

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Twelfth Legislature
22nd Day

Friday, March 12, 1954.

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

BUDGET DEBATE

The House resumed from Thursday, March 11, 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).

Hon. J.H. Sturdy (Minister of Social Welfare): — Mr. Speaker, may I join in welcoming this fine young group of students to the Assembly, this afternoon. I regret to inform you that that beautiful inland lake brought about by the damming of the South Saskatchewan river may be somewhat delayed, but I trust that in your generation you will enjoy it.

When I adjourned the debate, yesterday, Mr. Speaker, I was dealing with a matter raised by the hon. member from Nipawin (Mr. MacNutt), and out of courtesy to him I should like to summarize my remarks. You will recall, Mr. Speaker, that he made a comparison in social welfare benefits between Alberta and Saskatchewan; and I wish to emphasize that the payment of a pension or an allowance alone does not meet the needs of welfare cases, be they children, or the aged, or needy mothers, unmarried mothers, the handicapped or social aid cases. They need the constant and the skilled services of a well trained, well organized and efficient field staff, and they need a wise variety of services. They need hospitalization, health services, rehabilitation, nursing care, institutional care and treatment. I suggest to the hon. member that a comparison between the Liberal Government of Manitoba and the C.C.F. Government of Saskatchewan would be more to the point and provide an indication of what our Saskatchewan people might expect if a Liberal government was, unfortunately, ever returned to power in this province.

In the fiscal year 1952-53, Saskatchewan spent, for childcare and social aid, a total of \$1,397,000. Manitoba spent \$500,000, and Manitoba, without providing services, merely took this money and split it among 193 municipalities. I would point out, with respect to child care on which we spent \$483,000 in that year, that Manitoba has no child welfare service as such. That is left to private agencies and to the municipalities.

In the case of social aid, I might make certain comparisons provided by the Canadian Welfare Council, Ottawa. The social aid schedule here in Saskatchewan, on a monthly basis per adult, is \$22.10. In Manitoba, they pay \$5.75 per month in their rural areas for social aid. In the matter of clothing allowances, we pay \$5.50 per month per adult; in Manitoba, it is \$3.30 per month — and remember that, in Manitoba, social aid is only provided by the government in unorganized areas; that is, where municipalities do not exist and where the recipient is not resident in a municipality.

In Manitoba, in 1952-53, there were no supplementary allowances paid to old-age security pensioners. In Saskatchewan, we paid \$570,000. We have been paying a supplementary allowance to old-age pensioners for several

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years. I noticed, in yesterday's paper, that the Manitoba Legislature turned down a motion to consider supplementary incomes for old-age pensioners.

Taking the next item – mothers' allowances: in that year, we paid \$1,328,000. I do not know what Manitoba paid, but it must have been mighty little, because there were only 700 mothers getting this allowance. In other words, Manitoba has made it so restrictive that it is very difficult indeed for mothers to qualify for allowances. They have only three or four categories in that province; here we have, altogether, eleven. As an example, they only pay mothers allowance with respect to children up to the age of 14 years. We have always paid it to age 16 years, and if the child is in attendance in school we continue payment until the child has reached the age of 18 years, or has completed his education.

In Manitoba, there is no provision for mothers whose husbands are in penal institutions, or for divorced women and for, as I have said, many other categories. In Manitoba, then, in that year, they had 700 mothers receiving payment; in Saskatchewan, we had 2,414 mothers receiving payment under mothers' allowance, including 5,815 children. I might mention also with respect to mothers' allowances that, in Manitoba, there is no medical care for the recipients or mothers' allowance; and under section 18 of the relevant Act in Manitoba, there is a provision for registering liens against the property owned by a recipient of mothers' allowance.

In Saskatchewan that year, for medical services for these groups, we paid \$759,000; and for hospitalization we paid \$2,192,000. Manitoba does not provide medical services nor hospitalization, except in unorganized territories. Saskatchewan spent \$6,246,000 for these services, which do not include all of our services. Manitoba spent less than \$1 ½ million. And these services which I have mentioned do not include rehabilitation, nursing homes, capital grants for housing, housing grants for the aged such as are provided in Saskatchewan but not in Manitoba. Next year, on all programmes, except in Corrections but including hospitalization and health services, Saskatchewan will spend well over \$10 million for these various social welfare cases. I doubt if Manitoba will spend one-third of that amount. The Saskatchewan Government pays well over 90 per cent of the overall cost of welfare services in this province; our municipalities pay less than 10 per cent. In Manitoba, the reverse would seem to be the case, and that, Mr. Speaker, is undoubtedly why the municipal debt and the municipal taxes in Manitoba are so much higher than they are in this province.

I have not the time to go into this in detail but this, in part, is the record of a Liberal government in welfare. Heaven forbid that it should ever happen here!

The hon. member for maple Creek (Mr. Cameron) who I regret is not in his seat, Mr. Speaker . . .

Mr. Loptson: — We'll convey it to him.

Hon. Mr. Sturdy: — . . . is a man of rare talent seldom encountered in public life. He is the financial critic of the Opposition, without having attended any Public Accounts or Crown Corporation Committee meetings, that is, prior to his address. He is an authority on, and condemns co-operative farms, although he has never visited one. He is an authority, also, on the Carrot River project, the veterans' Land Settlement project there, although he never visited it. One would have thought that the hon.

member from Nipawin, in whose constituency the project is located, who knows it intimately and who knows its problems, would be the man to speak on this particular subject. Some explanations are in order, Mr. Speaker, and I am surprised that they were not more fully and objectively dealt with in the commission's report.

After World War II, this Government settled over 1,700 veterans on provincial land. I was the responsible Minister. There were as many as 40 to 50 applicants for many of these farms. Out of the 1,700, so carefully was allocation made, based on years of service, armed service, family responsibilities, needs and other factors, that we had no complaints from any of the veterans as to the manner in which these lands were allocated. As a matter of fact, I have had more than one veteran state to me that 'thank goodness', the allocation of these provincial Crown lands was under the jurisdiction of a C.C.F. government so that patronage was completely eliminated as undoubtedly it would not have been had the Liberals been in power.

Mr. Danielson: — Big joke!

Hon. Mr. Sturdy: — I wish to point out that the veterans were land hungry and the Federal Government, under V.L.A., could not keep up with the demands of the veterans for land. The veterans in the northeast area of the province were most insistent that the Smoky Burn, in the Carrot River area, be opened up for settlement. If this was refused, certain veterans threatened that they would occupy the land under squatters' rights. No one can blame the veterans for their insistence, and the Government consented to open the project. To assist them it was agreed that the Government would clear, break and prepare for seeding 100 acres of each 320-acre farm allocated to the veterans. Settlement began in 1946, and by March, 1951, and, to provide veterans with some financial assistance during the settlement period, many of them were employed on land clearance. A lumber and a planning mill were operated for a number of winters to provide a works project and to provide lumber to the veterans at cost; 1,250,000 board feet were produced and sold to the veterans. By 1951, 19 miles of well-graded road had been built and 31 miles of reasonably well graded road.

Mr. Loptson: — It's the roads that flooded the farmlands.

Hon. Mr. Sturdy: — Two schools were constructed, and then came the rains. Even in the spring of 1948, Mr. Speaker, the Carrot River, normally 30 feet in width, flooded its banks to a distance of six or eight miles in width: no flood control in the Carrot River basin. I am not blaming the previous government for that lack. A series of unprecedented wet years presented serious drainage problems and flooding of many farms resulted. Our annual report for 1950-51 states that it was one of the wettest years in the history of the project and that it would be folly to go on with land clearance another year without proper drainage. The Department of Agriculture had heavy drainage commitments elsewhere and not even the hon. member for maple Creek could have forecast the excessive rainfall over a period of years. If he does blame us, in all fairness his Party must assume responsibility for the thousands of acres which were inundated, last year, in the Milestone area and in other settled areas of the province. Why were the proper drainage methods not installed in these areas? If we want to continue his type of argument, why might we not claim that the P.F.R.A. built a dam on Frenchman's Creek which broke and inundated the town of Eastend in 1952,

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causing inconvenience and some suffering to the affected population, and costing this provincial Government some \$130,000 to rehabilitate the town? However, recriminations for honest mistakes serve little purpose, I would remind my hon. friends. We all agree that, whatever the pressures were or are, settlement in the northeast of the province should be preceded by adequate drainage and the mistake will not be made again. But the Carrot River veterans' settlement project has not failed. Far from it. Possibly we tried to achieve results in a matter of five years or so only attained by our northern pioneers in a generation or more, without any aid whatsoever in land clearance from any previous provincial government.

Very little land has been permanently given up and I venture to say that if additional land were offered for settlement, there would be twenty applicants for every parcel of land offered. Nor have the co-operative farms failed, however earnestly the Opposition may have prayed for this to happen and however earnestly they may have tried to make it happen. At the insistence of the former Leader of the Opposition, when he was Parliamentary Assistant to the Department of Veterans Affairs at Ottawa . . .

Mr. Loptson: — He did a good job.

Hon. Mr. Study: — . . . it was insisted, by him particularly, that section 14 be inserted in the veterans' agreement whereby any member of a co-operative farm who was expelled by it, was entitled to the payment of his equity and re-establishment, by the Provincial Government, on land of equal quality and area . . .

Mr. Loptson: — A good provision.

Hon. Mr. Study: — How could co-operative farms stand up under that threat?

Mr. McDonald: — It was only fair.

Hon. Mr. Study: — If a V.L.A. settler fails, as some of them have failed, the veteran has had it. No alternative re-establishment is provided for him. Under the circumstances, Mr. Speaker, I am amazed that the co-operative farms have stood up as well as they have, with political saboteurs . . .

Mr. McDonald: — He's crying!

Hon. Mr. Study: — . . . about. And may I assure my hon. friend from Maple Creek that the fine group of fighting Irishmen who organized and named, without my knowledge, the Sturdy Co-operative Farm, will win through. I predict, also, that the Sturdy Co-operative Farm will live on and flourish long after the hon. gentleman — yes, and I too — will have passed into the limbo of forgotten things.

Mr. Loptson: — With the two members?

Hon. Mr. Study: — I am proud of the humble part I have played in veteran rehabilitation, particular in land settlement . . .

Mr. Loptson: — He just mentions the two members.

Hon. Mr. Study: — I contrast this to the settlement after World War I, when a Liberal government in this province did not raise a finger

to help the veterans, except to see to it that the land of their friends and school lands, provincial lands, were sold at a very high figure to them. I recall, also, that 14,000 . . .

Mr. Loptson: — The veteran doesn't say so.

Hon. Mr. Study: — . . . that 14,000 of the 25,000 veterans settled in Canada deserted their farms under a burden of debt, and some of them, who did stay on, have not acquired title to their farms even to this very day.

Mr. Loptson: — Most of them have.

Hon. Mr. Study: — Mr. Speaker, Saskatchewan has an enviable record in the fields of health and welfare services. Much has been said and written in their praise and in which all people of Saskatchewan may well take pride; but there is no room for complacency. Much remains to be done in these as in all areas of our social and economic life. We must still exercise the initiative, the courage and the industry of our pioneers, and like them, our vision must be as illimitable as the prairie sky.

In 1955, we celebrate our golden Jubilee. We are fortunate in having with us many of the pioneers who made Saskatchewan. How better could we honour them or express our appreciation and our thanks to them than by assuring to those who may stand in need health services for the ill, nursing care for the chronically ill and modern comfortable housing for those who are still active, the ambulant.

There are three categories of aged people with which our programme for the care of the aged is concerned. First, there are those who are ill and who require medical treatment in a hospital. commencing in 1945, this Government granted free hospitalization and medical services to old-age pensioners and their dependants. Over 20,000 receive such services today at an annual cost of \$2,039,000 on the basis of the fiscal year ending March 31, 1953. I notice in the newspaper, Mr. Speaker, that the Manitoba Legislature defeated by 32 to 22 an amendment to a resolution calling on the Province to provide free medical, dental and optical care for needy old-age pensioners. That provision has been in this province since 1945.

The second group are the chronics: chronically ill aged people, often bedridden. These do not require active medical treatment in a hospital, but they do require nursing care. Many of this category have occupied much-needed hospital beds and continue to do so, because they have nowhere to go on discharge. They have no near relatives, or their children cannot accommodate nor care for them. Nursing homes providing good food, good care, with some physical and occupational therapy, lamp treatment and massaging to relieve pain, and encouragement to become ambulatory, would seem to be the requirement of this group. The Provincial Government is extending facilities for their care as rapidly as possible. To the three nursing homes presently operating, in Wolseley, Regina and Saskatoon, the newly constructed 150-bed home at Melfort will be added in April of this year. Plans are under way for the construction of a 200-bed nursing home, in 1954-55, in the city of Regina.

The third category of aged persons with whom we are concerned are the ambulatory group who are living under adverse housing and, very often,

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nutritional conditions. These number the fine pioneers of our province who wish to spend the remaining years of their lives among their friends in the communities which they helped to build, very often under conditions of extreme hardship and privation. It goes without saying that the community wants them, not only out of a sense of gratitude, but because the senior citizen has still an important role to play in any community. A community without the aged is as barren and unhappy as a community without children.

It is recognized, also, that our pattern of living has drastically changed for better or for worse during the past half-century. Our homes are smaller and very often over-crowded. The rest and quietude required by the aged is simply impossible in a crowded home with healthy, active children; either the one or both suffer, no matter what the degree of mutual love and affection which may exist between them. The tempo of living has speeded up to the point where the aged can scarcely keep pace. The severity of our climate alone demands more comfortable, safe and healthful living conditions. Scarcely a community has escaped the tragic death of one or more of its senior citizens by fire, exposure to the cold, or by sudden unobserved, unattended sickness. Close proximity to a hospital and to medical services is essential to the proper care of the aged people.

There is general agreement that the local community, or a group of communities, comprising a logical housing area can best undertake the responsibility for housing and the care of ambulatory aged persons. Church organizations have already extended their resources in the field, and are presently taken care of 765 aged people. They undoubtedly would be prepared to take over the administration of additional projects if relieved of the financial responsibility of capital costs. The Government, in the next fiscal year, will spend in excess of \$3 million on the hospitalization, health and nursing care of aged persons. Nevertheless, local communities and local organizations which undertake housing projects for the aged, require financial aid. The Government's cash grant of 20 per cent of the capital cost of any approved project, announced a year ago, has now been increased by an annual maintenance grant of \$30 per bed. On the basis of a 50-bed home costing \$100,000, the Provincial Government will contribute \$20,000 to its capital cost and \$2,000 a year as an annual grant.

Also, it is our intention that projects should be licensed and subject to inspection in order to maintain uniformly high standards in health, sanitation, nutrition and fire prevention. The Housing branch of the Department of Social Welfare will assist in the organization and planning of housing projects, suggest plans and provide technical advice.

The type of housing project being favoured by municipalities, other than cities, is the hostel with common dining room, kitchen, laundry, recreational and sanitary facilities, and housing, all under one roof. A large partitioned room with bedroom and sitting room for each married couple, and single rooms, partitioned rooms, for the single persons, are planned. Cities, which will require several projects, may decide on duplexes or multiple unit row housing for married people, with a separate hostel for single persons. If these latter conditions are adhered to, the municipality or organization may form a limited dividend housing corporation under section 9 of the National Housing Act, and may borrow up to 70 per cent of the capital cost required from Central Mortgage and Housing Corporation, Ottawa. I am sorry to inform the House, Mr. Speaker, that all efforts to finance the purely hostel type of project in this way have been rejected by Ottawa to date, although

the Saskatchewan Government is prepared to guarantee the repayment of loans advanced by Ottawa for such type of housing.

There remains, therefore, the difficult matter of financing the balance, namely, 80 per cent of the capital required for the hostel type of housing; and this is the type most suited to the rigorous winter climate of the prairies. Some communities are selling their debentures locally and repaying them from a levy of a maximum of one mill on the assessment of the municipalities comprising the housing area. Legislation is being introduced permitting municipal councils to enter into agreements for housing purposes, with the consent of the Local Government Board. The condition is that the amount levied for this purpose shall not exceed one mill. We shall continue to press for loans for this purpose under the National Housing Act and are, as I have said, prepared to guarantee the repayment of such loans to Ottawa. Since the programme was announced, less than a year ago, seven housing agreements have been entered into and eighteen are in various stages of organization. Should the latter go through, more than 1,000 beds will have been added to the existing housing for the aged people, at a capital cost of \$430,000, this year, to the Provincial Government, and an annual grant of \$40,000.

It would appear, Mr. Speaker, that the local communities of Saskatchewan have accepted this splendid challenge of building and operating modern, comfortable, healthful homes for their pioneers; and needless to say, all members of this Legislature will give active support to this programme for housing for our aged citizens.

Mr. Speaker, I shall support the budget.

Hon. J.A. Darling (Minister of Public Works): — Mr. Speaker, first of all I would like to acknowledge with thanks the courtesy of the Minister of natural Resources (Hon. Mr. Brockelbank) in exchanging speaking times with me to meet my convenience. I just hope that no one who was looking forward to hearing him this afternoon, is disappointed because of the fact that he took the time yesterday.

Mr. Lopton: — He's pretty silent right now.

Hon. Mr. Darling: — It seems to me almost unnecessary to congratulate the hon. Provincial Treasurer on his performance in presenting the budget to the House a week ago last Wednesday. He has never disappointed us, and his presentation this year was up to his usual standards. I am sorry that the hon. member for Maple Creek (Mr. Cameron) is not in the House today, because I would like to pay him a compliment and that, I think, would be refreshing to him. The hon. member, I thought, made quite a clever speech, and when the Minister of Natural Resources yesterday was reading something from the 'Monetary Times' drawing a parallel between the Opposition and the Children of Israel and their sojourn in the wilderness, it occurred to me that had those ancient people been as adept at making bricks without straw as the hon. member for maple Creek, they might have remained in bondage long beyond Moses' day.

I want to spend all the time at my disposal in discussing those matters which are under my special charge — the Power Corporation, and I am even going to try to put in a word for the Department of Public Works, which is so often missed out. In fact, I think, Mr. Speaker, for all I am going to say about Public Works, I might as well say it first, so it will not be omitted altogether.

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One of the reasons that operations and activities of the Department of Public works escape general notice is that all its works are reflected in the programmes of the other departments. The Department of Public Works is a service department; but it has grown in importance as government activity has expanded and while, four years ago, the total capital and revenue budget of the Department was something in the neighbourhood of \$4 million, this year the Legislature will be asked to approve estimates totalling over \$10 million. We are conducting an extremely large construction programme. That is, of course, not peculiar to Saskatchewan alone; but it is causing the construction industry to be extended to its ultimate limits.

I would like just to tell you of those projects that we have at present under construction. We have the University hospital at Saskatoon. I noticed in the Saskatoon 'Star-Phoenix' that the University is building that hospital. Well, if that were true it would save the Department of Public Works a good deal of trouble and it would save a good deal of our money. As a matter of fact, the Department of Public Works has the responsibility of constructing the University hospital. That is going to be one of the most outstanding buildings in Canada – yes, I think it can be said in Canada; and we in Public Works are very proud of it, and we do not grudge to the Minister of Public Health that, when it is completed, it will be the brightest star in his crown.

In Moose Jaw again we are working for the Department of Public Health. Those who have an opportunity to visit the Training School for Mental Defectives now under construction in Moose Jaw will, I am sure, be impressed with the type of institution which is being built there. That is all we are doing to facilitate the programme of the Department of public Health at this time.

On the University Campus, the Department of Public Works is preparing to call for tenders for the construction of the Murray Memorial Library. That building will cost – well, perhaps I should not name a figure in case those who will tender on it make sure they don't go below that figure; but it will cost a lot of money, and it has been badly needed. Certainly the University people have been asking for some time to be provided with adequate library facilities. I think I am right in saying that some portion of the capital cost of this building has been raised by public subscription, or private subscription. The extent of these subscriptions will not be, however, by any means a large proportion of the whole.

In Melfort, we have completed a million dollar Nursing Home for the Aged; one of those homes that the hon. Minister of Social Welfare was discussing just a little while ago. That will be ready for occupancy in April 1954.

In Weyburn, we have under construction a Nurses' Residence to serve Saskatchewan Hospital there which will accommodate 150 nurses. that again is something the need of which has been felt for a long time. When we are speaking of nurses' residences I should include the one which is under construction now near the University hospital on the University Campus in Saskatoon, to accommodate 275 nurses.

In Prince Albert, we have started construction of a new land Titles Building. Our Land Titles Offices in this province are overcrowded, due partially to the activities of those who are developing and attempting to develop the natural resources of the province. Also in Prince Albert, we have plans ready for the construction of a Health Region building.

Perhaps the most striking building of all, apart from the University hospital to which I will not yield first place, is the Natural History Museum which is under construction here in Regina. The Provincial Museum is housed most inadequately and unattractively in the Public Health building at the present time, and this new building is designed to house it with proper dignity in order that the display will be fully appreciated. The

building itself has been carefully planned. Our provincial architect and the curator of the museum made quite exhaustive studies of modern museum buildings in other parts of this continent, and the building now under construction here has been designed to incorporate many of the best features of those buildings. We anticipate that it will be completed in time for the Saskatchewan Jubilee year, 1955, and will be an outstanding feature of that occasion.

Now, Mr. Speaker, those are the main parts of the Public Works programme. I could spend a lot of time just discussing Public Works, and the history of the government properties up to this date would make a fascinating study; but I must go on to deal with matters concerning the Power Corporation in which, I know, the legislature will be interested.

As everyone knows, the Power corporation which was until very recently, concerned only with the development of an electrical power system in the province, was given the additional responsibility of undertaking the transmission and distribution of natural gas. The first major natural gas transmission and distribution system in Saskatchewan was completed, last fall, to serve the city of Saskatoon and the towns of Rosetown and Delisle.

I think that it would be worthwhile to say a few words concerning the policy of the Government with respect to natural gas transmission and distribution. The practice traditionally followed in other jurisdictions has been that a private company has secured a franchise in the urban communities near to the gas field, and has proceeded to serve that market on the best terms which could be negotiated. Of course this practice operates very favourably and advantageously to the cities and urban communities fortunate enough to be located close to natural gas fields, but has had the adverse effect of limiting the extension of gas service to less attractive markets. By less attractive markets I mean the smaller communities, even though these small communities could be served at rates advantageous to them. Gas rates, then, where that practice has been followed, are based on the cost of production, transmission and distribution, plus a profit. I don't think the people of Saskatchewan would have approved had this Government followed such a policy. Someone has still to show me a good argument why natural gas located 100 miles from an urban community should be exploited or developed for the special benefit of the city to the exclusion of other communities in the province. Those who say that this should be done are thinking too much of their local community and failing to appreciate that they have responsibilities beyond the boundaries of their own municipality and that Saskatchewan, for the purposes of benefiting from its natural resources, is essentially a unit.

The policy adopted with respect to the city of Saskatoon – and that will be the policy which will be applied generally unless this Government or some other government chooses to change the policy; that policy is based on the proposition that gas should be sold in as wide a market as possible, serving as many communities as can be served economically, and, of course, there are economic limits to the distances which natural gas can be transmitted. The yardstick which it is proposed to use is that rates at which gas is sold shall be based not on the actual cost of production, distribution and operation to any single community, but at a rate which will show an attractive saving over the cost of alternative fuels.

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Perhaps it was fortunate that the economics of the Saskatoon system dictated a price to the domestic consumer averaging 80 cents per thousand cubic feet (which is the rate in effect) and which shows an actual saving over the cost of other fuels estimated to be 17 per cent, which surely is an attractive saving to the citizens of Saskatoon. As a matter of fact, although we have been berated in some quarters because 80 cents is regarded as a high price for natural gas, the citizens of Saskatoon are very happy indeed with the new utility, and we are hearing nothing but praise from those in Saskatoon who are making use of natural gas.

We are reminded in the press sometimes that, initially, we proposed to sell natural gas to the city of Saskatoon at a 90-cent rate, and that as a result of pressure from the city we reduced the price to 80 cents. Perhaps that is to some extent true. As a matter of fact, the price of 90 cents per M.C.F. to the domestic consumer was designed to avoid losses in the early years of operation, and to break even on the second year of operation. It is expected at the 80-cent price that we will be able to balance our accounts on the third year of operation. The reduction from the 90 cents to the 80 cents, therefore, will not in the ultimate show any saving to the people of Saskatoon, because the price of 80 cents will remain until we have recuperated any initial losses in the service to them. After that, time and experience will show whether or not the price of natural gas in Saskatoon can be reduced and by how much.

It was hardly to be expected that a development of such wide-spread public interest as the transmission, distribution and sale of natural gas by a government agency would escape both scrutiny and in some cases sharp criticism. We expected that to happen. We welcome the scrutiny, and the criticism we have to accept and reply to as best we can. Criticism, however, to be valid, must be based not alone on the intelligence of the critic but upon his having some knowledge of the subject he presumes to criticize. That has been the unfortunate part about the criticisms we have been subjected to in the matter of natural gas. Natural gas is new to Saskatchewan and comparatively few people had the knowledge which enabled them to criticize intelligently. Of course, when criticism is vented without knowledge it causes one to have some doubts as to the intelligence of the critic.

I have noticed that critics have advanced the point of view that the Government is unfair to private enterprise in that when, through the efforts of private enterprise, the presence of natural gas reserves has been established, the Power Corporation takes over and buys it from them – the Power Corporation has been designated to be the sole purchaser of natural gas and to undertake its transmission, distribution, and sale. Now, that may sound all right to those whose knowledge of the facts is limited, but I would like to give you some of the history leading up to the development of the natural gas system of which the people of Saskatoon are so proud.

There was some concern that those people who were drilling for oil were not paying too much attention when they encountered showings of natural gas. They were just passing them up. I believe that the Minister of Natural Resources felt that there were opportunities being lost to establish reserves of natural gas, that there was some wastage of natural gas. In order to overcome this possible wastage, in order to give

encouragement to those who were primarily seeking oil to take note when showings of natural gas were found, the Government, acting through the Saskatchewan Power corporation, announced back in 1951 (if I remember rightly) that the Power corporation would purchase natural gas discovered in commercial quantities anywhere in the province within economic distance of a market. That was announced and published right across Canada, so that it can be presumed that the oil companies were interested. In fact it was only very shortly after that announcement was made public that some representatives of an oil company happened to be in Regina and contacted the Power corporation office to ask if this were true and received assurance that it was.

Then, when the discovery well was struck at Brock, in the last summer of 1951, the Department of Natural Resources again came into the picture and, in order to encourage the drilling companies in that area to drill the step-out wells to establish the extent of the reserves and delineate the field, they granted certain concessions on their lease rental agreements, with the result that the oil companies began to drill the step-out wells and the 200 billion cubic feet, deemed to be a necessary reserve before the Saskatoon project could be proceeded with, were established by the fall of 1952.

Now, Mr. Speaker, no one can say for sure, but I venture the opinion, that had it not been for the action of the Government, through the Saskatchewan Power Corporation, in offering to purchase gas if it were found, and the action of the Department of Natural Resources in offering special inducements to drilling companies to delineate that field, there would have been no substantial gas development in this province. I feel, therefore, that those who say private operatives were unfairly treated are not justified in making that statement.

I take no pleasure in finding fault, but I do feel that we have a right to expect that everyone in Saskatchewan will be interested in the development of Saskatchewan primarily and will not, for extraneous reasons, throw monkey wrenches in the way of progress. I will never understand the policy of the Regina 'Leader-Post' in this respect. It seems to me, Mr. Speaker, that to that newspaper, so far as provincial matters are concerned, everything is dark outside the city lights. All it can see in Saskatchewan is the City of Regina.

Hon. Mr. Lloyd: — Sometimes the lights go out in the city.

Hon. Mr. Darling: — Yes, sometimes the lights go out in the city. But, Mr. Speaker, the Saskatoon 'Star-Phoenix', although immediately concerned with natural gas projects in that city, at least approached the question objectively. It is quite true that they did not approve of all we were doing just as we were doing it. The 'Leader-Post', however, was much more concerned about Saskatoon than Saskatoon was concerned about itself.

I have here an editorial published on January 2, 1953, immediately after we had arrived at an agreement with the City of Saskatoon on the terms upon which we were going to serve that city. Mr. Speaker, the only reason I am bringing this up (it may sound like threshing old straw) is the prospect of a transportation-Canada pipeline, or an inter-provincial pipeline, which

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may bring gas service to southern cities, including Regina and other communities in the next two or three years, and I feel that it is most important that people should know the facts concerning the Power Corporation's relations with the people of Saskatoon and the efficiency with which they have carried out service to that city.

This editorial was published in the January 2, 1953 edition:

“Those people of Saskatchewan who believe in fair dealings between all governments, and particularly between a provincial government and its creatures, the municipalities, cannot be otherwise than profoundly disturbed by the domineering tactics used against Saskatoon with respect to the retail distribution of gas in that community. The city's decision was reached finally at a special council meeting, Monday night. The province, through the Saskatchewan Power Corporation, is to be ‘invited’ to handle the gas distribution providing three conditions are complied with.”

Those conditions were perfectly agreeable to us and they were all complied with, so I will miss that out.

“To say that the council ‘invited’ the government is to ignore events which preceded the decision. It would be more in keeping with them to say that the provincial government clubbed its way in. This was apparent in the complaint of the councillors that decision was being made ‘under duress’.”

Mr. Speaker, I wrote the letter to the City Clerk in reply to a letter from him setting out those conditions under which the Saskatoon City Council would come to an agreement, on the terms of gas service to the city. True, that letter did not employ the word “invite”. I employed the word in thanking the city for the invitation to go to Saskatoon, in my letter of reply. But the word “invited” was used somewhere. It was used either in the resolution of the City Council or in the report of the Committee of City Council which was made to the City Council, and the single meeting at which I was present between the Gas Committee of the Saskatoon City council and ourselves, was one in which any difficulties or misunderstandings were ironed out in perfectly good feeling between us, and when those gentlemen left that meeting they went with a full understanding of our policy, I think, for the first time. The result was almost immediate – the invitation to take natural gas to the city of Saskatoon. Saskatoon does not feel, Mr. Speaker, that we clubbed our way in. Before the job was completed more than one Saskatoon alderman told me that they were very pleased indeed that they had not undertaken to build the distribution system. One of them said, “Why, we cannot even replace the blacktop as quick as you fellows tear it up.” That was one of their responsibilities – to follow up and restore the roadway.

That was the editorial back in January, 1953. Now I want to read to you something which you may have read already, but which surely

makes very clear the true attitude of the people of Saskatoon. This is the 'News Bulletin' issued by the Saskatoon Board of Trade, dated September, 1953:

“The day dreamed of many years ago has finally arrived. Saskatoon citizens, by the time this item is being read, will be heating their houses and doing their cooking using natural gas as a fuel. It is not the purpose here to renew the history of efforts made to bring natural gas to Saskatoon. Suffice it to say that down the years citizens, in their enthusiasm for gas, have cooperated fully on every occasion when there appeared to be some tangible hope of getting gas. Gas is now here and although in the meantime much, if not all, of the drudgery of heating homes during this part of the country's long winters has been removed through the use of oil, yet many will welcome the new fuel as an extra source of heat. The Saskatchewan Power Corporation is to be congratulated on the speed with which it was able to construct the transmission lines and build the distribution system. It is said to be the first time in the history of any city on the North American continent that a complete distribution system, supplying all sections of the city, was built in one construction season. This speaks volumes for the efficient manner in which Fish Engineering Co. of Houston, Texas, did survey work and Williams Bros. of Tulsa, Oklahoma, did the actual laying of the pipes. The whole operation was carried out with the minimum dislocation to traffic in the city. Natural gas, in addition to being an added type of fuel, will also loom large in an industrial way.”

Please note that: it will “loom large in an industrial way.”

“There are certain types of industry that require a hot fuel like natural gas. These will no doubt be attracted to the city as soon as markets for products produced make operation here economically feasible. The value of natural gas in refining processes will become more and more evident as the mineral resources in the northern part of the province begin to be developed.”

“October 1, 1953” – that was the date upon which we said we would turn on the gas, and that is the day upon which the system was officially opened. The date of this publication is September, 1953:

“October 1, 1953, the date upon which natural gas is turned on in this city, will be an historic day and will rank with other important days in the city's annals, such as May 26, 1906, when Saskatoon

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was incorporated as a city; or January 1, 1913, when the street cars were first put into operation; or June 3, 1907, when the first traffic bridge was built across the river; or April 8, 1906, when the city was first supplied with an electric power system. Yes, October 1, 1953, is a red-letter day for Saskatoon.”

Mr. Speaker, it seems to me that that is a strange document coming from people who were “clubbed” into receiving natural gas by the Power Corporation. but I want to go still further, Mr. Speaker, in connection with the ‘Leader-Post’s’ misrepresentation of the facts.

On January 23rd of this year, 1954, with in mind the Trans-Canada company’s pipeline from Alberta to eastern Canada, the ‘Leader-Post’ published still another editorial headed “Short-Sighted Gas Policy.” Now, I don’t know whether I should take time to read that editorial, but I would like to. It states in part:

“The Government pays approximately 11 cents per thousand cubic feet for gas at the well head at the Brock field. It is transported over the provincial pipeline 120 miles to Saskatoon and retailed there at an average of 80 cents, a tremendous spread. The original offer exceeded 90 cents, and it was only after dickering and protesting against this price that Saskatoon succeeded in having it reduced.

“One of the two companies which are joining forces to build the Trans-Canada pipeline, the company which proposed an all-Canadian pipeline to eastern Canada, stated it proposed to sell gas in Toronto for 55 cents per thousand cubic feet. Now that the amalgamation will provide intermediate markets in the Midwest states, this may result in an even lower rate in Toronto.”

Note they say the rate in Toronto will be 55 cents per thousand cubic feet.

“There is a strong possibility that southern Saskatchewan centres, including Regina, might be able to obtain their requirements from the Trans-Canada pipeline for as little as 20 cents per thousand feet. Does the province expect to buy it at that low figure, go to negligible expense in piping it to communities which are on the Trans-Canada pipeline route, and retail it for 80 cents through their own distribution systems, or charge municipal systems such a high price that they will have to pass the cost on to consumers in 80 cent gas?”

Now, I don’t think I will read any more of that; but after having printed such an editorial, Mr. Speaker, it must be comfortable indeed to go

through life with such a thick skin that one is unembarrassed when one is required to contradict oneself only a few days later. That quotation is from the January 23 issue of this year. On January 27th they had to publish a news item: "Alberta Government of Saskatchewan may cost Torontonians Between \$1.13 and \$1.30 per thousand cubic feet." Just four days later! There is excuse, Mr. Speaker, in some people criticizing matters of which they have no knowledge. The 'Leader-Post' certainly could have acquired the knowledge necessary to write an intelligent and factual editorial, if they had chosen to do so.

I want to correct the misstatements in that editorial of January 23rd. It is stated there, as I read to the Assembly, that gas is purchased at the well-head for 11 cents and sold for an average of 80 cents. This is incorrect, since 80 cents is the average price for gas for small domestic use, and not the average price of gas sold. It must be appreciated that there is a vast difference between the price at which gas can be sold to one type of consumer as compared to another, and that difference is, of course, affected by what the trade calls the 'load factor', or the 'use factor'. The 55 cent gas at Toronto, if anyone ever stated that price (and it could be right) would be the price of natural gas providing they used 100 per cent of peak demand, 24 hours a day, 365 days a year. But when you undertake to serve a domestic customer, you have their demand in the wintertime or in the colder weather, and you have to be prepared to meet that demand. It is purely seasonal. In the summertime their demand falls away down, and that is one of the reasons why domestic prices must be at all times higher than those set for industrial firms, or commercial firms which have less variation in demand; and, of course, as I said earlier, we set the domestic price in order that the domestic consumer can show an acceptable and satisfactory saving over alternative fuels that are available to him.

Now, in Saskatoon, for domestic use, the rate is 80 cents per thousand cubic feet. For Commercial use it is 50 cents per thousand cubic feet. For small industrial use it is 45 cents, where it is possible to provide an interruptible load; that is to say, such consumers as a power plant where gas can be used and cut off and oil made use of, on short notice. That is, when gas is only used when there is little load on the system, that gas can be sold as low as 25 cents per thousand cubic feet and to advantage of the economics of the system.

Most figures here have been prepared for me by the Power Corporation. They measure up pretty closely with those which the 'Leader-Post' had to publish in their news item. A 55 cent bulk rate at Toronto would be over \$1.00 for gas for space-heating purposes, since its use is seasonal and the resulting use factor is not over 50 per cent and may be as low as 35 per cent. To this \$1.00 has to be added the local transmission, distribution and customer service costs before it can be compared with the 80 cent Saskatoon price, so that the \$1.30 price is a conservative estimate, in my opinion, of the cost of natural Government of Saskatchewan to the people of Toronto.

Now, I am spending a great deal more time on natural gas than I intended to; but I think it is important, in view of the developments which are likely to take place in the future, that the Assembly should understand that the development of natural gas is not undertaken on a

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haphazard system, but that the Power Corporation makes careful analysis before proceeding with any work of this magnitude.

One of the first things they did was to get the Fish Engineering Company of Houston, Texas, to make a natural gas market analysis of all the cities of Saskatchewan, to determine the probable consumption of the market represented by each city. It is interesting to see how thoroughly this business was proceeded with.

First of all, typical sections of the residential areas of the city under analysis were chosen; second, sections typical of the homes of people of the medium economic rating; third, sections of higher income rating. House-to-house calls were made upon those people. Some of the information requested was: (1) the consumption of oil or coal which it was their habit to make use of during a winter, or a year of heating and cooking, and (2) type of fuel in present use. As a result of those Gallup-poll measures, it was possible to estimate with surprising accuracy the amount of gas which our experience indicates will be consumed.

I am going to say nothing more about natural gas except to draw to your attention that I have caused to be laid on your desks copies of the 'Sanitary Engineer' in which a good deal of space is devoted to service to the City of Saskatoon. I notice on page 36, "Natural Gas has come to Saskatoon, Saskatchewan.":

"Its arrival has meant a bonanza for heating contractors, sheet metal men, appliance dealers, heating equipment wholesalers."

Well, that is the point of view of the businessmen. If you will turn to page 35 you will see that there is a comparison of the rates. I am not going into that with you. You have the book, and I hope that you will read the articles.

I might say that the Power Corporation had a good many hurdles to overcome that were peculiar to itself and were not part of the duties of our consultants. As you know, the system into Kindersley was built in 1952. We wanted to do that small project for the sake of the experience to be gained in the construction and in the operation of it. It gave us an opportunity to appraise the capabilities of the contractors who did the job; and that contracting firm very successfully built the pipeline to the city of Saskatoon. In Kindersley the following winter (that is the winter of 1952-53), a school was held at which staff were trained in matters pertaining to the operation and installation of natural gas. In Saskatoon, in the summer of 1953, the Power Corporation called the heating contractors together and gave them some indication of the amount of business that would come their way and encouraged them to prepare for it. Later in the summer of the same year, a Gas Show was held in the Arena Rink at Saskatoon. Anyone who had the opportunity to e there was impressed, I am sure, with the entries that were shown in that Gas Show. That had several purposes. One was to enable the people of Saskatoon, the people of Rosetown, Delisle and those other interested in natural gas to see the many types of gas equipment, and heating equipment that could be bought, and be able to compare one with the other. Another benefit resulting from it was that it helped to promote installation or

conversion to the use of natural gas in Saskatoon, which was very important to us. Still further, it provided the people of Saskatoon who purchased gas-burning equipment and appliances with the benefits or the greatest possible measure of competition between suppliers. Now I am going to leave natural gas and go on to the electrical part of our programme.

A good deal has already been said in this House about farm electrification. I think everyone knows now that we completed our 1953 farm electrification programme by the end of 1953. Not only that, but we also installed power on 300 farms that were a carry-over from the 1952 programme, and now the total farms electrified in the province exceed 18,000. By the way, I noticed in the 'Star-Phoenix' an account of some remarks I made in Saskatoon at the S.A.R.M. convention that quoted me as saying 19,000 farms. I said 18,000, and I have always said 18,000. And our plans are under way, Mr. Speaker, to build power lines to 6,500 farms during this year. We have served 50 villages and hamlets during 1953 – you see we have got down to the point now where we don't judge a place by what it calls itself; we call it a village or a hamlet if it is big enough to use street lights.

The part about the electrical system that I think is important to stress, however, is the tremendous growth of the use of electrical energy in Saskatchewan. Our growth in this province is very great. Because of this rapid growth, the successful operation of a power utility necessitates long-term planning, because you cannot just immediately install a unit to take care of a sudden increase in demand. It takes from two to three years from the time an order is placed for a turbo-generator, to have it installed and on the line; so that accurate load forecasting is essential.

In 1950 we employed a consultant, Prof. D. Cass Beggs, who is an outstanding engineer who is recognized internationally, to prepare estimates of the probable demand for electrical energy over a long-range period in Saskatchewan. His estimates to this date are proving very accurate indeed. Of course, the longer-range estimates will perhaps be less accurate; that would be natural. You cannot forecast 10 or 12 years ahead with the same accuracy that you can two or three years ahead. For that reason forecasts have to be constantly reviewed, and perhaps revised, in the light of developments or factors which might have a bearing on their accuracy.

It is interesting, however, in passing, to note the forecast for the 12 years beginning in 1952 and ending in 1964. This is not just for the provincial power system, but for all electrical generating plants in Saskatchewan. This is the provincial picture: in 1952, the provincial demand was 140,000 kilowatts; in 1964 the demand, if our forecasts materialize, will be 440,000 kilowatts – an increase in 12 years of installed capacity of 300,000 kilowatts. Mr. Speaker, let us stop and think just what that 300,000 KW increase means. If the South Saskatchewan River project were complete, perhaps 100,000 kilowatts would be pretty close to its capacity. If Fort a la Corne were built, 100,000 kilowatts would also approximate its capacity. That would still leave a substantial margin in addition to the probable capacities of these two hydro developments which will have to be met from some other source – and by 1964.

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I think these figures have already been used in this Assembly. The kilowatt hours distributed in 1953 were 398,200,000 K.W.H.; in 1952, 33,674,000 K.W.H., — or an increase in consumption in one year in Saskatchewan of 65,526,000 K.W.H. That is as much electrical power as would serve three cities the size of Prince Albert, for it is three times as much as the city of Prince Albert used in 1952. Of course, we have had to do something to meet this tremendous growth, and I would like just to record the additions that have been made to our principal generating plants in Saskatchewan.

In the Saskatoon plant for example, early installations before 1930 were 12,000 kilowatts. Then at the time that Saskatoon City disposed of their plant and the Saskatchewan Power commission was set up, one of the conditions that was attached to the turning over of the plant was that the Power Commission (as it was then) would install immediately a 10,000 kilowatt unit. That was installed in 1930.

I have told the House, Mr. Speaker, that the increase in electrical energy used in our provincial system, this year, was something like 65 million kilowatt hours, or enough energy to serve three cities the size of Prince Albert, and yet it was not necessary to add another unit to Saskatoon city plant from 1930 until 1947. For all of that time, the 22,000 kilowatts installed by 1930 were sufficient to take care of increases in load. In 1947, we installed a 15,000 kilowatt unit. By the way, my hon. friends opposite should note that that was a machine of British manufacture imported from Britain at a cost of \$350,000. In 1953 . . .

Mr. Lopton: — The Minister of Telephones should know.

Hon. Mr. Darling: — . . . and we had another 25,000 kilowatt unit which is now on the line. That again was purchased in Great Britain at a cost of \$625,000. We also have another 25,000 kilowatt unit now in process of installation which will cost us another \$625,000 which will go to Britain to buy another \$625,000 worth of our wheat.

In Prince Albert, before 1947 (You will notice all the growth I am telling you comes following 1947) they had a 6,000 kilowatt plant there. We installed, in 1948, a 7,500 kilowatt plant and that gave to the British people \$200,000 with which to buy our wheat. In 1952 we installed a 10,000 kilowatt unit. That, too, is a British engine but we got it second hand — for \$100,000. In the Estevan plant the old capacity (now it is not in full use; it is only used once in a while) was 2,250 kilowatts. In 1948, we added to that a 5,000 kilowatt unit. In 1951 we added a 15,000 kilowatt unit, and sent \$350,000 over to Britain for that unit. In 1953, we completed the installation of a 20,000 K.W. unit in Estevan and sent to Britain \$400,000.

Mr. Danielson: — Will you add them up for me?

Hon. Mr. Darling: — In the Swift Current plant (that is one of our smaller plants) we anticipate that we will have to provide 10,000 kilowatt capacity in that plant before very long.

Mr. Danielson: — Wish it had been for Arm River.

Hon. Mr. Darling: — The present capacity of that is 2,500 kilowatts,

and we have on order two engines of 1,250 kilowatts each, and those are being purchased from Great Britain also, in spite of the fact, Mr. Speaker, that we would rather have had one 2,500 kilowatt unit; but the British supplier does not supply them in that size. We are going to some slight inconvenience to buy the two British engines simply because they are British.

The Unity plant we have increased from practically nil in 1947 to a plant of total capacity 6,450 kilowatts.

Now we come to the growth of the system. In 1947, in all those plants I have named, the total generating capacity was 31,950 kilowatts, and six years later, in 1953, 135,200 kilowatts, and we will add very substantially to that total in the next few years in order to keep pace with the tremendously increasing demand.

Now, Mr. Speaker, I have spoken longer than I had any intention of doing, but I would still like to say something about what is being done in the way of transmission. Last year we completed the 69,000 volt line from Estevan to Weyburn, and a similar line from Kerrobert to Kindersley, which, although built to carry 69,000 volts, is at present energized at 24,000 volts. Next year we plan on a 69,000 volt line from Saskatoon to North Battleford which will provide two sources of power to that city and the North Battleford area. The plant in North Battleford will be surplus at that time, or obsolete. We also plan an extension of the 69,000 volt line from Estevan to Weyburn, to Regina, and from Regina to Moose Jaw. That will enable us to supply Estevan power to the Regina area which we are now purchasing from the City of Regina at much higher cost than we can supply it from Estevan. We will also be able to take over some of the load that we are now purchasing from the National Light and Power in Moose Jaw.

Our 1954 programme also includes a 69,000-volt line from Estevan to Moosomin. My hon. friend, the member for Moosomin, is not here, but I am sure he will be glad to hear that. We need another source of power to the Canora-Yorkton-Melville area, and this line will provide that when it is extended later beyond Moosomin. Initially it will simply build up the voltages in some of the lines where the voltages are low.

Now, Mr. Speaker, I think that I have given some idea of the activities of the Power Corporation. In concluding, I would like to say that this province of Saskatchewan is very fortunate indeed to have the type of men in the Power Corporation who are willing to devote themselves selflessly and untiringly to the development of power in Saskatchewan. I have every reason to appreciate the kind of co-operation that I, as Minister, and the Government is receiving from that very efficient staff.

I will support the motion.

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Mr. H.C. Dunfield (Meadow Lake): — Mr. Speaker, I had not intended to take part in this budget debate, but there have been a number of interesting things come up since this debate started: Crown Corporation reports, motions by Government members on matters that seem to me to be strictly within the jurisdiction of the Federal Government, a challenge by the Minister of Natural Resources (Hon. Mr. Brockelbank), for Liberals to vote for the budget or show causes why they could not; and personal remarks by the hon. Minister of Publicity or Provincial Secretary (Hon. Mr. Burton) . . .

Mr. Danielson: — Propaganda!

Mr. Loptson: — Minister of Propaganda.

Mr. Dunfield: — . . . and I would like to answer these very briefly.

To arrive at those answers, may I give you a little background about the more or less new area of Meadow Lake, and particularly about the new constituency of Meadow Lake. I have heard members on the other side of the House say that a great many people who went in there in the early days, suffered greatly because of Liberal policies. There were many people who came into Meadow Lake who were sent there by municipalities, towns, villages and cities, and dumped on us. It certainly created a problem for the provincial government, because many of these people were not suitable for the northern areas. Of those who went in under their own power and of their own volition and free will, I can say that few indeed did not make a success of their work; and of those who were brought in and dumped on us, many were not very efficient and had been a liability on the communities they left. But even some of those who have since gone to Alberta and to B.C. were able to adjust themselves quite satisfactorily.

One of the reasons that the early settlers of the Meadow lake constituency were able to make progress under most difficult circumstances was because of Liberal administration. When I first moved into that area, I can say with assurance that, within a radius of 25 miles of Meadow Lake, there was sufficient timber that we could have logged off, in perpetuity, at least 10 million feet a year. But in the great fires of 1918-19, fires that swept from the Saskatchewan River to the Athabasca, the bulk was destroyed, and I do believe that all the timber that has ever been taken down by the axe, constitutes but a very minor item of the total timber that was there. Such as it was, we had the use of that timber, almost free, for fuel and for building. We had, at practically no cost, other natural resources in the way of game for food, and fish to sell, also lumbering; and all of these things were of tremendous benefit to the newcomers in helping them become established. Newcomers into such a territory as that, today, would not have that privilege under this Government to the same extent.

The Liberals were even accused of destroying the timber. I have heard that statement made in the past — not exactly “destroyed”, but that under a Liberal administration, almost all of our timber was wiped out, and that we only had 2 1/2 million cords left. Today, after ten years, I believe the estimate is somewhere around 45 million cords. Now that is a marvellous increase in a period of 10 years. If you understand that it takes from 60 to 80 years to produce merchantable timber, that is a marvellous achievement, and I hope it is true; but I do hope that that

growth is a natural growth and not due, in any way, to what I might call particularly powerful political fertilizer.

Just after the last Federal election I was driving into Saskatoon with a friend who remarked that, if for no other reason, he could tell from the way I drove a car that I was a Liberal. I was rather surprised and asked him to elucidate. He said, "Well, you know, you can tell the political affiliation of most car drivers from the way they drive. Invariably you will find the conservative away to the right, the Liberal takes the middle course right down the centre of the road, and the C.C.F., poor lad, is so far to the left that it is only a matter of time until he comes to a disastrous end."

Mr. Loptson: — Under the bridge!

Mr. Dunfield: — However, his analysis would not hold quite true for us in the northern areas, because, Mr. Speaker, on our dirt roads, when it rains, we promptly get into the two ruts in the middle of the road, and go wig-wagging along. when it is dry, we have to straddle either of those two ruts, so that habitually and of necessity, we in the North become centre-of-the-road drivers and mostly, Liberals.

One of the offsetting advantages that I have discovered in being a member of the Legislature and representing a constituency is that it gives me a most excellent pretext to drop my daily routine to get out among my neighbours, to visit. You know, when we attend too closely to our own business we are very apt to take little heed of the great changes that are going on about us, and certainly to miss the real significance of some of those changes. In getting out and discussing with my neighbours various things, I was really surprised to hear from my farmer neighbours discussions of land utilization, chemical fertilizer, weed control, motorized equipment – things about which we knew nothing in the early days and did not require with the rich new land. From the stockmen and poultry men, too, I heard of feeds and feeding, R.O.P. birds, and so on; and as I went farther north, I listened just as intently to those people who live off the natural resources of our country, and again I was amazed at the intimate knowledge they had of their means of income, of the intimate characteristics and habits of big game animals, forbearing animals, fish and wildfowl. I know that many writers on these subjects could learn a great deal from those people. Out of these contacts came one indelible impression – the amount of original thought, creative ability and enduring energy that people bring to bear upon the problems of their own personal or private enterprise.

As I look back over many years of development in the Meadow Lake country, there passes before me, in mental review, a rough forested area that, today, has been brought under cultivation. Thousands of acres have been brought under cultivation; land cleared and broken and brought to a high stage of development. I noticed, too, that the people have not only progressed financially but have grown spiritually and mentally as well. I think that the story of great achievement in that area is not unique in Saskatchewan, but that the same great movement has taken place in every corner of our province, and I think it took place because the pioneers had a great sense of self-reliance and a great spirit of adventure. They had faith in themselves, faith in their country and faith in the administration under which they lived.

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Since then, Mr. Speaker, we have acquired a new philosophy, a new political philosophy. It is one in which personal initiative is played down, except in the case of great companies in those things beyond the power of the Government to do; but in so many cases we have seen, today, in business and various endeavours of the people, individual initiative is played down, and we are told that our government will take care of us from the cradle to the grave. I have heard this claim carried to the extreme, and I have even heard some, during campaigns, going around and telling others that all men are equal, that we should share and share alike.

Mr. Speaker, I see about me, every day, in my community, men and women who have so much more ability than I have, that I am proud to call them friends, and to live in the same community with them, because it is through their very ability that I live. It is those people who can produce in excess of their daily needs, who have a surplus to buy the goods and services I have to sell, from which I get my living. But I will admit, Mr. Speaker, that once in a while I do meet some poor individual who has even less brains than I have . . .

Mr. Loptson: — Must be a C.C.F.er.

Mr. Dunfield: — . . . and for him I am deeply sorry; but that sorrow is tempered somewhat with the thought that sooner or later he will find peace, comfort and temporary security in one of our Crown Corporations.

Hon. Mr. Sturdy: — Quite a social philosophy!

Mr. Dunfield: — But, Mr. Speaker, there are Crown Corporations and Crown Corporations. It was my good fortune, last summer, to make an extended trip in the northern part of our province – almost from east to west. During that trip I called at the area generally known as Uranium city area. I particularly wanted to see Beaver Lodge or the Eldorado mine, because that was a Crown Corporation – a Federal Crown Corporation – and I was not very happy about the idea of the Federal Government having a Crown Corporation in Saskatchewan, when we Liberals on this side of the House oppose them. I knew that I was going to meet Mr. Howe shortly, and I had some questions to ask him; but I think it is worthwhile giving you some of the impressions I gained there. We had to look for a landing place. We could not land at S.G.A. or McMurray Airways – quite naturally they did not want private planes fiddling around there; but we spotted a small wharf on Martin lake, close to uranium City. We taxied up to it and a man there gave us permission to tie up for a few days. It turned out that he was a consulting engineer of note.

I ask a great many questions when I go any place, and I asked him if he would answer some questions, and he said “most assuredly”. I was very much interested in this particular question. I said, “In your opinion, is this a sound, stable operation, or is it a great gamble in which our good citizens are going to lose a great deal of money? Is it here to stay?” I said, “I ask that for this reason. Just before coming up here I read in the newspapers and head over the radio of great promising strikes being made in Ontario, in Quebec, in Nebraska and in various other places. If these should prove to be true, why would you

continue this high-cost operation, if the materials could be obtained so much nearer home?" He said: "I will answer the second part of your question first. This is not a comparatively high-cost operation, because a great deal of our materials come in from the west coast, a very short haul comparatively speaking, and a water haul." And I saw goods on the shelves in Uranium city at 60 cents that probably would sell in Meadow Lake for 50 cents. I was very much interested in the restaurants – there was one flat price for everything: ham and eggs, \$1.75; steak \$1.75. Everything was \$1.75. That is a very simple way to do business. but, in answer to the first question, he said: "I can assure you this is here to stay." And then he went on to tell me, "I base that opinion on our geological knowledge. You know, uranium is not a rare metal. Indications are that it may be found all over the surface of the earth, but usually it is so widely scattered and diffused in the sub-strata that it is impossible to recover on a commercial basis. But there is no known formation on the North American continent that approximates our great Canadian shield in the north. Though you may have indications of uranium it will not necessarily return uranium to you; but when you get Geiger indications of uranium and the drill locates pitchblend ore, you have it; and here we do find the uranium concentrated in the pitchblend ore."

From there we went on up Fond du Lac river to Black Lake where there was supposed to be another uranium mine, widely touted and of which, I believe, a great many shares had been sold. I was amazed to find buildings being taken down and machinery dismantled. I asked, "What goes on?" They said, "Well, we are taking this stuff to uranium City." "Why?" "Well, we were just too optimistic." They had brought in all this material and then when they put down the drills they could find no ore, at that time. I don't know whether the situation has changed or not.

On our way home we came to another place that was highly touted and the first man I met on the wharf was an old friend of thirty years standing who was prospecting for the company. I asked him how it was. He shook his head and said, "No good. The engineers have been in. We have done a lot of drilling and though we have had plenty of indications of uranium we could find no ore body." I believe there, too, they have gone a little further afield and have obtained better results; but it just goes to show that of all the claims that are staked, the mere fact that a geiger counter gives you an indication does not mean that you will find uranium.

Then I met Mr. Howe and asked him this question – and I think it is important, because it has a bearing on Crown corporations. I said, "Mr. Howe, why is the Dominion of Canada in the mining business when that is a business that lends itself so well to private endeavour and the use of risk capital?" He said, "You know as well as I do that we are in the business simply because it is a war critical material, so necessary in the defence of our country and of our allies, that it must be kept under absolute control. but, did you notice we have not monopolized it? We spent the money to locate it, to develop it, and then we said, 'The water is find, boys, come on in'. We guaranteed a market for ten years at a price that will give any private operator a very fine profit if he finds the ore."

Hon. Mr. Brockelbank: — Why is he in T.C.A. then?

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Mr. Dunfield: — Of course, Mr. Speaker, there are lots of things I don't agree with in the policies of the Liberal party, and I have never hesitated to say so. I think I have been a thorn in their side at times, but they have never tried to 'fire' me out of the Party, as was done in Manitoba by the C.C.F., even though I have bothered the life out of them at times and disagreed with them often.

I said, "How did you find it?" And Mr. Howe answered, "That is an interesting story. It is not long, and I will tell you about it. Some years ago emissaries of the U.S. came to us in great haste, and asked if we had uranium as they needed it, and lots of it quickly. They said they had heard of our great Canadian shield. So we went out to look for it. Naturally we started at the known source of uranium." Apparently you can fit up a plane with Geiger counters and by flying over the ground at a hundred feet or so you can get much the same indication as by going across the ground on foot. They covered a great deal of country and found indications of uranium all over that part of the shield. The next problem was to find it close to transportation and as the indications were good at Beaver Lodge, they decided to try it there.

Then Mr. Howe said an interesting thing. He said, "Shortly after the finding of uranium the same emissaries came to us again. They were greatly in need of cobalt, so we went out and located cobalt for them, enough cobalt for world needs. Later on, when China got into the fracas in the east, again they came to us and asked for tungsten which they needed in the worst way for their jet planes." And Mr. Howe said: "By this time I was ready for them and said, 'Gentlemen, just put in your order for any mineral you want; all we have to do is go out in our backyard and find it.'"

Mr. Danielson: — He did, too.

Mr. Dunfield: — Then he told me that, as the need was great and speed essential, he picked the best engineer he could find and told him to go in there. The engineer came back after some months and said he had found it, and that it would require about \$20 million to develop. Mr. Howe said, "There it is, go to it!" And he said, "Bill has done a superb job", and he had. It would do your heart good to see the mine up there; a beautiful sight, lovely buildings, landscaped by an artist; no building interferes with the view of any other building; it is the way governments should build. I believe governments should always build well; and he has done a beautiful job.

I think, Mr. Speaker, I cannot let this pass without pointing out that there is this great difference between the Liberal outlook on Crown corporations and the outlook of this Government. In the Liberal point of view, we have leadership without any restrictions upon the individual to develop his own initiative and resources. I cannot say that of our own corporations here. There, there was no monopoly. It was simply a matter of the government taking the lead to give citizens an opportunity to do the best they could.

Now there was one item in the budget that caught my attention very much, and in which I am very much interested. That was the assurance that we may have a pulp industry soon, and that, to me, is very, very good news. It is not going to be anywhere near my home or my constituency, but that is not a vital matter; anything that is good in one place in the province is good for the whole province, and I do not begrudge any one place, special opportunities. But there is one thing about it in which I am very greatly interested. I asked this question in the House; if, in arrangements with this pulp company, they would be given long-term timber berths? The answer was "yes", and I am very glad that the answer was yes for it is the only way in which we could have a pulp industry, that is with outside interests; for they certainly must have their basic source of supply insured for a long, long time.

I know that in the past there have been representatives of other pulp companies come to Saskatchewan, but they passed on. Some of them went to Alberta. I wondered why. I just wondered if it was not that, in the final question (and men who handle millions of dollars for clients certainly ask all of the questions) they did not run up against the Timber board policy. That would not be good enough for a great corporation, one that would be in business for many years. To have to depend upon the vagaries of this or any other government would not be sufficient to bring an industry like that into our province.

I am very happy to hear, though it is not definite yet, about a possible pulp mill. But you will pardon me, Mr. Speaker, if I am still a little sceptical, because I have heard that same story for quite a few years now. It reminds me of a friend of mine in Meadow lake who is also, "always on the verge" of doing something, as we have so often been on the verge of getting a pulp mill. This friend of mine is not very bright, but that's the kind I associate with. He came to me and said, "I am making a lot of money now; I'm sure making a lot of money now." I said, "What are you doing?" He said, "getting out pulpwood." I told him that was fine and asked him how much he was making out of it. He said, "\$27.00 a day, three cords a day, nine bucks a cord." I told him that was just fine and how glad I was to hear it, and I said, "You must have quite a lot out now." He cast his eyes up and calculated awhile and said, "I am going to start Monday."

I am very much interested in this change of procedure in connection with the pulp mill, because it actually (mind you, this is important, Mr. Speaker) is a clean break with all the past practice of the Timber Board, and I am interested for this reason. This pulp mill will be able to have an assured supply of pulp; and yet we have, in our town, one of the finest, most efficient small box factories in Saskatchewan. It has received an award a number of times for highest efficiency. Now the owner of this mill, does not need to operate it at all, but it is of real economic importance in our community because he has a payroll of nearly \$64,000. The owner is a very prosperous farmer and is also a big concrete contractor, but to a real sawmill man, once you have been in the woods and handled timber, it gets into your blood and stays there, and he is going to continue to operate this mill as long as he can; but he has been up against an almost impossible situation, on a hand-to-mouth basis, from day to day.

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He could never get timber from the Board and never would they give him an assurance of supply. At one time, when there was a lot of good timber fire-killed in the Green lake area, he was able to get a little bit of fire-killed pulpwood, but even that has now been denied him. for a number of years he has been operating on absolutely waste products – fire-killed poplar; and what that man does with poplar is marvellous. He ships carloads and carloads of stuff east. When I was compiling a brief to the Meadow Lake Board of Trade, last fall, I went over to get his list of stuff and I saw there eight carloads of shooks. Do you know what shooks are, Mr. Speaker,? I had never before heard of them in my life. but he had eight carloads of shooks. they are the bottoms of fruit baskets, made out of dry poplar. He shipped eight carloads of shooks to Ontario, from Meadow Lake. It is amazing. Though I do not think he would give me any thanks for mentioning this matter here in the House – he is quite able to paddle along himself; but I think it is only fair to mention that that man should receive the same treatment as a great corporation, and should be permitted to have his future wood supplies secured.

Mr. Lopton: — Hear, Hear! Support home industry.

Mr. Dunfield: — And as he said, in 1949 there was a big fire around Green Lake. A lot of timber was burned. It was not completely destroyed, it became good pulpwood; but there was not pulp market at the time and a lot of it is standing there yet. He could have used that, and got twice the value of pulpwood out of it. It may be used now as pulp, but it would have served us well. And at St. Cyr Lake – just another indication of the rigidity of the system we have today – a friend of mine, a homesteader in that area, leased another piece of land from the Government which was heavily wooded with poplar, and poplar is an excellent wood if you know how to use it. He knew how to process it, and he wanted to take off this poplar and sell it himself; but no, he could not do that. He had to sell it to the timber Board, for which he said he would have got .32 per 1,000. One of the best timber men we have in that area, when I asked what it cost to get out timber (he has a small mill and is an excellent businessman) told me \$32.40 for taking . . .

Hon. Mr. Brockelbank: — Mr. Speaker, I don't like to interrupt the hon. member, but surely he would not like to be leading anybody astray . . .

Mr. Speaker: — Is that a point of order or a point of privilege?

Hon. Mr. Brockelbank: — It is actually neither a point of privilege nor a point of order, it is a correction. Our policy in regard to poplar is that anybody can get a permit, and then they can do what they like with it. I just cannot understand the situation he has just described. I don't think it ever took place. I don't know of it.

Mr. Dunfield: — Well, that story came to me; and he then burned the poplar. Now I have been told, in Committee and several other times, that statements I have made are not worth believing. Now, Mr. Speaker, it is immaterial to me whether the Minister believes what I say or not, it is absolutely of no importance to me.

Hon. Mr. Brockelbank: — Mr. Speaker, I just raise a point of privilege now: that it is contrary to our policy, and for him to say that this man could not sell it because he was required to sell it to the timber Board is just ridiculous. That isn't so.

Mr. Dunfield: — This was green poplar.

Hon. Mr. Brockelbank: — I don't care whether it was green or dry poplar or any other kind of poplar, as long as it was poplar. I would like him to give me the name of the man.

Mr. Dunfield: — If you want his name, it is Laurie Banks, St. Cyr Lake. I expect he will stand back of that. There may have been a little bit of spruce in it. He didn't tell me that, but that is the information he gave me.

Now, Mr. Speaker, I am sorry to see the hon. Provincial Secretary leaving. I just wanted to comment on some remarks he made . . .

Hon. J.W. Burton (Provincial Secretary): — Pardon me, Mr. Speaker, I have been called to the phone and will be back.

Mr. Dunfield: — I just wished to say that he mentioned, the other day, that he was very sorry to see the 'amiable member from Meadow lake had been so low as to stoop' to the remarks I had made concerning propaganda. Mr. Speaker, I didn't stoop to anything; I have been up to my ears in it; I have been nearly smothered in it for 15 years. I didn't have to stoop to anything. And as far as being amiable, Mr. Speaker, after being penned up in the city in brick and stone houses and walls for two months and getting a daily indoctrination of Socialism, it is enough to curdle the milk of human kindness in any homesteader. In fact, yesterday, I was phoning my wife and she wanted to know when I would be home. I said I didn't know, and she said she was taking off for an extended trip pretty soon. She doesn't like politics, and I think if I don't get home soon, she won't be liking politicians either (period).

I was very interested to hear the Minister of Power (Hon. Mr. Darling). I certainly gave him my close attention (as I do with every speaker) as I listened to his discussion of this integrated system of gas distribution. I don't pretend to know anything about gas or about your systems, but I well remember that in Winnipeg, many years ago, we had the Winnipeg Electric Company, who had a monopoly on the production and distribution of electric power. The Manitoba Government thought the rates were too high and they said, "We are going into the production of power because we believe we can distribute it for 3 cents per kilowatt hour." The Winnipeg Electric Company even tried to get an injunction against it. However, the Manitoba Government went into the distribution of power. They did not make a monopoly of it. They said, "We think we can show you something." And they built the great Winnipeg Hydro plant and brought the price down to 3 cents. The Winnipeg Electric Company promptly came down to the same price, and they have lived in harmony for some 30 years . . .

Hon. Mr. Fines: — What have they done now?

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Mr. Dunfield: —I think they sold out to the Manitoba Hydro, as far as I know.

Hon. Mr. Fines: — That's right.

Mr. Dunfield: — But they lived in harmony for many years, and when you have two corporations like that, you will get the maximum efficiency. When you have a monopoly, you have no yardstick to measure anything by, and I cannot understand why, Alberta, today, one small company has installed gas in almost a dozen towns in Alberta in the last two years, and the highest rate is 50 cents. Here is another important point. One of the axioms of power that I learned years ago in Winnipeg, was that you can bring raw products to cheap power, but it is not good practice to develop high cost power at the source of raw products; and Winnipeg has grown greatly because of cheap power.

Today, what do we see in Alberta? Mineral ores from our own province going in to Alberta to be smelted at the source of cheap power, because at the wellhead is the cheapest place you can get your power. If this integrated system is going to spread pipes all over this province, it is certainly going to cost us a great deal more for gas than it should, more than it is costing in our sister province. There are probably many places in this province (there is no question in my mind) where there are small fields of gas that will be available for small communities. why not take advantage of that type of system right there, rather than try to tie it in with a great many miles of pipe that will increase the cost for an indefinite period of years?

I wish to get back to the Provincial Secretary's remarks. He also said something about the 'hand of Esau but the voice of Hubert' – something like that. Mr. Speaker, when I discuss matters, particularly concerning the north country, or the things that I have come in contact with, with this Government I don't need anybody to write speeches for me. I don't have to write them myself. If I do, it is simply to put down a few of the things, in logical order, that I wish to discuss. The gentleman is unjustly accused; but I want to point out, if he thinks I was exaggerating, I will just give him a few instances. I have no desire, at any time, to throw mud, but I have lived in the north country where we have a saying that you in the south enjoy the privileges of Socialism while we in the North pay the consequences, and I can assure you that is true. With all due regard to the reports that I have read and so on, I could tell you a great many things, but it is neither in the public interest, nor is it my desire to go back and re-hash a lot of old straw. But I will bring up, once in a while, something to illustrate a point. Call it 'mud' if you wish. Though I like to play the game as my opponents wish to play it, any time a member on the other side of the House desires to start a mud battle, I can assure him that I have a barrel of it here of which I may only have occasion to use two or three drops, and that will only be for illustrative purposes.

He spoke about propaganda. Now here is an instance that you can check for yourself. In 1951 or in 1952, there were two instances at Turtleford Lake, and I think it was 1952 – the first year in which the monopoly on fish marketing was broken, or the Government decided to break it, and the private buyer was allowed back in. Our buyer from

Meadow Lake was called upon by the fishermen at Turtle Lake and asked if he would come down to buy their fish. "By all means," he said, "I will." And the price set for the beginning of that season was 19 cents – the opening price. He went down to Turtle Lake and offered these men 19 cents a lb. Well, they decided they had better call the Fish Board first and they called the Board at Prince Albert and were told, "No, you cannot sell to a private buyer." The fishermen asked the Board what they would pay, and Board officials said 12 cents a lb, and they argued back and forth. Then the fishermen said they would call the Minister of Natural Resources and I believe the Minister said yes, they could sell their fish privately. So they made an agreement with the fish buyer from Meadow Lake, for 19 cents a lb, and took a deposit for \$500. Down came two plane loads of men from Prince Albert – that was nothing, because the fishermen paid for it anyway; but down came two plane loads of officials from Prince Albert, and they argued with those poor fishermen all day; but the fishermen stuck by their guns. They said: "No, we have made a deal. We have accepted \$500 on it, and we are going to stay with it."

Hon. Mr. Brockelbank: — Would the hon. member tell me what year that was, please?

Mr. Dunfield: — Either 1951 or 1952; I will give it to you in a minute.

Hon. Mr. Brockelbank: — And what lake?

Mr. Dunfield: — Turtle Lake. These two items concern the two years, 1951 and 1952. So this private fish buyer bought these three carloads of fish. When the first one was loaded, he went over to bill it out at the C.N. railroad, and the C.N. agent said, "Sorry, I can't bill it out for you as it is being billed to the Fish Board." The agent told him he had bought them: "I have bought these fish and they are my fish." "Sorry. I have instructions from the fish Board that you will not get a permit to export them." So the fishermen had to give back that buyer's \$500. Now, either on the previous year or the next one (the dates are not on these two Returns); the next year, this Turtle Lake was opened in advance of all the other lakes in the north, and we wondered why. It was a strange thing, as it was posited in the 'Gazette' that the lakes were to open on a certain day; but this one opened a week earlier. This fish buyer came to me and said, "Why do you think that is being done?" I said, "You will find out in about two weeks." The market was bare of fish. These three carloads came onto the market in New York, and the fish buyers were bidding against each other. They got 36 ¼ cents for those fish; that was the price returned to the fishermen. Two weeks after, when all the northern lakes opened, Winnipeg and others, the fish started coming on the market, the price was 19 or 20 as originally decided upon; and that was a good price, too.

Now I am very pleased that the fishermen of Turtle Lake got 36 ¼ cents, but it happened exactly as I knew it would happen. When the fish from all the lakes came onto the market, out comes a blurb in the paper by the fish Board, "See what the Fish Board can do for the fishermen of this province. See how efficient we are!" Pure propaganda!

Mr. Speaker, as I say, I only bring up these things to illustrate points, and I want to close in saying, as I said once before, in this House,

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In 1944, that when the Liberal party went out of power, they obtained only 35 per cent of the vote; in 1948, it had increased to 38 per cent of the popular vote; and in the last election, it had risen to better than 40 per cent. I want to say to this Government that the Conservative party may never beat this Government, the social Credit party may never beat this Government, and the Liberal party may never beat this Government, but this Government is going to beat itself, and it is on the way out right now.

Hon. Mr. Fines: — We've heard that for a long time!

Mr. Dunfield: — The mills of the gods grind slowly, but they grind exceedingly fine.

Hon. Mr. Brockelbank: — That is why you are where you are.

Mr. Dunfield: — Mr. Speaker, I want to say we are all in accord with social welfare. There is no argument about that; but ever-increasing social welfare can only be maintained on the back of a prosperous and free enterprise system. What has socialism ever produced anywhere? Everything we have today is due to the individuals in this province, and when I hear hon. members on the other side of the House get up and spout Socialism, in a young and growing country like this, — well, Socialism may be sufficient for an old tired worn-out land in which the resources are gone and they have to take in each other's washing to make a living, but in a country like this, with our great future ahead of us, Socialism is the last word of despair. Yet it has been used successfully. It has been used successfully to fool the people of this province; but they, both young and old, are really beginning to see the consequences of Socialism.

As I said, I want to take up that challenge of the hon. Minister of Natural Resources about a Liberal voting for the budget. Mr. Speaker, at any time (and my colleagues certainly know this) I will do what I think best. If this budget were broken down into its component parts, there are parts in it that I would be glad to vote for; but when it is tied up with socialism and Crown Corporations as a unit, I cannot support the motion.

Hon. Mr. Fines: — Oh dear, too bad!

Hon. L.F. McIntosh (Minister of Municipal Affairs): —Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

SECOND READING

Bill No. 61 – An Act to amend The Public Service Superannuation Act.

Hon. W.S. Lloyd (Minister of Education): — Mr. Speaker, there are some amendments which can best be discussed in Committee of the Whole, but there are others with no principles involved which may be discussed here.

Hon. members will know there has been provision for a number of years for teachers who come into the public service, into positions designated as requiring teacher's training, to receive full credit for that particular service. The new principle which is being recommended in this Bill is to make it possible for teachers to come into the Public Service to positions not designated as requiring the qualifications of a teacher, and to retain, when doing so, the benefits which have already accrued to them under The Teachers' Superannuation Act. They will be required to transfer their contributions to The Public Service Superannuation Act; their service in the Public Service will be added on to their teachers service. They will then qualify for superannuation or for dependants' benefits and when they do so qualify, their pension will be paid according, first of all, to their amount of service as a teacher according to The Teachers' Superannuation Act, and then according to their years of service in the Public Service, according to The Public Service Superannuation Act.

Mr. Loptson: — Is that duplicated?

Hon. Mr. Lloyd: — No. If there is a teacher coming in who had, shall we say, ten years as a teacher and then puts in twenty years in the Public Service, and then is superannuated, he would be paid a pension on the basis, shall we say, of thirty years of service – ten years, according to the rates in The Teachers' Superannuation Act and the following twenty on the rates according to The Public Service Superannuation Act.

Mr. Loptson: — Do you transfer the money from the teachers' fund to the public fund?

Hon. Mr. Lloyd: — Yes. The other amendment, Mr. Speaker, has to do with people who may leave the service of the Government, but who may go to other agencies in the province which are supported by the Government. I have in mind, for example, such agencies as the University, libraries, union hospitals and agencies of that type. The Government is just as interested in the successful operation of these as it is in its own programme and it is though wise to make it possible for people to transfer from the government service to the service in agencies of this kind without being penalized by losing superannuation rights which they have developed. And so, when they do transfer, shall we say, to the University their superannuation rates will be maintained under the Public Service Superannuation Act, and they then will require eligibility to superannuate by virtue of an additional service in the other agencies and they will be paid a pension for the years they were in public service from the public service fund.

Those are the main changes in the principles, Mr. Speaker. I would move second reading of the Bill.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

The Assembly then adjourned at 5:55 o'clock p.m.