

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Twelfth Legislature
20th Day

Wednesday, March 9, 1955

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

BUDGET DEBATE

The House resumed from Tuesday, March 8, 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.)

Hon. J.T. Douglas (Minister of Highways): — Mr. Speaker, when I adjourned the debate, yesterday afternoon, I believe I had dealt with some of the criticisms that had been offered my Department by several members who sit in this Legislature. I also had answered some of the remarks made by the member for Wilkie (Mr. Horsman) and some made by the member for Maple Creek (Mr. Cameron).

Today, I would like to join with many of the other members who have spoken in this Assembly during this and other debates, in drawing attention to the fact that, this year, we are celebrating our Golden Jubilee, and to remind this Chamber that, during that period of 50 years through which this province has come, we have seen more advancement in the field of transportation than has taken place in any other 50-year period of man's existence. In fact, I question if in all the time from the invention of the wheel to the turn of this century, man has made as much advancement in transportation as we did make in these last 50 years. That change has been so rapid and so swift that it has caused a great deal of dislocation in some fields of transportation, particularly in the field of freight transportation. As a matter of fact, at the present time, I would say that, due to these rapid changes, we have conditions close to chaotic in that particular field.

The automobile alone has brought about changes that have made it necessary for one generation to develop a whole new system of high class roads. It has made it necessary for us to develop new laws and regulations. It has made it necessary for us to develop new skills, new techniques in our driving procedure. As a matter of fact, the introduction of the automobile has practically revolutionized the way of our living in the western hemisphere.

If we go back to 50 years ago in this province, you will find that we had approximately 22 automobiles in the province of Saskatchewan. Today, we have 267,099 motor vehicles travelling over the highway and roads of this province. It made a terrific change, and that change has been so rapid that it has imposed a staggering burden on the governments who are responsible for building and maintaining the roads that are required to give service to that number of motor vehicles.

It is true, of course, that the introduction of the automobile and the truck has made it possible for us to improve our standard of motivation. It has made it possible for us to enjoy life a great deal better than it was

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previous to their introduction. When I think back to 50 years ago, when the first automobiles were invented, as I said a moment ago, there were very few in existence in this province, very few in existence in Canada. At that time we were dependent almost entirely upon the horse to provide the motive power to move our produce from our farms to open markets, to provide the motive power to take us to our social functions, to provide the motive power to take our children to and from schools. Yet, within the last two decades, we have seen our farming industry completely mechanized and the horse practically disappear from the fields.

That has made it necessary for us to devise, as I said a moment ago, completely new methods of transportation with all the problems it has brought with it. This condition is not peculiar to Saskatchewan. It exists in every province in Canada and in every state across the line. In this province it has been aggravated by a period of drought and depression during the 'thirties, a world war that interfered to a certain extent with public works, and possibly a more far-reaching influence was ten years of listless, unimaginative Liberal regime, a regime that failed utterly to understand the implications that the advent of this new system of motivation brought about.

Mr. Loptson: — You pretty near choked on that one.

Hon. Mr. Douglas: — Well, it was a tough one, I have to admit, but it is much tougher for the Opposition to take because they know it is true.

I maintain that in all the years the Liberal party were in power in this province they utterly failed to realize the part that highways and roads played in the economic and social life of this province. When the Liberals held their convention in Saskatoon, last year, I expected and I expect other people in this province expected, that they would draft a new and dynamic platform. It must have come as a tremendous shock to people when they got this platform and perused it and found that there was nothing in this platform but generalities. When I go over it and I read the five points that deal with highways, I find there is not a single plank in that platform that definitely states what the Liberal party has in mind; not a single plank . . .

Some Hon. Member: — Better put new ones in.

Hon. Mr. Douglas: — . . . nothing but meaningless generalities; no clue to what they have in mind as to their policies if they were returned to power. So, Mr. Speaker, I undertook to try and find out what some of the leaders of the Liberal party had in mind, and about the only things that I could find that gave me any clue as to what they were thinking were some statements made by the new leader. I notice that he spoke of the conditions in 1925 and he used a map that was produced — the first known highway map of the province — in 1926. He mentioned that the map showed a highway system of over 7,000 miles. Well, possibly it did; but here's what I find. In 1925 there were only 1,341 miles of that 7,000 maintained by the Department of Highways. Of that 1,300 miles only 48.7 were gravelled. It gives you a pretty good idea of the groove in which the Liberal thinking is still running — maybe I should say the ruts; and the ruts would return again if the Liberals were returned to this province.

Mr. McDonald: — Careful with the Provincial Treasurer there.

Hon. Mr. Douglas: — Now, that is some time ago and they may say, "well, there has been some improvement since that time." I would suggest that anyone who has ideas of that kind should look up the edition of the Prairie

Farmer of May 1, 1944, and there you will find an article dealing with a proposed programme of public works presented by the then Premier of the province, Mr. Patterson, to the Select House of Commons Committee on Rehabilitation and re-establishment. Here is what Item No. 4 in that platform states:

“Of the present 8,000 miles of provincial highway only 23.4 miles have been constructed to standard hard-surface requirements.”

Mr. Chairman, isn't that a grand record for any party that has been in office for thirty years? And that is not a criticism coming from an Opposition party; that is a statement made by the Premier of this province at that time.

I repeat, Mr. Speaker, that at no time in the entire life of the Liberal party have they ever shown any indication that they had a grasp of the needs of this province insofar as roads and highways were concerned. They have never shown that they have any idea of what was required to help this province proceed to the destiny that is ours, if it was given good, dynamic and progressive leadership. This province had to wait until this Government took office before that leadership was given.

Now, Mr. Speaker, I would like to turn for a moment to the affairs of my own Department, and the first thing I would like to mention is the retirement of Mr. Stewart who was Deputy Minister since August 10, 1952. During the years that he was with the Department, which was some 17 years, I want to say that he gave long and excellent service to this province and, as far as I am concerned, I certainly miss his good advice and his willingness to assist in any matter in which he could possibly assist. I want to pay tribute to his sterling character and to the work he has done.

I might say that, with Mr. Stewart's retirement, there is only one member of the staff remaining who was a graduate engineer at the time this government took office. As a matter of fact, I believe there were only about 10 or 12 graduate engineers on the staff of the Highway Department in 1944. I am also very glad to state that Mr. Stewart, who has been ill for some little time, is now out of the hospital. I had a phone call from him, the day before yesterday, and I am sure all members of the House will be glad to know that he is on the way to recovery and hopes to be back at his desk again in his own office, in the next 10 days.

The next thing that I would like to announce is that Mr. L.T. Holmes has been appointed the new Deputy Minister. Mr. D.A. Larmer has been moved up to Chief Engineer. I should point out to this House that both these young men came to this Department in 1945, following their graduation as civil engineers from the University of Saskatchewan. The other two shifts made necessary by these changes have been the promotion of Mr. Fleming as Construction Engineer and Mr. D.M. Simpson as Assistant Construction Engineer. Again, both of these boys are graduates of Saskatchewan University. In the years in which they have been with us they have shown a great deal of ability, and I am glad to state that the policy adopted by this Government in 1944 to immediately commence to build up within our staff young men with the technical training and the training which we have given them in the intervening years, has made them valuable members of our Department. In fact, that policy is now paying off as we are able, within our own Department, to fill any requirement that we may have to meet for many years to come.

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I would like, for a moment, to review some of the difficulties and some of the successes we have had in the construction season which has just been closed. As you know, it was one of the most difficult seasons ever experienced in the province of Saskatchewan so far as road building is concerned. Little progress was made in construction up until the end of August. In fact, it was necessary for us, at times this year, to move some of the construction crews from one job to another in an endeavour to find some place where work could be carried on.

The effects of the continuous wet weather which we encountered this year, gave us a great deal of difficulty on all of our gravelled highways. That was particularly true on those roads which had not been rebuilt, roads which had not been brought up to present standards of construction. There it was impossible, at times, to give anything near proper maintenance. I want to thank the travelling public in general for being as considerate as they have been during the past year. Most of them realized that the conditions which existed during that time were conditions over which we had no control, and conditions existed which were impossible to remedy during the wet period. However, the fact that we have an organization that can cope with problems when given a chance was proven by the fact that, this fall, when freeze-up occurred, all of our highways had been brought back into excellent condition.

I also want to point out that, this year, while we had very great difficulty with our gravelled highways, we had less difficulty with our blacktop roads than for the last number of years. I attribute that difference largely to the fact that, during the past summer, a campaign was inaugurated in which every endeavour was made to control the weight of the truck traffic in Saskatchewan, and I am quite satisfied that that campaign paid off in dollars and cents to the province and certainly in convenience to the travelling public. I would like to pay tribute to the Provincial Treasurer and his men who were in charge of this work for the assistance we received, because of their diligence during the past summer.

In spite of the extremely wet weather which we encountered in the early part of the season, we were able to complete 67 per cent of the grading, 68 per cent of the base-course work, 44 per cent of the bituminous surfacing, 73 per cent of the oiling and 63 per cent of gravelling, that is, gravelling in construction work. Gravelling on maintenance was pretty well completed within the year.

Turning for a moment to the Trans-Canada Highway, I would like to point out that Saskatchewan leads all of the provinces, with the exception of Prince Edward Island, in the percentage of that highway which we have completed. Up to the end of the construction season, we had 65.8 per cent of the total work of the highway finished, and of the number of miles of road which are completed and brought up to Trans-Canada standard, I find that Saskatchewan leads the three western provinces. In the province of Manitoba they have 130 of their 305 miles surfaced, which is 42.6 per cent of their total mileage. In Saskatchewan we have 230 miles (that is 100 miles more than Manitoba) of our 406, or 56.5 per cent. Alberta has 150 miles of their 292 miles, or 51.3 per cent. So, with a good break, Mr. Speaker, it could be possible for this province – in fact it should be possible for the three western provinces to finish their portions of the Trans-Canada Highway within the term of our agreement with the Federal Government.

There is one other project which we undertook, this year, that I think would be of interest to this House, and that was a co-operative effort on No. 13 Highway between Shaunavon and Eastend. This spring, the Tidewater Oil

Company very generously offered to give to the Department the necessary crude oil to oil this section of road. After looking over the situation we agreed to accept their offer. I had the opportunity of going over that road, this fall, and I want to say that it was a very nice job indeed. Possibly it may be the answer to the problem which we are experiencing on many of the highways which are not too heavily gravelled. It may be that, on those roads where the traffic is not too heavy, a treatment of this kind will not only conserve the gravel and the grade, but will do away with the dust menace and certainly improve the riding qualities of the surface. It is yet too soon to completely judge the effect of work of this kind. However, as you may know, it is not the only experimental work being carried on. I mention it because of the fact that the Tidewater Oil Company had very generously made this offer, and I think they should receive some recognition for the spirit of co-operation which they have shown in this respect.

I would like now to turn for a moment to what we propose to do in the coming summer. First, to repair some of the ravages that our highways suffered during the last several years of continuous wet weather, we intend to regrade by maintenance over 1,500 miles of our present highway system. We expect to carry on another quite extensive construction programme on the Trans-Canada Highway. Our proposals are that we grade another 48 miles on the Trans-Canada, gravel 78.6, lay base-course on 82 miles, and bituminous surface 115.3 miles. When this is done we will have a complete blacktop road across the entire portion of south Saskatchewan. True, it will not all be up to Trans-Canada standard, but it will be a road on which you have continuous blacktop from the Manitoba border to the province of Alberta. It will be the first highway in the province regarding which we can make that statement.

Turning then, of course, to the balance of our provincial highway system, we propose to grade 482.36 miles, to gravel 541.57 miles, base-course on 54.95, bituminous surface 70.42 and give oil treatment to 81.4 miles, a total for the entire province of 530 miles of grading, and 185 miles of bituminous surface and 81.4 of oiling. When I make this statement of the number of miles of work it is, it may seem like a simple recitation of a lot of miles of work; but I want to point out to you that this represents many hours of very careful planning and work, work that must be done before it can be presented to this Legislature.

To give you some idea of what we have been able to do by careful planning, I would like to point out that since 1944 to the end of this year, we have been able to eliminate 121 level crossings in the province of Saskatchewan. I want to point out that every level crossing is a potential killer, and it is impossible to give any evaluation in terms of dollars and cents that would represent just what the elimination of those 121 crossings means to this province.

Then, again, by straightening out many more highways, we have been able to reduce the mileage by considerably over 200 miles. In arriving at those figures we have not taken into consideration anything under one mile; that is, where the reduction in mileage was less than a mile we have not considered it. It might be of interest to know that the 200-and-some miles represents a saving of over \$4 million to the province of Saskatchewan in construction costs alone. 55 miles of that will be on the Trans-Canada Highway, which will be reduced from 461 miles to 406 miles when the project is completed, and that, of course, is where a large part of the savings comes in. The other section where a great amount of savings was experienced was on No. 11 Highway between the city of Regina and the city of Saskatoon. But, I want to tell you

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that, as we proceed with our programme of highway improvement, where we cut off more miles of road and where we undertake to add improvement to those miles that have been shortened, this dollar value is going to increase, and to increase very considerably.

The savings in maintenance alone on that 200-odd miles will amount to \$62,100 a year, and if you add to that the savings to the travelling public because of that shortage, you will get enough money to build 118 miles of Class E road a year. That is what careful planning of your highway system has meant to this province.

The Leader of the Opposition talks about these maps. I happened to run across an old map, just a short time ago, one that was prepared, I think, in 1919, by some member of the staff at that time. You know, it is rather remarkable, Mr. Speaker, that that map was recommending many of the changes that this Government has introduced since we have taken office; but, unfortunately for the province of Saskatchewan, there were too many Liberal politicians had their finger in the pie, from the time that map was drafted until the roads were actually built.

Mr. Erb: — That accounts for No. 1 being so crooked.

Hon. Mr. Douglas: — Quite likely it does. It is not just a matter of the extra money it costs the province. Unfortunately, many people built along the roads that were designated at that time as a provincial highway system, and I will have to admit that it has caused a certain amount of inconvenience to people when we find it necessary to change the location of the highway. On the other hand, I want to point out that we are now building these highways, not just for today; we are building these highways for many years to come, and we would be making a tremendous mistake if we were not to resist the pressure that is often brought upon us to stay with the old uneconomical routes that were inflicted upon this province of Saskatchewan by a Liberal administration.

Last year, Mr. Speaker, I talked too long and forgot to announce the programme. I am not going to make that mistake this year. Having made those few remarks regarding the highway system, I would like at this time to give a résumé of the work which we have set out for the coming summer. Starting with the Trans-Canada Highway, we will build a sub-grade construction, with traffic gravelling, on the Regina by-pass. That was billed for last year, but was left over because of the wet weather. Completion of sub-grade construction and construction of the base-course and bituminous surface from Moose Jaw to 4 miles east of Parkbeg. Sub-grade construction and traffic gravelling between Valjean and Ernfold. Completion of sub-grade construction and the construction of base case and bituminous surfacing from Fauna Siding to Swift Current. Completion of the sub-grade and base course construction and the construction of bituminous surface from Webb to the Alberta boundary.

Provincial Highway No. 1, the sub-grade construction and traffic gravelling on the west access to Moose Jaw on 9th Ave., North-west.

Highway No. 2. — completion of base-course and bituminous surfacing construction on the section from Wakaw south.

Highway No. 3 — sub-grade construction and traffic gravelling from Bannock to Hudson Bay; sub-grade and traffic gravelling from Hagen's corner

east; sub-grade and traffic gravelling from Cowan River bridge south; grade construction between No. 4 Highway and Golden Ridge.

I may say, Mr. Speaker, that this amount of work on No. 3 Highway is bringing this highway very close to completion so far as the grading is concerned. I might also add that, when I refer to No. 2 Highway, this year's work will leave very little grade reconstruction to be done on that highway. There is a section from Penzance to Simpson which is in immediate need of reconstruction. From Ardell to Con's Corner it is in fair good shape but has not been reconstructed by this government; and then from the 3rd meridian from Prince Albert National Park to the north end of Montreal Lake there is still the old grade that will be in need of reconstruction in the not too distant future.

No. 4 Highway – oil treatment from Elrose to Rosetown.

No. 5 Highway – sub-grade construction and traffic gravelling from Canora to the junction with No. 55 highway; sub-grade construction and traffic gravelling from Muenster to Humboldt; completion of base-course and bituminous surfacing from Hopkins' Corner to Sutherland; oil treatment from 4 miles north-west of Maymont to Denholm; sub-grade construction and traffic gravelling from Battleford to Highgate; oil treatment from Bresaylor to Maidstone.

This year's work, Mr. Speaker, will complete the gradings from the Alberta border to the junction of No. 57 Highway, leaving only a very few miles of that road from the junction of No. 57 Highway to the Manitoba border to be completed as far as grading is concerned.

No. 6 Highway – sub-grade construction and traffic gravelling from Raymore to seven miles south of Dafoe; oil treatment from Silver Park to Melfort; sub-grade construction and traffic gravelling from Melfort to the old No. 3 Highway.

Highway No. 10 – completion of sub-grade construction and traffic gravelling from Tonkin to Wroxton.

Highway No. 11 – construction of base-course and bituminous surfacing from the junction of No. 5 Highway north five miles; sub-grade construction and traffic gravelling from Saskatoon north.

Highway No. 13 – sub-grade construction and traffic gravelling from Redvers to west of Manor.

Highway No. 14 – sub-grade construction and traffic gravelling south-east of Saltcoats, a distance of 2.4 miles. That, by the way, is a connection from the work that was done last year from Saltcoats east to the new grade construction some six years ago, I think it was.

Hon. Mr. Kuziak: — Why are you building there?

Hon. Mr. Douglas: — Well, we have to build that in order to keep traffic moving when we are building No. 10 – so we can't cut that off. Sub-grade construction and traffic gravelling from Theodore to Foam Lake; sub-grade construction and traffic gravelling from Highway No. 20 to west of Plunkett; completion of oil treatment from Perdue to Biggar, and sub-grade

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construction and traffic gravelling from Wilkie to Unity. I hope Mr. Horsman is listening to that.

Highway No. 15 – sub-grade construction and traffic gravelling in the vicinity of Punnichy; completion of sub-grade construction and traffic gravelling from Junction of No. 11 Highway to the junction of No. 2 Highway; sub-grade construction and traffic gravelling from Kenaston to 4 miles west of the junction of No. 19 Highway.

Highway No. 16 – sub-grade construction and traffic gravelling from Maryfield to Wawota.

Mr. McCarthy: — About time.

Hon. Mr. Douglas: — Highway No. 17 – sub-grade construction and traffic gravelling from Lloydminster south.

Highway No. 19 – sub-grade construction and traffic gravelling to provide a connection to the Trans-Canada Highway near Chaplin.

Highway No. 20 – sub-grade construction and traffic gravelling from Duval to Nokomis.

Highway No. 31 – sub-grade construction and traffic gravelling from Herschel to No. 4 Highway.

Highway No. 35 – sub-grade construction and traffic gravelling from Fort Qu'Appelle to Lipton, and a completion of sub-grade construction and traffic gravelling from Denare Beach to Flin Flon.

Highway No. 39 – completion of sub-grade construction and traffic gravelling from Weyburn to 4 miles north-west of Macoun; construction of base-course and bituminous surface from Weyburn to Ibsen.

Mr. Danielson: — That's a mistake.

Hon. Mr. Douglas: — Completion of base-course and bituminous surface construction from Lang to Corinne.

Highway No. 40 – completion of sub-grade and traffic gravelling from Leask to Blaine Lake.

Highway No. 46 – construction of sub-grade and traffic gravelling from Claydon to Divide.

Highway No. 55 – sub-grade construction and traffic gravelling east and west of Belbutte; Secondary highway – the construction of sub-grade and traffic gravelling from the Greenwater Lake Park south.

Mr. Speaker, that is the programme which we are proposing for the coming year. I would say that it is proof, if proof were needed, that this Government intends to continue with the programme which we proposed during the 1952 election. As a matter of fact, with the work which we have done to date – and if we are able to complete the programme which I have outlined, given favourable conditions, we will be ahead of the programme which we promised in 1952. As far as rural municipalities are concerned, I find we have greatly exceeded the commitments which we made in 1952.

We realize, Mr. Speaker, that the municipalities, like the province, have a problem that is difficult for them to meet. The conditions which I outlined at the start of this talk today, apply to rural municipal governments just as well as it applies to provincial government. But, we realize also that simply increasing grants to municipalities is not the sole solution to this problem. As you know, this Government set up a Royal Commission on Agriculture and Rural Life and I, like the rest of you, have followed the work of that Commission, when they were in the field getting evidence from the people themselves. I have noticed that, in all of the hearings which they held throughout the country, roads were given as one of the major problems faced by our rural people. So I look with a great deal of anticipation to the report that will be turned in by this Royal Commission on Agriculture and Rural Life on this problem, because I am quite sure, from the evidence that has been placed before them, that they will be making certain recommendations to us.

We also realize, Mr. Speaker, that if this problem is to be met and met successfully, a certain amount of planning must be done in advance. So, a year ago last June, the Department of Highways was instructed to prepare, in co-operation with the Municipal Advisory Commission, a plan for a system of main market and inter-municipal roads. We have been working on that ever since, and had it not been for the extremely wet weather of the past year, I am quite sure the work would have been finished by this time. However, due to the wet weather it is not completed. Over 70 per cent of the work has been finished. Much of the office work over and above that has been completed; but, realizing the job should be done, we are going at this in a most thorough and painstaking manner. The following factors are being given consideration in compiling this grid of main market roads:

First, we are taking into consideration the present provincial highway locations, railway locations, farm-home locations, urban areas, population concentrations, assessments, hospitals, schools, community halls and churches, community pastures, Indian and Forest Reserves, and, of course, the results of the field check, based on topography, alignment, soil, width of right-of-way, rock and bush coverage, drainage and so forth. Those factors are all being gone into very thoroughly, so that when the plan is completed, it will be a very thorough job.

I have had the opportunity, during the past summer and this winter, to sit in at conferences where a number of municipalities were present, and where we were able to discuss with them some of the proposals which we were in a position to make, and almost invariably I have found that these plans were being accepted by the rural municipal councils. They now realize that, until such a plan is evolved and a system such as this is put into operation, they are working in more or less of a haphazard manner, and that they are not making the progress which they should be making. It is true that we have municipalities in this province today who have been following a well-thought-out and planned programme for work, and where you find that you will find good advancement; but unfortunately (or fortunately, that I cannot tell) you have changes in municipal government, and it has been very difficult to have continuous work on certain projects where you have changes in administration taking place as often as has been the case in many of these municipalities.

So I say there has been a great need for something of this type of thing to be done, and I know that among the municipal people today they appreciate the fact that this work is being completed; and having discussed the problems of completing this work with them, they agree with me that it would be a mistake to try to hurry this thing and bring in a plan that will not be as

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near complete and as near perfect as it is possible to have it. However, I want to say that excellent progress has been made when we consider the thorough manner in which this work is being undertaken.

It has been suggested across the way, that we are not making progress in this as rapidly as we should; we should be telling municipalities what we are doing. Well, we have been in touch with municipalities. As a matter of fact, the young man who is in charge of this work is constantly in touch with municipalities, because while we have a great deal of detailed information in our Department, there are times when it is necessary for him to go into the field to make inspections, and when he does so, in the majority of cases, he is in touch with some of the municipal officials. So we are in constant touch with them.

Furthermore, Mr. Speaker, it is my opinion that it is impossible for the Government to make a direct commitment as to a complete policy until we have before us, not only the finalized picture of this grid, but also some idea as to what it will cost. When we receive that, and when we receive from the Royal Commission their report, then I say we will be in a position to sit down and make a very complete study of this very important problem.

I want to point out that this is the first government that has ever faced up to the realities of this situation. I think I made it clear that just handing out grants to rural municipalities is not, in itself, going to solve this very important problem. We have to go farther than that. We have taken the first steps, Mr. Speaker, that must be taken if a job is to be done in this respect, and I can assure you that it will be followed up and continued to a successful conclusion.

The Provincial Treasurer pointed out to you that, in this year's Highway and Transportation budget, there is set aside \$1,951,000 for works not located on the provincial highway system. He also pointed out that this was an increase of \$200,000 in the amount of grants to rural municipalities. I checked back and I find that in 1943-1944, the last year the Liberal government was in office in this province, they spent on grants to municipalities a total of \$128,199.21. In other words, the increase which we are giving, this year, is 150 per cent of the amount which was spent by the Liberals on the entire grant the last year they were in office.

I know that those across the way would like the people to forget about the treatment which they gave the municipalities. They were notorious for the way they treated the municipalities of this province. They gave them little in the way of assistance; but they certainly used them as part of the political machine wherever it was possible to do so. I know they are going to deny it, but I just want to point out . . .

Mr. Cameron: — You sure improved on us, didn't you?

Hon. Mr. Douglas: — . . . but in 1939-1940, only 52 municipalities out of a total of 353 received grants. In 1941-1942, only 77 municipalities received grants. Then the year before the election, 1943, they upped that from 77 to 207. Well, the first year, after our first budget in 1945-1946, 251 municipalities received grants and provision was made for all to receive it if they made application. But, by 1948-1949, I find that all 303 municipalities in this province received grants under the equalization formula which was introduced by this Government. Of course, I must not fail to remind you that in 1953 we returned to them . . .

Premier Douglas: — 1952.

Hon. Mr. Douglas: — In 1952 we returned to them the complete field of land taxation. Someone said, a short time ago, that we showed favouritism in the making of these grants. Well, in 1941-1942, in the electoral district of Moosomin, represented by the Minister of Highways, a Liberal member, five rural municipalities received grants. In the electoral district of Rosetown, with a C.C.F. member, one rural municipality received grants.

Mr. McDonald: — Too many!

Hon. Mr. Douglas: — In 1943-1944, again in Moosomin, five municipalities received a total of \$8,099.05. In Elrose, two rural municipalities received a total of \$835. No discrimination there, of course.

Mr. Howe: — You were lucky to get any then.

Hon. Mr. Douglas: — Well, Mr. Speaker, there is much more I could say in regard to this, but there are one or two points I would like to cover before I sit down, and one is a word or two about the financing of our road needs in this province. I need not tell this Assembly that we have been making it a practice to spend more on roads in this province than we have been receiving from the highway users in tax in this province. And it is common knowledge that we could spend a great deal more money. There is a need to spend a great deal more money in this province.

We are also criticized as to the difference of our roads in Saskatchewan and the roads across the line. I want again to point out that when you cross the line, you find the various states have been receiving for many years federal aid in very large amounts. Last fall, I attended a dinner in Moose Jaw given by the Board of Trade. There was there present one of the highway officials from the State of Montana, and he told me that their contribution, last summer, was something over \$13 million from the U.S. federal Government. I understand that of that amount, part was used for the state primary system of roads and part used for their farm to market roads, which is similar to our main market road system in this province.

Still, you will find across the line also great need for roads. I have here a report that was given to the President of the United States by the President's Advisory Committee on National Highway programmes. That Committee, after very thoroughly going into the road conditions across the United States, are advising that the American federal government should set up a fund of \$101 billion to be spent over the next 10 years, \$27 billion of that to be spent on 40,000 miles of inter-state road for which the federal government is assuming practically full responsibility. They will continue under the suggested programme the assistance they are already giving. That assistance at the present time amounts to \$585 million (over half a billion dollars a year to various states) to be spent partly, as I said a moment ago, on state primary highways, part on farm-to-market roads, part on federally controlled roads and part in helping urban areas develop through roads in some of their congested districts.

I want to say, Mr. Speaker, that in Canada we must have support of that kind of we are to meet the requirements of our own province. I was very happy to sign the Trans-Canada agreement in 1950, when Ottawa undertook to give some contribution to the Trans-Canada Highway. I was happy in this respect,

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that we have at last got Ottawa committed to a point where they are at least giving some assistance. I never was satisfied that they were assuming their full share of responsibility. I claimed then, and I claim now, that the Trans-Canada Highway should have been the responsibility of the Federal Government alone; however, we have them committed to this work. They have set up a very good staff of trained engineers who are supervising this work from the Atlantic to the Pacific. Possibly, the Leader of the Opposition might doubt my word on that, but I am telling him that in my opinion that is correct.

Mr. McDonald: — It's your opinion.

Hon. Mr. J.T. Douglas: — The Opposition may say that Ottawa has no further responsibility once the Trans-Canada is completed. I say they have. I say they have just as much right to put money into highway construction work as has the province, because they are taking from the road users today millions of dollars in taxes on automobiles, on tires and on parts. I thought I had the figures here, but I haven't — I left them downstairs; but the amount is something over, I believe, \$200 million that they received in 1953 for sales and excise taxes. When they are taking that much money from the highway users of Canada they have every right to be putting more than the \$12 million a year which they are paying out on the Trans-Canada Highway, for a purpose of this kind. So, I say, Mr. Speaker, that Ottawa has not been playing fair with the provinces in this respect.

I would now like to say a word about the Transportation Company, but I have agreed to share this air-time today. However, I just want to answer very briefly a reference that was made to this Company when the member for Maple Creek (Mr. Cameron) spoke the other day. He tried to leave the impression that the Company was not in good financial position. True, we took a loss this year; but I want to point out that this year was an exceptionally bad year and the increase in our payroll, last year, was over \$60,000 and the loss was not a heavy one. Within the year we have undertaken to commence the replacement of our buses. It is not every bus organization that can commence the replacement of their equipment in the short time that we have been using them. We have kept our equipment in good shape, but in order to keep this Company as it is and as it has been, one of the most outstanding bus companies on this continent, we have undertaken to see that the people of this province are given the best in the way of equipment.

Last year we commenced that replacement programme by buying 14 new buses. This year we intend to add another ten to that fleet, and we hope to be able to continue that process until we have completely replaced them with diesel-operated vehicles.

So, in closing, Mr. Speaker, I just want to say that as far as the Transportation Company is concerned, we mean to keep it as it has been, one of the best and most outstanding bus companies on the continent, and one of which the people of Saskatchewan can continue to be proud.

Mr. Robert Kohaly (Souris-Estevan): — Mr. Speaker, I should like very much to take part in the budget debate and, first of all, to congratulate our Provincial Treasurer (Hon. Mr. Fines) in having delivered his eleventh budget. We have come to expect a good job from him. Unfortunately, I was not able to attend to hear him, but I know that he will have done himself proud.

I cannot follow in the line of my friends opposite and criticize, find the shortcomings and the benefits, which have been derived from the Liberal convention of last fall. I am not able to dispense to the people of this province any highways. I am confined to the budget address, and my criticism, as an Opposition member, of that address.

I thought that I should call to the attention of the House a new innovation in budget addresses – something which we should carry on, probably, for years to come. This innovation is found on the second and third pages of the printed budget address. I refer to that group of photographs, and our Provincial Treasurer does himself very well in that particular group. I do hope that anything that has been said about him, as to age, will be offset immediately by looking at those photographs. He certainly stands high in the list of Provincial Treasurers that we have had in this province, and there have been some very distinguished-looking gentlemen, as evidenced by those pages.

Apart from that, I find very little in this budget that pleases me. The budget, as I understand it, should reflect some of the hopes that the people of this province may have for the coming year; some of the actual things that this administration are going to do. The budget, unfortunately, loses some of the vague glories that we heard read here in the Throne Speech. They are missing, because they are down to actualities and real dollars, and that is something which they are going to have to carry out, something which we and the public are going to have the opportunity to scrutinize in the days to come in 1955.

We do not find in the budget all of the marvellous things and wide terms that we did have in the Speech from the Throne. They are missing. This is confined to an analysis of what actual dollars are going to be spent and how they are going to be allocated. I found a very interesting history of the province of Saskatchewan in the first seventeen or eighteen pages, and they will not bear much criticism on my part because I know very little of the ancient history of the province of Saskatchewan

However, on page 19, it finally gets around to the current fiscal year, 1954-55, and the hon. Provincial Treasurer starts his budget. Right off the bat we find it was possible to start the current 1954-55 fiscal year with a much improved financial position – even improved, Mr. Speaker, over the glowing terms of budgets that we have passed previously. A lower net debt, which is a pet project of the Provincial Treasurer – and I might say, an admirable one, and one in which he has had some considerable success; and we have sizeable cash reserves. Taxes are holding steady, which is a good thing. I am sorry to see that the Education and Hospitalization tax may, in all probability, be down 5 per cent; it reflects the condition of our economy. The liquor profits, which form no small part of our revenue, are going to be reduced by 10 per cent. Gas tax and motor licence registrations will stay about even. On the other hand, we are going to receive substantial increases in revenues through the tax rental agreements with the Dominion Government – a very happy event coming at this particular time. Mineral resources, according to the Provincial Treasurer, can be expected to exceed \$6,000,000, which is a substantial increase, and once again a happy event over which we have very little control.

So the position from last year has not changed very much, from the revenue side. But the position has changed considerably insofar as the people of this province and their economic condition is concerned. My criticism must be directed, therefore, to whether or not our Provincial Treasurer, this year

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has taken into account the economic needs of the province, and of individuals living in the province.

He tells us that we have sizeable cash reserves. That phrase, Mr. Speaker, should have been expanded into the two or three pages immediately preceding. We certainly have sizeable cash reserves. The Provincial Treasurer is taking us back, in economics, into the 'thirties, when the farmers' wives sold a little cream and a few eggs and they stashed their money all away in little cans and hid them in the basement. That is exactly what this Provincial Treasurer has done.

He has sizeable cash reserves all over the place – and when I say 'sizeable', they run into the millions, millions of dollars left over here, and left over there. If we add them all up we get a tremendous amount of money which has been stashed away in little cans for the use of the various departments in times to come. I wish to say that this stashing-away is not confined to the ordinary departments of government; we find it in some of the Crown Corporations about which we heard in such glowing terms, the other day.

I suggest that the Provincial Treasurer has not taken into account our need and the economic need of this province as a principle, when he has allowed that money in those departments to stay there when we really need it. There will come a time when this Provincial Treasurer will probably need it, and then we will have it out, and make use of it. The difference between this Provincial Treasurer and myself is this – I say this province needs that money right now, and not when he may think it is necessary, for one reason or another, in the future.

The Provincial Treasurer has materially reduced the debt of the province; and when I speak of debt I speak of the deadweight debt. It is a pet project of his, and he has done a good job. In years to come we will probably have to build a monument about it, and it will be a worthwhile monument, because he has reduced the debt, this year, by some \$10,000,000. The question, in criticism, is this: Is it wise to reduce the debt of the province of Saskatchewan, having in mind that we are paying interest on it at a given rate, when we need the money so badly to prime the pump a little bit, in this province? The Provincial Treasurer, in his wisdom and in the wisdom of his capable civil servant assistants, has decided that he is going to reduce that debt, notwithstanding; and he has made provision, this year, for a reduction in next year's debt. Whether or not that will be done is yet to be found out.

Now I want to go to the Crown Corporations. I spoke, earlier this Session, Mr. Speaker, about dividing the Crown Corporations into types, and I suggested that it would be much easier for us to discover whether those Crown Corporations were actually for the benefit of the people of this province. I suggested that some of these Corporations might be strictly for profit (which, in fact, they are) in competition with business; but some of them might be for use or service, and, therefore, really one of the problems of this Legislature; and the others, of course, would fall into the utilities which we have had a long time in this province.

If you go back to those which I consider corporations for use or service – they would include the Airways, which had a deficit; Marketing, which had a substantial credit; Printing, with a credit; and the Transportation Company, which had a deficit – you end up with a \$56,000 surplus. That is not very much money, when you consider that you have invested in these four corporations \$3,400,000 approximately. If you took interest at 4 per cent (which is

a reasonable figure) on that you will find that that surplus of \$56,000 has been wiped out, without anything left.

I am not complaining about that. I am just pointing it out. These are Corporations which certainly provide a service to the people of the province of Saskatchewan, necessary service, and so, if we can leave those separate and aside, don't becloud the issue as far as the economic situation is concerned, and couple that with the utilities or those organizations which are operating for profit.

The next group is the group that I consider organizations or corporations operating for profit. They include the Forest Products, the Insurance Office, Guarantee and Fidelity, and Minerals. All four had a profit, and so appear to be competing properly in the business world. Their total profit was some \$705,000. This profit was earned out of a capital loan made by the people of this province of some \$7,000,000. If you take the interest off that, then you have a return on your capital of approximately 4 per cent, which is not an unreasonable figure having in mind the type of industry in which you are involved. So I suggest that the Provincial Treasurer and powers-that-be may consider it fair and reasonable for the purpose of operating these corporations, if they propose to continue to do so, to divide them into those two categories.

The third category is what I would like to call 'utilities'. I think there is no argument that the Power Corporation and the Telephones are definitely utilities. Last year, the Power Corporation appears to have enjoyed a surplus of some \$3,000,000 on an approximate \$60,000,000 investment. This is a fair and good return of about 5 per cent on their money. Telephones appear to have earned a surplus of some \$3,000,000 on an investment of some \$28,000,000. This is a 12 per cent return on their money. I assume that, under the circumstances, the Power Corporation have a fair return on their money; they are doing a good job in the province in expanding power to our people, and I certainly am entirely in favour of that. Telephones, with a 12 per cent return on their money, would appear to need some looking at. Two years ago, if memory serves me correctly, the rates were increased, for the purpose, mind you, to see that we didn't have a loss in telephones. Well, we didn't have a loss; we didn't do too badly. It might well be, Mr. Speaker, that in this time of difficulty, every little bit helps; but since we didn't have a loss, then the rates may have been upped just a little too high, and it would be a good idea to bring them back to where they should be. In retrospect you see that they put them up too high for the purpose which they, themselves, declared, and I am suggesting that this would be a good time to reduce the rates. The budget, unfortunately, does not include any hope in that direction.

Last year, you will recall, Mr. Speaker, that I supported the budget. I supported it because I thought that it was, primarily, a good budget, good for the people of the province of Saskatchewan, as more money was being spent on self-liquidating projects which I feel is most important. This year, however, we have a different type of budget – not the buoyant budgets that we have heard of in this House; but we have a budget shot through with caution, caution for last year and caution for next year and caution for the year after. We have larger estimates to meet, larger social welfare demands, because the people of this province are going to be in need of more social welfare per capita. There are larger estimates to meet the cost of the University hospital – a very commendable project. Small increases in the equalization grants for education, and some extra assistance to the senior citizens of the province, who are over 70 years of age, are contained in the budget.

Where, Mr. Speaker, is the bold action that we had in the Speech from the Throne? Where is the bold action to meet the unemployment situation in Saskatchewan? Where is the vigorous programme for opening up the resources of the north? Where is the bold works-and-wages programme? As a matter of fact, my figures have been challenged, and I will repeat them so that they may be challenged again: there are over 21,000 unemployed in the province of Saskatchewan within the last few weeks. I am not interested in comparing that 21,000 with those who are unemployed outside of the province – I am sorry for it, but it is not my duty: I am interested in every single soul who is unemployed in this province, and I am suggesting that that interest should carry itself over into the hands of the Government, who are in a position to do something about it.

Where is the bold action in this budget speech? If there were only half that many unemployed in the province of Saskatchewan – where is the bold action? Oh yes – the Federal Government; the Federal Government is in charge of unemployment! That's who is responsible. I agree that the Federal Government have a terrific responsibility, and I seriously doubt whether they are meeting it in time; but we, in the province of Saskatchewan, cannot possibly close our eyes and say that all we are going to do is call for a conference. This bold work-and-wages programme – I would like to find that. That is exactly what I would like to see in this budget speech.

Premier Douglas: — Have a look at the capital programme.

Mr. Kohaly: — The Premier, some time ago, brought a very fine economic situation to our attention; he said something to this effect: that for every dollar we spend in the province of Saskatchewan, 75 cents is going to find itself elsewhere, that there was leakage. Well, there is leakage, but surely we can at least make use of that 25 cents here in the province of Saskatchewan! Or shall we follow it a little further and say to the other provinces, "You had better not spend any money either, because there will be a leakage from your province into Saskatchewan that will provide employment there." It works both ways, Mr. Premier, and I am suggesting that there is none of that in this budget. We may find, eventually, if we follow this type of economic theory far enough, that we are going to have to live entirely within the province of Saskatchewan, and after that, entirely within regions or communities. We are going to end up a long way back from where we are now – a position which I am confident our Premier does not wish in any way, shape or form to find this province.

Every western Canadian long since learned the lesson the hard way about protection. Trying to live unto ourselves and take in each other's washing will not work. We have to have a little bit of vision and a little bit of faith in other provinces besides ourselves having some sense. This leakage is not enough to satisfy our unemployment problem in the province of Saskatchewan. Let us have a conference. Fine. But while we are waiting for that conference let us assume some responsibility of a major nature towards the unemployed who live in our province and have lived here and have paid some of these revenues which have made buoyant budgets in the past. Let us do something about it. Unfortunately, there is nothing of any consequence to be found in this budget to do such works in this province.

I want now to go to page 23 of the budget address. The Provincial Treasurer says:

“We do not share the illusion, apparently popular in some quarters, that a province such as ours can, single-handed, combat an economic recession.”

Well, I am one of those who believe that, while we cannot do it single-handed, we should take a material part in doing something about it.

Premier Douglas: — That’s what we are doing.

Mr. Kohaly: — And a very material part it should be. There should be something specific aimed at this specific problem. We are doing nothing whatsoever to meet the problem as we should.

Last year, Mr. Speaker, there was some \$82.7 million received on revenue account, plus (for some reason or other, kept separate) \$10 million in their liquor account. This makes a total of almost \$93 million. Revenue, this year, is going to be almost the same, in expectation. I suggest that what we have left over, after our expenditures which are anticipated this year, is that same \$10 million that we didn’t reckon in, last year, when we figured out our expenditures and our income of \$82.7 million. He doesn’t add it in. Whether he shakes his head or not, the figures are still there, and they are not added in; \$10 million is left over, and it is left over in those buoyant budgets for a good purpose, and the purpose is to assist in times of need. I am suggesting (maybe I am wrong about this) that the people of our province think that this is a time of need, and the very purpose which the Provincial Treasurer has said, year after year, is the principle of the budget, is now needed. Why hasn’t he moved? He has put a cushion in there — a \$10 million cushion, last year; this year it may be a little less; but I am suggesting that the padding in that cushion is just a little too thick under the circumstances. Let’s take some of it out; he has cushions all the way across through the various departments and in some of the Crown Corporations. There is a difference here between their attitude as a rule, in general, as against what they are actually doing.

Some of the surplus which we have could very easily be used by this province and these people in our province to ease the unemployment situation through a programme of developing the towns and villages with sewer, water projects and so on. I have spoken at length on more than one occasion about this part of the development programme, which certainly would be a wages-and-work programme. Other provinces are following it and doing something about it, despite the leakage; and I am suggesting that we should do something similar. But we do not have that in this particular budget.

Public Health, Social Welfare, Education — it might be interesting to note that we appear to be spending, on revenue and capital combined, some 20 per cent of our budget on highways. In the province of Ontario, they spend some 29 per cent of their budget on highways.

Hon. J.T. Douglas: — Are you sure of that?

Mr. Kohaly: — There is a remarkable difference, not necessarily in the amount of dollars, because the provinces vary and the amount of roadway that is involved varies; but what the difference is — when you take education, social welfare and public health and combine them, you will find that we, in Saskatchewan, appear to be spending some 31 per cent of our budget on social welfare and public health combined, whereas Ontario is putting the emphasis on highways and on education. There is a tremendous difference in the principle in which they are forging ahead. Ontario says “Let’s build the highways, let’s educate the people, more and more from our budget, so that they, in turn, the highways and the educational standards being raised, will give us increased revenues, and from

that we will pay our social welfare.” We are supposed to be paying our social welfare from our revenue and capital accounts. The Crown Corporations, as I understand it, were going to pay for this extra social welfare which we have in the province. I am not against increases to our needy people of this province, but I am suggesting that there is a question of emphasis involved, and that the emphasis is on the wrong place at the wrong time, and that we should do something material about it.

Hon. Mr. Kuziak: — Like letting the people go hungry?

Mr. Kohaly: — We have heard a tremendous amount about northern development, something which this province is going to have to do sooner or later. The impetus is there, and it is going to be necessary to continue faster and faster if the province is going to keep up with its programme of advancement. In the budget it says “there may be added \$105,000 for northern roads”. Of all the assets which we have in that north country, the majority is of very little assistance to us unless we can get it out and into the hands of the people who require it. But this province, this year, is going to spend maybe only \$105,000 in order to bring these assets out for sale. I am suggesting that the sum, especially in this day and age, is entirely inadequate, and we hope that they will find a way and means of increasing that particular item.

I would like to turn, for a moment, to Social Welfare. The Throne Speech, as you recall, Mr. Speaker, referred to increased supplemental allowances for those recipients in Saskatchewan of Old Age Security. I want to commend the principle that is involved in giving unequal sums as special allowances to these people. That idea is a good one, and I am predicting that the majority of the provinces of the Dominion of Canada, who pay supplemental allowances, will pick it up and accept it in the very near future. It is a good idea, amongst that needy group, to divide their needs and to give more to those who need most, and less to those who need a little bit less. That is a good principle, and one which I certainly propose to support. We hope that the amount, in administration, will be sufficient. We hope that it will meet the desires and needs of the older citizens. There will undoubtedly be those who will be hurt in the administering of the increase, and we hope that those people will be kept to a minimum.

One thing that I cannot agree with is the discrimination that we have in the groups of needy citizens. For some reason or other this Government has decided that the need rests, primarily, on those people who have managed to live for 70 years. The 69's and below — this Government has accepted the responsibility for them by saying, “We are going to help the needy ones between 65 and 69”; but yet, when it comes to the special need of an increase in supplemental allowance, what happens? It is clean cut between the 69's and the 70's. It is most unfortunate, probably dictated by the amount of money which we have to spend for this purpose; but it is too bad that we should divide needy citizens between the age of 65 and 69, as against 70-and-on-up. Those people need it just as much; the need is just as great for food and shelter and clothing when you are 67 as when you are 71. It is not enough to raise the benefits where they are going to be entitled to earn a little bit more, if you can earn it; that doesn't help at all. You have drawn an arbitrary line between needs, and I say that you cannot do that, and do it in fairness.

Once again I want to repeat that I am entirely in favour of the increased allowance and commend the Government for doing so; but I cannot understand why — they must have known they were going to do this in the month of January of this year, in February, at the latest; they must have known they were going to do it, but yet they cannot put the additional machinery which is

necessary into effect to give them this money until September of this year. They must wait, for some reason or other, to give this money to these people who need it now and will need it in September as well; but they do need it now more than any other time. For some reason or other, the Department of Social Welfare, who have the major machinery already set up to give supplemental allowances, could not, back in December, January or February, get the additional machinery ready so that these people could have it within a period of something less than six-months' time.

I am confident that there is a very serious parallel between that and the disability pensions that we have been hearing about for some 15 months, and as yet I doubt seriously whether very many cheques have actually been received by disabled citizens of this province. It is taking too long to set up the machinery, and I am confident that there are people and civil servants in this province who would be able to set that machinery up much faster than that, and get the money out into the hands of the needy people of this province, much faster than they have, in fact, suggested they would be able to do.

I want to stop for a moment and discuss nursing homes. I do not know yet what assistance is going to be given to this project. There is some mention of there being some expansion in the city of Regina and so forth. There is a tremendous need for this nursing home service in the province. I am sure that the Government are aware of this, in fact I am positive that they are. I hope that the Provincial Treasurer, when he allocated the funds of this province, had in mind that this was a real problem, and that he has given every cent he can for this purpose. If he has, well and fine. We hope that in years to come that somehow this province can muster a little bit more, because the problem is increasing on us and not getting any better as the time goes on.

Mr. Walker (Hanley): — What about highways?

Mr. Kohaly: — The Power Corporation, working this year on some \$23 million (an increase of some \$4 million over last year) is spreading its lines across the entire province, bringing some measure of comfort to farm homes to which the farm people are entitled, and I am pleased to see that they have done so well. There is some argument as to whether or not farmers should be compelled to pay a service or construction charge, and I hope that, in the future, some way can be found to ease their burden in line with the position in other provinces.

Mr. Walker (Gravelbourg): — Like the Social Credit?

Mr. Kohaly: — One thing I do wish to point out is that this Corporation is becoming a giant, a very, very large corporation. I do hope they will realize that they have to deal with people and people's rights in this province; that they must not be dictatorial about where they are going to drive their lines. There have been cases across this province where a line could be sent in a direction other than the one which was built. There were good reasons why that line should be changed: it would be a shorter line; it wouldn't have any more turns in it; it would cause less trouble to farmers living in that area. Yet despite protestations, despite information given to them, the line must go through in exactly the way they suggest. I am suggesting that that is entirely dictatorial — an attitude not to be found in this province, no matter how 'giant' the corporation may be, and that some arrangement should be made where we can make some protest which will not only be heard, but will have something

done about it, and give us an opportunity to point out to them a change which could be effected and which, in fact, will then be effected if shown to be proper.

While I am at that I want also to point out that there are new circumstances which have come about in the province of Saskatchewan where compensation ought to be given, and about this I am sure that the Minister is well aware. Certain things have happened in our province which now have gone beyond the question of a hole in the ground and a pole sticking up there and interfering with farming operations. We have come to something more than that – and does the Power Corporation take that into consideration, and if they do, what are they going to do about it in the form of compensation to these people? There are people in this province who have spent tremendous sums of money, for instance, to spray their farms with their own equipment, by air. The power lines, put in in a given way will cause untold danger and, in fact, destroy the entire scheme . . .

Hon. Mr. Nollet: — Nonsense!

Mr. Kohaly: — I insist that I am saying exactly what is correct, and that the Minister who is involved has had an opportunity to say otherwise, and we have had those situations and they ignore them. I am insisting that it is not proper to be ignored and it is something which they should take into consideration.

I want to point out that I have not advocated any increases in the amount which you are going to spend as far as Units are concerned. I have suggested that there should be some emphasis placed in one direction as against the other. I am not suggesting that the taxes should be increased; the Provincial Treasurer is holding firm, and probably that is a good idea this year. I am only suggesting that the Provincial Treasurer, who has the money in the cans in the basement, has the extra padding in the cushions, and has kept it there from years back – ‘buoyant budgets’, he called them. He has got it there; and I am saying that there is a situation in Saskatchewan, today, for which he prepared and today he has decided that this is not the right time to take the padding out of the cushions and the money out of the cans in the basement. The principle is there. We should do it, we should do it now, at no great cost to the province of Saskatchewan, and he has not done it.

Mr. Walker (Hanley): — With the stroke of a fountain pen.

Mr. Kohaly: — The budget, therefore, Mr. Speaker, reflects only past glories of this Provincial Treasurer and this Government and I am suggesting that we should be right down, today, deciding what we are going to do about today, and not the future so much.

I am suggesting that shadows in the past are not sufficient, that hopes for the future are not sufficient, to solve our unemployment situation and our agricultural form of disaster, this year. This budget does not go to the very point that it is necessary for this Government to go to. It does not put the emphasis where it should be put, and for that reason, Mr. Speaker, I am going to vote against the budget.

Mr. Brown (Bengough): — Mr. Speaker, I would like to ask the hon. member a question. Was he speaking, this afternoon, as a Conservative or as leader of the Social Credit party?

Mr. Kohaly: — Mr. Speaker, I have spoken as member for Souris-Estevan.

Hon. C.C. Williams (Minister of Labour): — Mr. Speaker, before taking part in the debate, I would like to extend congratulations to the Provincial Treasurer and his staff and the government side of the House at least, on this \$79,000,000 budget we have before us at the present time.

While I am in that mood, Mr. Speaker, I would like to take a moment to congratulate the Leader of the Liberal Party on his elevation to the position that he now holds. He comes, as I very well know, from the eastern part of the province, of excellent pioneering stock on both sides of his family and, personally, I was glad to see him get the position to which he was promoted for more reasons than one, Mr. Speaker. I happened to draw his name as first choice in the sweepstake we had in November and I found myself \$5.50 richer the day following his election. However, in view of the anti-gambling campaign which is going on in this city, perhaps the less said about that the better.

There seems to be some confusion, Mr. Speaker, when we had the Bill in front of us, the other day, in regard to Compensation Acts which have been in effect in this province for many years, and I would like to take a few moments to clear the matter up. Back in 1910, the Workmen's Compensation Act came into force, which did provide 100 per cent compensation for short-time injuries, but which was subject to a reduction from the 100 per cent if the injury lasted a long time. No compensation was payable for the first seven days, and at that time there was a limit of \$1,500 — that was all the employer was required to pay whether the accident was fatal or non-fatal. The Act, however (and here was the great difference between the two Acts) did permit the right of suit through the Courts.

In 1929, a Royal Commission was set up under the chairmanship of Judge P.M. Anderson. They toured the province for several months, and held hearings in various parts of the province, and a short time later the Anderson government (that is the Government of Premier Anderson) brought in what is now known as The Workmen's Compensation (Accident Fund) Act, which was considerably different from the old-time Act in force since 1910.

The new Act provided a payment of 66 2/3 per cent of the injured workman's wage while he was off, injured, instead of the former 100 per cent, but it did pay for disabilities for life, which was the great difference. In addition to that, it took away the right of legal action. At that time a number of Railway Unions preferred to stay under the old Act, where they would get the 100 per cent and be allowed to take action through the Courts, which they did, from time to time, and, on occasion, won amounts as high as \$30,000 for the widows of employees killed in railroad service. However, the years went by and following amendments to both Acts about five years ago — the old Act still provided the right of suit, no payment for the first three days of injury and 100 per cent after that; however, it contained a limit of liability of \$4,000 per accident, fatal or otherwise, which meant, after the employer had paid out \$4,000, that employer was finished. The employee could collect no more, unless he went to Court, of course, and had to pay for hospitalization, medical attention, X-rays and so forth himself.

The new Act — the Accident Fund Act, shall we call it? — does not permit suit for damages, but it does provide 75 per cent now, and I would like to take a moment to say that we went to 75 per cent back in 1945, and have since been followed by the provinces of Ontario and British Columbia, and I believe Manitoba is up to 70 per cent. Now, if I might use an example, in a case where a young man has lost an arm, he will receive a pension every month, even if he lives to be 85 or 90 years of age. Under the old scheme, after the

employer had paid out \$4,000 that would have been the end of it.

During the past five years, Mr. Speaker (and this will be of particular interest), five out of six of the railway groups have voted themselves out of the old Act and into the new Act. They themselves appear to think that the benefits are greater in the new Act. There is only one remaining, and it is my own union, Mr. Speaker, the Railroad Telegraphers. I don't know why they haven't come in, but they have that opportunity at any time. I have never before made any comparison in public, having taken the attitude that railway unions should have the right to make such decisions for themselves, without any pressure; but I thought it was only right that the members of this House should have the correct information once and for all.

I intend, Mr. Speaker, to say something about the office of the Fire Commissioner, and here is a brief resume of what happened during the past twelve months, as far as that branch is concerned. Unfortunately, 22 persons of this province lost their lives in fires during 1954, 12 of whom were children. Seven of these children were burned to death while alone in the house, or not under competent supervision at the time fire broke out. There were a total of 1,817 fires and the total damage was \$3,125,924. The greatest majority of fires occurred in dwellings – 1,152 dwellings were destroyed, with a loss of \$578,000; 245 farm fires, the loss \$262,000. Of course the farm homes were totally destroyed because of the distance from adequate fire protection.

It will be of interest to the House I am sure, Mr. Speaker, that smoking continues to lead all other causes of fire: 401 fires were caused by careless smokers, costing approximately \$167,200. Stoves and furnaces were next – 145 fires, with a damage of \$393,000. Electricity caused 139 fires in the province, with a total loss of \$106,000. That is particularly important because faulty installations can often be the cause of fires and something that the general public should insist on is seeing to it that their dwellings and other buildings are properly wired by someone with experience. Faulty chimneys and flues caused 135 fires with a loss of \$218,000. Lightning caused 113 fires with a loss of \$78,000. There is not very much, Mr. Speaker, that the human element can do to protect themselves against a bolt of lightning. That is all I wish to say today about the office of the Fire Commission; I may say something more about that the next time I speak in the House.

I have some figures here on unemployment. I know it is uppermost in most of our minds at the present time and the level in the province of Saskatchewan, as reported by the Dominion Bureau of Statistics, shows that for establishments having 15 or more employees, excluding governments, the employment in Saskatchewan increased by 1.7 per cent in 1954 as against 1953. In Canada, it fell by 3.1 per cent. Now those figures seem contradictory and I will come to the explanation in a few minutes. In Regina, the level of employees in establishments having more than 15 employees rose by 6.1 per cent in 1954 as compared with 1953. Saskatoon rose by 2.7 per cent. In the manufacturing industries the drop in the level was 4.9 per cent in Canada, and in Saskatchewan it rose by 1.4 per cent. The next two or three sentences will contain the explanation.

More people than ever before in the history of our province are employed in establishments of 15 persons and over. The growth of a stronger non-agricultural industrial economy which has characterized the past few years and continued last year despite ominous creaks in the economy of Canada, speaks

well for the future of this province. It is one sign that Saskatchewan, which is still so dependent on agriculture, is diversifying its economy. Just to summarize the situation, we find that establishments of 15 or more employees have gone right ahead, although the total number (and here is the part that is a little difficult to understand) of unemployed has greatly increased, and I will go into those figures a little later on.

This winter more people than at any time since the end of the last war are seeking employment. On February 24th last, 21,234 men and women were looking for jobs. These men and women could be producing goods and services to add to the wellbeing of the people of Canada. Unemployment is not only a waste of economic resources, it is also a social waste. Work is a social activity, and men and women who are unable to find work feel, after a while, that society has no need for them, for it denies them the opportunity of making a contribution to it. All over Saskatchewan great expansion is taking place. Oil wells are being drilled, mineral resources discovered and used, factories, roads and houses being constructed. The unemployed men and women must think, "Why, with all this work being done, is there no place for me; what is wrong with me?"

There are reasons for an increase in unemployment; as our population increases more people join the number of wage earners in the province. Men and women who were self-employed, or employed without pay, working on family farms, find themselves in the ranks of the wage earners. As the size of the farms increases and with the increasing use of machinery on the farms, the need for manual labour is lessened. In addition to this there is always seasonal unemployment, caused to some extent by our cold winters. Our cold climate does not easily allow employment out-of-doors, so every year workers in construction or transportation find that there is no work for them. In construction, for example, one man out of every two who was registered for employment in Saskatchewan for the first two months of 1955 was last employed in construction. If we take labourers alone, three men out of every four unemployed were last employed in the construction industry.

Now, we cannot change the weather, Mr. Speaker, but in Saskatchewan we are used to combating the caprices of nature. We can face the problems that our climate places upon the construction industry with the co-operation of the persons who called for tenders, the employers and workers within the industry. The Government of Saskatchewan has set an example in this field. In three of its largest construction jobs in Regina, the new nursing home, the Museum and the new wing to the Administration Building, and other government buildings elsewhere, the contract especially states that the work must continue through the winter. This, and other methods such as insuring that buildings under construction are ready for roofing-in before the bad weather starts, thus allowing work the year round, an appeal to the public to have repairs to buildings done in the winter, the use of new techniques in building to allow year-round operations, will reduce the bogey of seasonal unemployment in the construction industry and add to the wellbeing of the province. That, of course, is no solution for the number of unemployed that we have, but I feel that it is a partial solution and will reduce the peaks that we now have.

I have some statistics but will not go into them to any great extent, except to say that on 1st of January in this province there were 15,417 out of work. On the 1st of February (31 days later) that had risen to 20,989, which means that the month of January placed 5,572 more people on the list of unemployed. I was quite surprised when I saw that figure, and I checked upon it and found that it was exactly correct. For some reason, and I suppose it is fairly obvious, in the winter months the unemployed do increase.

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Now, Mr. Speaker, it is easy enough to get up in this House and condemn the Government for the unemployment situation and become something of a hero to those unfortunate people. This should, however, be followed with some specific ideas as to how it can be overcome or reduced. The member who has just taken his seat gave only one constructive idea – the modernization of towns. I can assure him that this idea is not new, and the Government will be glad to hear details of proposed financial arrangements. It is difficult to see, however, how this would help to any extent the numbers that I have just quoted – at the present time 21,000 people out of work in this province.

I might just give the very latest figures for Canada: on the 1st of January, 475,764; the 1st of February, 601,031, an increase of 126,000 in just the month of January. Now, Mr. Speaker, I am going to have something to say about that, too, the next time I speak in the House, which is going to be tomorrow. With those remarks I beg leave to adjourn the debate.

(Debate adjourned)

The Assembly adjourned at 5.57 o'clock p.m.