

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Twelfth Legislature**  
**25th Day**

**Wednesday, March 17, 1954.**

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

On the Orders of the Day:

**RE OIL LEASES**

**Hon. J.H. Brockelbank (Minister of Natural and of Mineral Resources)**: — Mr. Speaker, before the Orders of the Day are proceeded with, I would like to make reference to the fact that advertisements will soon be appearing in the press and in oil industry magazines announcing the offering for sale of leases on three sections of land, two of them in the D'Arcy gas field and one of them in the St. Lawrence field; seven quarter-sections of land — one at Dollard, four in the Midale area and two in the Forget area. This will be a sale of leases, and standard royalties and standard regulations will apply, on a cash bonus basis. The closing date will be 4:00 p.m. Friday, April 23.

**PRIVILEGE**

**Mr. A.H. McDonald (Moosomin)**: — Mr. Speaker, before the Orders of the Day are called, I want to present the paper that I promised, yesterday, that I could deliver to this House, when I was referring to a statement, or at least a press release with regard to a speech that the Premier, then the Rev. T.C. Douglas, made in Chaplin on December 14, 1942, when he was referring to state medicine and hospitalization.

Yesterday, the Premier said that no such promise was ever made and at this time I want to send this across.

**Premier Douglas**: — On a question of privilege. My hon. friend can state his question of privilege but he cannot put words in my mouth. I did not say no such promise was ever made. I said the figure he used was entirely wrong.

**Mr. McDonald**: — Mr. Speaker, on a point of privilege . . .

**Premier Douglas**: — I am on a question of privilege, Mr. Speaker, and I have the floor. The figure used was a question of \$21.96; I merely asked my friend where he got the figure of \$8.00.

**Mr. McDonald**: — Mr. Speaker, I want to read from the record of the official transcript, the words of the Premier, yesterday, when I was speaking, and he said this:

“No such promise was ever made.”

And I went on to remark on that, and again the Premier came back and said:

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**Premier Douglas:** — “On a question of privilege, Mr. Speaker, may I ask what my hon. friend is quoting from?”

**Mr. McDonald:** — “It is taken from a newspaper account of your speech in Chaplin on December 14, 1942.

**Premier Douglas:** — “What newspaper and what date?”

**Mr. McDonald:** — “It is December 14, 1952, and I think it is the ‘Star-Phoenix’, I am not sure about that, but I can get you the paper.

**Premier Douglas:** — “It might be a good idea before quoting.”

I think that is enough, Mr. Speaker. I was mistaken in the name of the paper; it wasn't the ‘Star-Phoenix’, it was the Moose Jaw ‘Times Herald’, December 14, 1952, and I will read from that paper.

**Some Hon. Member:** — We can all read!

**Mr. McDonald:** — And it said:

“State medicine and hospitalization could be furnished for slightly more than \$8.00 per head per annum.”

I will send the paper across to the Premier so that he can read it for himself.

**Premier Douglas:** —Mr. Speaker, on a question of privilege. I will be very glad to have the paper. I merely rose, yesterday, to comment on the fact that, in my opinion, the statement in the paper in quite inaccurate. The figure I used at that time was the figure of the Heagarty Committee of which I was a member in the House of Commons, and at that time I was speaking as a member of the House of commons; and the figure of that Committee was \$21.96 per capita, which was the figure I used.

**Mr. Loptson:** —Was that in 1942

**Mr. McDonald:** — That is not what you said at that time.

**Hon. Mr. Fines:** — Forty per cent provincial cost.

**Mr. Speaker:** — Order! Order!

**Mr. McDonald:** — Mr. Speaker, before proceeding with the Orders of the Day there is one other item that I would like to bring up at this time and that was also a remark of the Premier's when I was referring to a figure of \$70 million that I said that other agencies had paid off, which should bring down the debt of this province by that figure. And the Premier said “You had better not trust your mind, you had better look up the records before you make a speech.”

Well, Mr. Speaker, I have looked up the record and I would like to say at this time that the figures total to slightly more than \$70 million that have been paid by outside agencies to this Government, and, therefore, our

**Premier Douglas:** — Mr. Speaker, on a point of order. The hon. member – I know of course he is trying to waste radio time because he is afraid to have the reply to some of the foolish things he said yesterday; but the fact remains, Mr. Speaker, that the hon. member cannot use the question of privilege to get up and debate, nor to get up and try to substantiate figures which he was not able to substantiate when he was taking part in the debate.

**Mr. McDonald:** — Mr. Speaker, on a point of privilege . . .

**Hon. Mr. Brockelbank:** — It is not a point of privilege.

**Mr. McDonald:** — Mr. Speaker, I take exception to the Premier's . . .

**Premier Douglas:** — I don't care whether you take exception or not, it's true.

**Mr. McDonald:** — . . . saying I was unable to substantiate them. I said that I was speaking from memory and that, today, I would produce the figures to substantiate that statement; and I have them here, and if it is necessary I can table them in this House. And, Mr. Speaker, in conclusion I want to say they are not my figures, they are the figures of the Government.

**Some Gov't Members:** — Sit down

**Mr. Speaker:** — Order! Order!

## BUDGET DEBATE

The House resumed from Tuesday, March 16, 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 a Committee of Supply).

**Hon. I.C. Nollet (Minister of Agriculture):** — Mr. Speaker, before adjourning the debate, last night, I presented to the Legislature a review of the extensive activities of the Department of Agriculture and the province-wide responsibility for drainage and other reclamation activities extending throughout the entire province. I wish again to point out that drainage development in the area referred to by the hon. member for Maple Creek (Mr. Cameron) and others, is only a small part of the Department's province-wide responsibility for general reclamation work.

I also reviewed the development of past northern settlement policies, and referred to the comparative absence and inadequacy of former policies discharged by former administrations. I think I made reference to the northern settlement re-establishment activities and pointed out that, in many areas of the province, we see living monuments to that folly, today. I could enumerate some of the projects, such as Moody Lake, Onion Lake and the Big River area. I also wish to mention a Soldiers' Settlement scheme that was organized after World War I, in the Prairie River area, one of the areas that we are, at the present time, reclaiming by drainage. These settlers moved in there and withered on the vine until, today, most of those veteran settlers of World War I are gone, with other people in control of the land.

I wish now to deal with the specific area referred to in the debate by the hon. member for Maple Creek; that is, the Smoky burn and Connell Creek

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area. This area was made available exclusively for veterans' settlement in 1946, and under favourable weather conditions (in fact, below normal moisture conditions) good progress was made at the outset in the development of this area and extensive acreage was brought under cultivation by clearing and breaking. Trouble began, as the hon. member for Nipawin pointed out, when the rains began. It really began with the frozen crop of 1950 and the subsequent rains which began in 1951 and continued unabated until the present time. This condition was not confined to the area referred to, but thousands of acres, particularly in northeast Saskatchewan, were affected. In Crop District No. 8, which takes in the entire area of northeast Saskatchewan. It might interest hon. members to know that, in 1951, 49 per cent of the crop was under water and remained un-harvested; so the problem wasn't confined to one particular area.

The hon. member for Maple Creek, in his budget address, stated that the C.C.F. was using 'McCarthyism' as a whipping-post against certain members of other political parties who expressed views similar to McCarthy's. Does the hon. member not recall that the McCarthyites also endeavoured to involve the Hon. Mr. Pearson, the Minister of External Affairs, and to utilize this gentleman as a whipping-post? And does he not know that the C.C.F. group in the House of Commons came to the defence of the Hon. Mr. Pearson against this attempted McCarthy smear?

This group will continue to protect public officials regardless of party affiliation, and the general public, against this type of undemocratic hysteria. When the hon. member was dealing with this matter, it almost sounded as though he were defending McCarthyism and the type of hysteria that is not consistent with freedom and democracy.

However, the hon. member for Maple Creek then did endeavour to utilize three consecutive years of unusually heavy rainfall in northeast Saskatchewan as a whipping-post against the policies of the Government in that particular settlement area. Furthermore, he based his conclusions on the statements of one man, without taking the trouble to inquire into the situation further. Furthermore, he endeavoured to bolster his assumptions by letting his political imagination run riot; his over-dramatization reached ridiculous extremes, somewhat akin to an actor in a Shakespearean festival . . .

**Mr. Cameron (Maple Creek):** — My, my!

**Hon. Mr. Nollet:** — It turned out to be that way — a comedy of errors. Well, Mr. Speaker, he was wrong about his objections to the criticism of McCarthyism and he was wrong about northern settlement, and I will give hon. members a few figures, this afternoon, in the course of my remarks. No one in this province has performed a more honest and conscientious service on behalf of the establishment of veterans than has the Hon. Mr. Sturdy. Every veteran in this province knows that he has a friend in the Hon. Mr. Sturdy.

**Mr. Loptson:** — He doesn't do much good.

**Hon. Mr. Nollet:** — Now regarding the area referred to. The engineering staff of the Department of Agriculture was called upon to design a drainage system in the veteran settlement area, in 1951. The Department of Agriculture assumed full responsibility in 1952. The Department's development activity, by and large, involves only two full seasons of operations in the face of almost impossible weather conditions. When we assumed responsibility for veterans' administration, we discovered that, in addition to the \$2,320

made available by V.L.A., the Provincial Government has also given guarantees up to 100 per cent to the Co-operative Credit Society for loans to members of six veterans' co-operatives in the amount of \$78,000; and, in accord with our agreement with V.L.A., the Provincial Government also guaranteed, in part, the V.L.A. grants advanced by the Dominion Government. To date, as a result of default, the Provincial Government has paid \$7,840 to V.L.A. as satisfaction of those commitments in the area referred to.

I should mention, Mr. Speaker, that in addition, work was provided both by the Department of Social Welfare and the Department of Agriculture to veterans during operations in that area. It is interesting to note that, since 1946 to 1951-52, the Department of Social Welfare have paid out \$297,880 in wages to temporary and casual help. In addition, the Department of Social Welfare and the Department of Agriculture assumed an obligation to break 100 acres of land on each unit. This involved an expenditure, on the part of the Department of Social Welfare, of \$531,000 in order to clear and bring under production approximately 34,780 acres of arable land. And since the Department of Agriculture assumed responsibility we have paid in wages to veterans in the area in the amount of \$65,492 to 35 veterans. In the light of this information it is almost ridiculous for anyone in this House to get up and suggest that adequate assistance was not available, and that this area did not represent the most generous assistance that any settlers have ever received in the history of this province.

I referred, yesterday, at the conclusion of my remarks, to some comparative units outside this area on similar soils and poorer soils, on units that did not experience the same difficulty. I pointed out that some veterans, in seven years' time, on these other units had a gross return of crop income amounting up to 44,000 a year for each of the seven years they undertook clearing and breaking activities on those units. I would like to just make this point, Mr. Speaker, and emphasize the good progress that can be made under favourable conditions. All of the assets are still there and they will be utilized in due course.

It is fully recognized that the land already broken could not be cultivated (a large part of it, that is) when this Department assumed responsibility for drainage in that area. It was also recognized that further financial assistance was required for many other settlers in north-eastern Saskatchewan. Therefore, in view of conditions in the spring of 1952, and the fact that much of the crop was under water in the fall of 1951, the Department paid out \$400,000 in payment of breaking credits held by lessees in that part of the province. Many of the veteran settlers who had credits coming to them received the benefit of these payments up to \$800 per lessee. These veterans will also benefit in another payout that was provided for in the vote, this year, in the amount of \$600,000. Any veteran in that area and any person in the other new settlement projects referred to in the Royal Commission report will receive a payout of approximately \$1,200 per unit as further assistance to them in the coming season. So the assistance, Mr. Speaker, has been very substantial.

In addition, in the flooded area referred to, the Department of Agriculture agreed to work some of the land and keep it in good tilth until the veteran could return and take up farming again. Last year, we expended a considerable amount of money in keeping the land under cultivation; and at this point, Mr. Speaker, for the benefit of the hon. member for Maple Creek, I am going to have the page boy take to him a map of the particular veterans' area, and he can see for himself the drainage ditches and the roads that have been constructed by the Department of Agriculture.

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**Mr. Cameron:** — You gave that to the Royal Commission, too, I presume.

**Hon. Mr. Nollet:** —And if the hon. member for Maple Creek is still dubious I will invite him to come with me to the area and see the progress which has been made. I particularly want him to note the area on that map, and he can see the project and the parcel of land that the gentleman he met criticized; and he will find a good road on two sides of that quarter section and a drainage ditch on two sides of that quarter-section, too.

Surely, Mr. Speaker, in the light of this information no one could say that there was any lack of financial assistance or other assistance to get these veterans and other settlers established just as quickly as possible. We realize the need for speedy action in view of the heavy commitments which were made by the Government, particularly because of the heavy commitments by the veterans. The veterans came to see me in the spring of 1951, and we discussed the matter thoroughly, and I advised the veterans that we would do all we could and that, as speedily as we could, we would again bring the land under cultivation. It certainly was a great disappointment to the veterans who had very considerable acreage broken, had heavy financial commitments and could get no crop return from this land; but I advised them that we would share good and bad alike in the future, that many problems were ahead before a complete drainage design could be devised and before the physical work of putting in the installation would be completed.

I pointed out to the veterans, too, that they were talking to a farmer who had similar experiences. I recall, in my own young years, when I was a little bit more adept and a little bit more full of vigour and vitality than now perhaps, I broke and cleared 210 acres in one summer, in the summer of 1929. And I not only faced adverse crop conditions, crop failures in 1929 and the 1930's, but also an economic depression, and I worked myself right in the hole just as these veterans did – not because of flood conditions but because of economic conditions. And I advised the boys I had nobody to talk to – I had to go in the shack and talk to myself. And it took me just about 15 years to work my way out again.

I advised them that we were going to shorten the time that it takes to re-establish people. I realize, Mr. Speaker, that with the use of modern machinery, and as a result of my own experiences, that modern machinery should be utilized in order to clear and break land and thus to draw together the period of time that it takes to build up a good farm unit; and that is exactly what we are going to do. However, there is going to be limited pioneering no matter how this kind of work is done, so I advised my good veteran friends that we would get on with the job.

That is exactly what we did. The Department tackled the job with a will. We realized that providing drainage under almost impossible conditions would be costly; in fact, under similar conditions, the advisability of doing anything at all might be open to question because of the cost. We considered this to be an emergency problem, and decided to bring drainage relief as quickly as possible, even though there would be extra cost involved.

Just to mention a few of the problems – our engineers, when they first went in there, had to wade in water up to their hips in some instances to run levels. We were unable to use blade machinery; we had to rely on draglines, which is twice as costly. We also had to use dynamite for blasting ditches, and under these conditions the costs were about 50 per cent higher. In the last two years, it might interest hon. members to know, we utilized 31

tons of dynamite to construct some 14 miles of ditches in that general area, and often we relied on the settlers who were experienced and able to use the dynamite, and we handed it out to them to blast some of the ditches to relieve flooding in the fields.

**Mr. Loptson:** — What were you going through – rocks?

**Hon. Mr. Nollet:** — Now what are the results, today, Mr. Speaker, after two years of operations against most adverse weather conditions? In the whole area involved the Department to date has run line surveys of 556 miles and cleared line right-of-ways of 115 miles; ditches constructed, 107 miles; ditches maintained, very nearly 33 miles; roads built, 87 miles; roads maintained, 22 miles. In addition to that we moved buildings to new locations for the settlers who wished to occupy their own individual units. We built bridges. We did many other things to assist in the establishment of those veterans in this particular area. Good progress has been made, Mr. Speaker, I only wish I had sufficient time at my disposal to deal in more detail with the various types of development that have taken place and the various obstacles confronting the Department of Agriculture . . .

**Mr. Loptson:** — You can have all the time you want, as far as we are concerned.

**Hon. Mr. Nollet:** — . . . But to sum up the general results and benefits obtained, I can do so no better than to give to the House the figures of production for the co-operative farm areas. In 1951, this area harvested 19,000 bushels of wheat – that was the bad year. In 1952, there were 54,500 bushels of wheat harvested, and in 1953, 70,605 bushels of wheat were harvested, and this year things look much better. A great deal of summer fallow work has been done, and on the particular unit mentioned by the hon. member for maple Creek, I wish to advise him that there are 100 acres of summer fallow on that parcel of land ready for seeding next spring.

So the prospects for 1954 look good in this area. We realize that putting in the drainage ditches alone will not bring immediate relief. It will be several years before the water levels are reduced sufficiently to take care of the annual precipitation to permit fieldwork at the proper time. But the assets are all there; nothing has been wasted. There has been no expenditure lost. the installations are there, the land improvements are there, and, in a very short time the settlers in that area will have some of the finest farm units in this province.

I would have like time to say something about some of the other projects. The Bjork Lake area has been referred to. There are very few settlers in this area – only seven in residence. At Prairie River there are only two settlers in residence; and in the Clemenceau area there are only 19 settlers in residence, 12 of whom live in the hamlet of Clemenceau. So no loss has occurred there. The Department still has commitments unfulfilled in those areas to break another 50-acre plot for each one of the settlers; and also towards paying out clearing and breaking accounts, the area referred to by the hon. member for Maple Creek and the area referred to in the Commission's report will probably receive benefits in payments up to \$180,000, and, as I said before, up to approximately \$1,200 per lessee. It may be of interest to the House to know, too, that we have guaranteed bank loans for dwellings to 30 lessees, involving some \$22,000, in the areas exclusive of the veterans' settlement area.

People living in north-eastern Saskatchewan know the problems of clearing and breaking in that part of the province. The best answer provided

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to the criticism made by the hon. member for Maple Creek regarding adequacy of present assistance policies is that, if we advertise new lands for settlement, without the benefit of any assistance policies, we would be flooded with applications. Our experience indicates that we would have at least 20 applicants for every parcel of land. But, as I stated before, there is no need for that kind of pioneering any more. We are dealing with a part of the province where all new lands will definitely be reclamation projects, and we are determined that, in the future, before settlement takes place at all, the drainage installations will be provided, access roads and roads within the area will be provided, and acreage broken before we invite settlement at all.

**Some Hon. Members:** — Hear! Hear!

**Hon. Mr. Nollet:** — The hon. member for Maple Creek referred to the interim report of the Royal Commission on Agriculture and rural Life to bolster his arguments. He overlooked one very important key statement contained in this particular report, and I wish to refer to it and I wish to draw the attention of the press, too, to this key statement contained in the report of the royal Commission.

It is found on page 4, paragraph 8, and it says – and it is underlined, Mr. Speaker:

“If this report seems unduly critical, then perhaps it reflects the Commission’s acute awareness of the opportunity for a programme of development which might well stand as a model for the more difficult improvements now required in the long settled communities of the Province.”

The Commission wanted to set up and recommended an ideal type of settlement project that would serve as a model and a guide to the settled areas of the province when we begin to deal with the matter of rural readjustment problems such as providing economic power services and all questions associated with settlement problems generally in Saskatchewan. This was their purpose and objective, Mr. Speaker.

I do not claim to be a complete perfectionist. I think, however, it is good to have reports of this kind, indicating what could be done provided, of course, the Government is prepared to make that kind of expenditure; and provided, of course, that the people of Saskatchewan are willing to provide the particular type of assistance required for a model set-up. As far as we are concerned, we have endeavoured to face this problem realistically. The roads are there; we can show them to anyone who wishes to go and see. The drainage ditches are there too, and eventually, as I stated, we will have very well established farm units in that area.

I wish to take this occasion, too, Mr. Speaker, to congratulate the staff members of my Department, particularly the field staff, who have done such a good job in carrying out and discharging the programmes of the Department, particularly in this area of the province, against most adverse conditions. They have done, I think, an exceptionally good job, and they deserve the congratulations coming from me for the good work they have done to bring drainage relief just as speedily as possible to the particular area affected.

Now, Mr. Speaker, I have taken a bit more time. However, I haven’t encroached on another member’s time any more than did the hon. member for



Moosomin (Mr. McDonald) when he was endeavouring to make a speech in this House. I have endeavoured to present the facts – with no dramatizations, Mr. Speaker, and if the hon. member from Maple Creek still has any doubt, I would suggest to him that, when he gets any more ‘beefs’, he find out the facts first, that he go to the source of the trouble. My experience is that if I believed every ‘beef’ that I hear I would be in trouble nine-tenths of the time.

**Mr. McDonald:** — You are!

**Hon. Mr. Nollet:** — So I do some checking first, and I hope that, in the future, the hon. member from Maple Creek will do some checking. I have caught him off-base three or four times, Mr. Speaker, and I hope this is the last time. I will support the budget.

**Mr. R. Brown (Last Mountain):** — Mr. Speaker, I think, in view of this being St. Patrick’s day I ought to say in the beginning that like the Irishman I met during the war, I enter this debate strictly neutral and what’s more, I know who I am neutral against.

Mr. Speaker, we on this side of the House do not expect too much from the Opposition in the budget debate. About all we ask for is a little common sense and a little constructive criticism.

**Mr. Walker (Hanley):** — That’s too much to expect.

**Mr. Brown (Last Mountain):** — This is the second time that I have sat in this House and listened to this debate, and I am still waiting for a little of both from across the floor. I thought this year we may have received a little bit, but I find as usual we get what we have been getting for the past number of years, and that is the usual whining, snivelling, snarling criticisms designed strictly for political purposes. It has no bearing on the budget whatsoever; and is not doing either this House or the people of this province any good.

I wish I had time, this afternoon, to spend considerable time dealing with some of the things that the members opposite have brought up during the past few days, but unfortunately, I haven’t.

**Mr. Danielson:** — Lot of time.

**Premier Douglas:** — Take all the time you want.

**Mr. Brown (Last Mountain):** —I am going to keep this as short as I can; but there are one or two things that I would like to discuss, this afternoon. I was quite interested in the speech of the hon. member for Moosomin (Mr. McDonald) yesterday. I find that it was the same one he has been used for years; I believe I could give it myself, Mr. Speaker, without too much effort.

**Mr. Walker (Hanley):** — A lot better.

**Mr. Brown (Last Mountain):** — The old cry –no bridges, no highways, broken promises . . .

**Mr. Loptson:** — All true.

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**Mr. Brown (Last Mountain):** — . . . and political patronage, and the old C.C.F. ‘machine’.

**Mr. McDonald:** — Hear, hear!

**Mr. Brown (Last Mountain):** — Well, Mr. Speaker, I haven’t got the time this afternoon, or I would take great delight in debating with the hon. member the matter of broken promises. I have here a few files (and I have a lot more down in my office) through which I could go, and I could string out Liberal promises which have been broken clear from here down to the C.P.R. station.

Speaking of political patronage (and he made quite a point of that yesterday), I wonder if the hon. member is old enough to remember, or whether he wishes to remember, what the Liberals in this province commonly refer to as the ‘good old days’. That is, of course, the good old days when they had a real political patronage machine in this province. I would like to refer him to a little document which I have here. It is entitled “The Saskatchewan Liberal Machine before 1929” published in the Canadian Journal of Economic and Political Science, February 1926. It is an article by a chap named Escott Reid. It is rather a lengthy document, and I do not intend to spend too much time going into it. But I would like to read just one or two excerpts from it for the edification of my friends across the floor.

One here deals with provincial organization. This is one in which I am vitally interested, Mr. Speaker, because I happen to be interested in that for the C.C.F. myself. And it says this:

“At the head of the effective party organization of the Saskatchewan Liberals, was the organizer for the province. His headquarters constituted the party’s central office and there he had under him a small secretariat. A few members of the upper ranks of his outside staff were political journalists who acted as special workers with roving commissions, but the majority were civil servants and all, nominally at least, worked under cover. Each highways inspector, of which there were about 17 in the province, had charge of three or four of the 60 provincial constituencies. Each constituency had an organizer of its own, who might, or might not, reside in it. This organizer appointed two workers in each polling division of which there were usually 50. ‘The apostles went out two by two’ was the customary saying among the organizers. In addition the constituency organizer was assisted by the road supervisors, the sanitary inspectors and the men in charge of the liquor stores.”

This gives you some idea of what happened back in the old days, Mr. Speaker.

**Mr. McCarthy:** — Still are.

**Mr. Brown (Last Mountain):** — Going on . . .

**Mr. Danielson:** — There wasn’t any Insurance office like you’ve got.

**Mr. Brown (Last Mountain):** — I’ll have something to say about my friend in a moment or two.

**Mr. McDonald:** — Babes in the woods.

**Mr. Brown (Last Mountain):** — Dealing with ‘doubtfuls’, they called them. Converting the doubtful.

**Some Hon. Member:** — When you were a Conservative.

**Mr. McDonald:** — When were you a conservative?

**Mr. Brown (Last Mountain):** — Well, I’ll just say this – I won’t read nearly all of it:

“ . . . was concerned not with government policy or administration, but arose because the doubtful voter had not been given what he considered the fair share of government jobs or contracts, it could be settled by the use of patronage. Similarly a doubtful area of a constituency could be won by a promise that a road would be put through it.”

Mr. Speaker, in my opinion, my friends across the hall are the last ones to speak of political patronage or political machines!

I would just like to draw to the attention of the House (I meant to do this some time ago, but it is going to work in all right now, seeing the matter has been brought up), a little article in the ‘Leader-Post’ of March 5, which says, “W. Bird named Director of P.F.A.”:

“W.R. Bird of Regina has been appointed Director of Prairie Farm Assistance, the federal agriculture department announced Thursday. Mr. Bird succeeds the late Mr. McGregor.”

**Mr. Walker (Hanley):** — They put the organizer in the right place.

**Mr. Brown (Last Mountain):** — The article continues:

“The new director was born at Tyvan, spent his early years on the farm, went to high school in Regina and attended normal school. Mr. Bird farmed for eight years at Tyvan and later was appointed for several years as field man for the Saskatchewan Department of Agriculture, Municipal Affairs and Highways.”

He ends up promoted. And now, Mr. Speaker, I would like to remind the House and the people of this province who Mr. Bird is. He is the late provincial secretary of the Saskatchewan Liberal Association. I am sure the farmers of this province will be glad to know who is going to be administering P.F.A. in this province, a matter which is of vital concern to them. I am sure they realize now, along with any benefits they may derive from P.F.A., they are going to get a large dose of Liberal politics.

**Mr. Loftson:** — A good man in the right place.

**Mr. Brown (Last Mountain):** — I was going to spend a little time speaking about what my hon. friend from Arm River had to say, but

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I think I will sum it up very briefly, Mr. Speaker. I have listened to that speech of his for a good many years too, not only in this House, but outside.

**Mr. McDonald:** — You never learn.

**Mr. Brown (Last Mountain):** — And I would like to suggest to him that it is the same senile stuff that he has been peddling for years: Crown corporations; millions of dollars out the door; we have more money to spend than they did; we should bow down three times a day to the East and thank those great fathers at Ottawa because they return to us a small percentage of what they take away in taxes every year.

**Mr. Danielson:** — Sixty-three million dollars a year.

**Mr. Brown (Last Mountain):** — I would like to suggest to the hon. member that it is that kind of tripe that he has been peddling in this House which was responsible for the rout of the Liberals in 1952 and 1953, and he darn near lost his own seat, and he will the next time.

As far as the other members of the Opposition are concerned, Mr. Speaker, a number of them have been up and had a little say in this debate. Most of them dealt with their own little pet peeves and followed the line set by the hon. member from Maple Creek (Mr. Cameron) and the 'Leader-Post', and that was about all there was to it. None of them had too much to say, and none of them had anything constructive or sensible to say about this budget.

The main Opposition critic, of course, the hon. member from Maple Creek, I feel sorry for him, Mr. Speaker, along with a lot of other people on this side of the, because he got 'joe'd' into the job once again and, frankly, I don't think he relishes it a bit more than anybody else. Getting up and trying to do what they laughingly call, and we laughingly call, 'criticizing' the budget. We got a great barrage of words and finally he lit on something which he thought was really hot. He picked on the misfortune of a bunch of veterans in the north-east part of this province, misfortune brought about by an act of God, and tried his darndest to convince the people in this House and the people in the province that we were to blame for the rains. We have been blamed for everything else by the Opposition, Mr. Speaker, so I suppose we can expect that.

**Mr. Cameron:** — The Royal Commission did too, eh?

**Mr. Brown (Last Mountain):** — Now, as I said, I do not want to take up too much time. There was only one other thing that the hon. member for Maple Creek seemed to get his teeth into, Mr. Speaker. He did shed a few crocodile tears about the plight of the municipalities, and, frankly, I think he could have aroused a little support on this side of the House if he had approached the matter in a sensible, sane fashion. But no, once again he could not resist trying to make political capital out of it. He tried to prove that it was all our fault and that we had done nothing for the municipalities. I'll have more to say about that in a moment or two.

Mr. Speaker, last year, speaking in this debate I stated that I felt it was only right that I support the budget for two very good reasons, the first being because the provisions of this budget do provide a further step to the implementation of the 10-point programme on which this Government was re-elected in 1952. Going on from there, on checking the budget over (and I think my friends opposite should do that sometime before they start to make

their speeches), I find that the budget does provide a considerable amount of benefit to people of Last Mountain Constituency, the one that I have the honour to represent. For that reason, of course, I feel that it is my duty to support the budget.

I have looked the budget over very carefully, and its provisions, particularly the increases in the various departments, this year, will mean considerable benefit to my people; but I would like to comment briefly on just two, namely, Highways and Power. In regard to Highways, I was particularly pleased to see that the Minister has provided for the commencement of the work of rebuilding No. 14 Highway . . .

**Mr. McDonald:** — . . . need a lot of power . . .

**Mr. Brown (Last Mountain):** — I am glad he has, because if I hadn't been able to announce that, I don't think it would have been safe for me to go up to that part of the constituency. We are pleased indeed that this start is being made, and I had a talk with the Minister before coming into the House and I feel reasonably certain that it will not be too long before the job will be done.

**Mr. Lopton:** — Who are you to . . .

**Mr. Brown (Last Mountain):** — I would like to remind him, though, that we have other problems as far as highways are concerned. No. 6 still has to be finished, and we are going to be very unhappy in Last Mountain constituency unless we get something done on the stretch of No. 20 between Duval and Nokomis, which is in deplorable condition. I could go on and tell him some more about highways, but I'll save that until later.

I would like to mention Power, Mr. Speaker, for a very good reason. I find that the money which we voted for the Power Corporation, last year, provided for electrifying an additional 250 farms in Last Mountain constituency last year. That brought the total at the end of 1953 to 683 farms, and I am advised that, this year, a further 116 will be electrified — that all in the course of a very few years. I know people up there are very happy about it, and it is a far cry from the three or four farms which we had electrified before this Government came into office.

**Mr. Lopton:** — I guess they'd like \$600 up there too, eh?

**Mr. Brown (Last Mountain):** — I would like to thank and compliment the Minister of Power and his officials on behalf of myself and the people of Last Mountain on the tremendous job they are doing as far as bringing power to people in the rural areas is concerned.

I am not going to take much more time, but I would like to deal with one more matter because I think it is rather an urgent one; one which I mentioned the Opposition might have been able to get a little support on this side of the House for, if they had approached it in the proper manner.

The hon. member for Maple Creek, along with other members of the opposition, have cried the 'blues' about the plight of the rural municipalities. They have tried, as I said, to lay the blame for the position the municipalities are in all on the doorstep of this Government. Well, I don't intend to try and disprove their statements. That has already been done very adequately, particularly by the Minister of Highways and the Minister of Municipal Affairs.

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I want to say that I agree heartily with the statements made by those two hon. Ministers, that the municipalities are much better off and have benefited greatly by the policies of this Government since we came into office in 1944. But I would like to point out, Mr. Speaker, that while this Government has provided considerable assistance to the municipalities, and they are in a better position today than they have ever been before, they are still faced with tremendous problems and I think that it is up to this Government to try and do something about it. They do have a problem as far as financing is concerned, particularly in the matter of financing education costs in the province, in their particular municipality.

I have one larger school unit which has been levying 30 and 33 mills for educational purposes and are faced with asking the municipalities for a further increase, this year. Now, Mr. Speaker, I am not saying that the municipalities have actually reached the limit as far as taxation is concerned, but they are running into this problem that the farmer, the taxpayer, the landowner is becoming more and more reluctant to see these taxes go up, and that charged against his land. I can understand that reluctance and I think a number of people will agree with me. The farmer has till a vivid memory of the 1930's, years during which he saw charges placed against his land, including taxes, to the point where it became necessary for a great number of farmers in this province to surrender those farms and give them up. It was easier to do that than begin to pay off the load of debt that was hanging over them at that time.

The farmer, regardless of what anybody may say, knows now that he is feeling the recession as far as agriculture is concerned. He knows full well that, unless something is done immediately to alter the situation as far as markets are concerned, and the prices for his commodities, he is also facing an agricultural depression and in view of that, while he is quite prepared to carry the tax load and to pay the taxes, including the taxes for education, at the present time he is not too happy about it and he is going to drag his feet anywhere he can.

Too, Mr. Speaker, our property owners, our farmers, I believe are of the opinion that the costs of education are not being evenly borne by all of the people in this province. They are of the opinion that too much of the burden of financing education in this province is being thrown on the backs of the property owners, while a lot of other people throughout the province are going scot-free.

While as I say the farmer is quite prepared to pay taxes to support education as long as he is able, I am satisfied that he would rather see those taxes paid or levied in some other form than on the basis of land taxation. For that reason they are dragging their feet, and the municipalities are reluctant to raise their taxes any farther than they are at the present time. That means that the school boards have no recourse but to come to this Government and ask for further assistance. It is true that we are paying a very reasonable cost of educational facilities in this province, but I do not think, personally, that we have gone as far as we should go, and I think it is up to us to give very serious consideration to increasing the amount of money which we allocate to education each year.

Looking the budget over, Mr. Speaker, I am satisfied that it would be rather difficult to cut down on any of the expenditures which we have laid on at this time, and therefore I am going to make a suggestion, one which will probably not be very popular, one which apparently our friends across the way

have not got the intestinal fortitude to make. I am going to suggest that, if we really believe that we should do more for education in this province, and we cannot find the money out of these present revenues to put more into education, we very seriously consider either levying a new tax in the form of a personal property tax, a poll levy, or, if those are not feasible, then let us increase the present Education Tax and funnel several more million dollars a year back into education. I think it would be a very good investment, and I am satisfied that the property owners and the farmers of this province would much rather see that than they would see their land taxes continually going up.

**Hon. Mr. Brockelbank:** — Why don't you applaud that?

**Mr. Brown (Last Mountain):** — Now, Mr. Speaker, I think that is about all I have to say. I would like to deal with a number of other matters but time will not permit; so I am going to merely say that I shall support the budget.

**Mr. N.L. Buchanan (Notukeu-Willowbunch):** — Mr. Speaker, I have not been on my feet before during this Session of the Legislature. I purposely held off speaking knowing that most of the things that I want to say would have been said by other hon. members, and thus my task would be that much less. I am not going to take up too much time in preliminaries; but I do want to say that I would like to congratulate the Provincial Treasurer on bringing in the biggest and best budget that has ever been brought into this Legislature.

The size of the budget does not concern me at all. I remember about three years ago, speaking on the budget debate in this Legislature (it was then a \$60-million budget), I stated that a \$75-million budget would not worry me, nor the people I represent, and I am going to say now that I hope to see the time when our Provincial Treasurer will be able to bring a \$150-million budget into this Legislature.

The size of the budget is not important. A budget must pass two tests: first, do the taxes arrived at in the budget impose an undue burden on any section of our society; and second, are those taxes spent wisely and well, are they spent in the best interests of the people of the province? In my opinion, Mr. Speaker, this budget does that; does exactly that.

Our financial critic, in speaking on the budget, the other day, said mainly two things: first, the budget is too large; and second, you are not spending enough money. You can sum up his whole speech in those two sentences. In other words, he wants to be everything to everybody. To the people who have to pay the taxes, he wants to hold out the hope that if there is ever a Liberal government in Saskatchewan their taxes will be less. And to the people who receive services from this Government he wants to hold out the hope that if there is ever a Liberal government in office they will get more. Now, you simply cannot have it both ways.

There was no suggestion as to where money should be spent that is not now being spent, and there was no suggestion where we could increase money for any specific purposes. In other words, there was no constructive criticism whatsoever, nothing in which we could get our teeth into, understand and take action on.

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In British Parliaments all over the world the Opposition has a definite purpose to serve. That purpose is to act as a critic of the government, and to act as an alternative to that government. In neither of these did the financial critic or any of his supporters offer any alternative to the people of Saskatchewan in this debate or in any other debate in the 10 years that I have been sitting in this Legislature.

I want to go into some of the things that the financial critic brought up. He said that municipal taxes and school taxes have increased. Well, he was not telling us anything that we did not know. We all know they have increased. He says that the increase from 1944 to 1952 in municipal and school taxes was 110 per cent; in villages, 134 per cent; in rural municipalities, 116 per cent; and in towns, 191 per cent. Well, we all know that everything has increased. I remember back in 1942 you could buy an automobile for \$1,500 to \$1,800; today, that automobile costs you \$3,000. You could buy a good suit of clothes for around \$32 or \$35, and today you have to pay between \$70 and \$80 for a suit not nearly as good as that you could buy then for \$32 or \$35. And the same with lumber, and with teachers' salaries.

Let us examine the teachers' salary picture in Saskatchewan for the years that he mentions. In 1940, the average teacher's salary for the rural schools was \$680; for the urban schools, \$1,031, or an average for all teachers in Saskatchewan of \$806. Last year, the average teacher's salary for rural schools was \$2,066; for urban schools it was \$2,629, or an average for all of \$2,346 – a jump from \$806 in 1940 to \$2,346 in 1952-53; in other words, an increase of 291 per cent in teachers' salaries.

Well, Mr. Speaker, that is something that was long overdue. There is no wonder, in viewing the salary picture of teachers in the early 'thirties and 'forties that we lost a whole generation of teachers in this province. It is no wonder that, today, young people, remembering the experience of their parents, have decided not to go into the teaching profession for fear that we might go into another recession and their salaries would be one of the first to drop.

Then let us look at the school grants that this Provincial Government has been paying to these municipalities. The school grant for the fiscal year, April 30, 1945: to towns, the Liberal government paid \$630,658.70; to villages, \$647,534.16; to rural schools, \$1,888,344.65, or a total to all schools in 1945, of \$3,166,537.51. Last year, 1952-53, this Government paid in school grants to the schools of this province, \$8,706,537.67. This figure does not include the Dominion agreement refunds. This is the figure paid by the Department of Education in the form of school grants, construction grants and so on to the schools of our province. It represents an increase of 270 per cent over what was paid in 1945, and yet the taxes in those areas, according to the hon. financial critic, the highest one is in towns, 191 per cent increase over 1944-45. So the Department's contribution is greater in proportion than the increase of the local taxes.

We come to the market road problem. About the only thing on which I did agree with the hon. member was that the Government's contribution to market roads must be continually increased if farmers are going to have the kind of roads that are necessary under our present economy. But let us look at the Liberal picture. Let us look at that. Taking the Gasoline Tax received by the Liberals in 1935-36, they received \$1,749,000 and they paid out \$9,816, or .56 per cent of the Gasoline Tax revenue received by them. The next year they paid out one per cent of the Gasoline Tax received by them in the form of



municipal road grants; the following year, 1937-38, 2.78 per cent; then we had an election in Saskatchewan in 1938, and it jumped to 14.11 per cent, that year. But, the very next year, when the Liberals were returned, it dropped back down to 1.95 per cent, and the percentage of the Gasoline Tax received by the Liberal government during their last nine years of office, was 3.02 per cent; that's what they paid back to rural municipalities.

Now, we come to 1944-45 and there was a change in Saskatchewan. The people of Saskatchewan grew tired of a Liberal government and they elected a C.C.F. government. We will take the nine years of C.C.F. administration in this province, and we will find that in the very first year, they increased the percentage of the Gasoline Tax paid to municipalities in the form of grants to 5.83 per cent; and it goes up each year until last year when they paid 7 per cent of the Gasoline Tax received back to the municipalities of this province in the form of road grants. Last year, we paid back to the municipalities in this province, in addition to the Public Revenue Tax which the Liberals were collecting, \$823,501.42. The total of the last nine years of Liberal administration was only \$742,177.85 paid back to municipalities. The total for nine years did not equal the amount that this Government paid last year. The percentage of the Gasoline Tax returned by the Liberals in nine years was 3.02 per cent. The percentage returned by this Government during the last nine years was 7.41 per cent.

I want to go on and bring my last year's speech up to date, and so I am going to quote from it and add to it. You know it is very easy to follow a speech that you have made formerly; it saves a lot of work, and so that's what I did. I am quoting from the speech which I made last year:

“The C.C.F. budget that we are discussing today is the last that we have before us of nine years of the greatest progress that this province has ever seen. I think it is reflected in the taxation picture of this province. In 1941, \$13,656,000 was collected from the people of Saskatchewan in provincial tax. The municipalities collected another \$17,391,000 or a total of \$31,047,000 collected in municipal and provincial taxes in 1941 from the people of Saskatchewan. Their income at that time was \$277 million. The provincial and municipal taxes at that time were 11.2 per cent of the total income of the people of Saskatchewan. The percentage has been going down, Mr. Speaker. In 1951 the total provincial and municipal taxes collected from the people of Saskatchewan was \$71,032,000. They had a gross income of \$1,097,000,000. Their percentage of income paid in provincial and municipal taxes in Saskatchewan was 7.2 per cent, or a reduction of one-third. To be exact 36.3 per cent in taxes as compared to the provincial income. In other words, Mr. Speaker, the people of Saskatchewan are paying today a smaller percentage of their income in provincial and municipal taxes than they ever paid before in Saskatchewan's history.”

To that I would like to add that once again this year there is a drop in that percentage. This year, the provincial, municipal and school administrations of this province are collecting a smaller percentage of taxes according to the personal income of the people of this province than they did

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last year. The taxes collected this year were \$78,957,000. The personal income was \$1,182,000,00. The percentage of that paid out in taxes was 6.7 per cent.

I think hon. members of this Legislature will agree with me, and I am sure that the people of Saskatchewan will, when I say it is not so important the dollars that you pay out for something; it is the dollars that you have got left after you have paid it out that count. We see in this picture that today, according to our income, we are paying out far less than we did in any time under a Liberal regime.

Let us now take a quick look at some federal taxes and see whether they bear out the same thing. I was not able to get the figures on the excise tax and the customs duty tax paid by the people of Saskatchewan. If I had been able to, they would have shown even a worse picture. But we find that the percentage relationship to personal income paid in federal taxes by the people of Saskatchewan in 1944-45 was 3.5 per cent, while this year it has gone up over a half of one per cent; it is 4.06 per cent, just including individual income tax, corporation income tax, tax on undistributed income, non-resident tax, excess profits tax and succession duties. It does not include excise tax which everyone of us pays; nor does it include customs duties, as I stated before. So the Liberal government at Ottawa is doing exactly the opposite to what the C.C.F. Government is doing here in Saskatchewan. More and more we are increasing our contribution out of the goods that we have in federal taxes, while we are decreasing our contribution out of the goods we have in provincial taxes.

I mentioned something about our municipal road problems; that is the problem which is cropping up more and more, year after year. We see it in our municipal conventions and the resolutions passed in municipal conventions; we see it in our own conventions. Last summer, numerous resolutions were presented to our convention in Saskatoon, acknowledging and recognizing this need for more and more assistance to main market roads out in the country. This is a need which has grown rapidly through no fault of this administration, through no fault of anyone's, but due to the fact that our economy is changing rapidly. Now, practically every farm is mechanized and all traffic is on wheels, going under its own power, requiring bigger and better roads, creating a problem and demand that will have to be met and dealt with. I am pleased that some steps are being taken. I am pleased to know that the Minister is giving every consideration to this, and I know that when he tackles a problem he sooner or later comes up with an answer to it. He has made for himself one of the greatest names of any provincial Minister of Highways that we have ever had in this province, and he will continue to do that.

I was interested in the suggestion of the hon. member for Last Mountain, and I can go right along with him in that suggestion. If we are going to meet the needs of our main market road systems in this province, we are going to have to do something to put additional revenue into the municipalities in order for them to be able to meet the standards that are required today.

I want to say in closing, Mr. Speaker, that I am going to support the budget.

**Hon. Mr. Fines** (closing debate): — Almost two weeks ago, Mr. Speaker, I moved that you do now leave the chair, and I see that you are still there. Probably we can get you out, this afternoon, if I do not talk too long.

I would like, first of all, to congratulate all those who have taken part in this debate. I would like, particularly, to congratulate those who have just taken part, this afternoon, I was very interested in what the hon. member for Last Mountain had to say in reply to the statement, yesterday, by the member for Moosomin (Mr. McDonald) concerning political patronage. He tabled a letter in the Legislature; one would almost think there was something very wrong with that letter. Yet, Mr. Speaker, the very purpose of that letter, addressed as it was to the various Departments, was to get lists of the key personnel in the various constituencies so that we might be able to be of some assistance to the members of the Legislature. In other words, one of the things we have been trying to do, through our Public Relations Office, is to improve the public relations, and there is no better way in which that can be done than by the members of the Legislature knowing who the different key personnel would be. Yet the way the member from Moosomin brought it in, you would almost think there was something sinister, something really bad about it.

I was interested in what the hon. member just said about Mr. Bird, the new P.F.A.A. director. Well, Mr. Speaker, already the effect of that is beginning to show. I have in my hand the last issue of the 'Hudson Bay Post', dated Thursday, March 11, and in that it stated:

“P.F.A.A. to be discussed by the Farmers. All farmers in the Hudson Bay district, particularly those of Clemenceau and Irwin districts, are urged to attend a public meeting being sponsored by Mr. D.L.W. Hood, Monday night, March 15th at 8:00 o'clock in the Parish Hall beside the Anglican church in Hudson Bay.”

**Premier Douglas:** — The Liberal candidate!

**Hon. Mr. Fines:** — And it goes on:

“In the event that any settler is unable to be present at that meeting but would like to have his file dealt with, he may make such file available to D.L.W. Hood and it will be taken care of.”

In other words, Mr. Speaker, already, since Mr. Bird, the former secretary of the Liberal Association of this province, has taken over, he has now appointed his agents, and in that country Mr. D.L.W. Hood must approve applications before people can get P.F.A.A.

**Premier Douglas:** — Liberal candidate twice.

**Hon. Mr. Fines:** — Yes, Liberal candidate twice, and now potential Liberal leader. Here he blows his own horn, quoting from what the Saskatoon 'Star-Phoenix' had to say. He says that he “doesn't want to go after the leadership, but he is available.”

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**Premier Douglas:** — ‘Barkus is willing’!

**Hon. Mr. Fines:** —Oh yes, just like Mr. Tucker, a few years ago. He did not want to come to Saskatchewan, but the call was so great that he came back. But you know he was here only four years and the call got so great he was needed and could do so much to help the people of this province down in Ottawa, that he resigned his seat here and went back to Ottawa, because the call was so great!

We find, too, here we have the P.F.R.A. organization, with the manager of it for the province, Mr. L.B. Thomson, being talked about as the next political leader for the Liberal Party in this province. How in the world are we going to distinguish between these federal organizations and the Liberal Party of this province? We have seen it for years in the city of Regina. The ‘Leader-Post’, for example: the chief editorial writer, Mr. E.N. Davis, used to be the publicity director for the Saskatchewan Liberal Party; but, because the Saskatchewan Liberal Party felt it was wasting money to pay his salary, they turned him over to the ‘Leader-Post’ and he now writes the editorials in the ‘Leader-Post’. So, after all, it is getting very hard to distinguish between these different things.

Now, Mr. Speaker, I do want, first of all, to apologize to the members of this House. I regret exceedingly, more than I can say, that my budget speech, which I delivered two weeks ago tomorrow, was so poorly prepared and so poorly delivered that it put so many people to sleep. I must apologize to the members who found it so uninteresting. I do think, however, that that comes with very poor grace from any member who has been so sleepy in the morning that he has not been able to get out to attend a single one of the meetings of Public Accounts Committee. He can get his sleep in the mornings. He does not have to worry about sleeping while I am speaking. He was able to keep awake because he gets a good long rest in the morning, doesn’t attend any Committee meetings; and yet is dignified by the name of ‘financial critic’. I would think the first duty of any critic is understanding, and you can only get understanding through study of the various problems.

A great many people talked about the public debt. The financial critic (Mr. Cameron), the Whip (Mr. McDonald) and the ex-Whip and ex-financial critic, the member for Arm River (Mr. Danielson), all stated that my statements about public debt were not correct. The hon. member for Arm River is so quoted in the paper here: “The debt of the province, judged by the standard used in almost every other province, has increased by \$35 million between 1944 and 1948 . . .

**Mr. Danielson:** — That’s right.

**Hon. Mr. Fines:** — . . . or between 1948 and 1953.” Now, Mr. Speaker, one of my jobs is to read nine other budget addresses each year, together with that of the Dominion. Ten budget addresses I have to read. I know how the other provinces do. I have here three examples. I have taken one, Social Credit – I don’t want to be discriminating against any Party. In 1953, Mr. Gunderson, Chartered Accountant in British Columbia, here deducts the self-supporting debts, sinking funds, and he gets a total net debt. Then we go to the Conservatives in Ontario and see exactly the same thing. Mr. Frost, who is the oldest in point of years of any provincial treasurer in Canada, does exactly the same thing. From his gross debt he takes off his sinking funds and his self-liquidating debt, and he gets what he is pleased to call

‘net debt’. Then we go to a Liberal in Manitoba, and there again we find the same thing. From the gross debt they take off the self-sustaining debt, the sinking fund, and then he has two names for it, the net dead-weight or general debt. There is only one thing I am going to say about it and it is that if these hon. gentlemen believe the net debt has gone up, I want them to explain to me and to the people of this province how it is that in 1953-54 we required \$3,779,000 to pay the interest on that debt but this year we are only asking for \$3,364,000; in other words, a reduction of \$415,000 in the amount of interest that we are going to have to collect this year. I want to say, also, that next year the people of Saskatchewan will be called upon to pay even less interest than they are being called upon to pay this year.

A great deal has been said about Crown Corporations. My hon. friend from Moosomin started out, yesterday, and I wanted to get a chance to reply fairly soon because this thing is getting serious. Yesterday, at half-past three, when the hon. member from Moosomin spoke, he had the debts of the Crown Corporations at \$4 million, and by the time the member for Arm River got finished, an hour later, it was up to \$6 million.

**Mr. Danielson:** —I am going to correct that statement. I said when the brick plant was taken into account, it would be about \$6 million.

**Mr. Speaker:** — Order!

**Hon. Mr. Fines:** — Mr. Speaker, from the ‘Leader-Post’ – the member’s bible, here is what it says:

“The Saskatchewan Government has lost a total of \$6 million on its Crown Corporations, Herman Danielson, Liberal from Arm River declared Tuesday afternoon in the legislative budget debate. Mr. Danielson said that with the addition of the Government’s losses on the woollen mill at Moose Jaw, the total loss on Crown Corporations would amount to \$6 million. This did not include interest on amounts which had not been paid on advances.”

Didn’t include interest! Well, Mr. Speaker . . .

**Mr. McDonald:** —Where did you get the \$ million?

**Hon. Mr. Fines:** — From you.

**Mr. Danielson:** — Read it all.

**Hon. Mr. Fines:** — The hon. gentlemen can read it for themselves.

**Mr. McDonald:** — I want to correct the statement of the Provincial Treasurer. I have a transcript of the speech and if he can find the figure \$4 million in there with regard to Crown Corporations, I will give him ten copies of the speech.

**Hon. Mr. Fines:** — Oh, I would not take them for any price.

**Mr. McDonald:** — I know you wouldn’t.

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**Premier Douglas:** — It is tough enough to have to listen to them without having to read them.

**Hon. Mr. Fines:** — Mr. Speaker, this afternoon, I want to take a little time and I am going to ask the attention of the House . . .

**Mr. Danielson:** — Stick to the facts.

**Hon. Mr. Fines:** — . . . in order that there will be no misunderstanding about the financial position of the Crown Corporations. With your permission, Mr. Speaker, and that of the House, I am going to table these figures, in order that they may be included with the speech. I am going to give them to the Press, and I am going to give them to the members of the Opposition. These are figures which are taken out of the Public Accounts. Any one of them could dig this material up themselves, but I thought it was about time that we had put together these things to see whether or not we have a deficit of \$6 million.

What are the facts, Mr. Speaker? I find, for example, that in 1944-45 the advance was \$322,585; in 1945-46, \$1,649,443, bringing the total to \$1,972,029. With your consent, Mr. Speaker, I won't read the rest. I will just put it on the table and it can be included in the speech.

(Table I referred to by the Hon. Mr. Fines): —

#### Capital Advances

	<b>Advances</b>	<b>Advances Repaid</b>	<b>Balance</b>
1944-45	\$ 322,585		\$ 322,585
1945-46	1,649,443		1,972,029
1946-47	2,511,523		4,483,552
1947-48	1,650,000	\$ 658,500	5,475,052
1948-49	2,170,000	950,000	6,695,052
1949-50	2,322,788	1,235,000	7,782,840
1950-51	1,899,300	824,614	8,857,526
1951-52	1,684,250	1,000,000	9,541,776
1952-53	938,000	1,550,000	8,929,776
1953-54 x	347,500	830,390	8,446,886

x Estimated

This shows the advances each year, the advances repaid, and the balance, which shows the balance at the end of this fiscal year of \$8,446,886. I have even included the \$830,390 of the woollen mill.

Then, Mr. Speaker, I have set up another table, a second table, which I would also like to put in the records. It shows the net advances; that is, the amount of advances less the amount repaid. Then I have the cumulative amounts which is similar to what we have in the other table. Then I have worked out the interest. The interest, Mr. Speaker, is at a rate for the first two years at 3 and 3.2 per cent. It is on a very small amount. Then it went to 3.4 per cent the third year, and for the last seven years at the rate of 3.6 per cent, which I might say is slightly higher than the effective rate of interest that we have been paying on the money borrowed.

(Table II referred to by the Hon. Mr. Fines): —

	<b>Net Advances</b>	<b>Cumulative Advances</b>	<b>Interest</b>
1944-45	\$ 322,585		\$ 3,225
1945-46	1,649,443	\$1,972,029	36,078
1946-47	2,511,523	4,483,552	105,780
1947-48	991,500	5,475,052	179,253
1948-49	1,220,000	6,695,052	219,060
1949-50	1,087,788	7,782,840	260,598
1950-51	1,074,686	8,857,526	299,484
1951-52	684,250	9,541,776	331,168
1952-53	612,000 (red)	8,929,776	332,460
1953-54	482,890 (red)	x 8,446,886	<u>321,444</u>
		x Estimated	\$2,088,540

And now, Mr. Speaker, the total amount of interest amounts to \$2,088,540; that is, the total amount of interest on those advances throughout the years. This, Mr. Speaker, is all on capital account – these are the capital advances.

In addition there were certain advances made out of revenue account for working capital, and I have here, also, a table of these advances and the amount that has been repaid. This went up as high as \$1,098,000, and then was cut down, in 1949, to \$692,000 where it has remained ever since. But allowing for the interest on that each year it amounts to \$255,183.

(Table III referred to by the Hon. Mr. Fines): —

**REVENUE ACCOUNT ADVANCES  
(For Working Capital)**

	<b>Advances</b>	<b>Repaid</b>	<b>Balance</b>	<b>Interest</b>
1945-46	\$ 662,500		\$ 662,500	\$ 11,925
1946-47	436,000		1,098,500	39,546
1947-48			1,098,500	39,546
1948-49			1,098,500	39,546
1949-50		430,000	692,350	24,924
1950-51			692,350	24,924
1951-52			692,350	24,924
1952-53			692,350	24,924
1953-54			692,350	<u>24,924</u>
				\$255,183

Then there have been surpluses paid over to the Provincial Treasurer each year, and I have these amounts. In 1948, for example, \$320,000 was turned back. I have allowed interest on that at identically the same rate. The next year there was \$600,000 turned back, and I have also allowed interest on that amount to \$11,658. That has gone on until March 31, 1954, when there has been turned over to the Provincial Treasurer from these Crown Corporations, \$4,043,737, against which there should be credited interest of \$423,180, making a total of \$4,466,917.

I come now to the deficits that have been paid out of current account by the Provincial Treasurer: March, 1950, Fish Board, \$364,000; Leather Products,

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\$82,727; Tannery, \$73,036. The next year I added to that. I felt that since that was money that had come out of the Public Treasury there should be interest charged against it; so I have added the interest there. Then March, 1952, Clay Products, \$102,751: At the request of the late member for Souris-Estevan, who felt that it was only fair that we should write-off some of this old obsolete machinery, the Treasury paid up \$102,751. And then the interest. Then in March 31, 1954, I have brought it right up to date: Wool Products, a deficit of \$830,390. Now, Mr. Speaker, those deficits amount to \$1,453,168 with interest of \$86,546 – a cumulative deficit paid by the Provincial Treasury, including interest, of \$1,539,714.

(Table IV referred to by the Hon. Mr. Fines): —

**Surpluses paid to Prov. Treas.**

To	Corporation	Amount	Interest	Cumulative
Mar. 31, 1948	General	\$ 320,000	\$ 3,840	\$ 323,840
' 31, 1949	"	600,000	11,658	935,498
' 31, 1950	"	600,000	33,678	1,569,176
' 31, 1951	"	580,000	56,484	2,205,660
" 31, 1952	"	598,683	79,380	2,883,723
" 31, 1953		350,000		
	Reconstruction	395,054	103,788	3,732,565
" 31, 1954	General	<u>600,000</u>	<u>134,352</u>	4,466,917
		\$4,043,737	\$423,180	

**Deficits paid by Prov. Treas.**

To	Corporation	Amount	Interest	Cumulative
Mar. 31, 1950	Fish Board	\$ 364,264		
	Leather Products	82,727		
	Tannery	73,036		\$ 520,027
" 31, 1951			\$ 18,720	538,747
" 31, 1952	Clay Products	102,751	19,393	660,891
" 31, 1953			23,788	684,679
" 31, 1954	Wool Products	<u>830,390</u>	<u>24,645</u>	1,539,714
		\$1,453,168	\$86,546	

Now this tells the story. I summarize it and what do I find? Surplus: \$4,466,917 turned back to the Treasury; deficits, \$1,539,714, or a total excess surplus over deficit of \$2,927,203. But—just a minute! It is not that good, don't applaud yet.

**Mr. Speaker:** — Order! Order!

**Hon. Mr. Fines:** —I must take some interest off, Mr. Speaker. We have had capital advances all through these years, so we have taken the figures from the first table, the interest on the capital advances, amounting to \$2,088,540. that leaves \$838,693. Then we have the interest on these revenue advances of \$255,183, so that, after deducting that and making provision for everything that could conceivably be provided for, we find that there was a surplus over the deficits of \$583,510.



(Table V referred to by the Hon. Mr. Fines): —

**Excess of surpluses over deficits**

	<b>Before Interest</b>	<b>After Interest</b>
Surpluses	\$4,043,737	\$4,466,917
Deficits	<u>1,453,168</u>	<u>1,539,714</u>
	2,590,569	2,927,203
Less Interest on Capital Advances,		<u>2,088,540</u>
		838,693
Less Interest on Revenue Advances		<u>255,183</u>
		<u>\$ 583,510</u>

**Mr. Loptson:** — You had it in millions before.

**Hon. Mr. Fines:** — Now, Mr. Speaker, I have here something which I think, too, will be of interest to the Hon. gentlemen. I am going to give them each a copy of this. This is a statement of accumulated surpluses and deficits of the Crown Corporations as at December 31, 1953, or at the time of winding up their affairs. This statement is approximately the same as what you will get in the Government Finance Office a year from now; but you might like to have it to study during the year, and so I have had these prepared and, with the consent of the speaker, I would like to table these today.

One of the things that I think is interesting about this is that we have deficits, sure. We have had a deficit on the Fish Board of \$364,000. We have had a deficit on the Box Factory of \$18,000; Leather Products, \$82,000; Clay Products, \$269,000 (that, of course, includes the \$102,000 I mentioned earlier); Tannery, \$73,000; Wool Products, \$830,000. Those deficits, altogether, total up to only \$1,639,200; so I don't know where, by any stretch of the imagination, the hon. member for Arm River can get \$6 million out of that — \$1,639,000.

But, Mr. Speaker, I find when I look at that table that, on the surplus side, the Government Insurance Office has a surplus for itself, and The Guarantee and Fidelity Company a surplus of \$1,798,503. In other words, the Insurance office has made \$160,000 more than sufficient to wipe out all the deficits for all the Corporations, to say nothing of the millions of dollars they have saved for the people of this province in reduced rates.

(Turn to following page for statement tabled by the Hon. Mr. Fines)

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**STATEMENT OF ACCUMULATED SURPLUSES AND  
DEFICITS OF CROWN CORPORATIONS AS  
AT DECEMBER 31, 1953, or at time  
of winding up affairs.**

	<u>Accumulated Deficit</u>	<u>Surplus</u>
Saskatchewan Government Airways		107,015.63
Saskatchewan Fish Board (Closed Oct. 31/49)	364,264.37	
Saskatchewan Forest Products:		
1. Saskatchewan Timber Board Division		2,084,604.24
Saskatchewan Box Factory Division	18,920.92	
Saskatchewan Government Insurance office		1,588,362.45
Saskatchewan Government Printing company		339,109.44
Saskatchewan Guarantee & Fidelity Company Limited		210,140.98
Saskatchewan Leather Products Division (Closed Dec. 31/49)	82,727.23	
Saskatchewan Marketing Services:		
Saskatchewan Fish Marketing Service Division		26,080.18
Saskatchewan Fur Marketing Service Division		277,610.89
Saskatchewan Government Trading Division		417.76
Saskatchewan Minerals:		
2. Saskatchewan Clay Products Division	269,861.03	
Saskatchewan Sodium Sulphate Division		394,663.45
Saskatchewan Reconstruction Corporation (Closed Dec. 31/51)		395,054.62
Saskatchewan Reconstruction Housing Corporation (Closed March 31/47)		90,699.76
Saskatchewan Tannery Division (Closed Dec. 31/49)	73,036.23	
Saskatchewan Transportation Company		368,351.49
Saskatchewan Wool Products	<u>830,390.33</u>	
	<u>\$1,369,200.11</u>	<u>\$5,882,110.89</u>
EXCESS OF ACCUMULATED SURPLUSES OVER ACCUMULATED DEFICITS	<u>4,242,910.78</u>	
	<u>\$5,882,110.89</u>	<u>\$5,882,110.89</u>

1.NOTE: The accumulated deficit of the Big River Mill Division amounting to \$97,425.11 has been absorbed in this figure effective Nov. 1, 1952.

2.NOTE: A deficit amount of \$102,751.13 was absorbed by the Provincial Treasurer – Payment for fixed assets written off.

Now, Mr. Speaker, I offer something else the members might like. I have copies for them. I want them to get all the information they can get. Mr. Speaker, with your permission again, I would like to table now and have included in this address, a statement of the surpluses and deficits of Crown corporations for their fiscal year ending in 1953.

**STATEMENT OF SURPLUSES AND DEFICITS  
OF CROWN CORPORATION FOR THEIR FISCAL YEAR ENDING  
in 1953**

	<b>Loss for year ended in 1953</b>	<b>Profit for year ended in 1953</b>	<b>Rate of return on advances at year end/53</b>	<b>Amount of Advance at Year end/53</b>
Saskatchewan Government Airways		\$ 43,893.29	6.47%	\$ 678,000.00
Saskatchewan fur Marketing Service		35,678.56	18.98%	188,000.00
Saskatchewan Government Insurance Office		222,951.47		
Saskatchewan Fish Marketing Service		10,000.55	10.53%	95,000.00
Saskatchewan Timber Board		312,756.31	10.80%	2,897,000.00
Saskatchewan Government Trading		3,053.68	.92%	333,000.00
Saskatchewan Clay Products		39,642.07	4.40%	901,000.00
Saskatchewan Sodium sulphate		71,780.32	6.38%	1,125,000.00
Saskatchewan Government Printing		43,541.75	14.37%	303,000.00
Saskatchewan Transportation Company		33,527.69	1.92%	1,750,000.00
Saskatchewan Guarantee and Fidelity Company		86,604.44	32.9%	262,788.15
Saskatchewan Box Factory	\$ 30,452.78			700,000.00
Saskatchewan Wool Products	<u>307,174.56</u>	_____	_____	<u>1,042,000.00</u>
	<u>\$337,627.34</u>	<u>\$903,430.13</u>		
Excesses of Surpluses over Deficits	<u>565,802.79</u>			
	<u>\$903,430.13</u>	<u>903,430.13</u>		<u>\$10,274,188.15</u>

This is similar to what I used in my Budget Address. I gave a summary excluding the Wool Products, because at that time the Wool Products' books were just in the process of being audited, and I did not like to include it;

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but this has included it and we find, for example, that this year there were surpluses of \$903,430 and there were deficits, including \$307,000 for wool, not only the operating deficit but also the capital deficit, which we put into the fund when we were winding it up, so that the deficits total \$337,000. We subtract the deficits from the surpluses, and we find there is an excess of surpluses for the year of \$565,802, even with the very bad year for wool, and winding it up, we still were able, on advances of \$10,274,000, to show returns, this year, of 5.51 per cent, which I think is a very creditable showing.

Now, Mr. Speaker, I hope that this will end, for all time, the loose talk, the silly talk, the stupid talk of those people. I don't know if it is that they do not know better, or that they do not want to know better; but I would say, Mr. Speaker . . .

**Mr. Loptson:** — We just don't understand your figures.

**Hon. Mr. Fines:** — . . . that these figures should prove for all time . . .

**Mr. Loptson:** — To whom?

**Hon. Mr. Fines:** — . . . that these Crown corporations have not cost the people of this province any money . . .

**Mr. Loptson:** — Millions!

**Hon. Mr. Fines:** — . . . but, on the contrary, the Crown Corporations have been a source of revenue. And now, with these that have been difficult out of the way I feel confident from this day forward we will be able to bring forward even better results. When you go down over the list here and see rates of return all the way from .92 per cent for Government Trading; 1.92 per cent for the Bus Company; up to 14 per cent for Printing; 10 per cent for the Timber Board; 10 per cent for Fish Marketing; 18 per cent for the Fur marketing; for The Guarantee and Fidelity, 32.9 per cent, and for the Government Insurance, using one dollar as the nominal capital, 222,000 per cent.

**Mr. Danielson:** — You are doing a good job of skating on thin ice . . .

**Hon. Mr. Fines:** — Mr. Speaker, these figures should prove conclusively, even to the people with minds that are like a vacuum.

**Mr. Loptson:** — . . . per cent for the poor trapper.

**Mr. Speaker:** — Order! Order!

**Hon. Mr. Fines:** — The next subject I want to deal with . . .

**Mr. McDonald:** — Too much wool in your eyes . . .

**Hon. Mr. Fines:** — The next subject I wish to deal with is one which has been referred to by the hon. member for Arm River again, and the hon. member for Moosomin, and that is the increased rates for automobile accident insurance.

**Premier Douglas:** — Is that the river over there, that runs on and on?

**Mr. Danielson:** — The babbling brook!

**Hon. Mr. Fines:** — Mr. Speaker, last year, the member for Maple Creek made some very serious charges in his official reply to the budget about us ‘juggling’ figures between the compulsory automobile plan and the Government Insurance plan. I challenged him then to come into the Crown Corporations Committee and seek out the truth,. He never did it. He never did it this year. He never came near – never discussed it, I should say; he did turn up for that meeting. But he never even asked a single question. We put that report through without even a question being asked about the distribution of the expenses.

There has been a great deal of talk in this debate about the \$200 deductible and that the poor people will have no protection. I happened to tune in my radio, last night, to the member for Maple Creek, about 20 minutes after nine, and I heard a voice crying, with tears being shed copiously (you could almost hear them through the radio), about the poor people with old cars who would now have no protection under the compulsory automobile insurance plan.

**Mr. Loptson:** —That’s right.

**Hon. Mr. Fines:** — You know, Mr. Speaker, it is only a few years ago that the hon. member for Arm River, the former Leader of the Opposition, and the ‘Leader-Post’, all the Liberal people of this province were condemning the Government for including collision insurance – that we should never have had it. Yet this year, when we do something towards wiping some of it out, they come along and cry about it – that now the people aren’t going to get collision insurance.

**Mr. Loptson:** — But you are charging them for it, and not giving it to them.

**Hon. Mr. Fines:** —. Mr. Speaker, I just cannot understand the mentality of people like that. What do they want? Do they want collision insurance or don’t they want it?

**Mr. Loptson:** — You are charging them for collision insurance and not giving it to them.

**Mr. Danielson:** — You wiped it out, this year.

**Mr. Speaker:** —Order!

**Hon. Mr. Fines:** — Mr. Speaker, the rate for insurance, today, is \$6.00 – the lowest rate for the real old cars. What would you pay to get public liability of ten or twenty thousand and property damage of \$2,000, and all these accident benefits, with benefits for widows up to \$10,000, with out-of-work benefits from \$25 a week up to \$3,000? Mr. Speaker, \$12 to \$25 would be the rates that would be charged for that with any private company, and yet the people in Saskatchewan are getting that protection for \$6. I think that the men who go about saying that we have taken away all the protection from these people, that they have no protection, are either woefully ignorant, or they are deliberately misleading the people of this province.

**Mr. Loptson:** — You are getting mixed up.

**Hon. Mr. Fines:** —It is one of the two; I’m not sure which it is. The hon. Minister of Education cited an instance in this House, the other day, of a case up in the constituency of Meadow Lake – a very tragic case

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where a man was killed, a passenger in an automobile, one of those old '35 cars for which they had paid a premium of \$8. The man was killed and his widow received \$5,00 for herself, \$4,000 for her children, \$175 funeral benefits – making \$9,175 for an \$8 premium. There was another case during this last year, where another 1935 car – this was a Ford, the other one was a Chevy; this man was killed, leaving four small children including twins 9-months old; and his widow received a cheque for \$9,205. This, Mr. Speaker, was a godsend to her. It might not mean anything to the member for Arm River and some of the other calloused-hearted persons, but I am going to tell you it does mean a great deal to people in this province who do get into that kind of trouble.

So, when they say that they get no protection for their \$6, as the member for Maple Creek was telling the people, in his sob story last night over the radio in this province, I think it's disgraceful, utterly disgraceful, Mr. Speaker, instead of getting behind something that is good, and not trying to sabotage it. That is what has happened all the way through these Crown corporations; they have been sabotaged right from the start. When the Bill was introduced, the member for Arm River got up in his place in this House and said that he was "opposed to it and 90 per cent of the people of the province were opposed to it."

**Mr. McCarthy:**— It was only \$5 then.

**Hon. Mr. Fines:** — Yet, when we introduced further conditions and provided collision insurance, they were against it; and yet, this year, when we take steps to remove the protection of collision insurance by raising the deductible to \$200, right away they holler and holler. You just can't win, Mr. Speaker, with people like that; you just can't win.

**Mr. Lopton:** — You're getting badly mixed up.

**Hon. Mr. Fines:** — A year ago, in this House, on the 25th of February, in closing the debate on The Automobile Insurance Act, I stated as follows:

“May I say right here, today, that if the number of automobile accidents continues to grow in 1953 and 1954 at the rate they have in 1952, and if the inflationary trend that has been exhibited in that period continues, then we shall have to be coming back in another couple of years to increase rates again.”

**Mr. Danielson:** — What has that got to do with the budget?

**Hon. Mr. Fines:** — Mr. Speaker . . .

**Premier Douglas:** — The member for Maple Creek thought it had something to do with the budget.

**Hon. Mr. Fines:** — The hon. gentleman wants to know what this has to do with the budget. I would like him to answer me this question – Why did he, yesterday, think it had so much to do with the budget?

**Mr. Danielson:** — Because it's paid by a tax.

**Mr. Speaker:** —Order!

**Mr. Danielson:** — It hasn't anything to do with the budget at all.

**Premier Douglas:** — Why did you discuss it in the budget debate then?

**Hon. Mr. Fines:** — Now, Mr. Speaker, the hon. member for Moosomin, yesterday, spent a great deal of time on 'broken Promises'. He went back to 1944. I am going to suggest to the hon. member for Moosomin that he get up to date. I will send him over some modern reading; I will send him over our 1952 Platform. The people of this province, in 1944, voted on that platform; they elected this Government. In 1948, we went back to the people again, and may I say that it is a well-known fact that each new political platform that comes out supersedes all others that have gone ahead.

**Mr. McDonald:** — That's right.

**Hon. Mr. Fines:** — In 1948, we came out with one to take the place of 1944. In 1952, we came out with another one, and the people of this province endorsed it overwhelmingly.

That 10-point programme is something which I think is well known to the people of this province. I referred to it in my budget address, and I keep it close at hand at all times, because it is good to see how we really are carrying out our promises.

**Mr. Lopton:** — How you really put it over the people!

**Hon. Mr. Fines:** — Now, Mr. Speaker, there is one other point I would like to deal with.

**Mr. McDonald:** — Send it over.

**Hon. Mr. Fines:** — The member for Moosomin was going to abolish the Education Tax, yesterday.

**Mr. McDonald:** — I wasn't; you were.

**Hon. Mr. Fines:** — Oh no, he was going to do it! And, he said, "how do we do it?" And he goes into a dance, and he says, "right here, I will show you how. The Provincial Treasurer has a surplus of \$10 million liquor profits . . ."

**Mr. Danielson:** — That was the member for Swift Current.

**Mr. Lopton:** — He called it a 'stinking tax'.

**Hon. Mr. Fines:** — Mr. Speaker, he was going to use the surplus and abolish the Education Tax, but, you know, the strange thing is that just a little while later, the member for Cannington was going to use the surplus to increase education grants and one of the other members was going to use the surplus to build municipal roads. That surplus was used three times in the debate.

As a matter of fact, Mr. Speaker, I want to say that the surplus has already been used. The surplus has already been used for providing power, for providing telephones, for providing highways; we have no actual cash surplus. There is a revenue surplus which, as I pointed out clearly in the budget address, must be used to help to finance the largest capital programme this

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province has ever undertaken.

I am to assume, from what has been said by the member for Maple Creek, the member for Cannington and the member for Moosomin, that they are in favour of cutting down the highway programme, power programme and telephone programme, by the amount of that surplus, in order that they can use the surplus for these other purposes. there is no alternative to it, Mr. Speaker, no alternative whatsoever.

One other point – the hon. member for Arm River, yesterday, had a wonderful time about some bonds, financial guarantee bonds. He referred to a question which he asked the Government in the Legislature on February 22 – or not that soon; it was a little later.

**Mr. Danielson:** — Oh, it doesn't matter when it was.

**Mr. Loptson:** — We'll give you the question if you haven't got it.

**Hon. Mr. Fines:** — The hon. gentleman wanted to know, "What is the amount of the mortgage loan placed by the Saskatchewan Government Insurance office on the property situated on Lots 1 to 4, Block 310, Plan old No. 33, on 11th Avenue, Regina." Well, the answer was that there was no mortgage loan. He then wanted to know, "Who were the registered owners of this property?" Mr. Speaker, we had no information. I will tell you why we had no information – Lots 1, 2, 3 and 4 are located on 11th Avenue and McIntyre street. The lots run east and west for 125 feet, and the Government has no information on any part except the west 65 feet of that.

**Mr. Loptson:** — You might just as well save your time because . . .

**Hon. Mr. Fines:** — The next 30 feet, Mr. Speaker, belong to the Culic Motor and Cycle company; and the next 30 feet belong to Yaeger Furs. Well, the audacity if I attempted to say what is the value of this property. I might have been sued if I undervalued their property, or if I overvalued their property.

**Mr. Loptson:** — What did you get the mortgage on?

**Mr. Danielson:** — Mr. Speaker, this man, the Minister, admitted there was a \$350,000 bond on that property Committee.

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

**Mr. Danielson:** — That's all right. I told you.

**Hon. Mr. Fines:** — First of all, we pointed out to the hon. gentleman . . .

**Mr. Danielson:** — He admitted right in the Crown corporations committee, and now he denies it.

**Mr. Speaker:** — Order! Order!

**Premier Douglas:** — Don't blow your fuse, you might need it some day.

**Hon. Mr. Fines:** — Are you through yet?

**Mr. Danielson:** — It depends on what you say to me. If you can tell the truth, go ahead.



**Mr. Speaker:** — Order! Order!

**Mr. Danielson:** — Very sorry, Sir.

**Mr. Speaker:** — Order! It may amuse the gallery, but it certainly isn't adding to the dignity of this Chamber the way this debate is being carried on. I am going to ask the members to use a little more decorum.

**Hon. Mr. Fines:** — Mr. Speaker, I was about to say, when I was so rudely interrupted, that the Government Insurance Office had not placed any mortgage loan. What happened in this case is one case of what has happened in hundreds of others where contractors want to get a financial guarantee bond. What happens is that frequently they require money to finish the job; they go to the Bank; the Bank cannot loan money on a mortgage; they go to a mortgage company; the mortgage company cannot loan money until the job is finished. What they did in this case is they went to a banking institution; the banking institution said, "We're sorry; we cannot lend you the money unless you get a financial guarantee bond." So they came to the insurance office and wanted a financial guarantee bond. The financial guarantee bond was for \$350,000, and to protect ourselves we placed a first mortgage against the property.

**Mr. Danielson:** — There you are.

**Hon. Mr. Fines:** — Now, Mr. Speaker, I could tell them the value of the west 65 feet — it is more than double \$350,000.

**Mr. Lopton:** — But you said you did not have a mortgage.

**Hon. Mr. Fines:** — You never asked me.

**Mr. Danielson:** — Yes, I did!

**Mr. Speaker:** — Order! Order!

**Premier Douglas:** — He doesn't know.

**Hon. Mr. Fines:** — Mr. Speaker, this gentleman has been in this country long enough to understand English.

**Mr. Danielson:** — . . . which I didn't know?

**Mr. Speaker:** — Order!

**Hon. Mr. Fines:** — Mr. Speaker, the hon. gentleman wants to know the amount of the loan placed by the Saskatchewan Government Insurance office on property situated on Lots 1 to 4. In other words, he wanted to know the value of the property of the dress company, and the Culic Motor and Cycle Company and the Yaeger fur Company.

**Mr. Danielson:** — Oh, no!

**Hon. Mr. Fines:** — Oh yes, Mr. Speaker. that's what he asked.

**Mr. Danielson:** — I asked three questions.

**Premier Douglas:** — You should ask an intelligent question if you want an intelligent answer.

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**Hon. Mr. Fines:** — Mr. Speaker, if the hon. gentleman wants to get information, intelligent information, then he must ask intelligent questions, I cannot answer them if they . . .

**Mr. Danielson:** — Mr. Speaker, on a point of privilege. Now he has made some statements there and they are not correct. My question was this: “How much was the amount of the mortgage?” The answer was that there was no mortgage. The next question of mine, Mr. Speaker, was “What was the value of the property?” – no knowledge. And the next question (there were three of them) was: “What was the value of the property?” – Just a moment – two questions and the two questions he has answered with ‘no’. And yet he admitted in the Crown Corporations Committee that he issued a bond, or secured a bond of \$350,000 against the property which he didn’t know the value of.

**Mr. Lopton:** — And he didn’t know who owned it.

**Mr. Danielson:** — That’s right. My next question was, “who was the owner?” – And he didn’t know the owner; he didn’t know the value.

**Premier Douglas:** — Is this in order, Mr. Speaker?

**Mr. Speaker:** — The Provincial Treasurer was reading from the record.

**Mr. Danielson:** — He wasn’t reading from the record.

**Hon. Mr. Fines:** — Mr. Speaker, the record is very clear. I’ll read it again.

**Mr. Speaker:** — What I would like to point out is that when questions are asked and answered they must be asked and answered in such a way that when they go into the records, the people who read the questions, can read the answers and know what they apply to.

**Mr. Danielson:** — There was no objection to my question when it was converted into a Return, Mr. Speaker.

**Mr. Speaker:** — That may be a matter of opinion.

**Hon. Mr. Fines:** — Mr. Speaker, the question: “What is the amount of the mortgage loan placed by the Saskatchewan Government Insurance office on the property situated on Lots 1 to 4, Block 310, Plan Old No. 33, on 11th Avenue.” That could have been the amount of a mortgage loan placed on Yaeger Fur Company, or it could have been on Culic Cycle & Motor Company., or it could have been on this new block. That is the reason why we had to say that we had no information who the registered owners of the property were or what the value of the property was.

May I point out again that the Government Insurance Office did not put up a single five-cent piece.

**Mr. Danielson:** — No, but it zoomed to \$350,000.

**Mr. Speaker:** — Order! Order!

**Hon. Mr. Fines:** — As to the guarantee of \$350,000, Mr. Speaker, may I say that for that we had double that amount of security. By this time probably we are off the financial guarantee bond.

I just wanted to say that there are hundreds of these, and yet Mr. A.W. Embury, who was the one who raised this question in the first place – he went along to the Land Titles Office to place a mechanic's lien against this property. He found when he got there, the cupboard was bare. He found that already a mortgage had been placed upon the property by the Government Insurance office to protect our guarantee bond. So Mr. Embury was quite hostile about it, thought he had something on us, and gave the information out and it gets into this House. Now, Mr. Speaker, I have no quarrel with that, but I do object to his statement in the press that the Government insurance office has no right to be making financial guarantee bonds on private business like that. That's what we are in business for and, in spite of Mr. Embury, we are going to continue in that kind of business.

The hon. member for Cannington (Mr. McCarthy) dwelt at some length upon the 'shabby' way in which we are treating education in this province; that we weren't spending nearly enough on education. I want to say that I believe, and this Government believes, that education is one thing for which this province must continue to spend increasingly more of its revenues on. We have assured the school trustees. At their convention in Saskatoon a year ago, I assured them that, as more revenue became available, they could depend upon it, the amounts of their grants would be increased. I pointed out to them on that occasion that they could not expect those grants to go up suddenly; we did not want to increase them away up and then have to cut them back. We wanted to do something that would be on a good sound basis, something that would be permanent. What do we find, Mr. Speaker? In 1943-44 on a total expenditure by the government of the day of \$32 million, \$4 million spent on education, 12 ½ per cent of the budget; in 1954-55 our budget, \$78 million, and we will be spending \$14,463,000, or 19 per cent of our budget. In spite of the fact that it is a \$78-million budget instead of \$32-million, we are spending 19 per cent on education compared with 12 ½ per cent.

This Government has, through the different new projects they have established, shown their interest in education. What we have done in northern Saskatchewan, for instance, where there were hundreds of children who never had an opportunity to get any education whatsoever; in the extension of the provision of free textbooks in our schools, the establishment of the student-aid fund. It is true that prior to 1944, the government of the day did vote certain sums of money for scholarships and loans, one-half of which was contributed by the Federal Government.

**Mr. Danielson:** — That's right.

**Hon. Mr. Fines:** — But today, we have set up a fund with cash in the bank, actual cash there, of over a million dollars and, Mr. Speaker, there was no fund under the previous Liberal administration. that is the point that I tried to make, the other day.

Then, too, what we have done in the field of our school broadcasts, something which I think all hon. gentlemen will agree, is a real credit to the Department of Education. So also is the work that the Saskatchewan Arts Board is doing, the work that is being done by the Physical Fitness and Recreation Branch. We shall have an opportunity to see in action some of the students who have developed their talents in the field of drama as the result of the work of this body. Then what has been done, too, in the field of Adult Education. All of these are new fields. And then the expansion that has taken place in our Correspondence Schools with the greatly increased numbers that are taking advantage of that. Today, we are saving the rural schools of this

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province millions of dollars by virtue of the fact that we have a system of correspondence schools which enables those youngsters to get an education. Then, too, we have done something to make the teaching profession more attractive, first by making more money available through grants to schools, and second, by what we have done in the field of teachers' pension or superannuation plans.

Mr. Speaker, I would just like to mention one other figure in connection with this. In 1943-44 the grants to Education were \$2,765,000. These were increased gradually. In 1947-48 there was an increase of \$1,145,000; in 1950-51, an increase of \$1,100,000; 1953-53, an increase of \$1,600,000; in 1953-54, we turned back \$1,600,000 in Public Revenue Tax, and in 1954-55, another increase of a million dollars. So today our grants are up to approximately \$10 million – almost \$4 for every \$1 that was being contributed to Education prior to the time this Government came in.

May I say that I think those members who, like the member for Moosomin (Mr. McDonald) yesterday, made comparisons between the amount of the basic grant today and 1944, were most unfair. I want to say that in many other respects the member for Moosomin was very unfair yesterday in connection with his figures. But yesterday he pointed out that, in 1944, schools were getting grants of \$200; but in 1953-54, they were getting \$400 and now, he understands, it is to go up to \$500. "Well!" he says, "What of it? That's just an increase of 2 ½ times," What he didn't talk about was the equalization grants, which are the important things in the rural schools of this province.

**Mr. McCarthy:** — Depends where you live.

**Hon. Mr. Fines:** — the most a one-room rural school with an assessment of \$25,000 in 1944 could get was \$200 and yet, in 1953-53, they could get as much as \$1,200 in equalization grants, and under the formula which has been adopted now they will be able to get another approximately \$200. In other words, the schools will be able to get a maximum today of approximately \$1,800, when up to 1944, including equalization grants and the per capita grant, all they could get was \$500. Does that look as though we have been neglecting education? I want to say today that if revenues of this province continue to expand, it is our desire and our intention to continue to share it with those who are placed in charge of the responsibility of providing educational services for our young people.

Much has been talked about what they are doing in Alberta in making loans and grants, lending money for self-liquidating purposes. It was not until after they had \$90 million in the bank that they introduced their Bill to make loans available for self-liquidating purposes. I want to assure this House that long before we have \$90 million we will have had legislation of that kind on the statute books, too.

I would like to remind hon. members that we are in a position where we still have to go out on the market to borrow money, so any talk of us making large sums available to municipalities . . .

**Mr. Loptson:** — And whose fault is that?

**Hon. Mr. Fines:** — . . . is sheer nonsense. The hon. gentleman wants to know whose fault it is that we have to go out and borrow.

**Mr. Loptson:** — . . . advantage of oil development in four years . . .

**Mr. Speaker:** — Order!

**Hon. Mr. Fines:** — No, he's a great armchair critic. I'd like him to be a foot critic — to stand up and make his speech. He had a wonderful opportunity.

Now, Mr. Speaker, one other point I would like to make before I sit down and that was referred to by the hon. member for Souris-Estevan (Mr. Kohaly). I would like to congratulate the hon. member for Souris-Estevan on his criticism. I know at least that he read the budget speech before he got up to give his criticism. I am not going to say that about the others. I know that he did, and I do think that his criticism of the budget was very fair.

One suggestion that he made that I would like to comment on is that we should provide earlier Public Accounts. Mr. Speaker, I am in agreement; I would like to get earlier Public Accounts too; so would all my colleagues. I can assure you that it is not very nice for the Ministers of the Crown to get the Public Accounts on the day before the House meets and have to go over those and be prepared to answer all the governments that will be asked. The members want them in order that they can be prepared to ask questions; but the Cabinet Ministers like to get them so that they can answer the questions, which is pretty nearly equally as important. But here is the problem: The year-end is March 31st. We don't close off our books until April 15th and usually it is several weeks after that before all payments are recorded. Then the books often have to be kept open in order to record all the reimbursements that have been made from the Dominion Government — on highways, pensions or Dominion-Provincial grants. The practice has been to put in our claims to Ottawa up to the end of the fiscal year. In fact, Ottawa wants to show their expenditures the same fiscal year, particularly on Dominion-Provincial grants.

Now, in 1952, the final statements for the expenditure for the use of the Departments and the Treasury were released on May 19th — not March 31st, but May 19th. Then, we get busy and try to get the tabulating work done; but that takes time. And the word of editing entails writing in descriptive headings of some activities, eliminating all those payees receiving under the \$100, and setting up the material in a form which will be acceptable to the printers. This takes a tremendous amount of time, usually close to six months. So it was not possible in 1952 to forward the material to the printers until November 10th. By the time they get them over there and return to the public accounts' clerk for proof reading, they are set up in galley proofs. Then they all have to be checked. They are sent to the Departments to be re-checked, and then they go back to the printer to be printed.

When you look at the size of our Public Accounts, I think you will agree that it is a pretty big job of printing to publish a volume the size of that. And so, Mr. Speaker, I want to say to the member for Souris-Estevan that my concern is equally as great as his, and I have been after my officials to get those Public Accounts out just as quickly as they can get them; but I can assure him that, if we can get them before the members comes in, we shall send them out. We did that one time when we got them and I see no reason why, with complete co-operation from all the departments, we should not be able to get our Public Accounts out sometime early in January. This year, of course, to make it doubly worse, we had these big Revised Statutes and, of course, it was impossible to get the work done any sooner.

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In conclusion, Mr. Speaker, may I again thank all of the members who have taken part in the debate for the courtesies they have extended to me and the many nice things which they have said, and to say how grateful I am that the members of the Opposition have not been able during this entire debate to find anything in the budget which they could criticize.

The question being put it was agreed to on division by 37 votes against 10, and the House resolved itself into the Committee of Supply.

The Assembly adjourned at 6 o'clock p.m. without question put.