

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Twelfth Legislature
17th Day

Friday, March 4, 1955

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

PRESS REPORT ON BUDGET

Mr. A.C. Cameron (Maple Creek): — Mr. Speaker, on the question of privilege, before the Orders of the Day are called, I wish to bring to the attention of the House a mistake in the Leader-Post issue of March 3rd, as follows:

“The 1955 budget debate nearly broke all records for being the shortest in the history of any government. It very nearly ended scant seconds after Provincial Treasurer C.M. Fines had finished his budget address.

“Mr. Fines finished his speech with the traditional: ‘Mr. Speaker, I move you do now leave the chair.’ . . .

“Alex Cameron (Liberal member for Maple Creek) evidently missed the significance of the occasion, because he didn't say the required words.

“‘I now leave the chair’, said Speaker Tom Johnston, rising and preparing to suit action to word. . . .

“Then Mr. Cameron realized he had missed his cue and pronounced the proper words to adjourn the debate until Friday.”

I would like to state that the reason I did not arise to adjourn the debate was because parliamentary procedure states that no motion is regularly before the House until it is being read by the Speaker. Instead of reading the motion moved by the Provincial Treasurer, Mr. Speaker proceeded to leave the chair. I was merely waiting until Mr. Speaker had read the motion in the customary manner, and I am sure the representatives of the press will be glad to have, and to give publicity to, this explanation.

Mr. A.L.S. Brown (Bengough): — Mr. Speaker, I will not comment on the article in the Leader-Post seeing as the hon. member has already referred to it, but I did notice in this morning's Leader-Post a headline “Opposition M.L.A. Charges Ottawa Violating Act Terms.” On reading the article I notice that it refers to me. I do not want to be too critical of the Leader-Post. Possibly my paternal background might indicate that I am automatically against everything; but I would suggest to the Leader-Post that they indicate to whom I am opposed and, if they cannot do that, then I suggest that they might run an ad. in their paper “Leader looking for a party.”

Mr. Loptson (Saltcoats): — Mr. Speaker, since everyone is getting into the act, I would like to suggest that the C.C.F. has another bolter in their midst. I suggest the hon. member have a special seat up at the side until he declares his allegiance.

March 4, 1955

BUDGET DEBATE

The House resumed, from Wednesday, March 2, 1955, the adjourned debate on the proposed motion of the Hon. Mr. Fines (Provincial Treasurer): That Mr. Speaker do not leave the Chair. (The Assembly to go into a Committee of Supply).

Mr. A.C. Cameron (Maple Creek): — Mr. Speaker, I have listened to the Provincial Treasurer deliver seven of his eleven budget speeches here in the House, and this is the third occasion on which I have acted as financial critic for the Opposition, and I do not think in those seven years that I have found so much in the budget that I can agree with the Provincial Treasurer on as in this particular budget here. In fact, I would agree with him on the first twelve pages of the budget. Twelve pages out of 28 is getting fairly close together on agreement. The first twelve pages, of course, are devoted to a review of the early history of the province, and that is as it should be, of course, in the budget in this Golden Jubilee year.

I want to read some of the sentences from the budget pertaining to the review, that I found particularly interesting and enlightening:

“The last decade of our half-century seems to me to bear more than a passing resemblance to the first decade, which, as I noted, has been described as ‘Saskatchewan’s Heroic Age’.”

Then he goes on to say:

“As they built, we have attempted to build.”

Then he goes on to read some of the history that was made under the Liberal government of Walter Scott:

“The province had no legislative buildings . . . no mental hospitals; no teacher’s colleges; no university. It had no publicly-owned telephones or established highway system. It had to provide for a re-organization of the municipal structure and for creation of elementary and secondary school systems . . .

“The contract had been let for this Legislative Building. Later in 1909, the House was informed of the successful negotiations for acquisition of the Bell Telephone Company and the Saskatchewan Telephone Company . . . by 1914 over \$5 million had been invested in the provincial telephone utility . . .

“. . . in the first ten years, a new school was constructed every day of every year. In 1907 a school grants system was introduced . . .

“. . . in 1925 . . . major expansion of government services as mothers’ allowances and old-age pensions. This was accompanied by a sharp jump in capital spending including investment in new public buildings, the highway system, telephone expansion, the new Farm Loan Board . . . and publicly-owned Power Commission.”

I think that the greatest compliment that could be paid to achievements of past Liberal governments was this stated in the official document brought down by the Provincial Treasurer on Wednesday. This should make it quite difficult for some of the members that I could mention on that side, to have anything to talk about in the future, because when he says, "As they built, we have attempted to build", and "our decade is similar to the first of the province", I think that is a wonderful complimentary tribute to the early governments of this province, and I think it put the facts straight where the facts should be.

Hon. Mr. Fines: — What's wrong with it?

Premier Douglas: — Ten years out of 35; it isn't very good.

Mr. Cameron: — The budget deals, as you go through it, with the manufacturing and industrial development, mineral production of the province, employment, retail sales, education, social welfare. I hope, this afternoon, to cover most of those topics, but I do wish to say at the outset that, while we are pleased to see the increase in supplementary allowances, we haven't had sufficient information within the budget to discuss it to any extent, and I think the Minister, at some future time in this debate, will be giving a full explanation of it. So I would leave that topic of discussion, this afternoon.

You cannot carry on these governmental services without expenditures. The Provincial Treasurer mentions expenditures of approximately \$80 million that he shows in the budget expenditures. I think it is well to recall that there are other expenditures, which, as a rule, are not revealed, and I want to list a few of them to show what the total expenditure of the province comes to:

Net Revenue	\$78,120,000
Reimbursement revenue	9,000,000
Net Capital	21,000,000
Reimbursement capital	2,750,000
Increases in advances to Power Corporation	14,000,000
Increases in advances to Telephones	9,000,000
Dominion Health Grants	1,462,000
Hospitalization (which they collect and spend)	8,800,000

When we take these revenues which come into the provincial treasury and which, in turn, are spent, it comes to a \$160 million budget that the Provincial Treasurer has brought down, this year. These expenditures naturally entail quite large borrowings, and we have in each budget more or less of a review of the financial situation of the province, when he deals with the picture of debt. I have heard the Provincial Treasurer each year remark how he has been successful in reducing the debt. This year he says it has been reduced by another \$7 million.

Going back to his budget of 1950, when he still used the time-honoured simple method of revealing the debt which had been used almost without exception down through the generations; in the 1950 budget he says his net debt was approximately \$148 million. In his 1955 budget, his net debt, which he calls direct and indirect, is \$179,820,000, or the increase in the direct and indirect debt, since 1950, has been \$31,900,000.

March 4, 1955

Then, in 1951, he began to apply new names to the debt. For a while we had “partial self-liquidating debt” and “self-liquidating debt”; then the partial self-liquidating debt was dropped and it was all called “self-liquidating” debt. In those days we subtracted from the direct and indirect the sinking fund, and you got what he termed the “deadweight” debts. We had lots of debts then. We had direct and indirect debts, deadweight debts, partial self-liquidating debts, self-liquidating debts; in fact, we were really loaded down with debts in those days. Now he has changed all those fancy names and he has brought it back to one debt — net debt.

When he speaks about the revenue-producing enterprises, he subtracts that from his direct and indirect debt in order to arrive at what he used to call deadweight debt, which he now calls the net debt of the province. The amount invested at those figures he might from time to time reveal and take out those that experience losses, because if you are going to have revenue-producing enterprises, you must have some place to accommodate the losing enterprises as well. When he said he had reduced the great debt by \$17 million I was interested in a clipping, sometime ago in the paper and it says:

“July 23, 1954.

“The per capita debt shows an increase in six provinces. Canadians owed an average of \$228.57 each in provincial government debts, the Bureau of Statistics reported recently. Despite reductions in per capita net direct and indirect debt by four provinces, the average for all provinces was up \$10.24. British Columbia reduced her per capita debt by \$19.63; Quebec dipped one cent; Alberta’s reduced by \$8.34 to \$105 per capita; Prince Edward Island reduced hers by \$3.90 per capita; Ontario’s per capita debt rose sharply to \$319 per capita, an increase of \$30 per capita; the debt of Newfoundland rose by \$27.75 per capita; Manitoba by \$15.71 to \$191.91; Saskatchewan increased by \$7.25 per capita to a debt of \$202.72 per capita, for each man, woman and child in the Province of Saskatchewan.”

His 1950 budget gave the per capita debt in the Province of Saskatchewan as \$172 per capita. The Bureau of Statistics in its report gives it as \$202.72 per capita.

Mr. McDonald: — They should get together.

Mr. Cameron: — Up \$30 per capita since 1950 in the debt, according to the Dominion Bureau of Statistics — not my authority at all, of course; a tremendous greater authority than I could ever hope to have, which deals purely in statistics.

Then, when we look at the province during these last years, and particularly because of the setback that we have had in the agricultural economy this past year, it is certainly natural for us to begin to look around to see how our secondary industries have been proceeding, to see whether or not they are yet in a position to take some of the burden of carrying the government and its undertakings off the rural taxpayer and the property owners. In the last ten years the prairie market has been a tremendous market. It has been a tremendous market in the three western provinces for cars, for electrical supplies, for building supplies, for a host of electrical appliances, and western Canada today is a fast-growing regional market. The market has reached the size where large

scale industrial operations that formerly were uneconomical are now proved to be able to be worked economically in the western provinces. Competitive markets in these provinces would demand that firms must pick the site of their plant locality very carefully. Any firm looking for a site to locate must consider very important factors which have a direct bearing on whether or not that manufacturing firm would be successful in its undertakings.

In a competitive market an industry can only remain in business by controlling its cost of production, and the locale in which the industry is situated would take into account, first, all the factors that enter into its cost of production. Then it will consider some of the uncertain factors, which won't lend themselves at that time to be analyzed and classified and to be sure of. Now, there are factors quite common to each of the three western provinces, Manitoba, Saskatchewan and Alberta. They certainly have practically the same freight rates; the industries would be near to the prairie people; the preferences of buying of the people in the three provinces would be very similar, because, of course, they are prairie people. Some of the uncertain factors, of course, would be taxes imposed by provincial governments. That is something over which they would have no control — the amount of school and municipal taxes and the rate of sales tax if there is any imposed in the province in which the plant hopes to settle. They would have to know something about the labour legislation, the possibilities of strikes or prolonged negotiations. They would have to be sure of something of the royalty that the government would be intending to charge on raw products, something of the attitude of co-operation taken both by the provincial government and by the municipal governments as well. If one province advances its tax rate out of line with the other two neighbouring provinces, then it is natural that industry may side-step that province with its high tax rate and settle into either one of the other two prairie provinces, since they are attempting to manufacture for the prairie market.

We people here, in considering manufacturing, I think must keep that point in mind; our taxes here in relation to taxes in Manitoba and Alberta. I understand that, at the present, we have, for instance, a higher gasoline tax than Manitoba has; we have a sales tax of three per cent which neither Manitoba nor Alberta has. A firm would have to consider that. For instance, if they were building a \$30 million firm or equipment, they would have to pay three per cent education tax on \$30-million-odd of their investment, or \$450,000 added to the cost. These are factors which these manufacturing firms must consider in choosing the locale in which they will settle.

Knowing that, then, I would like to compare the manufacturing development in Manitoba and Alberta with that in our own province of Saskatchewan. I do not do this because Manitoba is a Liberal government or because Alberta has a Social Credit government, but because they are prairie provinces and these manufacturing firms would be attempting to supply the market in that particular prairie area. I want to trace something of the manufacturing in Manitoba. In 1953, manufactured production in Manitoba totalled \$610 million; 1,700 manufacturing plants were in production; 50,000 workers were employed; the 1953 payroll in Manitoba was \$115 million; over 346 new manufacturing industries began operation since 1946, or an average of 15 new industries per year. Her capital expansion in 1953 totalled \$23.7 million. Some of the industries that settled in Manitoba are: clothing, furniture, bedding, machinery; they have a new \$10 million cement plant under construction; they have three pulp mills with \$25 million of production annually. As recent as February 18 a report appeared in the press that an American firm would build two fertilizer plants on the prairies at a total cost of \$40 million — one was to be placed in Manitoba; the other was to be placed in Alberta.

March 4, 1955

I think we should ask ourselves why do these firms by-pass Saskatchewan? Why are we left standing in the cold while these major industries are going either to Manitoba on the east or to Alberta on the west? Sometimes we are prone to think of Alberta as the oil province. I want to show some of the manufacturing firms that have settled in the province of Alberta during the last five years or so. In 1953 manufacturing production in the province of Alberta was \$537 million. I said it was \$610 million in Manitoba; it was \$265 million in the province of Saskatchewan. I want to list just some of the plants that have settled in Alberta. There is a Canadian chemical plant at Edmonton invested \$70 million in the first plant — the first plant in western Canada, or North America, to produce synthetic fibre yarn. In doing so they utilize pulpwood from British Columbia. Canadian Industries established a \$15 million plastic plant to produce plastic. The ultimate capacity of this plant is 25 million pounds of plastic resin per year. Then there is a metallurgical plant at Fort Saskatchewan, with an investment of \$24 million. It receives its ore concentrates from Manitoba. It uses a leaching process to recover the copper and the cobalt from the ore. And there is Western Chemicals east of Edmonton, \$3 1/2 million — a sulphur production plant using natural gas, producing 80 tons per day. The sulphur goes to the pulp mills in B.C. and to northern Saskatchewan to leach uranium ore. Plants specializing in batteries and automobile equipment, linseed oil plants, brick plants and so forth. She has a \$2 1/2 million steel mill, turning out pipe. Just across the border, when I cross into Alberta, at Medicine Hat they have a cement plant, brick and tile plant, pottery, glass factory, clay products.

These industries did not settle in our two sister provinces by chance. They were induced, Mr. Speaker, into Manitoba and they were induced to settle in the province of Alberta. These two provinces were more successful than we in encouraging manufacturing plants to settle in their particular provinces, because they set upon a course and they followed it through. They did not have to grope through a maze of conflicting philosophy that fogs up the mind. They did not have to decide what businesses the government should operate, which one should be left to private enterprise, which one should be left to co-operative development. They knew where they were going and they set out to get there. They encouraged a spirit of co-operation between industries and municipalities, and between the industries and the government.

Manitoba made industrial sites available at reasonable prices. Municipalities were encouraged to make land adequately serviced available to these industries. Manitoba pursued a policy of long-term resource development in order to get the resources of the north developed. Another major factor in Manitoba with these firms settling there is that Manitoba has the lowest per capita taxes in Canada. Good labour legislation gave her the record of fewer strikes in 1953 than any province in Canada except Prince Edward Island. All these provinces' manufacturing industries are turning out goods to supply the prairie market, the market right here. Manufacturing production in 1954 — goods produced by these plants in Alberta — totalled \$537 million; in Manitoba \$610 million; and our plants \$265 million. Manufacturing production in Manitoba was twice as much and Alberta's 2 1/2 times as much as Saskatchewan's.

We are definitely lagging behind in the establishment of industries in the province of Saskatchewan, when we compare them with each of the sister provinces in the west. In an effort to create the impression that Saskatchewan has an outstanding record in regard to investment in manufacturing, government spokesmen have resorted to quoting figures which would tend to create an impression that the facts do not warrant. I am afraid that both the Premier and the Provincial Treasurer have been the worst offenders in regard to this.

They would quote private and public investment in the province of Saskatchewan, and they proceed to quote figures as \$474 millions in private and public investment in the province of Saskatchewan. Many people, of course, do not distinguish between private and public investment, so they think this is investment in industries in the province of Saskatchewan.

I am going to reveal to you some of the things which are included in this \$474 million which are not revealed when the story is being told. It includes money spent by our farmers for such things as tractors, combines, trucks, barns, chicken coops, granaries. It includes all houses that were built in Saskatchewan, all cars that were purchased, all schools that were built, all churches, all community halls, all stores, all theatres, all skating rinks; all of everything that has been constructed or bought or purchased in the province of Saskatchewan is included in that \$474 million of private and public investment.

Mr. Danielson: — Government buildings, too.

Mr. Cameron: — These reports are given without the proper explanation with one purpose in mind — to cause the unsuspecting to believe that this amount was invested in developing the manufacturing activity in Saskatchewan, when in fact it was the purchases of every farmer and every resident in our towns and every plant that is built in the province of Saskatchewan, no matter for what purpose. It is natural that we should have a \$474 million investment. When you look at the farm income over the years you would expect that investment or purchases by individuals.

The budget reveals that the investment in manufacturing in Saskatchewan, in 1954, was \$23 million. The budget is correct. It is not \$474 million; it is \$23 million. In the same year, the investment in 1954 in new plants in Manitoba was \$39 million; in Alberta, \$66 million. Thus, taking only the three prairie provinces where the manufacturing firms have been established to cater to the prairie markets — similar markets, similar people — we find \$23 million was invested in Saskatchewan, \$39 million in Manitoba and \$66 million in Alberta, last year, with a Liberal government on one side, a Social Credit government on the other and the Socialist government in the middle.

If we look at the figures on a per capita basis, Manitoba has invested in manufacturing \$227 per capita; Alberta, \$349 per capita; and Saskatchewan, \$124 per capita. If you look at the labour force, it will give you an indication from the point of labour employed, which is probably the best indication of all. From 1945 to 1952 — those are the latest figures available of the total number of employees engaged in manufacturing. The increase in employees in manufacturing increased 15 per cent in the Dominion as a whole; it increased 13 per cent in Manitoba; it increased 48 per cent in Alberta; but, Mr. Speaker, it decreased 3 per cent in the province of Saskatchewan.

Mr. McDonald: — Shame!

Mr. Cameron: — Saskatchewan had fewer people employed in manufacturing in Saskatchewan in 1952, after eight years in office of this Government, than it had employed in manufacturing in 1945 when he came into office.

Mr. Erb: — Ah, baloney.

March 4, 1955

Mr. Cameron: — Those are the figures, Mr. Speaker.

Premier Douglas: — From where?

Mr. Cameron: — You can check them.

Premier Douglas: — From where?

Mr. Walker (Hanley): — From Staines.

Mr. Cameron: — Now the effect of this lack of manufacturing on the economy of the province can be shown. What is the effect of this lack of manufacturing on the economy of the province? All we have to do is look at the retail sales in the province. Last year, the retail sales hit an all-time high of \$817 million; that was a wonderful, record year. Those were the figures for 1953. Then, of course, came the disaster to the agricultural industry in 1954. This disaster will not be reflected in the budget until next year. It has had its effect on the prairie provinces, and in all three agriculture is the primary industry still. But, in Alberta and Manitoba, other industries are presently maintaining the economy when agriculture has fallen on bad days. I want to show to what extent these plans to induce industries to settle in our two neighbouring provinces have now strengthened their economic base in that they are helping to maintain the economy of the province when agriculture is facing a serious situation.

Retail sales from July to November, in 1954, were down from the level of the last year by 20 per cent in Saskatchewan. You will note that farm income in the three prairie provinces fell by some \$400 million, or 28 per cent. Farm income in the three western provinces fell 28 per cent. Notice the relationship. Retail sales in the province of Saskatchewan fell by 20 per cent; but in Alberta by only 9 per cent, and in Manitoba by only 6 per cent. So you can tell to what extent these manufacturing firms in our two sister provinces are stabilizing and holding the economy of those provinces when you consider the retail sales for the last part of 1954.

Our retail sales fluctuate exactly with the farm income. Income was down to 28 per cent; our retail sales were down by 20 per cent. Every merchant in the province of Saskatchewan and every one of the retail businesses, will realize if they look at their clerks standing about the counters that their sales are down 20 per cent. We do not have to tell it here, but their neighbours in Manitoba and Alberta are only down 9 per cent in Alberta and 6 per cent in Manitoba. They have strengthened their economy to the tremendous extent that, in the difficult days for agriculture, they have kept their retail sales from dropping not more than 6 per cent in the one and 9 per cent in the other.

Then we have heard further statements in order to create the impression that there is great industrial development within the province itself. We are having some industrial development, but let us state what we are having and then proceed from there to see why we are not obtaining more. We have heard glowing reports all these years about the mining activity. One would think that the northern mineral area is a beehive of activity with everybody rushing in to stake claims, and there would not be a foot left in the north that was not staked in a determined effort to develop the north.

Then the Premier makes the statement "Saskatchewan now produces more base metal than Manitoba and Alberta combined." That sounds like powerful stuff, Mr. Speaker, but he does not reveal these significant facts: Alberta

produces no base metal; she never did. She hasn't got any amount; so it is easy to say Saskatchewan now produces more base metal than Manitoba and Alberta combined — Alberta hasn't any, Manitoba has not as much production. Saskatchewan has always produced more base metals than Manitoba produced, even before the advent of this Government.

Incidentally, it is interesting to note, when you go through the Natural Resources report that the \$1 1/4 million in royalties which this Government got as a result of mining hard rock mines was not derived from a mine inside Saskatchewan at all. It was from a mine on the border inside of Manitoba, and, running short of ore on the Manitoba side, they shot the shaft on the Saskatchewan side in going down in to get the ore. For doing that we are charging them a royalty, and I think it is right that we should; but it is just like a horse — when his own pasture is depleted he reaches over the fence where the grass is high and takes it from there. We are getting \$1 1/4 million in royalties because they are doing that.

Premier Douglas: — Why didn't they come on the Saskatchewan side earlier?

Mr. Cameron: — Now here is another one from the Provincial Treasurer's official document, the budget. He says, on page 16 of his address, "Value of metal production forged ahead." Just a day or two before he spoke, the Minister of Mineral Resources (Hon. Mr. Brockelbank) tabled his official document on mineral resources. If you turn to page 44 of that official document, he shows production to be exactly opposite to what the Provincial Treasurer states . . .

Hon. Mr. Fines: — They are two different . . . May I point out they are . . .

Mr. Cameron: — Wait until I have developed this thought. Base metals are copper and zinc. In 1951-52, this province produced \$17,323,000 worth of copper; \$16,594,000 worth of zinc, making a total of \$33,917,000, almost \$34 million, in 1951-52, and that was the value of production of base metals, copper and zinc. In 1953-54, the total value of the production was \$26,736,000, or \$7,000,000 less base metals produced in 1953-54 than was produced in 1951-52, and yet "the value of our metal production forged ahead."

Premier Douglas: — For 1954.

Mr. Cameron: — Now then, take the physical volume, not the dollar value of it. Let's take the physical volume. In 1943-44, the province produced 172 million pounds of these metals; in 1953-54, 160 million pounds. There were 12 million pounds less produced in 1954 than in 1944 when this Government came to office. That is our production of base metals! That is the story!

Mr. Loptson: — Progress in reverse.

Mr. Cameron: — And you say that we produce more base metals than Alberta and Manitoba together. That is just a statement that sounds nice, but it gives a false picture.

Mr. Loptson: — Forging in reverse. They say we are forging ahead when we are forging backward.

Mr. Cameron: — One thing, Mr. Speaker, which we have developed in northern Saskatchewan is uranium. It is forging ahead there at a tremendous pace. That, we hope, will continue. It is at The Eldorado mine, and the Dominion Government has invested millions of dollars in a determined effort to mine

March 4, 1955

these rarest of metals. Some appreciation can be obtained from the difficulties to get in to northern Saskatchewan in order to develop this area, when we look over the record of the Dominion Government's expenditures and the method in which she had to go into this particular area, when we realize that every bit of material for construction of the mine and the houses and the schools and other facilities must come into that area by barge, and that every bit of ore processed must be removed by barge. Indeed, when warehousing was needed at the mine for storing construction material, a big steel warehouse was flown in by air, in pieces, at a cost of 28 cents per pound, for these massive girdles of steel, in order to get the construction there. This was done at tremendous costs which perhaps private firms could not even attempt to shoulder; costs which were undertaken because all the resources of the Federal Government were behind this endeavour to secure uranium in Canada.

Now what contribution has this development made at the present to the economy of Saskatchewan? The Eldorado, in Beaverlodge area, is supplied by barge transportation from Waterways, Alberta. When we realize that everyone of these barge boats tows three to five barges and every barge carries 150 tons, that is a trainload equivalent to 20 boxcars, we can get some conception of the labour force required to transport this freight. Now here Saskatchewan sits in the centre, and all the supplies that are going into this development area must go in from Alberta on the west and Manitoba on the east. Thus the retail sales, the construction material, the labour supply, is upholding the economy of Alberta and of Manitoba, and we have not shared in that because we have not invested in a long-term plan of roads to gain access to these mining areas . . .

Premier Douglas: — Roads to Uranium City?

Mr. Cameron: — I don't say that the Provincial Government should do it all, but one of their own members, the other day (and I was in hearty agreement with him) said the Provincial Government has to change his attitude that the mining companies must build their own roads.

Premier Douglas: — To Uranium City?

Mr. Cameron: — Yes, they must build their own roads!

Hon Mr. Brockelbank: — That isn't our attitude.

Mr. Cameron: — It is time that we began making plans in getting the roads into these areas, to get the members here, and organizations within the province, to bring pressure to bear with Ottawa and railway companies to negotiate, to bring about the extension of railway lines in this area. A determined effort and publicity must be given to it in order to create an interest on behalf of the people of the province and to get their support in order that we can forge ahead in going into that area to bring that revenue into the province of Saskatchewan instead of Alberta and Manitoba, and thus establish and maintain our economy.

We were encouraged, last year, in the budget, where it mentioned the great hopes we had for a pulp mill in Saskatchewan. It is not mentioned in the budget this year. I was sorry to see that it wasn't. Press reports would lead one to believe that something or other has gotten in the way; they have extended the contract. We appreciate the efforts made by the Industrial Development office, supplying engineers, assisting the engineers in the pulp mills, encouraging them to establish in the province of Saskatchewan. Thousands of dollars have been spent, and spent perhaps wisely (I am not criticizing that) in an attempt to get this development into the province. Why has a pulp mill not come

into Saskatchewan when we have sufficient timber resource, according to estimates, to supply three or four mills in the province of Saskatchewan for all time to come? I have heard the suggestion mentioned from some quarters that negotiations are bogging down because of the possibility that they may have to obtain the material through the Timber Board rather than through a timber berth in the forest.

Premier Douglas: — Mr. Speaker, on a question of privilege. That statement is not correct. My friend is throwing out a rumour without taking any responsibility for it. I want to say here and now that the statement is not true. Now is that clear?

Mr. Cameron: — If you had waited just a moment, Mr. Premier, I was coming exactly to asking the Minister this. Those things are being said, and if they are not true, after all the efforts of the Industrial Development office and the engineers to encourage it to come in here, then that rumour should be spiked, and we should . . .

Premier Douglas: — That's a good way to spike it!

Mr. Cameron: — . . . go out and . . .

Premier Douglas: — Mr. Speaker, I am spiking it right now.

Mr. Cameron: — That is not in order, Mr. Speaker. Sit down.

Premier Douglas: — Mr. Speaker, on the question of privilege. My hon. friend has asked a question. He is throwing out an insinuation. He asked me to spike the rumour, and I am spiking it right now. This is the first time I have ever heard this rumour, and I want to answer it and say that it is not true and that my hon. friend has his own motives (I don't know what they are) for continuing to repeat a rumour which is not correct.

Mr. Danielson: — It certainly got under your skin.

Mr. Cameron: — Now, Mr. Speaker, that brings up this: that I think we are entitled to know why these people haven't come into the province of Saskatchewan.

Premier Douglas: — Does my hon. friend want me to answer that?

Mr. Cameron: — No, I don't want you to tell me right now. This is my air time; but I want an official statement issued from you . . .

Premier Douglas: — Mr. Speaker, . . .

Mr. Cameron: — . . . in the press, if you so like.

Premier Douglas: — Mr. Speaker, on another question of privilege, I gave the reason, when I was on my feet speaking in the Throne Speech debate, to the Leader of the Opposition. If my hon. friend wasn't present or wasn't listening, it is not my fault.

Mr. Danielson: — That is not a point of privilege . . .

Mr. Speaker: — Order!

March 4, 1955

Mr. Cameron: — All the speeches that you make are . . .

Mr. Danielson: — . . . no more than the last one.

Mr. Speaker: — Order! . . . you asked the question yourself.

Mr. Cameron: — All right, Mr. Speaker, let us proceed.

Mr. McDonald: — If it is possible.

Mr. Cameron: — This Government had a chance to establish industries in the province of Saskatchewan in order to stabilize the economy of the province. In its own viewpoint it established Crown Corporations, government industries, which was an aim to have the same results achieved that have been achieved in Alberta and Manitoba in stabilizing the economy. Each year these Crown Corporations reveal heavy casualties among their members. Some of them have been thrown out the window, two or three others perhaps are headed in that direction. We observe reports in ever-increasing numbers of Crown Corporations that have been showing losses in a competitive market; those that are in a monopolistic market are not showing losses. I want to deal, briefly, with some of the present reports in regard to Crown Corporations.

We got out of the woollen mill because it had tremendous losses. I think we were wise in doing that; they rang up some \$300,000-odd in losses, and it was sold for a much lower figure than that. The Transportation Company had an operation to slice away the dead wood or the uneconomical lines in order to bring it down to a small organization in the hopes of pulling it out of the red and keep it operating. Private individuals have been given back the responsibility of supplying transportation on those other routes. Saskatchewan Wood Enterprises lost, last year, \$151,000. We certainly hope that something can be done to check the losses in that field — a \$450,000 turnover, and \$150,000 loss, or a loss of 35 cents on every dollars worth of goods that were sold.

The tannery is finally, I think, disposed of, so far as we can ascertain, until reports come in in the succeeding year. And this, too, was one of the losing enterprises which had to be abandoned. After tremendous losses of \$73,000 it was closed, in 1948. In 1949, the equipment and the building were taken over by the Department of Public Works; I think they paid approximately \$86,000 for it. In 1952, it was understood the tannery was about to be sold; later, the tannery was sold; and I want to review briefly this tannery in the city of Regina that had cost \$86,000, was sold for \$45,000, and \$40,000-odd was put into repairing and renovating the building on top of that; and then loans given and loans backed to contractors totalled another \$65,000, to the people who went in to operate this tannery in the hopes of buying it under optional contract. The tannery burned down, with those resultant losses to the Government.

What result has this lack of industries in Saskatchewan and lack of manufacturing plants had to do with the agricultural economy? In order to review that I think we can tie it in with taxes, and I want to deal for a few minutes with school taxes. School units, like rural municipalities, are finding it is becoming increasingly evident that more government assistance must be forthcoming to relieve the taxpayers. All school districts are having great difficulty controlling their expenditures. Where taxes, a few years back, averaged 40 to 50 cents per acre, today the average school tax is well over \$1.00 per acre. Studies made some time back reveal that the limit of taxation per quarter, for both municipal and educational purposes, in a prairie economy, should not

exceed \$1.00 per acre; and taxes for school purposes in the province have gone up from \$10 million, in 1944, \$224 million in 1953 — school taxes have gone up over \$1 1/2 million each and every year since this Government came to office. School taxes have gone up 145 per cent in the rural municipalities, 157 per cent in the villages, 240 per cent in the towns, and 125 per cent in the cities. It is the towns now that are carrying a tremendous burden of the education, showing a 240 per cent increase in taxes. In the towns where they paid \$1.00 in 1945, they now pay \$3.45; and any amount of talk by this Government will not make farmers and small urban dwellers think anything else but that school taxes have skyrocketed to an exceedingly dangerous point. They know what, because, Mr. Speaker, they pay it.

Pick up any daily paper, any farm paper there is hardly an issue of any of these papers in which farmers are not protesting against their school taxes . . .

Hon. Mr. Kuziak: — Why did they go up?

Mr. Speaker: — Order!

Mr. Cameron: — I have a few illustrations — the papers are here, and here is one headed, “Council objects to high tax rate.” Here is another: “Large school unit seeks more government aid.” And: “Delegation to interview the Cabinet re excessive school taxes.” There is hardly an issue of the weekly paper that does not contain numerous letters protesting the excessive school taxes. Here is a letter that reads:

“My tax rate, in 1944, was 6.4 mills — \$29.42; in 1954, on the same quarter at the same assessment, namely, \$4,600, the rate was 30 mills — \$138.00; my children still walk two miles to school.”

Here is another letter:

“In 1944 our mill rate was 6.5; today it is 26 mills. Our mill rate was low because it is a highly assessed area; it has risen 6 1/2 times since 1944.”

There are numbers of them, but I don't want to go into any more. I want to show that you find discontent and objections on behalf of municipalities, on behalf of town councils, on behalf of the farmers themselves, protesting this terrific increase in the burden of taxes for schools. I have here a resolution from one of the municipalities in my own constituency, which they sent on to me, asking that the Unit Board not indulge in any further increases in mil rates, to try to hold the mill rate to what it is at the present time.

That may sound extreme. I asked, the other day, for a return, asking about arrears in school taxes, to find out whether or not the taxes were being paid:

“Mr. Cameron asked the Government the following Question, which was answered by the Hon. Mr. Lloyd:

“What was the amount of arrears of school taxes due each school unit as at December 31, 1953?”

I got the whole list of all the school units in the province of Saskatchewan. I am not going to give their names; I am going to list a few by numbers, to show to

March 4, 1955

the House the arrears of school taxes that are piling up in each and every one of these units. I am not saying this because I wish to discredit the Unit, because the Unit, today, has taken over the education in the major portion of the province. Non-unit districts reports could be obtained too.

Arrears of taxes as December 31, 1953

Unit	No.	2	—	\$120,000	Unit	No.	35	—	\$ 87,000
"	"	4	—	140,000	"	"	6	—	113,000
"	"	7	—	171,000	"	"	8	—	138,000
"	"	10	—	69,000	"	"	24	—	72,000

Mr. Willis (Elrose): — What is No. 33?

Mr. Cameron: — No. 38 — \$120,000; No. 45 — \$153,000.

The return was tabled, and incidentally, if you care to go and see, go in the office.

No. 46 — \$202,000; No. 61 — \$272,000 arrears of taxes, in 1953, in that one school unit. The year 1953 was one of the most prosperous years we have had in the history of Saskatchewan, and I shudder to think what the arrears of taxes will reveal when we come into 1954, into the crop year that we have had this year. Each year, since 1948, the arrears of school taxes have been accumulating — not just that they did not pay them in 1953; that is the sum total of taxes of arrears which have accumulated ever since 1948.

Hon. Mr. Kuziak: — Compared to Liberal days, it's heaven.

Mr. Cameron: — Units which, in 1948, had \$48,000 arrears of taxes, today have \$92,000. Here is a unit that had \$56,000 arrears in 1948 that has crept up to \$82,000, and these arrears are constantly being added on to the school taxes.

Now what is the cause of these arrears of taxes accumulating at such an exorbitant rate? Are the farmers refusing to pay taxes? Of course not.

Hon. Mr. Kuziak: — It is the lifting of price controls.

Mr. Speaker: — Order!

Mr. McDonald: — The big squeeze.

Mr. Cameron: — Is it the Larger School Unit trustees? They speak frankly, too. Meeting in Saskatoon in December, the Larger Unit trustees made this observation: They pointed out that the province's grant to school boards, from 1948 to 1952, was the lowest of the four western provinces.

Mr. McDonald: — Shame!

Mr. Cameron: — That is the statement in the press by the Larger School Unit trustees, meeting in the city of Saskatoon. The budget says school grants have increased by \$531,000. The Throne Speech made a great play about increased grants to schools. We find now, in the budget, that it is a mere \$531,000. Farm income has dropped drastically; school taxes are rising at the rate of \$1 1/2 million per year; school grants must rise. They only increased the school grants, this year, one-half as much as they increased school grants, last year. You would have us believe that this is a gift from the Government.

Mr. McDonald: — Chicken feed.

Mr. Cameron: — But the education tax and the school lands fund which are earmarked for education only net this Government \$15 million. This Government received \$15 million and they pass along, in grants, \$10 million of that \$15 million; and they are still using education money for capital expenditures — \$1 1/4 million last year to build buildings in the province which should rightfully be built under the Department of Public Works, not taken out of the school grounds and the school money.

You will notice, in 1944, the total cost of education, of operating the schools, of keeping them repaired, was \$14,428,000, and the grant, at that time, was approximately \$3 million. It is easy to stand up and say that, in 1945, they gave the schools \$3 million, and today we give them \$10 million. Three million, in 1944, was approximately 20 per cent share of the cost of operating those schools; \$10 million, today, in grants is merely keeping the percentage of the total operating costs at approximately the same — 20 per cent. We are not paying any more percentage wise of the total cost of operating the schools today than you were paying in 1944, when you came to office — not a cent.

In 1953, the total cost of operating schools was \$40 million-odd; and there is your grant still 20 per cent towards operating schools.

Mr. Walker (Hanley): — Oh, it is 25 now?

Mr. Cameron: — The increased grants, from year, to year, have merely kept the relationship constant, or paying approximately 20 per cent of the cost.

Premier Douglas: — Is ten 20 per cent of forty?

Mr. Speaker: — Order!

Mr. Cameron: — Twenty per cent in 1944, and twenty per cent today.

Mr. Walker (Hanley): — You had better start to school again.

Mr. Cameron: — You are giving \$10 million now — I was quoting the cost then, of \$40 million. We don't know what your costs will be, Mr. Premier, this year, for operating the schools. We have no idea what it will be. If these taxes continue to mount . . .

Mr. McDonald: — He jumped the gun.

Mr. Cameron: — I noticed in the morning paper, the other morning, a report coming down from the Municipal convention in Saskatoon — “Resolution at the S.A.R.M. reports alarm at rising costs.” One resolution went so far as to ask retreat from the Larger Units.

Mr. Speaker, those are dangerous signals, all over this province. These are men who are in the field, operating these schools, looking after the needs of the municipalities. They are the men, too, who are paying the taxes, and these are storm signals for this Government, and if you do not soon change your attitude and do something about it, you will find someone else in there doing it for you.

Hon. Mr. Kuziak: — It won't be you!

March 4, 1955

Mr. Cameron: — Listen to them over the province. Not only this, Mr. Speaker, not only are our school taxes a tremendous amount in arrears, but the schools are beginning to go into deficit financing. They are beginning to have borrowings for operating costs. Borrowings, in 1948, by the schools to meet their operating expenditures were \$762,000; in 1953, in order to operate their schools, they had to step out and borrow \$2 1/4 million, to help carry the operating costs of the schools. Not only are the arrears of taxes piling up, but they are going out and borrowing \$2 1/4 million to help continue the day-to-day operations of the schools — not to construct schools but for day-to-day operations. Yet our grants remain, as they always did, fluctuating around 20 per cent of the total cost of operating these schools.

The effect of 1954 is not yet noticed, as of course it won't be until sometime later. The taxes in rural municipalities follow a similar pattern, show similar increases to the schools. In 1944, the taxes required from the municipalities were \$5 million; in 1954, taxes in municipalities are \$14 1/2 million — the same land carrying the same taxes, from \$5 million in 1944, today they have to dig in their pockets for \$14 1/2 million in 1954. Yet we take in, in gasoline tax, vehicle licences, in this province, \$19,300,000. It netted approximately \$3 million more than last year. Yet the grants to rural municipalities, in the budget, for market roads is \$423,000; grants to the R.M.s for market roads is less than 3 1/2 per cent of the revenue derived from the gas tax and the vehicle licences alone. That goes back to the municipality to build and to maintain 145,000 miles of road — 3 1/2 cents from every dollar that comes into the provincial treasury from gasoline tax and vehicle licences, \$19,300,000. The rural municipalities construct and maintain 145,000 miles of road and get 3 1/2 cents of each of those dollars.

I want to give you the history of the grants to municipalities. In 1947 the municipalities got grants of \$409,000. In 1948, grants jumped up to \$560,000 . . .

Mr. Loptson: — Election year.

Mr. Cameron: — Perhaps that was election year, Mr. Speaker. In 1949, there was no election, and what did the grants do? They dropped to \$382,000 — there was no election that year. In 1952 — was that an election year? Yes, and up they are again; in 1952, they skyrocketed to \$661,000, that was in 1952, an election year! What happened the year after the election? In 1953, they dropped over \$200,000, back down to \$423,000.

This year, 1955, the budget has increased it to \$650,000 — back to where it was in 1952 — a little less. I wonder, Mr. Speaker, if that is an indication of what is in the wind.

Mr. Walker (Hanley): — Are you ready for an election?

Mr. Speaker: — Order!

Mr. Cameron: — I would like to point out that the farmers with trucks probably 95 per cent of which do all their travelling on municipal roads, not on our highways, paid in licences to this Government, last year, \$1 million. We are not even refunding to the municipalities the amount for road maintenance and construction that the farmers pay in farm-truck licences alone. That is how the municipalities are receiving the grants: \$1 million in farm truck licences, \$400,000 odd in grants, last year. Ask the municipal men what they feel about this \$19,300,000 in gas and vehicle taxes.

Hon. Mr. Fines: — Ask Mr. Noble!

Mr. Cameron: — And ask them whether or not they want a share of that, or whether or not the farmer wants a share of that million dollars he pays in farm-truck licences to put back onto the roads that he has to take his produce over to market.

There was some mention in the House, the other day, about unemployment in Saskatchewan. We are facing unemployment in this province; we are facing unemployment in the Dominion. Some of us are becoming somewhat concerned. The Premier has stated that public works projects in Saskatchewan would benefit the province approximately 25 per cent, and that, through construction material and everything, the remaining 75 per cent would go into other provinces, and that is possibly correct. But there are many other things that can be done besides large public projects. I do not believe, Mr. Speaker, that this Government has given the attention to unemployment in the province of Saskatchewan that the situation deserves. Someone pointed out here in the House that the unemployment in the province of Saskatchewan, with its day labour force, when you take out the professional man and all, averages around 18 per cent, much higher than the Dominion as a whole.

Premier Douglas: — Your figure is wrong, of course.

Mr. Speaker: — Order!

Mr. Cameron: — Now here is something. I am going to offer you a constructive suggestion . . .

Mr. Walker (Hanley): — Hear! Hear! It's about time.

Mr. Cameron: — Here is something this Government can do; they should have taken action months ago. We have done nothing in this province, on a provincial or municipal level, to meet this threat of unemployment and that is evident today. This Government can call a conference of municipal, town and school officials, agricultural officials, co-operative organizations, to pool their ideas and to formulate plans. Farmers could be urged to have repair work done, for instance, during the winter months rather than to leave it until spring, in order to give these workshops the opportunity to keep that extra man on the job.

Hon. Mr. Kuziak: — Two dollars a month, social aid.

Mr. Speaker: — Order!

Mr. Danielson: — Five dollars a month?

Mr. Cameron: — A conference of governmental, municipal men, school officials, agricultural and farm organizations, can find many things that could be done.

Mr. Feusi: — Will you have 'Uncle Louie' at the conference?

Mr. Cameron: — Homeowners could be induced to consider changes contemplated now, instead of later. I don't know what all the solutions are, but you could gather these representatives together in a conference to make plans, and by publicity, receive the support of all organizations in the province. In some particular cases — I do not know if it is possible, but it may be possible

March 4, 1955

to give some consideration to the exemption of the Hours of Work Act in some localities, or in a particular store, or in a particular area somewhere.

Many of these things could be considered, and while I am thinking of that, I do not want to sponsor this as an unemployment project; but I think it is a project which this Government should have looked into sometime ago. I urged, last year, and I want to urge again this year, that we have \$99 million, practically \$100 million of moneys in trust fund accounts which we can use for specific investment purposes. We cannot spend \$100 million, but we can use the earnings from that investment — some goes to education and some to other things. I am going to suggest that a portion of this trust fund of \$100 million — say, even \$25 or \$30 million to begin with — be set aside as a fund from which urban municipalities might borrow and draw upon. It is not a matter of where we are going to raise the money. The money is there, the money is available. It is a matter of where we are going to invest the money, and I am suggesting that this money can be invested in these specific purposes, in what the Provincial Treasurer likes to call “self-liquidating projects” in the urban municipalities. I would suggest sewer and water projects; they are doing it in other provinces in Canada. There is nothing to prevent us from going in to these towns that cannot afford to put in water and sewage and do it for them. I will give you in one example: here is a town in my constituency, the Town of Leader; \$750,000 is its assessment, with probably 2,000-odd of population. It will cost those people almost half-a-million to put in water and sewage; they just cannot finance such a project.

In other places, not only in Alberta, but in some of the other provinces, they have a fund set up from which this \$450,000 project would be financed. Debentures would be issued and over a period of 20 to 25 years, at 3 to 3 1/2 per cent interest, they would pay back their total indebtedness from the revenue from the water and the sewage works in these particular towns. It is not impossible, it is within the realm of possibility. I had a letter referring to a town Alberta, about a month ago; a little village of 120 people. They had appealed to this development Board there for sewage and water and got it. It cost \$78,000 to put in into that little village. Over a period of 25 years at, I think the interest rate is 3 3/4 per cent, they will pay it off. It can be done here, and it is a place in which to invest in safe security a portion of this \$100-million worth of trust funds. By doing so we would build up the economy of the province; we would stabilize the urban centres, and we would give them the facilities which they are not able to accomplish by themselves, without loss, while earning money and while giving them the chance to pay it back from the revenue derived from it.

Mr. Loptson: — That is a capitalist idea and they are Socialists.

Mr. Speaker: — Order!

Mr. Cameron: — And I would suggest that, when we consider the investment of some of these trust funds, that idea be given consideration.

Hon. Mr. Fines: — We've been doing it for years.

Mr. Cameron: — No, I don't know of one project where they received the money from this Government, where they have gone in and built the project and allowed them to pay it off over a long period of years. What they are doing is this . . .

Hon. Mr. Fines: — I can give you 20 or 30.

Mr. Cameron: — Yes, I am glad you brought that point out, Mr. Provincial Treasurer. What your Government is doing is this. You are considering investing this money in different places, and each time it comes and asks for a loan for some specific purpose, you will consider that loan and if you see fit, you will grant them that particular loan but it is not a policy; it is each individual town contacting the Government on its own, negotiating as to whether they can get a loan for this particular thing or whether they cannot; each one is considered separately, and some towns are getting loans, other towns are not getting any loans. Other towns perhaps appeal for assistance and cannot get it because they cannot see eye to eye with you or on the particular project, and you may not decide to invest in that particular project. Therefore each of these towns are coming on their own, borrowing money for a particular project, without any over-all understanding of the rights and privileges that the town may have to come and have their problem assessed — something like your Local Government Board does in regard to municipal or other investments that must be considered, and then if it passes those considerations given, after the proper survey, and the project is authorized, then the Provincial Treasurer can come in and pour out the money for it.

Premier Douglas: — That's how it is done.

Hon. Mr. Fines: — That is exactly how it is done today.

Mr. Speaker: — Order!

Mr. Cameron: — Not as a loan for some building they are constructing in town, but a definite purpose to bring into these towns sewage and water. I think the suggestion is worth considering; it is worth expanding to the full extent of that.

Mr. Walker (Hanley): — You should attend the sessions and hear about it.

Mr. Cameron: — Now, Mr. Speaker, the time is getting on. I could have spoken on many other things, but I do want to say, in closing, that 1954 year will be reflected in our estimates, next year, and it is then that we will begin to realize fully what devastating effect the adverse conditions of our rural people will have on the economy of the province, because we have only had a few of the months in 1954. It will show up in 1955, when we bring down the budget.

I would leave this with you. I think we should, in view of those conditions, give some thought to far greater grants to municipalities, to far greater grants to schools, to consideration of helping these urban municipalities in the construction of waterworks and sewage systems, and by so doing strengthen the economic base of the province, and to concentrate towards the inducement of manufacturing industries in the province, as our two neighbouring provinces have done. They have exceeded us by far in widening the economic base, in taking the tax load off the rural and putting it upon the manufacturing industries, and their retail sales points that out evidently. We should clear our minds of lots of our befogged thinking regarding these Crown industries, and begin to set our course with our sister provinces to bring industries in, to develop the province, to strengthen our economic base and thus have an economy which will take the load off the rural areas when agriculture has fallen upon bad days.

Mr. Speaker, because of those things not having been done, not having been given consideration, I cannot support the motion.

March 4, 1955

Mr. Peter A. Howe (Kelvington): — Mr. Speaker, I had not intended to speak tonight, but it was very encouraging for me to rise to my feet, sir, and meet some of the criticisms of the hon. member who just spoke.

You know, I have thought all the time that members opposite have reached a certain amount of maturity, but the last speaker, Mr. Speaker, has certainly demonstrated that he has not reached maturity or else he has been absent from school.

I want to answer the last criticism he made in regard to loans made to municipalities, and I want to say to him that if he had attended school, as he should have done, he would have had the answer and it would have saved him a lot of trouble and energy. I want to say to you that every loan that is made to municipalities for the development of sewers or what have you, every loan has got to be approved of by the Local Government Board. Again, I say, had he been to school just these last weeks he would have had the answer.

I think he started off in his address dealing with why industries have by-passed Saskatchewan and gone to Alberta and Manitoba. Well, Mr. Speaker, I wonder how many industries we had in Saskatchewan when the Liberals were in office.

Mr. Danielson: — Nearly as many as we have got now.

Mr. Howe: — I want to remind you that I sat over on that side of the House for quite a number of years when the Liberals were in office. Yes, they were in office, Mr. Speaker, at a time when there was unemployment and relief on every hand. Schools were being closed; teachers were getting no salary; children stayed home from school because they had not clothing to go to school, and if you had asked the Government at that time to start a little bit of a work-and-wages programme, the answer was always, “Where are you going to get the money?” And, I want to say . . .

Mr. Loptson: — You could not answer that either.

Mr. Howe: — . . . that to start a work-and-wages programme in those days for a province, was entirely different from starting on a programme like that today. There was a lot more labouring in those days than there is today. For the hon. member to criticize us for all this unemployment — does he not know, Mr. Speaker, that every time we in Saskatchewan spend \$1,000 to employ people, that only \$250 of that would reflect to the Saskatchewan people, and \$750 would create employment for people in eastern Canada? Surely, the hon. member knows that.

Mr. Walker (Hanley): — He wants to bankrupt us.

Mr. Howe: — Yes, the Hudson Bay Mining and Smelting Company they started are in Saskatchewan now, but remember that when they first came to western Canada they started in Manitoba, not in Saskatchewan.

Premier Douglas: — There was a Liberal government here then.

Mr. Howe: — There was a Liberal government here at that time, yes. Today they are in Saskatchewan, developing rapidly into the mining area of Saskatchewan.

Mr. Lopton: — But they had to come in underground: they had to stay underground to get over, though.

Mr. McDonald: — We've heard everything now.

Mr. Howe: — Another thing that the hon. gentleman mentioned that I want to deal with is the question of taxation. He was complaining about all the taxes here in Saskatchewan.

Mr. McDonald: — Who wouldn't?

Mr. Howe: — He complained about taxes on farm machinery, building material and so on. Now, I wonder, Mr. Speaker, why he did not mention something about the taxes the people of Saskatchewan pay to the Federal Government? Sure, we collect education and hospitalization tax on automobiles, but what does the fact Federal Government do to you and me when we buy a new car?

Mr. McDonald: — Then they give it back to you.

Mr. Howe: — Ten per cent excise tax, 15 per cent sales tax on the wholesale price of the automobile, and what do we get for it?

Mr. McDonald: — A car.

Mr. Howe: — What do we get for the education and hospitalization tax in Saskatchewan? We get education and we get medical attention for our people. But, what do we get for the tremendous amount of money that the Saskatchewan people pay to the Federal Government in taxes on automobiles?

Mr. Cameron: — \$160 million back to the provinces. That's what you get.

Mr. Speaker: — Order!

Mr. Howe: — The Federal Government collected, in 1953, \$163 million tax on automobiles sold to the various parts in Canada. Saskatchewan paid its share, and I say we are getting nothing back. Here we are paying a big tax on automobile; we are planning the best we can do to build roads for these cars . . .

Mr. McDonald: — Not doing very good.

Mr. Howe: — . . . and should not the Federal Government come along and pay some share of the building of our roads, Mr. Speaker? Certainly they should.

He also mentioned, Mr. Speaker, something in regard to sales being down in Saskatchewan more than any part of Canada. Well, I wonder again if he does not realize that the only economy, so to speak, that is really affected at the moment is agriculture, and we buy more farm machinery in Saskatchewan than all the other provinces put together.

Mr. McDonald: — He could not have listened to Walker's speech.

Mr. Howe: — According to the Montreal Gazette of January 10th (I think it was) the Cockshutt Plow Company indicated that their sales were down in 1954 by 38 per cent on farm machinery. I think it is fair to assume that other companies would be in much the same ratio as the Cockshutt Plow

March 4, 1955

Company, which goes to show that because we have a depressed agriculture in western Canada, and particularly in Saskatchewan, that is why the unemployment situation is building up as it is today, not only in Saskatchewan, but in eastern Canada.

Well, in regards to the over-all picture of the budget, Mr. Speaker, I want to say to you and to the hon. members that this Government in the last ten years has paid up an awful lot of Liberal debts.

Mr. McDonald: — And created twice as many new ones.

Mr. Howe: — School taxes have gone up and all the rest of it — I am going to leave that for the Minister of Education to deal with; he can do it so much better than I. So, with these words, Mr. Speaker, I am going to ask leave to adjourn the debate.

(Debate adjourned)

The Assembly adjourned at 6 o'clock p.m.