

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Third Session — Twelfth Legislature**  
**19th Day**

**Tuesday, March 8, 1955.**

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

**BUDGET DEBATE**

The House resumed from Monday, March 7, 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 Committee of Supply).

**Mr. W.H. Wahl (Qu'Appelle-Wolseley):** — Mr. Speaker, I am going to make a few remarks about the pioneers before I start to discuss the Budget. Much has been said about the remarkable progress made in Saskatchewan in the last fifty years. We are all proud of this progress; but while 50 years will do much for a province, depending on the resourcefulness of the people, it has a different effect on the human body. You weaken physically, your waistline sags, your hair loses its luster and sometimes falls out entirely; but we are told that as people age, the brain, which is the man, develops into a period of wisdom . . .

**Mr. Erb:** — Sometimes.

**Mr. Wahl:** — . . . and tolerance, and the aged group in all times past and present has had a stabilizing effect on life. I quote two proverbs:

“Old age takes from the intellect no qualities save those which are useless to wisdom.”

“The ancient is wisdom and in the length of days understanding.”

I say this, Mr. Speaker, so that the people who are still alive and helped to make the province what it is, will know that their wisdom is still an important asset. One aged man quoted a poem to me before I came to this Legislature, which I have since realized was appropriate. It was taken from Alice in Wonderland. I repeat:

“‘The time has come’, the walrus said  
‘To talk of many things;  
Of shoes and ships and sealing wax  
And cabbages and kings.  
And why the sea is boiling hot  
And whether pigs have wings.’”

The budget is the most important debate, and it is truly said that the people who control the purse-strings control the living standards and the destiny of the people. This applies to the Federal Government and to the Provincial Government in its limited sphere of action, and any budget is only as effective to the degree it is advertised and publicized to the

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people so that they can intelligently use it. It is about this particular phase of the budget that I wish to speak.

One example of how the budget has been converted to use, is hospital insurance. It is not unusual for rural municipalities, villages and towns, to have 100 per cent of their people insured. The Department of Health direct mail and radio and newspaper advertising makes its benefits familiar to all people, and all urban and municipal councils make every effort to have all people insured, because they realize that indigent sick can soon break a local government. Hospital insurance has accomplished this and has saved lives and improved health in every community, allowed people who have been sick to retain their financial security, and is the main reason why taxes are lower and municipal debt is lower in Saskatchewan than in either Manitoba or Alberta

In order to judge government, you must compare with other governments, so I am going to give you an example of how the Federal Government do not inform the people of their laws, and as my authority I am going to quote the Canada Year Book, 1947. In the Canada Year Book it states that, in 1940, the income tax laws were amended and this was the reason they gave:

“The outbreak of war in 1939 caused a rapid expansion of expenditures by the Federal Government and they revised the income tax laws so they could collect more money from individuals and corporations.”

And, may I suggest, Mr. Speaker, it is a very fair law and a very good one and a very good reason; but in the winter of 1940, I had a private conversation with one of Canada’s senators and he was remarking about this change in the income tax laws. He suggested that he hoped the Federal Government would take every care to publicize and advertise to the people so they would understand this very important amendment. This is what he said. He said that he hoped that every farmer and businessman and all corporations – of course, they naturally have accounting departments that take care of that; but all farmers and businessmen would realize that they must take a net-worth statement so they would have a base to start from and stop interest and penalties. Unfortunately, what the Senator hoped did not take place, and we entered into a period of confusion and rumors. As you know, on any street corner from 1940 up to now you can hear different people telling you how to evade the income tax by different methods – buying machinery and houses and such like.

I noted that the Rt. Hon. ‘Jimmy’ Gardiner added to the confusion. At a public meeting in Young – and I am quoting from the Star Phoenix on Friday, October 22, 1948, he said:

“No one who had an income below the exemption bracket had to make a return unless called on to do so by the Income Tax Department.”

And that is actually a true statement, but a very misleading one, because no one knows whether they have any income or not until they make out their income tax form or a net-worth statement. Everyone at the end of the year is always ‘broke’, including myself. But, nevertheless, after that happened the farmers had several mass meetings in western Canada, and the Federal Government made a public statement that the farmer did not have to make out a net-worth

statement. That, again, added to the confusion, because at that time and now, income tax inspectors find out who has money, and this is one very simple method – they watch the local newspapers; they see who went to California, who went to the Coast, who bought an automobile, or whether their wives have bought fur coats. Then they pounce on these people and they make out a net-worth statement. In most cases that means a mortgage on the farm.

After the Federal Government made the public statement that the farmer did not have to make out a net-worth statement, in 1949 the Federal Government passed an amendment in the Income Tax Act and it was a very important amendment. It meant just this: that after the man dies, everything that they possess is assessable immediately for income tax. That means that a wife is regarded as a chattel, even though she has helped build up the estate.

I have often wondered why women's organizations have not protested to the Federal Government about this piece of legislation, but to date no one seems to be too clear about that. Nevertheless, this is true. One of our western Liberal M.P.s voted for this amendment, and did not know what he was voting for.

**Mr. Cameron:** — You've got the wrong page there.

**Mr. Wahl:** — Now, in 1955, that is this Jubilee Year – I am going to mention the Senator's name I was talking to in 1940. It was Senator Horner, and his worst fears have been realized. The Federal Government gave the people no understanding of government policy regarding income tax, and at the present time the public are faced with fear, doubt and confusion.

I have given you an example of how the Federal Government advertises their programme. I am going to give you an example of the Manitoba government, which is a Liberal government, and I am going to quote from the 'Free Press'. Now, the 'Leader-Post', as you know, is the mouthpiece of the Liberal party in the province, and in my opinion they print very unfairly; but I am going to say this about the Free Press that they print criticism of the government they support, which I think is very commendable. I am going to read this editorial and it is on how to get better schools:

“The larger school area makes a clear appeal to common sense. It unquestionably is the best method yet devised for improving the quality of rural education. By the amalgamation of small school districts it raises the standard of teaching, increases enrolments, broadens the curriculum. The provincial government rightly encourages the establishment of larger school areas, but after nearly eight years of the policy, Manitoba has only one larger school unit. Despite the inadequacies of one-room schools, rural trustees and councillors simply will not take the initiative in this matter, nor will they accept the gentle persuasion that the government offers. Something more vigorous is required if the larger unit idea is to have any success in Manitoba. The difficulty is that the government confuses leadership with compulsion. In defence of its policy of wait-and-see it declares that it will

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not compel municipalities to establish larger school areas. Compulsion certainly would be obnoxious; it is also unnecessary. The weakness of the government's position lies in the procedure that is adopted to clear the way for the larger school areas and the government is in a position to change this procedure.

“At the present those who wish to form a larger school area in any particular region must present to the Minister of Education a favouring petition signed by at least 20 per cent of the resident electors in one municipality affected. Upon receipt of this petition the Minister may order a referendum to determine the people's wishes. The referendum is necessary before the districts can be organized. The Minister may, however, reject the petition without taking a vote. This is a cumbersome procedure weighted against the people within the municipalities in favour of larger school areas.

“There is an alternative to this stalemate and in no way involves compulsion. It is simply to reverse the procedure. Let the government select an area which it believes to be suitable for a larger school plan and announce that it wishes to carry out the necessary reorganization. If an opposing petition signed say by at least 10 per cent of the resident electors is presented within a reasonable period of say 30 days of this announcement, then a referendum will be held. This method would provide positive leadership, but not compulsion. It is entirely democratic and it is similar in many respects to the method used by municipalities when planning local improvements. It allows for proper expression of dissent but rules out the unnecessary device of referendum unless the dissent is clearly indicated. The larger school unit is recognized in all parts of Canada as a way of improving rural education. Its adoption in Manitoba should not be longer delayed, but if delayed, then at least the responsibility should be on its foes, not on those who claim to be its friends.”

I draw your attention to that editorial because the way they suggest is exactly how Saskatchewan put in their larger school units.

**Mr. Danielson:** — Oh, no. Each school district was compelled.

**Mr. Wahl:** — I have showed you how these other governments have failed to publicize their programme so the people can understand it. I consider this Government has been very careful in that respect.

In 1954, as we all know, the farmer lost money and when the farmer has no money in this province, no one else has. The businessman faces ruin, and the only way that I can see that we can bring back our prosperity is for the farmer to have some money. I am going to suggest the United States subsidizes their farmers. I do not believe in that policy entirely, but I suggest that the Federal Government pay the farmers of the west the 10 cents a bushel they owe them on the last five-year pool, and

I am going to give the reasons why I say they owe them 10 cents.

Why did the Rt. Hon. J.G. Gardiner make confusing statements about this pool that caused the Prime Minister to reprimand him at that time, if he did not think that they owed the farmer that 10 cents a bushel? I suggest that if there was money put in the farmers' hands at the present time he would be able to pay the businessman the money he owes, or at least buy some new goods and services, and that would put our economy this summer on a very firm foundation.

I must mention the Indian and the Metis people. They have played an important part in the original plan to open up the west, and this has resulted in our fine standard of living. Today these people live in poverty, and while the Metis people are the responsibility of the provinces, I am going to suggest that the Federal Government has some responsibility in that respect too, because they were responsible for their creation.

I noticed on television on Saturday night that the C.B.C. had a short programme about an Indian reservation in northern Manitoba where they claimed there were 1,200 Indians living in semi-poverty, and they were particularly concerned about these people. They said something had to be done or it could soon mean that part of them would starve to death.

Most people have a very confused idea about the treaty money that the Indian gets. They imagine that this will give them a standard of living, but that is not exactly true. I have here the annual report of the Department of Citizenship and Immigration for March 31, 1953, and I am going to quote from that for your information as to how much money the Indians get under the treaty. Now, the Federal Government – and again they realize that the Chief of the tribe has a position to uphold and he had to have more money, so they give him \$25.00 a year. There are 175 Chiefs in Canada. They also realized that his Councillors have to have more money, so they gave them \$15.00 a year – 403 of them. To the ordinary run of people, 57,447 of them, they gave \$5.00 apiece – that's every year. But the most disgraceful thing about that is they always call the Mounted Police out to the Reserve and they pay them in cash, and there is a very good reason for that. They could not pay them by cheque, because the Indian is known to the Federal Government by a number and you couldn't write a cheque out to a number.

I have a solution to that problem. I am going to suggest that Mr. Fortier, who is the Deputy Minister in charge of Indian Affairs, move out to one of the Indian Reserves in Saskatchewan, Manitoba, Alberta or British Columbia and be placed in one of the Indian homes and then give him that \$5.00 a year allowance, and I am going to say that he will soon find a solution to raising the standard of living of the Indians.

There is another class of people that have complained to me about injustice and this has to do with immigration. I am not suggesting that immigration is not right, because everyone in this room is either an immigrant, or the descendant of an immigrant, and that is what built up this country. But, we have recently brought in over a million immigrants – and again I am not suggesting that was wrong, but I am suggesting this is wrong. The veterans tell me these immigrants have special privileges as to jobs and education, and after investigating one of these cases, I found this to be true.

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I just want to say that the Provincial Government, in my opinion, has done a very fine job of advertising its programme to the public so they can take advantage of it, and I think everyone is familiar with their programme in spite of the Opposition's efforts to confuse it. They did a particularly fine job, last year, in advertising their highway safety programme and this resulted in a drop in accidents, a saving in property, and most important, a saving in lives. I am going to suggest that we can even do a better job this year and further reduce automobile insurance.

In closing, I just want to commend the Provincial Treasurer on his attention to duty, his regard for the fact there is no substitute for the truth, for keeping the public informed at all times of the year on the financial position of the province. To me that is very important. In most provinces and the Federal Government they keep the budget's details a secret. I noticed last year, if you followed the papers, you could at all times tell the exact financial position of the Provincial Government. I want to commend the Provincial Treasurer for that and, in view of these facts, I will support the budget.

**Mr. H. Begrand (Kinistino):** — Mr. Speaker, first of all I wish to extend my congratulations to the Provincial Treasurer for another fine budget, which he brought down, the other day. I am sure the people of the province of Saskatchewan are again happy at the foresightedness of the budget and continuing services and progress. I will have more to say about that a little later on.

At the end of 1954, Saskatchewan takes stock of its work in relation to the Saskatchewan Golden Jubilee, a celebration of the 50th official year as a province. Many of our citizens remember the gruelling hardships of early homesteading and the pioneer days, when people from different parts of the world came to stake their future, along with their families, in this wilderness which is now Saskatchewan. There was no service of any kind, hardly any schools, no medical facilities, no roads, no telephones, hardly any railroads, and many of our earlier pioneers came from Manitoba in Red-River carts. All they had at their disposal was a team of oxen or horses — some had nothing; but they all had lots of courage, no money and hard physical labour ahead of them to tackle this tremendous task. What a wonderful job they have done! Today, after 50 years of development, this province now has a network of all-year-round roads, a telephone system second to none . . .

**Mr. McDonald (Leader of the Opposition):** — God help the rest of them!

**Mr. Begrand:** — . . . first-class train and bus services maintaining steady communications. We have a hospital service plan serving the people of the province in outlying areas with an air ambulance service attached to it, second to none on the North American continent. Farms are being electrified at an increasing rate. By the end of 1956 we will have 40,000 farms electrified; all the villages, hamlets and towns of the province of Saskatchewan will have been electrified, as we promised the people of the province we would do, in the election of 1952. The farms are equipped with the most modern farm equipment. These have been noteworthy advances in scientific farming and animal husbandry, through the

University of Saskatchewan. The expansion of the University's medical school will make Saskatchewan and Saskatoon a leading Canadian medical centre. The promise of wealth from natural resources is a glowing one indeed. Our schools, with an increasing number in the Units scheme, are gradually raising educational opportunities for rural children, as well as gradually making teachers better able to contribute to rural education.

It has taken two generations of time and hard work to bring physical comforts, security and prosperity to Saskatchewan. Fifty years ago skill and entertainment were matters closely bound with pioneer home life. Today, community life is characterized by change and range; it is with these new proportions that Saskatchewan is entering the year 1955.

At this time I wish to say a word about the pioneers of our province, especially the pioneers of the Kinistino constituency. Many pioneers settled in the Kinistino constituency many years prior to 1900. Many of these hardy settlers are still living and are active in community affairs. To this group of pioneers, along with thousands of others throughout the province of Saskatchewan, we owe a great debt of gratitude, for this year, 1955, we are going to celebrate the results of their great courage, hard work and vision. And to all the old pioneers of the Kinistino constituency and their children I wish to dedicate this small poem:

I sing to you, men with hands of toil,  
To the name of you, to the fame of you  
Who, in earlier days, in our native soils  
Lived lives of hardship, dull, obscure  
Founding a nation strong and sure  
Your work enduring as realms shall stand  
As long as your children rule the land,  
A monument time can never spoil.”

The Kinistino constituency was set up in 1905 and has been a constituency ever since. It was represented by a Liberal M.L.A. from 1905 to 1908, then by a Provincial Rights (or a Conservative) M.L.A. until 1912, and then by a Liberal until 1944, but since that time – no more.

**Mr. Cameron:** — What about 1948?

**Mr. Begrand:** — No prospect for the future either. At a by-election on November 13, 1916, Charles Dunning was elected by acclamation in the Kinistino constituency. He was Provincial Treasurer at the time and had just been taken into the Cabinet of Premier Martin, who had succeeded Premier Scott.

The Kinistino constituency is a highly developed agricultural constituency, both in grain and high grade livestock, and includes one of the best farming areas of Saskatchewan. It is also densely populated. It is served by 23 hamlets, villages and towns, three very good hospitals, good schools, all of which are rendering a splendid service to the people of the respective communities which they serve.

I also wish to avail myself of this opportunity to extend to the people of the Kinistino constituency my most sincere thanks and appreciation for the wonderful co-operation which they have given me in the discharge of my duties as their member of the Provincial Legislature.

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However, Mr. Speaker, in 1954, along with a great majority of the rest of the province, the Kinistino constituency was not by-passed by the hazards of nature, and we, too, in that part of the province, had a very poor crop. That disaster, along with the gradual decline of prices of agricultural products, finds the majority of the farmers of the province in financial difficulties for 1955, and this, in spite of the fact that in the three years previous to 1954, the province of Saskatchewan had raised three above-normal, tremendous crops. However, as the net income of the farmers has gradually been going down over the years caused by price decline on one end and rising costs of operations on the other, is it any wonder, Mr. Speaker, that the farmers are finding themselves in difficulties at this time? I said in my speech, last year, in this House, and I wish to make the same statement, today, that this condition has been brought about entirely by the blundering agricultural policies of the Federal Government.

**Some Govt. Members:** — Hear! Hear!

**Mr. Cameron:** — You'd better read that again.

**Mr. Bégard:** — And I wish to strongly recommend to the hon. members of the Opposition that, if they want to render a real service to the people of this province . . .

**Mr. Kramer:** — They don't, though.

**Mr. Bégard:** — . . . they should . . .

**Mr. Cameron:** — Don't interrupt. He'll lose his place.

**Mr. Bégard:** — . . . they should use their influence, if they have any, with the Federal Government to bring about a more equal and just fiscal policy and thereby a more equal distribution of the national income. I believe it is high time for a Dominion-Provincial conference to be held, to discuss such important problems as a new fiscal policy so that provinces like Saskatchewan and the Maritimes will receive a fair share of the national income; for when we consider that of all the taxes collected by federal, provincial and municipal bodies, the Federal Government collects 74 per cent of all the taxes, the 10 provinces collect 17 per cent, and the municipalities collect 8 per cent; is it any wonder, that under a taxation set-up as above outlined, provinces such as I already mentioned are meeting great difficulties in carrying out such essential services for their people as education and roads? It is very evident that the Federal Government is the only tax collecting power that can do much for urgent problems which cost a lot of money, such as have been mentioned above.

I would like to say just a few words regarding better education, about Federal aid for education. No one will deny that education is important in our Canadian democracy. It is vital. Upon the knowledge and character of our free citizens depends the nation's progress and our very survival in today's world. Sir Wilfrid Laurier said "the twentieth century belongs to Canada", and, as we enter the second half of the century, it appears more and more likely that this was a true prophecy. The next 50 years will be all important in the development of our country. If we are to take full advantage of the great and challenging opportunities which face us and fulfil adequately the task which is thrust upon us, our educational system must be the best we can afford. It must offer Canadian youth, no matter where or

in what circumstances they happen to live, an equal chance to develop all their capabilities.

Under section 93 of the British North America Act education is a matter for provincial control. This was a wise decision, because it ensured that each province will be able to build its educational system around the needs of its people. We all know that; but the B.N.A. Act was passed in 1867, and times change; what was good in 1867 is not good enough in 1955. Federal aid for education does not mean federal control. As far back as 1913, the Federal Agricultural Instruction Act appropriated \$10 million to assist the provinces in agricultural farming. There was the Technical Education Act in 1919; the Youth Training Act of 1939; the Vocational Training Act of 1942 – all providing some form of Federal financial assistance for education without control.

It might be suggested that federal aid for education means federal control; this cannot be too strongly denied. The system of federal grants made without federal control has already been established, as outlined above. I am of the firm opinion that the Federal Government should give more assistance to education: (1) it can be done without interfering with the rights of the provinces, and without causing a reduction in provincial grants for education; (2) Our children are all Canadians and, as such, they all deserve opportunities for an equal education; (3) Education is the basis of all Canadian development; (4) Educational opportunities are not equal across Canada; the richer provinces are able to provide better opportunities; (5) Federal aid would broaden the tax base for support of education.

What form would Federal aid take? Various methods are possible; but the Canadian Teachers' Federation believe that a straight per-pupil grant, ear-marked specifically for education, would be the most direct means of providing aid and assuring the provinces that the Federal Government would not infringe upon provincial rights or jurisdiction. This method might appear unfair to the poorer provinces, as they would be receiving no more per pupil than the other provinces; actually, the more prosperous provinces would pay for their own grant, as well as part of the grant for the less prosperous provinces, through their higher tax contribution.

The urgent need for federal aid is clearly recognized, both in the House of Commons and elsewhere. I quote:

“I believe that if we are to continue to develop as a Canadian nation, more intelligent and equitable distribution of national income, resources and taxing power must be worked out. One of the results of this should be, and must be, that more money will be made available toward educational facilities and education generally than is now being provided.”

That was stated by Dr. A.M. McKenzie, President of British Columbia University. May I quote again?

“I propose to support this resolution with the simple thought and hope in mind that the government will take those preliminary steps as a result of which they will be ready to join with the provinces in extending equality of educational opportunity to every part of Canada.”

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That was a statement of the Hon. George Drew, Leader of the Opposition.

“Equality of educational opportunity in all the provinces cannot be secured without considerable federal aid”.

Dr. A.W. Truman, President of the University of New Brunswick.

“The birthright of every child is a minimum standard of education, based not upon the wealth of the local school district, or even of the provinces, but upon the wealth and resources of the whole country.”

The above is the statement of R.R. Knight, M.P.

“Education is a subject which is of fundamental national concern because it far transcends the interest of any local community, but the utmost use should be made of all our human resources and no child should be penalized as to the education which is available to him merely because he happens to live within one part of Canada, rather than another. Requirements for adequate educational services have expanded tremendously since the British North America Act was enacted. At that time only elementary schools were under consideration. We therefore strongly recommend that the Federal government should accept responsibility for a substantial part of the cost of education.”

That is the statement of Hon. Douglas Campbell, Premier of Manitoba.

“I am sure all hon. members have welcomed this opportunity of passing their opinion upon this assertion, that there should be, across Canada, the greatest possible degree of equality of opportunity for the education of our young Canadians – the Canadians of the next generation.”

That was what Prime Minister St. Laurent commented.

On May 22, 1950, Mr. Knight, M.P. for Saskatoon in the House of Commons asked for federal aid for education. Hon. Mr. Drew spoke in favour of the resolution. Mr. Shaw, Social Crediter from Alberta, supported it. Mr. Diefenbaker supported it. A Liberal from B.C. supported it, but like my good friend, Mr. Wahl, said a moment ago, the Rt. Hon. Mr. Gardiner again confused the issue. He spoke against it, as did the Hon. Mr. Paul Martin, and of course the resolution was defeated.

It is obvious, Mr. Speaker, where the opposition to federal aid for education comes from. The Liberal Cabinet at Ottawa are ‘dragging their feet’ on this all important matter. It is our duty to provide equal opportunity for all. We pride ourselves in our Canadian democracy, but it is evident educational opportunity for all does not work at all fairly. It is absolutely quite the opposite; educational opportunity is an ideal which cannot be attained and apparently there is no desire to force all the

provincial systems into the same rate of control. There is room for variation to suit the cultural, historical and needs of each area, but there is no room for neglect of our greatest national asset – an educated youth, adequately prepared to make their contribution to the nation's strength and welfare today, when all our resources should be mustered, and this need should have top priority. Since it is beyond the financial means of several provinces to do more, the conclusion is inescapable, Mr. Speaker, education must have more federal aid.

Now, Mr. Speaker, turning to problems closer to home, I note with extreme pleasure, that our hon. Provincial Treasurer has brought down another very good budget for 1955-56. Of course, this is natural. This has taken place for the past ten or eleven years now, and it is getting better all the time.

I note that provision is made for expanded health, welfare and educational services which will benefit further our communities of Saskatchewan. Last year in this House, Mr. Speaker, it was brought up that the municipalities of the province were having difficulties with the increased financing of the road problems, and at that time the reasons for that situation were outlined. I note that the assistance to the municipalities has been increased by \$200,000 this year, over and above what they received in 1954. I am sure we all appreciate, including the municipalities, this increase. I know I, for one, and many more, would like to see the grants higher but money is the main question; and in the budget there are a great many other important services that are required and have to be kept up for the people of the province of Saskatchewan.

I note again the continued progress of our Crown Corporations in 1954, making a total of \$46 million worth of business, giving employment to around 4,000 people, and returning a net profit to the treasury of this province – a very nice profit indeed.

It is very fine to note that, in spite of the poor crop of 1954, the 1955-56 budget does not make any retrenchment of any of the established services to the people of this province. Instead, it has expanded services in many fields. It is a good budget. It is a budget of continued progress, and we are all proud of the masterful manner in which the Hon. C.M. Fines has guided the finances of this province. I am sure, Mr. Speaker, that he will continue to guide them for a good many years to come, too.

It is needless for me to tell you, Mr. Speaker, that I am supporting the budget with my wholehearted heart.

**Mr. J.W. Horsman (Wilkie):** — Mr. Speaker, I wish to congratulate the gentleman who has just spoken; he is very proud of the people of his constituency; of what they are doing and what they have done over the years. I think every member in this House is proud of his constituency. I know I am; and I am going to take a few minutes to speak about my constituency. I am sorry I have a cold, today, Mr. Speaker, and my voice may not carry very well.

I have the good fortune, sir, of representing what I consider to be one of the principal constituencies in this province, and one of the best. Agriculture, of course, is our principal enterprise up there, as it

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is all over Saskatchewan, and in years when conditions are good or medium we grow a vast amount of grain. However, the farmers do not depend altogether on grain for their living, and mixed farming is carried on to quite a large extent, also stock raising. Some of the best cattle in Saskatchewan come from that area. I was talking to a livestock man only yesterday, and I told him about cattle being shipped out of there, last fall, that came right off the grass, that never had a bite of grain, and they topped the Winnipeg market. He said he knew that and he was amazed at what the reason was. He decided there must be something in the grass or in the air, but that was the case anyway.

**Mr. McDonald:** — It's a good constituency.

**Mr. Horsman:** — Yes, it is a good constituency. We have a number of good towns up there, too. Our two principal towns, Unity and Wilkie, have populations of about 1,800 people. There is a group of very live and enterprising businessmen in those towns, and there always has been. They have been a great help in carrying on things there, ever since that constituency first started, or ever since the province was settled, for that matter. We have a number of small towns and villages and hamlets too, scattered over the country. We have one town at the very western extremity of my constituency, right at the Alberta border — Macklin; it is a very progressive little town. There is one of the best small hospitals in the province there, I believe, and I think one of the greatest surgeons in Canada is situated in that small town. At the other extremity of the constituency we have another small town, Landis, that is a very friendly little town. When you go there you always feel very much at home. One thing I have noticed about the small villages and hamlets when I visit them, as I sometimes do, though not often enough, they do not use you as though you were a representative at Parliament or anything like that, but they use you as though you were one of their family, and that is what I always appreciate.

We have another town at the very southern extremity of my constituency, Luseland, which is very up-and-coming and very progressive. There is a group of businessmen in there who have the reputation of never taking 'no' for an answer. When they go out after something they fight for it until they get something like what they want. I know my hon. friend across the hall here, the Minister of Public Health (Hon. Mr. Bentley), had some experience with those people, and I am glad to inform him that I believe the situation is settled to the satisfaction of everyone.

We also have considerable development up there in our natural resources. The first strike of any importance made of natural gas in this province was made at Unity some years ago. That natural gas field is still in existence and is the third largest producer of gas in this province, today, second only to Coleville and Brock. There is a great deal of potash and salt also, in that country. In the search for oil these other things were discovered. The salt is being developed and thousands and thousands of tons of salt are taken out of there every year: I don't know just how much, but it is a terrific amount — ten to twelve carloads a day come out of that salt plant.

Potash is in the process of development and we hope that before too long that will be in production; and it is very much more important, I would think, than salt. Potash, as you know, is used mostly for fertilizer, and when you consider those potash beds up there, which I bel-

ieve are the greatest known in the world, situated as they are almost in the centre of one of the greatest agricultural countries in the world, it gives us some idea of the great importance of the potash industry, and I believe that before too long this potash will be in production. A new strike was made just a few days ago at Wilkie, supposed to be a very good heavy bed of potash.

Of course, our Government here gets some royalties out of that constituency, too. In the last two years there has been paid to the Government of Saskatchewan \$26,680 royalties on salt and natural gas. It is not very much, but still it is a payment in excess of the revenue that most other constituencies pay.

We also have up there a power plant, belonging to the Saskatchewan Power Corporation. We are proud to have that plant up there. It is a very efficient power plant, powered, as you know, by natural gas. The reason that the power plant is there, of course, is because the gas field is there; otherwise, it would not be there. So we must trace back to the people who discovered the gas and give them some credit for the fact that there is a good power plant at Unity. I don't know how much money is made out of that power plant each year. I know it is one of the three major plants in the province of Saskatchewan, and the Power Corporation is a real going concern and always makes a profit, and if I were to say that the power plant at Unity makes the Government a profit of from \$200,000 to \$250,000 a year, I might be low or I might be high; I think perhaps I would be low. However, it does make them quite a profit.

I am not going to say much more about my constituency. We have quite a good bit of rural electrification there too; understandably, of course, with a power plant so close; the power lines do not have to be built out so far. We are very grateful to have that rural electrification; the people appreciate it. I hope that the balance of the district will be covered in the not-too-distant future. I believe, though, that some system should be worked out – I wouldn't suggest that you go back to putting power in for people for nothing, because so many people have had to pay for it already; but I do think that some system should be worked out whereby, over a period of years, the money it costs the farmers to have the power put in their yards should be returned to them some way. I believe the plan is feasible and could be done. It looks to farmers as though they pay for the power line and then pay for the use of it after it is put in.

Regarding our Golden Jubilee, we intend to put on a good celebration up there when the time comes, and I think, for small places, we will do pretty well.

I want now to say a few things about the budget. I wish, first, to congratulate the Provincial Treasurer for the able manner in which he presented his budget, as he always does; and also for the fact that, this year, he has established a record among all Provincial Treasurers of Saskatchewan by the fact that he has delivered the greatest number of consecutive budgets of any other Treasurer since the province has been formed. Of course, the Hon. Mr. Fines simply loves to throw around the millions just as much as he ever did. It is quite a privilege to be able to bring down a budget of \$80 million, and have quite a lot of control over the spending of it.

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I can agree with many of the things in the budget – at least the first pages of the budget, where he refers to many of the things that happened in the early days of the settlement of this country and this province, and some of the problems that faced the people in those days. The province, in those early days, as you know, Mr. Speaker, having lived here so long yourself, bore little or no resemblance or relation to what things are at the present time, or, for that matter, to what they were even in 1930 or 1944. I came to this country as a very young man – in fact, a boy; and when I settled in that country up there we were 75 miles away from the railroad, which didn't seem to be too great a hardship at that time. But I will never forget the miles and miles and miles of rolling prairie grass, nothing but grass; and it seems to me, as I think of it now, that the prairie had a beauty of its own; different from anything else, and there will never be anything like it again. I am reminded of the words of some poet who wrote many years ago – I do not recall his name, but I remember these words, and I quote:

“These are the gardens of the desert,  
These, the unshorn fields, boundless and beautiful,  
For which the speech of England has no name, the prairies.”

I think that is a great description of what it looked like years ago, and those of us who helped to pioneer this great country and took part in this great enterprise have something of which to be very justly proud.

The men who formed the government in those early days, many of whom are still alive today, must feel proud when they recall their achievements of those early days. Those men laid the foundation of this province, and they laid it on a solid rock of good business-sense and wisdom. There isn't any doubt about that. And they left an example of foresight and planning for future generations to build on. Those men, Mr. Speaker, had no planning board of experts to advise them what to do, but were forced to use the brains and the wisdom and the common horse-sense that God gave them. And if the work of their hands, as we look back on it today, is an indication of their wisdom to foresee the future, as well as to plan for the present, they must surely have been richly endowed by nature.

Those of us who witnessed and took part in the settlement and development of this province enjoyed a privilege, sir, that no future generation will ever have. We did with what we had to do with – there was nothing else for it. When we moved in on the prairies, as many of you know, we were just out in a sea of grass. Most people had no money; some came from the east and from other countries with just a few hundred dollars, and they were the lucky ones. Others had to go out and work on railroad construction and things like that to get a few dollars in order to get a start on their homesteads. The only building material available was prairie sod, which they used; and we didn't ask the government, or anyone else, for help. We did with what we had; and that is the way this country was pioneered. We built sod houses. They weren't much to look at, and many of you gentlemen have never lived in one; but I can tell you from experience that they are one of the most comfortable buildings that you ever lived in – warm in winter and cool in summer; dirty, probably, but still they served a very

useful purpose. So I would advise you to keep on building wisely and well, so that we do not burden future generations with an accumulation of debt under which they may stagger for decades.

Most of the good things which we have in this province, today, were planned and put into operation in the first place by governments that have long passed out of office. The building that we occupy here, and of which we are all so proud: when we think of the day these buildings were put up, we cannot help but admire the wisdom and foresight that prompted those men of that time to build such a wonderful building as this. This country was in a pretty raw state in 1909, when the cornerstone of this building was laid, and when we think of the expansive grounds and everything that were laid out in those times, we realize how they must have looked ahead to this time, and even further on in their thoughts, in what they were doing then.

I have in my hand here a pamphlet printed by the Government here, by the Department of Agriculture, describing some of the things about this building. I want to read a few lines of this. We are all very conversant with it here in this House, but some people who may be within the sound of my voice probably would like to hear some of these things. It says here that: "The approximate cost of this building was \$3 million." That alone will give us some idea of the difference in costs between those days and the present. I do not suppose, sir, that you could much more than put the foundation under this building, today, for \$3 million; certainly you wouldn't get much of a start on it anyway. The cornerstone was laid on October 4, 1909, by His Excellency, Earl Grey, then Governor General of Canada; and the building was officially opened on October 12, 1912, by His Royal Highness the Duke of Connaught. Three British Sovereigns have visited this building: His Majesty King Edward VIII, then Prince of Wales, on October 12, 1919; Their Majesties King George VI and Queen Elizabeth on May 25, 1939; and Her Majesty Queen Elizabeth II, as Princess Elizabeth, and her husband, the Duke of Edinburgh, on October 17, 1951.

This pamphlet goes on to describe the structure of the building. The tower and dome are 188 feet high, and are reached by a stairway of over 200 steps. From the dome, on a clear day one can see Moose Jaw, 42 miles distant to the west. The style of architecture is a free adaptation of English premises; some aspects of the building, however, are strongly reminiscent of the palace at Versailles. The building is built of Manitoba stone from the Tyndall quarries. There are four floors and some 265 rooms. Thirty-four different types of marble have been used in the interior. The grounds are the largest of any government grounds in the world – in the world, not just in Canada – covering 167 acres; the next largest are at Canberra, Australia, where the Parliament Buildings are situated on 40 acres. That shows, right there, some of the wisdom and some of the thought that must have gone into the construction of a place like this. And I think we are beginning to find, now, when the Government are building new buildings out here, that it was a very wise move to have enough room available.

Then there is the University of Saskatchewan, started many years ago. I remember the Premier saying something about the University a few days ago, and he paid a tribute to the wisdom and foresight of the men

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who planned it. And they still have room to expand there; they are building new places all the time, such as the Medical College, and so on; and instead of being crowded into a small area or being scattered all over the city, there is room for them right there.

Our roads were laid out many years ago by the pioneer governments at that time. Bridges were built. Roads were not built up to the standard they are now, but they weren't needed then, and the money was not here to do it with, anyway. Our union hospitals were established before 1920 – the one in our town was opened in 1922; I remember the date quite well. Premier Dunning, then Premier of Saskatchewan, took part in the official opening, and it has been open ever since, and it is in just as good shape today as it was the day it was opened. It has been kept up and some money has been spent on it, of course.

The municipal doctor plan was another thing that has been in operation for a number of years. All those things were started by people back in the pioneer days. Our school system was started by them, too. These things have been extended and improved since that time, naturally, especially in the last ten years. The last ten years has been the best and most prosperous time in the history of this province. There isn't any question about that. I heard a man rise here in the House a few days ago — I forget who it was, but anyway I remember well what he said. He said that, since 1925, there were only two years that the farmers made more than the cost of production. That, to me, sounded like a most amazing statement, to say the least; that in only two years since 1925 have the farmers made better than the cost of production. Why, this whole country and the whole economy of the province depends on agriculture, and if the farmers were not making any money, if they weren't going ahead some, everything else, as we all know surely, would be at a standstill. If the farmers of this province went out of production for two years, you would find grass growing on the streets of most of our cities. So when a man says, or anyone tells me, that there have only been two years since 1925 when the farmers have made better than the cost of production, I think he should take another look at his figures.

Many things are not just as we would like to have them. I know that. Being a farmer myself, I realize that our costs are probably too high for what we get for the things that we sell; but we have enjoyed a period of great prosperity since 1944, and even a few years before that. Some areas of the province, of course, weren't as good as others, but on the over-all average for the last ten years, they have been ten good years. This year, 1954, of course, was different. We call it a bad year. I recall, Mr. Speaker, years so much worse than 1954 that we would almost have called 1954 a fair year; years when this country was drifting so that you could not even see the fences, when you couldn't see the sun for days at a time except through a yellow haze, when the grasshoppers came in by thousands, when there was no feed, not even enough to feed a few chickens. Those were what we called hard years, real hard years. Last year was a very disappointing year, let us admit that quite freely, and a complete crop failure in many areas; but even at that, coarse grain was a fair crop in most areas; feed was plentiful – there was some difficulty in getting it, but it was plentiful. We didn't have to ship in hay from Manitoba, this year, or from as far away as Ontario; we had lots of our own. That is quite a different thing from some of the years in the 1930's. We hope that this year will be better than last.

I do not wish to criticize the budget, because it is large, either. I think this province can stand a good-sized budget. But I do sometimes complain of the manner in which the money is spent. If the funds as administered by the Government were spent wisely and distributed fairly so that all of the people of the province would profit some and receive some of the benefits of this large amount of money, I don't think anyone would complain about the size of the budget. This has not always been the case, Mr. Speaker; but we do hope, as time goes on, that this situation may right itself, and we look forward to things being on a more even keel in the future.

**Mr. McDonald:** — When the Liberals get in power.

**Mr. Horsman:** — Yes.

**Mr. Erb (Milestone):** — What a hope!

**Hon. Mr. Kuziak:** — If, and when.

**Mr. Speaker:** — Order!

**Mr. Horsman:** — If, and when, yes. You know, when the hon. gentleman says “If, and when” he just reminds me of the speech he made, yesterday. I forgot about him, but he got up and put on a real show, and I want to congratulate him on doing a good job. He has a wonderful voice that resounds through this building like a gunshot; but I always remember my old friend who used to sit right here on this corner — we used to call him ‘Beef’ Dundas. I remember ‘Beef’ sitting here when the hon. gentleman was speaking, and he would say, “Listen, heap big voice!”

**Mr. McDonald:** — Big smoke, yesterday, too.

**Mr. Cameron:** — Where there's smoke there's fire.

**Mr. Speaker:** — Order!

**Mr. Horsman:** — Well, Mr. Speaker, we will get down to things a little more practical. We hear a good deal of talk about the taxes in this province, about the position that our large school units are in, and our municipalities. There is more than talk to this situation; the situation in some places is getting desperate. I do not wish to criticize the larger school unit too much. I can see some virtues in this thing; but when you see a school area, one of these large areas in one of the better parts of the province, and at the end of the year they are still \$65,000 in debt to the bank for operating costs, it would look to me as though something is not right, as though the situation is not healthy.

This situation was not brought about by non-payment of taxes, because tax collections have been pretty fair; but rather by the system itself, which seems to be so expensive that they just cannot seem to carry the burden. I think that everyone knows, this system, as far as we are concerned, is not our responsibility; it wasn't we who established it, it was the Government, and I think the Larger School Units should be more the responsibility of the Government because the people, in most cases, did not ask for it. It was established up there by ministerial order; we had

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no chance to vote on it; we could have had a chance, but the situation wasn't taken advantage of, and thus it was established by ministerial order. The taxes have gone up and up ever since, and I think it is a fact recognized by every person who has the capacity to think, that you cannot tax people beyond their ability to pay; you can go just so far and that is all.

I have been told, in recent weeks, by members of the Large Unit board that they cannot see how they can carry on much longer under these conditions, as they do not believe the burden of taxation can be placed any higher on the land. It seems to me that there is only one way out of the present difficulty and that is a substantial increase in government assistance in the form of school grants. The taxing power of the municipalities, as we all know, is limited to taxation on the land, and, as I said a moment ago, the land is carrying a terrific load of taxation now. I remember, before 1944, before this Government came into office, people in the election (Mr. Douglas, the Premier, for one) stated that education should be the responsibility of the provincial government. I would not suggest, sir, that the full responsibility should be taken by the Government, but I do think that a good deal larger portion should be taken than they take, today. I know school grants have gone up, but the cost of schools has gone up, too, and the ratio is about the same as it was before this Government came into office – some 20 per cent of the cost of carrying on the schools. The debts of the Larger School Units have gone up, since 1948, about \$1 1/3 million, on operating costs alone – not anything to do with debentures or capital accounts. Now if they cannot carry on in the best years of our history under this system, what are they going to do if things level off, and get back again to normal?

Some people think, perhaps, that the teachers are getting too much money. I don't think the teachers are being over-paid. I don't think any class of people have any more right to be well paid than the teachers have. Their salaries are high, admittedly. They must have good salaries; but there are many ways in which money could be saved in these Large Units, and I would advise the hon. Minister to look into some of these things. You see, this thing is under the control of the Unit Board, although you do have the local trustee boards, too; but the local boards have nothing to do with finances; they don't spend any money, but they do make recommendations to the Unit Board, and they go to the Unit trustee and they put the steam on him to do what they want in their own school district.

I was talking, not long ago, to the chairman of a Unit Board up in my country, and he told me this. He said: "One day, not long ago, a man came to me who was a member of one of the local boards and was talking about the way expenses were going up in his Unit; and he asked me what could be done to get expenses down – taxes were getting too high, people couldn't pay their taxes and so on." This man said he didn't have the answers to this, but just a few minutes later, this local trustee said to the Chairman: "I want to see you about something. We want a new oil furnace in our school; it will cost \$1,500, but we want it." Well, that is the way the situation has developed; these local units haven't got much to say about finances, the whole thing goes into a central fund, and every school district, every local district, thinks that they should have just as much out of that fund as they can possibly get. If it was their own money that they had to

dig up themselves, they would not look at it that way; they look at it from this point that 'if I don't get it, somebody else will.' And they put the steam on until they get what they want. And that is one of the main reasons that expenses are going so high. It is not the only reason, because there are many reasons; and I am quite sure a lot of money could be saved if it was looked into.

I just want to say a word about the labour situation. I am not a labouring man, unless you call a farmer a labouring man – we are supposed to be capitalists; we have all the money. But we do hear a lot about unemployment, and the situation is not good. Everybody must admit that. But I cannot see that this Government here is doing very much to ease the situation, except calling on the Federal Government for help, and advising them to do things. I think the most important thing, as far as labour is concerned, is jobs. What a labouring man wants is a job that pays good wages; and if our Government here would concentrate on some system to bring industry into the country, a little more industry all the time, creating more jobs for these people at fair wages, I think they would be doing a lot more for them than just passing labour laws. They boast about the advanced labour laws that we have in this province. That may be true; but labour laws, or laws of any kind no matter how good, do not do much good for a laboring man if he cannot get a job. They might even price themselves out of the market. That might be one reason. I wonder, sometimes, why more people do not come to this province. I hope that they will.

We hear a lot about the Federal policy; we heard it only today; people criticizing the Federal Government for the policy they have. It is an astonishing thing that we have a government down there in Ottawa – if they are as bad a government as the hon. members opposite seem to think they are; and we have been under that government for so many years and the country has become more prosperous all the time. Our money is the highest currency in the world today. I saw a man just at noon present an American five-dollar bill over the counter to pay for his dinner and they took a 12-cent discount out of his five-dollar bill, right down at the King's hotel. Is that correct?

**Hon. Mr. Fines:** — That's robbery.

**Mr. Horsman:** — Well, that is what happened.

**Hon. Mr. Fines:** — That is too much.

**Mr. Horsman:** — It might have been 2 per cent; maybe it was 4 cents.

**Hon. Mr. Fines:** — It should have been 1 1/2.

**Mr. Horsman:** — It was a discount anyway, which shows you that our money is higher than American money. I remember the last time I was across the line (and it is not many years ago) our money was at a 10-per-cent discount then; now it is the highest currency in the world. We have become one of the greatest trading nations in the world, and one of the greatest producing nations in the world on a per capita basis. I don't think any other nation in the world can touch us. And our per capita wealth, I believe, is the highest of any nation in the world, too, and our standard of living is probably the highest in the world with the possible exception of the United States.

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So that is a condition which is brought about principally, or at least partially (some of you fellows may say in spite of) the policy of our Federal Government. Anyway, the situation exists and that is the way it is. So I do not think we should criticize the Federal Government too much. This Government of Saskatchewan has the distinction of being the only Socialist government in the British Commonwealth of Nations. We should congratulate them on that, Mr. Speaker . . .

**Hon. Mr. Fines:** — Oh, no, no!

**Mr. Horsman:** — Well, we used to be the only one anyway. What is the other one?

**Hon. Mr. Fines:** — Pakistan, India.

**Premier Douglas:** — Jamaica.

**Mr. Danielson:** — Sweden.

**Hon. Mr. Fines:** — Sweden?

**Mr. Horsman:** — It seems a queer thing, though, that a socialist government goes to the greatest capitalistic country in the world to borrow money; and our Government here has that policy as is outlined in the 'Regina Manifesto' where they tell us that they are pledged to the destruction of the capitalist system; and that is still part of their policy. I suppose, when our Provincial Treasurer, being the honourable, upright gentleman that he is, goes across to New York to borrow money from those great American capitalists, no doubt he tells them what a great province he has here, what great natural resources we have, what fine people we have, and everything else — and I suppose he finishes up by telling them: "But remember, sir, we are Socialists; we have a policy as written out in the Regina Manifesto, and one of the planks in our programme is pledged to the destruction of the very system that we are borrowing this money from."

**Premier Douglas:** — You fellows tell them before we get there.

**Mr. Horsman:** — I think that is so, I believe it is true. Anyway, since they are getting money there at a good reasonable rate the capitalists must be pretty good fellows to deal with. They have the money and they are willing to lend it wherever the security is right. I must presume that the reason they do it is because they must know that Socialism in Saskatchewan is only a flash in the pan anyway; that the only part of Canada where they have any strength is Saskatchewan, and they know that in a few years it will pass out of here and all will be well.

**Some Opposition Members:** — Hear! Hear!

**Premier Douglas:** — Eleven years is a pretty good flash.

**Mr. Horsman:** — Mr. Speaker, I cannot support the motion.

**Hon. J.T. Douglas (Minister of Highways):** — Mr. Speaker, in rising to take part in this debate I would like to again congratulate our Provincial Treasurer for a budget which I am sure the people of this province not only appreciate, but were very much surprised to know that we could still bring down a budget of that size and description following a year in which our farming community suffered possibly one of the worst reverses we have suffered since 1937.

I am sorry I was not in the House, Friday, when the member for Maple Creek (Mr. Cameron) made his reply to the Budget Address, but I did follow the account in the paper quite closely, and I would gather, Mr. Speaker, that he had a rather difficult job in trying to find something to criticize in the entire budget. I noticed one of the things, however, that he criticized, was the inability of this province to bring in industries during these last few years. I want to say that at no period in this province's history have more industries been brought to Saskatchewan than have come in during the last ten years. I want to remind him that in the period of Canada's greatest industrial growth, during the last world war, when industry was being encouraged to develop all over this country, and when you had a Liberal government in Ottawa, and a Liberal government in the province of Saskatchewan, not one single industry was encouraged to come to the province of Saskatchewan — not a single one.

**Premier Douglas:** — The population dropped 100,000.

**Hon. Mr. Douglas:** — And the population dropped by over 100,000 in this province in that same period. I want to say that this Government brought industry in here under very adverse circumstances, and it took a great deal of leadership and encouragement to accomplish what has been accomplished during the last ten years.

I also noticed one other thing that he mentioned. He tried to leave the impression that this Government had failed to give transportation services to the mineralized area of northern Saskatchewan. I suppose, in making that statement, he was backing the statement that was made in (I think it was) Prince Albert the other day, when someone stated that I had said that my whole aim was to block the building of roads into the mineralized area of northern Saskatchewan, and they would not be completed as long as I was in power. Well, I want to say, Mr. Speaker, that statement is a complete falsehood, and at no time did I ever make such a statement.

**Mr. Cameron:** — Mr. Speaker, on a point of order, you are not attributing that to me, I hope.

**Hon. Mr. Douglas:** — No, I am not. I am saying that I expect that, in making your statement that we had failed to provide transportation services for mineralized areas of Saskatchewan, you were backing the idea contained in the statement made here.

**Mr. Cameron:** — I haven't even seen it.

**Hon. Mr. Douglas:** — What I want to point out, Mr. Speaker, is that since this Government came into office we have provided the first road that ever was built into the mineralized area of northern Saskatchewan, and I am quite sure that, as the needs of that northern area develop, this

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Government will assume its responsibility to see that proper transportation facilities are provided. I want to point out that, so far as the mineralized area of the north is concerned, their greatest need has been for air transportation, and that transportation was provided by this Government. We pioneered that field insofar as the province was concerned.

Now, Mr. Speaker, I question if there is much more in that speech that I want to deal with this afternoon, but I would like to turn for a moment or two to some statements that were made by the Liberal Leader in this province in July (at that time it was the member for Saltcoats (Mr. Loptson)), and by the man who is now the Liberal leader, also speaking in the province in the month of July. Both of these men criticized the work that has been done by this province on the Trans-Canada Highway in eastern Saskatchewan, and they blamed the flooding conditions down there on the work of the engineers of this department. I want to say, Mr. Speaker, that is one of the most dastardly statements that could be levelled at a group of young men who did an excellent job. In spite of all they have said, it was not due to any misconceptions or any mistakes made in the building of that road or in the providing of any structures. The trouble that originated in that area was due to the heavy rainfall that that country endured from 1949 on. I thought I had the records of the rainfall during that period. I find I have come up without them; but I do recall that in 1949, in part of that area they received over 30 inches of rain. Since then there has been a continuance of heavy precipitation throughout the years.

Anyone who knows the topography of that country will know that it is flat. There are many pot-holes in that area, and the drainage is not too good. They also have a rather peculiar situation down around Broadview (I think it is) where you have a lake to the south that drains out of Weed Creek north to the Qu'Appelle Valley, and immediately south of that lake you have the Pipestone which empties into a marsh, and when that river is at its flood very often the Pipestone floods back into this lake. I have been told – I have no proof of this; but the statement was made by the Liberal federal member for that riding that the P.F.R.A. dam built on the Pipestone, last summer, was partly responsible for holding up the flow on the Pipestone and diverting more of the flow of the Pipestone into Epaco Lake.

**Mr. McDonald:** — Mr. Speaker, could I ask the hon. member a question?

**Hon. Mr. Douglas:** — Yes.

**Mr. McDonald:** — What dam are you referring to?

**Hon. Mr. Douglas:** — Well, I said, I am not familiar with the dam; but the statement was made by the federal member that the dam was built on the Pipestone Creek, and he said that the dam was partly responsible for the flooding conditions which occurred at Epaco Lake. That is his statement, not mine.

**Mr. McDonald:** — Can you produce that statement?

**Hon. Mr. Douglas:** — Yes, we can get it.

**Premier Douglas:** — I produced it. I gave the hon. member the page in Hansard when I spoke in this House. That was about three or four weeks ago – my friend has lots of time to look it up. If I remember offhand, it was page 1144; he will find it in Hansard.

**Mr. McDonald:** — I would just like to point out, Mr. Speaker, that the dam was not even in existence when the flood took place in that area. There had not been a shovelfull of dirt moved to build the dam.

**Premier Douglas:** — What nonsense! The dam was . . .

**Mr. McDonald:** — It isn't. The dam was not started until the 9<sup>th</sup> of June . . .

**Premier Douglas:** — You're not kidding anybody with that.

**Mr. McDonald:** — . . . and it isn't completed yet.

**Hon. Mr. Douglas:** — The fact remains . . .

**Mr. McDonald:** — Well, it's a good story.

**Hon. Mr. Douglas:** — It is a dashed good story, and you are going to hear a little more of it before I am through.

**Mr. McDonald:** — You sure are.

**Hon. Mr. Douglas:** — The fact remains that the waters of the Pipestone overflowed in that marsh, came back down Epaco Lake and was largely responsible for much of the trouble that developed south of the highway.

Then, when we go north of the track we have another water course known as Painter's Lake. As near as I can find out from the topographical map and from information which we have, it was a sort of slough which, during the 'thirties pretty well dried up. During those years the municipalities built roads across it and in some cases, I understand, failed to provide any drainage structure whatsoever. Now, from July, 1952, to August, 1953, the water in Painter's Lake rose some 7 1/2 feet and when that occurred our engineers in that area became a bit alarmed. They thought that with a continuation of this wet weather, the water would back up in that lake and onto the Trans-Canada Highway. So, during the fall of 1952, a complete survey was made of that drainage area and plans were formulated for the drainage of that area. Unfortunately, last spring, soil conditions were such that it was impossible to take in the proper type of equipment that could do that job in an economic manner. Before it would be done we had the heavy rains of last June.

I want to point out that in June, 1953, almost 4 inches of rain fell in that area in one cloudburst – 3.8 some inches; and although we had that heavy fall of rain in an area that was completely saturated, in an area in which the entire ponding area had been filled, yet every drainage structure on the Trans-Canada Highway met that load successfully. There was not a single washout at that time. No washouts occurred until June of 1953, when, after three days of continuous rain, another cloudburst

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of over five inches fell in that area, and that was when the trouble occurred. I want to point out that while there are 800 drainage structures in that area, on the Trans-Canada Highway, only 10 of them failed to carry the load at that time. Yet, we are accused of not providing proper drainage structures.

**Mr. McDonald:** — You didn't either.

**Hon. Mr. Douglas:** — I notice a lot was said in these articles about improper culverts on Weed Creek immediately north of the Trans-Canada Highway, and we are accused of placing that culvert some three feet above the level of the stream. Well, when I heard this it was a bit alarming. I wanted to be quite sure that my boys had not made a mistake, and I asked for a complete investigation. I checked the figures that were given by the engineer of the job at that time, and I noticed that they had been rechecked by the supervising engineer and these in turn had been checked by the federal inspectors on that road. Those figures showed that the invert of that culvert was only some eight-tenths of a foot above the culvert in the C.P.R. tracks.

**Mr. McDonald:** — That's ridiculous.

**Hon. Mr. Douglas:** — But after the flooding conditions which I have just outlined a moment ago, after flooding conditions had gone on for some time, over two feet of erosion took place, and when someone took the soundings in that area, of course, it did show that that culvert was 2.8-some feet higher than the bottom of the stream under the C.P.R. bridge, and that was when the accusation was made.

Now, I have had that examined since the floods subsided, and I find that our boys were absolutely correct in the statement which they gave. When that culvert was installed it was installed simply .8 feet higher than the bottom of the stream under the C.P.R. tracks, so that no blame can be attached to those in charge of that work at that particular course.

**Mr. McDonald:** — You built on top of . . .

**Hon. Mr. Douglas:** — Now, it has been said, of course, that we flooded the farmers' land. That, Mr. Speaker, is simply ridiculous. Any time that it can be proven that we were responsible for the flooding of land we will assume full responsibility for the loss. That is true in that area the same as anywhere else; but I can assure this Assembly that we are not going to assume responsibility for losses that are not the responsibility of the Department. We have the custody of the money that is spent in this province for highway work, and I can assure you that we will have positive proof before we undertake to pay for loss of any kind.

As a matter of fact, Mr. Speaker, I happened to be in the north-eastern part of the province in those few days, and I drove for 20 miles one night (possibly more than that) when the entire countryside was under water, and it was not due to the highway causing the flood. In fact, at that time, in that area, the ditches of the highway were helping to drain off some of that surplus water, and with the best information which I now have, the same is true down in the eastern part of Saskatchewan.

**Mr. McDonald:** — Your information is wrong.

**Hon. Mr. Douglas:** — Had it not been for the Trans-Canada Highway, there would have been a great deal more damage done to some of the farmers than happened, because the Trans-Canada helped to carry off some of the surplus water. As a matter of fact, so far as the town of Broadview is concerned, had it not been for the fact that the ditches of the Trans-Canada carried off some of that surplus water, that town would have been in a great deal more difficulty than they were, and they had plenty as it was. Those of you who are familiar with that situation will know that a small creek crosses the railway track just to the east of town, circles the town and then dumps into Weed Creek. That creek was giving a great deal of difficulty to the town during last spring, and had it not been for the fact that the Trans-Canada Highway was carrying off much of the surplus, the conditions in Broadview would have been a great deal more severe.

When I am on this point I would also like to point out that, when that flooding condition existed – and it flooded over a vast area a long way from the Trans-Canada – many of the rural municipalities suffered a great deal. Their municipal roads were flooded; their culverts were washed out; there were cases where some of their people were completely marooned. We were sitting there with equipment which was not working. It belonged to the contractor; but the Department of Highways at our own expense (it has not been charged to municipalities) went in and replaced some 16 culverts. Some of them were replaced twice because of the downpour that existed at that time. Some 16 culverts were replaced by this Department, but you never hear one word from the member from Moosomin (Mr. McDonald) even though it is in his constituency, for the fine work that was done by those boys in giving access to those people who were completely marooned in this area. He would rather go out and ‘knock’ the men who did their utmost and who worked sometimes day and night in order to try and alleviate the situation that existed in that area at that time.

**Mr. McDonald:** — That’s a pretty story if I ever heard one.

**Hon. Mr. Douglas:** — No, I don’t expect you did. I don’t expect you would try. But that is the story and it can be substantiated by evidence, Mr. Speaker.

**Mr. McDonald:** — Mr. Speaker, on a point of privilege. To keep the record straight I would like to inform the Minister of this: that he has stated a condition that is not true with regard to . . .

**Premier Douglas:** — That is not a question of privilege.

**Mr. McDonald:** — I want him to know that I spent a lot more time in that area than he did, or any man of his Department, in an effort to get the roads back into . . .

**Premier Douglas:** — Let’s get the rules of this House straight. That is not a question of privilege. If he questions any statement of fact made by the Minister, he has a right to participate in the debate, and we will all be glad to hear him, but I doubt very much if he will.

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**Mr. McDonald:** — I can assure you, Mr. Speaker, that I will . . .

**Premier Douglas:** — The sooner the better.

**Mr. Speaker:** — Order!

**Mr. McDonald:** — . . . and the truth will come out.

**Some Hon. Member:** — Oh, no, not necessarily.

**Mr. McDonald:** — You ask the people at Broadview, Whitewood, Grenfell, Oakshella; you ask them.

**Premier Douglas:** — We are asking you.

**Hon. Mr. Douglas:** — As soon as you can stop talking I would like to speak.

**Mr. Speaker:** — Order!

**Hon. Mr. Douglas:** — I was very much interested in some of the remarks made by the last speaker. I always enjoy his talks. But there are one or two statements he made which I feel I cannot help but answer, this afternoon. One, I will be very brief. It was concerning the statement regarding power, and I know that my colleague, the Minister of Public Works, will deal with that question quite fully when he speaks in this House. But I recall being in the constituency of the hon. member for Wilkie, I think it was in 1952. I was in the town of Macklin. He will know if I am wrong in the year. But the Saskatchewan Power Commission was installing power to some of the farmers in that area. The cost to them was, I think, either \$550 or \$560 to have the power installed. Just across the line in the province of Alberta, where the Calgary Power were installing power to the farmers, it was costing those farmers over \$1,300 to install that power, and I am quite sure that the people in the hon. member's riding, if he were to discuss it with them, would be quite happy with the system we are using in this province in comparison to the system which is used in the province of Alberta under private ownership of power.

**Mr. Loptson:** — But they own their power.

**Hon. Mr. Douglas:** — That power is owned by the Calgary Power Corporation. The farmers do not own one bit of it.

**Mr. Loptson:** — It is a co-operative.

**Mr. Speaker:** — Order.

**Hon. Mr. Douglas:** — If you have quit mumbling, I will go on.

**Mr. McDonald:** — You will get mixed up again if you're not careful.

**Some Hon. Member:** — Close your eyes and pretend they aren't true.

**Mr. Speaker:** — Order.

**Hon. Mr. Douglas:** — I don't know if they are talking about the convention

they had last fall or not. One man told me it was the best three-ring circus he ever attended. It was the only three-ring circus he ever attended where there was free liquor supplied during the acts.

Well, I also want to mention a statement that was made in the House a few days ago, that there were only two years out of the last number that the farmers of Saskatchewan made any surplus. I have not the figures here to prove or disprove that statement, but, being a farmer and having lived on a farm in this province for quite a number of years and still owning my farm which is rented for the time being, I have a pretty good idea of what comes off that farm. I could quite well believe that statement, particularly if we take into consideration the cost of the labour which the farmer and his family puts into that work. You see, that is one of the difficulties in figuring on farmers' costs in this country. We fail to take into consideration the long hours of work which the farmer and his family puts into that farm.

**Mr. Walker (Hanley):** — Slave labour.

**Hon. Mr. Douglas:** — I want to say that there aren't a great many farmers who can go south in the wintertime. Oh, there is the odd one that does; but they are the exception and not the rule. Most farmers stay at home and, now that we are a mechanized industry, find that time is required to put their equipment back in shape for the coming summer's work.

I also notice that the hon. member for Wilkie criticized this Government for asking Ottawa to assume some responsibility for unemployment. Well, I have the Liberal platform that was drafted at their convention, and just running over that platform roughly, there are at least 8 occasions in that platform where they ask the Federal Government to come to their assistance. I think that we are justified in asking Ottawa to do something about the unemployment. I have in my hand a copy of the Saskatoon 'Star Phoenix', and you will note that it says, "Jobs for All Says the Prime Minister". This is in a speech which he made in the province of Quebec, and this paper is dated September 20th. He said:

"But we have a duty to prevent a drop in the construction industry and we are going to prevent it. Mr. St. Laurent said the government's job is to find work for all. The government could not guarantee work that would meet the case of all, but could guarantee enough work to be able to say that all could have jobs.

"We have a country where there should be work for everybody, and if we are not smart enough to organize the economy of this nation, to provide work for everybody, we are incompetent."

Mr. Speaker, after a statement of that kind coming from the Prime Minister of Canada, last fall, I say they have a very direct responsibility to see that the unemployed of this country are taken care of.

**Mr. Walker (Hanley):** — He suggested they throw them out.

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**Mr. Speaker:** — Order.

**Mr. McDonald:** — Try it, big boy!

**Hon. Mr. Douglas:** — Well, Mr. Speaker, when I got up here, this afternoon, I did not intend to talk this long, but I would like at this time to ask leave to adjourn the debate.

(Debate adjourned)

## UNEMPLOYMENT

Moved by Mr. Erb, seconded by Mr. Willis (Elrose):

“That this Assembly call upon the Federal Government to convene a Federal-Provincial Conference for the purpose of devising ways and means of combating growing unemployment and falling farm prices and implementing the proposals of the 1945 Reconstruction Conference, with particular reference to national health insurance and public investment as a means of maintaining full employment and a high level of national income.”

**Mr. J. Walter Erb (Milestone):** — Mr. Speaker, the resolution which I bring to the House, this afternoon, is one that is of great concern not only to the men, women and children of the province of Saskatchewan, but of great concern to the Legislature of this province itself which is responsible in a large measure for the welfare of its citizens.

In any discussion of the need for a Dominion-Provincial Conference for a joint Federal-Provincial Act, it must be remembered that, while Canada is a federal nation with a division of power between federal and provincial authorities, it is nevertheless tied together as an economic unit, and the prosperity of one region is linked with the prosperity of other regions. Canada was linked together as a nation as a result of deliberate policies rather than as a result of natural and economic factors. The well-known national policies, a combination of tariff protection, western Canadian settlement and the construction of transportation routes over all Canada, have left an indelible mark upon the Canadian economy. When we are speaking of the economy in this light it must be remembered that we must take the entire situation as it devolves at the present time. This has made the export regions of Canada most vulnerable to economic fluctuations.

What is the position, now, Mr. Speaker, of the west, and more particularly, Saskatchewan, as a result of these policies? Until 1920 Saskatchewan was the centre of Canada's major export region. Along with the vulnerabilities associated with an export economy there was the added aggravation that the exports from this region were almost entirely wheat, and that situation still faces us today. But, how does it compare with the vulnerabilities of other regions? Since 1920, we have witnessed the development of other major exporting industries in Canada, the lumber industry in B.C. developed, the production of base metals in Quebec and Ontario expanded, with a considerable amount of that production going into export channels,

and the manufacturing industries of Ontario and Quebec have developed sizeable exports which are of considerable importance to the Canadian economy. But, in spite of these developments in other parts of Canada, Saskatchewan still remains predominant among the other provinces in its dependence upon export markets.

This makes Saskatchewan's economy extremely vulnerable to the vagaries of the economic fluctuations in other countries. We have ample evidence of the disastrous consequences of such fluctuations during the 1930's, at which time Saskatchewan, as everyone knows, was the hardest hit of all the Canadian provinces. It was also ably demonstrated at that time that the Federal Government has the only resources to deal adequately with such an economic crisis as happened at that time. The adequacy of federal policies in dealing with economic crises is, therefore, a matter of vital concern to everyone in this province, and, as I pointed out before, a matter of vital concern to this Legislature.

The basic economic factors in the Canadian economy make it essential that major problems be dealt with on a national scale. For example, when we consider the position of Saskatchewan in relation to the rest of the economy, the province of Saskatchewan provides a sizeable market for Canadian industry. In recent years personal income in Saskatchewan has averaged well over \$1 billion per year, notwithstanding the bad crop and reverses we had in 1954. This figure represents a tremendous purchasing power in the hands of the Saskatchewan people and a good portion of that purchasing power is used to buy goods and services from other parts of the country.

Now, the effect of the drop in income during 1954 is quite evident when we see the conditions facing the automobile industries, the agricultural implement industries in Ontario, and the like. On the other hand, Saskatchewan farmers market also an appreciable amount of their products in the industrial centres of Ontario and Quebec. Conversely, then, a drop in the income of the industrial workers is felt in the pockets of the Saskatchewan farmer.

It also might be pointed out, in passing, that much of Canada's industrial development is made possible by tariff barriers that were erected. This forced Canadian people and not only the Canadian people, but new settlers in this part of the country in the west, to buy their goods from Canadian industries. It enabled industrial concerns to expand to the point where many of them were able to enter the export market field. These facts indicate, in my opinion, the need for a conference to deal with our present economic problems both from the point of view of a long-term plan and a short-term outlook.

In addition to Saskatchewan's position, which I have just outlined, there are other factors of a long-term nature, which makes a conference such as I am proposing most imperative. As I mentioned previously, the tariff structure in Canada has an important influence on the general Canadian economy. It has provided a measure of protection for those industries which produce primarily for the Canadian market by leaving the export industries – that is, particularly Saskatchewan wheat and so on – wide open to the vagaries of the foreign markets, and the effect on Saskatchewan

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is obvious. The protection afforded to Canadian industries as a result of the tariff means that we decrease our imports from foreign countries, which then works a hardship on our export industries, such as wheat, and as a result the other countries have less purchasing power with which to buy our wheat and other agricultural products.

The argument is not whether tariffs are a good thing or a bad thing for Canada. I am merely pointing out that they place an unfair burden on our export industries and place them in a more vulnerable position in our economy. And I say again, to deal with the problem created by this factor requires action on the federal level.

A further factor of importance in the Canadian economy is the transportation structure of the country, with particular reference to the railroads. The railroads, together with the tariffs, succeeded in giving Canadian goods an advantage throughout the entire country, and this was done only with greatly increased costs to the new settlement in western Canada. In 1925 a major element of protection provided under the Crow's Nest Pass was removed by no longer requiring railroads to ship goods into the west at a low rate. The impact of this change has been more severely felt, as everyone knows, in recent years, as the result of the great increases which have been allowed all across the country, but, which in effect, have applied mostly to the west.

Truck and water transportation in the east has forced the railroads to keep their rates down to a low level in this area, consequently, the west has borne the greater burden of the increased freight rates in recent years. There are some who, of course, argue that rail freights are too low in the west. I suggest that it is rather difficult to accept this argument in view of the huge quantities of grain that each year, through the years, have moved from the west to the east. The argument also falls rather flat, in my opinion, in the light of recent statements by the railroad companies who point out that their revenues have decreased to an unfavourable position from 1951 to 1953, as the result of the low grain shipments during the last two years.

A further effect of a concentration of industry and commerce in Ontario and Quebec is that there is a concentration of high-salaried personnel in this region who are actually engaged in work which is nation-wide in character. The head offices of many large companies are situated in Montreal or Toronto and the high-salaried personnel of these companies are engaged in work which is related directly to the production and business right across the entire country. This is but a further illustration, again, of the necessity for a national approach to the economic problems.

In the light of the economic factors I have outlined, it becomes obvious that Canada as a whole must be considered as an economic unit, because no one part of the country can be considered an economic unit by itself. The more highly industrial and diversified areas of Canada may be able to make some attempt at solving their economic financial problems, but the more economically exposed sections of Canada, namely the specialized export regions such as Saskatchewan, Manitoba and Alberta, cannot be expected to deal with serious economic difficulties without a national approach. It is for that reason this resolution proposes a conference to be held, indicating its great importance.

Quite apart from the more fundamental reasons for the convening of a Dominion-Provincial conference to further discuss the removing of some of the chronic regional inequities dealt with in the Rowell-Sirois report, and later in the green-book proposals, more recent developments have underlined the urgency for the convening of a conference at the earliest possible moment. Specifically in the Resolution, we mention growing unemployment and falling farm prices as two reasons for convening such a conference. These two conditions in themselves are, shall I say, mere symptoms of a more deeply-rooted malady which suggest that temporary remedies will not suffice, and that more basic and comprehensive anti-deflationary measures are indicated. The extent of decline in farm prices and the alarming growth of unemployment suggest that certain preventive measures which were designed to forestall the development that we have seen, have not been implemented.

First of all, Mr. Speaker, how serious is unemployment in Canada at the present time? The press reports, or the newspapers, have been carrying reports by the Dominion Bureau of Statistics recently stating that the number of persons out of work and looking for jobs as of January 22, 1955, had reached 362,000. At the same time the federal Department of Labour said that some 600,000 people were registered for work with the National Employment Service. Whichever figure is the more nearly correct, the fact cannot be ignored that unemployment in Canada has reached a post-war high. If we accept the figure as given by the Dominion Bureau of Statistics, we are forced to the conclusion that the unemployment situation was almost 83 per cent worse in January, 1955, than it was in January, 1953.

Farm prices have fared badly in recent years. We have heard this throughout the debates that we have been listening to. Bumper crops in the last few years, particularly in western Canada, have tended to obscure the fact that ever since 1951 we have been entering an agricultural price recession. The matter of agricultural prices and price supports have been dealt with in another resolution to considerable extent, and I believe something more will be said about it. But, I would like to cite just a few facts, Mr. Speaker, on the general situation. The price of No. 1 Northern wheat at the Lakehead is now \$1.74. This is higher than it has been for some time, but it still represents a drop in the selling price of some 31 cents per bushel since August, 1953. Livestock prices, as we all know have, since 1951, gone into almost a complete eclipse. The monthly weighted average for cattle, all grades, at Winnipeg averaged \$27.40 per cwt. in 1951. In 1954, comparable averages amounted to only \$13.17, or less than half. Since 1951 hog prices have declined by 12 per cent; poultry meats have declined by 37 per cent; eggs have declined by over 27 per cent; dairy products such as milk, butter and cheese have also shared in the general decline in farm prices in recent years.

However, since 1951, farm machinery costs have risen; the cost of building materials has increased; gasoline, oil and grease cost more; fertilizer prices have sky-rocketed and many other items entering into the farm cost production have increased.

Thus I say falling farm prices and rising unemployment are part and parcel of the same problem. One perpetuates the existence of the

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other, and solutions must, of necessity, be in terms of a comprehensive and well integrated national policy.

I should now like briefly to make a few observations in regard to the public investment policy, particularly as outlined in the green-book proposals of 1946, or 1945. In 1945, the Federal Government made certain proposals and recommendations designed to forestall just such a development as we are facing today, and I am going to quote, in several instances, tying in my remarks. The Federal Government in its statement of policy committed itself to undertake to institute a system of managing its capital expenditures, and I quote:

“So that they may contribute to the improvement and stabilization of employment and income. The guiding criterion here is to compensate for fluctuations in private investment and employment.”

That is on page 21 of the proposals. The Federal Government, in 1945, was of the opinion that public investment expenditures, and I quote again:

“. . . ought to be directed to the permanent expansion of the productive wealth of the country.”

This principle means, if it means anything, that every natural resource ought to be developed which is capable of furthering the productive wealth of the country, irrespective of the particular geographic region in which it happens to be located. And I suggest that this principle has a hollow ring, when the construction of the South Saskatchewan dam has been delayed time after time on one pretext or another. If that were not enough, the green-book proposals went on further to say:

“The degree to which public investment expenditure can be accelerated or postponed varies, depending upon the urgency of the need for the facility to be provided and on the physical nature of the project.”

Now, Mr. Speaker, this stripped down to bare essentials would indicate that the timing of public investment expenditure would be an important factor; and if this is still the feeling of the Federal Government, there should be no further delay in going ahead with the construction of the South Saskatchewan project at once.

The Federal Government, in 1945, also recognized – and I want to quote again:

“That unemployment in Canada in the past has been associated with abnormally low volume of exports, of which the effects are felt through the whole economy.”

Now, after acknowledging the source of the problem, the Federal Government proceeds to outline the principles which would govern public investment policies, and I quote again:

“It is proposed that an investment policy be used to mitigate or offset deficiencies in export income according to the principles of (a) using public investment programmes to strike as near the source of the deficiency as possible; and (b) providing expenditures through established channels in which deficiencies of income and investment are most severely felt.”

In view of the prairie agriculture having suffered most severely from the loss of export markets, and in view of the fact that the deficiency of income is nowhere greater or acute at the present time than in Saskatchewan (which, as I said before, has experienced the worst per acre yield since 1937), there should be little doubt that the conformity with these principles as laid down in the green-book, would mean an immediate start on the South Saskatchewan dam, even if the Federal Government were to absorb most of the cost. This is because the Federal Government recognized, in 1945, and I quote again:

“Increased income of the primary export groups would greatly help the remainder of the economy by maintaining both consumption and investment outlay. The resources’ development programme would help provide employment directly and indirectly to many of these people.” (page 27 of the proposals).

With respect to the social security proposals laid down in the Green-book, the Federal Government, in 1945, also recognized the role that anti-deflationary social measures could play in the economy. That is pointed out in the quotation which I shall now read, from the green books:

“Recently, however, we have come to realize that broad social security legislation justifies itself not only in humanitarian terms but in the contribution it can make to economic stability through the maintenance of production, income and employment and equitable distribution of purchasing power.” (page 27 of the proposals).

Among other social security measures proposed, national health insurance was advocated, and they say again:

“Because it is regarded as the best means of meeting and of distributing fairly the cost of illness in conjunction with preventative services of improving the general health of the nation . . .”

What was contemplated by the Federal Government, Mr. Speaker, was a national health insurance for every man, woman and child, who would have the benefits of medical and dental services. The Federal Government declared its desire to put in a nation-wide system of health insurance as soon as the provinces would agree, and arrangements could be made with the provinces; and moreover, it proposed to bear one-half of the cost of such a scheme towards its implementation. I suggest, Mr. Speaker, that after ten years the need for a national health insurance scheme is as great as it was in 1945.

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In 1952, more than one half of the Canadian people had no hospital insurance or protection of any kind. Almost three out of every four Canadians had no insurance of any kind providing for surgical benefits, and four out of every five Canadians had no insurance of any kind for medical benefits. I suggest that if these were good principles in 1945 (and I believe they were), then there should be no further delay in the implementation of the proposals of 1945. If it is argued by the Federal Government that we cannot afford to implement these proposals at this time, let there be no mistake that the Government had at that time even taken this eventuality into consideration, because the Federal Government conceded that “large deficits will result from a bold policy of expansion of expenditures in the face of declining business activities”; and I quote again:

“The Government is not only prepared to accept these, but will deliberately plan for them in periods of depression in order to give the economy a stimulus and relieve unemployment. The modern governmental budget must be the balance wheel of the economy. Its very size is such that if it were allowed to fluctuate up and down with the rest of the economy, instead of deliberately counter to business swings, it would so exaggerate booms and depressions as to be disastrous.” (page 8 of the proposals.)

I submit that if the Federal Government does not wish to be false to true principles, which is as bad as being true to false principles, then the convening of a Dominion-Provincial conference to implement some of the outstanding commitments made in 1945 would appear to be in order. I believe that in our modern Canadian economy the Federal Government’s influence must live up to its affluence.

With regard to further problem areas and some of their proposed solutions, while the proposals contained in the 1945 green books are a step in the right direction, we should be careful not to think that they represent the last word in dealing with our Canadian problems. In the first place, they do not deal with problem areas, which are already apparent to a large number of Canadians; and, in the second place, we must remember, as a distinguished scholar once said, “to rest on a formula is slumber which, if prolonged, means death.”

One major field in which it is felt Federal assistance should be given to the province is for highway construction. Our road system is becoming of greater importance each year to the economy of the province, and since the Federal Government has taken a traditional interest in transportation, particularly in the field of railways, it certainly is imperative that the Federal Government, in view of that, should take some concern in our highway system as is warranted by its demonstrated importance. A start has been made in the assistance for the Trans-Canada Highway, but that is only a start, and there is no indication that the Federal Government is prepared to go farther; but certainly we believe a comprehensive highway programme, with federal assistance, is indicated.

Another field in which developments and demands are out-stripping provincial resources is in the field of education. Further than

that, the provision of equal educational opportunities for all Canadians is now regarded as a matter of national concern. The children and young people in any part of the country should not be handicapped in obtaining an education because of adverse conditions in that particular region. These facts were already recognized by the Rowell-Sirois Commission, and while the Dominion Government has taken action in limited areas, such as vocational training and the universities, it has not lived up to the principle of equalizing educational opportunities.

In 1945, the Federal Government recognized its responsibility for assisting unemployed employees, but its proposals for assisting self-employed people in obtaining economic security are far from sufficient or adequate. This latter one, in my opinion, particularly applies to the agricultural industry. Measures to insure price stability are badly needed, as has been pointed out in our debates. They are badly needed at the present time; and a crop insurance scheme for the farmers would be a tremendous lift. The need for adequate federal powers in the field of marketing is directly related to agricultural problems. There is need for reasonable minimum standards of working conditions for all Canadian labour, regardless of provincial boundaries. While in Saskatchewan, as everyone knows, we have labour legislation that is far superior to the labour legislation of any other province in Canada, I submit that a national labour code is needed. The present cumbersome machinery that is used in settling many of the labour disputes that extend across provincial boundaries, indicates the need for further Dominion action in this regard.

These are just some of the area problems that I have outlined, Mr. Speaker, that we believe need to be tackled by the Provincial and Federal Governments, and I believe that there is a need for constantly reviewing the Canadian scene, and for devising new solutions to the problem areas which arise in our ever-changing world. I submit that the days are upon us where the immensity of the economic problems besetting our country, and the implications that are inherent in any failure to meet those problems, command the attention, concern and determination of all Canadians, irrespective of their geographical location, of political affiliation, to build out of our God-given vast wealth of human and material resources a united Canada with social and economic justice for all its people. Therefore, Mr. Speaker, I move, seconded by Mr. Willis (Elrose), the motion standing in my name.

**Mr. Maurice J. Willis (Elrose):** — Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

The Assembly adjourned at 5.55 o'clock p.m.