

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Twelfth Legislature
14th Day

Tuesday, March 1, 1955

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

PRESS REPORTS RE MR. KOHALY

Mr. R.A. Walker (Hanley): — Mr. Speaker, I wish to raise a question of privilege affecting the privilege of every member of this House. First of all, I refer Your Honour to Beauchesne's Parliamentary Rules and Forms, Third Edition, Article 199:

“The offer of a bribe in order to influence a member in any of the proceedings of the House, or of a Committee has been treated as a breach of privilege, being an insult, not only to the member himself, but to the House.”

Then, I refer Your Honour to Bourinot's Parliamentary Procedure, Page 306:

“The right of complaint is not restricted to the member affected by the breach of privilege.”

I would refer you, Mr. Speaker, to a story appearing in the Winnipeg Tribune of February 28, referring to the hon. member for Souris-Estevan (Mr. Kohaly) and suggesting that he has been seduced politically in the matter of his political affiliation. Reference is made in that article to a reported offer of \$250,000 and I refer you, Mr. Speaker, to an article on the third page of the Saskatoon 'Star-Phoenix' February 28, called “Socreds Wheedle Kohaly to lead them in Province — He is seen not unwilling” — that is the headline, an article by Bill Ivans. The objectionable parts, I submit, are the following:

“It is generally understood that the funds of the well-heeled British Columbia League will be backing the party's drive into Saskatchewan.”

And further down this paragraph:

“With no monetary worries Kohaly is convinced he could persuade the Conservatives, both officials and rank and file, to come along.”

I suggest that that paragraph imputes an offer of a bribe to a member of this House. I suggest that the article in the 'Leader-Post' goes even further. There are two passages there that I would refer to Your Honour:

“It is understood that if Mr. Kohaly agrees to lead the Social Credit party in Saskatchewan, he will receive extensive support, financial and organizational, from British Columbia and Alberta.”

I suggest that that is an imputation that he has been offered financial inducement to change his position in this Legislature. Then, of course, the 'Leader-Post' heaps insult upon injury by saying:

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“Friends close to him say that he will likely take on the Social Credit project if he believes that neither of the old parties, Liberal or Conservative, have a chance to beat the C.C.F. forces next year.”

Mr. Speaker: — Will a member please state his point of privilege?

Mr. Walker: — The point of privilege is, as I have stated, that an imputation of political infidelity and an imputation of willingness to accept a bribe has been made against a member of this House, and as a member of this House I, for one, wish to state that this is utterly objectionable and reprehensible, and I hope that the hon. member for Souris-Estevan will lose no time in disassociating himself from these ugly smears.

DEBATE ON ADDRESS-IN-REPLY

The House resumed, from Monday, February 28, 1955, the adjourned debate on the proposed Motion of Mr. Dewhurst for the Address-in-Reply to the Speech from the Throne.

Hon. W.S. Lloyd (Minister of Education): — Mr. Speaker, the debate on the Speech from the Throne is one of the major opportunities which the Opposition has to demonstrate how, in theory and in practice, it presents an alternative to the government in office. Is it not true, Mr. Speaker, that, in this current debate, the Opposition has, in fact, said nothing that it has not already said some time or another during the last ten years? It has presented no alternatives to the programmes of this Government: It has suggested some additions. As one of the members from this side of the House said yesterday it has, in effect, said that it would give everybody more of everything, including taxes. Now, admittedly it has not mentioned more taxes, but the other items which it has suggested or promised could not be accomplished without substantial increases in taxation. The conclusion that one must come to, then, is either that they mean more taxes and their promises, or else they do not mean their promises.

Is it not true, also, that the Opposition here has said nothing which any opposition anywhere at any time would not or could not have said about any government? They have indicated some concern with regard to the plight of the farmer if we have continued poor productions. The people who move about the province will agree that the people of this province still remember real hard times in this province under a Liberal government, and that people are convinced if such conditions to recur, even in part, they would rather rely on the assistance and the programmes of the present Government than suffer a retreat to those measures of administration, and the type of administration, which we experienced during the ‘thirties. I think we need to realize this, and I think it is being proven so far in this Session, that a ‘new look’ in a political party does not necessarily guarantee a ‘new deal’ from a political party.

You will remember the story, Mr. Speaker, about Red Riding Hood. We used to be regaled in this Chamber by the former-member-but-one from Rosthern about Red Riding Hood. That was the member who resigned, you will recall, in order that Mr. Tucker might have his seat, and might lead the Liberal party out of its years of wandering in the wilderness into the promised land. The member was rewarded later on by being appointed as a judge. True it is that greater love hath no party for its followers than the Liberal party.

But, to get back to the 'new look' and Red Riding Hood. When the wolf put on the grandmother's nightgown and got into bed, it remained a wolf. It had the same ears, eyes and teeth, used them for the same purpose as it did before, and it acted exactly on the same instincts.

Mr. Danielson: — Why put it on?

Hon. Mr. Lloyd: — So it is with a Liberal party, I suggest: leaders come and leaders go, but the same old party-line goes on for ever. The Liberal group in this debate so far has failed utterly and completely to establish any alternative to the present Government.

One of their complaints has been that this Government has done nothing, or not enough, for agriculture. When the Minister of Agriculture was speaking, the other day, he pointed out a net increase in the budget of his Department of some \$4 million, providing additional agricultural services. There was a time in this House when the Opposition used to argue about the value of such services as the Agricultural Representative Branch. They have not done so lately, so I presume they accept those services as being worthwhile and in the interests of agriculture.

The improvements in highways and in market roads has been of great service to agriculture. Our school grants, in 1954, are about \$8 million more than in 1943-44, the last year of the Liberal government, most of which has gone into rural education. The School of Agriculture extension at the University, the Soils and Dairy Branch there, are of direct benefit to the agricultural economy. Our Student Aid fund has assisted hundreds of rural young men and women. The University Hospital and Medical College, which will bring to this province some of the best medical minds on the North American continent, will be of great benefit to our agricultural people. Our farmers and our farm families are concerned about health. So, with the Hospital Services Plan, the free Cancer and Mental Health programmes, the Air Ambulance, these have benefited thousands of farm people. The money spent on development and administration of natural resources, brings in more revenues so that many of the programmes established can continue to be financed. The fact that the Government, this year, in spite of falling agricultural income, can extend its services, shows that this programme is paying-off for rural Saskatchewan and all of Saskatchewan.

More than any other group of people in the province, our farmers are interested in the co-operative movement. The additional services and assistance with financing which this Government has provided to that movement, is of great benefit to the farm economy.

The reduction in insurance costs, the extension of power has had a beneficial effect on our rural people. I know that if, in 1944, I had said to many of the farmers in my constituency who today have power in their homes, "You will have power in your homes in 1954", they would not have believed me. And I know, if I had said in 1952 to many who have power in their homes in 1954, "You will have power in your homes in two years", they would not have believed me. The point is, of course, that you cannot divide a province like Saskatchewan into farmers and non-farmers. But every year, steadily and surely, new programmes, or old ones extended, have been a benefit directly and indirectly to farm people and farm economy.

The 'Leader-Post', Mr. Speaker, in commenting on the address of the Leader of the Opposition, said, "He nailed his colours to the mast." Now, I should like to make some comment on those colours. I recall that he mentioned

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here in that debate, as according to press reports he has mentioned in other places throughout the province, the situation of his own local school district and local school. Now, Mr. Speaker, it is a fine thing to have pride in institutions like that; I am proud of the rural school which I attended a number of years ago. I can remember that I used to be very proud of the old pinto horse that I used to ride, Mr. Speaker. I thought he was almost a pure-blooded Arabian at that time. I know now that he was a reasonably good plough horse, but not much of a saddle horse; I am still rather proud of him. But, we should not let sentiment interfere too much with progress. There was one statement that the Leader of the Opposition made with which I agree heartily. He made it several times when he was talking about education. He kept saying, "And that's not all of the story", and he finished with that, I think, and I agree heartily.

I recall, in speaking of his local school, he said this and he said it with pride: "In 1944, we paid a good salary." Well, in 1944 they paid a salary of \$900 per year in the Spring term and \$1,000 per year in the Fall.

Mr. McDonald: — \$1,900.

Mr. Cameron: — He said \$900.

Hon. Mr. Lloyd: — \$900 per year.

Mr. Danielson: — It was \$ 1,500 per year. Your figures are crazy.

Hon. Mr. Lloyd: — If the member for Arm River wants to say something, Mr. Speaker, he should have sufficient politeness to stand up in his place and say it instead of mumbling from his seat.

The Leader of the Opposition had reference to the percentage of costs which the Government now carries with regard to education. I noticed that, in his speech in Saskatoon, he credited us with carrying 18 per cent; then the other day in the Legislature he got around to calling at 20 per cent. If he keeps on making enough speeches he will probably get it up to where it ought to be. May I say, with regard to this percentage of costs, that whether or not it is a good figure depends to a considerable extent upon which it is a percentage of.

Going back to his school district to which he referred, in 1944 the levy was \$1,038. The grant at that time was \$300, making a total of \$1338, so that the grant was 22 percent of that total, Mr. Speaker. But it does not take much of a grant to make 22 percent of that total. He is quoted in another address as saying "It is not the amount that matters; it is the percentage." Well, if he could have got a good comparison there if he had gone back to 1940 in the same school district, when the tax rate was 2 mills and the total levy \$455, so that the grant at that time was almost 40 percent of grant and the levy put together. That, according to his measurement would have been good, I suppose.

He complains here, and has throughout the province, that also the school was closed. Now, and in all deference may I suggest that if he has a complaint about the school being closed, he should make that complaint to the Unit Board. If he would do so, he would find, I suggest, that the local board requested that the school be closed, and that the youngsters be conveyed into the neighbouring village of Fleming.

Mr. McDonald: — You want to get the whole story.

Hon. Mr. Lloyd: — That is not the whole story, the hon. member said.

Mr. Cameron: — You can say that again.

Hon. Mr. Lloyd: — I want to look for a moment at the condition in that school the year before it closed when there were three pupils in grade I, two pupils in grade III, and one in each of grades II, IV, V, VI, and VII. Now, that is not too good an educational situation, Mr. Speaker,. One of the disadvantages of a school of that kind is that youngsters may grow up and go through all of the grades without having had the opportunity to work with or play with or to associate with other youngsters of the same age. And that is not all. It is true that some at least of those youngsters are as close to the school to which they are now being conveyed as they were to their local schools. Some of the parents are employed to drive youngsters to the school to which, I understand, the Leader of the Opposition's own family were going. It is probably true that it is less costly to convey them than to operate the school. It is probably true that it is more convenient for many of the parents and children. It will be true that the youngsters are getting a better educational opportunity. One teacher has been made available to a larger number of students, and it showed good sense in every way.

Just to review the total record in that particular unit, which has only been established a couple of years; they have closed, since the Unit Board took over, three schools at the local board's request. One was closed in December of this year when the enrolment dropped to two. There were four schools closed before the unit started operating at all, Mr. Speaker, more than the unit has closed since, and one of those has since been reopened.

I want to submit that it is high time some members of the Opposition quit trying to convince the people of this province that the Larger Unit is some kind of an ogre that goes out each morning before breakfast, pounces on a poor, unsuspecting little red schoolhouse, leaves it squashed and mired in the mud, and carries the youngsters away in a big bad school bus to a big bad town school. That is what they have been trying to do. It is time they started to realize what is necessary in this province in order to do a job in rural education, and it is time they stop hindering that programme if they are not willing to help it along.

Now there has been considerable discussion as to school costs and the reason for school costs. Again the leadership from the opposite side has been such as to suggest that the whole reason for school costs has being the organization of Larger School Units. So, I would like to take some of our units that have been most recently organized, and show what increases in costs there have been and why there have been increases in costs.

May I refer first of all to the Moosomin unit, which was established in 1953, which operated in 1953 on mill rates and salaries established by local boards; in 1954, the mill rate and salaries were established by the unit

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boards. At the time of organization, the assessment range of rural districts was from \$26,000 to \$185,000. In 1953, the mill rate on rural assessment range from two mills to 40 mills. The school of which the Leader of the Opposition spoke had a mill rate of 14.1 mills, and just across the road the rural portion of the village district of Fleming had a mill rate of 32.3 mills. The unit mill rate in 1954 was 25 on rural districts; higher in portions of urban districts which are rural assessment, and was 30 in the urban districts, except the town of Moosomin, where it was 33. Even so, Mr. Speaker, that meant a reduction in tax rate for \$2 million of the assessment in the unit. About 16 per cent of the assessment enjoyed a reduction of tax rate; the remainder, an increase in tax rate.

But, that is not all, again. The number of study supervisors in 1953, was 25 — that is about one out of every four. It was reduced by 12 by the fall of 1954. In the spring of 1953, they employed 87 teachers and 25 study supervisors, a total of 112 persons. In the fall of 1954 they employed one hundred teachers, plus 13 study supervisors, so, they employed in instruction one more person than before. They employed 13 more qualified teachers than before. So, since teachers' salaries are more than study supervisors' salaries, and since more teachers cost more than fewer teachers, their salary bill was up.

It was up not only for those reasons, but because the average salary rate paid to teachers in the unit was increased by approximately \$700 each as compared to the salaries set by local school boards in the spring of 1953. So there was an increase in salary rate, based on the 1954 rates compared to the 1953 rate, of over \$80,000 and it would cost them seven mills of taxation alone to take care of that.

Not only that, but students from the rural districts attending town high schools in the spring of 1953, would pay a fee. They did not pay that fee in 1954. In the spring of 1953, the parents paid the full cost of conveyance or board and room in order to get youngsters to high school. That cost did not show up in the mill rate; it came out of the same pocket that the tax dollars came from. In the fall of 1954, \$100 a year was paid to each of those students attending high school, and going away from home to do so. I think it is right to say, then, that a parent who was sending one youngster to high school had received a consideration worth \$150 as compared to what he got before when there was not any unit. That, on an assessment of \$10,000 is worth 15 mills a year.

I took a little time, Mr. Speaker, to calculate and see what that would be worth to an enterprising young man who was fortunate enough to have five children, who would want those five children, of course, to go to high school and get a good education. For five children, that would be 20 years of high school at \$100 a year, that is worth \$2,000. When you consider that fees would not have to be paid, there is another \$1,000. So, in total, the assistance from the unit was worth \$3,000 and on an assessment of \$10,000 that is worth 300 mills of taxation in a year, or it is worth 30 mills of taxation over 10 years, or it is worth 15 mills of taxation for over 20 years.

Mr. McDonald: — You are a great juggler.

Hon. Mr. Lloyd: — With reference to another unit, the Canora unit, which has also being organized over a few years. (The hon. member, Mr. Speaker, with that money that he would save there, could buy himself a new combine and put on the side of it “through courtesy of the Moosomin school unit.”)

In the Canora unit, which was organized in 1954, in his first year of operation about 25 per cent of the assessment received a decrease in mill rate.

The number of study supervisors decreased from seven to none. The number of rooms operated increased by three, and almost 20 per cent of the teachers had better qualifications. Teachers' salaries increased on an average of \$400 each, costing a total of \$54,000, an amount equal to some five mills. High school assistance under the unit, they got \$100 a year; before the unit, nothing. High school fees, before the unit they paid \$50 a year on the average, and after the unit, nothing.

The member from Saltcoats (Mr. Loptson) has been asking some questions on the Order Paper about the Yorkton unit. Unfortunately, he is not in his seat. They were trying to show, I imagine, excess expenditure, waste, extravagance, higher taxes and so on. The answers to these questions will show the expenditure of some additional money. But again, these comments should be made in regard to that unit. In its first year of operation 26 per cent of the assessment operated at a lower tax rate than it had before. Even in the second year, 21 per cent still operated at a lower tax rate. But here is the interesting part of that picture: they are now paying high school assistance to some 175 or 180 students. The majority of these are going to Collegiate in the city of Yorkton, one of the finest collegiates in Saskatchewan, and indeed one of the finest in Canada. Like the collegiates in our other cities and large towns, they have been very willing to open their doors to outside students even at the cost of overcrowding their own facilities on some occasions. I submit it is not fair to ask them to do that without being ready to compensate them adequately for it. So the unit pays, on behalf of each of those students in attendance at Yorkton Collegiate, \$115 per year per student. The total amount of high school assistance now being paid by the unit is \$34,000 which is equal to some three mills of taxation. That, Mr. Speaker, is \$34,000 which would not have been saved if there had been no unit. It is \$34,000 which would have been paid by the parents of those students, if, of course, they got to high school.

The unit operated six more rooms than it did before. In 1954, the teachers' salaries increased, over 1952, an average of some \$600, a total increase in teachers' salaries of about \$75,000. They built some 11 new classroom; and here is an interesting commentary. There was a one-room rural school built in the area just before the unit took over. If my memory serves me correctly, it was built between the time that the area voted in favour of a unit and the unit board taking over. That school cost, built in that way, in \$11,600. The unit has built two identical schools since that time at a cost of \$9,000 each, a savings of \$2,600 on each building.

Then, the member for Nipawin (Mr. MacNutt) had something to say about school costs and school grants, too. He said this year, as I believe he said last year, that the increase in school grants was from \$1.50 a day to \$2.50 a day. I corrected him at the time, I believe, and said, "but you are forgetting equalization grants." But this year, he said again the increase has been from \$1.50 to \$2.50, forgetting entirely about the increase in equalization grants, which have amounted to some \$3,600,000, and which, in some cases, amount to \$5.00 a day, or \$1,000 a year, for a school district.

He, too, said the units always cost more money. That is partly true for some districts. I can say to him, Mr. Speaker, that there are some people in the Nipawin unit who today, after 10 years of the unit, are still paying a lower mill rate than they paid in 1944 before the unit. The spread in mill rate in that area at that time was from 1.8 to 40. A Liberal government paid that district, paying 40 mills, an equalization grant of a whole \$300. That was at a time when they were building up a surplus in the Education Fund. That was at a time when the Liberal Minister of Education said, "We have practically completed the job of equalization of school costs."

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Nipawin was organized as a unit in 1945. It built and paid for, in 1945, eight new classrooms. It increased teachers' salaries. In 1945 the rural mill rate in that unit was still less than the average rural rate before the unit was organized. In 1946, they build 18 new classrooms, and again increased teachers' salaries. Still, almost 34 per cent of the assessment was paying less taxes than it had paid before the unit was organized. In 1950, after six years of operation, after 55 new classrooms being built, and after salaries were almost doubled, 20 per cent of the assessment was still paying taxes at a rate less than they had paid in 1944, before the unit was organized.

It is true that total costs are higher. Total costs are higher because of the unit organization, Mr. Speaker, they are higher because teachers' salaries have now more than doubled. The gross teachers' salaries in 1944 was less than \$7 million; in 1953 it was over \$18 million; and in 1954 it is undoubtedly over \$19 million. The total costs are higher because of the tremendous building programme which had to be undertaken in this province, and particularly in some parts of it.

In the Nipawin unit 73 new classrooms were built during a period when costs were doubling and costs were trebling: additional services, such as, in this area the composite school, and composite schools in other areas; such as transportation for a number of rural high school students; such as libraries and other facilities. More money has been spent, but it is not being spent because of the unit. Those additional expenditures that had to be made because of the unit being organized have been more than offset by the savings which the unit has made possible. I gave you one example, a minute ago, when I was talking about the Yorkton unit.

I was in a school unit office, not many weeks ago, looking at the paint they had bought. I asked them what they paid for it, and they said approximately 50 per cent of retail cost. What has cost more money is not the unit organization, but necessary increases in teachers' salaries, immediate acceleration of building and repair programmes at greatly increased costs, and the extension of educational services badly wanted by the people of Saskatchewan.

When the member for Hanley (Mr. Walker) was speaking, yesterday, he said that the Liberal party had not stated any policy with regard to larger units. I want to disagree with him just for a moment, because I think the member from Nipawin, speaking the other day, did make a statement on larger units. He made the clearest Liberal statement of policy I have yet heard. Do you recall what he said, Mr. Speaker? He said, "Larger units — well, there are arguments for and arguments against." Now, that is that a clear enough statement. It is succinct, and typical of the Liberal party. It has the added advantage of being flexible. It is so flexible, it is perfectly reversible. It is guaranteed in particular to fit every emergency into which a Liberal member might wander, and in general, to do nothing about educational problems. There are arguments for — and so, they will argue 'for' when it suits them; there are arguments against, — and so, they will argue 'against' when it suits them. But the member from Hanley was, of course, right — the Liberal party will not stand up and say that it is against larger school units.

The Liberal party will not say that, if it should be elected, they will do anything about moving back from larger units to independent districts. But, in the meantime they will scratch and rub and twist and gouge in any way they can, in the hope of gaining some political advantage. It is high time they stopped playing Dr. Jekyll and Mr. Hyde with this very important programme. It is high time they have something better to say than "there are arguments for and

arguments against.” What a colour to fly from any mast, Mr. Speaker. It is this kind of a colour that will never flutter in any kind of a breeze except perhaps the breeze that comes out of the windows of the Editor of the ‘Leader-Post’.

Mr. McDonald: — There’s quite a breeze in here, this afternoon.

Hon. Mr. Lloyd: — Let me comment for a moment on the relationship between increases in school and municipal taxes in rural areas. I take my figures from a report of the Saskatchewan School Trustees’ Association.

During the settlement period prior to 1920, the municipal levy was generally larger than the school levy. During the 1920’s, when there was a programme of considerable school building and increases in school teachers’ salaries, the school levy began to increase until in 1926 it was 55.4 per cent of the two levies together, and in 1930 it was 53.8 per cent of the total of the two levies. In the 1930’s school costs dropped quite rapidly, so in 1939 the school levy was only 45.8 per cent of the total of the two levies. By 1944 it was back up to 50 per cent of the two levies and in 1952 had reached approximately 52.7 per cent of the two levies.

I want to note, Mr. Speaker, that for the first five years from 1939 to 1944 the proportion of the rural tax levy, municipal and school combined, going to school purposes increased 4.2 per cent. That was under a Liberal administration, with no school units. The increase was 4.2 per cent. During the seven years, 1944 to 1952, during which we had both school units and the C.C.F. government, the proportion of rural taxes going to education increased two per cent of the two levies. The argument that school taxes have increased more rapidly than municipal taxes depends upon several things. It depends upon the area you are talking about and depends upon where you measure them. For example, from 1932 1952 rural municipal taxes increased 171.9 per cent whereas rural school taxes increased only 161.8 per cent, or 10 per cent less.

The Leader of the Opposition argued (and in this I agree with him) that the property tax is not the most satisfactory basis of support for education. That is something, which, of course, has been said by many people over a number of years. While I agree with it, it is also true that the property tax is still a major bases of support for education in the Dominion of Canada and, indeed, on the North American continent. I would agree wholeheartedly that money for education should be found wherever in Canada the wealth exists, and should be spent wherever a need exists. However, such a policy is impossible within the taxing powers of a single province, one like Saskatchewan particularly. The most desirable basis of financial support for education is only possible when the Federal Government, which has the power to tax wealth where it exists and to distribute it where the spending is necessary, recognizes its responsibility for support of education and for adequate distribution of wealth generally.

The alternative is, of course, for the Federal Government to establish such direction to our economy that when property at such as land produces wealth, the returns are sufficient to pay for the services which those producing the wealth require. This they have not done insofar as agricultural property and agricultural production are concerned. Taxes on productive property are, in a sense, a form of rent paid to society. A person having more property or more valuable property should pay a higher rent. Unfortunately, the assessment of property is related to its long-term productivity and so cannot reflect immediately the fluctuations in year-to-year crop production.

The validity of property tax, as a basis for taxation, is destroyed or undermined only when the returns for production are such that the high production

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years are not paid for in such a way as to compensate adequately for those of low production. The group on this side of the House has consistently argued that the price received for farm production in recent years has not been high enough in consideration of the history of production in Saskatchewan and in consideration of certain major fluctuations in years. Had there been adequate returns during the years of good production, this year's disappointing crop would not have been the shock that it is.

The Leader of the Opposition took the opportunity to go back again to some remarks I made in the Budget Debate a year ago, in the hope that I would bring some figures up to date. I am pleased to do that. In that debate I use three criteria as a means of commenting on the relative educational tax load in the province of Saskatchewan. I used, first of all, the total tax levy for school purposes as related to the total personal income of the people of the province. In 1943 and 1944, it took 2.1 and 1.5 per cent of our personal income to pay our school tax. In 1951 in 1952, it took 1.5 and 1.8 of our personal income to pay our school taxes. In 1953, it took 2.2 per cent, and in 1954 the estimate is that it will take 3.4 per cent of the personal income of the people of Saskatchewan pay school taxes.

That percentage is up from 1953, admittedly and naturally. But, Mr. Speaker, it is up not alone because of poor crop and greater taxes. It is up also, for example, because of the inability of some farmers to deliver the wheat which they had to deliver. It is up because of greater unemployment in 1954 due to the lack of planning, or lack of willingness on the part of the Federal Government, and due to the inability of the free-enterprise system to maintain full employment.

It is rather interesting, however, to take the ten years, 1934 to 1943 inclusive, and 1944 to 1953, and compare the percentage of personal income needed in each of those periods to meet school costs. In 1934 to 1943, it took 3.3 per cent of the total personal income to meet school costs; a 1944 to 1953, it took 3.03 per cent. Anyone who remembers 1934 through 1943 will readily admit that 3.3 per cent of the income during that period constituted an immeasurably in heavier burden than did three per cent from 1944 to 1953.

The second criteria that I used was the school tax levy in rural municipalities and L.I.D.'s compared to net farm income. In 1943, it took 3 1/2 per cent of net farm income to pay that levy. In 1944, 1.7 per cent; in 1951, 2.1 per cent; in 1952, 2.2 per cent. Let us remember that taxes are not paid out of the net farm income, Mr. Speaker, the taxes have been paid before the net farm income is calculated; so the percentage used here is merely a relative figure, not a cost to be taken from the net farm income. In 1953, it was up to three per cent, and in 1954, the estimate is that it is up to still more because of the drop in farm income. It is up to an estimated 12.7 per cent. It is higher, but it is higher again not alone because of taxes and production but because of deliveries and prices.

Just for a moment look at the monthly weighted price index at Saskatoon and compare what that index paid in 1951 to what it paid in 1953. It shows that cattle from 1951 to 1953 were down \$14 per cwt; from 1951 to 1954, down \$14.50 per cwt. It shows that hogs were down from 1951 to 1953, \$4 per cwt; and from 1951 to 1954, \$3.60 per cwt. Now, if every farm in Saskatchewan paid the same school taxes, Mr. Speaker, just for a moment, each farm would pay approximately \$140 per year. Some pay more than that; some pay less. If you take the total amount of rural school taxes and divide it up among the total number of farms, it comes to about \$140. A farmer selling, in 1954, one 900-pound steer received \$130 less than he would have for that steer two years before. In other

words, on that one transaction his loss, because of the drop in price, was almost as much as the total average school tax, and if you threw in a hog or two, the loss was more than the total amount of the school tax paid.

I used a third method for comparing the relative rate of school taxation, and that was the percentage of the wheat crop used to pay rural school taxes. In 1953, it was 2.8 per cent. In 1954, it has gone up to an estimated 7.5 per cent. Again, it is interesting to look at these two 10-year periods, 1934 to 1943 and 1944 to 1953. During the first 10-year period it took, to pay school taxes, some 63,300,000 bushels of wheat. During the second 10-year period, it took some 63,700,000 bushels of wheat; or only 400,000 bushels more.

We must consider two things in determining the relative weight of school taxes during those two periods. You must consider, first of all, the greatly expanded school programme during the second period and the greatly increased production during the second period. During the second period the farmers of Saskatchewan produced 884,000,000 bushels more than they did during the first 10-year period. Of that increase of 884,000,000 it took only 413,000 bushels to pay the additional school taxes. It took less than one bushel out of every 2,000 additional to pay the additional school tax. What amount did they have left after paying the school taxes? During the first 10-year period they had left something like 1,612 millions of bushels, and during the second 10-year period they had left some 2,496 millions of bushels. There can be no doubt, on that basis, during which of the two periods the school costs, relatively and absolutely, were the greater burden on the people. They were by far greater burden during the period 1934 to 1943 and during the period 1944 to 1953, and we had a greatly increased and improved programme during the second period.

I raise the question, Mr. Speaker, of farmers costs other than land taxes, of the real costs which constitute the real burden on the farmers of Saskatchewan, the real costs which gouge into the farmers' pocket-books more deeply, and concerning which the Opposition in this House indicates no concern. I wonder why they indicate no concern. One wonders why their first attack is on educational costs. Is that their failure to understand what constitutes farmers' costs? Or is it their lack of appreciation for education?

Mr. Danielson: — You tell us.

Hon. Mr. Lloyd: — Or is it their desire to attempt to gain some political advantage?

Hon. Mr. Sturdy: — All three of them.

Hon. Mr. Lloyd: — I want to go back again to talk about the percentage of operating farm costs which are made up by land taxes, using 1926 as a base year. In that year land taxes were eight per cent of the average operating and overhead costs per farm in Saskatchewan. Hired labour and machinery made up 33 per cent. Ten years later land taxes were eight per cent; hired labour and machinery 29 per cent. Ten years later again land taxes were only six per cent of the average operating overhead cost per farm and hired labour and machinery were up to 41 per cent. In 1953, land taxes were still only six per cent of the average operating and overhead costs; labour and machinery expenses, 39 per cent. The point to note there, of course, is that the land tax in 1953 was no more of a relative burden (it wasn't any greater part of the cost of operating a farm) than it had been in 1946, and was actually a lesser part than it had been in 1936 or in 1926.

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Let me look at increases in cost since 1926. From 1926 to 1953, the land tax increased by 61 per cent, or 61 points. It was, you will remember, only six per cent of the costs. Machinery operating costs increased by 470 points. From 1944 to 1953, land tax increased 94 points; machine operating costs increased 341 points. I want to use again an example which I have used and others have used previously in this House. A self-propelled combine from 1945 to 1954 has increased in value approximately \$3,000. That is the increase in cost. On an assessment of \$10,000 that represents 300 mills. If you spread it over 10 years, it still represents — the increase alone, Mr. Speaker — 30 mills a year. No, the real reason for the farmers' agricultural economic dilemma is not in heavy land taxes. The real reason is this: from 1945 to 1953 farm prices increased 42 points and farm costs increased 97 points. There is the real reason for the farmers' economic dilemma.

My hon. friends across the way might even want to consider this: from 1944 to 1953, the total school taxes amounted to \$156 million in Saskatchewan, and the total income tax collected by the Dominion Government amounted to \$275 million.

The Leader of the Opposition had reference also to increases in current and capital debt of units; again the interest evidently only with regard to units. He made a rather superficial examination — I am afraid I will have to say that, Mr. Speaker. He compared 1948 with 1952, overlooking entirely the fact that when he talked about 1952 he talked about six or seven more units than he had talked about in 1948. There are some reasons why we may expect that the current borrowings of units will be greater than the borrowing of individual districts. One reason is that under the Act, our school law, municipalities in rural areas are supposed to pay to individual school districts regularly the total account of the levy. Under the school units they only pay their taxes as and when collected.

The second reason is that these units have been undertaking a very heavy capital programme and financing it out of revenue. The taxes to pay for this do not come in until fall, many of them. In this period 40 or 50 per cent of the cost of that programme was financed by capital grants. Out capital grants are not paid until the building has been partially or wholly completed, and so they need to borrow in order to carry on the interim financing of those projects. I want to add, however, that bank borrowings (in my book at least) are preferable to unpaid bills and underpaid teachers' salaries.

The hon. members have asked what is going to happen if this continues? May I say this: whatever happens it could not be as devastating as what happened under individual districts under a Liberal government. And that did not take long to happen. It did not take the whole length of the depression, but in the first couple of years salaries in this province that sunk to, if not the lowest, among the lowest of any in Canada, and much of the salary was not paid until years afterwards. I began teaching in 1932, Mr. Speaker, and I got my salary paid up finally for that year in 1942, 10 years afterwards. A number of teachers did not get their arrears of salary for that period until this Government took office in 1944.

Our buildings deteriorated because there was not any money to rebuild them or to repair them adequately. Nothing could be more devastating than what happened when we operated during the depression under a Liberal government and individual school districts.

Let us take a closer look, however, at this capital debt. As the Leader of the Opposition mentioned, in 1948 the units borrowed \$25,000. They

carried at that time \$1,460,000 of pre-unit debentures, so that they had a total capital debt of \$1,485,000. In 1952, they borrowed a lot more — \$2,167,000, and they carried at that time \$1,572,000 of old debentures. They had increased the capital debt, then, of the units organized, by \$2,254,000, but, as the Leader of the Opposition likes to say, that is not all the story. They increased the assessment by \$110 million during the same period. He forgot to mention that. They had \$110 million more of taxing power to pay it back in tax payments. Here is an extremely important point: that while their assessment increased by \$110 million, their capital debt increased by 2 1/4 million; their capital assets increased by 13 1/2 million.

Since my hon. friends are interested in school units, I would like to compare this capital debt which the school units carried to that carried by other types of organizations in this province. In 1953, the cities of Saskatchewan had capital assets 2.7 times their capital debt. The non-unit areas (rural, village and towns) had capital assets 5.7 times their capital debt. The units had capital assets 7.1 times their capital debt, so the units on that measurement were in a better position than either the cities or the non-rural village and towns.

If you take a relationship between debentures and assessment, the cities' assessment was 22 times their capital debt, the non-unit group's 114 times their capital debt and the units had an assessment 128 times their capital debt.

If you compare it with the whole province in 1943, the relationship then of assets to debentures was 2.9 to 1; the relationship of assessment to debt was 92 to 1. On every count, Mr. Speaker, the unit is in a more favourable position.

Or, if they want to compare with Manitoba — and I do this not to be derogatory with regard to Manitoba, but rather to show another comparison. The new capital debt in Manitoba, 1953-54, amounted to \$47 per pupil; in Saskatchewan to \$23 per pupil. The new capital debt in Manitoba per operating classroom amounted to \$1,300; in Saskatchewan \$547 only. The total capital debt in Manitoba amounted to \$111 per pupil enrolled; \$80 per pupil enrolled in Saskatchewan. For classroom amounted to, in Manitoba, \$3,130; in Saskatchewan, \$1,862. So, if you compare by any one of those means, the unit to the cities and non-unit areas of this province, to the province as a whole in 1943, or to the province of Manitoba now, the unit is in a preferable position.

Mr. Speaker, I want to have some reference to some of the programmes that have been carried out in some of the units that have been established for a long time. I refer, first of all, to the Biggar unit, and I select these simply because they are the ones reports of which happen to have come to my desk within the last couple of weeks. Here is what they report that they have done: Library facilities greatly expanded, textbooks and elementary grades free of charge in nearly all subjects. They have incurred no debenture debt, no capital loans. They have reduced their debenture debt by \$74,000 since they took over their unit. They have a building reserve of \$33,000. They have had no bank loans for current purposes during the last four years. Their average salary per teacher has increased from \$1,200 to \$3,000 a year. They have a school buses in operation which not only save money but also provide better educational opportunities.

Or, I turn for a moment to the Outlook Larger Unit where they reported an increase in student population of 375. It is rather interesting to figure out, Mr. Speaker, that the taxes in that unit amount to \$143 per pupil,

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which is approximately 71 cents per day — and I want to seriously ask the members of this Legislature and the people of this province, what other comparable service can you get for 71 cents per day; what service comparable to that given by the schools can be obtained for that amount of money? The Outlook unit shows that, in 1943, they paid \$89,000 in that area for teachers' salaries. They paid, in 1954, \$260,487. They report their liabilities decreased by 40 per cent. They have an extensive conveyance system, and I want to read what they say about the advantage of that system, for the benefit of some members opposite. They say:

“The children make better progress in school work; there is more opportunity for social adjustment in larger groups. They get high school education and still live at home. They get better-qualified teachers. They have fewer centres so they can equip them with better educational facilities. More supervision can be given to the centrally located schools. Their experience has shown the attendance is better when the children are conveyed by bus than it is at local schools.”

I want to pick out one or two special examples. To look at the little town of Sturgis up in the north-eastern part of this province, Sturgis has a population of 645. There is, in that town, a unit composite school. The enrolment in the high school part of that school is 299, some 211 of whom are not resident in the town, 57 living in the dormitory and 154 of them come by bus.

Foam Lake was referred to by the hon. member for Regina when she spoke recently. The town has a population of 900, with a high school enrolment of some 250, some 181 of them from out of town. Will you bear in mind, Mr. Speaker, those figures: the enrollment of 299 in Sturgis and 250 in Foam Lake.

The city of Weyburn has a population of over 7,000. The high school enrolment there is 293. The city of North Battleford has a population of over 8,000, with a high school enrolment of 280. The point I want to make is that Foam Lake, with a population of only 900 people, has almost as high a high school enrolment as either of those two cities, and that Sturgis, with a population of just over 600 people has a high school enrolment larger than can be found in the city collegiates of Weyburn or North Battleford. And the majority of those students in Sturgis and Foam Lake are rural high school students — and I say in all sincerity that the Liberal government would not have provided that opportunity for those rural students. It would not have provided it because there would be no units, there would be no composite schools, there would be no dormitories, there would be no bus system. The Liberal government would, in effect, have denied those opportunities.

Not only that. There is a considerable saving for these parents involved. I think you can say this: if they had got no high school, if some town had been able to provide them with high-school space, they would have had to pay fees averaging certainly \$50 each; they would have had to pay board and room, probably about \$400 a year each, and that would have cost the parents of those students or \$77,000, that is now paid out of taxation. It takes some seven mills of taxes to do it.

Now there is a great deal more that could be said along the same line, Mr. Speaker. I have given, I think, very substantial proof of the statement I made earlier, that the increase in school costs are due to a number of factors over which this Government has no particular control; that they are due

to increased salaries, the need for a greatly accelerated school-building programme and greatly improved services.

I want to take a minute to say just a word or two about northern education. In 1943 and 1944, not counting Creighton and Flin Flon, there was an enrolment in that northern administrative area of 467 pupils, with 15 teachers. The Government assistance at that time was, in general, the same grant that other schools in the settled and developed parts of the province got. There was no recognition of the financial inability of those areas to support; and I think it is fair to say, Mr. Speaker, that if it had not been, in that area, for the development of the Sisters and the support of the various churches, there would have been practically no educational opportunities whatsoever. The children would have had more of the complete freedom to grow up entirely illiterate if they had wished. During 1953-54 we had an enrolment almost four times as great — 1,718, with 56 teachers. There were some local taxes, usually amounting to about enough to take care of the cost of caretaking and fuel, and the rest of the cost was carried by the Government. We are still, of course, getting fine co-operation from the churches in that particular area.

I had to smile a little bit because the member from Meadow Lake (Mr. Dunfield) sent me over, recently, a very pleasant letter. In the letter he has some information about some people in his constituency who wanted a new school. Then a few days later he spoke in this House. He did not differentiate between the programmes of the Government — dictatorial and the methods of squandering money and so on. I suppose I should say to these people who are interested in the new school — “I would like to, but your member says we are a dictatorial group; we squander money and you certainly would not want to be dictated to, or have your money squandered, so I cannot do anything about it.” I won't, of course, say that. But I do want to say something about freedom in regard to those people in that part of the province.

The hon. member from Meadow Lake gave one example of a man to whom he offered \$50 for a calf, but who later on sold it to a merchant for \$25. You see, they had the freedom, Mr. Speaker, to sell for a half-value, simply because they were afraid that some time in the future someone might not do them a favour they might want. I recall one community up there, eight or nine years ago, where there was no hospital or nurse or doctor for miles, and I was told that the year previously 25 per cent of the babies born in that year died, either at childbirth or before they reached the age of one year. They had that freedom, too. They had the freedom to see their babies die without any chance of getting doctor or hospital care. They had the freedom to be exploited; the freedom to grow up not knowing how to read or to write.

Much has already been said about the Jubilee and so I will not need to add much to it. I do want to join with others in thanking the Committee members, provincially and locally, who are doing so much about promoting the Jubilee. I am, may I say, pleased with the contribution which our schools are making. I would like to say a word about the Saskatchewan Teachers' Federation project in which they have commissioned a number of artists to do work depicting the history of the province of suspension. There are hundreds of our schools engaged now in writing the history of their local communities. They are engaged in learning, through the school radio programmes, songs about Saskatchewan and by Saskatchewan people. I hope that many of the members will be able to be present at gatherings of school children on our school Jubilee Day, May 26th, when thousands of children will be singing these Saskatchewan songs.

The history by Jim Wright and the adaptation by Mr. Archer and Mr. Derby, the anthology selected and arranged by Carlyle King, will be major

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additions to Canadian history and literature. There are thousands of people who are going to stop during the year and read the plaques at the historic sites. They will leave feeling something more of the romance and adventure of our development, feeling a bit more personal about this place called Saskatchewan.

The Threshermen's Reunion being arranged by the Board of Directors of the Western Development Museum under the chairmanship of Mr. Phelps, will be a classic event of its type and will attract and thrill thousands of people.

I ask the question — what will all this add up to? Will it add up to just celebrations and more tourists and visitors? I hope it adds up to much more than that. It should add up to a greater appreciation of our very valuable heritage. It should have up to a greater pride in the achievements of those adventurous, courageous parents and pioneers who endured so very much, who frequently received so very little, but in return made possible so very much for all of us. I hope we will take a second look at Saskatchewan and at all the people who have made her what she is. If we do I know we will be thankful; we will be proud, but proud with humility. We will see, I hope, beyond the present horizons and will resolve that the future will be worthy.

If Saskatchewan is to have a worthy future, Mr. Speaker, we must plan for that future. We must plan with imagination and inspiration. May I say, too, that the worthiness of our future is not determined by the number of miles of blacktop highway we build, or the barrels of oil we produce, or the bushels of wheat we have for sale. These are, of course, tremendously important, but they are important only as means to an end, and that end is always the happiness, the welfare and the humaneness of our people. An American author, contemplating the struggle of people for improvement, noted his feelings in these words:

“Hearts starve as well as body;
Give us bread, but give us roses too.”

May we, then, Mr. Speaker, resolve that insofar as it is possible, planning with the utmost care, motivated by the best of human values, inspired by the first 50 years of our achievement, we will use to best advantage our human and our natural resources to make available here in Saskatchewan bread for everybody, and, for everybody, roses.

Mr. Wm. S. Thair (Lumsden): — Mr. Speaker, I wish to associate myself with others who have preceded me in this debate, in offering congratulations to the hon. members for Wadena and Moose Jaw, who so ably moved and seconded the Address in Reply to the Speech from the Throne.

I wish also to congratulate the member for Moosomin (Mr. McDonald) on his elevation to leadership of the Liberal party and as leader of Her Majesty's Opposition in this Assembly.

Mr. Speaker, in our Golden Jubilee year we honour those first settlers of the early 'eighties, who left their comfortable homes in Ontario and elsewhere to seek a more promising future on the western prairies. It is to the vision, courage and the enterprise of these men and women that we owe our existence as citizens of the province of Saskatchewan, with all the privileges and responsibilities that entails. Pioneering, however, does not end with those early settlers; it has gone on and on as more areas were opened up in the northwest. In this connection, Mr. Speaker, I would like to relate to this House how you, sir,

in the early 1900's made some five trips by oxen and wagon from the town of Lumsden, hauling supplies to your homestead in the vicinity of Govan. I can well imagine you, sir, a husky young Englishman, probably as gifted in the use of English in driving oxen as you are in keeping order in this Assembly.

In my home district of Wascana, the plans are under way to celebrate our Golden Jubilee by the erection of a cairn to the memory of some seven men from Cobourg, Ontario, who camped there on the 23rd of May, 1882, having driven by oxcart from Brandon to Regina. This is at the Old Crossing, some 14 miles northwest of Regina, about four miles from my farm home. The following day being the Queen's birthday, they celebrated with a picnic, using what remained of their lunch, and all they had was a fruit cake and a bottle of pickles (a rather strong lunch). For almost 30 years the custom was continued of holding a picnic at this Old Crossing in Wascana on the 24th May. After taking up homestead in the immediate area these men were followed, after the completion of the railway to Regina, by their wives and children. The school district, Wascana No. 29, was formed later, and, this year, Wascana School in my own area is celebrating its 70th anniversary.

I would like to mention some of the other original homesteaders who has something to do with the political life of this province during those early years. Of these original homesteaders, Mr. F.C. Tate, represented the constituency of Lumsden in this Assembly. He had one term as a member of the Provincial Rights party and a second term as a Conservative member in this Legislature.

Another group of these men came from Grey County, Ontario, in 1882, and they homesteaded some 12 miles north of Regina — northwest of what is now the Brora or Tregarva area. These three men were Mr. James Brown, Mr. Adam Traynor (my wife's father), and Mr. George Brown, who became a member of the Government of the Northwest Territories, and later became the Lieutenant-Governor of Saskatchewan. He it is whose portrait confronts the members of the House as they descend the main stairway to the main floor of this Legislative Building.

The Speech from the Throne has indicated the crop failure of 1954 and the resulting economic conditions, particularly of the wheat growers in very large areas of Saskatchewan. The past year of 1954 will go down in history as the year of the greatest damage by leaf and stem rust ever known in this province. In addition to the rust, excessive rain, with flooding during the past two crop years, has drastically reduced income to thousands of Saskatchewan's grain farmers. It is estimated by the Department of Agriculture in Saskatchewan that the gross farm cash income in Saskatchewan in 1954 would be about \$465 million, as compared to \$743 million in 1953. The most recent figures from the statistical branch of the Saskatchewan Department of Agriculture show that the 1954 Saskatchewan wheat crop was about 151 million bushels, as compared to \$375 million in 1953. In fact, the farmer's net income in Saskatchewan, in 1954, was lower than it has been in any year since 1946. Professor Van Vleit of the University of Saskatchewan is quoted as saying:

“With badly rusted wheat crops and other forms of crop damage one can easily guess the present financial condition of 75 per cent of the farmers in Saskatchewan.”

Most substantial and grain farmers are not only faced with heavy crop loss, but also with greatly increased cost of production over which they have little or no control. Actually, only the Federal Government at Ottawa has the authority to control the price of farm products, price of farm machinery, the cost of the fertilizer and chemicals for spraying, and other commodities too numerous to mention which are used on the farm. In recent months the Dominion Bureau of Statistics shows farm prices down some 23 per cent, with farm costs up over 16 per cent. These figures show the farmer to be at least some 40 per cent worse off. The price

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of cattle has dropped considerably in the past two years. This past season poultry and egg prices have dropped to new low levels.

I believe that all members, on both sides of this House, agree that the domestic price of wheat should be set at a level not less than the existing maximum price under the International Wheat Agreement. Dr. Holt, economist for the Canadian Federation of Agriculture, has established the fact that such action would not increase the price of bread by more than one-half a cent per loaf. This is a small price indeed to pay on the 50 to 55 million bushels of wheat used for domestic consumption in Canada. In fact, the farmers' share of the value of wheat used in a loaf of bread (20-ounce loaf of bread) has been found to be from 2 1/2 to 3 cents. This may look like a subsidy to the wheat growers which is paid by the public, although it could be paid, if they wished, by the Federal Government from the Agricultural Prices Support fund. I would remind this House that the Federal Government has been paying a subsidy of over \$16 million to gold mines for years.

Mr. Speaker, western farmers continue to urge the Federal Government of Canada to abolish, first, the use of the speculative market in coarse grains; second, to place rye and flax under the jurisdiction of the Wheat Board; third, that every farmer should have the right to deliver his grain to the elevator of his choice, which means a proper allocation of boxcars; and forth, that greater use being made of the Agricultural Prices Support for farm products.

Just a statement about P.F.A.A. payments. The case for increased P.F.A.A. payments has been presented in the House of Commons by the C.C.F., and also by Mr. Tucker, the member for Rosthern on behalf of the Liberal party, I presume. The inter-provincial Farm Union Council also presented a brief urging that the payments be doubled for the 1954 crop. Using the index numbers for services and commodities required in 1939, this figure was some 99.4; at the present time this index figure now stands at 225, which means that a maximum payment, today, in terms of purchasing power should be \$5.62; but the P.F.A.A. payment still remains at \$2.50 per acre. It is to be hoped that the Federal Government will see fit to double payments for the 1954 crop year. Mr. Speaker, the western farmers continue to urge the Government of . . .

Mr. Danielson: — Saskatchewan.

Mr. Thair: — . . . Canada to take some action immediately. Mr. Speaker, we on this side of the House are accused by the Opposition of always asking Ottawa for something, but it is the fact that the solution of many of our farm problems in Saskatchewan rest in the hands of the Government at Ottawa. As I mentioned before, a factor of our costs is the high price of farm machinery. Since price controls were removed in 1946, the profits of the machine companies have increased fantastically. The Dominion Bureau of Statistics indicates an enormous increase in the gross products profits of machine companies. For example, although the labour costs, from 1945 to 1953, increased some 70 per cent, the cost of machinery rose 199 per cent, while the gross operating profits of the machine companies increased 338 per cent, in spite of investigations of farm machinery prices by the Federal and Saskatchewan Governments. One machine company shows that over a period of eight years they have made a return on their investment equal to 170 per cent of the share capital. It is generally understood that a 10 to 15 per cent return is a fair investment.

The price of rubber tires was recently increased by the Firestone Company by 8 to 10 per cent and all other companies, I believe, are going to follow suit. The Canadian Rubber Company, according to the Farmers' Union Council, or boosting their prices much higher.

The western wheat farmers are also in the hands of the huge monopoly when they purchase the fertilizer to increase the crop yields. As a user of ammonium phosphate 11-48 for more than 20 years, I have paid

in the neighbourhood of from \$40 to \$61 per ton for years, until price controls were removed. We find the price, today, is nearly \$120 per ton. Investigating the high price of fertilizer in Saskatchewan we find that the Consolidated Mining & Smelting Company controls the market in western Canada of fertilizer, particularly the ammonium phosphate 11-48, which is manufactured in Trail, B.C.

The steady and sustained rise in the price of fertilizer has been a growing cause of concern among the farmers of Saskatchewan. As a matter of fact, Mr. Speaker, the Consolidated Mining & Smelting Company is the only remaining producer of ammonium phosphate in Canada and in the United States, and in it, therefore, has a real control, or monopoly, of the fertilizer business. There is plenty of evidence and information, at the present time, to prove that, in Canada, that monopoly has reached new high levels. As I stated before, the Consolidated Mining & Smelting Company exercises almost complete control over all fertilizers sold in western Canada. But Canada has other monopolies. Canada Cement Company controls the cement industry and sets the price in Canada. Algoma Steel Rails controls rails and steel of all types; Canadian Industries controls the chemicals — mergamma C, 2-4D, and all the rest of the chemicals used by farmers, as well as ammunition and explosives. Two companies in Canada control 90 per cent of the tobacco products; International Nickel controls nickel; the Aluminum Company controls aluminum in Canada.

Perhaps what is of more importance to western farmers is the control exerted by Canada Packers over meat products. This is just a great example of a great monopoly preying on western agriculture. The background is that, in the past 10 years, Canada Packers has made an average profit, over the years, of 27.5 per cent on capital investment. In addition to this it has also accumulated reserves which have been used to increase capital investment, which includes the capital stock and earned surplus. The original capital investment by stockholders of Canada Packers in the first place was \$1,438,000; in 1954, the capital investment was over some \$30 million, and not one extra dollar had been put in by the stockholders. At the present rate, 27.5 per cent on the capital investment, one can get some faint idea of the tremendous profits of these corporations. In too many cases these huge monopolies are a law unto themselves, as we say, and the public be damned.

In the United States there are great monopolies now exercising alarming control. One can scarcely realize the terrific power in the growth of monopolies. I refer to this because of the statements made by some leading economists down there as to how we may overcome, to a certain extent, the control of monopolies, even with faint assistance by the government. Mr. Quinn, former vice-president of General Electric Company, in a statement before the United States joint Congressional Economic Committee, said that one per cent of the United States corporations employ half the nation's workers and control over 50 per cent of the United States corporate wealth. He said further that United States steel is an example and is a merger of 149 smaller corporations. The Americans down there are worried about the growth of huge monopolies in that country, particularly the farmers.

The greatly increased growth of co-operation as a way of doing business is the best guarantee that people will not lose more freedom to big monopolies or giant corporations.

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At a conference, last summer, in Fort Collins, Colorado, I had the pleasure of attending as a visitor, where Dr. Clyde Mitchell, chairman of agriculture economics, University of Nebraska, said:

“Increased growth of co-operatives will be proof that our society is learning to solve very perplexing economic problems that threaten our survival as a free people.”

I believe, Mr. Speaker, that a great deal can be accomplished by the co-operatives in Canada to control prices of many commodities used in agricultural production. Monsignor M.M. Cody of St. Francis Xavier University recently said of the co-operative movement, and I quote:

“Group action through co-operatives is the only way people can build a good society for themselves. It is in keeping with the dignity of human personalities that men be given a chance to help themselves.”

Mr. Speaker, I would like to turn to co-operatives in this country. Saskatchewan Federated Co-operatives Limited total sales volume, during the past year, amounted to \$31 1/2 million, an increase of \$2 3/4 million over the past year. A capital expenditure of \$9 million was made in the past 18 months in which \$7 1/2 million was spent on the great co-operative refinery in Regina. Federated Co-operatives have 10 producing wells in Saskatchewan and seven in the Leduc field in Alberta. The Co-operative Refinery in Regina is now the second largest distributor of refined petroleum products in the province. On December 31, 1954, there were some 1,200 co-operatives in the province, with a membership of around 600,000 (some of them, of course, might be junior memberships) with an aggregate total business of \$34 million.

The Sherwood Co-op, still holds the distinction of having the largest retail business for a co-operative in Canada. It had a sales volume, 1954, of over \$4 million, and on June 23, 1954, the Sherwood Co-operative paid a patronage dividend of nearly \$307,000, also interest on the money invested in their co-operative.

In 1954, the co-operative organizations in this province, wholesale and retail, including the Wheat Pool and all other co-operative organizations, had a net turnover of sales of \$433 million. I understand that the inter-provincial Co-operative Limited, of which the Federated Co-operative is a member, are negotiating for distributional rights with a New York firm who might erect a fertilizer plant in western Canada. It is hoped that they do, and we may be able to cut the price; but it will take a lot of capital. Only the Federal Government, I maintain, in the final analysis, has the power to control these great monopolies, and I am sure most of the farmers in western Canada think it is high time that something was done about it.

The growth of the co-operative movement in Saskatchewan during the past eight or ten years has been actually phenomenal; indeed, considering the population, Saskatchewan leads all the provinces in Canada in co-operative enterprises of all types. And this Government, I am glad to say, Mr. Speaker, has given every assistance to encourage the co-operative movement in this province. In 1954, the C.C.F. Government bought or

purchased over \$1,000,000 worth of commodities from the Co-ops in the province. I believe that, previous to this, the former governments purchased very little from the co-operatives. Of course they were small in that day, but I do believe that on one occasion a couple of small purchases were made — one from a small organization, another one from the Western Producer, totalling altogether about \$60.

Mr. Speaker, there are great fruit surpluses on the North American continent. There is a lot of surplus of grain in North America. I believe an adequate supply of food for all countries would be an important factor in the establishment of world peace. Only recently has the production of food overtaken the increase in population in many countries, and still half the world is hungry because of inefficient distribution.

Recently Charles Woodsworth, editor of the 'Ottawa Citizen', said:

“The Canadian Government struck a very weak blow for humanity and democracy when it announced that Canada’s contribution to the Colombo Plan will be increased by only \$1,000,000 this year.”

This seems, Mr. Speaker, to be a feeble effort compared to the \$2 billion spent for military defence. Dr. Kirk, of F.A.O., formerly of the University of Saskatchewan, said recently that nearly half the world’s population that is concentrated in Asia and the Far East, still lives from day to day on a diet which is quite inadequate; and Mr. Norris Dodd, retiring Director General of F.A.O. said recently:

“The distribution of food between developed and underdeveloped regions remained almost unchanged, unbalanced and unsatisfactory.”

There is a great need for food in large areas of Asia and Africa. The annual survey of the World Food Organization, in 1954, issued by the United Nations Food and Agricultural organization reported as follows, from Rome, September 2, 1954:

“The world’s farmers are getting paid progressively less for producing steadily more food, yet the cost of food to consumers has not gone down.”

This is true of western Canada in normal crop years. And further, the F.A.O. organization at Rome recently reported that during the years 1952 to 1954 farm prices fell by 17 per cent in the United States and by about 25 per cent in Canada.

Mr. Speaker, nearly \$17 million was spent in oil development in 1954 in Saskatchewan, and in the past four years nearly \$170 million was spent in the search for oil and gas and development in the province. In the thirty years previous to 1944 only 224 oil wells were drilled in Saskatchewan, mostly dry holes. The total oil production for those thirty years was around 400 barrels. At the present time, the production of oil has risen from 60 barrels per day, in 1945, to 14,800 barrels per day, in 1954. We are given to understand that oil production in Saskatchewan may reach

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astounding figures in the next five years. The Minister of Natural Resources recently reported by the end of this present year (1955) the production of oil would be about 30,000 barrels per day and that he believed that, by 1960, Saskatchewan would probably be producing 140,000 barrels of oil per day.

The actual value of Saskatchewan's output of uranium, in 1954, was about \$8 1/2 million. It is predicted that, by the end of 1957, the mineral production, including uranium, will be worth probably more than one-third of the ten-year average value of wheat, and, according to the Minister of Natural Resources, by 1960 the value of mineral produced in Saskatchewan will be more than one-half of the average value of wheat in a ten-year period. It is truly amazing, Sir, the prospects for the future in the field of gas, oil and uranium development in this province of Saskatchewan, and quite correct to say that a diversified economy is indeed being built up in this province at the present time.

Some idea of highway construction in Saskatchewan may be gathered from the statement of money spent on highways in the past years. The total spent on highways, in 1943, was something over \$2 million, while, in 1954, this Government spent something like \$18 million. In 1943, the Liberal government spent \$760,000 on construction; in 1954, \$12 million was spent. In 1943, the Liberal government spent 890,000 on maintenance; in 1954, this Government spent over \$4 million on maintenance. Assistance granted to roads other than main highways, since 1944 up to the end of 1954, was over \$12 million, in a ten-year period. The increase to rural municipalities on bridges, during that time, was over 463 per cent. In addition to that, this Government has returned to the rural municipalities the Public Revenue Tax which is approximately \$2 million per year. Saskatchewan has some 38 per cent of the entire road miles of Canada and only 7 per cent of the population.

Western members of the House of Commons, particularly the C.C.F. members, and also Mr. Elmer Philpott, Liberal M.P., have been urging the Federal Government to make grants to western provinces for road construction. I might say that in the states to the south (North Dakota, Montana and other states) many billions of dollars are granted each year by the Federal Government at Washington for the construction of roads. Indeed, these northern states have been receiving aid from the Federal Government at Washington since 1916. I believe it would be only a fair deal for the provinces if the Trans-Canada Highway was entirely built by the Federal Government at Ottawa; but perhaps that would be asking too much. I was going to say that the constituency of Lumsden, which extends from Boharm on the west to Davin and Maclean in the east, surrounding the cities of Regina and Moose Jaw, has more than its share of power and highways.

Mr. McCarthy (Cannington): — You've got some of mine.

Mr. Thair: — Lumsden constituency really has more electric power and blacktop highways than any other constituency in the province. I hear that often, even in caucus, and sometimes I am almost persuaded that there is something wrong about it. How much of this is due to the strategic location of my constituency, surrounding two large cities, or how much to the pestering of the Department and the Minister concerned, I will leave to the judgment of the Cabinet Minister.

Great progress is being made in the extension of power, (I have had power for 27 years) and I well recall that finally they did extend power to a few farmers, and then they decided they would not grant it to any more farmers, because it did not pay them, and for years there was no extension. Remarkable progress is being made an extension of power in the rural areas, as well as to villages and towns, in the past years. In 1952, this Government pledged themselves to electrify some 40,000 farms, as well as towns and villages, by 1956. At the present rate of extending power this objective, I believe, will be reached. In July, 1944, only 131 farms had electricity, and from 1939 to 1945, a period of five years, only some 30 farms were added to that system of electrification, an average of six a year. At the end of 1954, it is believed that some 26,500 farm homes have been electrified, and that they will easily reach the objective of 40,000 farm homes by 1956.

When one stops to think of the installation of power in the last few years in Saskatchewan, we sometimes forget that the step up in this province of power to these high levels has meant terrific purchasing of electrical equipment and electrical appliances from all the stores and towns and villages and cities throughout the province. It is estimated that, in the last six years, approximately \$25 million of electrical equipment has been purchased from dealers in Saskatchewan. With 7,500 farms to be electrified in 1955, it could mean that the market for electrical equipment and appliances would reach almost \$5 million this year.

Progress of installation of telephones in the past eight years has also been remarkable. In 1944, the Corporation had capital assets of \$16 1/2 million; at the end of this year it will have capital assets of \$15 million, and the number of telephones in use will have increased from 46,000 to over 120,000.

The Saskatchewan Automobile Insurance has made an important reduction in premium rates to be charged on all passenger cars in 1955. Actually about 90 per cent of the car owners, according to the newspapers, will pay lower premiums, this year, ranging from 16 2/3 to 60 per cent reduction from the 1954 rates. Substantial reductions will also be granted on practically all farm trucks, with many older models being reduced from 33 to 43 per cent. The Automobile Accident Government Insurance collection costs were less than 3 cents for every dollar collected in 1954, while the private insurance costs and adjustments ranged from 20 to 30 cents out of every dollar.

The lower rates for automobile insurance, I must say, are the envy of all other provinces of Canada. Saskatchewan owners of automobiles and trucks have saved many hundreds of thousands of dollars on insurance premiums because of the low rates charged by Government Insurance; and not only that, but in other provinces in Canada, because of the lack of Government competition or Government Auto Accident Insurance, costs of automobile insurance run from 40 to 100 per cent higher than in the province of Saskatchewan.

I would like to list, briefly, some of the highlights of the Health Services granted to Saskatchewan people by the present Government. In 1945, this Government established virtually complete medical health services for the needy, such as the aged, widows, pensioners, all persons on

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mothers' allowance and others requiring medical assistance. I believe that 35,000 persons in this province are eligible for complete medical care and hospitalization, if they require, without charge. This Saskatchewan Government provided construction grants for hospitals as early as 1946. Since 1946, the original contributions for hospital construction have exceeded \$2,000,000. This does not include the University Hospital at Saskatoon, nor the training school for mental deficient near Moose Jaw. At the present time, Mr. Speaker, the province of Saskatchewan has more high-quality hospital beds in relation to its population than any other province in Canada.

Since 1945, also, pre-diagnosis and treatment of cancer has been in effect, since this Government assumed office. The cancer service is recognized for its highly trained staff, modern equipment and facilities. In 1947, the present Government of Saskatchewan put into effect the first pre-paid comprehensive hospital care insurance programmes on this continent. The service has certainly put an end to the financial worry and debt arising from unexpected hospitalization. Up to the present time over 1 1/4 million people have received hospitalization under this scheme.

Just about nine years ago this month the first patient to use the services of the Saskatchewan Government Air Ambulance was carried from Liberty to Regina hospital, a distance of 60 miles. The highways at that time were blocked with snow by the worst blizzard of the season. It was a much-needed mercy flight. Since that time Air Ambulance has carried to hospitals in Saskatchewan many, many thousands of patients, and has flown over 1 1/4 million miles since its inception, and not one patient has been injured.

I should like, at this time, to call to the attention of this House the pressure being brought to bear on Federal Governments, and I believe, on provincial governments, for the legalization of lotteries. Gambling, Mr. Speaker, was a major demoralizing influence in the times of which Charles Dickens wrote; and it is no different today. The Christian Social Council of Canada a department of the Canadian Council of Churches, said recently, in a brief to the Commons-Senate Committee on capital punishment and lotteries:

“State lotteries are the official sanction to one of the shadiest of all rackets. The legalization of gambling has not been, is not, and never will be a substitute for honest, efficient law enforcement.”

The Canadian Hospital Council, in opposing the principle of raising funds by lotteries, said recently that little money is collected in lotteries, that little money collected in lotteries would find its way into the hospital coffers. This finding is based on the fact that only about 12 1/2 per cent of the money collected on the Irish Sweepstakes actually goes to the hospital. The former Premier of France said that France's five years experience in lotteries, before World War II proved:

“It is bad for the people's morale to let them live in expectation of getting rich by luck instead of by hard work.”

For this same reason, Sir, Cardinal Leger, of Montreal, and Cardinal Roy, of Quebec, have asked all priests under their jurisdiction to forbid bingo in their churches and their schools. An editorial in the United Church Observer states:

“The history of state lotteries is the story of graft, corruption and social demoralization.”

The truth of this statement is easily borne out by an article in the current issue of the Reader’s Digest, under the title ‘Bingo is getting too bit’. A gang leader of the ‘thirties is quoted as saying:

“The best racket is to muscle in on something illegal but respectable when it gets to be big business.”

I believe, Mr. Speaker, that bingo is ‘big business’ in Canada today; yes, even in the province of Saskatchewan. Among others who, in recent times, have opposed the legalization of lotteries are a British Royal Commission, Chicago Crime Commission, the American Bar Association, and the Women’s Missionary Society of the United Church of Canada. If we are to be worthy trustees of the heritage handed to us by our pioneers, whom I have spoken of in the first part of my address, we must guard against the insidious encroachment of this vice in our midst.

I would like to bring to the attention of this Assembly the fact that the Saskatchewan Department of Public Health was the first provincial Health Department in Canada to institute a home and farm safety programme. It was decided by the Department of the Health, Education Branch, under Mr. Christian Smith, to set up a branch of the home and farm safety programme not too far from Regina, so the Lumsden rural municipality and the town of Lumsden were chosen to test and demonstrate such projects. It might also, later, include the villages of Craven and Disley and Regina Beach. The home and safety programme project which is being tried out in Lumsden is the only one of its kind in the whole of Canada.

As the lady member (Mrs. Cooper) of this House said, in speaking to the Regina Council of Women as reported in the ‘Leader-Post’ of January 26th:

“Pioneering does not belong to any one age or generation or any one experience. We need pioneers in our age just as much, if not more, than we did 50 years ago.”

Mr. Speaker, the frontiers of today are not so much geographic; they are frontiers of thought and of spirit. While scientists and technologists are exploring vast new fields to revolutionize our living, we sorely need pioneers of thinking and of applying the truths we already know. Someone has said that the price of freedom is eternal vigilance. The freedom to think and to speak and act as our conscience dictates is surely a frontier in every age. I would like to quote from a book written by Dr. Albert Schweitzer, of world renown, entitled ‘Out of my Life and Thought’. I will just quote a short extract from this book, and that is his own statement:

“I stand and work in the world as one who aims at making men less shallow and morally better by making them think.”

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For generations men have been familiar with the saying "All men are brothers." Only a few days ago we observed Brotherhood Week. Yet only now is the white man facing up to this fact. Only now have we begun to realize that the brotherhood of man must be regarded not as an empty phrase, but as an actual condition, if man is to survive. After a lifetime spent in Africa, Dr. Schweitzer also said:

"If a record could be compiled of all that has happened between the white and the coloured races, it would contain many pages which the reader would have to turn over unread, because the contents would be too horrible."

He further said:

"Anything we give them is not benevolence, but atonement, and when we have done all that is in our power we shall not have atoned for the thousandth part of our guilt."

When our forefathers established their homes in this new land, Mr. Speaker, one of the first things they did was to arrange for schools and churches in their midst. I feel, Sir, that were these former pioneers able to have observed the state of the world today, they would agree with Dr. Schweitzer that the only way out of the decay of civilization is for the heart of man to respond to the goodwill of God toward men.

I shall support the motion.

The question being put, it was agreed to on recorded division — Yeas 37; Nays 8.

The Assembly adjourned at 6.00 o'clock p.m.