gross debt, the self-liquidating debt is also deducted to arrive at the net debt figure.

Nor, of course, do we have to go outside of our own Province to find precedents for this approach. I would refer Honourable Members to the numerous budget addresses of two of Saskatchewan's best known Provincial Treasurers of past years, the Hon. C. A. Dunning and the Hon. W. J. Patterson. As long ago as 1919, Mr. Dunning adopted the method of stating the net public debt, as the balance remaining after both sinking funds and self-supporting debt are deducted from the gross figure. Some twenty years later, this precedent was also followed by Mr. Patterson.

I must admit, Mr. Speaker, that I have not always been in complete agreement with these two gentlemen. I should, however, be the last person on earth ever to suggest that either of them attempted to mislead the public by the introduction of what certain Liberal critics now refer to as "fixed-up figure." And in this particular matter, I believe the method used by my honourable predecessors was – and is – an entirely correct one. Whether it be for purposes of comparison between provinces, or for appraising the actual impact of the debt load on our general revenue, it is essential to arrive at a true figure of the not dead-weight debt. Several provinces, for example have invested large sums in utilities and other self-sustaining projects, while others have restricted their capital expenditure to such activities as the construction of highways or public buildings which are not self-liquidating. A proper comparison of the debt burden can only be made, therefore, on the basis of dead-weight debt. In Saskatchewan, as the following table shows, we have been successful in reducing this burden by some 46 per cent in the past ten years.

ANALYSIS OF GROSS DEBT
(in thousands of dollars)

	April 30, 1944	Dec. 31, 1952	Dec. 31, 1953
Self-Liquidating debt	50,705	72,144	96,738
Dead-weight debt	187,467	103,793	101,976
	<u>238,172</u>	<u>175,937</u>	<u>198,714</u>

This self-liquidating debt is made up as follows:

SELF LIQUIDATING GROSS DEBT

(in thousands of dollars)

	April 30, 1944	Dec. 31, 1952	Dec. 31, 1953
1. Saskatchewan Wheat Pool	13,752		
2. Saskatchewan Government Telephone	13,566	20,104	26,835
3. Saskatchewan Power Corporation	7,877	36,451	54,567
4. Other Government Enterprises	—	6,236	5,807
5. Farm Loans	15,510	7,916	8,093
6. Municipal (Clearing and Breaking)	—	745	745
7. Agriculture	—	692	692
	<u>50,705</u>	<u>72,144</u>	<u>96,730</u>

Of the \$96,000,000 of self-liquidating debt, \$81,400,000 is invested in the power and telephone systems. These corporations pay annually to the Treasury sufficient monies to provide for interest and statutory sinking fund on this entire amount. Of the balance, \$5,800,000 is for advances to other crown corporations, which pay to the Treasury in annual profits more than enough each year to provide for the outstanding on loans for breaking and clearing. The only other item making up our self-liquidating debt is \$8,000,000 outstanding on farm loans. This is the only one of the various projects which is not completely self-liquidating. But even in this costly venture, we collected last year, about three-quarters of the interest required. In recent years, out of other revenues, we have been able to reduced the amount of farm loans debentures outstanding, and it will be reduced by a further \$1,400,000 in 1954-55.

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Last year, I announced that we would be levying a full 3 per cent sinking fund on all the outstanding bonded debt of the Province. This policy was carried out, resulting in an increase of over \$6,000 in our sinking funds during 1953-54. This year, the amount estimated for the public debt service is \$10,485,000 compared with \$10,550,000 last year.

The budget will provide \$4,730,970 for the redemption of debt maturing during the next year. It will also provided for a full 3 per cent sinking fund payment on all the outstanding debentures, thus adding \$4,923,880 to the sinking funds. It will also provide for interest payments of \$7,022,610.

Here, again, the difference between dead-weight and self-liquidating debt becomes perfectly clear. These three items just mentioned, when added together, amount to \$16,682,460. But \$2,538,860 of the sinking fund payments and \$3,658,350 of the interest payments – over 50 per cent in each case and totalling \$6,197,210 – will be paid for by self-liquidating projects. Consequently, the burden on general revenue is reduced to \$10,485,000.

TESTS OF THE BUDGET

Now, Mr. Speaker, I well recognize that the budget just presented is a very large one – in fact by a substantial margin the most ambitious in our fifty years' history. Large as it is, it by no means matches the pyramiding rates of increase to be found in the post war experience of some of our sister provinces. I suggest, moreover, that the budget measures up well under some important tests. In its revenue basis it achieves a working objective of equity and administrative efficiency. In its spending and investment aspects, it maintains an essential balance between the needs of public welfare and economic development. Taken as a whole, it represents a philosophy of alert and vigorous government activity, tempered by a prudence regard for the responsibilities of the future.

I should like to claim for the budget one further advantage – that of flexibility. This is a feature of particular importance at this time, having regard to the uncertainty of the economic weather ahead. If a severe recession does set in, the budget lends itself to ready modification to meet rapidly changing needs.

We should, of course, be loath to reduce the overall level of programming if only because of the part to be played by government in combatting cyclical depression. It goes without saying that the prime responsibility here rests upon the Federal Government, with its unlimited powers over fiscal and monetary policy. Saskatchewan, and no doubt the country as a whole, rightly looks to Ottawa for bold, timely and decisive country as a whole, rightly looks to Ottawa for bold, timely and decisive leadership in maintaining employment and income at high levels. Certainly, if the need arises, this province is prepared to co-operate to the very limit of its fiscal resources in fighting a depression. Fortunately, our ability to do so has been greatly improved by the marked economic, social and financial progress achieved in the Province during the past ten years.

Mr. Speaker, I move that you do now leave the chair.

STATISTICS OF SASKATCHEWAN AGRICULTURE, 1951, 1952, AND 1953

		Revised 1951	Revised 1951	1953
Estimated Acreage of Principal Grain Crops:				
Wheat	Acres	15,635,000	16,432,000	16,100,000
Oats	Acres	3,815,000	3,362,000	2,721,000
Barley	Acres	2,449,000	2,644,000	2,745,000
Rye (Spring and Fall)	Acres	710,000	742,000	816,000
Flax	Acres	296,000	380,000	342,000
Estimated Production and Value of Principal Crops:				
Wheat	Bushels	325,000,000	435,000,000	375,000,000
Value	\$	494,000,000	700,063,000	442,500,000
Oat Production	Bushels	148,000,000	152,000,000	111,000,000
Value	\$	100,640,000	89,984,000	57,720,000
Barley Production	Bushels	73,000,000	92,000,000	82,000,000
Value	\$	78,840,000	96,600,000	54,547,000
Rye Production	Bushels	9,800,000	14,200,000	14,400,000
Value	\$	15,288,000	21,158,000	11,664,000
Flax Production	Bushels	2,300,000	4,300,000	3,500,000
Value	\$	9,062,000	13,889,000	8,470,000
Livestock and Poultry on Farms (June 1st):				
Horses	Nos.	303,900	279,500	255,500
Milk Cows	Nos.	306,000	289,000	285,000
Other cattle	Nos.	968,000	1,093,000	1,150,000
All Cattle	Nos.	1,274,000	1,382,000	1,435,000
Sheep and Lambs	Nos.	136,100	155,000	170,000
Swine	Nos.	533,300	646,000	469,000
Hens and Chickens	Nos.	8,685,000	8,680,000	7,900,000
Turkeys	Nos.	300,000	587,000	470,000
Geese and Ducks	Nos.	62,000	117,000	108,000
Other Comparative Statistics of Saskatchewan Agriculture:				
Cattle Marketed	Nos.	304,698	261,767	369,895
Calves Marketed	Nos.	70,907	55,370	91,427
Sheep and Lambs Marketed	Nos.	41,443	45,783	46,678
Hogs Marketed	Nos.	327,926	534,673	419,888
Milk Production	Lbs. '000'	1,581,233	1,577,119	1,599,167
Creamery Butter Production	Lbs.	27,903,000	27,811,000	27,637,000
Cheese Made (Cheddar)	Lbs.	376,000	53,000	156,000
Egg Production	Doz.	30,483,000	32,606,000	36,160,000
Honey Production	Lbs.	3,600,000	2,500,000	3,075,000
Wool Production (Shorn)	Lbs.	622,000	697,000	735,000

ø Based on latest initial prices established by the Wheat Board.

€ Estimated.

GOVERNMENT OF THE PROVINCE OF SASKATCHEWAN
COMPARATIVE STATEMENT OF GROSS AND PER CAPITA EXPENDITURE ON REVENUE ACCOUNT
(In Thousands of Dollars)
For the Fiscal Year Ends Indicated Below

For the Years:

	Apr. 30 1945	Mar. 31 1947	Mar. 31 1950	Mar. 31 1951	Mar. 31 1952	Mar. 31 1953
Debt Charges	\$ 6,786	\$ 5,730.	\$ 7,384.	\$ 7,369.	\$ 9,599.	€ \$10,285.
Legislation	420.	191.	272.	260.	282.	637.
Administration and General Government	2,758.	3,267.	4,439.	5,024.	5,472.	5,038.
Education	4,474.	5,681.	7,782.	9,206.	9,271.	11,605.
Legal and Judicial Administration	1,036.	1,165.	1,545.	1,632.	1,771.	1,937.
Transportation and Communication	3,256.	4,388.	6,906.	6,313.	6,869.	8,062.
Public Welfare	11,124.	15,400.	23,627.	27,521.	29,179.	25,708.
Agriculture and Public Domain	1,146.	2,411.	4,923.	4,432.	4,720.	5,406.
Other Ordinary Expenditure	900.	1,173.	2,879.	2,553.	2,281.	1,773.
	\$31,900.	\$39,406.	ø \$59,757.	ø \$64,310	ø \$69,444.	ø \$70,451.

Per Capita (In Dollars)

	Apr. 30 1945	Mar. 31 1947	Mar. 31 1950	Mar. 31 1951	Mar. 31 1952	Mar. 31 1953
Debt Charges	\$ 8.05	\$ 6.88	\$ 8.61	\$ 8.86	\$ 11.54	\$ 11.94
Legislation	.50	.23	.32	.31	.34	.74
Administration and General Government	3.27	3.92	5.17	6.04	6.57	5.85
Education	5.31	6.82	9.07	11.06	11.14	13.48
Legal and Judicial Administration	1.23	1.40	1.80	1.96	2.13	2.25
Transportation and Communication	3.86	5.27	8.05	7.59	8.25	9.36
Public Welfare	13.19	18.49	27.54	33.08	35.07	29.86
Agriculture and Public Domain	1.36	2.90	5.73	5.33	5.68	6.28
Other Ordinary Expenditure	1.07	1.41	3.36	3.07	2.75	2.06
	\$ 37.84	\$ 47.32	\$ 69.65	\$ 77.30	\$ 83.47	\$ 81.82
Estimated Population	843,000	832,688	858,000	832,000	832,000	861,000

ø Grossed for comparative purposes.

€ Includes Repayment of Debentures and Temporary Loans amounting to \$1,960,000.

Ω Includes Repayment of Debentures and Temporary Loans amounting to \$1,963,000.

GOVERNMENT OF THE PROVINCE OF SASKATCHEWAN
COMPARATIVE STATEMENT OF GROSS REVENUE ON REVENUE ACCOUNT
(In Thousands of Dollars)
For the Fiscal Year Ends Indicated Below

For the Years:

	Apr. 30 1945	Mar. 31 1947	Mar. 31 1950	Mar. 31 1951	Mar. 31 1952	Mar. 31 1953
Dominion of Canada Subsidies	\$ 7,390.	\$ 7,853.	\$ 17,176	\$ 19,009.	\$ 20,385.	\$ 22,279.
Taxation	11,877.	12,883.	17,585.	21,809.	24,284.	29,574.
Licences	3,120.	1,873.	3,680.	4,179	5,016.	5,633.
Fees	1,339.	1,429.	1,594.	1,471.	1,468.	1,956.
Interest	2,575.	2,287.	2,164.	1,862.	2,396.	2,957.
Public Domain & School Lands	3,219.	3,143.	4,212.	4,084.	6,179.	6,826.
Liquor Profits	—	5,000.	4,000.	2,000.	—	—
Miscellaneous	4,597.	5,059.	9,600.	10,159.	9,834.	5,952.
	\$34,117	\$39,527.	ø \$60,011	ø \$65,573.	ø \$69,562	ø \$75,177

ø Crossed for comparative purposes.

Estimated Population	843,000	832,688	858,000	832,000	832,000	861,000
Per Capita (in dollars)						
	Apr. 30 1945	Mar. 31 1947	Mar. 31 1950	Mar. 31 1951	Mar. 31 1952	Mar. 31 1953
Dominion of Canada Subsidies	\$ 8.76	\$ 9.43	\$ 20.02	\$22.85	\$24.50	\$25.88
Taxation	14.09	15.47	20.49	26.21	29.19	34.35
Licences	3.70	2.25	4.29	5.02	6.03	6.54
Fees	1.59	1.72	1.86	1.77	1.76	2.27
Interest	3.06	2.75	2.52	2.24	2.88	3.43
Public Domain and School Lands	3.82	3.77	4.91	4.91	7.43	7.93
Liquor Profits	—	6.00	4.66	2.40	—	—
Miscellaneous	5.45	6.08	11.19	12.21	11.82	6.91
	\$40.47	\$47.47	\$ 69.94	\$77.61	\$ 83.61	\$ 87.31

SECOND READING

Automobile Accident Insurance Act

The Assembly resumed, from March 1, 1954, the adjourned debate on the proposed motion of the Hon. Mr. Fines:

“That Bill No. 37 – an Act to amend The Automobile Accident Insurance Act be now read a second time.”

Mr. Robert Kohaly (Souris-Estevan): — Mr. Speaker, I wish to speak of the principle involved in Bill No. 37. I understand it is during the debate on second reading that such matters are discussed. This Bill deals with a number of amendments to The Automobile Insurance Act and some of the amendments, as indicated by the hon. Minister when the Bill was first placed before us, are only of minor importance. They change the words from ‘failure’ to ‘fracture’ and so on – of no consequence whatsoever, except to make the Act a little bit more workable in the light of day-to-day circumstances.

However, there is a very substantial principle involved in some of the sections of the Bill, namely, the sections dealing with property damage insofar as automobile accident insurance is concerned. I don’t want to find myself interpreted as attacking The Automobile Accident Insurance Act, for I am not doing so. I am speaking only to the principle of this particular amendment, Bill No. 37.

The hon. members know, better than I, the history of The Automobile Insurance Act; that is, that it came about to cover provisions in a legal way for the theory of automobiles and their insurance and allied matters in the province of Saskatchewan. It was put together as an experimental matter. It had not been tried earlier, and, of course, when you have situations such as that, Mr. Speaker, you find you start with something, you add to it and you subtract from it, and the end result with The Automobile Accident Insurance Act was that you have a very difficult Act.

Any hon. members of this House who happen also to be members of the legal profession will possibly join with me in saying that the Automobile Accident Insurance Act is one of the most difficult Acts to administer in a law office. It is very difficult, and we constantly find difficulty in answering questions raised by our clients concerning it. So we have certain amendments.

The idea behind this amendment in Bill 37, appears to be to change the coverage or the benefits of The Automobile Accident Insurance Act from \$100 to \$200. Now, generally speaking, I feel that it is the opinion of most in the province of Saskatchewan that the financial provisions, or the money provisions in The Automobile Accident Insurance Act are, in effect, taxes. We do know that legally they are not. They are moved apart from taxes; but they are a form of tax because they are compulsory. People look at it in that light. I would be the first to agree that it is in fact not a strict tax, but that is the way our people look at it, who are not of course trained in understanding of strict legal terminology.

In Bill 37 we do believe the property damage, but there are other items that are affected. There is, of course, the question of collision damage; there is the question of public liability, not to speak of fire and theft

and so on. And in these three items you have again two branches. The first branch, Mr. Speaker, is the question of the premiums or the rates that are to be charged, and the second branch is the benefits to be derived from being a member of such a scheme. As far as the premiums or rates are concerned, section 5 of The Automobile Accident Insurance Act indicates how these rates will be changed or will come about. It says very clearly that they shall be published in the 'Gazette' after being fixed by regulation. That is section 5, and there is no difficulty with that. But, in Bill 37 we deal with benefits, and benefits insofar as collision is concerned are once again dealt with in section 33 of the Act, sub-section 2 which gives the right to amend or change the benefits under collision alone by regulation, which of course is quite proper. Public liability, having no deductible but having certain limits only is included in 37, sub-section 1(f). And once again they can do that as they so see fit.

However, property damage included in Section 37, sub-section 2, of The Automobile Accident Insurance Act, there is a noticeable departure from the methods by which benefits can be changed. The hon. members will notice that the Legislature in its wisdom has given to the Government the right to change the premiums or rates and some of the benefits by regulation, but they fail to do so when it comes to the property damage item. It is that part of Bill 37 which makes the most dramatic change in principle. It is well understood that property damage is the damage which is done to someone else's property; collision is the damage which is done to your vehicle. Public liability, of course, is the damage which you do to someone, some person rather than an inanimate object, and we have property damage being dealt with and the change in the benefits.

Now, property damage, if I may say so, Mr. Speaker, is a good social form of legislation; it is a good thing to legislate and insure that people have property damage, because it is a protection to the other fellow, not to yourself. Collision, of course, is a protection entirely for you, because it is your own vehicle that is being damaged; it is your own vehicle that you foolishly roll on a curve. I submit generally that it should not be the subject of legislation and compulsion in the province of Saskatchewan. Property damage, however, the principle of this Bill 37, is definitely social legislation and should certainly be on our statute books, and the Government are most certainly to be commended for having put it there at such an early date and having kept it there and having, through Bill 37, shown their continued interest in it.

The history of Bill 37 – and I don't want to find myself in the position of reading a lesson to the Government or the members of the Executive Council, because they can teach me a great deal about law and about legislatures and about assemblies; but the history of Bill 37 is not a good one. I do not know whether or not an order-in-council had been passed; but it was made by the hon. Provincial Treasurer as more or less an aside, and I do not know, and, of course, we do not know whether orders-in-council had been passed, and they may well have done so. But an order-in-council is something that is not provided for in this Automobile Accident Insurance Act and, if it has been done, I suggest that the order-in-council is entirely improper and should not have been passed. An order-in-council, we have long learned in this country, is not a proper thing in a democratic country unless there is a specific urgency or an emergency that cannot wait for the legislature to deal with it. Section 37 was passed by this Legislature specifically leaving out the right to change this except as a Legislature, and it

should certainly follow that procedure in the years to come.

There was no great emergency, I submit, Mr. Speaker, in connection with Bill 37, that an order-in-council should have been necessary. The Legislature met at an early date in February; there was some certain urgency connected with an amendment to The City Act and, in order to face that emergency, the Minister in charge took certain steps at the opening of the Session to see that it went through quickly. The Automobile Insurance for the current year is not going into effect, as I understand it, until the month of April, and there is, therefore, approximately two months for this Legislature to change this Act if such change is necessary. So I submit to those who may say that there was an order-in-council, that it was not proper to have passed such an order-in-council, that there was no necessity for it and that it should not have been done.

It might be said by some that there has been a regulation passed and, of course, that cannot be true. There is no evidence of the regulation in the 'Gazette' and, in addition, they have no right to pass a regulation. I am quite confident the Government, knowing that they lacked this right, would not do so. On top of that we have before us Section 7 of Bill 37 which is asking this Legislature to do the very thing that a regulation would have done if they had done it and if they had the right to do it. So it is highly improbable that any regulations has been passed.

The first inkling that any member of this House had that any change was contemplated in The Automobile Accident Insurance Act by way of Bill 37, was certain press announcements that came to our attention, and these press announcements did not tell us what the change was going to be in Section 37 of The Automobile Accident Insurance Act – no! All it said was that the hon. Minister was going to make a radio speech on what the changes were going to be in The Automobile Accident Insurance Act. That's all. And so we find on the 16th of February a speech purportedly made by our Provincial Treasurer concerning Section 37 of The Automobile Accident Insurance Act, and some other matters at the same time. The other matters that he dealt with, such as the rates, were perfectly legitimate and proper. There is nothing wrong with that at all, because he is allowed to do that by regulation. As far as the benefits were concerned, which he dealt with at that time, some of them were all right. The ones on collision were all right because it is specifically provided by his Legislature that he has the right to do so, because a regulation was apparently passed. But in the case of property damage which he announced on that date, it was not proper, because it was not within his power to make such an announcement until this Legislature had passed it, and he now brings before us Bill 37 containing the very thing. He is asking us now to ratify actually his radio speech, telling the people of this country that they were obliged to take our insurance changing the benefits under the property damage. It is an accomplished fact, and there is very little that this Legislature can do except say, "Well, we will have to ratify your radio speech." But it is a highly improper thing, and I wish to take this opportunity of drawing it to the attention of the House.

The principle is wrong; the principle is wrong in the Bill, and the methods used are entirely incorrect. I think, Mr. Speaker, that it is a form of discourtesy to the Legislature to usurp their powers and to go on the radio and tell us, and the people whom we represent, that there is going to be a change in The Automobile Accident Insurance Act and this is what it is going to be. He does not know that this House will ratify this change. It is possible, viewing the Government benches, that he could come to the assumption that he had more supporters than the Opposition had, and on an ordinary division he

would have sufficient. But, it is an act of discourtesy not only to this side of the House but to his own people, his own members of the Government, those sitting on the Government side, to assume that they would do that which he had announced on the radio. The suggestion that I would like to make is that, if he wants to come into this House and make his announcement and then go on the radio to get a wider field and into the hands of the people who need to know, then let him do that. Let him make such an announcement in this House (it is not impossible) and then go on the radio and engage radio time for the service to be rendered to our people. But that was not done. He ignored this House altogether, and went on the radio and told the people exactly what they were going to face.

In addition, I realize that there is an unusual situation here. There is a Crown Corporation involved, and Crown Corporations are relatively new things. It will take a little while until we get some precedents established, and possibly that is one of the reasons why the hon. Provincial Treasurer decided to bypass this Legislature for the time being and go on the radio. If that is the case, it is only a question of correcting our precedents and making sure that we do not pass down to other people coming after us, the right to go on the radio in connection with Crown Corporations which are in fact part of this Legislature's work, and announce to them direct. It is especially so in connection with this particular item. I said this before: I view this along with most people, in this province, as a form of tax. Legally it is not entirely so, but certainly it looks like a tax and it feels like a tax and it acts like one and it smells like one and it hurts like one and it must be pretty close to a tax. If that is the case, then I suggest, Mr. Speaker, that the right to tax rests only in this House, and if it is a close one, then the hon. Provincial Treasurer should not take any chances with it, but should come here once again by way of courtesy, if nothing else, and announce the changes here.

There are some Crown Corporations that I would not include in that. I would not include any corporation dealing with commodities which are on the open market such as boots and blankets and things like that, because the people have an opportunity to switch from the government-owned one to something else. They do not have to take it, so it is not a tax. Similarly, transportation. You do not have to go on the bus; you can go by train, by car, by plane, or by whatever method you want. So they are not taxes either; but this is different, because you must take it. If a person is a driver and presents himself for insurance and for a licence, he must take what he gets and, therefore, it is a tax, or at least awfully close to it.

I think, Mr. Speaker, that the principle involved in Bill 37 must be carefully looked at not only by members on this side of the House, but by members on the other side of the House as well, in all fairness. For it is their right, as well as our right on this side, which is being abrogated, and there should be at this point some effort on our part to stop this one and to stop any succeeding ones. I am sure that, if it is drawn to the attention of the Government, more care will be given on the next occasion to riding over, either inadvertently or otherwise, the rights of this Legislature.

I do not want to harp back many years ago to very important changes which came about in our parliamentary procedure, such as the Magna Carta, Royalties and Ship Money and all that, but that is actually the very crises that is involved here. Some hon. members will remember one of the terms of the Magna Carta itself was "that no scutage or aid shall be imposed in our kingdom unless imposed by the common consent of our kingdom" – and that, of course, is this Legislature insofar as the province of Saskatchewan is

concerned. None whatsoever should be done except that which is done through this Legislature. There was a man who tried doing it and although he was a king he ended up without his head. I am quite confident that situation should not exist in this province in this day in connection with this Provincial Treasurer. But both Government members and Opposition members, Mr. Speaker, are responsible to all of the people. It is not the Minister who is responsible to the people, but the Minister through us, to these people, and not through the radio, regardless of what the instance may be and how close it might tend to be from time to time to the Crown Corporations.

Once again I would like to point out that this situation we had on February 16th is not a new one. We had it a few years ago. We had it in the February House in Ottawa, and at that time the Minister of Finance, Mr. Abbott, put on a new excise tax and he used the same methods that our Provincial Treasurer used. He went on the radio and this was a couple of months (I believe) before he ever went to the House of Commons to ask for ratification. At that time certain hon. members of that House saw fit to rise in their places and comment on it, on the second reading of the item, and there was one very renowned authority on constitutional law who spoke at great length – the then member for Lake Centre, now for Prince Albert (Mr. Diefenbaker) – but there were greater authorities, possibly. There was the hon. member for Moose Jaw who spoke about it as reported in Hansard, House of Commons, Session 1948, volume 2, page 1540, and Mr. Thatcher said: “On November 18 last he imposed by order-in-council or he applied by notice of some kind, a tax of 25 per cent on a long list of commodities.” Mr. Abbott interjected: “No order-in-council, no taxes yet imposed”; which is not the case here. Then Mr. Thatcher went on and this is the important part, Mr. Speaker.

Premier Douglas: — Does my hon. friend say it is not the case here?

Mr. Kohaly: — Mr. Abbott, I understood, is reported in the Hansard to have said: “No order-in-council, not taxes yet imposed” to the hon. member for Moose Jaw, and I comment on the side that this is not the case in Bill 37, for certain taxes have been imposed. People today, yesterday and the day before have been buying licences and insurance, and taxes have been imposed by virtue of that, although this Bill 37 has not yet been passed. I commented as an aside on it, and I should probably have got a little further away from the quoted material. Mr. Thatcher proceeded:

“Parliament was not in any way consulted about those facts. Parliament has not approved that tax even tonight, yet the tax has been collected by the Minister’s officials for over two months. What is the significance of that? It means that executive government, as represented by the Minister, by his officials, by his assistants, most of who are not members of Parliament, have imposed a tax on Canadians arbitrarily and autocratically. The Minister is only asking Parliament for approval two months after the tax went into effect. I suggest that if this resolution goes through, perhaps a few years from now the Government will decide that it can put through taxes without even bothering to come to Parliament, before the people. Surely this is conceivable. If this resolution is passed, we shall have created a precedent which will mean that in the future the Government will be able to impose taxes and then

three months, or six months after, come to Parliament and say, 'We have imposed these taxes; will you approve of them'."

That is not my quotation, but the quotation of the hon. member from Moose Jaw, Mr. Thatcher. In case Mr. Thatcher is not an authority on constitutional law and taxes imposed other than through the parliament of the country, we have the hon. member for Winnipeg North, Mr. Knowles, who spoke on this matter, and he is reported in Hansard of March 9, 1948, on page 2040, as saying:

"I feel that two things should come out of this experience. First of all, this committee should vote down this resolution and show the Minister that he has no right to say that it was assumed that Parliament would pass it. I submit that there is too much of this trifling with the constitution. I submit that this is just about as serious an issue as has yet faced this Parliament."

And then I cannot help but come back to Mr. Diefenbaker, the hon. member for Lake Centre (as he then was) to say that I would like to join with his comments at that time only to the extent that "we must stop this political erosion of democratic rights." That is what he had to say about it and he is an authority on constitutional proceedings.

It is not my purpose, Mr. Speaker, to come into this House to criticize and criticize alone. I think it is one of my duties, but I have another duty and that is to suggest. And I suggest that, in situations similar to this, if they should arise in the future the Minister involved should consider it his duty and his courtesy to this Legislature if it is sitting, and should do something about it and report it here, then use the radio; not the radio first and allow us to tune in to the radio and hear what we should hear right here.

Crown Corporations, I realize, are slightly different than ordinary taxes, but the compulsion angle tends to make them into a form of tax, or a quasi tax, and Crown Corporations are becoming more and more an everyday part of our life, and the Ministry should be careful that they do not set up some principles concerning Crown Corporations which will allow future governments, which may not be as careful as the present one, to deviate even further and an entirely dangerous situation will be set up. The only two I can think of which might fall in the same category would be the automobile insurance and the hospital levy. Those are the only two I can think of at this particular stage. I would like, but believe I have not the right, to speak of removing entirely the collision provisions only from The Automobile Accident Insurance Act, rather than merely amend the situation. It is not social legislation, and it is only of benefit to the individual who holds that particular policy, and it is not for the benefit of other people. I believe also, that some of the other provisions, notable fire and theft, are not social and should be removed.

I have said far more than I intended to concerning this, but I feel it is a question that should be given serious consideration by this House. It is a question of principle – both sides. I don't know what the attitude is of the members of the Government who are not members of the Executive or what they think about it, and I thought that I should raise it and they, of course, have the right to take their own independent stand on the attitude

taken by the hon. Provincial Treasurer in connection with the announcement of this Bill and the principle to the people of this country. I wish only to say that I feel there is a responsibility of the Ministers to the Government of this country; there is a responsibility by the Government to the Legislature, and there is a responsibility of all of us to defend all of the rights, including the constitutional, unwritten rights, of this Legislature. Possibly it does not behoove me well, as a young, new member, to attempt to say anything such as I have said this afternoon. However, I have had to say it. I feel that there has been a serious breach, and I felt that if I brought it up, the hon. members might join with me in suggesting that this breach will not recur, but that it will be brought very closely to the attention of the Legislature and of the Minister involved, that it won't happen.

I wish to conclude by moving, seconded by Mr. Danielson”

That the following words be added to the motion:

“But this Assembly regrets that use was made of facilities outside this Assembly to convey a proposed amendment to The Automobile Accident Insurance Act to the citizens of this province.”

Hon. C. M. Fines (Provincial Treasurer): — Mr. Speaker, this reminds me of Shakespeare's play 'Much Ado About Nothing'. May I say, at the outset, that the hon. member has shown, this afternoon, that he certainly has very little conception of the work that goes into the preparation of anything as big as an Automobile Insurance plan. He apparently does not realize that in order to get the necessary application forms printed, to get the necessary licences printed – and remember, there are hundreds of different kinds, not just a few; there are actually hundreds of different schedules that have to be printed.

Mr. Speaker: — You must not speak to the motion; you have to speak to the amendment.

Hon. Mr. Fines: — I am speaking to the amendment, nothing but. To do that, Mr. Speaker, it is necessary to have that in the hands of the printers months ahead. The printers have had this since back in December. They were holding the type, waiting until after 1st February to get it printed. The forms have been being printed since 1st February. This is one of the practical problems that my hon. friend does not recognize.

Then, too, he says that he doesn't know whether an Order in Council was passed or not. Well, Mr. Speaker, he should know. It is his duty not only as a member of this Legislature, but as a lawyer who gets a free copy of the 'Saskatchewan Gazette' to read it; and if he had read the issue of February 20th, he would there see the Order in Council which sets out the fee for every type of vehicle, which has been passed.

May I say, at the outset, that Cabinet did not exceed its authority in any way, shape or form in setting those out, because it states very clearly in sub-section 2 of section 33 that this shall be fixed on regulations and then again, sub-section 2 of section 5: “The premium rates for each licence year shall be fixed and shall be published in the 'Saskatchewan Gazette' before the commencement of that licence year.” That is another good reason: These licences can be used on the 1st of March. We have to get these out to 600 issuers in the province from the 15th of February to the 20th to be ready

on time. Then too, I would draw your attention to section 64, which says: "The Lieutenant-Governor in Council may make regulations for the better carrying out . . ." In other words, the Lieutenant-Governor in Council is quite clearly given the powers, all the powers, for fixing the rates and fixing the benefits, with this one exception: "To increase in the province of Saskatchewan the deductible under the property damage from \$100 to \$200." I suppose that will cost less than one-tenth of one per cent of the total amount of the Automobile Insurance claims during the next year; so that it is truly much ado about nothing.

Then, too, the hon. gentleman says that people say that these insurance fees are taxes. "Well, I don't agree with that," he says; although later on he came around and told us that he did agree. I wrote down what he said at the start and he seemed to contradict himself as he got more worked up, as he went on. Well now, Mr. Speaker, there is no tax to it, whether the hon. gentleman agrees with what he thinks the people believe or not. The hon. member for Arm River (Mr. Danielson), when this Bill was introduced originally, said that 90 per cent of the people disagreed with the principle of compulsory insurance at all. I don't think it makes any difference whether the hon. gentleman agrees or not. I am going to tell you, today, it is not a tax; there has never been a single five-cent piece of this revenue come into the Treasury of the province; under The Treasury Act, every cent in taxes must go into the consolidated fund, and it doesn't, then something serious can happen. But I can assure you, Mr. Speaker, there has not been a five-cent piece come into the consolidated fund from The Automobile Insurance Act.

I am not going to debate the question of whether or not we should have collision insurance. That is not the matter before us here today; that is completely outside the realm of this Bill. The other day I didn't speak on the Bill, because I realized that the Bill was largely technical amendments, and only this one slight amendment was a matter of principle. Mr. Speaker, I submit to you that it was impossible to wait. I could have got up on the Orders of the Day and said, "Mr. Speaker, we are going to amend Section 37 to change the amount under the property damage from \$100 to \$200 deductible; I am making a radio broadcast tonight but please, I want to tell you before I do it." Well, how ridiculous can you get – how ridiculous can we get!

I have been in this House, Mr. Speaker, for ten years and I do not think that any member can accuse me of showing any discourtesy to the hon. members; in fact I have gone out of my way to try to help them, to give them information and to give them all the assistance I possibly can. I have gone beyond what is necessary in the line of duty to do that, and I certainly intend to continue that policy. I am sorry I have offended my hon. friend, but I am sure that if he had read his 'Saskatchewan Gazette' and read the other sections of the Act and had known what the technical difficulties were and how essential it was, he would realize that one of the things that worried me about this was leaving it as late as we did to make the announcement. Last year, we made the announcement about the 27th of January, 2½ weeks earlier than we did this year. Leaving it that late made it very difficult.

Now, Mr. Speaker, having made this explanation I suggest that probably the hon. member would want to withdraw that amendment.

Mr. A. Loptson (Leader of the Opposition): — Mr. Speaker, I would like to make a comment on that and support my hon. friend, the member for Souris-Estevan, in his objection to the way the Provincial Treasurer handled it. He could have made all these preparations

in quite the same way as he did, even without passing an Order in Council. He could have brought the Bill in with the Bill that was passed here the first two or three days of the Session, the one respecting The City Act, and all this would not have happened. There is no question about it, the Provincial Treasurer just flouted the Legislature. As far as the Legislature was concerned he took it for granted his supporters were going to carry it – as they always do. All he has to do is snap his finger and they fall in line, and my hon. friend from Souris-Estevan will realize that after a while, as we have realized it in the past.

Mr. G. Herman Danielson (Arm River): — Mr. Speaker, I would like to say a word or two on this. The Provincial Treasurer is an artist at trying to slip from under anything that is not just right. He mentioned certain dates. This Bill came out on the 20th of February, and I looked at the ‘Gazette’ and this change with regard to the deductible was not in it. But the radio address was made on February 16th, Mr. Speaker, four days before the ‘Gazette’ came out. Then the House met on February 11th, and if there was anything in the world that needed to be told to this House (he is a sort of a Caesar when it comes to these things) this is it. The documents are before you. You had another Bill which it was necessary to bring up early in the Session and the same could just as well have been done with this one. One of the very first things we did was pass a Bill on the request of an urban municipality; and that was all right. But every word that the member for Souris-Estevan said is true, and the meaning of it is far, far more serious than what the Provincial Treasurer is trying to brush off by waving his hands over there. We can expect it on this side of the House, but how those fellows sitting over there can take it, I don’t know. They are getting used to it by this time I guess, and maybe they like it.

I am certainly supporting the member for Souris-Estevan in what he has said and we are not the only ones; there are people out in the country. Somebody asked me about this thing. I was sitting down in a restaurant and a man who lives in the city of Regina in the Grenfell apartments asked me, “What are you doing with this thing? You are increasing the deductible under the Act.” “Well,” I said: “I never heard of it; where did you find it out?” He said: “It was on the radio and my wife was telling me.” So it is not only of interest to members of this House but it is of interest to every citizen, particularly the farmer, who is going to get it in the neck worse than he ever got it before.

Mr. Speaker: — Order! You must confine yourself to speaking to the amendment.

Mr. Danielson: — We’ll thresh it out, Mr. Speaker, when we get to Committee.

So the Provincial Treasurer has not defence, and the defence that he has put up is nothing more than a smokescreen. He hasn’t got the backing of any document for a word he said.

Mr. R. A. Walker (Hanley): — Mr. Speaker, a couple of members on the opposite side have had something to say, wondering what members on this side feel about it. Well, I am going to tell you, Mr. Speaker, just how . . .

Mr. Loptson: — You don’t need to waste your time; we know how you feel.

Mr. Walker: — The member for Souris-Estevan quoted lengthy authorities from the debates of the House of Commons of Canada dealing with a situation

which, I submit, was quite different from the situation that prevailed here. In the instance about which the member complained the Minister had imposed a tax and had collected the tax for several months before Parliament was even summoned; and there the tax had been taken into the Federal Treasury before Parliament had even been officially advised of the intention of the Government to impose the tax.

Here, however, this situation was distinctly different. In the first place, the legislation was introduced into the Legislature before any part of it became operative for this year. This legislation was introduced before the first of March, and I suggest that it was the adjournment of the debate by the member for Souris-Estevan that prevented this legislation from being disposed of in the ordinary course of events and probably passed before the first of March. However, I do not begrudge the hon. member the right to ask for an adjournment to discuss the matter, but I do suggest that it ill lies in his mouth to complain, because the debate was adjourned over the first of March, that somehow something unconstitutional has taken place.

I am sure the member for Souris-Estevan will cede that the only effective part of this legislation which affects this 1954 insurance coverage is that which increases the exemption, because, as he admitted, it increases the exemption for property damage only; but, as he admitted, the Government has, under the existing legislation, the right to set the rates by Order in Council. I suggest that the payments out of the fund under the collision or property damage features of the Act have not gone into effect and will not go into operation until the first of April – not a single payment out will be governed by this change in the exemption until nearly a month hence, so that the objection which the hon. member took to the Act is one which, I submit, is entirely invalid. But considering the general principles involved, Mr. Speaker, here are Ministers who have gone out on platforms in Saskatchewan and in radio addresses and have said that they are going to carry out a \$75 million highway programme in the next four years. They did that before this Legislature was even elected. Is anyone suggesting that the Minister of Highways, or that other speakers on this side of the House who said that this Government was going to carry out and implement a \$75 million highway programme in the next four years were somehow guilty of contempt of this Legislature? I suggest that that is . . .

Mr. Lopton: — Mr. Speaker, I suggest that he keep to the resolution.

Mr. Walker: — I suggest, Mr. Speaker, that it is a common occurrence for this Government to say in advance what it is going to do and then to do it.

If the Provincial Treasurer, having announced the Government's intention of doing these things, should fail to obtain a majority of votes in the Legislature, I am sure that nobody on the other side would grieve to see him turning in his office key, so that the constitutional remedy is available to this Legislature if it disagrees with the principles contained in the Bill.

I do not want to take time to discuss what the member for Arm River had to say, except that I believe as legal counsel for the Liberal Party, we can expect some very quaint legal pronouncements from him. The hon. member for Arm River suggests that is now a constitutional principle that you cannot even pass an Order in Council if you have mentioned it four days earlier over the radio. I suggest, Mr. Speaker, . . .

Mr. Danielson: — That's a lie.

Mr. Speaker: — Order!

Mr. Danielson: — And you know it. But that is the practice; he couldn't even talk for five minutes without lying. I never made that statement.

Mr. Speaker: — Order! I insist on order, please. I will ask the member for Arm River to withdraw that statement and I will also ask the member for Hanley to withdraw the statement which he ascribes to the member if the member says he did not make the statement.

Mr. Walker: — Mr. Speaker, I have no hesitation in accepting the explanation of the hon. member for Arm River that he did not make the statement; but I guess what I said was that it was improper to pass an order-in-council unless you have announced it previously over the radio. I will withdraw that statement and instead I will say that it is improper to announce over the radio five days before what you are going to pass by order-in-council. I would like to ask the hon. member to withdraw.

Mr. Speaker: — I think I will ask the hon. member that he be satisfied with the withdrawal of the hon. member — that he did not make that statement.

Mr. Danielson: — Mr. Speaker, there is nothing to withdraw if he took back what he said.

Mr. Speaker: — Well, he did.

Mr. Danielson: — Well, that's all right then.

Mr. Speaker: — You will withdraw too.

Mr. Danielson: — I am going to take back the accusation I may have implied. I am going to say this: I am going to give him an opportunity to take it back, too . . .

Mr. Speaker: — Order! Order!

Mr. Danielson: — . . . but I have the courage to face . . .

Mr. Speaker: — Order! Order! Will the hon. member sit down?

Mr. Danielson: — Well, Mr. Speaker . . .

Mr. Speaker: — We cannot debate these points of order in this way.

Mr. Danielson: — Why did he have the right to explain? He did explain.

Mr. Speaker: — No, the hon. member for Hanley recited what he had said. He said if you said he didn't say it then he withdrew.

Mr. Danielson: — Oh, he said many things beside that.

Mr. Speaker: — Will the hon. member kindly finish?

Mr. Walker: — Mr. Speaker, I will insist upon the member for Arm River withdrawing the epithet which he threw at me.

Mr. Speaker: — He did withdraw.

Mr. Walker: — Oh, did he withdraw?

Mr. Danielson: — Mr. Speaker, I did withdraw, but he said he never said – he admits that I maybe did not make the statement, but he did.

Mr. Speaker: — He has withdraw and you have withdrawn so now let us proceed.

Mr. Walker: — Your honour, I will in future try to avoid noticing the hon. member for Arm River, or try to avoid his arguments; but I want to say on my own behalf that I do not feel the conduct of the Minister in this regard has in any way jeopardized the constitutional rights of this Legislature or the privileges of this side of the Legislature, and I for one want to compliment him for the efficient way in which he has conducted this particular matter.

The question being put on the amendment, it was negated on recorded division by 36 votes against 9.

Mr. R. A. Walker (Hanley): — Mr. Speaker, I beg leave to adjourn the debate on the motion for second reading of Bill No. 37.

(Debate adjourned)

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