

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Twelfth Legislature
18th Day

Monday, March 7, 1955

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

BUDGET DEBATE

The House resumed, from Friday, March 4, 1955, the adjourned debate on the proposed motion of the Hon. Mr. Fines (Provincial Treasurer): That Mr. Speaker do now leave the Chair. (The Assembly to go into a Committee of Supply).

Mr. Peter A. Howe (Kelvington): — Mr. Speaker, first of all I want to congratulate our Provincial Treasurer (Hon. Mr. Fines) on the very splendid budget address he delivered to this House on Wednesday last. He has also broken the record in that he brought down his 11th consecutive budget in the province of Saskatchewan; that is a record over any of his predecessors who have brought down budgets here in the years gone by.

It is, Mr. Speaker, a very realistic budget. Even though we have had a very difficult year in 1954 we are hoping, and according to our budget we expect, to maintain our services of the past and increase some benefits to some of our most needy people, and yet not increase taxation in any way.

First of all, I want to say something, in general, about my own constituency. Last year was one of the most disappointing years that we have ever experienced I think, because of the excessive amount of rain during the whole season. Many parts of the constituency had crops of five or six bushels; other parts in the northern fringes of my constituency had absolutely no crops at all. These people are occupying land in the fringe area, so to speak, where agriculture is gradually finding its way into the forest regions. Consequently, their farms are small, their acreages are small, and even in the best of times they have little chance of making very much money; but when we get a year like last year, it makes it pretty tough. Many of them, unfortunately, were not able even to work their summer fallows, so they haven't much hope of even a crop next year.

I was very glad when the Government inaugurated that programme of assistance in the flood areas, last fall. While it isn't a cure by any means, it certainly was a big help to provide a little bit of purchasing power for these people so they could carry on. At the same time a lot of very useful and valuable work was done that will be an asset to the community. It is true that they are getting P.F.A.A. payments, but mind you, they are not very high, Mr. Speaker. I had a letter from one of my friends up there, the other day, and he has 100 acres under cultivation, which is considered pretty good on one quarter-section of land. He had received a little over \$40, which represents 60 per cent of the total amount coming to him. He said, "I bought a few odds and ends, enough to carry on with, but I expect I will have to pack my grip and go and look for a job if one can be found."

The C.C.F. group in Ottawa have been pressing the Government recently to increase the benefits under the P.F.A.A. Act, but 'Jimmy' Gardiner says

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that the farmers of Saskatchewan are well satisfied with what they are getting under the P.F.A.A. payments. I am afraid if he had said that up in that part of the province he would have regretted it possibly.

Also in my constituency, last year, there were three power projects built. The significant part that I want to mention in connection with that is the fact that, owing to the lateness of the season, the Power Commission was unable to get its construction work completed in time, consequently these people were asked to do a lot of the work themselves and get paid for it. This happened in all three of these projects, and in one of these projects the people in that community earned over \$6,000 to help build that power project up in my constituency. I would say it looks to me like one of the very best work-and-wages programmes that I have seen for a long time.

Our people of course are, after all, our greatest asset. Their initiative and industry is something that has reflected upon the future progress of our communities. It is interesting now to look back, especially in this Jubilee year and to see the kind of foundation that these pioneers lay for the future development and building up of our local communities. A way back in 1908, the Foam Lake Agricultural Society was organized, and even though many of these societies throughout the province folded up during the period of the 'thirties, the Foam Lake Society has never missed a year since they started. This year they are putting on an extra day of the exhibition in order to provide ample opportunity to really celebrate the Golden Jubilee and give recognition to the pioneers of that community.

In that area, too, we have the very finest of livestock in this province. The shorthorn sire that took the grand championship in Regina at the last fair was purchased by Alex Beary and Sons of Foam Lake. Many livestock from there went to the Toronto Royal a year ago, so that pretty well illustrates the kind of livestock these people have developed in our community. At Invermay, too, they organized an agricultural society back in 1912; in Kelvington, in 1923, and in Okla, only a few years ago, and while that isn't a chartered society it is a society doing the best they can without any assistance from the Government.

Some outstanding results through all these developments and planning of our pioneers can be seen in the Kelvington district particularly, where we have had the record of producing the greatest amount of registered seed grain for many years. Over the years this has been expanding; there was more grain shipped out of that shipping point for a number of years than any other point in Saskatchewan.

There are two people I want to make mention of in particular, who have been in that business for a long time. There is an old farmer out there by the name of George Gwylt; he was proclaimed the barley king at the Chicago International, just a few years ago; and only this winter I noticed in the 'Leader-Post' a picture of one of our honoured women in my constituency, Mrs. Margaret Jenkins of Kelvington, who is the only woman ever to be named a Robertson associate by that Canadian Seed Growers' Association. This is the highest honour that any seed grower can attain. I am sure that all members in this House will join with me in extending our congratulations, particularly to Mrs. Margaret Jenkins of Kelvington.

Coming now to the budget for a moment: The net debt of Saskatchewan was reduced in the last fiscal year by \$10 3/4 million, which means a

saving to this province of \$600,000 a year in interest and sinking fund payments annually. The total budget on revenue account is \$79,992,000 for this coming year, but I have noticed in the press, some of our neighbouring provinces — and I want members opposite to remember this because I am sure we will hear from them during this debate how big this budget in Saskatchewan is, how extravagant we are in taking money from the people of this province. But, instead of a \$79 million revenue budget, in Alberta they have on their revenue budget and expect to get \$178 million this year, so they are getting roughly \$100 million more this year on revenue account than this Government has budgeted for.

I am just going to mention briefly a few of the important departments. Take the Department of Public Health: we are going to spend this year a total amount of this budget of \$22 million-odd, or it represents 27.73 per cent of the total budget. But, out of that budget to the Department of Health is also paid the medical attention, hospitalization, optical care, to our aged people in this province. Out of that money, too, comes the money for the same service to the mothers' allowance people and their dependants in this province; similarly, to the blind pensioners who are scattered here and there all over Saskatchewan.

The Social Welfare Department in this Jubilee year — the Minister of Social Welfare, I am sure, is very happy to be able to do something by way of an increased supplemental allowance to the aged people in Saskatchewan. I think it is very fitting that we should be able to do that this year. He expects to get about a million dollars more in his budget this year than a year ago, or a total of \$9,093,000 to be spent in this fiscal year; in other words 11.33 per cent of the total budget.

For education, we are voting something a little better than half a million dollars for increased assistance for education, which brings our budget then for this year, for the Department of Education, up to \$15,091,000, or a total of 18.83 per cent of the total budget.

I am going to skip over a few things because I can see that I cannot cover it all in order to give justice to my good friend from Canora (Mr. Kuziak). I want to say something, though, in regard to the question of farm income. Last fall, the Interprovincial Farm Union of Canada presented a brief to the Dominion Government trying to show them the difficult position that agriculture was in. I want to quote one or two paragraphs from that brief:

“According to the Federal Bureau of Statistics from July, 1951, to October, 1953, the wholesale price index of manufactured goods declined by 15.6 points. On farm products, the wholesale price index dropped by 68.6 points. In the same period a difference of 53 points between the wholesale price of manufactured goods and wholesale index price of farm commodities.

“This trend of falling farm prices has continued in a lesser degree during the remainder of 1953 and 1954. Farm people themselves and those who are familiar with agricultural conditions cannot help but be disturbed by the diminishing farm income compared with abnormally high operating costs. Measured in terms of purchasing power, as represented in cash obtained from the sale of farm products, the farm dollar is worth less than it has been for a good many years.”

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I think we will all agree with that. It is true that the Federal Government has made some pretence, at least, in providing for floor prices for certain farm commodities; but I want to say that these floor prices mean little or nothing to the farmers of Saskatchewan. These floor prices have been guaranteed at points of storage to those who store our commodities, jobbers or packers, so that, at the end of the year, if they can declare a surplus, the Federal Government then agrees to take a surplus of their hands at that floor price; but, in the meantime, farmers may get any price at all for what they have to sell. Take for instance, eggs. There is a floor price of 38 cents a dozen, which is again guaranteed at points of storage, but the farmers who are producing and selling the eggs get as low as 18 and 20 cents a dozen during the heavy production period for their eggs, and the only ones who benefit by the floor price, Mr. Speaker, are those who provide storage facilities for those commodities.

Mr. Loptson: — Our pool provides most of it.

Mr. Howe: — That's true.

Mr. McDonald: — That's your fault, not the Federal Government.

Mr. Howe: — A very small percentage do they handle of the total. However, this brief that was presented to the Government by the Interprovincial Farm Union Council points out very emphatically that the producing class must have forward pricing on what they are going to market, on what they are going to produce, in order that they may be able to plan their production and hope to get something for their labour when they deliver these goods on the market. There must of necessity be forward pricing on those commodities so that the farmer knows where he is going and to prevent him from going further and further into debt.

Mr. Speaker, there has been an awful lot said about high taxes in Saskatchewan. Not only here in the House, but we have heard this type of propoganda during the whole of last summer and last fall out in the country. Every Liberal worker in the province has been trying to tell the people of this province that the Government of Saskatchewan is responsible for the high school tax, that they are responsible for all the high taxes that we have to pay in our municipalities.

Mr. McDonald: — Aren't they?

Mr. Howe: — And, of course, when people meet with reverses like they did this year, it is natural then that the farmers are finding it difficult to pay their taxes. They find it difficult to buy the things they need. They are naturally striking at those things that are closest to them; they probably blame the municipal council or the larger school unit board and eventually the government of the province. Well, Mr. Speaker, it is true that the responsibility lies somewhere.

I want to remind members of this House that, during the last war, it was decided to pass the War Measures Act under which the government could apply and control prices in Canada. That was done because they recognized the importance of maintaining a strong economy within Canada in order to be able to prosecute the war with the greatest efficiency. Price controls were put on, and I want to say that I believe the government met with reasonable success in maintaining the stability of our economy in Canada. But, towards the end of the war, Mr. Speaker, the Federal Government was warned of a lot of things, particularly

by the C.C.F. group in the House of Commons. They were warned of the dangers of unemployment that we had before the war started; they warned the government that you must do something to see to it that we do not land in the same kind of depression that the war lifted us out of when it started in 1939. In other words, we want to do something to plan for peace, as well as for war. Our C.C.F. group in Ottawa moved a resolution, (I can remember that so well) to extend the powers and continue with the War Measures Act and continue to maintain price controls in Canada. Who killed it? Who voted against it, I ask you? Every Liberal enough House of Commons voted it down; every Conservative voted against it; and every Social Crediter in the House of Commons, too, helped to vote that resolution down.

Mr. Lopton: — That just left the bunch of crackpots.

Mr. Howe: — It depends on who makes the decision as to who the crackpots are. I prefer to reserve my decision on that. But, naturally, Mr. Speaker, during that period in the House of Commons ‘big business’ was bringing pressure to bear on the government, asking them to remove these price controls, remove these restrictions that were standing in the way of free enterprise. We want to get back to business as usual.

Mr. Kramer: — Dog eat dog.

Mr. Howe: — Yes, and gradually and surely the Federal Government began to yield to the pressure of these lobbyists — not too gradually, no; and finally all the price controls were removed and we were back to business as usual. As a result of that, the quotation I read to you here indicates how the price of commodities has gone up a lot and yet, alongside of that, the commodities that the farmers produce have been going down, creating a spread of 53 points up until some time in 1953. The longer this keeps on the shorter is the end that the farmers and the producers of got left.

Of course, when prices go up, taxes have got to go up. There is no way out of that. There have been a lot of schools built the last few years, wonderful schools that were needed very badly; composite schools that would bring education right home to the people in the province, trying to give more and more educational opportunities of high school and technical education. Every time a school is built, more and more costs, more and more taxes are required to pay for that school. Don't forget that.

People require hospitals. We build them at tremendous costs, and the fact that these costs have gone up has made it necessary to increase taxes as years go on in order to pay for these much needed hospitals. Well, Mr. Speaker, I sometimes wonder when people are going to begin to think for themselves.

I want to remind you now of something that to me was extremely important only a few years ago. Again, at the conclusion of the war, at the time that it was at its most critical stage, President Roosevelt and Churchill took sail out on the Atlantic Ocean to discuss the problems of peace. They adopted four freedoms which later became known as the Atlantic Charter, and this charter was held up to the people of the world as a whole that when peace comes, this is going to be the salvation; this is the basis on which we are going to be able to build a permanent peace when this war is over.

Yes, what were those freedoms now, again? Freedom of speech, freedom of religion, elimination of fear and elimination of want. A very fine

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thing to look forward to, Mr. Speaker. But, what do we find? We find that the Government of Canada has failed miserably on two counts.

Mr. Loptson: — Only two now.

Mr. Howe: — They have failed to pull their weight. They have failed to set an example to the rest of the world in trying to bring those freedoms into fruition in times of peace. Yes, Mr. Speaker, they have failed to eliminate fear of unemployment; they have failed to eliminate dislocation of our economy in Canada and economic insecurity. Because of that, as far as I am concerned, the Federal Government stands condemned in the eyes of the people of Canada for that failure. Mr. Speaker, I shall support the budget.

Hon. A.G. Kuziak (Minister of Telephones): — Mr. Speaker, in rising to speak to the motion moved by the Provincial Treasurer, I want to take this opportunity of congratulating him and to say that we are proud of the very able way in which he has handled the financial affairs of the province over the past decade. I am pleased to know, too, that the budget makes provision to continue and expand the many services to our people and in general to continue further expansion of our economy towards the fulfilment of the 'programme for progress' placed before our people in 1952. May I point out that this blueprint presented to our people in 1953 was very emphatically endorsed. In fact, at that particular time there were more members in the Opposition than there are now; it was sliced in half, and they were thrown over to the right of you, Mr. Speaker.

Mr. Loptson: — We got more votes than we did before.

Hon. Mr. Kuziak: — I want to glance over this particular blueprint, Mr. Speaker. The first pledge on this 'programme for progress' is a \$75 million highway and main market road programme. What does this budget do? May I point out that for the third successive time the allocation of moneys in the budget to provide this expansion of highways, although this particular programme was to cover five years, we will, in four years, have implemented that part of that programme in full, and this budget provides it.

Point No. 2 in the programme: power to 40,000 farmers and all towns and villages. This budget again provides that we will tie in 7,500 farm homes with electrical power during this coming year. In the past we have tied in 25,000; 7,500 this year. In the coming year another 7,500 will have fulfilled that pledge in full. May I point out that 7,500 is more farmers tied in than I believe in any other province in the Dominion of Canada at any time in the history of Canada.

Pledge No. 3: continued development of Saskatchewan's oil and mineral resources, and here I am not going to spend any too much time. This was very well covered by the Minister of Natural Resources. The expansion in oil and mineral resources is terrific.

Pledge No. 4: natural gas in larger cities and intermediate points. The moment we have found enough gas reserves, for example in 1952, a gas pipeline was built from the gas field and on to the city of Saskatoon and since then the city of Saskatoon has enjoyed gas. This budget is providing another million dollars to extend the Coleville system so that there is ample provision for that portion of the province. In the meantime, we are awaiting development of the trans-Canada pipeline and gas will be brought into the other

cities of Saskatchewan. I say that this pledge again we are implementing, and implementing very rapidly.

Pledge No. 5: we said that we would support the construction of the South Saskatchewan River Dam in co-operation with the Federal Government. May I point out, Mr. Speaker, that 'Jimmy' Gardiner promised the people of Saskatchewan back in 1945; why, he told them the machinery was all set waiting to build the dam; elect the Liberals and on we go. Well, that machinery is still standing there, and today the Prime Minister of Canada says, "Well, I am not too sure whether this is in the public interest." Well, we are sure, and we are ready to co-operate with them.

Pledge No. 6 in our programme for progress: reclamation and settlement of new northern areas, and may I point out that in them budget we are making provision in paying out clearing and breaking payments and so on.

Pledge No. 7: abolish the public revenue tax that was held by the Liberal government for some 20 years. We have done that; we have implemented that pledge.

Pledge No. 8: that we give to the people of the province increased grants for education. What have we done in that? May I point out, for example, that the educational grants back in 1944 were just over \$3 million; today the grants to education exceed \$10 million, or an increase of over 200 per cent. We are fulfilling a pledge, again.

Pledge No. 9: extension of medical care programme. I see within this budget that is just being brought down, an increase in Public Health of over \$2 million, therefore implementing that pledge year by year.

Pledge No. 10: extension of social welfare benefits, and I see in this budget that they are also further increasing supplemental allowances to the old-age pensioners, to the mothers' allowance recipients, to those old-age pensioners that are on the provincial assistance. May I point out, too, that one particular class is going to receive the greatest supplemental allowance of any other portion of the Dominion of Canada where they do pay these allowances.

Leaving that, Mr. Speaker, 'Programme for Progress' was my blueprint and the blueprint of every member on this side of the House. Every budget that has been brought down, and the budget that is being brought down at the present time, has something on every one of those points in the further implementation of the promises that we gave to the people in 1952. Mr. Speaker, I am pleased and satisfied with a budget that has been brought down.

Going on to the financial critic of the Liberal party and, of course he follows the usual Walter Tucker lined. In the first place they criticize and they say — and, of course, they were not as emphatic this time; they say the budget is too large. Then, they forget they have made that statement, and on they go demanding more gratification. In fact, if you estimate the requests that they have made as far as education is concerned, you would have to add \$15 million to the budget that we are brought down. They want more money for municipal grants. In fact, the hon. critic wanted \$25 to \$30 million put into a special fund to aid municipalities and building sewers and water. Then, of course, he criticizes that the taxes are too high; reduce them. How ridiculous, Mr. Speaker, can these fellows be across the House?

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Mr. McDonald: — Take it easy; you'll have a heart attack.

Hon. Mr. Kuziak: — Now, he goes on and the previous speaker, the hon. member for Kelvington, covered it but I am going to go over it again. I believe this is very important. They tried to lay the blame on the C.C.F. government, saying that they have been instrumental in increasing school and municipal taxes in the province. The financial critic stated, and I quote:

“Taxes for school purposes have gone up from \$10 million in 1944 to \$24 million in 1953. Over a million and a half each year since the C.C.F. came into power.

“Percentage wise, school taxes have risen 145 per cent for rural municipalities.”

Mr. Speaker, I agree with him that they have gone up. But the question I would like to put is, why have these taxes gone up? The hon. member for Kelvington has given an answer, but I am going to go little further into that particular aspect. May I point out, Mr. Speaker, that this statement implying that taxes have gone up due to the policies of the C.C.F. is an absolute falsehood. I will say it is dishonest; it is used to misinform the public for cheap political advantage. May I say further that the Leader-Post plays that tune, too.

Mr. McDonald: — Careful, Alex.

Hon. Mr. Kuziak: — School taxes, they say, have gone up 145 per cent; but the school grants have gone up from 1944 when they were only \$3 million until today there are over \$10 million. School grants to education have gone up by 230 per cent. Surely, Mr. Speaker, you would think that the school taxes would have gone down. But they haven't; they have gone up. Now — why?

The Opposition usually like to go over and make other comparisons in Manitoba. They like to jump over across into Alberta and make certain comparisons. Why didn't they take a look at school and municipal taxes in Manitoba, under a Liberal government; and in Alberta, under a Social Credit government, and see if their taxes are lower than ours? I am going to give you some comparisons. I have made a map, a survey and the comparison of the school and municipal taxes along the Manitoba-Saskatchewan boundary on each side, and again, a comparison along the Alberta-Saskatchewan boundary, and what do we find? For example, in the R.M. of Livingstone in my area, north-eastern Saskatchewan, the municipal and school mill rate is 49.9 mills; stepping one step across the boundary into Manitoba, into the R.M. Swan River No. 9, and there the combined municipal and school rate is 58.2 mills — 8.3 mills higher than just across the road in Saskatchewan.

Let us take another one. The R.M. of St. Phillips in Saskatchewan, has a combined tax of 49.9 mills; stepping across to the R.M. No. 84, Shell River, Manitoba, — no, I should make that comparison also to Swan River, because it borders the Swan River constituency.

The next one is Calder, and I note that my friend opposite, the hon. member for Saltcoats (Mr. Loptson) is snickering. He should know this one, the R.M. of Calder. In the R.M. of Calder, No. 241, the combined school and municipal rate is 50 mills; you go across to Manitoba, just take one step across the boundary, and in the R.M. of Shell River, No. 84, the mill rate is 72.7. In this case the mill rate, in Manitoba, is 22.7 mills higher than in Saskatchewan. And I can go one further — in fact I want to.

I want to go to the R.M. of Moosomin, that of the hon. leader of the Liberal party; I believe he lives in Moosomin, and I am going to make another comparison there. In the R.M. of Moosomin, No. 121, mill rate is 46.4; stepping across the boundary into Manitoba, into R.M No. 2, the R.M. of Archie, the mill rate there is 64.8 mills — 18.4 mills higher there than in Saskatchewan. Why doesn't the hon. leader of the Liberal party go over to Manitoba and show his Liberal administration how to reduce those taxes? Why doesn't the hon. member for Saltcoats do that?

I am not going to give the average along the Manitoba and Saskatchewan boundary. The average municipal school rate, in Saskatchewan all along the Manitoba boundary, is 46.85 mills; in Manitoba, the average, right along the boundary, just take one step, is 58.53, or 11 mils higher in Manitoba than in Saskatchewan.

Mind you, Mr. Speaker, I had the opportunity of campaigning in the Selkirk by-election last fall, and while speaking to an audience in that particular riding, after I got through with the meeting, one of the questions that was asked of me was "How are the municipal and school taxes in Saskatchewan in comparison to ours, because ours here in Manitoba are completely unbearable?" But I snickered, and I said, "Now look, you place questions before me; I am going to ask you a question: who do the Liberals blame here for the increased taxes?" I told him that in Saskatchewan they blame the C.C.F. administration: "who do they blame here?" Well, I am going to tell you, Mr. Speaker, the members over there are a little more honest. They replied that they blamed it on the increased costs of all commodities. The costs were going up, and it is only common sense that the taxes must go up; but here these boys, still hoping to appeal to the uninformed public of Saskatchewan blame the C.C.F. Government! I stated, in 1951, that those tactics insult the very intelligence of the common people of Saskatchewan. They did insult our people, and our people showed them, in 1952, — they reduced them down to 10.

I can go on with Alberta. In Alberta, I made the same analysis, and here is what I found. I found that along the Alberta boundary the municipal taxes are exactly the same, on the average, as those of Saskatchewan. In fact, not exactly — I want to be fair; the average municipal tax in Alberta, along the boundary, is 17.75; in Saskatchewan, it is 20.36 — 2.6 higher in Saskatchewan than it is in Alberta; but now let us look at his school taxes. The school taxes in Alberta, along the boundary. . .

Mr. Cameron (Maple Creek): — Look at the roads while you're at it.

Mr. Walker (Hanley): — What roads?

Hon. Mr. Kuziak: — . . . the average school tax, along the Alberta boundary, in 1953, in Saskatchewan, was 22.2 mills; in Alberta, it is 29.3 mills — it is 6 mills higher. Combining the municipal and school taxes along the boundary in Saskatchewan and doing the same thing in Alberta, we find that the average municipal and school mill rate in Saskatchewan is 42.56; in Alberta, it is 47.05 and I would like to ask the people of Alberta — who do you blame for increased taxes?

Mr. McDonald: — The C.C.F.

Hon. Mr. Kuziak: — Do they blame the larger school units? Do they blame the Social Credit government? I am going to tell you, gentlemen,

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before I get through I am going to place the blame where the blame does belong.

Mr. McDonald: — Ottawa.

Mr. Cameron: — Everything to Ottawa.

Hon. Mr. Kuziak: — Yes, you know it; sure, you know it.

Mr. Cameron: — Poor Ottawa! We know your answers before you give them.

Hon. Mr. Kuziak: — All right —

Mr. Lopton: — Blame it all on Ottawa.

Hon. Mr. Kuziak: — And, of course, they point out — you know that the municipal and school taxes started rising from 1944. Well, Mr. Speaker, the truth is that they started in 1945 — not 1944; actually, in 1945. Yes, the very time when they threw out the controls in Ottawa. And who may I ask were the people fighting in Ottawa, at that time, to throw the controls off to skyrocket prices to astronomical heights? Who are they? The Liberals were bringing the Bill down, the Conservatives supported it and the Bible-carrying Social Crediters backed them up.

Mr. Cameron: — Everybody out of step but Johnny!

Hon. Mr. Kuziak: — Mr. Speaker, the free-enterprise bedfellows. The only ones that opposed it was the gallant C.C.F. group from Saskatchewan.

Mr. Cameron: — How many?

Hon. Mr. Kuziak: — I did a certain amount of campaigning, last fall, in my Canora constituency, and I know that the Liberals and the Liberal press is going around with a whispering campaign amongst the people: “You know your taxes have gone up since 1944 since those C.C.F.ers came in.” Yes, and I took it up with my people over there, and I pointed out to a reeve and I said, “Did ‘Tommy’ Douglas ask you to raise those taxes? Did I ask you to increase those taxes? Did the C.C.F. Government ask you?” And the answer came — that particular crowd was honest; he told the people that, since 1944, for example, a Caterpillar that he used to buy prior to 1945 for \$5,000, now has skyrocketed to \$15,000 — three times as high. This scraper the municipalities used to buy for \$3,000 has gone up close to \$9,000 — again, skyrocketing of the costs to the municipalities. It is only common sense that the taxes of that municipality would go up also. The same thing, of course, applies to the school districts and so on, and I so I say the reason for the increased school and municipal — in fact, I am going to throw them all in here — even the provincial taxes that have gone up and the federal taxes that have gone up; they have gone up due to the skyrocketing of all the commodities and things that they must buy.

Mr. Walker (Hanley): — Inflation.

Hon. Mr. Kuziak: — Who allowed the skyrocketing of the commodities by taking off the controls? The Liberal party, in co-operation with the Social Crediters and the Conservative party.

Some Govt. Members: — Hear! Hear!

Hon. Mr. Kuziak: — Therefore, we can lay the blame for increased taxes of every kind on the Liberals, the Conservatives and the Social Crediters at Ottawa. They usually love to follow the example of the United States. The United States took controls off, but at least the government of the United States had enough common sense to tell the manufacturers and the financiers that ‘if we are going to allow you the privilege of skyrocketing prices, we are going to bring about parity on farm commodities.’ Yes, and the American government instituted parity prices for the farm commodities of the United States, and so if you go across the line into North Dakota or Montana, their school municipal taxes are three and four times higher than ours per quarter, but they can afford to pay them. What have they done? They have allowed the commodities that the farmer must buy or labour must buy to increase, but at the same time our Federal Government has allowed the commodities that the farmer produces and sells on the market to go down. Do you blame the farmer for complaining that taxes are high? Let us be honest about it and place the blame where the blame belongs — upon those who allowed the catastrophic price increases within the Dominion of Canada, and those were the Liberals, in co-operation with the other two bedfellows that they sleep with.

I pointed out, as far as school taxes are concerned, that actually the grants in 1944 were \$3,000,000, and now they are over \$10,000,000; the school taxes should actually have gone down, but they didn’t. What about the municipalities? The Liberals talk about municipalities. I want to point out the total of all grants. The other day, again, the hon. financial critic only quoted one particular grant to the municipalities. He didn’t quote the others, and he used some figure of \$400,000 or \$500,000; but if he added up, for example, the bridge grants, the road grants, the aid to the L.I.D.s and so on, he would find out that, today, the grants amount to a total sum of \$1,900,000. If you check those very same items in 1944 — and mind you, that was an election year, and they really did blow themselves — you will find they did spend \$520,000. But if you go back to 1942-43, they only contributed to the aids of the municipalities a meagre sum of \$335,000. Now, our total aids to the municipalities are \$1,900,000. In addition to this, in 1952, we abolished the public revenue tax, which again gave them a further \$1,800,000. If you add those together, we are contributing, today, \$10 for every time you fellows opposite, when you were government, contributed \$1.

Mr. Speaker: — Order! Excuse me — but isn’t the Chamber getting smoky?

Some Hon. Member: — It surely is.

Premier Douglas: — It’s the brimstone, Mr. Speaker.

Mr. Cameron: — Keep going Alex, you’ll burn us all up.

Hon. Mr. Kuziak: — Mr. Speaker, I want to say a few words on the Crown Corporations that this Government commands, particularly the smaller Crown Corporations. You know you can gauge the over-all success of these Crown Corporations by, I may say, the trite, the nonsense, the falsehoods, the iron-curtain tactics of hiding the truth about these corporations, by the Opposition and the ‘Leader-Post’. Here is an example of what they will stoop to: “Six Crown enterprises show deficits in 1954.” The truth is that there were only three of the Crown Corporations that lost. May I point out, Mr. Speaker . . .

Mr. Lopton: — According to your figures.

Hon. Mr. Kuziak: — . . . that this thing was planned purposely. There is an explanation they are — yes, in small print; but the headlines, . . .

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Mr. Cameron: — That's all you can read, eh?

Hon. Mr. Kuziak: — The 'Leader-Post' knows that the public usually reads the headlines; therefore, misinforms the public — and then they talk about Russia! So, if you go through the Leader-Post, in the last few days, and there is one example of 100 per cent falsehood — only half of it is true — or 50 per cent.

Here is another one: "Opposition charges sawmill too big." Yes, and if we had it a little smaller they would charge that it was too small. You cannot win, brother, with those fellows. And another one: "Legislature debates Airways problems." Another one: "McDonald asking crash questions." I wonder if the hon. Leader of the Opposition asked any question in connection with the Moose Jaw crash. "Government Airways loss at \$31,868"; that was another headline. This one is true. Why don't you headline the better side?

Now, what is the truth as far as the Crown Corporations are concerned?

Mr. Speaker: — Order! If this smoke gets very much worse I am afraid we will have to adjourn the House. I understand there is a fire in the Administration building.

Premier Douglas: — Oh, I don't think it is that bad, Mr. Speaker.

Mr. Speaker: — Well, as long as you can stand it, I can.

Hon. Mr. Kuziak: — I prefer to carry on. I have to give the boys over there the truth. Mr. Speaker, what is the truth as far as the Crown Corporations are concerned. This year we operated 12 of them; nine of them showed a profit, three of them made losses; and may I point out that the profits of the nine corporations, deducting therefrom the losses of the three Crown Corporations, we still had a profit of 7.81 per cent. Now, I want to give Power and Telephones. Those are the two corporations that the Liberals commenced, and of course we built them up actually; but in those two corporations the profit on the capital investment was only 7.62; in fact, the smaller C.C.F. socialistic corporations did better than the two big ones.

I want now to go into some of the details of these Crown Corporations. For example, one of them, Saskatchewan Government Insurance Office — why doesn't the 'Leader-Post', for example, headline that on an investment of \$12,000 into this Company, in 1945, it has turned back to the province, in net profits, \$1,956,000, or almost \$2,000,000?

Mr. Loptson: — Shame!

Hon. Mr. Kuziak: — In fact it has returned to the original investment 163 times in ten years.

Mr. Cameron: — What about the tannery?

Hon. Mr. Kuziak: — For example, in Crown corporations, the other day, it was shown that the cost of operating this Saskatchewan Government Insurance Office was 28 per cent of the premium income, but private enterprise costs are 41 per cent of the premium income. In other words, giving the lie to the fact that private enterprise is more efficient than the Government.

Why doesn't the Opposition point out that this office has accumulated \$6,000,000 in assets, \$5,500,000 of which is invested in Saskatchewan and not in New York or in Montreal? Why don't they tell the people that instead of investing money in Chicago, New York and Montreal in skyscrapers as is the practice of other insurance companies, we invested in Saskatchewan and we bought the biggest building, a skyscraper, here in the city of Regina.

Why don't they tell the people something about the savings that this insurance company has meant to the people of Saskatchewan in reducing insurance rates.

Mr. Kramer: — Now you're talking!

Hon. Mr. Kuziak: — Where the farm rate in the hungry 'thirties was \$2.50 a hundred for three years, today it is 85 cents, or one-third of the cost. Where the schools used to pay a premium as high as \$2.50 for three years for fire insurance, today they pay 70 cents, less than one-third of the charges those companies use to make.

Now, I want to read an editorial; it is really a juicy one.

Mr. Loptson: — I was right.

Hon. Mr. Kuziak: — The Liberals held a convention lately and in that particular convention they passed a resolution that they were not going to do away with the insurance office. You know, the whole caboodle is not going to go flying out now. They appear to have learned a lesson. The boys that were going to throw the whole caboodle of the window, we are going to throw these Crown Corporations out the window, lost out, and ten of their colleagues were thrown out the window by the people of Saskatchewan.

Mr. McDonald: — That's where you will end up, too.

Hon. Mr. Kuziak: — But, in their plank, last fall, when the hon. leader was chosen, you know, they decided not to throw the insurance office out. The fact that they passed this resolution stampeded the insurance companies of Canada and so one of the boys, one of their boys, in fact, Mr. E.N. Davis, editorial writer of the Leader-Post and formerly publicity director for the Saskatchewan Liberal Association, rushed into print in the "Canadian Underwriter", pointing out to the insurance companies, and this is what he has to say:

"The rightabout face of the Saskatchewan Liberals on the compulsory automobile insurance issue . . ."

Mind you, the rightabout face —

". . . is perhaps the most significant and important recent event in Saskatchewan in the insurance field. Some persons may wonder why the Liberal convention did not go all out for abolition of the government insurance and of the Saskatchewan Government Insurance Office. But insurance companies have been so blackened by adverse propaganda in Saskatchewan that a substantial element in the Liberal party believes it would be advisable to keep the Government Insurance Office in business or in a non-compulsory basis as a competitive check on exorbitant private insurance rates."

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Yes, they believe they are exorbitant. He goes on — I quote:

“If the Government Insurance Office were abolished and rates for automobile insurance and other insurance were boosted immediately, this would raise the devil with the Liberal chance of holding office. Some Liberals contended that the Party at once would be opened to a charge that it was in league with a greedy private insurance interest.”

Then they go on — this is really good, Mr. Speaker:

“ Accordingly, the way things look now is that if and when the Liberals return to power in Saskatchewan . . .

If and when — even he doubts they will ever return:

“. . . private insurance will have the going in the province made easier by the dropping of the compulsory feature, but the Saskatchewan Government Insurance Office would remain in business . . .”

Listen to this:

“. . . for the time being, at least, as an added competitive factor for the protection of the public.”

Mr. Speaker, they are going to ease it slowly into the public of Saskatchewan. Yes, easily; and then they say, only for the time being and then we'll throw the whole caboodle out the window and our friends will be right back in there.

Mr. Cameron: — Who says all that?

Mr. McDonald: — Kuziak.

Hon. Mr. Kuziak: — The publicity director of the Saskatchewan Liberal Party says it. Now, I want to go on. I want to go on to the other insurance company that we purchased a few years ago, the Saskatchewan Guarantee and Fidelity. Do you know what the Leader-Post printed at that time? Why they had a headline “The Government Bought a White Elephant.” They bought a white elephant for \$250,000. Now, I would ask them to headline, “\$250,000 White Elephant in Six Years Nets the Province \$400,000 in net profit.” Put that in your paper!

In fact, may I point out the efficiency of public enterprise? This Saskatchewan Guarantee and Fidelity was operated by private interests for, I believe, somewhere around 40 years, and over that period they accumulated a surplus of \$77,934 on rates that were three times higher than they are today. The Government, six years ago, bought this white elephant, but that white elephant has now accumulated a surplus fund of \$400,000. This year alone this insurance company made \$110,000 in net profits; more profit in one year than private enterprise is able to do in 40 years. This \$250,000 investment has accumulated some \$2,300,000 in assets here in Saskatchewan and not in New York or Montreal.

We go to another one and this is one of the reasons that the Leader-Post really goes after the Crown Corporations. Before 1944 practically all the Government printing here in Saskatchewan went to the Leader-Post, so,

why shouldn't the Leader-Post support the Liberal party? But, we commenced with Saskatchewan Government Printing. We have put \$303,000 into it to date. This Crown Corporation has returned in net profit to the people of Saskatchewan, \$339,000 — far more than paid for itself. Why don't they headline that story? Why don't they headline that this Saskatchewan Government Printing, this year, turned in, in net profits, \$81,000 to the people of the province of Saskatchewan? And, their printing rates were not increased from the hungry 'thirties up until, I believe, 1952 or 1953. There was a slight increase then. Since then printing for the government has been done at 10 per cent less than the normal printing rates of other firms in Saskatchewan.

I want to go on to another one, Saskatchewan minerals — sodium sulphate. We have, according to our engineers, 200 million tons of sodium reserve in the province of Saskatchewan. In 1948 we built what the Leader-Post and the Opposition stated was a million-dollar 'baby' at Chaplin. But, this baby at Chaplin, since 1948 (that is over a period of seven years) has returned in net profits \$557,178. This sodium sulphate plant — or this million-dollar baby, has accumulated in unused depreciation cash reserves of a further \$225,000. We have set aside a contingency cash reserve of another \$45,000. This same firm has paid in royalties to the Government of Saskatchewan a sum of \$230,000. In fact, over a period of seven years, if you add it all up, this million dollar baby has amassed in profits, in cash reserves, and in royalties paid to the Government a sum of \$1,017,178, or more than its capital investment.

Mr. Loptson: — A fine story!

Hon. Mr. Kuziak: — Yes, a fine story and that is the story that should be told.

Mr. Cameron: — How about the tannery, the Fish Board, Timber?

Mr. Speaker: — Order!

Hon. Mr. Kuziak: — You've said enough about the Fish Board without me saying any more.

This year we have gone into further expansion in sodium sulphate. Realizing that the demand is terrific in eastern Canada and America, and that the demand for sodium sulphate is increasing at the rate of 40,000 tons a year, we believe it is our responsibility, if private enterprise does not do it, to expand further in the sodium sulphate field. So, this year we have purchased two plants. We were out to buy the one at Bishopric, but finally, took over the two plans for a sum of \$350,000.

Mr. Loptson: — After you broke it.

Hon. Mr. Kuziak: — We got it for peanuts, and we will show you how to make profits. \$350,000 — and may I point out that this corporation was bought from the unused depreciation cash reserves that we had at Chaplin. We put \$200,000 down; we are going to pay \$100,000 on January 1, 1956, and \$50,000 in 1957, and I believe it will all be paid out of the reserves set aside at Chaplin. May I point out that not one dollar did the Government supply to purchase this particular plant.

Going on to clay products. There has been a lot said about clay products. I want to say that there has been considerable improvement. Let us

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consider the Federal government, or the Liberals in the past when they, for example, took over Telephones in 1909; it took years until they were able to produce a profit. The same thing applies to the Saskatchewan Power Corporation. The same thing applies, for example, to the T.C.A. and the C.N.R. — and I am just wondering if the C.N.R. is now making any profit. There are usually difficult years at the start, and so clay products had its difficulties for a number of years. Last year it came through with a profit of \$40,000. This year, in spite of the fact that there was a shut-down for some six weeks, the Crown Corporation is coming out again with a profit of some \$37,000. I would like to point out, too, that the sales from this plant jumped from \$230,000 in 1953 to \$427,000 in 1954. I believe that in 1955 it will even show a better picture than that.

I want to say something again on the general Crown Corporation picture. For example, the nine Crown Corporations that operated at a profit showed a profit of \$956,884 this year. The three corporations that lost, lost the sum of \$194,123. Of course, the Opposition is going to repeat and repeat the \$194,123 — but will they say a word about the \$956,884? No, they don't exist. Anyway, the net profit brought down after deducting losses, with \$762,761. May I point out, too, the cumulative profits of all the smaller Crown Corporations, the C.C.F. corporations, since we started. These corporations over the past number of years, the profitable corporations, produced a net profit to the province of \$6,759,913. The losing Crown Corporations — and I am not afraid of them; these losing Crown Corporations so far have lost \$1,754,236. All right, deduct the losses from the province and the profit is still over \$5 million netted to the province of Saskatchewan.

I want to make a little comparison of Crown Corporations at the time the Liberals left office and at the present time. In 1954 the Liberals, of course, operated two Crown Corporations . . .

Some Hon. Member: — 1944.

Hon. Mr. Kuziak: — Yes, 1944 — Power and Telephones.

Mr. McCarthy: — They were public utilities, not corporations.

Hon. Mr. Kuziak: — All right, public utilities, call it whatever you wish. They employed a thousand workers. We today employ in our Crown Corporations four thousand workers. The amount of wages paid out in 1944 was \$1,400,000. Today we annually pay out in wages in the Crown Corporations \$8,874,000, or close to seven times as much. Talk about industrialization, volume of business! The Liberal Crown Corporations in 1944 had a complete turnover of \$5,207,000. Today the business done, or the turnover, is \$53,404,000, ten times greater than when the people across the House left office — and then they talk about industrializing Saskatchewan! The net profits under the Liberal Crown Corporations in 1944 were \$538,000. Today, they are \$4,298,808. Those are some of the stories that I believe, if the press was honest, it would give to the people.

I want now to deal with Telephones. I want to point out that telephone expansion this year again is characteristic of the general rapid expansion of the Saskatchewan economy. Capital expansion, for example, in Telephones, this year, has been the greatest in the history. We again this year plowed in over \$9 million into the expansion of the telephone industry. I want to point out, too, that the greatest share of this money went into buildings

and expansion of exchanges particularly in Regina, in Saskatoon, in Moose Jaw, Estevan, Kindersley, Melfort, Melville, North Battleford, Prince Albert, Yorkton, Humboldt and Rosetown. The number of telephones that we installed this year was 9,340. May I point out in comparing it to last year in 1953, we tied-in even more telephones, 10,860. This year we stressed the building; in order to tie-in more telephones to the exchanges in the province of Saskatchewan you must be able to put in central office equipment. If you put in equipment you must have the building space. And so, this year, we concentrated on the expansion of buildings. I believe that next year we will be able to top even that record of last year and putting in more than 10,000 telephones, and I believe that this coming year will be the year when we will be drastically reducing the waiting list of those waiting for telephones in the province of Saskatchewan.

In this particular year, 1953, we converted Kindersley to dial telephones. If we turn our attention to rural telephone expansion, we find there were 1,363 telephones tied-in to the rural system, bringing the total rural systems to 60,000, our own to 114,000, or a total of 175,000 telephones in the province of Saskatchewan.

Revenues in 1954 increased over those of last year, but I am going to give the figures for last year, \$9,643,000; this year \$11,448,000. The net profit increased from last year, when it was \$1,846,000, to \$2,192,000. May I point out to the financial critic of the Liberal party that the increase in net profit this year, after plowing in \$9 million further into capital expansion, is only \$345,000; yet last year he was inferring to the public that we had doubled our rates throughout the province of Saskatchewan. I stated to him then that if you are right that we doubled the rates, we should come out with a net profit, at the end of this year, of \$8 million.

Mr. McDonald: — But you are inefficient.

Hon. Mr. Kuziak: — I pointed out that the increase was somewhere around 12, 13 or 14 per cent. He was 80 per cent out and still stands at 80 per cent out, as far as the truth is concerned.

Mr. Cameron: — Three and one-half last year and you increased it — how did you get your loss?

Hon. Mr. Kuziak: — As for the telephone programme for 1955, I want to state that it will be similar to that of 1954. We will still be working on the completion of most of the buildings that I had on my list. This coming year we will have no doubt the greatest year as far as converting telephones or to dial system. This year we have already converted Estevan; we will be cutting over Rosetown; we will be cutting over Humboldt, and we will be cutting over Uranium City in the north.

Mr. Speaker, I am sure you know exactly where I stand as far as the motion moved by the hon. Provincial Treasurer is concerned.

Mr. Wahl (Qu'Appelle-Wolseley): — Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

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