

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session - Twelfth Legislature
27th Day

Friday, March 18, 1955

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

On the Orders of the Day:

PRESS REPORT

Hon. L.F. McIntosh (Minister of Municipal Affairs): — Mr. Speaker, before the Orders of the Day are called I want to discuss two matters. One appeared in the 'Leader-Post' this morning and states:

“Using the 1938 taxable assessment and adding the present mill rate the yield would be \$4,320,000 more revenue.”

I think I said that — or at least that is what I intended to say — if the same principle was applied to the school tax, the schools would have received more than \$18 million and the press report's additional revenue that I thought I had said, \$18 million revenue.

The other matter that I wish to draw to the attention of the House was that speaking of the junior finals; we bowed out gracefully to the Humboldt junior club.

Mr. G.H. Danielson (Arm River): — Mr. Speaker, before the Orders of the Day I just want to correct an account in the 'Leader-Post' about the noisy debate in the House yesterday afternoon. It says this:

“At the insistence of Premier T.C. Douglas a remark that the Liberals were not as dirty as Mr. Brockelbank . . . “

I had to take it back. I want to inform this House that I withdrew that remark. I made the same statement as my friend, the Minister of Municipal Affairs. What I want to point out to you, Mr. Speaker, is that it was at your request that I withdrew that remark. The Premier can't make me do anything in this House. It was your ruling, Mr. Speaker.

BUDGET DEBATE

The House resumed from Thursday, March 17, 1955, the adjourned debate on the proposed motion of the Hon. Mr. Fines (Provincial Treasurer): That Mr. Speaker do now leave the Chair. (The Assembly to go into a Committee of Supply).

Hon. T.C. Douglas (Premier): — Mr. Speaker, I desire to congratulate all who have taken part in this debate on the budget. To me one of the disconcerting aspects of the debate has been that, with the exception of the member for Maple Creek (Mr. Cameron), I haven't felt that any of

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the members of the Opposition have really come to grips with the over-all fiscal problems which face the Province of Saskatchewan.

I was interested, for instance, in the statement made by the member for Souris-Estevan (Mr. Kohaly), who seemed to confine all his remarks to the current budget and then said that he thought this budget was too cautious, and he asked, "Where is the work-and-wages programme?" I almost got the impression that not only had the hon. member not had a chance to hear the budget, but that he had not taken the opportunity to read it. He confined all his remarks to a current budget of a little less than \$80,000,000 and seemed to have overlooked entirely the fact that there is provided for in this budget a capital programme amounting to something in the neighbourhood of \$55,000,000 for the expansion and development of this province.

That is the biggest capital budget that has ever been attempted in the history of Saskatchewan. To me it is a great act of faith that, in a year when we have just experienced a major crop failure, the Legislature of this province should be asked to embark upon a capital programme of that magnitude. This \$55,000,000 programme will help to provide both work and wages. If every provincial government in Canada and the Federal Government were to undertake the same type of capital programme in relation to their sources of revenue, it would go a long way toward solving the problem of unemployment in the Dominion of Canada.

The member for Souris-Estevan also said he did not want to increase the amount of money that was being spent, but he did want a change in emphasis. This came right after he had been talking about the fact that we were spending a relatively large proportion of our budget on health, education and social welfare as compared with some other problems. The inference I got from this was that he thought we should be putting more money into development and less into welfare, education and health, although that was contradicted a few moments later when he said we ought to be giving pensions to people in the 65 to 69 years age group, and that we should be spending more money on homes for elderly people. I do not want to be unfair to my hon. friend, but if he was suggesting that we ought to take some money out of health, education and welfare and put it into economic development, I want to say that, as far as this Government is concerned, we want to spend all the money we can on economic development; but this Government is committed to a programme of "Humanity First" and the education of our children, the health of our people, the care of the aged, the sick and the unfortunate is a primary responsibility which we propose to live up to.

The financial critic for the Opposition, the member for Maple Creek, gave what I thought was a very excellent speech. It was indicative of a good deal of hard work and research, and it seemed to me that he was the one member of the Opposition who came to grips with some of the major problems which face this province. I was intrigued by the beginning of his speech when he started out by talking about the size of the budget. He said that it was not just an \$80,000,000 current budget. He said we must include the capital programme; we must also include the money which does not go through the budget such as the Hospital Services Plan, etc. He said that this is in essence a \$160,000,000 budget. I am not quarreling with that statement; but I got the inference from him that he thought it was too large. However, before he finished speaking he had suggested ways by which we could spend another \$15,000,000 or \$20,000,000. I would like to know this from the Opposition: Do they want us to spend less money, and if so, what services do they want to curtail? Do they want us to spend more money, and if so, what type of taxes do they want us to impose?

Those are the kinds of problem that my friends opposite have not faced up to at all.

The thing I want to deal with primarily this afternoon, Mr. Speaker, is the basic contention that was made by the member for Maple Creek. He argued throughout the major part of his speech that there had been a lack of economic and industrial development in Saskatchewan due to the policies of the present government.

Mr. McDonald: — Hear! Hear!

Premier Douglas: — I am going to ask the members of the House just to take a little time and look back at the history of economic and industrial development in this province and see some of the very real problems that we face and see what our prospects are for the future. The fact, which the financial critic for the Opposition failed to mention, is that Saskatchewan has always been the Cinderella province insofar as industrial development is concerned. That is the first thing we must recognize. Then my hon. friend made comparisons with Manitoba and Alberta, but he failed to state that we have been behind Alberta and Manitoba in economic and industrial development for years. That is a fact which we must honestly admit.

My parents brought me to this country. My father came in 1910, and we followed him in 1911 to the city of Winnipeg. Already in the city of Winnipeg, when I was a youngster of six or seven years of age, there were three great foundries and steel mills in operation. They were greatly expanded by the first world war and further expanded in the second world war. I can remember when I was a student in the mission field in Manitoba that, as far back as 1924, power lines were being built all over the province. But no similar type of hydro-electric development was taking place in the province of Saskatchewan.

The first great pulp and paper mills were constructed in the province of Manitoba back in 1927, when not a thing was being done in this province to utilize our forest products. In the province of Alberta oil exploration started before the first world war and Alberta came into its first commercial oil production in 1914. Throughout the 1920's and the 1930's, she was a very considerable producer of oil, particularly from the Turner Valley field. In 1942, Alberta was producing 10,117,073 barrels. In 1942, when Alberta was producing over 10,000,000 barrels of oil, we not only had not produced any oil, we had not even started any thoroughgoing, intensive and progressive programme to get exploration for oil. Back in the 1920's and the 1930's the province of Alberta was already bringing natural gas into its urban centres. Alberta had natural gas and hydro-electric power at a time when we did not have either in this province. As a matter of fact, in 1944 we had not the electrical power to attract industry. In 1944, the power generated in the province of Manitoba was almost ten times as great as the power generated in the province of Saskatchewan. The power generated in the province of Alberta was over twice as great as the power generated in this province. Those are the facts.

We lagged behind throughout the 1910's, the 1920's, the 1930's and on into the 1940's. When this Government came into office in 1944, there was little or no industrial development in this province. I want to ask this question: Why? Why hadn't this province had industrial and economic development in 1944? It certainly could not have been because of the "crackpots", as my friend from Saltcoats (Mr. Loptson) likes to call us. It wasn't because of the crackpots.

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Some got. Member: — Or was it?

Premier Douglas: — It wasn't because of socialist theories. It wasn't because there was a C.C.F. government to frighten industry away. In 1944 the Liberal party had been in office for 34 years. They had been in office ever since the province began, with the exception of a five-year period from 1929 to 1934. Now, why hadn't there been any development in those 39 years from 1905 to 1944?

Well, the gentlemen opposite, and particularly the member for Maple Creek, had some suggestions as to why industrial development isn't coming to the province now. There were three suggestions, as I heard them — our labour laws, our partiality to the co-operatives, and our royalties and taxes. Mr. Speaker, if those are the reasons why industry isn't coming in as my hon. friends would like to see it, what kept industry out prior to 1944?

Certainly it was not the labour laws in 1944. There wasn't any Trade Union Act prior to 1944. There were not any Annual Holidays with Pay. There was a very much less beneficial Workmen's Compensation Act. The member for Saltcoats said, the other day, that the thing that was keeping industry out was our minimum wage of \$26.00 a week in the cities and \$24.50 in the other parts of the province. That certainly did not keep them out in 1944. Here is a minimum Wage Board Order of October, 1943, for hotels and restaurants. Experienced employees had a minimum wage of \$12.00 a week and inexperienced employees \$9.00 a week. The minimum wage did not keep them out then. What did keep them out? It was not labour legislation.

I admit very frankly that labour legislation can have an effect, because it is a part of the cost of an industry. I have said repeatedly, and I have no objection to saying again here, that there is a good deal of demand for the 40-hour week, and I would like to see the 40-hour week. I hope some day it will come all across Canada. In this province we must produce in competition with other provinces. But when we have to produce in competition with provinces that work 48-hour weeks and 44-hour weeks, we put ourselves in a difficult competitive position if we have labour conditions which are too far ahead of other provinces with whom we must compete on the Canadian and world markets. That is why this Government has advocated again and again at Federal-Provincial Conferences that we delegate to Ottawa our control of labour legislation so that we can have a national labour code. Provinces should not be vying with one another to see who can have the poorest labour laws. We should have a national labour code which will affect all Canadians alike. Mr. Speaker, if labour legislation will keep people out, and if the absence of labour legislation will bring them in, and if allowing employers to exploit employees will bring in industries, this province should have been a beehive of activity in 1944.

The other suggestion is that when an industrialist wants to come into this province we have to decide whether we are going to favour public enterprise, co-operative enterprise or private enterprise. Mr. Speaker, that certainly was not keeping people out in 1944. Certainly the Liberal government could never be accused of too much partiality to the co-operatives. The hon. member for Saltcoats put it very well, the other day, when he was asked about delivering his grain to the Wheat Pool and he said, "I am a capitalist; I sell where I get the best price." That is a good Liberal principle. But the co-operative movement was built by people who patronized the co-operatives irrespective of the price! The Liberal government certainly never showed any partiality to the co-operatives because in all the years they were in office they did not buy a dollar's worth of

anything from the co-operatives as compared to this Government, which has been buying from \$750,000 to \$1,000,000 worth a year from the co-operatives.

Mr. Speaker, was industry kept out up until 1944 because of these high royalties? If royalties would keep people out, then they should have come in before 1944. The Hudson Bay Mining and Smelting Company in the year 1943-44, with a war on, worked at full capacity. The provincial government took in royalties, at that time, of a little less than \$200,000. Ten years later we collected from the same company \$1,388,507 a year.

Mr. Lopton: — They get four times the price.

Premier Douglas: — Mr. Speaker, if carrying out a give-away programme of our natural resources on a grand scale would have attracted industry; if letting them in without paying their fair share to support the public services of the province would have attracted industry, my friends should have had lots of it here in 1944. But the fact, of course, is that they didn't.

In 1944 we were far behind our neighbouring provinces in almost every type of industrial development. Now what was the reason? The Liberal government themselves recognized that something was wrong and they appointed a Royal Commission. They were a little late in getting around to it. They appointed it on October 23, 1943. That report was submitted to the present government on August 2, 1944, shortly after we took office. It was called the Report of the Saskatchewan Reconstruction Council, and most members will remember that the chairman was Dean Cronkite, Dean of the Law School of the University of Saskatchewan. I commend this report to the members of this House. It is a comprehensive and far-reaching piece of research and investigation. I want to say that we as a Government have been deeply indebted to Dean Cronkite and the people who worked on this report. A great many of the things which he recommended have been carried out and many of the policies he suggested followed. He and his Council set forth some of the basic reasons why Saskatchewan has had a problem with reference to industry.

First of all, it was pointed out that one of the main obstacles to industry in Saskatchewan has been freight rates. The member for Maple Creek said, the other day, that freight rates were roughly the same in all three prairie provinces, but, of course, an investigation will show that that is not the case. When we are shipping goods into the markets of central Canada, we are 400 miles further away than the industrial centre of Manitoba. When we are shipping to the Pacific coast, we are 400 miles farther away than the province of Alberta. Here we are situated in the centre of the great plains, farther away from the east than Manitoba and farther away from the Pacific coast markets than Alberta. The fact that since the war freight rates have gone up 09.2% has made the situation even worse. We must face up to that fact.

The other day, when the member for Maple Creek was speaking, he asked me to make a statement about the pulp mill. He proceeded by making a statement of his own. This statement was that he had heard that the reason that the project was not being proceeded with at once was that the Government was insisting that this company buy from the Timber Board and that they had been refused a timber berth. When I contradicted him he said he was trying to get information. Mr. Speaker, he had the information. The Minister of Natural Resources pointed out, last night, that last year in this House Sessional Paper No. 93 was tabled. This was our agreement with the company. My friend could have seen it. The company was given a timber berth, and we weren't insisting that they buy

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through the Timber board. Then why does he get up and make the statement, which he did, and repeat a rumour which he had heard? The only effect of a statement like that would be to frighten away some other company which might be interested in coming into the province. Whether my friend meant it that way or not, that is the result.

My friends would have known the facts about the pulp and paper industry pretty well if they had read that agreement. The Anglo-Canadian Paper Company, which is a subsidiary of the 'Daily Mirror' in London, was authorized by its shareholders at their annual meeting, last summer, to borrow \$30,000,000 to develop the pulp and paper industry in northern Saskatchewan. They were authorized to do it. They came in here, they took certain options and they are very much interested in the project. As I said in the Speech from the Throne Debate, the only obstacle, at least the most serious obstacle, has been the question of freight rates. I don't want to prejudice the case by making any remarks at this time which will complicate the situation; but when I tell the members of the House that under our present freight rate structure it costs more to send a ton of paper from Prince Albert to Regina than it does to send it from Prince Albert to Chicago, you can get some idea of the problem that faces this company. Why is that? Well, Mr. Speaker, the freight rate structure is like the "peace of God which passeth all understanding." I cannot tell you why it costs more to send it to Regina than Chicago, but that is the freight rate structure, and that is one of the things that we are trying to overcome.

The Minister of Natural Resources went all the way to Montreal to sit in with the representatives of the railways and the representatives of the Anglo-Canadian Paper Company to discuss this matter to see if we could get some adjustment which would make it possible for that industry to operate in this province. I hope that they will proceed. I am sure if they don't proceed some other company will proceed, because the prospects in this province are good if we can finally iron out the freight rate problem. The freight rates do constitute a major obstacle.

The other difficulty we have on the prairies, as pointed out by Dean Cronkite and his Council in their report, is the nature of our economy. Our economy is primarily agricultural. Because it is agricultural, our people are scattered over 120,000 square miles. The result is that we have the best agricultural economy in Canada, but against that we have no large population centre to provide an immediate concentrated market. Few people realize, for instance, that half the population of Manitoba is within a radius of 100 miles of the corner of Portage and Main, and that a third of the population of British Columbia is within a radius of 50 miles of the Vancouver Hotel. We have no large centre which will provide an industrialist with a ready-made market right at his back door. I am not saying that it cannot be done, but I am saying that there are very real obstacles.

But there were other reasons why, by 1944, this province had not made the progress it should have made. There had been no attempt in all the 34 years the Liberals were in office to get a proper inventory of the province's resources. No branch of the government had been established to promote industrial development. There had been no industrial loan fund set up and no inducements were offered to industry to come into the province. Not only did the Liberal government do nothing to bring other people in to develop our resources, they refused to set up Crown Corporations to develop any of those resources themselves.

I always welcome criticism, but I get a little out of patience with criticism which comes from people who, after 34 years in office, have not done anything themselves. You know, it is rather characteristic that it is unusually the fellow who cannot do his own job that is always telling you how to do yours. A party which, after being 34 years in office, left this province in the state in which the Liberal party left it, ought to be the very last to stand up and talk about there not being sufficient industrial development.

Through most of the debates this Session, the gentlemen opposite have spent a good bit of their time praising the province of Manitoba and telling us how much has been done. The member for Maple Creek said they have the lowest tax structure in Canada. Mr. Speaker, it is comparatively easy to have a low tax structure if you do not give any services. The Winnipeg 'Tribune' of March 4th points out that the Manitoba government spent \$13.74 per capita on education, which is the third lowest in the Dominion of Canada. Only Prince Edward Island and the province of Quebec paid less. In the same year Saskatchewan spent \$17.59 per capita. It is easy enough to have the lowest tax structure in Canada if along with it you are prepared to have the lowest educational services, the lowest social welfare services and the poorest health services in Western Canada. Manitoba is the only province in Western Canada that does not pay a supplemental allowance to those on old-age security, that does not provide its old people with any health services, that does not have any hospital plan, that does not have any cancer control programme, and it does not have any air ambulance. Of all the provinces of Western Canada it spends the least per capita on education. If I were a Liberal the last place I would ever mention would be Manitoba and the kind of services they are giving to their people. If they have all this prosperity, with all these industries pouring into Manitoba, then I want to know why they don't do for their people some of the things which the government of this province is doing for our people.

I want to deal with the things that have been done by this Government since we took office in connection with the development of our resources and creating industries in our province. The first job this Government faced in 1944 was to get this province on a sound financial basis. Some people like to forget that when we took office in July, 1944, the sheriff was practically knocking at our door. The banks were already coming to us and saying, "We want payment on the seed grain debts and the relief debt; the municipalities have not been able to pay; you are the next guarantor on the note and we expect you to pay." We had to start in to deal with that great burden of relief and seed grain debt which was owing by the farmers and the municipalities of this province. If one looks at the budget which we are now passing, one will see that in the budget we are still paying off some of those relief and seed grain debts. If we did not have to pay those debts we would have more money to do some of the other things we would like to do.

This Government started out to put the finances of Saskatchewan on a sound basis by reducing our debt. As the Provincial Treasurer has shown in his budget speech, we have reduced the dead-weight debt of this province by nearly \$98,000,000. More important still, we set up sinking funds so that debts would be paid off regularly and in order that those who had loaned money to the province of Saskatchewan would know that the money was being accumulated to pay the debts off when the debts matured. The best proof that this is good business is to look at the estimates which are before the House and will be before the Committee in a few minutes. You will find that we have a reduction in our interest payments of some \$800,000 as compared to last year. That is the best criterion.

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I notice that the member for Souris-Estevan wanted the Provincial Treasurer to dig money out of little tin cans which he thought he had in the basement and to use the money for other purposes instead of paying off debts. Mr. Speaker, he is entitled to that opinion but I think it could be debated. I want to remind him that, from 1932 to 1944, this province could not borrow a dollar on the open market. The only thing we could get was loans for refunding purposes and then at exorbitant rates of interest. Do we want to go back to that position? The only way we will get industrial development in Saskatchewan is to create confidence on the part of the investors so that they will know that when they invest money, whether it is in power or in telephones, or in roads, or in private industry, that money is being accumulated to meet those obligations when they become due.

The first thing to do was to get this province on a sound financial basis, and I want to pay tribute to the Provincial Treasurer. The finest tribute that can be paid him is the fact that, in a crop failure year when our gross agricultural income dropped \$278,000,000, he is able to bring down a bigger current budget and a bigger capital budget than we have ever had before. This is possible because he has managed to build up reserves and because he has managed to establish confidence among the investors of Canada and the United States.

The second thing which this Government set out to do upon taking office was to extend certain vital services by means of Crown Corporations. This included the extension of power, the extension of telephones, the setting up of a bus transportation system and the setting up of new industries to develop some of our natural resources which private enterprise had not developed, such as clay products, brick and tile, sodium sulphate, the Big River mill and the box factory to utilize our forest products. The gentlemen opposite have spent a lot of time attacking these Crown Corporations. I could go back over a very interesting list of their criticisms. I can remember when Mr. Banks, the former member for Pelly, had an article appearing in his local paper, written from the Legislature while the House was in Session, announcing to his constituents that the sodium sulphate plant had been closed and the Government was negotiating to sell the bus transportation company. That was the kind of rumours that were being circulated all the time. When some industry failed, such as the tannery and the woollen mill, and we decided to discontinue them, or when the Continental Leather Company burned down, the gentlemen opposite were as happy as children with a popcorn bag.

Mr. Danielson: — Especially the Insurance . . .

Premier Douglas: — But, Mr. Speaker, what they failed to recognize is that every time one of those industries had to close some men had to walk the streets looking for a job. They were happy; but the people who were looking for work weren't happy. Those gentlemen can criticize the Crown Corporations all they like but they cannot laugh away the facts, the very simple facts, that these Crown Corporations are giving employment to some 4,000 people; that they did, last year, over \$46,000,000 worth of business, and that they made a surplus of over \$4,000,000. There is no use in their trying to laugh that off. These are accomplishments, but they are more than accomplishments in those terms. They are accomplishments in that they are laying the groundwork for greater development.

Take the Power Corporation alone. I said a few moments ago that, in 1944, even if we had had an industry come to Saskatchewan we could not have

supplied them with power. Take, for instance, the potash industry: Potash is the one which is being located near Saskatoon. It is estimated that they will use 30,000,000 kilowatt hours of power annually to begin with, and this will be stepped up eventually to 60,000,000 kilowatt hours. Mr. Speaker, that is one-third of all the power distributed by the Saskatoon plant of the Power Corporation in 1954. We could not have supplied an industry with that amount of power back in 1944.

In 1944 this province was only producing 243,884,000 kilowatt hours of power. What is the situation today? The last figures I have are for 1952 — they are higher now, but in 1952, we were producing 1,079,309,000 kilowatt hours, or four times as much power was being generated in 1952 as was generated in 1944. I said a little while ago, when I was discussing growth over a period of years, that in 1944 Manitoba was producing ten times as much power as Saskatchewan, and Alberta was producing more than twice as much power. But we are catching up. Since 1944 production of power in Manitoba has gone up 20.9%. In Alberta it has gone up 111.5%. In Saskatchewan generation of power has gone up 342.2%. We are laying the groundwork which will make it possible to attract industry here.

There was an article in last night's paper (or the night before) by Kay Kritzwiser, on hydro-electric power in Quebec. In it she said that hydro-electric power is the touchstone to industrial development. That is absolutely correct. You cannot attract industry unless you can give them tremendous quantities of electrical power at competitive rates. That is why it is so essential that in this province we get on with the South Saskatchewan dam. I am disappointed that in two debates which have taken place in this House I don't think any member opposite has got up and said that we should get on with the South Saskatchewan dam. I think the Leader of the Opposition said he hoped it would be built and that the Federal Government should build it, but if they wouldn't build all of it we should put up some of the money. But they have done nothing to indicate that the province should be willing to make large expenditures nor to bring pressure to bear on the Federal Government to assume its share of the expenditures to proceed with this tremendous project.

The South Saskatchewan dam will not only provide stability for the agricultural economy by providing irrigation, not only provide large quantities of water for industrial purposes, particularly for industries like the petro-chemical industry, but it would also provide hydro-electric power by which we could offer industries the power which they need at competitive rates. I hope that eventually we will get Ottawa to make a move. We are not asking them to pay for the costs. As a matter of fact we have offered to pay a great deal more than I think we are entitled to pay, but this thing is so vital to the future economic development of Saskatchewan that we are justified in paying even more than we think we ought to pay.

We have proceeded with power, and that will be stepped up. As my friends know, in the budget this year there is another \$18,000,000 for further expansion of power. As the Minister has pointed out, it means that we will probably have to double our power generating capacity every four or five years, and that is being done.

The next thing we did was to begin basic surveys which are essential to any kind of industrial development. I understood the member for Maple Creek to say, the other day, that we had not done anything about making the surveys which we ought to have made. Mr. Speaker, from the very time we took office

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we began to get inventories of what resources we had. In 1949, the report of Mr. A.R. Byers, "The Geology of the Waddy Lake Area" was made available. In 1949, Mr. M.E. Hrishevich reported on "Radio-Active Occurrences in the Black Lake Area." In 1951, Mr. M.L. Miller reported on "The Geology of the Windrum Lake Area." In 1951, Mr. J.B. Mawdsley and Mr. F.F. Grout reported on "The Geology of the Hanley Map Area." In 1951, J.B. Mawdsley reported on "The Geology of the Charlebois Lake Area."

We began inventories on our forest resources. You see, Mr. Speaker, you cannot go to a big pulp and paper company and say, "We would like you to come and put up a pulp mill in our province." They would say, "How much black spruce have you got?" We could not say, "Well, we have an awful pile of it." You have to know what you have got. You have to know where it is located. You have to know how long a supply will last and what capacity of a mill you can keep in operation with the raw material which they require.

In 1945, the year after we took office, we set up a Royal Commission on Forestry. In 1946, the Forestry Branch was moved from Regina to Prince Albert. In 1946, the first Saskatchewan Forestry School was organized. In 1947, the Inventory Division was formed and this division began its work. It has now completed a large part of the work, particularly in pulpwood, and will have completed, in the course of the next year or two, all the work on the forest resources of this province. As a result of these surveys we have been able to make this information available to industries which might be interested in coming into the province, and the results, I think, have been fairly encouraging.

The member for Maple Creek talked, the other day, about our mineral production. He was very careful just to pick out zinc and copper because he wanted to show that, from the wartime period of 1944 to 1954, there had been a drop in poundage. But if you take all the metals produced — and in metals I am including cadmium, copper, gold, selenium, silver, zinc and tellurium — you find that, in 1944, in Manitoba the value of that production was \$10,385,000 and in 1953 it had gone up to \$14,518,000. In Alberta in 1944, the value there was only \$1,965, and actually had dropped in 1953 to \$1,899. But in Saskatchewan the value of the metals I have just listed, in 1944 was \$18,308,000 and by 1953 it had gone up to \$34,616,000. In other words the value of all the metals produced from 1944 to 1953 went down in Alberta by 3.3%, went up in Manitoba by 39.7% and went up in Saskatchewan by 89.1%.

Or, Mr. Speaker, take the non-metallic metals — that includes gypsum, peat moss, quartz, salt and sodium sulphate. In dollar value in 1944 Manitoba produced \$899,000, and in 1953 it has gone up to \$1,121,000. Alberta in 1944 produced \$398,000, and by 1953 it had gone up to \$608,000. But in Saskatchewan in 1944, the value was \$1,038,000 and in 1953, it had gone up to \$2,601,000. In other words, from 1944 to 1953 production of non-metallic minerals in Manitoba went up 24.6%; in Alberta it went up 52.7%; and in Saskatchewan it went up 150.5%. That has been the advantage of making inventories and surveys and making available to these various companies the information as to what resources there are and how they can be developed.

My hon. friends know pretty well the figures on salt production. There was no salt produced in 1944. Salt production did not start until 1949. But, as the member for Wilkie (Mr. Horsman) pointed out the other day, up in his constituency there is a good salt industry. We are now producing in the neighbourhood of 37,000 tons per year.

The sodium sulphate industry is showing amazing growth. In 1944 the sodium sulphate industry was producing about 102,000 tons. We have gone up since then to as high as 192,000 tons. The wet weather of the last couple of years has cut us down so that in 1954 we produced 150,000 tons, but even 150,000 tons is almost 50% higher than it was in 1944.

Clay production has more than doubled in value. Oil production was dealt with by the Minister of Mineral Resources and I needn't go into it. The report which he tabled, this afternoon, shows that we now have in this province some 1,311 oil and gas wells either in production or capable of production.

I found an interesting thing, Mr. Speaker, when I had a comparison made of our oil production as compared with Alberta. As I said, Alberta started back in 1914 to produce oil; we did not get into serious production until 1946 and 1947. In 1945 we in this province were some 25 years behind Alberta in oil production. The fact remains that we are now only about eight years behind. We have been doubling our oil production each year and if the Minister's prophecy for 1955 is correct, we will more than double last year's production in this year. And if his estimate is correct that by 1960 we will be producing 50,000,000 barrels of oil a year, then we will have caught up even further. We won't have equalled Alberta by any means, but we will have narrowed that gap so that we will be much closer. I ask the hon. members to remember that one year after we took office we were still at that time 25 years behind Alberta in production; but we are narrowing that gap and narrowing it progressively.

We have done some other things. We set up an Industrial Development Office to go out and contact industry, to give them information about what things could be manufactured here and to give them information about freight rates, labour costs, distribution costs, available markets and available raw materials. We set up an Industrial Loan Fund to lend money to some company which might have the technical know-how but didn't have sufficient capital and might want to borrow part of the capital and put up the remainder themselves. That Industrial Loan Fund is going to prove increasingly useful in the development of this province. It makes a firm which comes into Saskatchewan feel that they are not taking all the risk, that the province is also interested when they can get some local capital put into their project.

We passed the Co-operative Guarantee Act by which we could put guarantees behind certain co-operative ventures for the development of our resources. We have had quite a number of small industries come into the province as a result of the work of the Industrial Development Office.

Sometimes the gentlemen opposite have talked about the Bureau of Publications and the literature it sent out; but those things have paid off. One of the advertisements we ran in a New York paper caught the eye of the Day Company, one of the biggest manufacturers of men's apparel in the United States, with three big factories. They saw the ad.; they wrote to our office; they made inquiries and sent people up here; they became interested in locating in Canada and decided the place to locate was Moose Jaw. That industry, Canaday Men's Apparel, is now operating in Moose Jaw, giving employment to people there, and there is every hope of its expansion. The Pioneer Electric Company which came in last year, came as a result of the solicitations of our Industrial Development Office which was anxious to get a company to come in here and make electrical transformers. We have had companies come in to make building aggregates, to make plywood, and two different companies are making small farm implements — one in Saskatoon and one in the city of Regina. The results are apparent in these

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figures. I just looked up the Dominion Bureau of Statistics data and I found that, in 1944, the amount of money in this province paid out in wages and salaries (not for agriculture, not for even hired men on the farm), but purely for wages and salaries, was \$142,000,000, and in 1953 it was \$346,000,000. Let us take a comparison. If we compare the amount paid out in wages and salaries from 1944 to 1953, Alberta takes the lead. Alberta has increased its wages and salaries paid out by 295%; Manitoba, by 235%; but Saskatchewan had an increase also of 235%. So Mr. Speaker, we have not done too badly in the last 10 years.

Let us look at the value of manufactured products, that is, the price of the goods as they leave the factories. In 1944, the value of manufactured products in Saskatchewan was \$175,349,234 and in 1953 it was \$265,478,000. These are the results of small industries coming in. We believe bigger industries will come in. Negotiations are going on with different companies at different times.

I am not going to make any statement right now as to what negotiations are going on, but I can say that we have spent a lot of time, for instance, in the field of forest utilization. We secured a man on our staff who is a forest engineer, Mr. Prince. We have hired one of the best forest engineers as a consultant, Dr. Bates. We have had discussions with a number of large companies interested in the making of wallboard and in the utilization of forest products. I am perfectly certain that we shall get development for the utilization of our forest products. The same thing is true with the manufacture of steel pipe and other materials for which there is a market here in the west, and there is no reason why those industries should not be located in the province of Saskatchewan.

I am not going to suggest for a moment, Mr. Speaker, that I think we are making this progress as fast as I would like to see it. We will never make progress as fast as I would like to see it, but we are making some progress. We are laying the foundation for future development. We are getting people to come in here, but we have not had too much help from either the Liberal party or their press. Every time we have managed to get anybody to come in here and do development work, the Liberal party has immediately attacked them. Mr. Rubbra came in and took up some permits, he was responsible for bringing the Tidewater Oil Company in. Up until that time we had had the Husky Oil Company, who pioneered the field here, and all credit to them. But the Tidewater Oil Company was the first 'major' to come into the province. The Liberal party have never forgiven them for it. When Mr. Rubbra got the Tidewater Oil Company to come in here they were called everything the gentlemen opposite could lay their tongues to, but the Tidewater Oil Company have spent about \$25,000,000 in exploration in this province and have taken out in oil only a very small fraction of that amount. They should be given credit rather than maligned.

There was a Mr. Hershorn who came in and who was interested in some uranium. He was described by the member for Maple Creek as a "fraudulent racketeer." That is how you encouraged industry into the province — call them a "fraudulent racketeer." But, Mr. Speaker, when he now gets a \$207,000,000 cost plus contract with the Canadian Government to develop uranium in Ontario, he is a first-class free enterpriser. I refer gentlemen opposite to the February 21st edition of "Time" magazine.

Hon. Mr. Kuziak: — How do you like that?

Premier Douglas: — The Liberal party is not calling him a fraudulent racketeer now. He was just a fraudulent racketeer when they thought he might come into the province of Saskatchewan and help develop our industries. Every company which has come in, these gentlemen have tried to keep out.

Mr. Kramer (The Battlefords): — Driving them out.

Premier Douglas: — When we set up the Industrial Development Fund and the Industrial Development Office, all the gentlemen opposite could do was to pooh-pooh it. Do you remember the trip I made to London to see a Swedish firm about a pulp mill? That did not materialize for the very simple reason that they were interested in a sulphite mill and our pulpwood lends itself better to a sulphate mill and they were not familiar with that kind of process. But I went to see them. You remember that the gentlemen opposite asked, “How much expenses did you get? . . . What was the result of the trip? . . . Did you get any good out of it?” The ‘Leader-Post’ referred to me once as the “peregrinating Premier,” because I visited New York, Montreal, Toronto and London trying to get people to come to Saskatchewan.

Mr. Speaker, I make no apology for the fact that I went up and down the length and breadth of this country trying to get industry to come into Saskatchewan. If the people of this province had wanted a Premier who would sit on his tail, they would have left the Liberals in office. I don’t mind the gentlemen opposite telling us we are not going fast enough. That is fine with us. Anybody that can prod me into going faster I will welcome it; but I do resent speeches such as the one which was made by the member for Maple Creek, the other day, and speeches which have been made by other gentlemen opposite. These speeches can have only one effect — the effect of saying to industry, “Stay out of Saskatchewan.”

Mr. McDonald: — Such rot!

Premier Douglas: — These speeches are designed to obstruct and prevent the development of this province. Mr. Speaker, if the people of this province knew of some of the underhanded undermining that has gone on to prevent people from coming into this province, by the Liberal party and their Press, there would not be a Liberal elected to office at the next election.

I am not asking the gentlemen opposite to praise everything we do. I do not praise everything we do, myself. I know that we make mistakes, but I would think that at least in the desire to improve this province, in the desire to help this province catch up when it was 25 years behind, in the desire to utilize our resources and give to our people a better way of life, we could have expected that the gentlemen opposite would at least have been proud of their province and tried to help us to bring industry in rather than trying to frighten it away.

That brings me, Mr. Speaker, to the remarks of my friend, the member for Saltcoats (Mr. Lopton). I am sorry that he couldn’t take it any longer and had to retire.

Hon. Mr. Fines: — Let’s get the member for Saltcoats. Bring him in.

Premier Douglas: — The member for Saltcoats said, first of all, there were two men on this side of the House who had all the power — the Provincial Treasurer and myself! The Provincial Treasurer had two-thirds and I had

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only one-third. Well, Mr. Speaker, that old attempt to create jealousy on this side of the House will have no effect. I have never tried to pretend that I know as much about finance as the Provincial Treasurer, or as much about education as the Minister of Education, or as much about resources as the Minister of Resources. The Minister of Agriculture has forgotten more about agriculture than I could ever learn. We don't fight over here about that. This is a team. This is a team working together, and the only 'boss' we have are the constituents and the organization which put us here. Nobody is going to get us quarrelling among ourselves as to how much power we have. But, Mr. Speaker, even if it had been true, even if it were true that two members on this side of the House had all the power, it is a great deal better to have the power vested in members who sit in this House than to have it vested in a man who sits down in Ottawa and runs it by remote control.

Everybody knows that Mr. Gardiner runs the Liberal organization in this province. The members know what happened last summer. The member for Saltcoats went running around the province, campaigning for Mr. Gardiner's candidate. It is well known that he said to the people, "I cannot vote for any of these five lightweights; you have got to get a heavyweight, so you have got to vote for Mr. Gardiner's candidate." He was the chief campaigner for Mr. Gardiner's candidate. Mr. Speaker, he has had his reward. His son has now been appointed to the Board of Grain Commissioners.

Hon. Mr. Brockelbank: — Accidentally.

Premier Douglas: — I am told that the members of the caucus opposite recommended Mr. Duff Noble, but . . .

Mr. Walker (Hanley): — Whom did you recommend, 'Hammy'?

Mr. McDonald: — Mr. Speaker, the Premier's statement is wholly untrue and unfounded. He has no way of knowing a decision of the Liberal caucus. I would like that statement withdrawn.

Premier Douglas: — Mr. Speaker, I will accept the hon. gentleman's word, if he makes that statement. Certainly my information is that the gentlemen opposite wanted Mr. Duff Noble, but Mr. Gardiner and Mr. Loptson prevailed on the Leader of the Opposition to go along with Mr. Loptson's son. At least, Mr. Speaker, we know that the result of paying-off the member for Saltcoats is that the Board of Grain Commissioners now has no representative on it from the Wheat Pools, which handle more than half of the farmers' grain in Western Canada. The only representatives on the Board of Grain commissioners are representatives of the United Grain Growers and the line elevator companies. But let me go on.

They had a convention and everybody knows, because Mr. Simmie let the cat out of the bag, that Mr. Gardiner was desiring to continue to control the Liberal party in this province, and there were a lot of Liberals in this province who thought that the time had come to end this absentee leadership of the Liberal party, so they supported the new leader of the Liberal party, the member for Moosomin (Mr. McDonald), and so the member for Moosomin came to Regina to take over. But in the meantime, Mr. Gardiner had made a little switch. Mr. Bruce was in the P.F.A.A. and Mr. Bird was the Liberal organizer, so Mr. Gardiner switched them and made Mr. Bird head of the P.F.A.A. and Mr. Bruce the Liberal organizer.

Then the Leader of the Opposition decided to let Mr. Bruce out and appointed Mr. Carr, the member for Rosthern, as provincial secretary. Mr. Gardiner didn't like that, so Mr. Bruce is still on the payroll. Now the Saskatoon 'Star-Phoenix' states: "The member for Rosthern, Mr. Carr, has notified his municipality of Warman that he is returning to that municipality at the end of the session to resume his duties as municipal secretary."

Mr. Danielson: — Anything wrong with that?

Premier Douglas: — No, Mr. Speaker, there is nothing wrong with it except that it proves that we haven't had a change in the Liberal party. It is the same old machine with a new coat of paint and not a very good coat of paint at that. It proves the Mr. Gardiner is still sitting in the driver's seat. I recommend that we read page three of the Saskatoon 'Star-Phoenix' for Tuesday, March 15, where the whole sad story of the surrender of the Leader of the Liberal party to the 'old guard' is told in great detail.

Mr. Speaker, I now come to the statements that have been made by the member for Saltcoats (Mr. Loptson) and the member for Arm River (Mr. Danielson), particularly with reference to the investigation into the Bata Company. This is the sort of thing we had from 1948 to 1952. I had hoped that, when the new Leader of the Opposition took over, we were going to have a different type of political discussion in this province. But it is now apparent that the member for Saltcoats and the member for Arm River have decided to go back to the old 1948-1952 tactics. I am not blaming the Leader of the Opposition. I doubt if he has very much control over the two "Dead-End Kids" who sit over there.

These gentlemen suggest that there was some sinister motive behind an enquiry which was initiated by the Government into the Bata Petroleum Company's operations away back in 1949. That happened six years ago. Up until now no one has made any such insinuation. As the Minister of Mineral Resources pointed out last night (there is no use for me to go into it in detail again) that enquiry was initiated at the request of the shareholders. It was made on the recommendation of the Commissioner in charge of The Security Frauds Prevention Act. It was not made by the Provincial Treasurer, as Acting Attorney General, on his own account. It was made after the fullest discussion by Cabinet, after spending hours with the Securities Commissioner, who spent hours with the shareholders who felt they had certain grievous complaints. The Minister of Mineral Resources, last night, quoted from the Currie Report showing that the facts which were disclosed as a result of that investigation fully warranted the investigation. Nobody up to now has suggested that the Government had some sinister motive in bringing about that investigation. I resent any attempt, without any evidence whatsoever, without even making specific charges, to call in question the actions which were taken by the Minister of Mineral Resources.

After this company had been reorganized, their people came to see me to thank me for the investigation and to express their appreciation of the treatment which they had received from the Minister of Mineral Resources for enabling them to keep certain permits although they had not done the work when the permits had expired, and for giving them a half-million extra acres of Crown land in order to enable them to carry on their operations. They have been carrying them on, and I want to wish that company well in their operations in this province because most of the shareholders are Saskatchewan people.

There are a lot of people I know and admire, and a lot of people whom I trust, but I want to say here that I know of no man in whose honesty and

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integrity I have more confidence than in that of my friend, the Minister of Mineral Resources. I take strong exception to any person who calls his integrity in question. And how was it done? By producing another one of these phony affidavits. Here is a phony affidavit. First of all, Mr. Speaker, it is similar to the Rawluk deal. The affidavit isn't worth anything, because the affidavit is illegal. Every member knows that an affidavit must be sworn out under some act or statute. This, therefore, should be a statutory declaration. Now these people know the law as well as anybody else. Like the Rawluk deal, this is an affidavit. Why? Because the person who swore to it, under those circumstances, could not be sued for perjury. And so they bring in this affidavit, and I am interested to note the date of it — the 12th day of March, 1953. Two years ago! Why did they wait until now? Is it because, as I am informed, the gentleman has died in the meantime? Is that why? The Liberal party is still trying to disinter ghosts.

Mr. Speaker, there is a great job to be done in this province. Resources are being discovered almost every day. Companies are coming in to develop Saskatchewan. This year some \$50,000,000 is going into the mineral industry. This year over \$50,000,000 is going into exploration and development work in oil. Probably a million dollars a week will be invested this year. A great deal of interest in the development of this province is being shown, and my colleagues and I need all our energy and all our time to help spark-plug the growth and development of Saskatchewan. We cannot do that if every time we turn around somebody, without any evidence, without making any charges, calls in question our integrity, honesty and motives. I want to say to my hon. friends that, although we may differ on a great many things, if they will get behind us and support us I believe this province can go places. But if they want to carry on the kind of campaign which has been carried on by the two gentlemen I have just mentioned . . .

Mr. Erb (Milestone): — The old guard!

Premier Douglas: — . . . then they ought to do one of two things. If they will get up here and make any specific charges that the Bata investigation or anything else was done for an improper purpose or was done to enrich any person here, then, Mr. Speaker, I am prepared, and my colleagues are prepared, to give them any type of investigation they want.

Some Govt. Members: — Hear! Hear!

Premier Douglas: — Or if they do not want to do that, Mr. Speaker, I am prepared, the moment they say the word, to take the integrity and the good faith of this Government to the highest court of public opinion in Saskatchewan — the electorate of this province. If the gentlemen opposite want to settle this in the polling booths of Saskatchewan, they can have their decision any time they would like to take it.

Some Govt. Members: — Hear! Hear!

Premier Douglas: — All they have to do is get up and say when they want it.

Mr. Walker (Hanley): — Stop shivering over there.

Premier Douglas: — Mr. Speaker, I hardly need to say that I am going to support this budget, but I want to draw attention to the fact that every member of the Opposition who has spoken has said he is not going to support the

budget. This means that they are not going to support a budget which will give additional assistance to education, which will give additional assistance to the municipalities, which will give additional assistance to the old people, additional assistance to the mothers who are on mothers' allowance, and above all, they are not prepared to support a budget which contains a capital development programme of \$55,000,000 to help expand Saskatchewan and lead it on to the great destiny of which it is capable.

Mr. Speaker, the record will speak for itself, and the people of this province will have a chance to judge whether the gentlemen opposite, in voting against this budget, have acted in the interests of the province or have acted simply out of a partisan political spirit.

Mr. Speaker: — The Provincial Treasurer is about to close the debate. Any member who wishes to speak must do so now.

Hon. C.M. Fines (Provincial Treasurer): — Mr. Speaker, I intend to take but a few minutes this afternoon. It really is an anticlimax. After the wonderful address that we have just listened to, there is no need for me to say anything.

I would like, however, to take this opportunity to thank all of those who have taken part in the debate for the very nice things they have said about the budget. I think the Premier was overly-generous with the member for Maple Creek (Mr. Cameron), when he paid him the compliment of saying that he had given a good speech. I have read it through two or three times and I haven't been able to find too much that is good in it. In the first two pages, he tries to take from what I said that that should be a great tribute to the Liberal party of this province. Mr. Speaker, I want to say again what I said in this budget address, and it is that we do owe a very great debt of gratitude to those Liberal members who sat in this House during the first decade of office. I am sorry, but I cannot say very much for those who followed, and certainly, very little for those who were in office in the years immediately prior to 1944. Certainly, I must emphasize that my tribute to the first decade should not be construed as an endorsement of recent Liberal governments in this province.

The hon. gentleman then proceeded to take the next three pages to try to prove that the provincial debt has gone up. I am not going to try to go into that. I tried for years and I haven't been able to get it through their heads at all; so I am not going to try, today, to prove it at all. All I am going to ask hon. members to do is to turn to page 24 in the estimated expenditures, and they will find that, last year, we paid \$3,400,000 interest, whereas, this year, we will pay \$2,600,000 in interest. In other words, the interest charges have gone down by \$800,000. Well, Mr. Speaker, if debt is going up, interest goes up too; and the fact that interest has gone down by \$800,000 should prove conclusively that debt has gone down. I am not going to use any other argument to try to answer the three pages that the hon. member used up.

Then he went on and took seven pages (pages 6 to 12) to try to show that the lack of industrial development was due to this Government. The Premier has answered that. Also the next five pages, wherein he tried to prove my statement in which I said that the value of metal production forged ahead, was not true. The Premier has given figures, this afternoon, to show that it was true; so we can pass that over.

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Then, on page 17, he tried to prove that the Crown Corporations had failed. Well, Mr. Speaker, all I need to do is to turn to the table which is in the address itself, and let it speak. It is true we have had failures from time to time, but, at any time that you can turn out a surplus of almost 10 per cent, as we did this year, then I think we have nothing much to worry about. I would say that we have had a very successful year with our Crown Corporations. May I say, too, that if you look at it from an accumulated position — I gave the members, a few weeks ago, a table; I presented this to them in Crown Corporations Committee. This table, Mr. Speaker, shows that, from the time the Crown Corporations began until December 31st of 1954, we have had \$6,759,000 in surpluses, and only \$1,754,000 in all the deficits, including the woollen mill, the Fish Board, the Tannery, the Clay Products and so on — all of these — leaving a total net surplus over the accumulated deficits of \$5,005,000.

Last night, my hon. friend from Arm River tried to say that the only reason that we have been able to show a surplus this year in our Insurance Company was because of the compulsion in it. Well, the figures which were tabled in the House, and which he had an opportunity to examine in detail, showed that the total amount of this so-called compulsion was about \$200,000 in premiums, out of a total of approximately \$5,500,000, as I remember it; in other words, about 2 or 3 or 4 per cent altogether. Mr. Speaker, we all know, right from the time the Government Insurance Office was formed, his party has done everything that it possibly could to try to destroy the faith and the confidence of the people of Saskatchewan in it, but I want to tell you that long after these members are gone, politically and bodily as well, there will be, in this province, a Saskatchewan Government Insurance Office.

The hon. member from Canora (Hon. Mr. Kuziak), the Minister of Telephones, read onto the records of the House, during this debate, a statement which was made by the 'ghost writer' of the Liberal party, who writes editorials in his spare time — Mr. Davis. Mr. Davis writes for the 'Canadian Underwriter'. Every month he has an article in that insurance magazine, and I get a great deal of 'kick' out of it; but certainly, he let the cat out of the bag when, in this article on January 27th, he says that "if and when the Liberals return to power in Saskatchewan, private insurance will have the going in the province made easier by the dropping of the compulsory features, but the Saskatchewan Government Insurance Office would remain in business, for the time being at least, as an added competitive factor for the protection of the public."

I am not going to say anything more about the Crown Corporations. I couldn't follow my hon. friend from Arm River, last night. I asked him to give me a copy of what he was reading in order that I might have been able to reply today, but he didn't do that. I think, however, that in replying, last year, in the budget debate, I did place on the records all the facts concerning the Crown Corporations right from their inception.

Mr. Speaker, I was interested in the next six pages of the speech of my hon. friend from Maple Creek, wherein he tried to prove that municipal and school taxes in this province were too high; but he went on to talk about the province of Alberta — that was his chief witness. Well, I notice that, in Alberta, the Opposition leader, Mr. Prowse, described Alberta's 1955-56 budget as an 'aspirin budget' — that is, one that just affords you some temporary relief. Mr. Prowse said that Alberta's expenditures were higher than those of Saskatchewan and Manitoba, but local taxpayers carried a heavier load than those in the other two provinces. Well, here in this province we get criticized because municipal expenditures are too high; in Alberta, the Liberal opposition criticizes

the Alberta government because they are placing such a burden on the municipalities.

The climax of all, I think, was in the last three pages when the member got up and said: “No, after all my talk, I am going to be constructive and offer something really constructive for the Government; I am going to give you a plan to meet the threat of unemployment.” And then he goes on: “What is this plan?” “Well, we have trust fund moneys of \$100 million. I suggest that the Government take this \$100 million and use a portion of it, say 25 per cent of it, and use that money to help the municipalities.” Mr. Speaker, I should like to ask the hon. gentleman: where are these trust moneys of \$100 million? And then ask my hon. friend from Souris-Estevan (Mr. Kohaly) where these ‘tin cans’ are located, too, that he has reference to.

Mr. Danielson: — The Premier has just told us.

Hon. Mr. Fines: — I don’t know where the hon. member for Maple Creek got this \$100-million idea, unless it was from something which was said in Public Accounts, when we were considering the Public Accounts (probably that is it) when I made reference to the fact that our Debt Management Branch had over \$100 million of assets that we had to administer; total funds of over \$100 million. I pointed out, at that time, that some of those funds were invested for very short periods (our consolidated fund, for example). Instead of leaving it lying around in the bank we invest it in treasury bills, or in whatever way we can, for probably two weeks, three weeks or a month, or probably for three months or 90 days or 60 days.

Let us just take a look at this \$100 million. As a matter of fact, Mr. Speaker, I found that, up to March 15th the latest figures I could get and some of these go back to December 31st (I didn’t dig into all the small ones), it runs to about \$102 million we have. But where is it? Well, first of all, there is \$23,397,000 in sinking funds. Does my hon. friend suggest for one minute that we should take 25 per cent of that and lend it to the municipalities? These sinking funds are made up, for the most part, of bonds corresponding to the issue which will come due some time in the future. Then we have a School Lands fund of \$24 million. Would he suggest that we should take this money, loan it out to the municipalities? Well, Mr. Speaker, we have an agreement with the Dominion Government, under which we undertake to invest this money, and the proceeds are turned over to the Department of Education . . .

Hon. Mr. McIntosh: — It’s an Act of Parliament.

Hon. Mr. Fines: — Yes, it is the Lands Act of the Federal Parliament, so that to do that would require an amendment to that Act. Well there is almost half his \$100 million. But then we have Teachers’ Superannuation fund. I wonder what the teachers of this province would think about the hon. gentleman suggesting this! I think the Minister of Education should discuss that with them the next time he meets the teachers, and tell them the hon. member for Maple Creek is suggesting that we should use 25 or 30 per cent of this \$7½ million fund to loan to municipalities for these purposes. They might agree. Then we have the Workmen’s Compensation Board, with \$14¾ million. We keep that invested; quite a bit of it we keep in Dominion bonds in order that we can convert it into cash quite readily. I think it would be a very bad thing to put that money into a long-term 30-year proposition such as the hon. member suggested.

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Then we have the Government Insurance — the other day I talked to my friend from Arm River about this. He wanted to know how many school districts we had. I pointed out we didn't have any in that account, and he said "I congratulate you, you are keeping it in good funds." Because insurance must be kept in a very liquid condition, you cannot have insurance moneys tied up in something that is spread over a 30-year period. Well, there is \$6½ million. Then we have the Student Aid fund; there is \$1 million in that fund. Does the hon. member for Maple Creek want to take a chance and invest 25 per cent of that fund?

Then we have the Education Fund, which is current revenue — there is \$4 million in that; and may I say, too, that we have in our consolidated fund, \$6 million; so there is \$10 million of our current revenues that go to make up a part of this \$102 million. We have this \$10 million invested in maturities up to July 1st of 1955 — that is in the next 3½ months. Well, surely he is not going to suggest that we should take our current revenue and get it tied up for a 30-year period!

We also have some superannuation funds — I am not going to list them all: To the Administrator of the Estates of the Mentally Incompetent, \$2½ million — funds which belong to individual farmers who may, at any time, get out of our institutions, and this would be turned back to them. Are we going to turn them back some bonds for these self-liquidating projects?

I think, Mr. Speaker, I have said enough to show you just how utterly absurd and ridiculous the proposition is. It just cannot be done. I pointed out to the hon. gentleman when he was speaking that what we are doing at the present time is to loan money or to buy the debentures of these districts for this purpose. I pointed out that we have been doing that for years. He said, "I don't know of one project where they received the money from this Government." Well, I could tell him quite a few of them. There are quite a number that we have assisted, even in this last year. If the hon. gentleman wants the names of the different communities I have them here with me. We have quite a number that we have assisted.

Mr. Cameron (Maple Creek): — Would the hon. Minister answer a question? From what fund has this assistance been given?

Hon. Mr. Fines: — Most of them have been from the School Lands Fund and the Teachers' Superannuation Fund. For example, the town of Canora — there is some \$65,000 we loaned them or at least we bought their debentures and put them into the Teachers' Superannuation Fund; Melfort, \$70,000; Wynyard, \$43,000; Humboldt, that is in 'miscellaneous'. Then we have hospitals, the Teachers' Superannuation fund: Moose Jaw, Arborfield. And then we have city debentures: Saskatoon, in the Teachers' Superannuation fund; and Regina, in the School Lands fund. Those are a few of them. Then there are some other towns: Balcarres, we helped them with their water and sewer project, and we put that in the Teachers' Superannuation Fund; Tisdale, \$30,000, into the Teachers' Superannuation Fund. In other words, what we are prepared to do is to invest a certain amount. Last year, we invested, altogether, \$2,074,000. We bought just over \$2 million of these debentures to help these local communities in their water projects, and also for education.

My hon. friend from Souris-Estevan, this year, went through the budget very quickly. The only thing I could get out of what he said, on the one

hand, I thought he was trying to prove that we were spending altogether too much money on social welfare and on health services — he quoted at some length from the Ontario budget; and then, on the very next page, he was trying to prove that we weren't spending enough on social welfare. The Premier pointed out that it was very contradictory, and the hon. member suggested that we should be paying a great deal more in pensions than we are. He was critical of the Department of Social Welfare for not getting into action back in December, January or February, to get the machinery ready so that this new supplemental allowance could go into effect earlier. Mr. Speaker, I have some vivid recollections of that same gentleman, in this House last year, moving a vote of want of confidence in myself, because I dared to take action and to announce something before it came into this House. The hon. gentleman, this year, however, before this Legislature had approved this at all, suggests that we should have started three months ago; we should have announced that we were going to do this and get these applications in. Now you cannot have it both ways. Let us try and get a little consistency. There were so many inconsistencies all the way through the speech of the hon. member for Souris-Estevan.

I would like to say, Mr. Speaker, that it is going to be a big job. When we get these applications, the Department of Social Welfare will take several months — as a matter of fact, at first the Department told us that they would require pretty close to a year; however, they are going to take on special staff. They will have to take on a staff of at least 40 persons, on a temporary basis, to go out to see all these people, to check over the applications and make sure that they are eligible for the increased amount. Now when I say they will take on 40 persons, that will be only for a couple of months, but in that way they will be able to get some reports that will be meaningful.

Mr. Speaker, I would like to find out from my hon. friends sometime just where these cash reserves are. I am not going to ask them today where these cash reserves are. What did the hon. member from Souris-Estevan say? He said: "He has sizeable cash reserves, all over the place, and when I say 'sizeable', they run into millions — millions of dollars left over here and left over there, and 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."

Well, Mr. Speaker, I just don't think that the hon. gentleman's mind is large enough to comprehend how small these cash reserves of millions really are. After all, while, today, I have in our consolidated fund some \$15 million, yet that may be gone in one month. That is just how fast we can use this money. After all, if you have a budget of \$80 million — I want you to realize, Mr. Speaker, that this is almost \$7 million a month. And when you get a capital budget of some \$55 million, and when you say we happen to have \$1 million somewhere, that can be very very easily used up.

I would suggest to my hon. friend that he not get too alarmed about these big figures. When he has been playing around with them as long as I have he will begin to realize that they are not too meaningful.

Mr. Dewhurst (Wadena): — He'll never have the chance.

Hon. Mr. Fines: — I just want to assure the House that any cash reserves we have 'stashed away' in the little tin cans, I hope that we will have some of those cash reserves in days to come. I would like to go a little bit further, and tell my hon. friend that if every Provincial Treasurer had taken

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care, when he was creating a debt in this province, that that debt was going to be met when it was due, had taken the same care that this Government has taken, we probably would not have some of the problems we have, today.

I want to say this — and I do not want to say it disparagingly, because I have the greatest confidence in the world in them, and I know the difficulties under which provincial treasurers laboured in 1930-31-32; but, Mr. Speaker, we are going to have a problem on our hands four years from now that could have been a serious problem. Do you realize that we have total debentures of \$15 million coming due in 1949, and \$10 million in 1960, the great majority, about 65 per cent, of them coming due in the United States, that is, it is optional, United States funds or Canadian funds; about \$26 million in those two years, and not a single five-cent piece set aside in sinking funds to look after it? What have I been doing the last few years? Building up these sinking funds, so that, today, we have a total of approximately one-third of that amount, collected in a few years while revenues were buoyant, in order that we could meet the payments when the day came.

My hon. friend may say that is ‘stashing’ something away; but, Mr. Speaker, I want to tell you that if it had not been done, I would shudder to think of what would happen to a provincial treasurer who brought a budget in, in those years, to borrow the \$15 million for refunding in the fiscal year of 1959-60, when the total borrowing capacity of this province is approximately \$20 to \$25 million in a year. Do you see what it would mean? It would just mean that we would have to cut back the capital programme by that amount. As it is now, because of the steps we have instituted, and are putting into effect here, we are going to be able to carry on. We are putting aside a certain amount in sinking funds; we are building these up, and when 1959 comes we will pay that off, and we will be able to carry on with the same capital programme. But that was only done by planning several years ahead and by ‘stashing’ away a little bit of money in tin cans to do it with.

Now, Mr. Speaker, there is only one thing I want to say about the other speeches, and that is what the member for Arm River (Mr. Danielson) had to say, last night, about staff. He said there is a tremendous staff, and they are not very busy, or they are not very well occupied. Well I think that this matter should be reported to the Civil Service Association. I think the civil servants should know that the Liberal party thinks that there are too many of them around, that they are not very busy. I want to say, Mr. Speaker, that the complaints we get constantly are that they are too busy. We are constantly getting requests from the Association — in fact we have one grievance right now, from one of the institutions in the province that they are being very greatly overworked and demanding additional staff. I might say the same is true in several departments. We have had, from time to time, complaints from the employees about the way in which they are worked. I am not going to try to answer these questions today, but I do think it is something that our civil servants should know, that this effort is going to be made again, if the Liberal party is returned, to cut down the staff and see that they work a good deal harder than they are doing at the present time.

However, I do not think there is any truth to it. I don't think there is any more truth to it than to the other stupid statement that was made by the hon. gentleman, that there isn't a licence paid or a permit paid that hasn't been doubled or tripled by this Government. Whom does he think he is fooling? Why, Mr. Speaker, the cheap licence fees — automobile licence fees — have they been doubled? They have not been changed. There hasn't been one single increase, since this Government was elected, on the automobile licence fees in this

province. Truck licences — a few years ago we raised the very large ones, and we reduced some of the others; but on the whole there has been practically no change in the truck licence fees. Fees for normal students, fees for correspondence schools — very few of these fees have had any change whatsoever. And when the hon. gentleman gets up and says that all these have been doubled or tripled, it is just indicative of the mind of the gentleman.

Now, Mr. Speaker, again I want to thank the hon. members for the courtesy they have extended me during this debate, and I hope that hon. members will think carefully before they get up to be counted, which is about to be done; because, remember, that every member who stands up, today, and votes against this budget, what is he going to vote against? First of all, he is going to vote against raising the old-age pension from \$2.50 right up to as high as \$20.00, the highest that any province in the Dominion of Canada will be paying. They are going to vote against that.

If they get up and vote against this budget, they are going to vote against this item in here for mothers' allowances, which will increase mothers' allowances from \$35 to \$40 a month . . .

Hon. Mr. Sturdy: — A mother and one child.

Hon. Mr. Fines: — They are going to vote against this item which provides increasing the payment to foster mothers, foster parents, by 10 per cent. They are going to vote against this other item in Highways which will raise the amount of municipal road grants by almost 50 per cent; and if they dare to get up and vote against this budget, Mr. Speaker, they are going to vote against raising the amount of the per diem grant for education from \$500 to \$600 a year — \$100 for every classroom in the province.

Mr. McDonald: — It's not enough.

Hon. Mr. Fines: — And not only that. They are going to get up and vote against further equalization grants, which, together with the per diem grants, will result in educational costs in some areas being reduced by 4.8 mills.

Mr. Speaker, I await with interest what the hon. members are going to do.

The question being put, it was agreed to by 38 against 11, and the House went into Committee of Supply.

The Assembly adjourned at 6.05 o'clock p.m.