

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

Monday, March 15, 1954.

The House met at three o'clock p.m.
On the Orders of the Day:

LIGHT OIL DISCOVERY

Premier Douglas: — Mr. Speaker, the Department of Mineral Resources has advised me that the Canadian Gulf Oil Company, on a farm-out from Canadian Devonian, a Canadian company, has recovered the first light oil condensate of real significance in Saskatchewan and the first of this nature to be found in the Canadian section of the Williston Oil Basin. The discovery well Quinn No. 9 is situated three miles west of Frobisher and 24 miles north-east of Estevan. It is interesting to note that this well lies approximately 40 miles south-east of the Midale medium-gravity oil field and about 55 miles straight west of the light oil discovery in the Pierson district in Manitoba.

An official announcement from the company, this morning, reveals that the light oil condensate of between 53 and 58 degrees was recovered from the well in a drill stem test, last Friday. In this test oil flowed for thirty minutes through a separator filling a 55-barrel tank. The report says 225 feet of light green oil and no water was recovered. This drill stem test is one at an interval of between 4,645 and 4,655 feet in the Mission Canyon zone of the Mississippi. At latest reports crews were running production casing and preparing the well for further production tests.

The well was drilled on an 82,692-acre Crown permit held originally by the Canadian Devonian which was later assigned on a 50-50 basis to Canadian Gulf. The well was spudded, February 16th, by the Palmer Oil Development Company which was contracted by the Canadian Gulf to do the drilling.

The true importance and magnitude of this discovery will not be known for some time yet, but the information gained so far indicates every possibility of a major discovery for Saskatchewan and western Canada.

RIVER WATER POLLUTION

Mr. Kramer (The Battlefords): — Mr. Speaker, before the Orders of the Day, I would like to draw attention to this House of several partially-filled glasses of water. I have taken the liberty to distribute them on both sides of the . There is one before the hon. Leader of the Opposition, the hon. Premier, the Minister of Public Health, and the member for Estevan and various other places.

It has been said by some who are remote from this problem, that all this talk has been an exaggeration. I would like to take this opportunity to give all the members a chance to sniff and taste if they can – or if they dare! – the type of water that the people of Battleford and the Saskatchewan Hospital are forced to draw from their taps due to the pollution of the North Saskatchewan river by a company or companies at Edmonton.

March 15, 1954

This precedent, I believe, should draw the attention not only of this House but of all Canada to the fact that there must be some serious loopholes in our laws, and especially our health laws, to allow a thing like this to happen in Canada. What this has actually done in our area – and we are fortunate that the city of North Battleford is not affected . . .

Mr. Speaker: — Order. The hon. member cannot make a speech.

Mr. Kramer: — I would say this. We are very fortunate, Mr. Speaker, that we have not had this in the city of North Battleford. I felt that it should be brought up, and I would like to have at least one representative from each constituency of Saskatchewan have an intimate knowledge of what we are subjected to at The Battlefords.

Mr. Loptson: — It doesn't taste too bad.

BUDGET DEBATE

The House resumed from Friday, March 12, 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. L.F. McIntosh (Minister of Municipal Affairs): — Mr. Speaker, in rising to take part in this debate, I would like first to refer to some of the political propaganda that was used by a certain political party prior to the last provincial election. The literature, radio, newspaper and the spoken word would indicate that there was a great desire on the part of that political party to get rid of an inexperienced, incompetent, extravagant, wasteful government, that this Government should be removed from office and a tried and true political party take its place before it is too late.

Mr. Loptson: — That's true.

Hon. Mr. McIntosh: —While this was going on for public consumption there is substantial evidence that the same political party's strategy committee, operating from the central office, as well as a substantial number of the key personnel who were located in the constituency committee offices, were saying behind closed doors: "We must win this election. It is among the most important, if not the most important provincial election ever held in the province. What with the industrial expansion, oil, gas and mineral exploration and development, and the provincial revenues that will flow as a result thereof, the party successful in this 1952 election will continue in office for many years to come."

I think, Mr. Speaker, there was widespread confidence among Liberal Party supporters that this Government would be defeated. Certain candidates for the Liberal Party were positive that they would be named to cabinet posts; that they would be in a favourable position to decide as to how and in what amounts this additional revenue from industrial and natural resource expansion and development would be spent. However, to their great disappointment, the people of this province made their wishes known on June 11, 1952, in no uncertain terms. Today, in this Legislature, the Government and the electorate are subjected to the same 'blue ruin' talk that was decisively rejected less than two years ago.

This is the tenth budget that it has been my privilege to be associated with. I believe it is a budget that can be fully justified in the light of the record of this Government of revenues, expenditures and surpluses over the past ten years, coupled with the ability of the people of Saskatchewan and Canada to produce and process the results of their labours in all fields and on all fronts of our Canadian and Saskatchewan economy. Taking a look at our Canadian economy in 1953, it is interesting to note that the goods and services produced by the citizens of Canada reached an all-time high of \$2,400 million and the capital outlay showed an increase of approximately 9 per cent over the previous year.

Coming to our Saskatchewan economy, I am reminded of a conversation that is credited to an Albertan and a Saskatchewan citizen who were present on the occasion of the inaugural address held in the city of Regina at the time the province of Saskatchewan entered Confederation. They were discussing the merits, economic and social, of their respective provinces. It is to be noted that Alberta entered Confederation approximately the same time as Saskatchewan, and the Saskatchewan citizen is credited with having stated: "within the memory of many of those gathered here on this occasion, they will see the day when the province of Saskatchewan will be a waving field of wheat from the Manitoba to the Alberta boundary, from the 49th parallel to the North Saskatchewan River."

Within the memory of some of those sitting in the House they will recall when this province entered Confederation. They will also recall that within a period of less than 35 years thereafter, the prediction of this Saskatchewan citizen came true. In the calendar year of 1953, principal field crops produced in this province were valued at some \$628 million. When you add to that the cash income from livestock, you get a total of \$715 million, and when the final payments are computed on all cereal grains, we have a grand total farm cash income in excess of any previous year in the history of agriculture in the province of Saskatchewan. Having said that, Mr. Speaker, I want to hasten to say that the agricultural people of the province of Saskatchewan made a very substantial contribution to the economic and social welfare of this province and of Canada in the calendar year just closed.

It is also interesting to know that associated with our Saskatchewan economy were some 90 companies engaged in exploration and development in the pre-Cambrian shield area of the northern section of this province, and that during the calendar year under review, there were some 18,000 claims staked. This at one time was considered to be one of the wildernesses of the province of Saskatchewan.

When we take a look at the oil and the gas developments, we find that the companies engaged in that business spent some \$52 million in the calendar year of 1953. We also find that, commencing in 1952 up to the present time, oil refinery companies spent \$22 million increasing the oil capacity of the refineries to 40,500 barrels per day. Then by the end of the present calendar year, it is estimated that we will have oil refinery capacity in the province of Saskatchewan capable of turning out some 65,000 barrels of refined products per day.

I know that, in the light of the oil production record of the province of Alberta in 1953, the 2,800,000-barrel production in this province, plus 1 ½ billion cubic feet of gas, seems rather insignificant. Nevertheless, we must remember that the first oil field was discovered in the province of

March 15, 1954

Alberta some 40 years ago, and it is my understanding that, at that time, there was a 'welcome' sign on the boundary line between this province and Alberta, inviting oil companies into the province of Saskatchewan and suggesting to them that 'you have the greatest measure of freedom to explore and to exploit'. It is interesting to note that it was approximately 30-odd years after the discovery of the Turner Valley field before the next oil field of any significance was discovered in the province of Alberta. So that 2,800,000 barrels of oil that was produced in the province of Saskatchewan in 1953, along with the 1 ½ billion cubic feet of gas, is rather significant when taken in the light of additional oil fields that have been brought into production since that time.

It is also interesting to note that in the calendar year just passed, the construction programme amounted to \$217 million in the province of Saskatchewan, and those who might be a little sceptical as to what the programme might be for the present calendar year, I only wish to quote what has taken place in a city in the south-west part of the province and a city in the north-central part of the province of Saskatchewan. The 'Swift Current Standard' under the date of March 5th has a full page advertising the grand opening of the Swift Current Laundry Company. Carried in the same paper is an introduction of the grand opening of the Veterans Dry Cleaners in the city of Swift current. Carried in the same paper is an announcement of the opening of a Cinema theatre costing \$150,000. This is only the month of March – two months into the present calendar year. Those are some of the things that are taking place in what at one time was looked upon as a city sitting in the drought area of the province.

Then moving to one of the most important cities of the province of Saskatchewan, that located in the north-central part, we find in the 'Prince Albert Herald' of March 10th the headlines: "Seven M Five Hundred Thousand Building Boom Slated for the City in 1954." So there are some indications that the construction programme of our province in the present calendar year will, if not equal, come very close to equalling the remarkable construction programme of 1953.

In the manufacturing field of the province of Saskatchewan, 1952 being the latest complete figures, we find that \$276 million of goods were manufactured. We also find that the consuming public of this province passed through the retail services of this province some \$817 million. In the fiscal year drawing to a close, we find that there is a provincial surplus over expenditures, including liquor profits, amounting to a grant total of \$14,890,000. Having due regard to the record of this Government, I am of the opinion that the budget now before the Assembly, giving an estimated revenue of \$78,415,000 (in round figures) with estimated expenditure of \$78,119,000, leaving a surplus excluding liquor profits of \$295,700, is quite within the financial ability of our people to meet. I am sure the citizens of our province will be very happy to note that there is a substantial increase in the present budget going for Agriculture, Highways, Education, Health and Social Welfare. Moving from the revenue budget to the capital budget, we find that some \$23 million is set aside for the purpose of developing power, gas and telephone communications essential in the fast-growing economy of our province.

Mr. Speaker, I would like to turn to municipal government, with special references to the municipal governments of the province of Saskatchewan. I want to say first, that this Government has a deep appreciation of the increased responsibilities of municipal government which are not

confined exclusively to the province of Saskatchewan, but are universal in application. Before any sound remedies can be considered, we on this side of the House felt it necessary and essential that a painstaking analysis of provincial-municipal relations be undertaken, and this Government made provisions for the setting-up of a committee of three of our most eminent citizens fully qualified to make this study. In the late fall of 1950, the Britnell-Cronkite-Jacobs report was handed to the Government.

Now, Mr. Speaker, I think it first should be realized that we have several forms of local government in this province. We have the urban municipal government; we have the rural municipal government; we have those governments associated with education know as the school trustees, and we also have union hospital governments. We are probably blessed in this province with local governments to a greater degree than any other province in the Dominion of Canada which indicates our conception of a true democracy.

Might I just say a word or two regarding municipal governments and some of the problems with which they are confronted, brought about very largely by the shift in population. At one time not so many years ago, we used to boast that 65 per cent of the population of the province of Saskatchewan was in the rural areas. The 1951 census revealed that 50 per cent of the population of this province is now in the urban centres, and there has been a substantial shift in the population within different urban centres. Some towns have grown by leaps and bounds. There has been a tremendous expansion in population in some of our cities, while on the other hand there has been a decrease in population in many villages, and in many towns and today, for example, we find that there are 70 villages in the province of Saskatchewan that have less than 100 population and as low as \$45,000 of assessment. We find that there are 26 towns that have less than 500 population and as low as \$65,000 as an assessment base for taxation purposes. So, while rural municipal governments are faced with their problems, these problems are not entirely nor exclusively confined to rural municipal governments.

Here in Saskatchewan back about 1914, there was an effort made to use land and property valuations as a base for assessment, in turn using that assessment as a base for taxation purposes. Today I think it can safely be said that the province of Saskatchewan has developed to a point where it is generally accepted that we have one of the most scientific formulas for arriving at the value of land and property for taxation purposes of any province in Canada. I think it should be noted, Mr. Speaker, that the Provincial Government carries the costs of the Assessment Branch and the Assessment Commission that does all the assessing for all taxable property in the province of Saskatchewan, excluding the four larger cities.

In 1952, the confirmed assessment for all of Saskatchewan for taxation purposes was \$942 million, an increase of \$90 million over the 1944 assessment, and it is interesting to note that the 1953 assessment was \$37 million higher than the 1952 assessment. that gives you some indication of the terrific expansion that is taking place within the boundaries of the province. And might I repeat that the 1953 confirmed assessment is \$37 million in excess of the 1952 confirmed assessment. Thus, local governments in the province of Saskatchewan for the 1954 tax roll will have a table assessment base of \$980 million, which includes an assessment on railway branch lines, oil pipelines and oil equipment. Against this assessment municipal governments fix their mill rate and in 1952, the rural mill

March 15, 1954

rate for municipal purposes averaged 17 mills. the average mill rate for school purposes in the rural areas in the same year was 19 mills. Moving into the urban centres we find for municipal purposes, a low of 9.3 mills and a high of 41.5 mills; and for school purposes, a low of 6.5 mills to a high of 43 mills.

This gave the school and municipal governments, including local improvement districts, an overall income from land and property taxes, business and amusement taxes, licences and grants, a grand total of \$47,118,232 for municipal purposes, having regard to schools being a form of municipal government. According to the latest statistics available, the available tax per quarter-section for general municipal and school purposes, in the province of Alberta was \$92.70 per quarter; in the province of Manitoba, \$120.86 per quarter, and in the province of Saskatchewan, \$58.91.

We have heard something in this House in connection with the sharing of the tax field as between municipal and provincial governments and we have statistics presented to us here by the financial critic of the Opposition, relative to the payments made in gas tax and licences in two of the municipalities in the provincial constituency of Maple Creek. If the hon. member who made this statement would take the trouble to look and study the Britnell-Jacobs-Cronkite report, he would have noted specifically and clearly that they recommended very strongly against the sharing of taxation fields as between governments. Once you have tried to follow a policy of that kind, the thing that you are doing is Balkanizing areas within the province of Saskatchewan. After all, there is a great variation between the amount paid in different areas for gas tax and licences in the province. So there was a very strong recommendation against the sharing of the tax field.

During World War No. 1, the government of the day decided upon a win-the-war tax of some 2 mills of what was commonly known, later on, as a Public Revenue Tax. This was not abolished following world War No. 1. Municipal officials and municipal associations made their wishes known in no uncertain terms in respect to the Public Revenue Tax and in 1927, the then provincial treasurer (the hon. J.G. Gardiner) in bringing down his budget made provision for the reduction of the Public Revenue Tax from 2 to 1 ½ mills. Shortly thereafter, it was increased to the 2-mill level again. Then in 1936, the Jacoby Commission, appointed by the government of the day, brought in their recommendations, and among them was that the Government vacate the field of land tax, and in its stead impose what was considered to be, at that time, a consumer tax. The government of the day undoubtedly was delighted with the idea of a new taxation field, so they continued the Public Revenue Tax along with what was later known as the Education Tax.

The Britnell-Cronkite-Jacobs report, which as I mentioned was handed to the Government in the late fall of 1950, recommended that we vacate the field of land tax and leave that field exclusively to municipal governments, so that the municipal governments could say in effect that they have at least one clear field of taxation to carry out their responsibilities. I recall quite clearly some of the debate that took place in this House in connection with the abolition of the Public Revenue Tax. On that occasion the hon. member for Arm River (Mr. Danielson) stated "You can keep your road grants, but give the municipalities the Public Revenue Tax."

Now, Mr. Speaker, on the basis of the 1953 taxable assessment, the Public Revenue amounted to \$1,958,000 of which \$1,330,000 was rural. Hon. members will also recall that not very long ago educational grants were increased by the sum of \$1,600,000. In looking over the budget now before this Assembly, they will also note that there is provision for upwards of a million dollars increase for Education. This is a form of local government. The school trustees must find a substantial sum of their educational cost using the same field of taxation that is used by the municipal government; or in other words, the same people are asked to make a contribution for educational purposes who are asked to make a contribution for municipal services.

When we take into consideration the \$1,600,000 increase in school grants some two years ago, and slightly better than \$1 million increase in school grants in the present budget, I want to say this. If the hon. members opposite would take the trouble to study the public revenue accounts of the last fiscal year, they will be convinced that increased grants to municipal governments are far in excess of the figure mentioned by the hon. member for Maple Creek (Mr. Cameron). If you take that portion of the Public Revenue Tax that applies to rural municipalities plus the increased school grants referred to, road and bridge grants, and excluding the 'fringe' benefits accruing to municipalities, such as the payment in lieu of taxes on government properties, hospital construction grants, increase in San levies, social welfare, health, assistance to the aged and average these benefits over the 296 rural municipalities, you will find that they amount to a figure on an average of approximately \$15,000 per rural municipality by way of assistance from the public treasury of this province.

I sometimes wonder if we lose sight of what it has meant to rural municipal governments to have the relief and seed grain debt cancellation that has taken place. If the records are checked very closely, it will be found that, from the time this Government took office up to the present time, cancellation has amounted to over \$17 million. What has the increase in school grants meant to the rural and urban taxpayers? In 1944, the grants amounted to \$18 per pupil and in 1954 they will amount to \$64 per pupil. What has the Social Aid assistance meant to the municipal? Today, the Provincial Government is carrying, on an average, 85 per cent of the cost of social aid. What has this Government done with regard to hospital construction? In the years 1948 to 1953, \$3 million was spent on hospital construction by the Provincial Government. What has the increase in Sanitorium levies meant? The increase in levy from \$1 to \$2 per day. These are some of the fringe benefits that I referred to a few moments ago and, adding them all together, you will find that they amount to substantial assistance rendered by the Government of this province in its effort to help municipal governmental administration.

Now it is rather interesting to note a new field of taxation has developed in this province as the result of exploration and development in the oil fields. The revenues from oil wells and oil equipment is rather interesting. I have just taken a cross sample in some of the municipalities in this province – R.M. No. 123, R.M. No. 168, R.M. No. 472 and R.M. No. 502. It is interesting to note that the municipalities, for municipal and school purposes, are collecting a low from R.M. 123 of \$2,500 in taxes to a high from R.M. No. 472 of \$18,000. That is new revenue for municipalities. It is revenue that was not available to municipalities just a few short years ago. As oil fields are developed, as additional oil pipelines span the province, additional gas lines span the province, we will find that the revenues from taxation in the municipalities affected will be on the increase.

March 15, 1954

with reference to the Saskatchewan municipal debt, it is rather interesting to note that, speaking first of the increase of \$27 million in assessment, \$21 ½ million was in the cities, \$5 ¾ million (in round figures) in the towns, \$1 million in the villages, \$7 ¾ million in the rural municipalities, and \$741,000 in the L.I.D.s. It is also interesting to note that the percentage of one year's tax levies collected in 1952 equalled 103 per cent of a year's tax levy; and the tax collection in that year exceeded the tax collections in 1951 by \$5 million. The total arrears of taxes, including tax sales certificates, for all municipalities in 1945 was \$28 ¼ million (in round figures) and in 1952, \$18 ¾ million, a drop of some \$9 million. the overall revenue from all sources for all municipalities increased by \$4 ¾ million in 1952 over the 1951 figure.

In taking a further look at the Saskatchewan municipal debt we find that, excluding the province of Newfoundland which has a limited municipal government service, and excluding Prince Edward island, Saskatchewan has the lowest municipal debt of any province in Canada.

Mr. Loptson: — That's no credit to this Government.

Hon. Mr. McIntosh: — Mr. Speaker, we take a look at the debenture debt of the rural municipalities and we find the debenture debt of the rural municipalities is \$61,768; that is the debenture debt of rural municipalities. Their current debt, including their obligations to telephone companies, their obligations to school districts, obligations to machine companies, etc., amounts to \$2.3/4 million.

I would have appreciated an opportunity at this time to say more about some of the branches of the Department of Municipal Affairs; but I believe there will be a further opportunity granted me during discussion of the estimates. I would like to just say, however, that the policy of the Provincial Government toward municipal governments, including urban, rural, local school governments and union hospital governments, is assistance on the basis of the fiscal need. The Britnell-Cronkite-Jacobs Committee recommended that there be established a municipal advisory commission, and this Legislature at one of its recent sessions passed a special Act setting up the Municipal Advisory Commission and setting out its scope of authority. The personnel of that commission is accepted in all levels of municipal government as being among some of the finest and most able citizens of our province for that particular purpose. They are equipped with a technical staff, and are now working to determine the fiscal need of our municipalities, and that fiscal need is something that is a changing picture. With oil wells, gas pipelines, the taxable assessment base of municipalities changes from time to time. the shifting of population is also a factor. These are but few of the considerations that the Municipal Advisory Commission will have under advisement in arriving at the basis of fiscal need for our municipalities.

I think I should hasten to say that substantial progress is being made, working in co-operation with the Department of Highways, in the development of a main market road grid. We sincerely hope that, following the report of the royal Commission on Agriculture and Rural Life, direct and fast action may be taken on the development of this main market road grid of municipal roads. In the not-too-distant future, we are hopeful, that, working in co-operation with the rural municipalities of this province, we will be in a position to announce a grid of main market roads.

In conclusion, Mr. Speaker, having regard to a later opportunity to deal with the L.I.D. branch, and a further opportunity to deal with the operations at Green Lake commonly known as the Metis Settlement, I would like to conclude my remarks, this afternoon, by simply stating that the secret of a good budget is to be found in its flexibility, that it is adjustable to changing economic conditions. A close examination of this budget will reveal its flexibility, and we are hopeful that all governments at all levels in the province of Saskatchewan will, in due time, develop budgets that will be flexible enough to meet the changing conditions of the ever-expanding economy and the rapid development of the wealth of the province of Saskatchewan.

I have no difficulty, Mr. Speaker, in supporting the budget.

Hon. J.T. Douglas (Minister of Highways): — Mr. Speaker, in rising to take part in this debate I should, first of all, like to congratulate the Provincial Treasurer on the very fine job he did a few days ago, and I shall let it go at that. I shall not embarrass him by saying all the nice things I would like to say about this budget except that, in my opinion, it was the most comprehensive budget that has ever been brought down in this Legislature.

I feel, Mr. Speaker, that I should also offer my congratulations to the Leader of the Opposition (Mr. Loptson). In my humble opinion I do not think the Liberals in this province could have found anyone who could represent better the Liberal Party as we have it today in the province of Saskatchewan.

Coming, as I do, from an agricultural constituency, I want to say just a word or two regarding a statement made by the Provincial Treasurer when he presented the picture of agriculture in Saskatchewan. I want to agree with him that, at the present time, the farmers in this province, by and large, are possibly in as good financial position as they have been for many years. But I should like also to draw to the attention of this Assembly that, during the last three years, we have seen the loss of our British markets for our beef, our pork, and our dairy and poultry produce, and, in my estimation, we are not in a fair way to lose our preferred position in the British market for our wheat.

We know that of late the sales for wheat have not been any too brisk. As a matter of fact, for the period of August 1 to November 18 we have seen our wheat sales drop from 123 million bushels in 1952 (that is of flour and wheat) to 91 million bushels in 1953, or a drop of 26 per cent. And I want to say that when the Rt. Hon. Mr. Howe made the statement in the House of Commons, on February 25th, that no wheat had been sold from the 1953 crop it made for very disturbing reading. While we were more or less prepared for a dropping-off in sales, I doubt if any of us were prepared for the statement which showed that as well as the 614 million bushels from the 1953 crop, there also remained 362 million bushels from the previous crop to be sold. Following that, of course, we had Mr. Howe's statement that there would be no immediate interim payment on wheat for the very reason I just gave — that none of the 1953 crop had been sold.

I want to point out to this House that, over the last number of years, the farmers of this province have been dependent to a large extent

March 15, 1954

upon an interim payment to meet their seeding operations, and the statement of Mr. Howe means very definitely that the farmers of this province are going to be required to go to the banks to borrow sufficient money to carry on their seeding operations. That means it is going to increase their overall cost of production, and is going to widen the spread between the cost of the farmer's produce and the price he receives for it. When we realize that the price of wheat has dropped very materially during the present crop year – as a matter of fact, at the opening of this crop year it was selling at approximately \$2.03 a bushel; it has dropped to as low as \$1.79. So we have that drop taking place, and I would remind this House that, last summer, when there was a Federal election and we were pointing out some of these things to the people of this country, we were spoken of as the 'purveyors of gloom'. As a matter of fact, Mr. Howe, speaking in North Battleford, made the statement that the greatest nonsense in the world were our statements that we were losing the British market for our wheat.

Of course, Mr. Speaker, events have shown that it was not the C.C.F. who were speaking nonsense! Subsequent events have shown that the people who were speaking nonsense at that time were the Federal Minister of Trade and Commerce and his colleague, the Minister of Agriculture.

The effect of lost British markets and the lowering of our price is going to mean a much lower standard of living for our rural population. And it is not just the foreign markets that we are losing, Mr. Speaker. We have, over the last number of years, been depending to quite a large extent upon our dominion markets, and if we look at the picture in this Dominion and realize that the four primary industries of Canada are now in difficulties, we can also realize that the day is coming when we are going to lose – as a matter of fact, we are now losing – some of the Canadian market which we depended upon for the handling of our Canadian produce.

I have here a little booklet issued by one of the major banks in this country, and this is what they have to say about the general conditions across Canada. In a review of the Maritimes, the booklet states:

“Increased exports from Iceland and Norway temporarily upset the fish market in 1953. The lumber and forestry situation in 1953 was less favourable for the Maritime producers than in 1952. For Maritime lumber operators the prospects for 1954 are not promising. The low price for potatoes now prevailing has adversely affected agriculture in both Prince Edward Island and New Brunswick. The increasing use of fuel oil in place of coal has forced some of the Nova Scotia coal mines to close and has brought hardships in many cases.”

Referring to British Columbia, they continue:

“The salmon packers still have surplus stocks to worry about, and lumber producers have seen log inventories climb and prices drop. The base metal mining industry presents the blackest picture. Some twenty or more base metal mines have closed down during the year, while others had to curtail production because of low prices.”

You cannot have a healthy economy with the four major primary producers of this country in difficulties because of lower prices and curtailed markets.

Mr. Loptson: — And high wages. Don't forget that.

Hon. Mr. Douglas: — I want to remind this House that, if we are to have conditions remedied, we must make a determined effort to again secure the British markets for our farm produce. I want to point out that, during the last Federal election, there was only one Party in this country who placed before the electors of Canada a definite marketing policy, and that policy was laid before the people of this country by the C.C.F. group; and again, with your permission, Mr. Speaker, I would like to read and to place upon the records of this House, the policy as laid down by the C.C.F.

Mr. Loptson: — It's no good; nobody wants it.

Mr. Cameron: — They didn't go very far with it.

Hon. Mr. Douglas: — That policy is as follows, Mr. Speaker:

“We believe that a vigorous effort should be made to recapture the British market and to lessen our economic dependence upon the United States, and we offer a specific plan to accomplish this objective. First, we should, as an emergency measure, offer to postpone for three years the annual payments being made on the British loan, providing that extra dollar exchange thus made available is used for the purchase of Canadian agricultural products.

“Secondly, sterling should be accepted in part payment for Canadian produce sold to sterling countries.

“Third, a much larger share of governmental orders should be placed with the United Kingdom instead of with the United States.

“Fourth, tariff and dumping duties on imports from Britain and other sterling countries should be lowered to make it easier for these countries to earn the Canadian dollars with which to buy Canadian products.

“Fifth, long-term commodity agreements should be negotiated and necessary credit arrangements should be made to facilitate the conclusion of such agreements.

“Sixth, full support should be given to the establishment of a world food pool as proposed by the F.A.O., by the International Federation of Agricultural producers.”

Mr. Speaker, that is the only comprehensive plan for marketing that was placed before the electors of Canada in the last Federal election. That plan was placed there by the C.C.F. in this country.

March 15, 1954

Mr. Loptson: — Just a bunch of hooley!

Some Hon. Member: — It worked in Saskatchewan, too.

Hon. Mr. Douglas: — Now, Mr. Speaker, I noticed that many of the Liberal speakers who have taken part in this debate have made an attempt to show that this Government has not played fair with the municipalities in this province. I think the Minister of Municipal Affairs (Hon. Mr. McIntosh) has done a very good job in pointing out just what we have done; but there are some things that I would also like to comment on.

First, I would like to comment on the statement made by the member for Cannington (Mr. McCarthy), and I think I had better read from his statement so that there shall be no question as to what he said. The member for Cannington went so far as to say that all departments of government, except municipalities (I didn't know that municipalities were departments of government, but that is what he said), have recorded increases under this administration. For his enlightenment I would like to point out that, over the ten year period from 1942-43 to 1952-53, grants to rural municipalities and L.I.D.s increased by 674 per cent. If that isn't playing fair, I don't know what is, Mr. Speaker, but that is from the record.

Then the member for Cannington went further than that. He said that, in his knowledge and as best he could recall, all municipalities had received basic grants of \$500, as far as he could remember. Well, Mr. Speaker, can you imagine a man who has sat, I understand, for 25 years either as a councillor or a reeve in a municipality, making such a statement as that? The records of his own municipality make him out entirely wrong. I have that record here. R.M. No. 95, in the 12 years prior to 1944, received four grants from the Provincial Government. In the other eight years, they did not receive a 5-cent piece. Here are the four grants they got, and by no stretch of the imagination could you call them basic grants . . .

Mr. McCarthy: — If you're wrong I am going to check up on you.

Hon. Mr. Douglas: — Yes, you can check up . . .

Mr. McDonald: — Do you need someone to help you? I guess somebody else must have prepared it for him.

Hon. Mr. Douglas: — For the year 1935-36, this is taken from Public Accounts, that municipality received \$2,001.52 for relief work and the workmen being paid by the Department; in 1938-39, \$690.81, lumber supplied for culverts; in 1940-41, a grant of \$303.80, 50 per cent of this relief credit to be applied on taxes; in 1941-42, \$390.48, lumber supplied for culverts.

The memory of the hon. member for Cannington must be pretty short, because I want to inform you, Mr. Speaker, that it was not until 1944 that this Government brought in the policy of making available to rural municipalities at least a basic grant of \$500. Before that, no government in this province, and lest of all a Liberal government . . .

Mr. McCarthy: — Mr. Speaker, on a point of privilege, the Minister's figures are wrong on those grants.

Hon. Mr. Douglas: — Oh, no, they are not wrong!

Hon. Mr. Douglas: — If they are wrong, Mr. Speaker, the Public Accounts are wrong and I am quite sure the Public Accounts are not wrong.

Mr. McCarthy: — I am equally sure those figures are wrong.

Hon. Mr. Douglas: — These figures are taken from public Accounts, and I can assure they are not wrong.

Mr. McCarthy: — They may not be wrong as far as Public Accounts are concerned, but they are.

Hon. Mr. Douglas: — I want to point out, Mr. Speaker, that that is a pretty fair average for municipalities all across the province prior to this Government taking office in 1944. As a matter of fact, I could pick out municipalities, particularly in constituencies represented by C.C.F. members, that fared much worse.

Then the hon. member for Cannington went on to quote, I understand, from a speech made by the President of the Saskatchewan Association of Rural Municipalities. He said that, in 1953, we paid less in grants to rural municipalities than we did in 1951-52. Well, I was quite certain he was wrong, and I have checked the records. I find that, in 1951-52, we paid rural municipalities, by way of grants, \$478,638. The hon. member for Cannington quoted it as \$351,830 . . .

Mr. McCarthy: — Mr. Speaker, again on a point of privilege, I specified road grants on main market roads, and my figures are correct.

Hon. Mr. Douglas: — Well, I have the hon. member's statement here — I took it right from the records, and that is what he said; he can check it himself. He said, "Now we have another policy and in this past year, and I read the address of the past president of the S.A.R.M. who said that 138 municipalities received no grant at all this year. I presume that is correct. So they aren't giving the municipalities any more; they are giving them less and through this new formula they have worked out they actually made themselves \$70,000."

Mr. McCarthy: — That is correct.

Hon. Mr. Douglas: — "In 1951 the rural municipalities got \$351,830 in road grants; in 1952, according to the statement of the president of the rural municipalities, they got \$281,899." Mr. Speaker, that statement is not correct.

Mr. McCarthy: — Well, Mr. Speaker, it is correct because . . .

Mr. Speaker: — Order!

Mr. McCarthy: — On a point of privilege. The Minister has . . .

Mr. Speaker: — It is not a point of privilege.

Hon. Mr. Douglas: — I read it from the records.

Mr. McCarthy: — If the Minister says something that I said was incorrect. Is that not a point of privilege?

March 15, 1954

Premier Douglas: — No, he is proceeding to prove what is correct.

Mr. McCarthy: — But he said. I want to . . .

Hon. Mr. Douglas: — You made your speech last week!

Mr. McCarthy: — All right, I want to get it straight . . .

Mr. Speaker: — Order!

Hon. Mr. Douglas: — I'll make it straight for you, don't worry. I am going to make this thing straight.

Mr. Danielson: — He is on a point of privilege.

Mr. Speaker: — Order! There is no point of privilege. He is just pointing out what figures he has.

Mr. McCarthy: — No, he said that a statement I made was incorrect.

Hon. Mr. Douglas: — It is incorrect.

Mr. Speaker: — He is reading from the records. If the records are not correct, it is . . .

Mr. McCarthy: — He isn't quoting correctly from the records. I have it right here. He is not quoting correctly.

Hon. Mr. Douglas: — He just wants to waste time. He is afraid to let the public know what is correct.

Mr. McCarthy: — O, oh! When was an Irishman ever afraid?

Mr. Speaker: — Order!

Hon. Mr. Douglas: — The hon. member said that in 1951-52, we only paid \$351,830. As a matter of fact, we paid \$478,638; and in 1952-53 he said we paid only \$281,899; we paid out \$661,748. Instead of paying less, Mr. Speaker, we paid more in those two years . . .

Some Hon. Member: — Not by 300 per cent.

Some Hon. Member: — Get it straight.

Hon. Mr. Douglas: — He refers to his source of information as, I understand, Mr. Duff Noble, the President of the Saskatchewan Association of Rural Municipalities. I understood — I checked the record, and I could be wrong; but I understood that this was from the speech he had made to the Saskatoon convention, last week. In checking the newspaper reports of that convention, I do not find that Mr. Duff Noble made that statement at that time, so I presume the hon. member for Cannington was possibly referring to a speech he had made while he was a Liberal candidate for Rosetown-Biggan, because that statement sounds a great deal more like the . . .

Mr. McCarthy: — Mr. Speaker, on a point of privilege, I was not quoting from Mr. Noble's speech on an election platform. I was quoting from a report of the executive to the municipal convention in Saskatoon, last

week. I want to get it straight and I quoted it just exactly as it is in that report.

Hon. Mr. Douglas: — That makes the situation all the worse. Because, after all, the statement which I am just referring to sounds more like a statement coming from a Liberal politician with its misrepresentation than from a responsible executive member of the Saskatchewan Association of Rural Municipalities.

Mr. Cameron: — The R.M.'s accepted it.

Mr. McCarthy: — Mr. Speaker, on a point of privilege, it wasn't from . . .

Hon. Mr. Douglas: — Oh, sit down! It's not a point of privilege. Read your rule book.

Mr. Speaker: — Order!

Mr. McCarthy: — All right, go ahead.

Hon. Mr. Douglas: — Now, Mr. Speaker, having set the member for Cannington straight on some of the things he said, I would like to proceed and review some of the things this Government has done for the rural municipalities.

During the ten years we have been in office, I find we have paid out on roads that are not part of the provincial highway system, over \$12 ½ million. In addition to that, we have given a great deal of free engineering services, and if these engineering services were charged to the municipalities, they would amount to thousands of dollars per year. We are very glad that we are able to give this service; the only trouble is that we are now being asked for so much engineering service that we are finding it difficult to give these services just as promptly as we would like.

It might be as well if I give you just a moment or two or resume showing how assistance to municipalities have gradually increased from year to year in this province. In 1905, when this province was formed, the municipalities were made responsible for all roads and bridges in this province. As the country became settled, as the need for roads increased, I find that, in 1909, the Province commenced to make grants to rural municipalities. Then, by 1912, the demand for roads still kept increasing, and there was established in this province what was known as the Board of Highway Commissioners who functioned under the Department of Public Works. That Commission inaugurated a policy of paying to rural municipalities 50 per cent on certain main roads, not to exceed \$5,000 per year in any one municipality.

They continued this for a number of years, and then, in 1917, the Department of Highways was established with certain definite responsibilities and, by 1920, the Department of Highways had worked out a plan of a system of provincial highways designed to lift from the shoulders of the municipalities the responsibilities of constructing and maintaining the more heavily travelled roads in the province. In 1923, after they established this system, grants to rural municipalities were discontinued and were discontinued until the relief years. During the relief years, certain assistance was given in certain areas. I notice that the years prior to an election, they always came up a bit.

March 15, 1954

Mr. McCarthy: — You're doing that now.

Mr. Cameron: — That's the pattern.

Hon. Mr. Douglas: — That was the situation up to that time. After this Government took office, realizing the desperate position of the municipalities insofar as road building and bridge building was concerned, we first of all, introduced a system of basic grants of at least \$500 to any municipality, and we gave increased grants to many others; then we worked out, as hon. members know, an equalization basis of making these grants which has been very well accepted across this province.

From year to year we continued to make available, by vote of this Assembly, an amount equal to from 20 to 24 per cent of the revenue budget of the Department of Highways. This, in my opinion, is a very fair amount of our revenue to be set aside for this particular purpose, particularly when you realize that a large amount of contributions have been made, as has been pointed out this afternoon, by the Departments of Public Health, Social Welfare and Education.

I should also point out that when this Provincial Government lifted from the shoulders of the municipalities the most extensive highway system of any province in Canada, we relieved them of a maintenance bill of at least \$2 million a year on the extra mileage as compared with the provinces of Manitoba and Alberta, because in Saskatchewan we have 2.6 times the number of miles of provincial highway that they have in Alberta and 2.8 times, almost three times, as much as the province of Manitoba. The maintenance of that extra mileage costs over \$2 million a year, and the construction of that extra mileage would cost at least \$75 million.

Let me sum up what we have done for municipalities. Municipalities now have the entire field of land taxation, and this has cost the province \$2 million. The Province has not curtailed municipal assistance, but what we have had to take under consideration is the effect of the return of the Public Revenue Tax, we were making a study of this effect upon municipalities, and also on the effect it would have on the money voted for municipal assistance. As a result of that study we have decided that where a municipality did not benefit at least 3 ½ times the equivalent of their 1952 road grant because of the return of the Public Revenue Tax, the balance would be made up out of the money voted for grants.

I would like to tell this House that the return of the Public Revenue Tax has meant an extra amount of money to 70 municipalities by over \$5,000. In four municipalities, the increase was \$10,000; in three municipalities, it was over \$12,000; and in two municipalities, over \$13,000. Now I say, Mr. Speaker, is it logical that, where municipalities receive this extra amount because of the return of the Public Revenue Tax, they should receive as much in grants as those municipalities with low assessments? Very often, as I said before, the cases where the municipalities received the largest amounts were often those cases where they needed the money the least. So I say that the formula which we worked out on the basis I just mentioned, has proven very satisfactory.

Mr. McCarthy: — Tell the municipalities that.

Hon. Mr. Douglas: — Speaking of the return of the Public Revenue Tax, I am reminded of a statement made by the member for Arm River (Mr. Danielson) in February, 1952. The Minister of Municipal Affairs made reference to it. I also would like to refer to that for a moment; it was rather interesting. At that time he said he we would return the 1 ½ mills of assessment we could keep our road grants — they would look after their own roads. Well, we have gone one better than was suggested by the member for Arm River. We have returned the full 2 mills to the rural municipalities and we have not reduced, in fact, this year we will increase, the amount of money payable to rural municipalities. So, for the ten-year period, I find that the increased expenditures on R.M. bridges was 463 per cent.

I said a moment ago, increased expenditures on grants to R.M.s and L.I.D.s was 674 per cent; assistance on roads not part of the provincial highways system of over \$12 ½ million; and we returned to rural municipalities the complete field of land taxation, at a loss of \$2 million to the treasury of this province. We have relieved municipalities of greater mileage of roads than any other province in Canada. We have given free engineering services when help was available, and, as mentioned a moment ago by the Minister of Municipal Affairs, we are now assisting in the formulating of an inter-provincial and market road grid. While I am on this I would like to repeat and to re-emphasize the statement made by the Minister of Municipal Affairs — that this grid system of roads is being set up for the municipalities. I would like to make it abundantly clear that this grid will remain their responsibility and that these are roads upon which we will give assistance when this grid has been set up and agreed upon.

Mr. Speaker, the record which I have just given you is in sharp contrast to the record of the Liberal government when they were in office. My mind goes back — and it was brought to mind the other day when the hon. member across the way was speaking about tax arrears — to the year 1937 when tax arrears had mounted to an alarming rate in this province. The municipalities were faced with the necessity of taking over by tax cancellation proceedings quite a large area of these farm lands upon which arrears had accumulated. It so happened that most of this land on which these arrears had accumulated was covered by mortgages and the mortgage companies held quite a stake in this property, and if the rural municipalities had proceeded to take over this land through tax cancellation proceedings the mortgage companies were going to lose their equity. So the Liberal government of that day, as usual, came to the rescue of the mortgage companies and, under the guise of an Act called The Drought Area Debt Adjustment Act, these taxes were cancelled. When these taxes were cancelled they removed the prior claim of the municipalities over the mortgage companies, and the mortgage companies' investment again took first priority.

Mr. McCarthy: — Then you are wrong. They cancelled all their . . .

Hon. Mr. Douglas: — By that action, Mr. Speaker, the rural municipalities of this province were dealt one of the worst blows they ever suffered. they saw immediately cancelled hundreds of thousands of dollars of the vast equity which they had. The sad part of it is that it did very little for the farmers; very few farmers benefited because of this tax cancellation. Sure, it wiped off those back taxes; but the roads that that money was intended to rebuild, the better school facilities that it would have provided for our children — the need for those things still remained. After these taxes had been cancelled the municipalities had to

March 15, 1954

go out again and re-levy enough to cover the needs for roads and educational facilities. But it did set many of these municipalities back very severely. I understand it almost wrecked, as well, the Municipal Hail Association. This was done, Mr. Speaker, by a Liberal government, and when the member for Cannington, the other day, said that we should be ashamed of our record in regard to helping the municipalities . . .

Mr. McCarthy: — that's right.

Hon. Mr. Douglas: — . . . I say in the light of that he should crawl under his desk, today.

Now, Mr. Speaker, the other day, the member for Maple Creek (Mr. Cameron) made the statement that this Government had thrown back on the shoulders of the municipalities the full cost of bridge construction, or words to that effect.

Mr. McCarthy: — Well, you have.

Hon. Mr. J. T. Douglas: — . . . I want to say, Mr. Speaker, that is not correct. No go, at any time in this province, ever assumed full responsibility for bridge construction, much less the Liberal government.

Mr. McCarthy: — Tell the municipalities that!

Hon. Mr. Douglas: — I have told the municipalities that, and most of the municipalities know that without me telling them . . .

Mr. McCarthy: — You never said that on the platform at Saskatoon.

Hon. Mr. Douglas: — I want to point out that when this Government took office in 1944, there were over 1,200 bridges described as worn-out and dangerous.

Mr. McCarthy: — They still are.

Hon. Mr. Douglas: — And there were many other sites where bridges were required . . .

Mr. McCarthy: — And still are.

Hon. Mr. Douglas: — And I want to also point out to the gentlemen across the way that not all the bridges built in this province, up to 1944, were built by the government. Many bridges were built by the municipalities themselves; but if their statement is correct that the Liberal government was assuming full responsibility for these bridges, then I want to tell you they left a pretty sorry mess behind them. And I also want to tell you that now, for the first time in the history of this province, you have a bridge policy that is getting somewhere, and we now can see the light of day.

Mr. McCarthy: — Can you see the bridges?

Hon. Mr. Douglas: — We now have seven bridge crews of our own, and they are now equipped with the best equipment we can get for timber bridge construction. In addition, during the past year we let some of the work by contract, and we are now doing a job that is getting us out

of the woods as far as this bridge situation is concerned. I know it has been a critical situation and still remains critical . . .

Hon. Member: — The Saskatchewan Landing Bridge, too.

Hon. Mr. Douglas: — I also want to point out that while we are rebuilding many of these bridges that have now become twenty years of age, we are not paying for one bridge, Mr. Speaker, we are now paying for two, because the bonds that were issued about twenty years ago to pay for many of these bridges are now falling due; so we are paying for the old bridge as well as the new one that we are building.

As I said a moment ago, the increase on bridge construction over the ten-year period from 1942-43, to 1952-53 amounted to 463 per cent. As I said a moment ago, we have adopted a definite policy so far as bridge construction is concerned. We have taken into consideration the assessment of the municipalities, the number of 20-ft bridge spans in a municipality, and on that formula we are determining the assistance given to municipalities and we are paying all the way from 20 to 80 per cent of the cost of the bridges, depending upon that formula. I find that, up to the present time, on the basis of that formula we are paying, on the average, much more than 50 per cent of the total bridge building in this province.

Mr. McCarthy: — You should be, too.

Hon. Mr. Douglas: — So at the moment, we find we have a policy which is working smoothly. We find that we are building bridges in excess of the obsolescence of the old bridges. In 1953, we built as many bridges as were built in 1951 and 1952. So, as I said a moment ago, we now see the end of this bridge situation, and it is the first time in the history of this province that that could be said.

Now I should like, Mr. Speaker, to go from there to my own Department, but I see the time is getting on and I want to deal with our construction programme for this year, because I know the people who are on the air like to hear this policy . . .

Mr. McCarthy: — You're off the air so you don't need to worry about that.

Hon. Mr. Douglas: — Well, I talked too long. If that is the case then I will proceed as I intended . . .

Mr. McDonald: — Turn it on again and let it go.

Mr. McCarthy: — We would like to hear it, too.

Hon. Mr. Douglas: — I'll keep you in suspense a little longer then, if that is the case.

Mr. McDonald: — Oh no, don't do that.

Mr. Lopton: — We are taxpayers; we like to know.

Hon. Mr. Douglas: — Well, Mr. Speaker, I would like to report first on the

March 15, 1954

1953 construction season, and I would like to report that we had a very successful year in spite of the fact that we had a late wet spring that did curtail much of the construction work. Fortunately, the latter part of the season improved and we were able to pretty well complete, though not exactly complete, the grading work which we had undertaken. The same is not true, however, in regard to the blacktopping work. That work has not been as extensive as we had hoped for. However, during 1953, we were able to complete 495 miles of grading. That is down a bit on the 1952 construction season, but the yardage of earth moved was almost as great, and that decrease in mileage was largely accounted for because of the heavy construction work carried on in a number of these projects, namely, on No. 1 Highway west of Swift Current; No. 2 Highway north of Moose Jaw and east of Saskatoon; No. 4 Highway north of Swift Current; No. 5 Highway east of Saskatoon; No. 13 Highway to Eastend; and No. 42 Highway west of Lucky Lake. In all of these projects the work was very heavy and it did run the yardage up very materially.

During the past year we completed a number of very important links in our provincial highway system. No. 2 Highway from the U.S. border to Assiniboia is now completed, that is the grading; No. 5 Highway from Humboldt to Saskatoon; No. 6 Highway from the U.S. border to Raymore; No. 13 Highway from Kincaid to Govenlock; No. 42 Highway from Lucky Lake to No. 7, and No. 56 Highway from Indian Head to Katepwa. The closing up of these links brings closer the day when more and more of our highways are going to be completed. As a matter of fact the entire programme of highway construction in this province has now reached the stage that each successive year is going to see more and more of these links completed. This is largely the result of a planned system of roadwork that allows us to do this kind of thing.

The blacktop, as I said, we did not reach our objective, but we were able to complete 228 miles of bituminous surfacing and oil treatment. I think the biggest disappointment was in the Trans-Canada Highway on the section from the Manitoba border to west of Whitewood. This was under contract, and the contractors, because of bad weather, were not able to finish it. As a matter of fact, this section of highway has now become known as the 'contractor's hades' because every year since we have undertaken the rebuilding of that road, we have had an excessive amount of rainfall which has made road construction very difficult. In one year, over 30 inches of rain was recorded in that area, with the result that the water table has greatly risen and is making it very difficult for us to keep the amount of moisture in the grade down to the maximum.

Another thing I would like to report on is the experimental work we have carried on with crude oil. In 1952, we had one experimental project at Biggar. This is standing up remarkably well and is giving promise of good results on cheaper modes of construction where crude oil is available and the traffic is not too heavy. In addition this year, we carried on two other experimental sections. It is too early yet to report on the results, whether good or otherwise.

On the Trans-Canada Highway I can report that we now have 287.4 miles, or 69.4 per cent of the grading completed; 135 miles to complete in 1954 and 1955. This should be possible, and should make it possible for us to complete the surfacing of this road by December, 1956, when our agreement with the Federal Government expires.

The year 1953 was the first phase of the 5-year programme which we promised the electors in 1952, and I am glad to report that during that year the 495 miles of grading, 1,100 miles of gravelling, and the 288 miles of bituminous surfacing lived up to the promises which we made to the electors at that time, and showed that that 1952 promise was not lightly made and that we intend to fulfil the commitments we made to the electors at that time.

Some Government Members: — Hear! Hear!

Hon. Mr. Douglas: — I would like, also, to deal, briefly, with the record of this Government during our first decade in office. This period has been a very important one in the life of Saskatchewan. During that period we have seen the farms of this province become almost completely mechanized. The mechanization of that industry has added greatly to the problems not only of the provincial government in road building, but of our municipalities as well. During that period from 1944, we have seen motor vehicle registration increase from 147,876 to 265,000 in 1953 – an increase of 80 per cent. And of this increase I may say that we had a larger percentage of trucks in Saskatchewan than any other province in Canada, and I do not think it is necessary for me to tell this Assembly that truck traffic is a traffic that is giving your Department of Highways its biggest headaches; and what is true of the Department of Highways I believe could well be said of our municipalities as well. It is difficult for us to build the type of road that will carry the heavy truck traffic, and particularly during the last year, we have been finding it difficult to keep many of the truckers – not all; some of them are playing ball and doing a good job; but there are some of them who take every opportunity of overloading beyond the limits prescribed by the Department's regulations.

During 1953 we have increased the standard of highway construction because of the need for more permanent roads. I recall, in 1944, when we increased the standard of our roads so as to use 150 right-of-way in all the main arteries, we were severely criticized for building what were called 'super-duper' roads. Well, after five years, we found that the standards we instituted at that time were not sufficient to carry the traffic which our roads required; and so we have again had to raise the standard of construction. And I find, Mr. Speaker, that because we are now building three-degree curves and building into our roads all the engineering devices we possibly can to make the roads safer for the travelling public, we are again being criticized because we are building too high a standard. Well, when the Opposition criticize us for bringing in too large a budget, I am reminded of a statement made by Mr. Burnham, that master craftsman who was responsible for the designing and the laying out of the city of Washington, D.C. When he was criticized at the time for being over extravagant, he replied: "I say to you, make no little plans; this is no way to stir our blood." Well, I want to say, Mr. Speaker, that in the plans of the Liberal Party in former years, there was certainly nothing that would stir the blood of even their most ardent supporters.

Government Members: — Hear! Hear!

Hon. Mr. Douglas: — Some of the strides that we have made in the Department of Highways over the last few years are indicated in

March 15, 1954

the advances made in the ten-year period I have mentioned previously. In 1942, the departmental expenditure was \$2,101,814; in 1952, not including the Dominion Government expenditures, it was \$17,218,402 – an increase of 819 per cent. In the Construction Branch expenditures jumped (I won't give all the figures) to an increase of 1,618 per cent. In the Maintenance Branch the increase was 476 per cent.

To do this, Mr. Speaker, we have had to recruit and to build up, first, a staff; and I am glad to report, today, we now have a staff that is capable of taking care of the work that such a large expenditure and such an extensive programme requires. I am also glad to state that we have now secured equipment to take care of this, either in the Department of highways itself or in the contractors who are now working in this province. We have instituted the long-range planning in this province for our highways which was required and which is showing its effects, and we have also greatly extended other various services, including services to the rural municipalities which I have just mentioned.

having said that, Mr. Speaker, I will not give you the programme for this coming year.

On No. 1 Highway, Trans-Canada, base course and blacktop from the Manitoba border to Whitewood; seal coat Oakshella to McLean; sub-grade construction and traffic gravelling on the Regina by-pass, including the construction of a bridge over Wascana creek; sub-grade construction and traffic gravelling from Moose Jaw to east of Parkbeg; seal coat east of Parkbeg to Valjean; sub-grade construction and traffic gravelling from east of Waldeck to Swift Current, including the lengthening of existing reinforced concrete culvert, the construction of an overhead crossing at the mainline of the C.P.R. and the construction of a concrete bridge over Swift Current creek; the construction of base course and bituminous surface, Swift Current to west of Tompkins; sub-grade construction and traffic gravelling from east of No. 1 Highway to the Alberta border, including the construction of an over-pass on the mainline of the C.P.R. near Kincorth.

No. 2 Highway – the completion of traffic gravelling from the U.S. border to Canopus; sub-grade construction and traffic gravelling from Assiniboia to Ardell; the completion of sub-grade construction and traffic gravelling from No. 14 Highway and north of Meacham; the construction of base course and bituminous surface from Wakaw to south of Cudworth.

Highway No. 3 – sub-grade construction from Hudson Bay west towards Greenbush; completion of sub-grade construction and traffic gravelling on a new location at Crooked River; completion of sub-grade construction and traffic gravelling between Tisdale and Melfort; sub-grade construction and traffic gravelling between Melfort and Kinistino; sub-grade construction and traffic gravelling between Big River and Cowan River; completion of sub-grade construction and traffic gravelling between Green Lake and Meadow Lake; sub-grade construction west of Meadow Lake.

Highway No. 4 – sub-grade construction and traffic gravelling from the junction of No. 32 to Saskatchewan landing.

Highway No. 5 – sub-grade construction and traffic gravelling from Veregin to Canora; completion of sub-grade construction and traffic gravelling between Canora and Rama; base course and bituminous surface from Sutherland east to Hopkins Corner; sub-trade construction and traffic

gravelling from Radisson to Fielding; oil treatment from Denholm to North Battleford; sub-grade construction from Highgate to Bresaylor; and completion of traffic gravelling from Highgate to Maidstone; oil treatment from Maidstone to Lashburn; completion of modification of C.P.R. underpass immediately east of Lloydminster.

Highway No. 6 – completion of base course and bituminous surface on No. 6 Highway between Regina and the junction of No. 11 highway; completion of sub-grade construction and traffic gravelling immediately south of Dafoe; completion of sub-grade construction and traffic gravelling between Pleasantdale and Silver Park; oil treatment between Clemens and Melfort.

Highway No. 7 – sub-grade construction and traffic gravelling from Netherhill to Kindersley.

Highway No. 8 – sub-grade construction and traffic gravelling at bridge site north of Moosomin.

Highway No. 9 – minor sub-grade construction immediately south of the Qu'Appelle river bridge.

Highway No. 10 – sub-grade construction and traffic gravelling between Wroxton and the junction of No. 14 Highway.

Highway No. 11 – base course and bituminous surface construction from the junction of No. 5 north 5 miles.

Highway No. 13 – sub-grade construction and traffic gravelling from Wauchope to west of Manor, including construction of two timber bridges; sub-grade construction and traffic gravelling from Forget to Stoughton; oil treatment from Shaunavon west.

Highway No. 14 – sub-grade construction and traffic gravelling from Theodore to Foam Lake, including the construction of four pile bridges; construction of a bridge at Foam Lake, including the grading of the approaches; sub-grade construction and traffic gravelling from Lanigan to Plunkett; oil treatment from Perdue to east of Biggar.

Highway No. 15 – sub-grade construction and traffic gravelling east of Kenaston.

Highway No. 16 – sub-grade construction and traffic gravelling east of Regina.

Highway No. 17 – sub-grade construction and traffic gravelling from Lloydminster south.

Highway No. 20 – sub-grade construction and traffic gravelling from St. Benedict to the '44' Trail.

Highway No. 33 – sub-grade construction and traffic gravelling from Fillmore into Francis, including the construction of a timber bridge.

Highway No. 35 – sub-grade construction and traffic gravelling from Flin Flon south and west. I might say there, Mr. Speaker, that negotiations are under way with the Federal Government and the mining companies, and the

March 15, 1954

standard of roads to be built there will depend on the result of those negotiations. I may say that, so far, negotiations with Ottawa are very far from satisfactory.

Highway No. 39 – sub-grade construction and traffic gravelling from Estevan to north of Macoun. Completion of sub-grade construction and traffic gravelling between Ralph and Weyburn, including the installation of four large culverts. Completion of base course and bituminous resurfacing between Ipsen and Corinne.

Highway No. 40 – completion of sub-grade construction and traffic gravelling from Shellbrook to south of Marsden.

Highway No. 42 – completion of sub-grade construction and traffic gravelling west and north of Lucky Lake.

Highway No. 43 – sub-grade construction and traffic gravelling from No. 19 highway to Vanguard.

Highway No. 47 – completion of sub-grade construction and traffic gravelling south of Estevan.

Highway No. 55 – sub-grade construction and traffic gravelling from east of Mildred to Belbutte.

Secondary highways – sub-grade construction from Rockglen to U.S. border; sub-grade construction traffic gravelling from Paradise Hill to Frenchman's Butte; sub-grade construction at a bridge location south of Leoville; completion of sub-grade construction and traffic gravelling of Pierceland.

In addition to this very extensive programme we will, under maintenance, re-gravel 513 miles, seal coat 219 miles, bituminous surface recap 62 miles, first grade improvements 115 miles, and spot gravel 454 miles.

I believe, Mr. Speaker, that that outlines to you the most extensive programme yet undertaken in this province. As I said before, we feel that we are now in a position to do the job as required. We now have the necessary staff and I think it is the first time since I have spoken in this House that I have been able to make that statement.

I should also say that we owe a great deal to the staff who, throughout the years, have worked very hard in doing their utmost to see that these programmes which we have placed upon their shoulders have been carried through to the conclusions which have been obtained.

One or two things I might say about the present programme are these – that it again completes a number of very important extra highway systems; on No. Highway, the section from Meacham to junction of No. 14 is the last link in the grading of that road from Simpson right through to Prince Albert National Park; No. 3 Highway, with this year's work, will be completed from Prairie River to Kinistino; and grading of No. 4 Highway will be completed from Swift Current to Biggar; No. 5 Highway, from Humboldt to North Battleford, leaving only six miles between Humboldt and Muenster before that entire section of grade from Veregin to North Battleford is completed.

On No. 7 Highway, it will now be completed from the junction of No. 14 to the Alberta border. on the Trans-Canada, with the completion of two contracts from Whitewood to Manitoba, it will give us complete blacktop surface from the Manitoba border to Regina. As I said a moment ago, if the weather conditions permit we will fulfil our obligations again in 1954, as we did in 1953, in regard to commitments we gave the electors in the last election year.

This programme, and remarks that have been made both by the Minister of Municipal Affairs, brings to the attention of this province the need of further Federal aid for highway construction. When our people cross the line to the United States they invariably come back and remark upon the absence of bituminous surface roads in this province as compared with the States across the line. The answer, Mr. Speaker, is not hard to find. Since 1916 the Federal government in the United States has been making, annually, substantial contributions to the various states. If you take the state immediately across the line from us, the state of Montana, the assistance there is practically on a 40-60 basis, with the Federal government putting up the larger share. The only assistance we have received, since this Government has been in office, on our provincial highway system, is the assistance on the Trans-Canada Highway. As I said a moment ago, that agreement will expire December, 1956, and I am hoping that at least by that time the Federal Government will undertake a more comprehensive system of highway assistance. They have now built up a very extensive staff in connection with the Trans-Canada Highway; there is no question about the need, and there is no question about the responsibility of the Federal Government in this respect.

I have mentioned before, and I am going to mention again, that there have been at least two Royal Commissions on transportation that have stated that the cost of highway maintenance and construction should be borne two-thirds by those who use the highways and one-third by those who benefit because of the highway. This province has the power to tax those who benefit through use of the highways, and we do that; but we do not have the power to tax those who benefit because of the highways. But the Federal Government does tax those people. As a matter of fact, in 1951, the taxes paid by the members of the Automobile Chamber of Commerce alone, in sales tax and excise tax, amounted to over \$144 million, so that the Federal Government has a definite responsibility as far as highway construction is concerned. I was very glad to note that at the Prairie Road Builders' convention in Calgary, this year, they passed a resolution asking Ottawa to assume some responsibility there. I was also glad to note that the convention of the rural municipalities also passed a resolution in that respect. The need is there, and I sincerely hope that, at least upon completion of the Trans-Canada agreement, we will have another plan whereby Ottawa will assume some responsibility in this regard.

Well, Mr. Speaker, I have spoken considerably longer than I had intended to speak, but I felt that some of these things needed to be said, and I want to assure you that as far as the Department of highways is concerned, we are prepared to go out again, this year, and do what we have done in years gone by to fulfil to the people of Saskatchewan the commitments which this Government has made in regard to highway construction.

And so, Mr. Speaker, I will support the motion.

March 15, 1954

Mr. Robert Kohaly (Souris-Estevan): — Mr. Speaker, I would like to draw to your attention that, earlier in the day's sittings, the Premier mentioned the new discovery of oil in the Estevan area which we hope will be another good discovery to swell the coffers of this province and to join with the Midale area, also near Estevan, in producing large quantities of high quality oil. That, of course, is a matter of great interest and pride in the Estevan area today.

I am sorry that I had to wait and find that those people who live along Highway No. 18 west must still depend on the good Lord to keep the snow away in the winter, because the highway certainly won't be built, this year, high enough to keep the snow away. It is unfortunate that No. 18 west is not being considered by the Minister of Highways to be fixed this year. We had hoped that it would be, and that the good people along that route would be able to get in.

However, the point that I wish to deal with today is the question of the budget. I am new, and I heard early in the budget debate the suggestion by the Minister of Natural Resources and the Minister of Education that he could tell even before a member on this side rose in his seat what he was going to do about the vote on the budget. So I assumed earlier that there would be no need for me to say anything about what I was going to do on the budget, because you either vote for or against it. Apparently all of the Opposition vote against it and all of the Government vote for it, because I have heard no one on the Government side yet indicate that they intended to vote against, and nothing otherwise on the Opposition side.

These two hon. members being good at guessing will undoubtedly be able to tell this House now exactly what I am going to do when it comes to a vote on the budget. But just in case there is some doubt in their minds, I thought I would like to take the opportunity to run through the budget from one end to the other quickly. So I took the very important document, and I found on the outside that, first of all, it consisted of some 24 pages of writing and some 3 pages of tables and some 3 blank sheets.

The first sheet is written on, and it indicated that the address was given by the Provincial Treasurer (Hon. Mr. Fines). The second sheet I found was blank, and that most of the hon. members opposite apparently knew what this sheet was for. Apparently, it is to write in your congratulations to the hon. Provincial Treasurer for having delivered such a fine speech. That being the case, I should like to join with the many others on this second sheet in congratulating the Provincial Treasurer for having done such a workmanlike job on his speech. I am sure that, unlike myself, this material was all written as it was delivered by the Provincial Treasurer, and that there are no 'ghost' writers.

I wish also to say at this time that I have yet to have a 'ghost' writer for any part of my material and probably, the longer I speak the more obvious it will become to each of the members in the House that I do not have a 'ghost' writer.

The third page tells us very little except that the Hon. Provincial Treasurer expects some comment from three of the gentlemen opposite which will be constructive but no doubt critical. And, not wanting to disappoint him, I have gone through it carefully, Mr. Speaker. On the fourth page I find, in the first paragraph, that the Dominion situation is one which is giving the Provincial Treasurer some trouble. However, as this is a Dominion

matter unfortunately I cannot criticize it, and if I do criticize it I do it only as a person and in my own individual capacity.

The next paragraph informs us that there has been a slight export trade drop and we are all very sorry for that; but unfortunately again I can find no criticism which would do very much or which would be very effective, because it is a matter that is mostly up to the Dominion of Canada. At the bottom of that paragraph we are informed that unemployment is something more than seasonal and, of course, that is a matter of concern once again to the government at Ottawa. Here in Saskatchewan we have a problem which may develop into one of unemployment, and that is not for Ottawa. That is the problem of unemployment in the mining area of Souris-Estevan.

I took the opportunity of asking the hon. Minister of Public Works in Public Accounts Committee, this year, what they were doing about converting to oil, and I believe I would be reporting him correctly when I say that they are converting to oil in the province of Saskatchewan in our public buildings when present heating equipment is condemned and that there is no intention to continue to use the coal which we are producing down in Estevan to heat these public buildings. It is a matter of seriousness to the men who are working in these mines because it has been their livelihood for many years past, and they hope that even our province and our Government will consider their needs, and that they should have employment left to them by the use of the coal in the province of Saskatchewan's buildings.

Then at the bottom of page 4 there is a reference to sun spots which I assure you, Mr. Speaker, I cannot criticize, nor can I commend. I must leave them to men whose ability with sun spots is much greater than mine, and I can make no comment whatsoever. On the top of the fifth page, in the first paragraph headed "Saskatchewan's Farm Economy", we are told that Saskatchewan had another good year and that, Sir, I cannot criticize.

In the next paragraph we are informed that there was a large crop in 1953, and all farmers know that. But we should give some credit to the Almighty and to the natural industry of our people for producing such a large crop again in 1953, and it is not necessarily entirely the work of the hon. Provincial Treasurer or this present government. However, I do not wish to be the one to criticize the fact that we had a crop in 1953, and that it was so large.

In the next paragraph we have "Cash Farm Increase" over the 1952 record. That, too, I cannot criticize. I am happy to see that we have such a cash farm increase, and we hope it will continue. I cannot criticize that, but must merely accept it as a statement.

On page 6 he continues "that there is a steady rise in the cash farm income" and that, Sir, I cannot again criticize. There is a decline in the farm and municipal debt apparently. Farmers do not owe as much to the mortgage companies as they did years ago, and I shall not be the one to criticize that position in Saskatchewan today.

On page 7, "Mineral Resources Developing", we are informed that mineral development is on the increase, but that the total value of output shows a decline of \$48 million, but that, if an unknown figure were added from unknown uranium sources, the result would be an unknown record high,

March 15, 1954

and unfortunately I cannot criticize that. It is unfortunate if our mineral development scheme is down. I don't know how it could possibly be with 18,000 claims being reported in the north; unless the development is not equal to the number of claims that are being reported. I know nothing about that north country and I cannot criticize that particular paragraph, Mr. Speaker.

Then in the next paragraph, we are informed by the hon. Provincial Treasurer about the uranium production that apparently is classified in a secret manner, and, of course, it would be presumptuous of me to criticize that part of the budget at this particular time.

Oil and gas records are the next paragraph, and we are informed, Mr. Speaker, that the oil and gas investments are up and next year to be doubled in all probability, as a matter of surmising. But I wonder, on oil and gas, whether the Government is giving serious consideration to the question of continuing development by the private enterprise companies of our oil and gas resources; whether or not the situation which we have in the Smiley farm-out recently is a good one. In the light of the millions of dollars that have been poured in by private enterprise to discover the oil fields and to outline them, I wonder if turning it over to an organization, worthy as this one particularly is, is an advisable decision or not. I don't think they are going to leave the province of Saskatchewan merely because of that one incident, but it may collectively make them think that they should not put quite as much into wildcat exploration as they might have anticipated in years gone by. It is only this wildcat exploration which, in the first place, indicates the areas where activity should take place. I am not saying that the Government in this particular instance should not have given it to the co-operative involved. It may have been proper. They in their wisdom know; I don't. I merely point out a possible danger there, and suggest to them that it should not become a policy without some further investigation.

On the next page, page 8, we are still on background material. I notice that private enterprise is locating a mill in northern Saskatchewan, which, of course, is a good thing and one which I certainly do not want to be party in criticizing. The construction and manufacturing industry apparently has steadily gained in the labour field, and this apparently is not one of the groups in Saskatchewan who are adding to the unfortunate unemployment situation we spoke of earlier in the budget address. The investment income and employment appears to be satisfactory, according to the hon. Provincial Treasurer and apparently more companies are being registered day by day in the province of Saskatchewan.

Overleaf, our per capita income figure of \$1,360 is about 12 per cent above the national average, and I surely would not want to criticize that, Mr. Speaker.

The next paragraph indicates that Saskatchewan citizens were able to spend some \$817 million and to buy more life insurance, and that is a fine thing. We should commend them for it, and should be proud and happy that we are living in a province that has that type of economy.

Mr. Loptson: — No credit to the Government though.

Mr. Kohaly: — That, of course, is a matter of the industry and the foresight of our people in buying this insurance, buying protection for their old age and protecting their families that may be left behind them without the assistance of the breadwinner. They certainly are to be commended, and I certainly am not one to criticize that particular item.

Apparently the population is holding its own, and we have a few extra people left over, and there is a small rise in our population index rather than the unfortunate decreases that we have had in some years gone by.

The Provincial Treasurer, on page 9, says it is against this general background that I have been speaking of for a while that he is going to deal with the economic prospects, and so we would expect then to be told something about the future. That paragraph indicates that much of our production and possibility depends upon factors outside of the province of Saskatchewan's borders, and apparently we can do very little about that, and it is not my jurisdiction to so criticize.

The next paragraph, on page 10, informs us that the wheat agreements have been renewed, but there are three dangers: one, the withdrawal of the United Kingdom; two, the accumulation of record world stocks, and three, the continuance of imbalance in world trade, and that these three things may endanger our economy insofar as wheat is concerned. We trust that this situation will not happen, but I do not know of anything I can do in criticizing this Government and this budget that will be of any assistance in bringing the United Kingdom back into the International Wheat Agreement, or to do very much about the export of the grain stocks on hand. I cannot, therefore, logically and reasonably attempt to criticize that paragraph. I go, therefore, to "Cautious Optimism" in the words of the Provincial Treasurer.

This apparently, once again, was another good year and, if the Canadian Government and the U.S. government are not blind, we won't have a depression. I certainly join with the Provincial Treasurer in the hope that the Dominion Government and the United States government do not turn out to be blind so that we have a depression. I am sure that the hon. Provincial Treasurer, a little later on, will make sure that we are not blind here in the province of Saskatchewan. In our own small way, and see that we have some cushion against a possible depression that he feels might possibly come if the Federal Government and the United States are blind.

The next paragraph indicates that the world situation as far as wheat is concerned is not too bad and that our hard wheat will see us through, and so the worries we had in the earlier paragraphs are not really as great as we had anticipated; and so I cannot criticize that.

Then I find myself on page 11, without too much criticism as yet, Mr. Speaker. Now we are drawing closer to home and we review the ten pages that have immediately preceded and of course, I cannot criticize that, and repeat that the 1953 crop that was so great is still here and, therefore, we are going to have a great 1954 crop by using the 1953 crop. I have had many farmers in talking to me, telling me that they did have their 1953 crop, and that they were very worried about selling it; but that does not

March 15, 1954

make a 1954 crop. they must have that as well. They are making certain commitments against the stored grain and there is going to be some serious danger unless these folks have an opportunity to dispose of that crop and to provide space for the 1954 crop.

Now we are into the fiscal year 1952-53, and he deals with the income and the expenses during that year. That, of course, has been dealt with by certain members of this House in Public Accounts Committee. I feel that at this point it would be fair to say, as a new member, I found it very difficult to be of real value to the people of this province when I was handed such a large volume of Public Accounts so soon after arriving here, and yet so close to the date when we had to scrutinize them and apparently do a job on them. I would suggest that the Provincial Treasurer consider letting us have the Public Accounts at about the same time as he discloses to the press, from time to time, the amount of money that they have made, or the profit they have had in the year in question. On October 7, 1953, according to the 'Saskatoon Star-Phoenix' the Provincial Treasurer had his accounts in such order that he could say that the provincial surplus was \$4,750,000 for the year, and he also had the liquor reports at that time.

Now, if the accounts were in that good order on the 7th of October then possibly we could have this large volume of numerous accounts made available to us at a date earlier than the early part of February, so that we can go over them and look at them and compare them and spend some time on them and be in a position at that particular point to do a job of criticism and of ferreting out those things which we wish to know about in more detail. It is quite obvious that the question is not to check on who is involved in the various departments; how many cars they have is not of prime importance. It is a question of how the money is being spent and what proportion is being spent on what particular feature in this province. And that is almost impossible, try as you may, by being given these accounts at the late date on which we are given them. The Provincial Treasurer apparently can give accurate figures to the press in October of the year before the accounts are discussed, and I suggest that possibly during the months of October, November and December even, he could get this volume printed and into our hands right after the first of the year and it would at least give us a month, in the ordinary course of events, to look at it, to put some notes along the side, so that when we come to the Public Accounts Committee and the pages are turned, with thousands and thousands of dollars involved on each occasion, we will at least know that we have done our duty in looking at those accounts at a date earlier, although we may say 'agreed' very quickly. As it is now, someone hollers 'agreed' and you are on to another page before you have an opportunity to even look it over. Whether you stay up late at night or not, you haven't time to properly evaluate these pages of accounts, and I am making that suggestion to the Provincial Treasurer and to this House for what it is worth.

Now the current fiscal year 1953-54 – and it appears that the philosophy of any government, including this one, is indicated in the budget that that government produces. I have, therefore, looked at some of the percentages for the province of Ontario and the province of Saskatchewan during 1952-53. I have looked at the current estimates for five of the western provinces for this particular year and by calculating these percentages, Mr. Speaker, I submit that it is possible to roughly estimate which of the governments in which of the provinces are placing what emphasis on what particular branch. For that purpose I point out to you that I have taken three particular branches of government found in all three provinces, Ontario,

Manitoba and Saskatchewan, and have compared the percentage allocated to each of these departments for the 1952-53 year.

In Ontario, highways are receiving approximately 25 per cent of the budget; education is receiving approximately 22 per cent; social welfare and health approximately 20 per cent. In Manitoba; highways get 29 per cent; education, 19 per cent; health and social welfare, 19 per cent. In Saskatchewan: highways receive 15 per cent; education, 18 per cent; health and social welfare, 40 per cent and up a bit.

You can see from those figures that the Ontario government seems to be more concerned over highways and education than is the situation in Saskatchewan. They have found that money spent on opening up the country and developing it is a good thing to do, because it results in money coming into the treasury and enables them to increase their grants to municipalities and to the educational and social services, and they are earning money as they go along. In Saskatchewan, by comparison, we appear to be putting the emphasis on health and social welfare.

Mr. Walker (Gravelbourg): — And what are your thoughts on this?

Mr. Kohaly: — I found, when the hon. member for Maple Creek (Mr. Cameron) gave his budget address in the House (and I must join with others in commending him for his effort and ability in doing so) that he was immediately faced by the question, ‘What services do you propose to cut out’, and, of course, that is a very difficult question to answer without being the one in charge of the entire budget – to draw it up so that you cut out something here and cut out something there, a bit here and a big there, and you provide a new service without cutting off any of the lean and the muscle. I think that it is not a fair comment as to what services you would cut out. I cannot for the life of me think of any service that is presently contained in this budget that I would want to see cut out as a whole.

There are certain things in the budget which probably can bear some investigation and probably bear some pressure; probably cut out some of the suet and the fat and get rid of that and maybe we can find a few more dollars for some other services that are necessary. That is the suggestion I am making. So far as Ontario, Manitoba and Saskatchewan are concerned, we see that our Provincial Treasurer in his budget speech states that in 1952-53 some 42 per cent of the total expenditure went to economic development and 46 per cent for public welfare and education; but in 1953-54, in the next fiscal year, 45.6 per cent would go to economic development and expenditures on health welfare and education would be only 43 per cent of the budget.

This appears to indicate that the Government of Saskatchewan is now putting more and more attention on development as far as percentages are concerned. This, in the opinion of many people who claim to be of the Conservative faith in the province of Saskatchewan, is welcome news. We have thought that that is the general attitude that this province should take in these rather buoyant days, and we are pleased to see that there are some small steps, hesitating though they may be, taken in that direction.

We have tried to see the point of view that the government of the province had to do certain things in the nature of capital expenditures, such as highways into the north and some of the more strategic highways across the province of Saskatchewan itself. The tone of the hon. Provincial Treasurer’s

March 15, 1954

remarks indicates that the Government realizes the great opportunity that Saskatchewan has, and that the part that private enterprise has to play is, in fact, a great one and that it has been given 'a green light' to go ahead even further than they have in the years immediately past.

It backs up, I think, the part of the hon. Premier's speech on the reply to the Speech from the Throne, when he showed that economic development seemed to have come in great part from private enterprise being given a hand in the province of Saskatchewan, and the right to go ahead. That appeared from the tenor of his remarks, and I think that he joins then with the Provincial Treasurer in indicating that this is a new era for private enterprise to continue the development of the province of Saskatchewan. I must, therefore, commend the Premier and the Provincial Treasurer for taking this step in this direction.

As far as social services are concerned I do not want to be on the record, either by inference or otherwise, as being against the social welfare services we have in this province. I think it is high time that we realized that this is something that the people of the province are entitled to have. But let us remember that they are not free; they are not being paid for by these corporations that we have set up since the year 1944, but that we are paying for them. We are happy to pay for them. We are pleased that we should be able to be of assistance to our old-age pensioners, to our blind, to the widows and so on; but let us remember that we are paying for that in cash, and that it is not coming out of the big profits of the Crown Corporations and so on that they were apparently going to make. It is from the production of new wealth in the province of Saskatchewan by investment, by development, that we are getting this money so as to be able to pay for these social welfare services.

Apparently we are not going to have any new taxes in 1954, but we get no tax reductions either. The situation is apparently static, and we do not need to worry about paying out any more in newfound tax methods, but we won't receive anything back from what we have been paying in years gone by.

Agricultural development indicates that the department are now placing further interest on the Agricultural Representatives Branch and they are going to increase the stipends to them from \$385,000 to \$419,000. A casual glance at the Estimates indicates that while they are granting this concession, they are taking away an equal sum from the General Assistance item, and so the end result is not an increase of approximately \$34,000 available for this type of work. We are just the same as we were before, for it has been taken out of one pocket and put into the other one, because they have reduced the corresponding item.

On the next page, page 14, it deals with the problem in the north and the reclamation programme and the new farms which are being made available in that part of the province of Saskatchewan. We see that there is going to be come compensation, according to the estimates, for the work done by these new settlers in the Carrot River area. We see that certain people are going to be paid for unfortunate circumstances such as flooding and so on in that part of the province.

I want to draw to the attention of this Government, and especially of the Premier who is well acquainted with this matter, that we still have in the Estevan area men who are unpaid for flood damage from a number of years ago, and they wonder whether their money is tucked away in this item that would appear, at first glance, to be mainly for the people in the north. But we still have these men who claim to be unpaid and who appear to have suffered damage and should be paid and paid at an early date.

In the next paragraph, Mr. Speaker, it appears that one of the recommendations of the Royal Commission on Agriculture in their interim report is that the settlers in that area are going to be paid in full for the work they have been doing in breaking and opening the land rather than to leave it as a deferred matter for some time to come. We hope that they will continue to do this, and that it will be an incentive to these people to continue to open up the country and to add new productive acres to the total in the province of Saskatchewan.

In oil and mineral resources, on the same page (the next paragraph) we are informed that the Mineral Resources Department will receive an appropriation roughly 50 per cent higher than in the current year. When you add the supplemental estimates to the Estimates considered this year, I think you will find that it is not quite 50 per cent; but in any event it is a good idea because it is this department that is producing much of the wealth for the province in order to be handed over to many of the other departments to carry on the ordinary government of this province. It is a good idea and they should give the Department of Mineral Resources those funds which it needs in order to continue to develop and keep close track of the situation as it exists in the province of Saskatchewan insofar as oil and mineral resources are concerned, and I cannot, Mr. Speaker, criticize that part of the budget.

I am quite confident that the hon. Provincial Treasurer's report to the House on the budget was made up long before I ever had anything to say in this House, but I am happy to find, on page 15 (the first paragraph) to see that he has taken some cognizance of the development fund that I spoke about in an earlier debate and I wish to say that it should go a little further. I think that that development fund idea has considerable merit, especially in the light of the tremendous activity in oil and natural gas and other miner resources in this province. Into this fund, he suggests, go all revenues described as recurring revenues. This means the revenues from oil, gas and minerals which are used and once used are gone and no longer with us, and those are the funds that should go into this development fund. I believe that these funds are quite easily discernible from current taxation and from moneys received from renewable resources. It is unfortunate that I can find nothing further in the budget speech of the hon. Provincial Treasurer to indicate that there is going to be something more done about it except that he does state on page 15:

“In 1953-54, our receipts from mineral resources will be around \$10,000,000. Of this amount, roughly \$4 ½ millions are recurring revenues from mineral resources, close to \$2 ½ million will come from back mineral taxes, and around \$3 million is expected from the sale of production leases and exploration permits. In 1954-55, we expect recurring revenues to rise from \$4 ½ I to \$6 million,

March 15, 1954

and while we are depending on windfall revenues, we do nevertheless anticipate that there will be some.”

And he continues shortly:

“I should like hon. members to note the distinction being made between recurring revenues and ‘windfalls’, for this is an important distinction in financial planning. It has been Government policy, Mr. Speaker, that windfalls from the sale of exploration or production rights on Crown lands will not be used to finance current expenditures. Where school lands are involved, the proceeds are being deposited in the School Lands Fund . . .”

And so on, and we know exactly what he means. Then:

“ . . . and the windfalls from other Crown lands are being used – and will continue to be used – only for capital development, debt redemption, or sinking fund payments.”

That is the end of the quotation on page 15 of the Budget speech, and I certainly cannot criticize that because that is exactly what we wish to see. We feel that we are on firm ground financially when we suggest this, and we point to the School Lands Fund as an example of one fund that was set up in a similar manner, and it has been working very well for many years, and there is every indication that this Government intends to keep that probably because it is a good principle. We are suggesting very earnestly that the Provincial Treasurer give some serious consideration to setting up a fund, as distinct and separate as is the School Lands Fund, so that each member, including myself, can look at that fund and see how many dollars are in there and where the dollars went to, and that we could see exactly that these dollars are being used in the proper way. That is the way in which the hon. Provincial Treasurer says they are in fact, being used, but let us see them being used. Let us see it in a distinct fund, and it will be much easier for us to discover them.

On March 5th the Premier of the Province of Alberta was discussing the subject that I have mentioned, of moneys being held in reserve from “windfalls” (as our Provincial Treasurer described it) to meet debt and other such requirements of government, and he is reported in the ‘Saskatoon Star-Phoenix’ dated March 6th, 1954, as saying:

“It is disclosed that this oil-rich province has received a total of \$235,551,000 from the sale of Crown leases and royalties since the discovery of the Leduc oil field in 1947. These are non-recurring revenues and did not include receipts from rentals.”

And that \$235 million is a figure that is not impossible for the province of Saskatchewan to reach, if some of the information which we have from geologists is true insofar as the oil and natural gas is concerned.

Mr. Loptson: — We heard that four years ago.

Mr. Kohaly: — That's right. But, as far as I am concerned, Mr. Speaker, the Government are indicating that they have this problem in mind, and have had it in mind and are doing something about it along the lines that I am suggesting. I do hope that all they will do is bring it out in the open a little more so that we, as ordinary members, can see where the money is going, see that in fact they are doing that which the Provincial Treasurer says we are doing and which I believe is absolutely correct. Anyway, in the same publication, the same date, Mr. Manning goes on:

“But the government (meaning Alberta) does not propose to accelerate the retirement of the remaining unmatured provincial debt. They believe the public interest is best served by making reserve funds accumulated from surplus revenues available at low interest rates to municipalities, schools and hospital districts, to help defray the cost of capital construction.”

The reason I read that is the argument between the hon. member for Maple Creek (Mr. Cameron) and the Provincial Treasurer as to whether or not we are spending moneys on reduction of public debt. One, we are informed, says you haven't cut off as much of the public debt as you claim to have and vice versa, back and forth. I don't know. I don't know how much public debt we have; but it should be an easy matter for someone or other in authority to come up and say we owe today so many dollars of public debt, and then we will know exactly where we are. I submit that, when you separate what our Provincial Treasurer calls 'dead-weight' debt from self-liquidating projects, that is exactly the figure which we want to know about and that is the figure which we must reduce — the dead-weight. The self-liquidating schemes are schemes which certainly can carry themselves and eventually will return not only their own dollars to the provincial treasury, but they will return some accumulated dollars with it back into our treasury. Now, whether there is an argument between one or the other as to the method of setting this up, I know nothing about it, and I certainly do not criticize that. I wish only to know how many dollars we owe, what kind of dollars they are, and what we are doing about paying them off. I suggest that some of that is not necessary to pay off. But, save the money which you have now! Do what Alberta is apparently doing, and make some of that money available to municipalities, the schools, towns and villages for some of their self-liquidating projects that are so badly needed in parts of the province of Saskatchewan.

I have taken a great deal of time. I did want to go on. On page 15, we find the whole situation in the province of Saskatchewan is not too bad, but I wonder whether the Government is going to give any consideration to finding spots for some of the properties of this country, namely, the coal in Souris-Estevan that is now not being used due to the development of oil. The Government have research men at their hands who can look into the situation; possibly discover somewhere along the line means we can employ to use this coal down in Souris-Estevan. The industry itself has been very active, has tried to, if possible, find ways of using coal, and they have even gone to the extent of shipping steam from one centre to another where it was not possible to ship the coal itself. Surely with a Government, with all of its resources in research talent at its fingertips, will do something about one of the industries that we had here long before oil ever came along,

March 15, 1954

which has contributed considerable in employment and in revenue to the province of Saskatchewan. It is high time that we be very careful that we don't throw away some of our old friends for some of the new-found friends. Let's keep that industry going. There are many people in the area in which the coal mines are located who are very worried about the possibility of their employment not continuing.

On page 17 of the Budget Address, concerning highways, we are told that there has been a \$75 million highway programme initiated during the term of office that the Government are going to face. I assume that this is a five-year term of office and if that is the case then that is only a \$15 million expenditure in each of the five years involved. When you put the five years together it makes quite a bit of money. I would point out to the hon. Minister that, in the province of Manitoba with a \$56-million budget, apparently they are spending \$16 ½ million in the current year for highways, and they have not the large highway system that the province of Saskatchewan has and they are not in a fortunate position as far as population is concerned. It is my understanding that if this is a four-year programme, then you have \$18 ½ million to be expended on highways as against \$16 ½ million in the province of Manitoba, — not too great a figure, at least nothing to be bragging about. I am sure that those people who live along No. 18 west, in my part of the province of Saskatchewan, will be wondering whether they could not have made that just a little bit more, that \$75 million in five years, so as to have fixed that road and brought it up over the weeds.

I understand, today, from the Minister of Highways that they are making certain experiments insofar as blacktop is concerned. I do trust that the experiment that we say on No. 39 Highway near Estevan, between Estevan and Weyburn last year, is not one of these experiments, because we found then that it was almost impossible with an ordinary automobile with ordinary power to be able to go from Estevan through to Midale. I hope these experiments will pay off, and that we will have new blacktop there that will at least stand up and allow us to travel over it with some reasonable possibility of getting where we want to go in a reasonable length of time.

Now, on page 17, at the bottom, he describes once again the general situation as far as the province is concerned, and I cannot criticize that because apparently it is correct. On page 18, the health programme is a good one, one which we must certainly commend, and most certainly must continue. I do not want to be the one who says we must cut out any one part of it. However, the amounts being spent on mental health are very large; at the same time it is possible that we still have tremendous overcrowding which is especially bad in the mental health institutions. It seems possible that we have not enough mental doctors to go around so that they will have the individual time that is necessary to look after these patients, something that the Department of Public health must seriously consider immediately and when they are spending some \$2 million for the expansion of the mental institutions. It is certainly a good step in the right direction and, Mr. Speaker, I cannot possibly criticize that particular item.

In Social Welfare, found on the next page, it is a similar situation. We are very pleased to see that our old folks are being looked after in such a fine home in Melfort. We must remember, however, that there are many other centres where old people must be looked after and I doubt seriously the advisability of large institutions to look after these people, rather than small

institutions around the province, closer to their homes, where they can enjoy the fellowship of their relatives and their friends.

I would like to discuss the question of education set out here, and wonder whether or not we are taking the right steps in holding teachers in the province of Saskatchewan; whether or not we are not spending too much money to subsidize other provinces and their teacher problem; and that our teachers are not leaving our province because we need them very badly and they should be staying here. However, I see that my time has gone and I have not covered all of the material that I would like to have covered in the budget speech.

I would like to go now to the blank page in the back of the book and I suppose that is left there (as at parties and whatnot) for autographs of your friends and the addresses of people you would like to meet again. However, on this back page, I assume, Mr. Speaker, . . .

Premier Douglas: — It's to work out your income tax.

Mr. Kohaly: —I assume that this is to make some comments on situations not dealt with in the budget speech and which should certainly be dealt with. I feel that one item of prime importance has been left out of this budget and this is one of the places where there is some fat and no lean to be cut away, and which will provide some further funds to the province of Saskatchewan and that is in connection with the automobile insurance. It is high time that we get rid of some of the non-social features of The Automobile Insurance Act. I think it can be said that the Conservative policy on this has been consistent from the day that this policy ever came into effect, when it was published that we supported the social provisions but doubted there were social values in collision, fire and theft. They were put in and given to us at the rate of \$10 a year, and it looked good. Then finally we found that it was up to \$30 a year, and we are fining now that some of the benefits have been cut.

I submit to the Government in all seriousness that The Automobile Accident Insurance Act should be reviewed at this time – the principle of it. Maybe it is not serving the purpose that the founders had in mind when they originally started it. Maybe it is high time to take a good close look at ourselves in the mirror and see whether we should or should not continue some of the objectionable features of the insurance Act. This is the time to do it before we lose a few more million dollars on this scheme. There is no reason whatsoever why collision insurance should be in The Automobile Accident Insurance Act as far as social legislation is concerned. It should be out of there, and we will save some money and a lot of people will be a lot more happy when they are buying the licences as they are today. Let it not be said that this is \$200 deductible insurance – it is a lot more than that. It is a \$400 deductible insurance to the man who is involved in an accident where he is responsible through negligence.

The hon. member for Maple Creek (Mr. Cameron) indicated that there was no insurance for a man whose car after depreciation had a value of less than \$200. It was brought to his attention that he did have some insurance, that if he was injured, injured somebody else or was killed, that he had some insurance. It is unfortunate that property damage should come to that point where some of our automobile drivers who can least afford to pay, if they should be involved in an accident or be injured, or injure someone else,

March 15, 1954

in order to collect; there can be no argument. And I submit on that one basis alone, that there is some fat in there that can be cut out, and it can be cut out, and the sooner we do it the better we are.

You can see, Mr. Speaker, that I am in a position of difficulty. Undoubtedly by this point the two Ministers I referred to earlier have decided what I am going to do. When I first came into this House I told you that I was prepared to act as opposition and do the best job that I could. I am inexperienced, I know; but I am trying, and I am going to continue to try, to do the best job of opposition, not government, and that is to oppose and to criticize where I feel criticism is necessary. In this particular case I have gone through it from end to end and I am in difficulty – I cannot find what to criticize, except to suggest and to point out.

I also told you, Mr. Speaker, at that time that, when I found something that was being done by this Government that I considered in the balance to be of benefit to the province of Saskatchewan and of Souris-Estevan particularly, I would support this Government. I find, Mr. Speaker, under those rules, ground rules set by me, that I must support the budget.

Mr. Arthur T. Stone (Saskatoon City): —Mr. Speaker, I am very glad that the member for Souris-Estevan (Mr. Kohaly) made up his mind which way he was going to vote, because he suggested that the Minister of Education had a sort of mastermind and he would know which way we were going to vote. After listening to his double-talk I thought that if the Minister of Education could determine from that speech, he is a better man than I am.

I was not too sure whether the hon. member was in favour of the agreement we made with the Federated Co-op, whether he wanted some money taken from the Department of Social Welfare and put in Highways, or just what he did want. I am sure there are a lot of other members who would like to see different departments get more money; I am sure all the rural members would like to see the Department of Highways have more money to spend. There are other members who would like to see other departments get more money. It might not be a bad idea if we were to let all the Cabinet Ministers speak first on the budget and get an outline of their departments and what they are doing; then we could get in afterwards. I am pretty sure that after we had heard of the services they are performing on the money they have, we would agree that the Provincial Treasurer had made a pretty good job of the budget after all.

A lot has been said about comparison of taxes, and I sometimes think it is a good idea for the individual to make some comparison of his own taxes. I can remember back in 1939 when I paid about \$70 for my own shack which I call my home, to my own municipality, and at that particular time I was paying nothing at all for income tax. I did not earn enough; I had enough dependants to take me out of the income tax bracket. I was looking at my old tax receipts, yesterday, and I noticed that my taxes on my shack had gone up to \$105, and I paid around “\$430 in income tax. I suppose that out of the \$580 million odd in 8 per cent sales tax, I have contributed some two or three hundred dollars of that money, besides other indirect taxes that I may have paid to the Dominion Government, and it is as hard for me to see any comparison between the \$70 to \$105 to the \$430 I pay. When I consider the services

that I get from my municipality in the way of water, sewer, light, sidewalks, streets, trolley buses, sanitation and health needs, schools, police and fire protection, libraries and other services, it does not seem reasonable to me that such a small increase gets so much, and yet the other goes from nothing to \$430.

I was rather interested in the remarks of the member from Nipawin (Mr. MacNutt) the other day, when he was deploring the miserable \$40 a month which the Federal Government are paying our old age pensioners. I think he suggested that 'us' – he said us, but I imagine he meant the Provincial Government – should be doing something to take over the responsibility which is the Federal Government's. It seemed to me then that the members on the other side would go to any lengths to tax the people of this province to carry out the responsibility which is rightfully one of the Federal Government's.

When I think of the amount of money that I pay to the Federal Government and when I think of the small contributions that they return to us – the small contributions in health, for instance, or in education, or in highways (as was mentioned today), and the very pitiful contribution they have made in housing to our people, I think that, all in all, it is a very small return to those who produce the wealth – and I believe I do a little of that. I think the contribution is very small to those who produce the wealth.

It is only natural that every member will look at the budget and try and see what there is in that budget for his own constituency. I sometimes think the members opposite put on smoked glasses, or possibly they don't even study the budget at all; but I can say that as a member for Saskatoon that we have done fairly well out of the budgets of this province. I believe the budget mentions that some \$12 million has been spent at the University campus and, I am sure, Mr. Speaker, that that campus, today, is one of the show places of the Dominion of Canada.

I notice some more money is coming to complete the very imposing hospital, the University Hospital, which is in a very imposing position, where everyone who visits Saskatoon, will be able to see it. I believe that money is being spent in the hopes that it will be in operation in the early part of next year. I want to say that all credit should go to the former Minister of Public Health (Premier Douglas) for his persistence and determination to go through with that building, and some credit must be given, also, to the present Minister of Public Health (Hon. Mr. Bentley) for progressing along the same lines. I could also mention the extensive extensions on our power house in Saskatoon. When I look at that building I am interested to know where they are going to next, when they need another extension on that building. I could also mention the fine blacktop highways leading into our city. I could mention, too, that we have two very fine hospitals in Saskatoon, and I believe that the financial stability of those hospitals is due, to a large degree, to our hospitalization plan. I should also mention that a lot of people who have been through those hospitals possibly would never have gone through had it not been for that same plan.

I would like to mention the good we have done our old people (and we have plenty in Saskatoon) in providing medical services for those old people. We have a pretty good nursing home, too, at Saskatoon that looks after the old-age people in Saskatoon and district. I want to say that I think we are doing a job that is our responsibility when we provide medical

March 15, 1954

care and provide, as we are doing, good housing accommodation for those old people. I hope the Government will continue along those lines.

I would like to say a little, because it is only right that I should, about the natural gas that the citizens of Saskatoon are so thankful to have. I think the Minister of Power (Hon. Mr. Darling) made the remark that he spent more money in bringing natural gas to Saskatoon than the United States paid for Alaska. That may be so, but we certainly appreciate the fact that we were the first large city to have natural gas.

When that natural gas started to come to Saskatoon I thought I was going to have a very unhappy summer, last year. I thought I would have plenty of people on my front steps with grievances and worries; but I was very pleasantly surprised. I only had one 'kick' all the way through the summer. I believe the person had a justifiable problem. However, those kinds of things will happen in the best of regulated families. I don't think we satisfied the gentleman, but that could not altogether be helped.

I want to just say that you have to live in Saskatoon to appreciate the job that was done. You would have to see it from day to day, the marvellous job of distribution, digging up the lanes and streets with very little inconvenience to the people, and right in the middle of summer when everybody had their gardens, and you know what it means to some gardeners if they lose 15 cents worth of carrots or onions. When the distribution came along it was, of course, necessary to try and keep peace in the family. Some people wanted to wait till Fall and have the crew come back; some didn't like the mechanical digger to go down in the garden; and good public relations were made by the Williams Bros. (I believe it was) who made that distribution, and they pretty well satisfied everybody with the work that they did. Having put in the distribution system, of course, wasn't the end. It was getting along towards the cold weather. We were very fortunate in having a good Fall; but even when the weather gets down around freezing point and there is no heat in the house it is not too comfortable.

I want to compliment the Power Corporation for the wonderful job they did, too, in public relations. It was a matter of turning the Government of Saskatchewan on and they had to proceed with all caution. Many of the installations were quite faulty, and it was necessary for those who had the responsibility of turning on the gas to come back two and three times. Sometimes they even made a few corrections themselves; but they were always ready to come back and get that gas turned on if at all possible, and I want to say that they did a marvellous job.

I want to warn the Department of Labour – I believe they have now taken on the responsibility of the inspection of gas – that they have a big responsibility to live up to, and they have a wonderful record to keep up. In spite of the fact that one of the dealers put a paid advertisement in the paper that hundreds would be poisoned and many lives would be lost in explosions and so on, I think the record is wonderful in the city of Saskatoon.

May people ask me how we are getting along with it, and how the people like it. I have heard nothing but good reports and those people who have been waiting to see how the other fellow makes out are now satisfied, and are waiting to get coupled up this coming year. I notice that some more appropriation to finish that system and to make the extension, I believe, to some of them, is provided for in the budget.

I think Saskatoon might possibly be on the map again, this summer, as I understand the power agreement may end, this coming year. I believe there have been some amicable negotiations already carried on. I will watch them with great interest. I understand there is a tough problem ahead, and I am sure there are other members in this House who will also watch that agreement with some interest. I feel sure that an amicable compromise will be arrived at. I don't suppose either side will be entirely satisfied, but I do believe an amicable agreement will be arrived at.

The budget mentions something about unemployment, and that is becoming quite a concern not only in this province but all across Canada. I was rather concerned at the few remarks the Minister of Labour made, the other day. I thought he inferred that while other provinces are only down to the 48 hours and in some cases not that low, we perhaps ought to wait until some of these governments get down a bit. I want to remind him that there are still a few Liberal governments around, and they are not too progressive and we may have long beards before they do bring those hours down. The argument against a 40-hour week mostly comes from the rural points who say that they cannot get the man power, the men to do the work that they require them to do – to build houses and barns and put in plumbing and electric lights. There is hardly that excuse today. In fact we find many farmers and their sons coming into the cities to find employment to supplement the income which they are unable to get on the farms, and I would appeal to the Government to take a look at the situation and do something along that line.

I am only going to touch on one other problem, Mr. Speaker, at this time, one that I think comes to the attention of practically all members of this House, and it is the problem of increased traffic accidents. I think almost every day that I get in conversation with people this question arises, and I think we are going to be in for some very adverse criticism if we go away from this Legislature without doing something drastic along these lines. I sometimes think that I was at fault when I voted to have the damage to cars raised to \$100 before it was necessary to make out a report. I say that, because it sort of gave an incentive to municipalities to raise their limits. I feel that criminals start in a very small way, and I think that our accidents on the highways start in a small way. I have often been told by people from outside of city of Saskatoon that it is a very bad city to drive in. We are very proud of our city and we don't like to be told that; but I think after our record of last year, that perhaps there might be a little in what they are saying. I feel that there is a great deal of discourtesy with our drivers in the city. I happened personally to see two accidents where, on both occasions, one car ran into the other fellow. I was satisfied in my mind that both the drivers who were responsible had had too much to drink; in fact I saw beer in evidence in one of the cars. The driver responsible did not wait long enough, hardly, to see the damage he had done before he got in and drove away. I suppose that he sobered up and then went down and made out his report and in all probability he would exonerate himself in that report. I saw another accident on 2nd Avenue, our main highway. Two cars came together and the drivers got out and they began flourishing their fists in one another's faces and they were determined they would not move until a policeman came along, and they waited quite a little while before two policemen came along on foot. I was amused, because immediately the policemen tied into these fellows, "Get off the road, don't block the traffic, get around the corner, go down to the police station and make out your report," nobody seemed

March 15, 1954

to be worried whether anybody had broken the law or what happened as long as they got off the street.

I sometimes wonder just what becomes of these reports. I suppose they are shipped to the Highway Traffic Board, who look them over, put them in their proper category, and at the end of the year we get a report on so many accidents; but it does seem to me a careless way of handling some of these accidents. It seems to me that in every instance somebody is to blame, somebody has done something he ought not to have done, and I believe we could start pretty well in our bigger municipalities to have a patrol car where every accident would wait until the patrol car came along and somebody was assessed for something they had done wrong.

I believe we could start very well in our cities to bring about a little courtesy on our city streets. The hon. member from Elrose and I walked up Albert Street, the other night, after the hockey game, and I think he will support me in saying that every car, including the trolley bus, were going over the speed limit I am quite sure. There were two cars, one an old car and the other a fairly new one, who were having a race between Victoria and 11th Avenue. It was quite late at night and I suppose it may have been done in fun or they may have had a few drinks, I just don't know; but that is the kind of thing we do see going on in our cities all the time. I remember living in Winnipeg when it was more than your life was worth to go on the streets, when they had no speed limit and everybody drove 'with caution', and finally something had to be done in Winnipeg and they tackled the problem quite well. I remember driving with a native in one of his cars and he came to a corner and was not too sure whether he could make a left turn, so he went on another block and he said, "You know I can't afford to pay \$25 and costs." They went after those people down there and it sobered them up. I drove in Winnipeg about three years ago, and I thought it was one of the best cities I have ever driven in, and I have driven in quite a few in Canada and the United States.

I want to compliment the high school at Saskatoon, who, some three years ago, instituted a driver-training plan. After all, we are living in a mechanical age and our young 'teenagers, naturally, want to get behind the wheel of a truck or a jeep or a car; and realizing that, they did something about it and a report was sent to our committee, last year. I have the last year's record – there is still this year to add to this; but up to 1952-53 there were some 484 'teenagers trained and some 418 adults trained. This was done at a very cheap rate and I think they should be commended on trying to improve the standard of drivers, especially among our younger generation. I believe the day will come when public opinion will possibly force governments to have a general test of all drivers, and I believe the only reason governments are afraid to take on that move is that they are afraid they are going to find out what they know is correct – half the drivers on the street do not know how to drive. I suggest that before doing anything like that, they could institute some kind of cheap driver-training plan where these people would have a chance to take a refresher course before losing their licences.

That, Mr. Speaker, is all I wish to say at this time. I do not see too much wrong with the budget. I think we are carrying on in a very progressive way and with that, I wish to support the budget.

Mr. S.H. Carr (Rosthern): — Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

The Assembly adjourned at 11 o'clock p.m.