

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Twelfth Legislature
18th Day

Monday, March 8, 1954.

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

BUDGET DEBATE

The House resumed from Friday, March 5, 1954, the adjourned debate on the proposed motion of the Hon. Mr. Fines (Provincial Treasurer): That Mr. Speaker do now leave the chair. (The Assembly to go into Committee of Supply).

Mr. C.G. Willis (Melfort-Tisdale): — Mr. Speaker, in rising to speak to the motion, I would congratulate the Provincial Treasurer first upon the clear, concise, able manner in which he delivered his budget speech on Wednesday last, and second, upon presenting a budget which brings one year nearer fruition the 10-point programme upon which this Government was elected in 1952.

I would particularly draw to the attention of the members of this Assembly that this is the 10th consecutive budget presented by the Hon. Provincial Treasurer. This is the record number of budgets presented in this Legislature by one provincial treasurer. It is a record held jointly by the present Minister and the Hon. C.A. Dunning who occupied that position from October, 1916, to February, 1926.

The budget presented last Wednesday is the largest in Saskatchewan's history, providing a record expenditure of more than \$122 million. It is only to be expected, Mr. Speaker, that there would be attempted criticism of this budget. It is the duty of the official Opposition to point out what it considers to be the weaknesses of the budget. The member for Maple Creek (Mr. Cameron) led off for the Opposition, on Friday last, as its financial critic. His effort was at a particular with the past performances of recent Liberal financial critics — "full of sound and fury, signifying nothing."

The 'Leader-Post', too, could be expected to come out strongly against the C.C.F. budget. This it did last Thursday in an editorial entitled "Spending Spree Continues". The editorial stated that the Provincial Treasurer "having noted thereon cautions which dictate prudence proceeded to throw caution to the winds by announcing increases both on revenue account and in capital expenditures."

The editorial ended with the observation that:

"In the face of the spending spree of the C.C.F. in its decade of office it perhaps is too much to expect even a glimmer of financial prudence in the face of the uncertainties of the immediate future."

"Financial prudence", according to the 'Leader-Post' Editorial, consists of "provision being made for laying aside a goodly portion to serve as a cushion

against less favourable conditions." Mr. Speaker, in the light of the conditions that exist today such a policy would be not financial suicide, but economic suicide.

Let us support that this Government were foolish enough to follow the advice of the 'Leader-Post' and set aside as a cushion the \$23 million which is to be advanced to the Power Corporation and the Government Telephones, this year. If this advice were followed, these two corporations would have to abandon their expansion programmes for 1954. Such a move would have widespread repercussions.

To soften the blow a nice little letter could be sent to each employee laid off as a result of this action, explaining that the Government is taking away his job, did so only to provide a cushion against less favourable conditions.

I wonder if the construction contractors throughout this province would applaud such a step by this Government – and what about those people who have already paid for power in 1954! I can picture their unmitigated joy upon being told that they would not get power, this coming year. Or let us consider the electricians who expect to wire 6,500 farms this year. They could be assured that the jobs would still be there when conditions were more favourable.

What about the businessmen who have already ordered electrical goods and appliances with the expectation of serving 6,500 extra customers? If they cancelled their orders, would they console themselves with the thought that the Government was exercising financial prudence? Surely the 'Leader-Post' would admit that the cancelling of the Power Corporation's programme along with that of the Government Telephones, would have serious detrimental effects on our economy.

Perhaps the 'Leader-Post' had a smaller sum than the \$23 million in mind. Perhaps it would advocate that the new wing of the Administration Building should not be built this year, or that the construction of Regina's 200-bed nursing home should not be commenced in 1954. The Regina 'City Fathers', or representatives of the building trades in this city, would be well advised to wait upon the Editor of the 'Leader-Post' and discuss with him the economics of curtailed expenditure in this year especially.

If the advice of the 'Leader-Post' were taken, Mr. Speaker, the uncertainties of the immediate future would no longer be so uncertain. It would then be easy to predict that we, in the near future, would be resting, along with our cushion, at the bottom of the depths of certainly a major recession. The Provincial Treasurer put the case very well in the last paragraph of his speech when he said:

"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 combating 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 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."

I was not surprised, last Friday, to hear the member for Maple Creek following the lead of the 'Leader-Post' and advocating an end to this so-called 'Spending spree'. Any government which reduced spending to an appreciable degree in the face of the unsettled present-day conditions would be committing nothing less than a crime against the state.

We wholeheartedly disagree with the advice of the 'Leader-Post' and the member for Maple Creek, and think more harm than good would result from reducing the budget by a "a goodly portion to serve as a cushion against less favourable conditions." We are of the opinion that the best kind of cushion is provided, as stated in the budget address, by the "marked economic, social and financial progress achieved in the province during the past ten years." The present budget provides for extending still further that progress. That much progress has been made by this Government should be readily apparent to the people of this province upon the study of the Provincial Treasurer's remarks in his budget speech.

This afternoon, I wish to point out briefly some of the progress which has accrued to the constituency of Melfort-Tisdale as a result of this Government's actions. First, the people of my constituency approve the high, wide, well-gravelled highways which are being built not only in Melfort-Tisdale, but all over this province, by the C.C.F. Government in fulfillment of its election platform. Of the 130 miles of provincial highways in Melfort-Tisdale, all but 26 miles have been rebuilt and gravelled since 1944. Judging by the staking that has been done this winter, No. 3 is to be rebuilt west of Melfort in 1954. Seven miles of this will be in the constituency of Melfort-Tisdale.

There is general approval of the highway programme carried out in our constituency. However, we do not think that the Department of Highways should stop there. Future programmes of the department, without a doubt, contemplate the blacktopping of Highways No. 6 and No. 3 to connect Melfort-Tisdale with Regina on the south, and with Highway No. 2 on the west. In the past we have urged that, in place of building blacktop towards us, the laying of blacktop should begin in Melfort-Tisdale and that future programmes should fill in the gaps. The volume of traffic on our roads warrants blacktop now in our part of the province.

I might point out here, Mr. Speaker, that the town of Melfort has embarked upon a programme of hard-surfacing its streets. This past year 11 blocks of blacktop were laid down. I understand that this is the first step of a programme planned to blacktop all the main thoroughfares in the town.

The assistance given by this Government for the building of main market roads is a popular topic of discussion in this Assembly. For some years now all R.M.s in the province have been given by this Government annual grants on an equalization basis for the purpose of assisting in the

March 8, 1954

building of main market roads. Over the years this has meant a great deal of assistance to the R.M.s. Last year the aid to municipalities was again increased. The withdrawal of the Government from the property tax field made, in reality, a grant equal to two mills of each R.M.'s assessment. In view of the wide variation in the assessment of R.M.s, the Government however, went even further and said that where the amount of taxes raised by the two mills did not equal three and one-half times the grant received by that municipality in 1952, the Government would provide an extra payment to make up the difference.

There are nine municipalities wholly or partly situated in the constituency of Melfort-Tisdale; all of them continue to levy for their own use the former Public Revenue Tax of 2 mills. Three of the R.M.s collected from this less than three and one-half times the 1952 grant, so they received, in addition, equalization grants. The highest assessed R.M., with an assessment of \$4,127,000, received \$8,255 in revenue from the former Public Revenue Tax. This R.M. received no further grant, last year. The lowest assessed R.M., with an assessment of only \$800,000, received \$1,600 on the 2 mills and, in addition, a grant of \$4,558, which together equals three and one-half times the equalization grant which they had received in 1952. That the Government recognizes the road problem still confronting R.M.s is evident from the fact that a provincial main market road grid system is under study.

The constituency of Melfort-Tisdale has been well served by the Power Corporation. Power lines in my constituency are almost as common as telephone lines. I am informed that within the constituency the miles of farm power lines total 554, and that the number of farms presently serviced is 735. The number of farms to be served in Melfort-Tisdale in 1954 is tentatively set at 172 and, in 1955, at 50 farms. With the completion of these two projects more than two-thirds of the constituency of Melfort-Tisdale will be served by the Power Corporation on an area-coverage basis.

Before leaving the subject of power I would take this opportunity of passing on a suggestion to the Minister of Agriculture. Upon looking over the report of the Department of Agriculture I found listed under Saskatchewan provincial statistics the number of telephones in the province, but no record of the number of power connections. I would suggest that the number of power connections be included in the 1954 report in order that recognition be given to the valuable work being done by the Power Corporation and to serve as well as an indication of the advancement attained in Saskatchewan.

Another Crown Corporation, the Saskatchewan Government Telephones, has been expanding at a rapid rate in the constituency of Melfort-Tisdale. In the past year, Government Telephones completed a new and enlarged exchange building in the town of Tisdale and installed dial telephones throughout the area served by the exchange. Melfort's telephone facilities, too, are being expanded. This past year, the exchange building has been doubled in size and with the installation of new equipment going ahead now, will soon be ready for occupancy.

It may be of interest, Mr. Speaker, to point out that Melfort has the largest rural telephone system in the province. The latest report (that is, not the one tabled today, but the previous one) of Saskatchewan Government Telephones shows that there are 777 rural telephones connected with Melfort's

central dial system. The next largest after Melfort is that of Regina with 718 rural connections. Regina, of course, leads in the total number of telephones, both urban and rural, but it is to be noted that Melfort stands 9th in the province in this regard, and that Tisdale is just behind in 12th place.

The budget address drew attention to the fact that the Melfort Nursing Home will be completed this year. The task of recruiting the 62-member staff is going ahead now in anticipation the home will begin operating within a month. With a capacity of 152 beds, the home will provide nursing care for many of the older residents of north-eastern Saskatchewan within reasonable visiting distances of their friends and relatives.

After having read in the paper the story of Alberta's oil-rich budget, I am sorry to have to report that there are no oil wells in the constituency of Melfort-Tisdale and no oil-drilling crews at work. This occasions only a passing moment of regret for our constituency has something better in the fertile lands of the Carrot River Valley. The average producing life of an oil field is relatively very short, but our soil, with proper care, will produce for ever.

The North-east part of the province has, according to the Department of Agriculture's latest report, a higher wheat production per acre over a 37-year period than any other district in Saskatchewan. We can produce abundantly, as an inspection of the granaries on our farms will show. However, with the recent report that none of the 1953 wheat crop has moved as yet into the market, and with spring seeding only a short period away, most of our farmers are concerned as to what the future holds. It is a terrible indictment of our present economic system, Mr. Speaker, that surpluses strain it to the breaking point. An abundance of food should occasion only rejoicing, but under our capitalist system a surplus becomes a millstone around our necks.

We do find grounds for thankfulness, however, in that we have a Wheat Board and an International Wheat Agreement. But here again we must face facts. It will not be for our advantage to adopt an ostrich-like attitude and assume that, because we have the Wheat Board and International Wheat Agreement, all is going to be well. The Provincial Treasurer pointed out some of the danger signals pertaining to the sale of our wheat. These are first, the withdrawal of the United Kingdom from the International Wheat Agreement; second, the restoration of the speculative grain trade in the United Kingdom under the Conservative government; third, the accumulation of record world stocks of wheat, and fourth, the continued unbalance in world trade.

For the past 15 years we have had a n expanding economy bolstered by war and preparations for war; but now the expanding force is lessening and a contraction is taking place. In spite of the many storm clouds readily discernible on the horizon, the Provincial Treasurer has expressed a cautious optimism concerning the future. Yet, we are glad to have his assurance that the budget which he brought down has flexibility, and "lends itself to ready modification to meet rapidly changing needs." It is our sincere hope that such modification in the budget will not be necessary and, further, that in looking to Ottawa to assume its rightful responsibilities for measures to improve the "uncertainties of the immediate future", we do not look in vain for bold, timely and decisive leadership in retaining employment and income at high levels.

Mr. Speaker, I will support the budget.

Mr. A.P. Brown (Melville): — Mr. Speaker, on rising to speak at this time I do not intend to criticize the hon. member for Maple Creek (Mr. Cameron) in his role as financial critic or budget critic for the Opposition side of the House. I believe that that job can be done by members on this side of the House with more ability than I have.

I would, however, like to make one comment on a statement that he made in saying there were a number of us on this side of the House who referred to him as not having any rudimentary qualifications as a financial critic. I am not quite in agreement with that, Mr. Speaker. I believe in past administrations of some 12 or 14 years ago, he possibly would have made a very effectual and efficient critic. However, he is batting in a very different league today. The job, as I say, I believe is insurmountable.

In rising to speak at this time I realize that there have already been a number of speeches made at this session of the legislature; speeches that have given a very thorough and very complete coverage of practically all of the very vital and important issues that are facing us in Saskatchewan today. The budget as brought down by the Provincial Treasurer, shows that the people of this province have been fortunate in getting the best type of administration and proves once more that this is the best government that Saskatchewan has ever had.

The increase in mineral resources, our oil and gas records, the stepping-up of our road programmes and electrification programmes along with the other numerous programmes, show that we in Saskatchewan have our administration in good hands. However, Mr. Speaker, our primary industry is agriculture. It is fitting and proper that a great deal of discussion be stored throughout the country, the attempt to market that grain, has created problems that affect all of us no matter what particular field we happen to be in. My category happens to be that of the small businessman. Being in that category, I believe it is fairly important that we have some knowledge of the financial condition of the country. There is no better barometer than that of the small business. Every rise and fall of the financial condition of the people in your community is reflected in a small business concern.

The budget address warns us that there are some storm clouds on the horizon and yet there is much to justify cautious optimism. I certainly agree that this is so. There are, however, problems in our primary industry that effect us all. As I said before my category happens to be that of the small businessman and I would like the opportunity, this afternoon, to outline briefly how these vital issues which have been discussed in this House affect the small businessman throughout the country.

The term ‘small business’ can take in a great variety of businesses; everything from the small fan mills that operate on farms possibly to small manufacturing concerns. But it is not my purpose, this afternoon, to try to define what constitutes a small business. I would just like to speak for the specific businesses that we have throughout the towns and cities and villages along the line of general stores, grocery stores, garages, implement dealers, electrical and plumbing shops and all the rest. These businesses were started by men with some ideas, some ambition and an opportunity to locate in a particular part of a community that seemed to guarantee them a

small degree of success. They work long hours; most of them have overdrafts at the bank; they are busy trying to establish and maintain a home in their community. The Retail Merchants' Association estimates that there are some 9,000 or 10,000 of these people, who employ some 21,000 people, with a total annual salary of some \$45 million. While it is true that the financial and the economic status of the surrounding area is of vital importance to small business, I believe it is also true that it is the combined effect of these numerous small businesses on a community that make that community an enterprising and a progressive community. With the future expanding economy of Saskatchewan, I believe there is going to continue to be a place for these types of businesses that I have mentioned for some time to come.

However, Mr. Speaker, along with the storm clouds that we have on the horizon and the few squalls, I believe there are various steps that will have to be taken in the near future in solving some of the problems that are facing the small businessmen throughout the country today. I believe it is generally recognized that he is in a precarious position in some respects. There are a number of steps that can be taken, but I am just going to mention a few, this afternoon.

First, there is the problem that is so closely connected with our primary industry, agriculture, the fact that although there is a huge surplus of grain throughout the country there is very little actual cash. It has resulted in the businessman, having extended his credit to the limit, has thousands of dollars on his books. He is operating practically on a cash basis himself for the commodities that he has to buy, and yet, as I say, he has extended unlimited credit. Any local branch bank manager can verify the fact that the local businessman today is approaching a very critical position.

I believe that some consideration in the near future is going to have to be given in regard to the resolution that was passed in the Federal House in regard to payment for grain stored on the farms. We have another period coming up when it is going to be necessary for the farmer to need more credit, and this is going to fall to some extent on the shoulders of the small businessman.

I think, first, it is going to be necessary for some immediate consideration of this payment for grain stored on the farms; second, and more on a provincial basis, as I said before the small businessman is a man with some ideas and ambition and an opportunity to locate a business in his community, and he immediately comes under very rigid regulations and controls. As his business is established he comes under periodical checks in everything; in his electrical wiring to his heating unit, fire prevention rules, and his books are open for periodical inspection in regard to taxes he is collecting. He comes under very rigid minimum and hour laws; every year the loopholes in labour legislation are plugged to stop some unscrupulous employer from exploiting his employees.

All of these rigid government regulations, I know are essential. I am not arguing with the good planning and the control that went into these, that they are detrimental. The good sound planning that went into these controls has brought about a good sound business structure and has also brought about a good, decent living standard throughout the country. I mention these things only to show that the small businessman has co-operated

March 8, 1954

in all of these things. I believe he has realized the importance of good, sound controls and the fact that they have built up a good sound business structure throughout the country.

A trend now is towards a shorter work week and higher minimum wages. that is something I have always agreed with and something I have always supported. I believe it is the ultimate aim for all of us. However, as indicated in the budget, there are some storm clouds on the horizon. Tied in with this problem of the loss of buying power for the time in agriculture is the spectre of unemployment that is spreading across the country, brought about by the threat of peace, which under this peculiar economic system of ours, can be pretty nearly as disastrous as can be the threat of war.

I believe, Mr. Speaker, that it is going to be necessary for the Government to make some review of the financial position of the small businessman throughout the country. I know that periodical surveys are made by the Dominion Bureau of Statistics into the financial position of business as a whole throughout the country, but I know it does not apply to these particular types of business of which I have been speaking. I think it is going to be necessary to make some review, along the same lines that reviews are made in other industries, of the exact financial position of these small businessmen in the country.

The third step, I believe, is the most important. That has to do with the fact that the small businessman has within his own power the opportunity to solve a lot of these problems himself. There are organizations throughout the province, merchants' organizations, which are urging the small businessman to organize. The belief that he has always had, which is fostered by a lot of the Chamber of Commerce people, that he is a totally independent individual, that he is divorced from all contacts with his fellow businessman, that he is free to set his own rules of business without co-operating with other businessmen, is no longer true. The agencies that the small businessman has to deal with realized that long ago. The people he has to buy his commodities from realized that long ago and have organized in solid groups. The small businessman is operating on practically a cash basis himself, at the very best a 30-day limit. At the same time he is extending credit throughout the country. By being organized a study can be made into mass-buying problems, into various credit controls. Every day the papers are carrying articles on various topics along this line.

The other day, I saw some editorials in regard to towns. In Carlyle some 24 businesses had organized under some Merchants' Association and in Gravelbourg merchants had gone on a cash basis. That in itself can be an argument; but at the same time it shows that by being organized, they definitely are in a position to solve a great many of these problems themselves. By being organized, the small businessman can also present his case to this Government. I believe that briefs have been presented from time to time, briefs in which they are asking for amendments to the Hospitalization and Education Act and Exemption Act, and they would have a very strong case, I believe, if these 10,000 businessmen throughout the country were organized in one solid body. It would certainly carry much more weight.

There are various other problems in relation to the small businessman that can be mentioned. I could quote a lot of figures showing possibly the retail sales by comparison throughout the country and, possibly, figures that would bear out the financial position of the small businessman in the country. However, I have only mentioned a few that, I believe, are important.

In summarizing, I would just like to mention again that the first point that I think will have to be considered is more on a Federal basis, that is, in regard to payment for wheat stored on the farm in order to get more buying power throughout the country. The second point is a review that can be made by the Government in regard to the particular financial position that most of these small businesses are in today; and thirdly and the most important, the pleas for the small businessman himself to organize in order to solve many of these problems himself.

Now, Mr. Speaker, I know it is customary to go into some detail about one's own constituency. I had prepared quite a lengthy speech on the many good qualities of the Melville constituency and the finest people that are in it. We made an agreement before we came on the air that we would live up to our true socialist principles and allocate the radio time proportionately. If I get started on the good qualifications of the Melville constituency, I would be taking up the following speaker's radio time.

I realize, also, that I probably have not followed the exact line that should be followed in regards to budget addresses, but we have many other very able, capable speakers on this side of the House who will re-analyze the problems and refute a lot of the arguments that were brought in last Friday from that side of the House in regard to our budget. Again, I would just like to say, Mr. Speaker, that having used up my portion of the radio time, I will live up to my true socialist principles and leave the rest of the time to the following speaker.

Hon. W.S. Lloyd (Minister of Education): — Mr. Speaker, just to follow on with what the member from Melville has been saying, may I suggest that the best example he could have given as to the good points of the Melville constituency was the type of member which they send to this Legislature.

I think, Mr. Speaker, I would be out order, holding the position I do, if I did not take this opportunity of reminding the members of the Legislature that this week is 'Education Week' in Canada — a week during which there will be numerous meetings held to discuss education, thousands of parents will be visiting schools, many words will be written in editorials and newspaper columns and so on . . .

Mr. A. Loptson (Leader of the Opposition): — About the C.C.F.

Hon. Mr. Lloyd: — I think I would be also out of order, Mr. Speaker, if I did not, at this point, compliment the Provincial Treasurer (Hon. Mr. Fines) on an exceptionally well-delivered, well-organized practical budget. I am sure that the people of the province will feel that the management of their finances remains in good hands.

The member for Maple Creek (Mr. Cameron), when he appeared on the scene as the chief financial critic for the Opposition, a few days ago, did not quite seem to agree with the appraisal of the Provincial Treasurer I have just made. That, of course, is an occupational disease with Opposition, so we can take it as that. I said that he "did not seem to agree", Mr. Speaker, because when you think back to what he said he really did not say very much about the budget. He said he was going to vote against it as he sat down, but somehow we sort of guessed that before he got up. He did not mention much that was wrong with the budget. He had hoped there would be

more for municipalities there, but he did not mention where it might come from in a budget that was already 'too big', according to him.

He thought it rather odd that some members on this side of the House were out of their seats during some of the time when the budget was being delivered. That remark comes rather strangely from a member who, I would guess, has been out of his seat in the Legislature, this Session, almost as much time as he has been in it. It comes rather odd from the chief financial critic of the Opposition who, so far, has not appeared at a single meeting of the Public Accounts Committee, which has now finished its work; or at a single meeting of the Crown Corporations Committee. The Government puts three financial documents before the members of the Assembly. One of them is the budget, one is the Public Accounts and another, the reports of the Crown Corporations. They are all important. During the budget we discuss the future programme; during the discussions in the Public Accounts Committee, the members assess the effectiveness of past budgets and how the Government has carried out those budgets agreed to by the Legislature. And it is extremely odd, I suggest, that the chief financial critic for the Opposition has failed to appear at a single meeting of the Public Accounts Committee.

The hon. member did have considerable to say, during the course of his address, about the interim report of the Royal Commission on Agriculture and Rural Life. He forgot, or he ignored, the statement of the Minister of Agriculture in an earlier debate, that many of the problems raised there had been receiving attention. The contents of his remarks will, of course, be replied to by the Minister of Agriculture but let me comment that it is, however, the first time that the Opposition have got around to blaming us for the weather. I think he did that when he blamed us for the inability to harvest in some of that area, due to the fact that there had been an unseasonable amount of rainfall in that particular year.

It seems to me, me that it must be rather a refreshing thing for the people of Saskatchewan to have a government appoint a commission which can, if it sees fit, criticize the work of that government. One is inclined to wonder if, under a Liberal government in Saskatchewan, a Royal Commission with critical qualities would have been appointed in the first place. One thing, certainly, is noteworthy about the interim report of this Royal Commission: it does not show any fishponds for generals; it does not show any railway tracks missing, and it does not show any horses on the payroll. . .

Mr. McDonald (Moosomin): — The horses are all in the Legislature.

Hon. Mr. Lloyd: — The member for Maple Creek termed the budget an indication of a 'spending spree'; and yet he did not volunteer a single solitary word about any expenditures which he wished to have omitted or decreased. He is quite willing to go along on the spree, Mr. Speaker, only he wants it peped up a bit. He said to the Minister of Municipal Affairs, "Why don't you get your share?" And to the Minister of Public Health, "Why don't you get your share?" He said to the Minister in charge of Telephones, "Why don't you decrease your intake some?" And to the Minister in charge of the Insurance Office he said, "Why don't you decrease your intake some?" He wants a bigger and better 'spree' by spending less money. He did, at times, offer a very considerable amount of sympathy for some people in the

province; but he expressed no alternative to what the Government is doing. May I suggest that one big reason why the Liberal Party was rejected in 1944, in 1948 and in 1952, was that it offered no alternative to good government, and the people of Saskatchewan know it.

It would be quite possible to decrease expenditures, Mr. Speaker, quite possible, if, for example, we were willing to leave the people who need care in mental hospitals and mental clinics walking the streets, or in care of and a burden on homes. It would be quite possible if we were willing to put them in the mental institutions and keep them there with just custodial care. It would be quite possible to decrease the budget if we were willing to leave the whole burden of hospitalization on individuals; if we were willing to decrease the amount of social work aimed at rehabilitation which is, in itself, an investment in human resources; if we were willing to slow down rural electrification. If we were willing to let 'George' do a dozen other things that governments ought to do, it would be quite possible to decrease the budget; but the people of Saskatchewan have indicated that they do not want that kind of government.

When he was speaking with regard to insurance he left the impression that owners of older cars, drivers of older cars, had no protection because they might not collect under collision benefits. He forgot, or ignored entirely, the fact that the protection given is much greater than collision. There is also public liability and property damage, and death benefits and other benefits. He forgot entirely the fact that one can be killed just as dead in a 1934 Chevrolet as in a 1954 big shiny Cadillac; that your head can be just as cracked or your neck just as broken by a 1936 Ford as it can by a 1954 Lincoln. Regardless of the deductible for collision, the other benefits are worth paying for; and had he been present in the Crown Corporations Committee a few hours ago, Mr. Speaker, he might have had some evidence to that fact.

May I just repeat one of the examples that was given: a case that occurred, last year, in the province of Saskatchewan, and it occurred not in a nice shiny new Cadillac but in a 1953 Chevrolet. There was a man killed – not the driver, but a passenger in that car. The Insurance Office paid to his widow \$5,000; they paid to each of four dependants \$1,000 each, and they paid funeral expenses to the extent of \$175; all of which, when added together, makes a total of \$9,175. For that protection that man had paid \$8.00. He will, this year, pay \$10.00 for it. That is still good protection even if nothing had been paid on collision – but something was paid on collision. \$150 was paid on the collision aspect of that insurance and, even if this year's deductible had been in effect, he still would have collected \$50. And that remains, Mr. Speaker, the cheapest insurance which you can buy in the Dominion of Canada.

He made reference to the fact that it was possible to buy policies in some parts of Manitoba at a rate less than you could buy policies in Saskatchewan. That is true. It is true if you disregard some of the benefits which are available under the Saskatchewan Government Insurance and not available under the other plans. It is true, if you happen to live in some parts of Manitoba. It is true, if you have not had any claims paid by the insurance company. It is true, if you happen to have no one in the family under the age of 25 who is going to drive that particular car. You know there was a whole book written on the 'ifs' in history. The member for Maple Creek, fortunately, implied only a few of them in that particular statement of his.

But again, with all of his criticisms in regard to insurance (and he spent some considerable time on it), he did not say one single word as to what he, or the Liberal Party, would do about it. May I submit that all too often in regard to Government Insurance, the voice of the Liberal Party has been the voice of Jacob, but the hand has been the hairy hand of Esau.

Considerable time was spent with regard to what he called 'the crushing burden of taxation on the people of Saskatchewan', particularly on the municipalities. He attributed a part of that taxation load, and rightly so, of course, to school costs. He said the budget had no proposals for this group. Consistent with his almost complete and abject failure to talk about the budget, he ignored entirely an additional sum of money for school grants of \$1 million, which is an increase of, roughly, 10 per cent.

He had reference to the period since 1944, so I want to have some reference to that period also. To begin with, all of us will admit that it was certainly to be expected that school costs would go up: ten years of depression, with all that meant in terms of a back-log of repair and building needs and equipment replacement; about five years of war with a great deal of deferred maintenance, at least; a period of inflation following the war, a period during which teachers' salaries doubled, the cost of building repairing buildings more than doubled, and there was a very considerable desire on the part of many people for new and additional services. Added to that is the fact that, in 1944, many districts were operating on a mill rate which was actually less than the mill rate required to meet their current needs. They were able to do so because they had collected a very large amount of arrears of taxes and were using them to meet some of their current needs. That is a practice which is all right if they want to do it that way, but it did have the effect of keeping the mill rate lower at that particular time.

I suggest, too, that we have to bear in mind that there is a very considerably increased ability on the part of the people of Saskatchewan to pay taxes now, as compared to 1944: an increased ability because of increased production, because of improved prices and wages and profits, because of the introduction of payment by the Federal Government of family allowances to the people of Saskatchewan. So why shouldn't some of that increased ability be passed on to the school system?

While it is true that the total taxes are greater, of course, than they were in 1944, I submit that you cannot measure tax load by just looking at the total taxes. You have also to look at the ability of the people to pay those taxes; you have to look at the assessment which is providing the money for the payment of those taxes. And when you look at the tax load as related to income and ability to pay, I submit that, if the tax load is heavy today, it was just as heavy in 1944, and in some cases even heavier.

Let us look at some figures behind that statement. To begin with, the total taxable assessment, in the province, of rural municipalities, urban municipalities, local improvement districts, has increased, since 1944, by almost \$90 million. Secondly, let us see what it would have taken to pay taxes if the taxes had been paid in terms of bushels of wheat, attaching to those bushels of wheat the price that No. 3 wheat was worth at the Lakehead. I am not talking now about anything but bushels of wheat; we won't consider bushels of oats, rye, flax, barley, and we won't consider the hogs sold or the beef sold or the dairy products sold.

To pay the school taxes levied in the rural municipalities and the local improvement districts in this province, in 1943 or 1944, would have required about 5 million bushels of wheat. To pay the school taxes levied, in 1948, would have required about 4,600,000 bushels of wheat – actually fewer total bushels in 1948 than in 1944. To pay the school taxes, in 1952, would have required more – about 7,300,000 bushels of wheat. Looking at that in another way, Mr. Speaker: to pay the school tax levies, in rural municipalities and in local improvement districts required, in 1943, about 3.3 per cent of our wheat; in 1944, about 2 per cent of our wheat (there was a bigger crop in 1944); in 1948, when there was a smaller crop than in 1944, 2.4 per cent of our wheat; in 1950, only 2.2 per cent of our wheat; and in 1952, our school taxes could have been paid with 1.6 per cent of our wheat.

May I submit that if the relative burden is greater, the main reason why the farmer has a heavier burden is because of higher production costs, not because of just his property taxation. I have indicated in previous addresses in this House, the fact that the profits on farm machinery over a period of a few years, the increases in profits would more than pay all of our school taxes. I recall one statement to the effect that if the farm machinery sold in 1951 in this province could have been bought at 1945 prices, the farmers of this province would have saved enough money to pay all the school taxes and have several millions of dollars left over. When the hon. gentlemen opposite are talking about burdens on the farmer, they forget entirely about the big burdens and talk about the little ones. I submit, if there is concern about taxation and ability to pay, it is not so much because of the weight of the taxation itself, it is a concern which originates with the concern about deteriorating market levels and opportunities for delivery in our produce.

Let us look at the situation with still another set of statistics. Let us compare the school tax levy, in several years, as related to personal income in the province of Saskatchewan in the same years. In 1943, the school tax levy was 2.1 per cent of the personal income of the people of Saskatchewan. In 1944, it was 1.5 per cent of the personal income of the people of Saskatchewan. It will be seen that, during those two years, it took about 1.8 per cent of the income during those two years to pay school taxes. In 1951, it took only 1.5 per cent of the personal income to pay the school levy; and in 1952, it took 1.8 per cent of the personal income to pay the school levy. The point I want to make, of course, is that the percentage of personal income required to pay school taxes, in 1951 and 1952, was less than the percentage of personal income required to pay the school tax levy in 1943 and 1944.

I want to look at it in still another way, and that is to compare the school tax levies in the rural municipalities and the local improvement districts, with the net farm income in Saskatchewan in those same years. And when we speak of net farm income we mean a figure which is obtained after taking the value of the produce marketed, plus the value assigned for goods used on the farms, and subtracting from that such major expenses as fuel, twine, repairs, depreciation on machinery and buildings, and taxes on property. Added to that, or subtracted from it as the case may be, is a figure to indicate the inventory change from the year before, so that you see you have the gross income less a considerable amount of the expense attached to producing those goods, and you get this figure – net farm income.

In 1943, the school tax levies in our rural areas was 3 ½ per cent

of the net farm income. In 1944, it was 1.7 per cent, because in 1944 we had a higher farm income. Taking the two together, it took about 2 per cent of the net farm income to pay the school levy during those two years. In 1951, it took 2.1 per cent of our net farm income to pay school taxes, and in 1952, it took 2.2 per cent. So there was relatively little difference in the percentage of net farm income required to pay the school tax levy in 1943 and 1944, and in 1951 and 1952.

I think it may be argued too, Mr. Speaker, that the people of Saskatchewan, in 1954, had, in addition to the effect of their own efforts, an improvement in their tax-paying ability because of other things. They had it because of the Federal Government family allowances. They had it because they had the benefits of cheaper insurance in the province of Saskatchewan. Certainly every person who had to go to the hospital had an improvement in his tax-paying ability as compared to 1944. Certainly every person who had a member of the family who had to go to the mental hospital, had an improved tax-paying position, and certainly anybody who had to have treatment for cancer had an improved tax-paying position as compared to 1944.

In addition to that I have mentioned the increased assessment – a part of that increased assessment is due directly to the efforts of this present Government. For example, a number of years ago we gave to the municipalities a right which they did not have previously – the right to tax certain railway lines for municipal taxation purposes. That increased the tax-paying assessment by over \$7 million. The previous government could have paid taxes on their Liquor Board properties in this province, for many years, but they did not do so. We do so. That has increased the assessment by about one-half a million dollars. Added to that is the assessment of the Crown Corporations, except Power and Telephones, much of which was not available for taxation before, but which adds another million dollars to the taxable assessment in the province. Those all add up to more than \$9 million.

Taxes are up since 1944, but the above figures do not indicate any considerable increase in tax load, if they indicate any increase in the tax load, when you compare it to personal income or to net farm income, either one.

I want to look, just for a moment, at the relationship between the taxes and the grants paid by the Government of the province. In 1944, government grants were 32 per cent of the school taxes levied – not 32 per cent of operational costs, but 32 per cent of the taxes levied. In 1952, government grants were 40 per cent of school taxes levied. If, instead of school taxes levied, you want to take school taxes actually paid, in 1944, the government grants were 25 per cent of school taxes paid; and in 1952, our grants were 41 per cent of school taxes paid. Those figures indicate a steadily improving relationship between government grants and school taxes levied or paid, since 1944.

I want to turn now, Mr. Speaker, to a discussion of the changes in school grants which are being proposed at this particular Session. The Provincial Treasurer announced, in his budget address, that school grants would be increased by \$1 million. In order to explain them or (perhaps I ought to say) attempt to explain them because they are rather complicated, I would like to spend a few minutes talking about the basis of grants in 1952. First of all, we paid a per diem or a basic grant to all elementary

classrooms of \$2.00 a day or \$400 a year. We pay to high school academic classrooms \$700 a year. If the high school classroom is a vocational room we pay \$1,050 a year. To conveying districts we pay up to a maximum of \$400 per year.

In addition to that, we pay, of course, equalization grants. As a matter of fact, in 1952, we will pay out more money in equalization grants than we pay in the basic or the per diem grants. I want to group the schools for purposes of discussing equalization grants into three groups. First of all, those non-unit schools which are rural or village schools. The present equalization grant there is calculated on this basis: we take the difference between the actual assessment per classroom and \$125,000, multiply that difference by 12 mills and that gives the equalization grant. We apply a floor of \$25,000 and if a district has an assessment of less than \$25,000, we consider it as if it had \$25,000. We apply a ceiling of \$125,000; in other words, we have not been paying equalization grants to any district with an assessment of more than \$125,000.

The towns and the cities not in units are paid according to a similar principle, but with some different limitations. There, we paid an equalization grant of 12-mills times the difference between an assessment of \$120,000 per classroom and the actual assessment per classroom. The ceiling was \$120,000, not \$125,000 as in the rurals, and the floor was \$75,000, not \$25,000 as in the rurals. If there is, in one district, a public school district plus a separate school district plus a collegiate district, we pool the amounts there to obtain the assessment per classroom.

In the units we paid, as an equalization grant, such amount as when added to the proceeds of the basic per diem grants and tax revenue at the rate of 12 mills on rural property and 16 on urban property, to provide \$2,400 a year for each elementary school classroom, \$2,500 a year for each high school classroom and \$1,200 for each conveying room.

I come now to the changes which will be proposed in legislation during this Session. We propose, first of all, to recommend an increase in the basic per diem rates for all elementary classrooms by 50 cents a day or \$100 a year; that will bring it from \$400 a year to \$500 for all elementary classrooms. No change is being proposed in regard to the grants for high schools. The conveying districts may earn up to \$500 per year.

The equalization grants for non-unit rural, village and consolidated schools will be calculated on the basis of the difference between the assessment per classroom and \$130,000 multiplied by 13 mills. In other words, we have moved the ceiling from \$125,000 up to \$130,000. That means that districts with an assessment from \$125,000 to \$130,000 which did not previously get an equalization grant will now get one. We are also moving up the floor which was \$25,000 up to \$60,000. The reason for doing that is that if you attempt to devise a formula to take care of these very low-assessed areas you distort the formula insofar as other, more average districts are concerned. It is our feeling that those districts with an assessment of less than \$60,000 – there are only about 60 of them in the province not now in units – can best be taken care of if treated as special areas, so we recommend moving the floor up from \$25,000 to \$60,000.

The second change in equalization grants applies to towns and to cities which are operating less than 50 classrooms and which are not in units. We will pay to them an equalization grant based on the difference between

\$125,000 and their assessment per classroom multiplied by 13 mills of taxation. You will note that we give, because of the difference in ceilings, an advantage to rural districts of \$65 a year insofar as equalization grants are concerned.

Thirdly, cities operating 50 or more classrooms (all districts in a city included) will have their grants calculated on the same basis as larger school units. That group of cities with 50 or more classrooms includes all the cities in the province except the city of Weyburn which operates some 36 classrooms. Admittedly, there is no particular magic in choosing 50 as the point at which to apply this. It is true, however, that a city with 50 classrooms has approximately the same number of classrooms as our smallest larger unit. A city with that number of classrooms undoubtedly performs a very considerable equalization function. It could employ its own superintendent, perhaps to advantage. And it is worthwhile noting, I think, that there are some interesting discussions going on in some of the cities with regard to the possibility of organizing one Board of Education, and this type of formula might facilitate that type of movement. There is one way in which the equalization grant for cities will not receive the \$10,000 flat grant which all units not getting an equalization grant now receive. The reason for that is, of course, the fact that it costs more in rural areas because of the problem of getting your youngsters together to provide educational opportunities of the same calibre.

The change with regard to the larger units is this: The equalization grant will be such amount as, when added to the proceeds of the per diem grants and the tax revenue at the rate of 14 mills on rural assessment and 18 mills on urban assessment, will provide \$2,750 for each elementary classroom and \$2,950 for each high school classroom and \$1,500 for each conveying classroom.

We are, in addition, considering one new factor in calculating these equalization grants, and that is \$25 in the equalization grant for each student who is being taken care of at schools outside of the unit. That is, if the unit has arrangements with a tax-supported school like a city within its area, and that city is taking care of a number of the students we will recognize those for grant purposes. The reason for that is this: take, for example, the Yorkton larger unit, which has an arrangement with the city of Yorkton to provide educational facilities for something over 150 of the high school students from the unit. The Yorkton unit, as one example, is paying a considerable amount by way of fees to the City of Yorkton. Up until now they have had no credit for that in the way of grants. If there were enough students and the fees were high enough it is conceivable that they could operate a school of their own on the outskirts of Yorkton and get grant credit for it, and consequently be ahead of the game financially. So we propose, now, to recognize those students to the extent of \$25 per student.

That means this, so far as the units are concerned. If they tax themselves at the rate of 14 mills on rural assessment and 18 mills on urban assessment, they are assured of enough money to operate at the rate of \$2,750 for each elementary classroom, \$2,950 for each high school room, \$1,500 for each conveying room, and \$25 per year for each high school or elementary school student for which it pays fees to other tax-supported schools outside of the unit.

The costs of those steps, Mr. Speaker, are, roughly, as follows: To provide the \$100 increase for elementary classrooms, about \$600,000. To provide equalization grants for the non-unit rural, village and consolidated schools, about \$20,000. To provide equalization grants for the non-unit towns and cities with less than 50 rooms, about \$70,000. To provide the equalization grants for the units plus the cities with 50 or more classrooms, something over \$400,000. It will be noted that that adds up to slightly over \$1 million. We have a little savings in the fund because of changes in assessments from last year, and we are incorporating some of that into the formula.

Now you will be interested in knowing what effect the changes have. Those districts which do not come within the equalization grants received, of course, only the additional grant made up of \$100 a year more for elementary school classrooms. The greatest gains go by way of equalization grants to the lower-assessed districts.

A rural elementary room, for example, with an assessment of \$60,000 will gain \$100 per year on the basic or per diem grant, will gain an additional \$130 by way of additional equalization grant, or a total increase, in 1954 as compared with 1953, or \$230, which is just less than an amount produced by 4 mills of taxation.

A town elementary classroom with an assessment of \$75,000 will get an increase, as compared to 1953, of some \$210 per classroom, or just less than 2 mills.

You see what will happen when we look at some of the larger units. If we take the Meadow Lake larger unit, we can only estimate what the increase will be because we do not know for sure their 1954 assessment. But, using the 1954 formula and the 1953 assessment and operating situation, we find that the increase in the average grant per room in the Meadow Lake unit is approximately \$250. Since the average assessment per room in the Meadow lake unit is only around \$50,000, that means an amount of money equal to 5 mills of taxation. When we take a higher assessed unit, such as Milestone, the increase per room there is only \$65 or something like 1/3 of the increase in the much lower-assessed unit of Meadow Lake.

The city of Regina, which does not get an equalization grant, will benefit to the extent of some \$34,000, or an amount of money equal to approximately one-half a mill on the equalized assessment. The city of Prince Albert, which is one of the lower-assessed cities and which gains on the equalization formula, will get an amount of money equal to approximately 3 mills of taxation on the property in that city.

Since reference was made to the situation between 1944 and 1954, I would like to go back and note some of the accumulated effects of changes in grants since 1944. In 1944, the basic per diem grants paid in the province of Saskatchewan ranged from 90 cents a day, or \$180 a year, for some elementary classrooms, to \$700 a year for high school classrooms. Today they will be at a minimum of \$500 a year for elementary classrooms, and the rate for high school classrooms remains the same.

In 1944, there were no additional grants for vocation rooms; we have added \$350 a year for the operation of those rooms since that time. There were a few repair grants available. In 1944, all of the schools in

the Meadow Lake unit received the magnificent sum of \$2,100 to help them repair their schools. You know, at that time, Mr. Speaker, there was a surplus developing in the education fund down here. I presume they were keeping it in the government for a 'cushion' while the youngsters up in Meadow Lake sat (many of them) on home-made seats, and they were the ones who needed the cushions. Meadow lake unit, last year (in 1953), earned about \$50,000 in building grants as compared to that \$2,100 in 1944.

In 1944, there were no equalization grants for towns or cities whatever, and the maximum equalization grant for a rural or a village district was \$300. There were no loans (except old ones to be paid off), and there was no plan to help them sell their debentures if they were not able to sell them on the commercial market.

Let us look at this Meadow Lake unit – and I use it only because it happens to be one of the low-assessed units in the province. Suppose that it had operated, in 1944, the same number of classrooms that it operates in 1954, and here is something of the change. In 1954, the average grant per room will be about \$2,000, and that is not counting the grant for building purposes. When you add the grant which they may earn for building purposes, this year, the average grant per room in that unit is going to be about \$2,400.

Now they have great needs in that area. There is still a lot of catching up to do; the population is increasing; expansion is creating a lot of problems; business is booming and they need all the money we can give them, without any doubt. Not counting the building grants, the schools in that area will receive, this year, \$183,000 more than they received in 1944. Or, they will receive an amount of money which is equal to the proceeds of 33 mills of taxation more than they got in 1944. The rate of grant is going to be approximately \$1,570 per room more than it was in 1944. And if you include the building grants, they will get \$234,000 more than they got in 1944, or they will get an amount of money equal to 42 mills of taxation more than they got in 1944; or they will get a grant of \$2,000 a room more than they got in 1944. The grants in that area will be on the average about five times what they were in 1944.

If you take a higher-assessed unit, of course, like Milestone, you will find there that the increase is not so striking because the weight of our effort has been thrown into equalization. There, the increase is somewhere between \$250 and \$300 per classroom more.

Even in the city of Regina the grants are some 1.8 times as much as they were in 1944, taking all the schools into consideration. Public and Separate schools, in Regina in 1944, received a grant at the rate of 90 cents a day, or \$180 a year. They will receive, this year, \$500 per year.

I want to look at one more example, that of a low-assessed city – Prince Albert. If we do not count the building grants the Public School district in Prince Albert will receive, grants have increased, since 1944, from \$180 per year to over \$1,000 per year. The Separate School grants have increased from \$220 per year to over \$1,000 per year. The Collegiate grants have increased from \$700 per year to over \$1,300 per year. Not counting building grants again, the rate of grants in that city is more than 3 ½ times the rate of grant in 1944.

I would like to comment for a time on some of the problems associated with working out an adequate and a fair grant system. The first problem, I think, when you enter into the field of equalization grants, is to find a means of measuring the relative ability to pay educational cost which is entirely valid. Now the assessment per classroom is used and has been used in the province of Saskatchewan since equalization grants were first introduced. It is generally admitted that the method of assessment used in Saskatchewan is just as good and probably better than that used any place in Canada. On the basis of any one individual year's experience that basis may be inadequate. If, for example, livestock prices are high in relation to prices of wheat, then it is probable that in that year the low-assessed land has an advantage. If, however, the wheat yield is high and prices good as compared to livestock, the higher-assessed land probably has an advantage at that time. But, the claim of the Assessment Commission is that long-term production experience is such that the assessment is reasonably equitable, and until there is a better measuring-stick available we will have to continue to lean heavily on the assessment per classroom as the basis for determining equalization grants.

A second problem is related to that, and it is the problem of the relative value for educational cost purposes of rural and urban assessments. Insofar as the tax rates in units are concerned, the unit boards, of course, set their own differential. The average differential in the province in units is something over 5 mills. The Department, in computing equalization grants, has used and is using a differential of 4 mills.

There is the problem connected with weighing the costs of operating a school as compared to the cost of conveying those youngsters to some other school. That depends, of course, upon the individual case; on the distribution of pupils; on the number of districts properly covered by one conveyance route; on how many rooms have to be added to take care of conveyance people. In our previous formula for equalization purposes, we counted a conveying classroom as one-half an operating elementary room; the new formula counts them as something more. In general, our experience indicates that while there may be a loss in some units on some routes, there will be a gain on others. I would like to say that probably, Mr. Speaker, the future will see a formula based not on the number of conveying classrooms, but on pupil-miles rather than on districts closed.

There is a problem, too, as to the proper differential as between units and non-unit organizations. May I say again that wherever in Canada these two types of organizations have existed side by side, a differential is and has been maintained. That is justifiable, of course, because of the fact that a unit can do many things that a non-unit cannot do. It can provide reasonable and effective centralization of school population and thereby produce a more efficient school situation, a savings in terms of the number of teachers required, better recruitment and retention of teachers, better highway school opportunities for rural and small town youngsters; but I shall have something more to say about that later on. A unit can assume the responsibility for the highway school education or rural people; it can and does provide better library services; it can plan its building programme better because of the greater resources behind each year's building programme. Most important of all, of course, is the fact that it can assume the responsibility of equalization of cost within that particular unit. It has seemed to us that our previous formula did a reasonable job in that way.

I want to compare the situation in a unit and a non-unit area to illustrate what I mean. I take the Blaine Lake unit and the Rosthern non-unit areas. They are, as you know, Mr. Speaker, side by side. They are quite similar except that one sends a C.C.F. member and the other sends a Liberal member to the House and that is one point of difference. They have a similar assessment per classroom. In Rosthern, it is \$87,000 per classroom, and in Blaine Lake it is \$86,000 per classroom. The average mill rate in the Rosthern schools, in 1952, was 23.77 mills – the range in mill rate, by the way, was from nothing to 45. Except for the one district that did not levy at all, the lowest rate was 9. The range in assessment was from \$39,000 per classroom to \$218,000 per classroom.

Now, since the situation in Blaine Lake is so similar to that in Rosthern, particular since that key figure (the assessment per classroom) is so similar, it seems logical that if Rosthern had been organized as a unit it could have operated at a mill rate the same as, or very close, to that in Blaine Lake. The mill rate in Blaine Lake, last year, was 25 mills on the rural and 29 on the urban. The total amount of grants which would have been paid to Rosthern, had it been organized as a unit, is more than the total amount which they actually received, organized as individual districts.

Let us look at that situation. There are a number of districts in the Rosthern superintendency which have a mill rate which is either lower than 25 mills in rural areas or lower than 29 in urban areas. Now quite obviously there is no financial advantage to those districts to belong to the unit because they already have a mill rate lower than what they could expect to have if the unit were organized. Some of them would have a financial disadvantage; they would pay more money in taxes; they would pay into the equalization pattern; they would contribute to the equalization situation; they would gain benefits from the type of organization as a unit, not from additional grants as a unit.

So there is no case, because of additional payment if it was a unit, to pay more money to that group of individual districts which would not benefit financially from the organization of a unit. The rest of the districts, however, have a mill rate which is higher than that which they would have if it were organized as a unit, and those districts would have a financial advantage if they joined the unit because of what other districts were doing.

Let us see what equalization grant would be paid on the average, on behalf of those districts and what they are now getting. The basic per diem grant is, of course, the same. If they had been in the unit, the equalization grant for those districts would have averaged from \$850 to \$900 per room. The amount actually paid to this group of schools, as individual districts, as equalization grants and special operational grants to the low-assessed districts averaged over \$1,000 per room. In other words, to this group of districts in that area which would benefit financially from being in a larger unit, we are already paying, on the average, up to \$150 per room more than we would pay on their behalf if they belonged to a unit.

One gets a similar pattern if one looks at the situation in the cities which are now to be treated as units. For example, the cities of Saskatoon, Regina, North Battleford and Yorkton do not qualify for equalization grants, whether we count them as units or under the new formula. The cities of Swift Current and Moose Jaw would probably be actually a little better off if we treated them under the new formula for non-unit districts,

rather than under the unit formula as we propose to do. And yet I don't see any reason for paying largely urban areas at a better rate than neighbouring units would get. The City of Weyburn – it doesn't really make any difference whether you count it on as a unit or you count, or calculate, its grant under the new formula. Prince Albert is probably better off as a unit than it would be under the new formula. You have then that situation.

I want to make some more comparisons about this period from 1944 to 1954 which the hon. member for Maple Creek (Mr. Cameron) thought was a most horrible period, but which we over here think is the most glorious period in the history of the province. In terms, first of all, of the grant per pupil that is being paid in the province of Saskatchewan: in 1944-45 the grant per pupil, considering all the pupils attending all the schools, was \$18; in 1954-55 it will be \$64; from \$18 per pupil to \$64 per pupil. In addition, of course, there is financial assistance available by way of building loans and the purchase of debentures if they cannot sell them on the market.

Grants to the University, in 1944-45, were \$550,000; they will this year be \$1,500,000 and more. That does not include, of course, the expenditure for new buildings at the University. The estimated expenditure on new buildings at the University, this year, is nearly \$4 million.

It is worth reflecting that the total expenditure for University buildings since 1944-45 until the end of this next fiscal year, will have been over \$15 million. Much of that is for the University Hospital and the Medical building. I wonder sometimes if we realize the value of that University Hospital and Medical College to the people of Saskatchewan. I wonder if we realize the kind of an asset we have created. It is not just that there has been built on an already fine campus two more beautiful buildings. It is not just that we will have an effective place to train doctors. But it means that it is going to bring within reach of the people of Saskatchewan some of the best medical minds in the Dominion of Canada and the continent of North America. that is a tremendous asset.

It may be worth noting, Mr. Speaker, that since 1944-45 to the end of the fiscal year, the programme that we are now discussing, expenditures by this Government, by the Department of Education and the Department of Public Works, on education will have amounted to over \$215 million.

During that period, assistance to University students has increased. In 1944-45 it amounted to \$34,700 of which the Dominion Government paid \$14,400; the present year, up to the end of February only (we will pay some more out yet), it has been not \$34,000 but \$128,700, of which the Dominion Government has paid \$29,000.

We look at the field of teachers' certification. In 1945, 71 per cent of our teachers had a first-class certificate or better. In 1953, 87 per cent had a first-class certificate or better. In 1945, 14 per cent of them had two or more years of training; in 1953, 26 per cent of them had two or more years of training. We had in 1953, 38 per cent more teachers with a first-class certificate than we had in 1944-45. We have 170 per cent more teachers with certificates requiring two years of training, and we have 96 per cent more teachers with certificates which required a University degree.

When I use those percentages and take the totals, I am including as teachers, for purposes of this combination, study supervisors. We still have

some 500 study supervisors in the province and, while that is very large and is a serious situation, it is a decrease of 100 from that of last year. That decrease is due to improving salary conditions in the province; it is due to increasing centralization of school population. This year, there is a further increase in salaries quite evident; there will be further extension of the centralization programme; there is a moderate increase in the number of students at our teacher training institutions. I fully expect that, next year, I will be able to announce the number of study supervisors still further reduced.

Just a word or two about salaries. It is always difficult to get up-to-date information with regard to the actual salaries being paid. But at the Fall conventions, the Saskatchewan Teachers' Federation received information about the certificates of teachers in attendance and the salaries paid according to those certificates. And it indicated, last year that the range for teachers with an interim first-class certificate was from \$2,000 to \$2,200 – that was the average salary paid in that group; for teachers with a permanent first class certificate, from \$2,300 to \$2,800; for teachers with a permanent high school certificate, from \$2,900 to \$4,300, with an advanced certificate, from \$2,500 to \$4,900. The range of salaries was roughly, then, from \$2,000 to \$4,900.00

We now have information with regard to six units who have already completed the bargaining and consequently have determined the salaries which they will pay at the beginning of the Fall term in 1954. These six agreements indicate this: the lowest minimum in the group that is paid to students with grade 12, plus one year of teacher training, is \$2,100 per annum. The highest rate is offered to those with an advanced certificate, that is with two University degrees, plus experience, of \$4,950. There are additional payments, of course, for the duties of principals or vice-principals.

I want to refer also to what has happened with regard to superannuation paid to teachers. Using the single life plan as the basic calculation, teachers who superannuated in 1944-45 received on the average \$573; in 1952-53, they received on the average \$1,447 – a very marked improvement there.

One of the most interesting developments since the organization of larger units has been in the field of helping rural young men and women to get to highway school. I want to give some indication of the extent to which assistance has been given. In the unit areas today some 1,891 high school students are being taken to high school by means of school buses. It is worth while noting that, if the parents had to pay board and room at say \$400 a year for those youngsters living away from home, the parents would have to pay over three-quarters of a million dollars if those youngsters were going to get to highway school. That is where they would have been before school units were organized. In addition to this the parents would have had to pay the fees to the schools to which they go.

In addition to those being taken by bus, some 223 unit high school students and some 34 non-unit high school students are being taken care of at school dormitories at much lower cost than if they had to get private board and room. In addition to that, over 5,000 students who have to live away from home in order to attend high school, receive about \$400,000 by way of cash assistance to meet those additional costs. So there is a total number of students getting special assistance by virtue of being conveyed by bus, by virtue of being able to live in the dormitory, or by virtue of getting

some cash payments of approximately 7,500. And that, Mr. Speaker, makes up about 25 per cent of our total high school enrolment. We must remember, when we say 25 per cent of our total high school enrolment, that total includes large numbers of students who live in cities and towns where high schools are right at their door.

I want to point out this. There have been considerable savings for the parents of these youngsters as a result of the operation of any one of these three particular plans. Even if the saving was only \$200 per farm – and it might well be much more than that – that assistance alone is worth 20 mills of taxation on a farm assessed at \$10,000.

I submit that, when we are talking about additional taxes, we need to consider some of the possible returns obtained from those taxes, and that there are cases in which the payment of the additional taxes actually results in a decrease in the total expenditure which a family has to make. And any parent who has a youngster travelling to high school in a bus now, who would previously have had to pay board and room for that youngster away from home and have had to pay the fee on behalf of that board and room, is receiving assistance worth a very considerable amount of money to him, probably over and above any increase in taxes he has had to pay.

May I refer to portions of a letter which recently came to the Department of Education. It came from a farmer who lives some 10 miles from town. There is a family of 6 children, ranging from grades 1 to 12. The man says in his letter that he has been on a local school board either as trustee, chairman or secretary for 24 years. His district are on their third year of service by school bus. He said:

“Three years ago I had to decide whether to quit my farm and move into town because I couldn’t finance boarding my youngsters in town. It was then that transportation started in the unit. It solved our problem 100 per cent.”

He makes this statement:

“I consider having the school bus to a 4-room school in preference to my local school 2 1/4 miles away has increased the value of my farm at least \$2,000.”

He speaks of a neighbour who bought a house in town four years ago before the transportation started, who now has his house in town up for sale and is planning to move back to the farm. He speaks of another neighbour who had his farm listed for sale and who has now withdrawn it because of the operation of the school bus.

One of our larger school units recently sent out a circular to the parents of all youngsters who were taken to school by school bus, asking them what effect the operation of the bus had on their decision to stay on the farm or to move into town in order to get educational facilities for their youngsters. Of those who replied 57 of the parents said it had influenced them to stay on the farms; 22 of them said it had no effect on their decision – they are still on the farm, of course; two of them said it had influenced them to move to town – but they are still living on the farm, Mr. Speaker.

I want to give one example of what has happened in one of our very fine communities in Saskatchewan, to illustrate what can happen as a result of the right kind of organization, good leadership, and wishes and desire on the part of the people to plan and arrange programmes. The town of Foam Lake has a population of less than 800 people. In that town today, you will find a 10-room high school, and those 10 rooms include rooms for the teaching of commercial work. In addition to those rooms the school has a library and a laboratory; there is a shop with a paint room and a drafting room; it has a home economics department; it has a staff room. Six years ago, the high school enrolment in the town of Foam lake was 40 students; it was taught by two teachers in some rooms in the public school building. The high school enrolment in the fall of 1953 was 240, or six times as many. It is anticipated that it will reach 300. The majority of them, I am very happy to say are rural boys and girls who are brought to that high school, given excellent educational opportunities. They are brought there by bus or they live in the dormitories operated by the unit at that point.

Before I close, I want to have some reference to the remarks made by the member for Maple Creek, on Friday, with reference to some of the remarks made on this side of the House about civic liberties. It is rather interesting that the Opposition in this House should greet comments with regard to a topic as important as this with what amounts to sarcasm and laughter. The member for Maple Creek made some reference to a statement which I was reported to have said, speaking not long ago in Regina, and which, if he is interested I may add, I made not long before that, speaking in the city of Mr. Speaker,. And it is a statement which I am quite prepared to repeat. It was to the effect that I am quite convinced in my own mind that if I had been teaching in some schools in the United States in recent years, I would have had to resign my position unless I had been willing to crawl on my belly to somebody. I make that statement not only because of what I have read in reliable publications, not only because of what I have heard from reliable people, but because I know of some people who have had that unfortunate experience. These people were not Kremlin-controlled Communists, with a bomb in their hand and a vest-pocket edition of Marx in their side pocket and a revolution in their heart. They were just some people with some courage of their convictions and good conscience, and I am proud to say, Mr. Speaker, that some of those people have come to Saskatchewan and I hope some more of them will come.

I am not going to ask the Opposition to take my word for it. I recall an address made in the city of Saskatoon, by Dr. Jacoby, speaking to the Alumni Association of the University of Saskatchewan. It was an address of just a couple of years ago. I do not know anything about Dr. Jacoby's politics, Mr. Speaker. I know he was chairman of Commissions under the Liberal government in the mid 'thirties. I know he was, at the time of his address, on the staff of the School of Business Administration in one of the largest universities in the United States, and that he is now one of President Eisenhower's economic advisors. But I remember him telling us, on that occasion of the struggle that was on in his university at that time because of the insistence that members of the staff sign what was called the 'loyalty oath', and of the resistance that the staff was putting up, of some of the support they were getting, and of what a bad thing this was for academic freedom. It was a real threat.

Well, Mr. Speaker, I know it was not long afterwards that the members of the staff of that institution had to sign that oath or else lose their jobs. We do not need to take that version.

Mr. Loptson: — Anything wrong with it?

Hon. Mr. Lloyd: — Yes, definitely. It is only a matter of a few weeks ago that a librarian in the city of Victoria, British Columbia was dismissed, not for anything he was doing at that time, but because of an association he had had several years before. Since that association, he had been employed with a regional library in the interior of British Columbia. He had been invited from that position to the city of Victoria by the very board which subsequently discharged him and, as I understand it, discharged him without accusation. It is sufficient to say that the injustice was such that the case is now being taken up by library associations which, I venture, even the Leader of the Opposition probably won't say are Communist across this country.

I agree with the member for Maple Creek — let's not look under our beds, because you don't find these kinds of people under our beds. But let's keep our eyes open to see what is happening. There was an old writer a long time ago who said, 'Don't ask for whom the bell tolls; it tolls for thee.' And when the bell tolls for somebody in the United States or for a librarian in Victoria, it tolls for everybody in this House and this province and this Dominion of Canada.

Don't take even that word for it, Mr. Speaker. I want to make reference to a sermon that was delivered on a Sunday morning in this city not long ago, which was broadcast; a sermon delivered by a very highly respected minister of the gospel.

Mr. Loptson: — It may have been the Premier.

Hon. Mr. Lloyd: — He spoke of the loss of freedom in other lands, but he added that here in our own continent and in our own country, where we are so proud of our liberties, we are slowly and subtly losing some freedom in the very name of freedom. He said there was a time in America when a person was considered innocent until he was proven guilty. Not so any longer; in several cases persons have been considered guilty until they have proved themselves innocent. In the meantime their names had been dragged in the mud and their reputations ruined. He went on to say: "As a result of this campaign of charges, innuendoes and slander, freedom of speech has definitely been curtailed. The situation is very serious, I believe, in the universities."

This was not any rabble rouser on a park bench. This was a serious-minded highly respected minister of the gospel in the city of Regina. I say again, let's not ask for whom the bell tolls; it tolls for us when it tolls in that way. It was either spoken by Abraham Lincoln, or spoken of him (I am not sure which) but I commend to the Opposition for study, before they laugh further about dangers to liberty, these words:

"What constitutes the bulwark of our own liberty and independence? It is not our frowning battlements, our bristling sea of our navy. Our reliance is in the love of liberty which God planted in us and our defence is in the spirit which prizes liberty as the heritage of all men in all lands everywhere. Destroy this spirit and we have planted the seeds of despotism at our own doors."

And the members of the Liberal Opposition can scoff and scorn when danger to this spirit is pointed out. Where, Mr. Speaker, is the great spirit of liberalism that was once an impelling force in a worthwhile movement? I suggest it is entirely absent in the Liberal Party in Saskatchewan, and that the absence of that is one reason why they appear here in increasingly smaller numbers.

Just in closing I want to make reference to some of the preparations that are under way with regard to the observance of our Jubilee celebrations.; I say again, we have had a fine response from the public. Particularly we have had a fine response from all of those who have been asked to undertake special responsibility. We have had a particularly fine response from our staff. The writing of the history of the province for public consumption and for school purposes is in good hands and is well advanced. Many communities are already undertaking a study of their own history. The preparation for the marking of historic spots is proceeding imaginatively and rapidly with adequate attention to historical accuracy and detail. Plans for encouraging former residents to return for the jubilee are at hand. Study is being given to facilities to provide for the visitors. A great many communities have been contacted, and are contacting the staff of the Committee, with regard to special local observances. A very large number of national conventions will meet in Saskatchewan in 1955. The Post Office Department of the Federal Government is issuing a special stamp commemorating the 50th anniversary of this province and of the province of Alberta.

The Jubilee choir and orchestra of selected high school students has been rehearsing for some months. It will be available for performance throughout the province. I am sure it is a matter of pride to all Saskatchewan residents that this choir will sing before the Minnesota State Fair in Minneapolis, this Fall, representing Saskatchewan. This is one of the largest fairs on the continent of North America. They will sing before an International gathering of 4H Clubs in St. Paul at the same time – a part of the advertising of our province outside Saskatchewan. They will sing not just songs that have been written of other times and places, but songs many of which have been written of Saskatchewan by Saskatchewan people.

A musical production is being written and prepared, again by our Saskatchewan people, to entertain our visitors and to entertain our own people . Competitions in art, music and literature have been announced. Communities which are interested in developing the pageantry of the development of their own community may send a representative to Fort Qu'Appelle, this summer, for training and may receive further assistance from members of our staff.

I want to say, Mr. Speaker, that I think we are particularly fortunate in the type of people who have agreed to act on our Committee and on our sub-committees; we are indeed particularly fortunate in the type of staff which we have been able to attract. I know the members of the Committee would want me to extend our thanks for that support.

Mainly what I wanted to do was to assure the members, if I can, that there is an imaginative and ambitious and stirring plan underway. Our executive director, Fred McGuiness, sums it up as being the 'biggest birthday party' ever observed in North America. I like to sum it up by saying that the aim is to create a state of mind in this young province of ours to create a state of mind which is based on thankfulness and

appreciation of a great and honourable past and our convinced and firm belief in an even greater future.

Hon. A.G. Kuziak: — Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

The Assembly then adjourned at 6:15 p.m.